

Macro Commercial Real estate overview

March 18th, 2026

Alony Hetz Investors Presetation



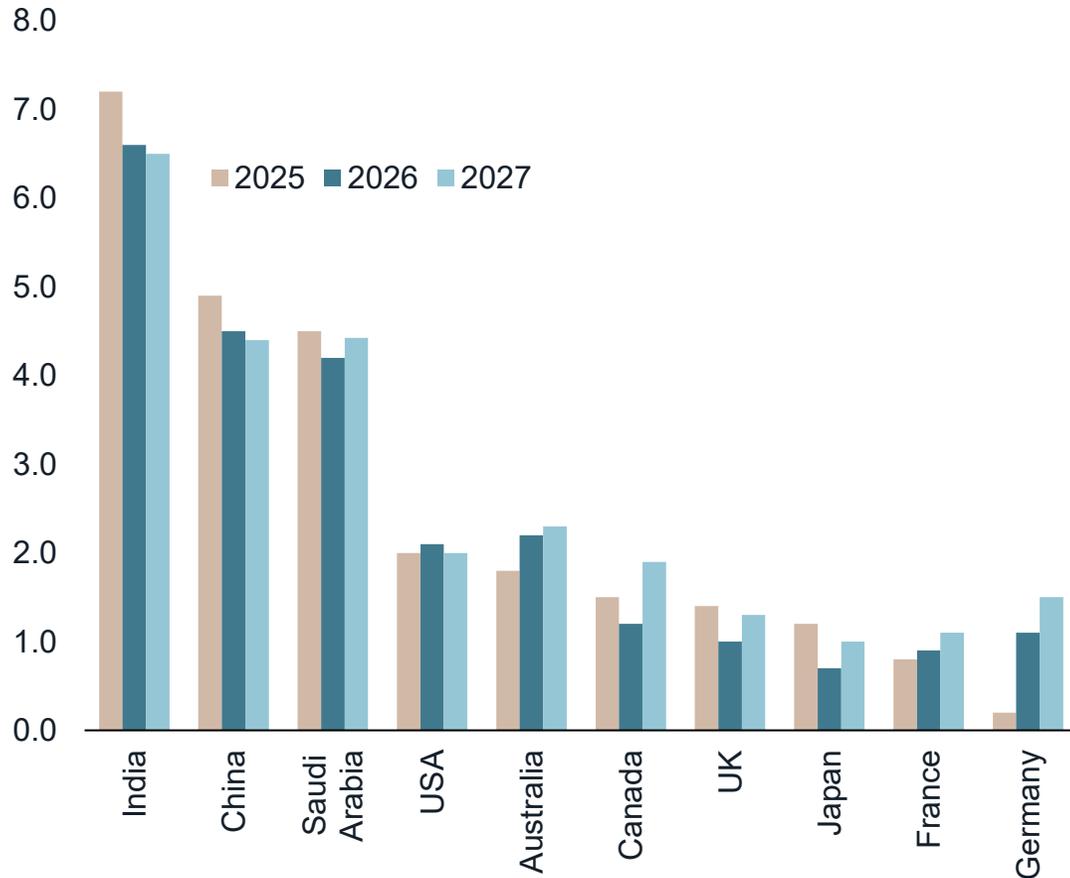
Key takeaways

Stable economic fundamentals

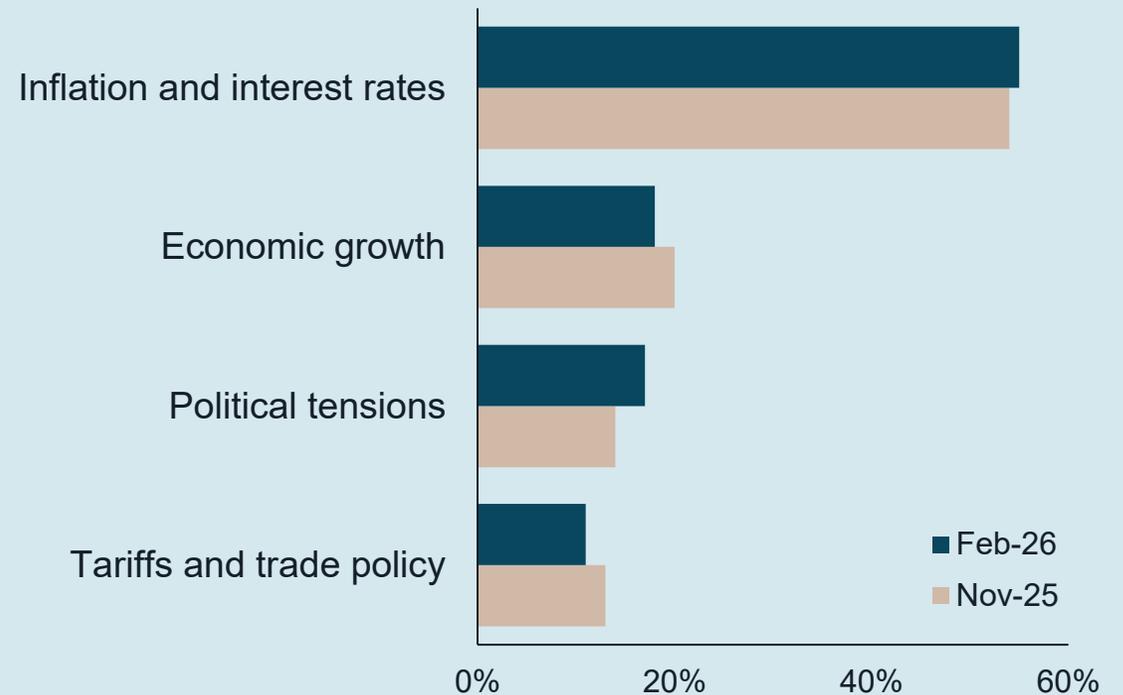
1. Despite geopolitical uncertainty, economic fundamentals remain **resilient**
2. **Inflation and interest rates** continue to influence investor decision-making
3. Real estate sentiment is turning more **optimistic** heading into 2026

Overview | Stable economic fundamentals despite geopolitical uncertainty

GDP growth forecast (%)



What is the top concern affecting your real estate decisions today?



Source: JLL, Oxford Economics; Note: Data reflects forecasts developed before the start of the Iran War

Global real estate sentiment survey

Over the next six months, do you think market conditions will:



Improve



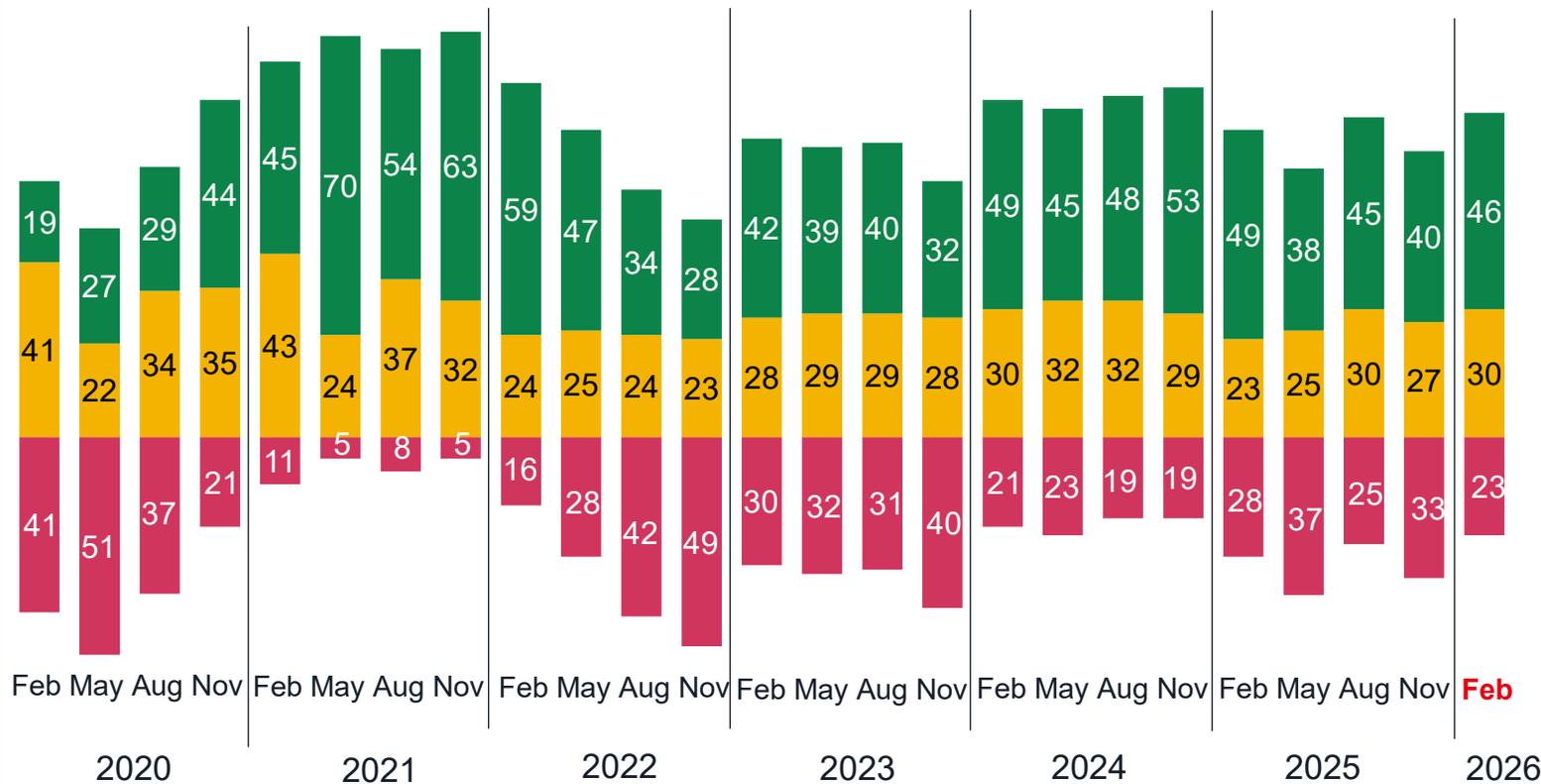
Stay the same



Worsen

Based on approximately 2,000 LinkedIn survey responses across CRE occupiers and investors, collected before the start of the Iran War

% of respondents



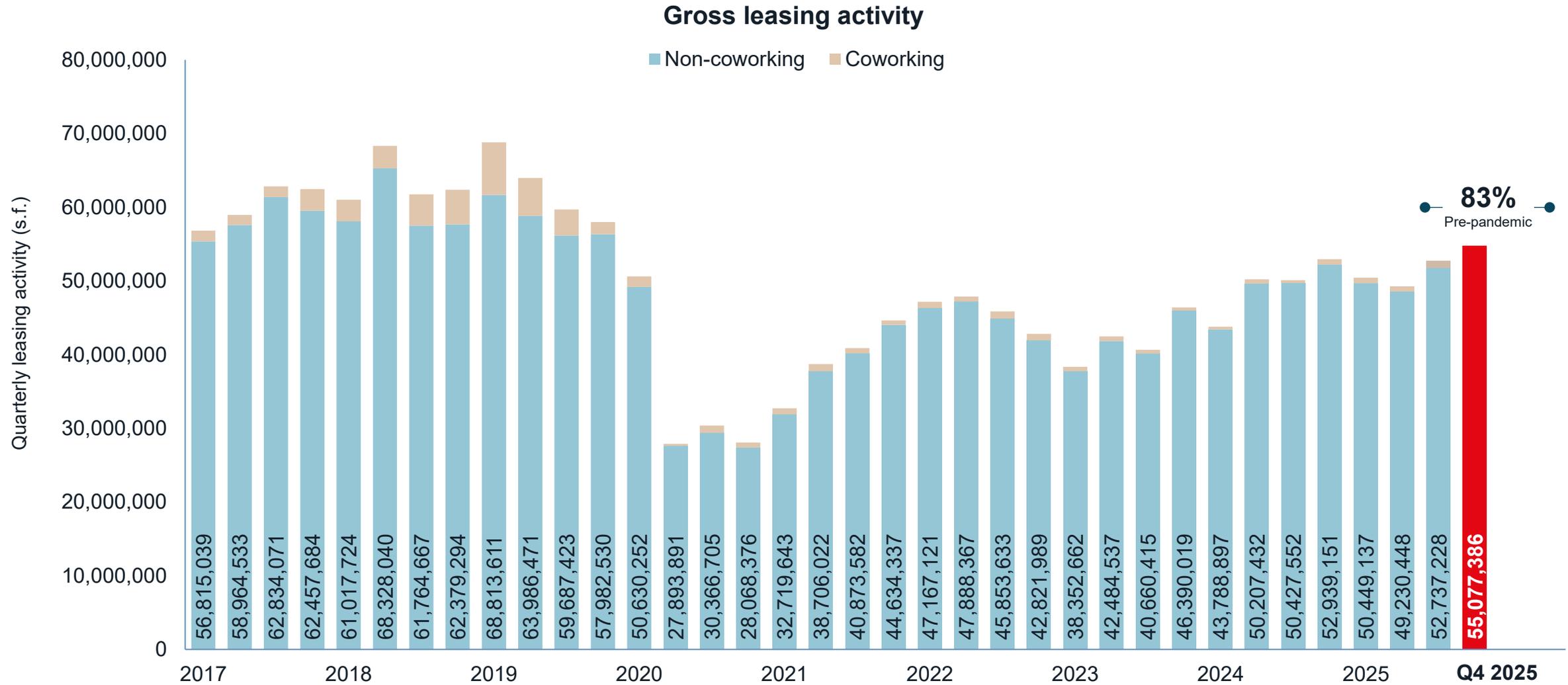
Office in the U.S.

Key takeaways

Office in the **U.S.**

1. The U.S. office market is in **recovery** — leasing, absorption, and capital markets are all improving
2. **Quality is everything**: tenants and capital are concentrating in newer, best-in-class buildings while older stock is being removed from inventory
3. The **return-to-office shift is real** and accelerating, supporting sustained occupancy demand
4. Boston and DC illustrate the **bifurcated market** — Trophy assets commanding significant rent premiums while lower-quality buildings face structural headwinds

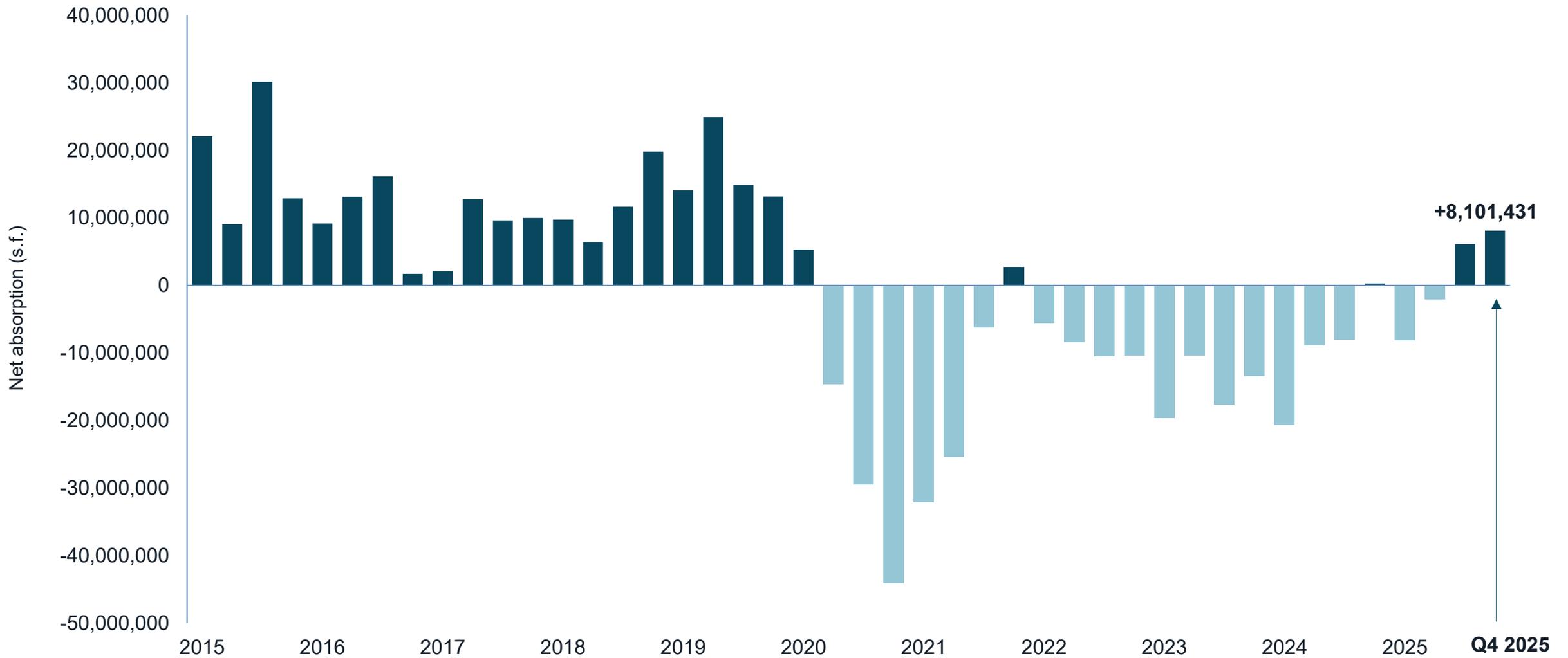
Leasing re-establishes post-pandemic high; up 5% in 2025



Source: JLL Research

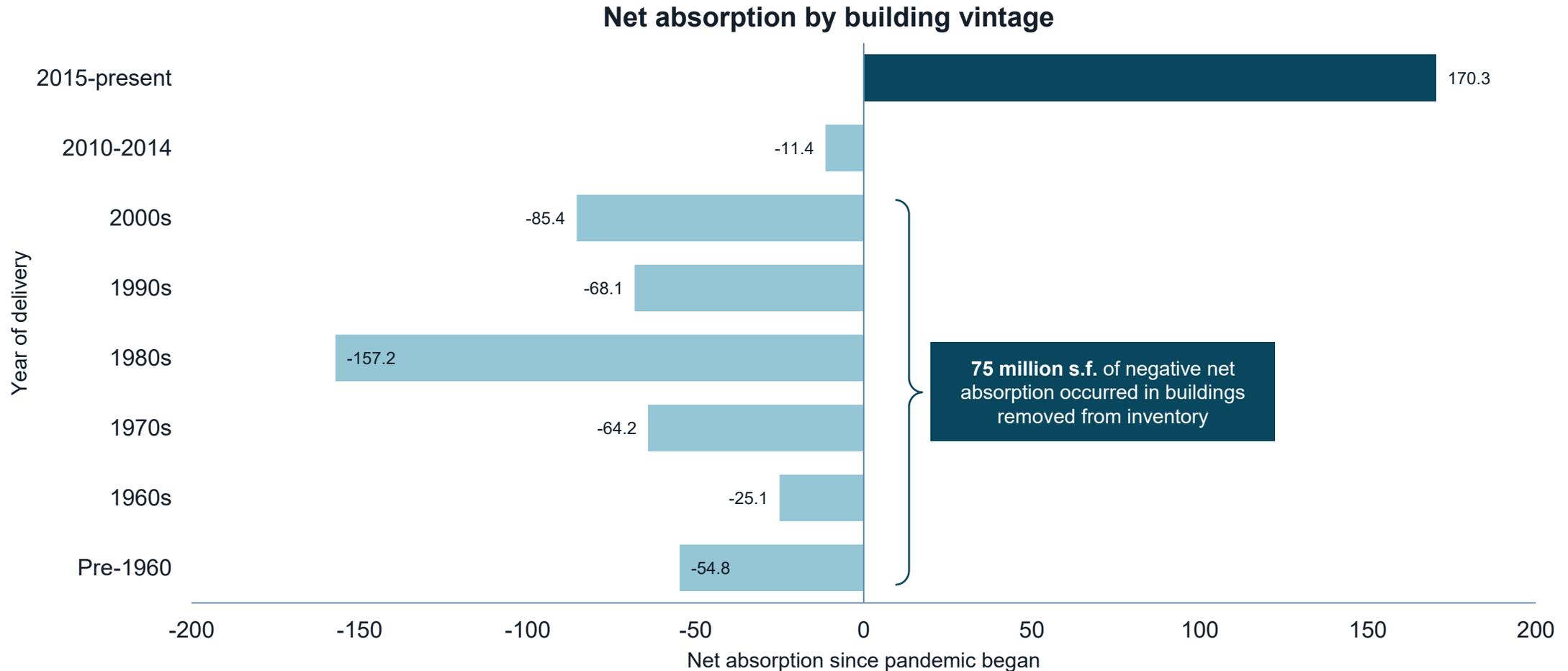


Downsizing cycle has completed, companies begin to expand



Source: JLL Research; Note: Right - Includes tenants above 25,000 s.f. with a single office location in the market. Excludes tenants who downsized by more than 50% or expanded by more than 50%. N = 2,038

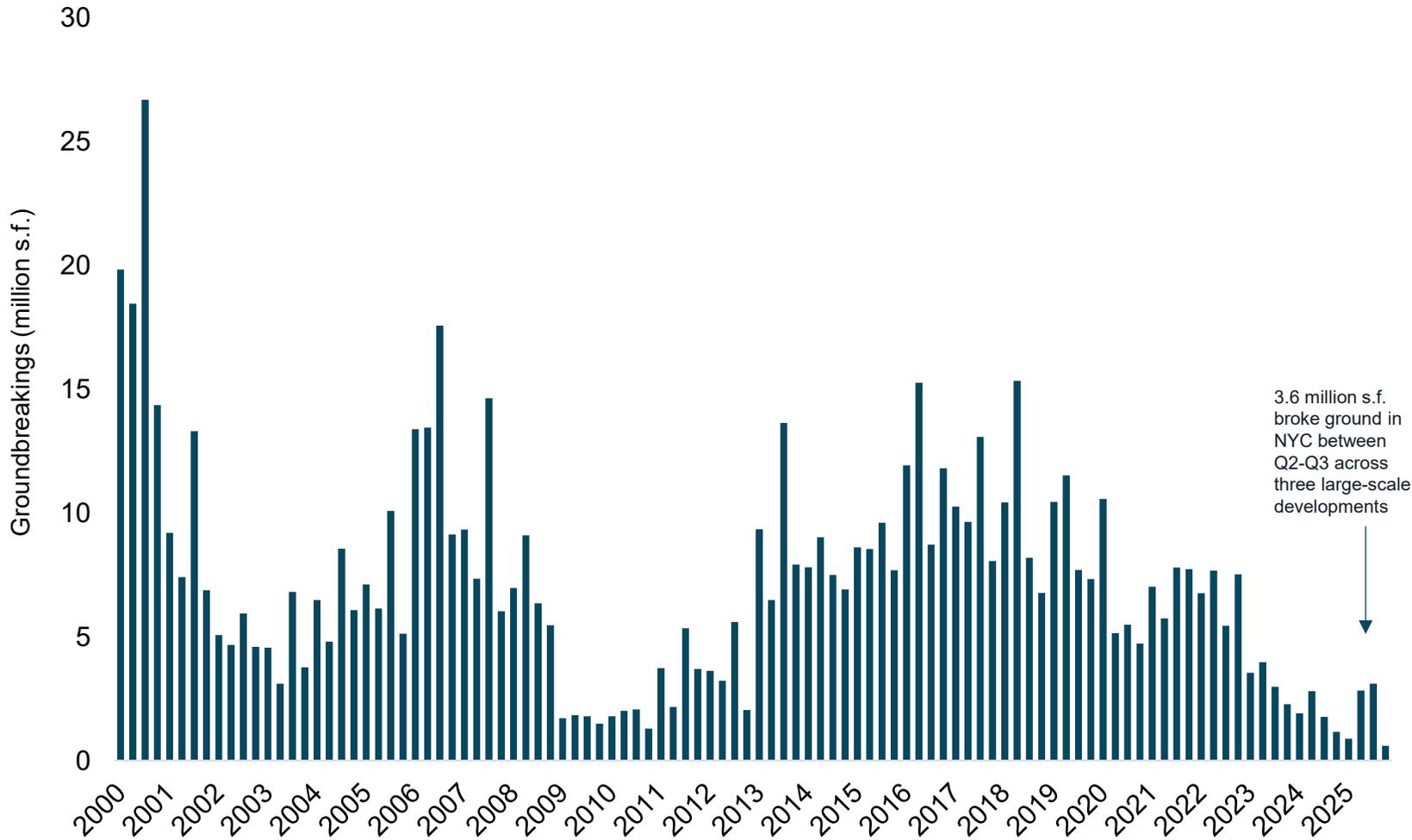
Flight to quality continues to drive occupancy gains in newer product; negative net absorption in older product elevated by conversions and redevelopments



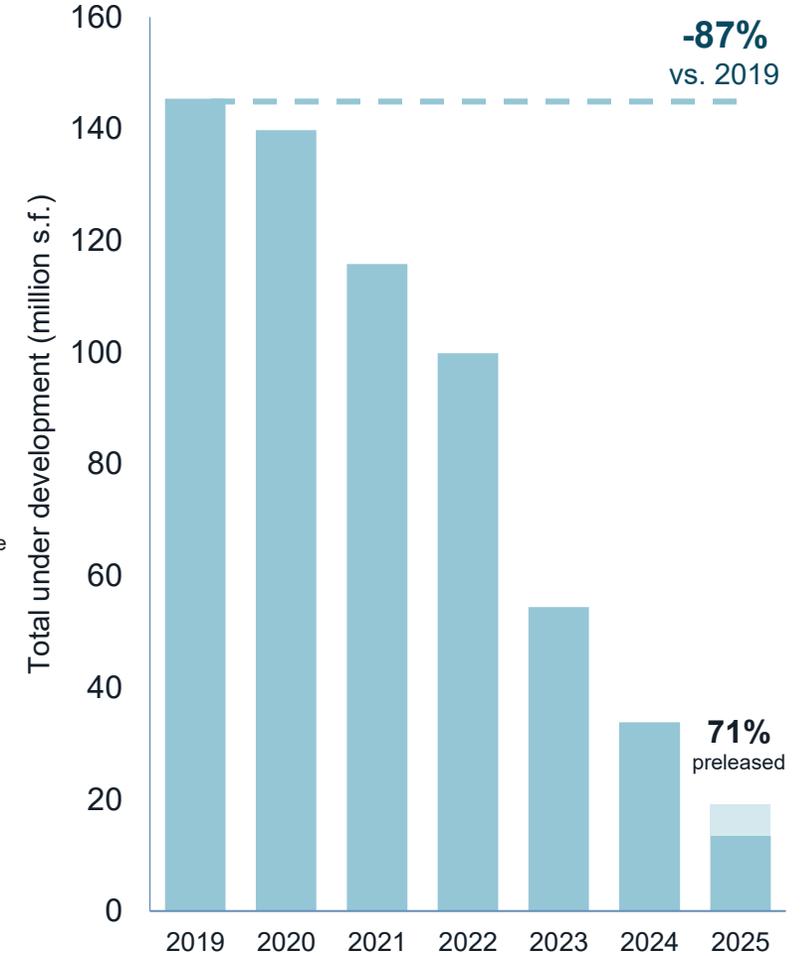
Source: JLL Research

Groundbreakings remain stagnant outside of rare large-scale projects

U.S. office groundbreaking volume



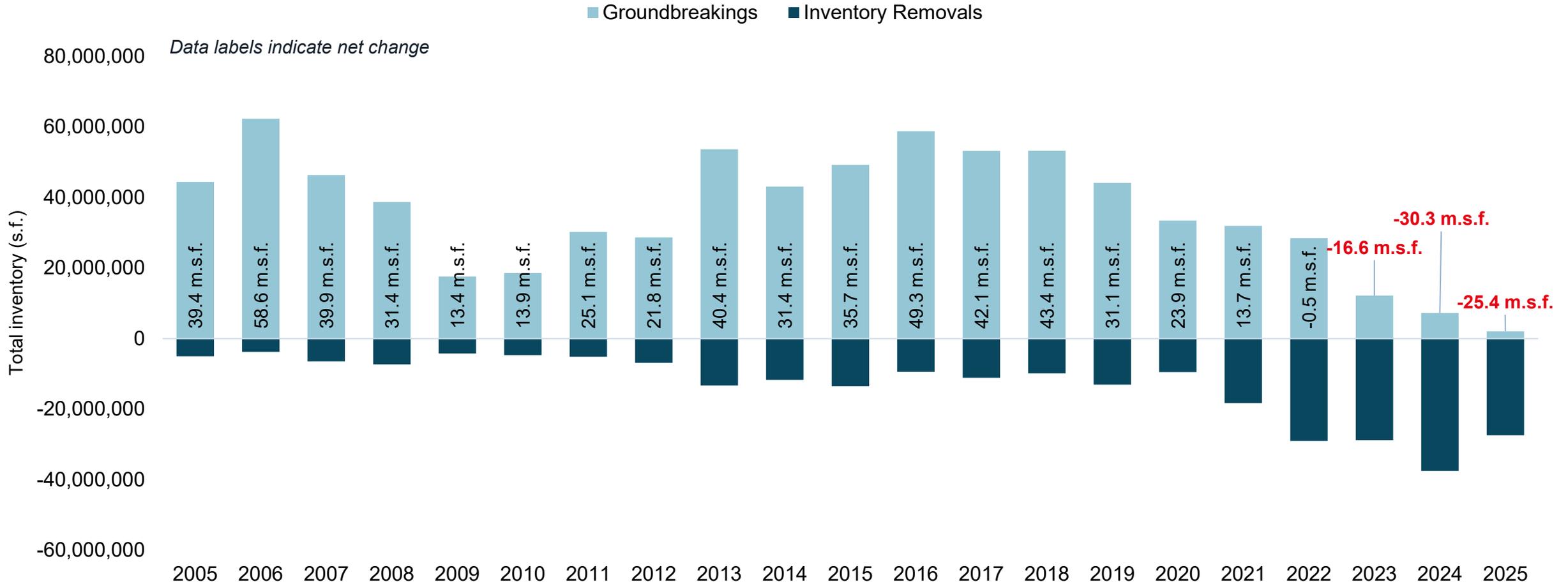
Pipeline shrinking as deliveries are not replaced by new projects



Source: JLL Research



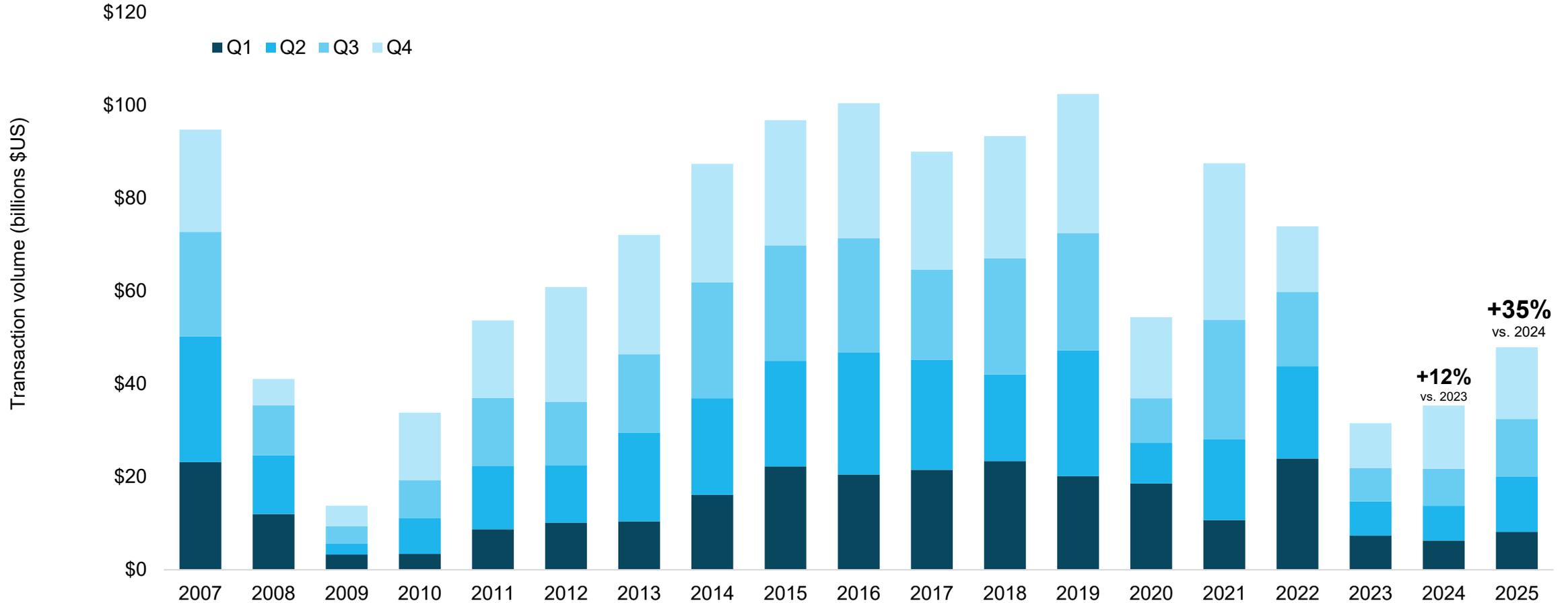
Overall inventory losses are accelerating, with more to come



Source: JLL Research; Note: Offices under construction are not included in JLL's statistical inventory until completion, so the above does not reflect realized losses in inventory to date.

Steady improvements to liquidity over the course of 2025

Historic office transaction volume

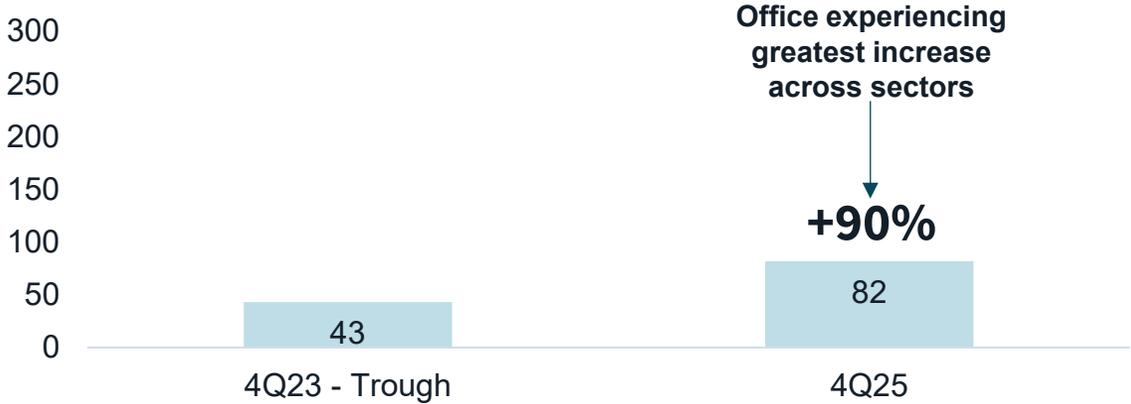


Source: JLL Research; Note: Single-asset transactions over \$5.0 million; excludes lab, medical office and data center.

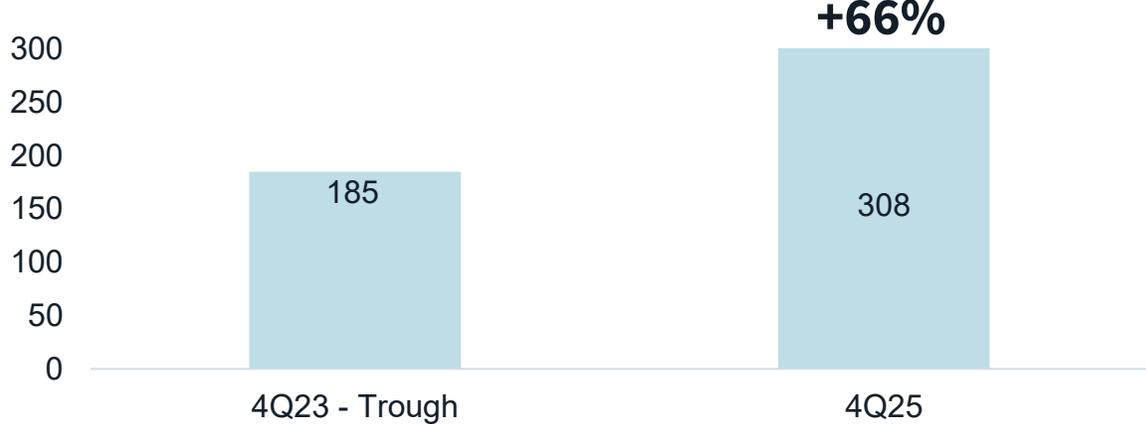
No. of lenders quoting on transactions up materially across sectors

Data pertains to number of lenders quoting on loans for each property type

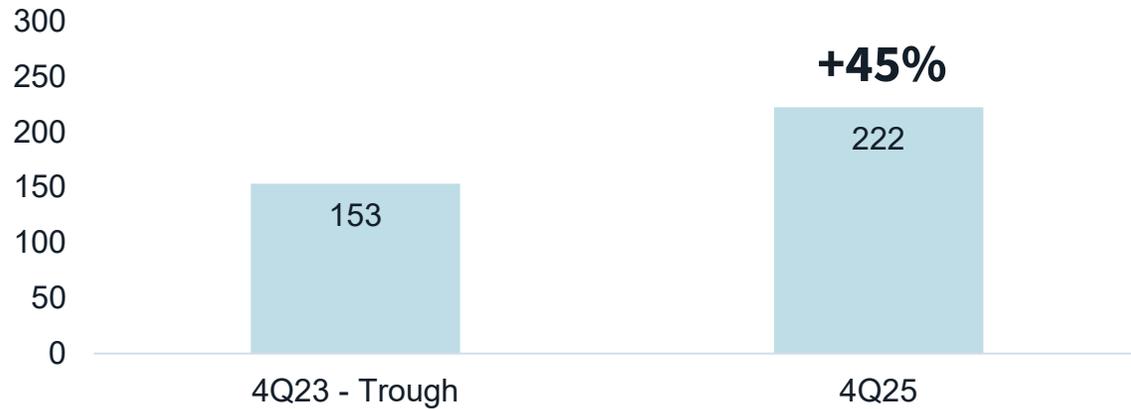
Office



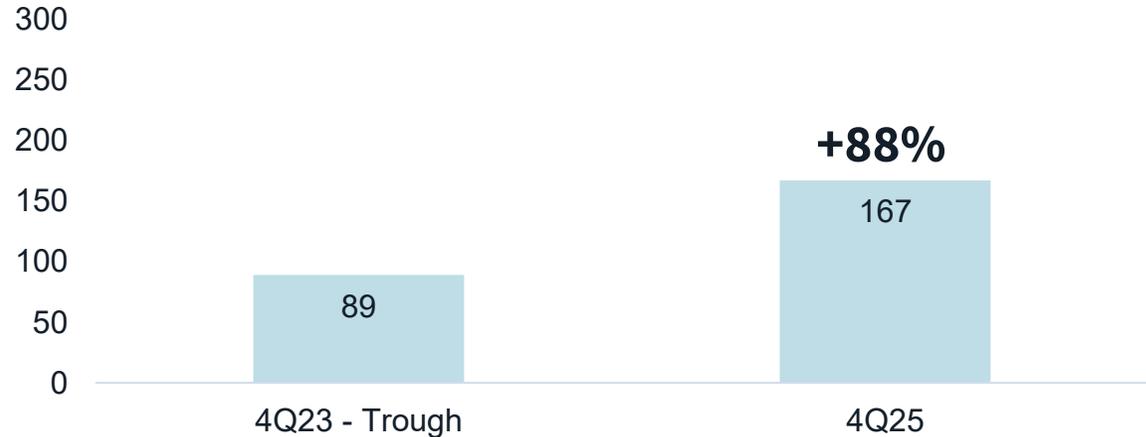
Multi-Housing



Industrial



Retail

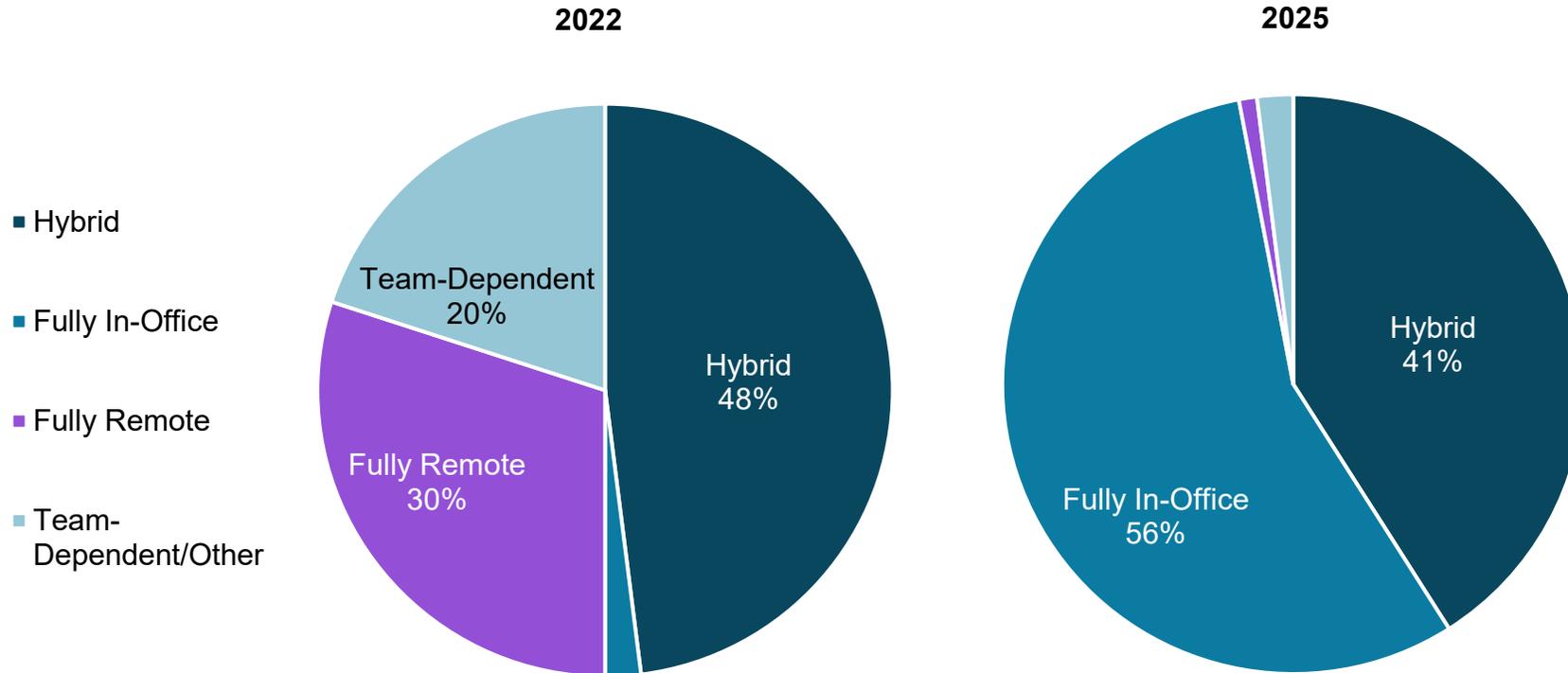


Source: JLL Research



Attendance policies of major employers now resemble pre-pandemic norms

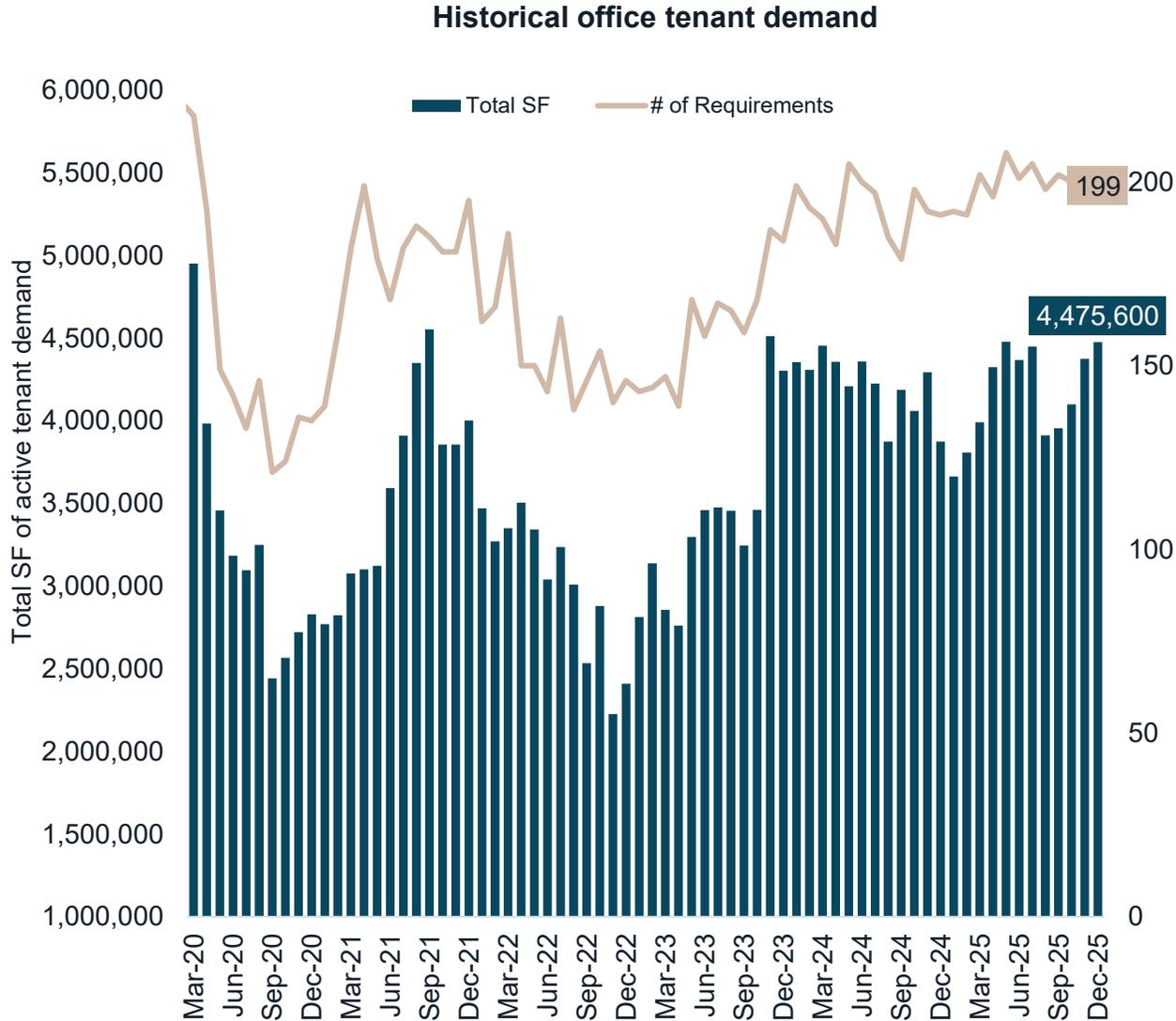
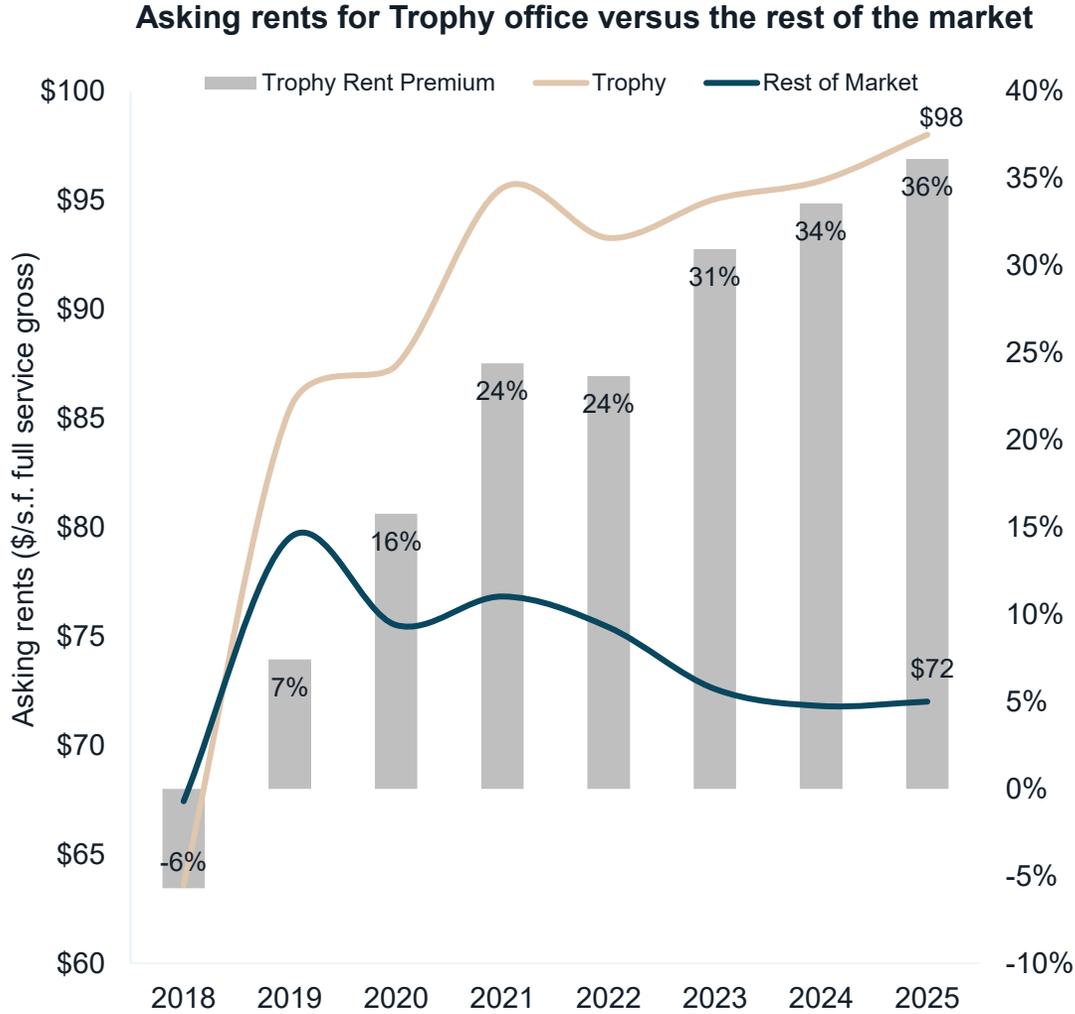
Fortune 100 Office Attendance Policies



4.02 days

Average weekly attendance requirement for Fortune 100 employers in January 2026

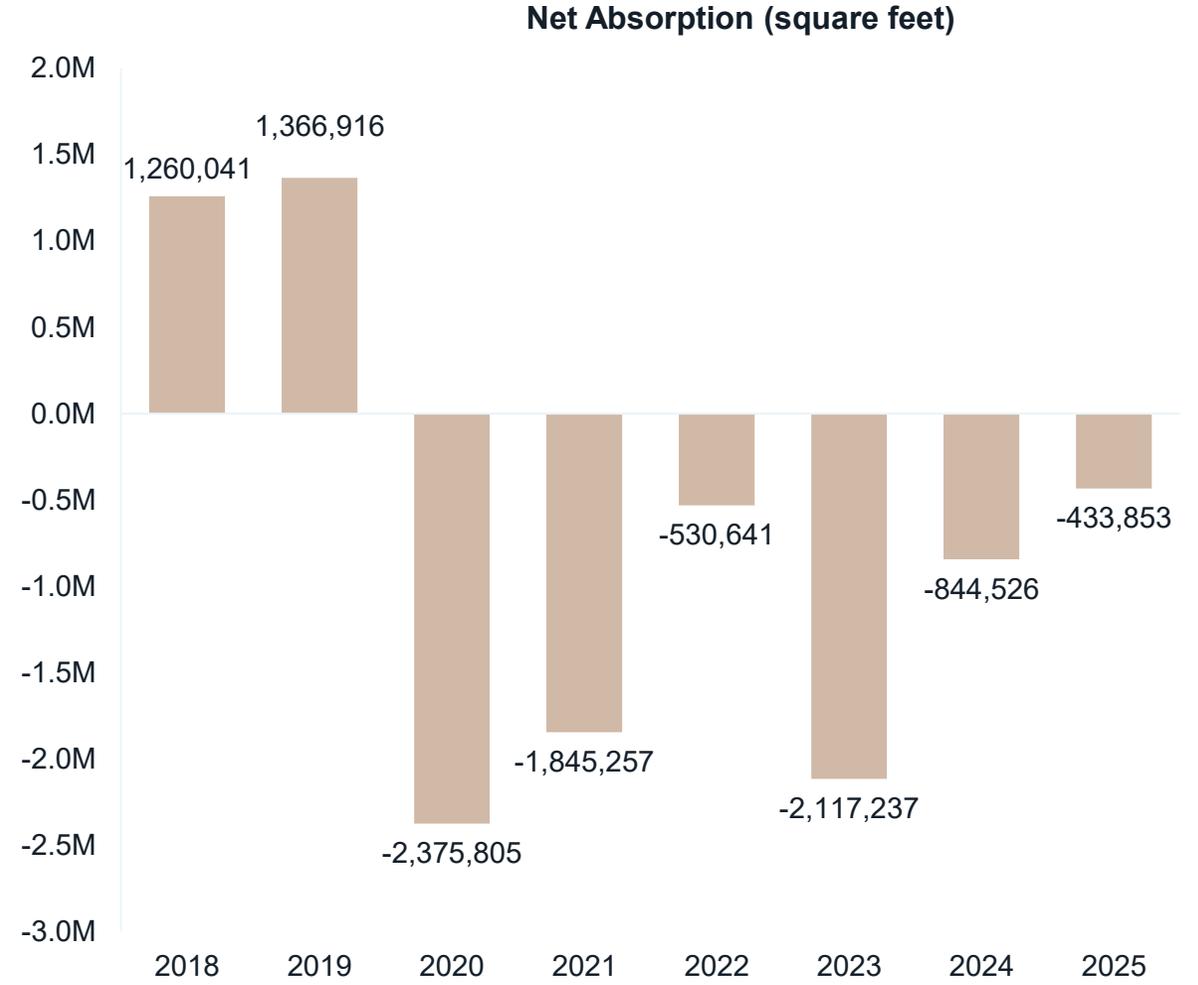
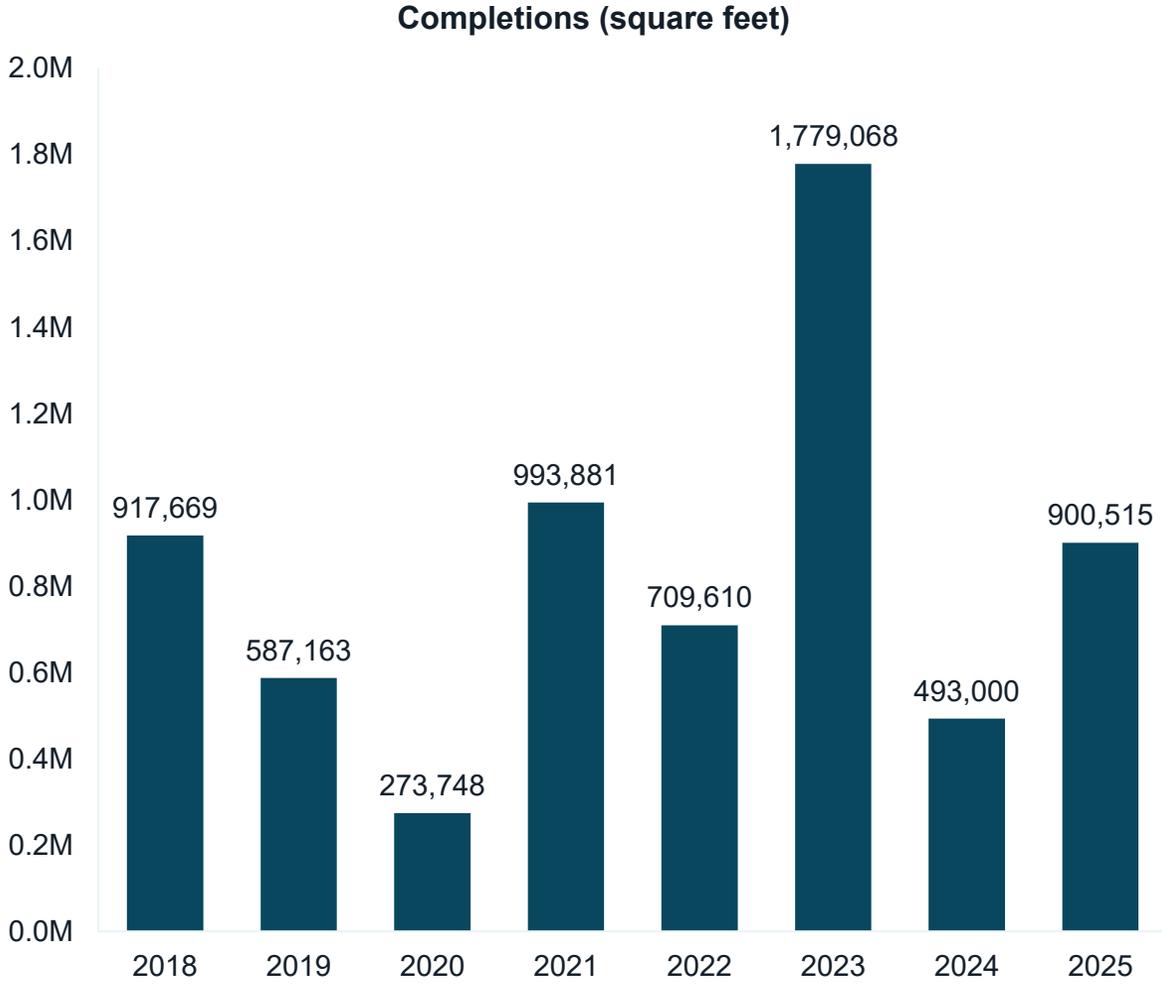
Boston | Class A Flight-to-Quality and near-record demand



Source: JLL Research

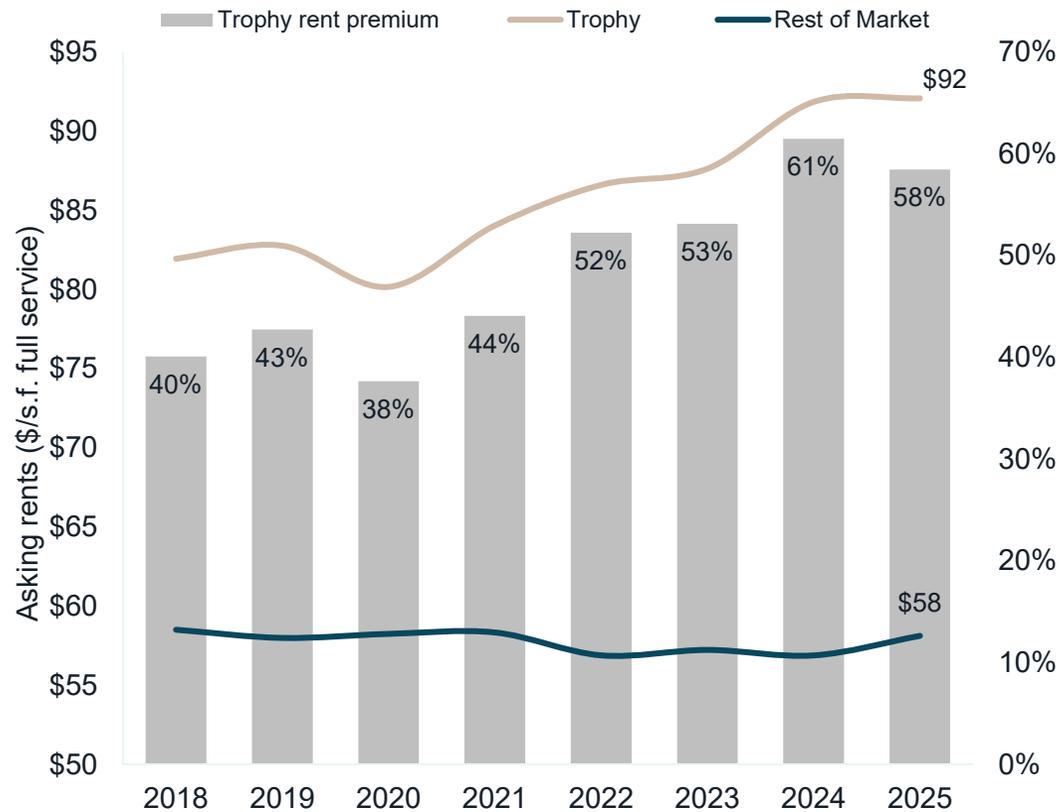


Boston | Absorption remains negative for 6th straight year

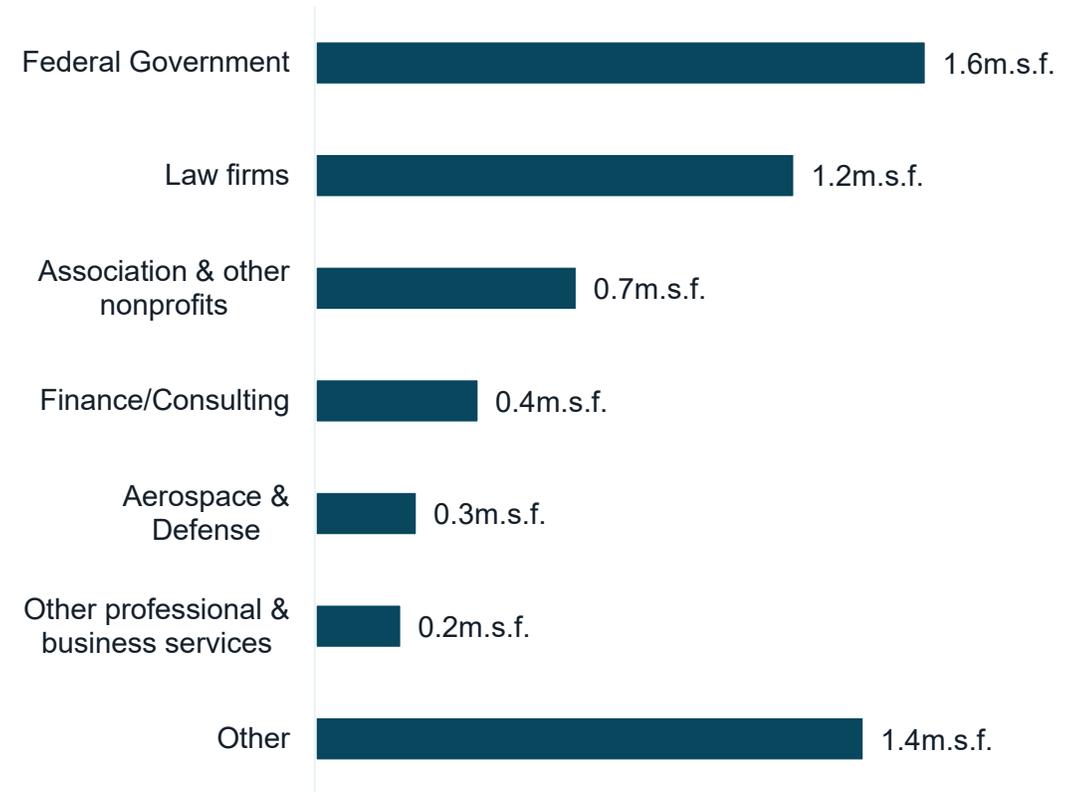


Washington, DC | Federal government leased more office space than any other sector in 2025

Asking rents for Trophy office versus the rest of the market



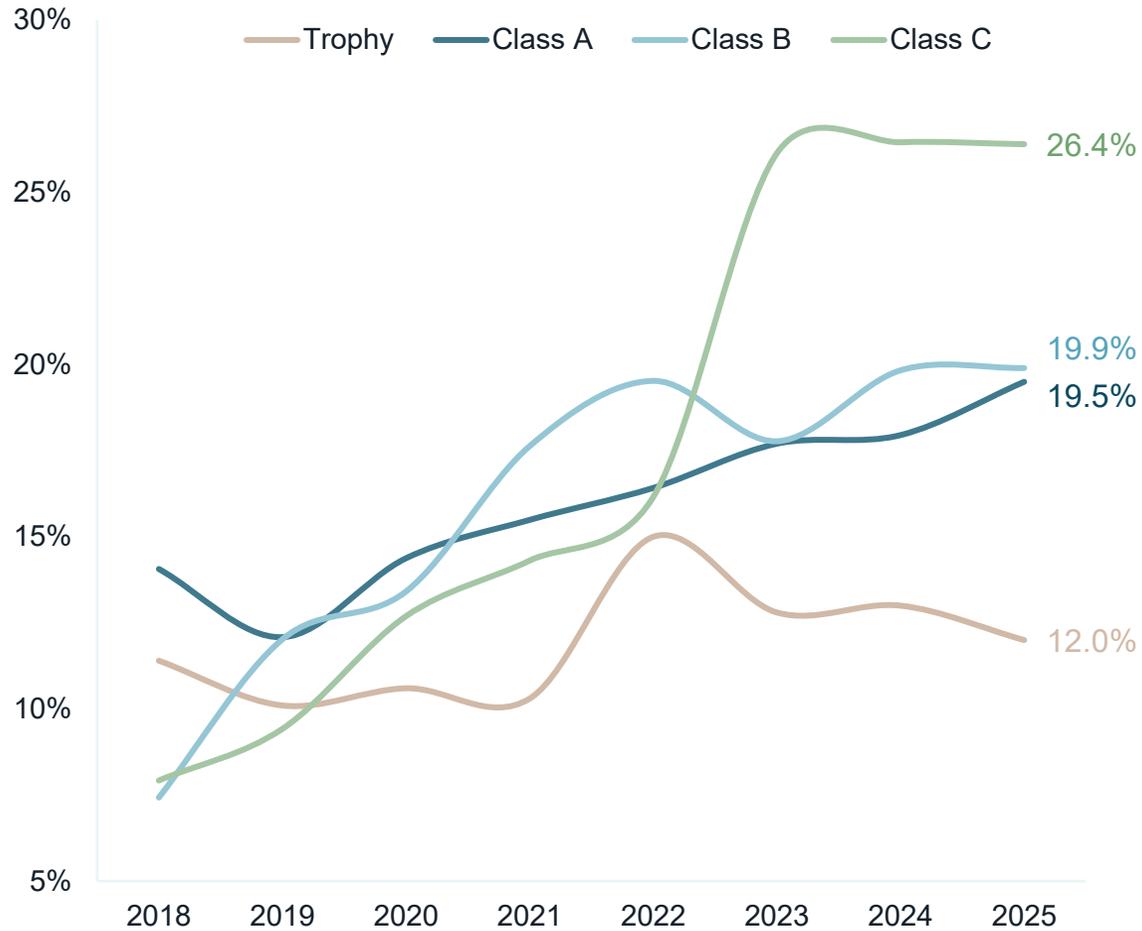
2025 lease volume by industry sector (10,000+ s.f.)



Source: JLL Research

Washington, DC | Vacancy diverging; little supply ahead

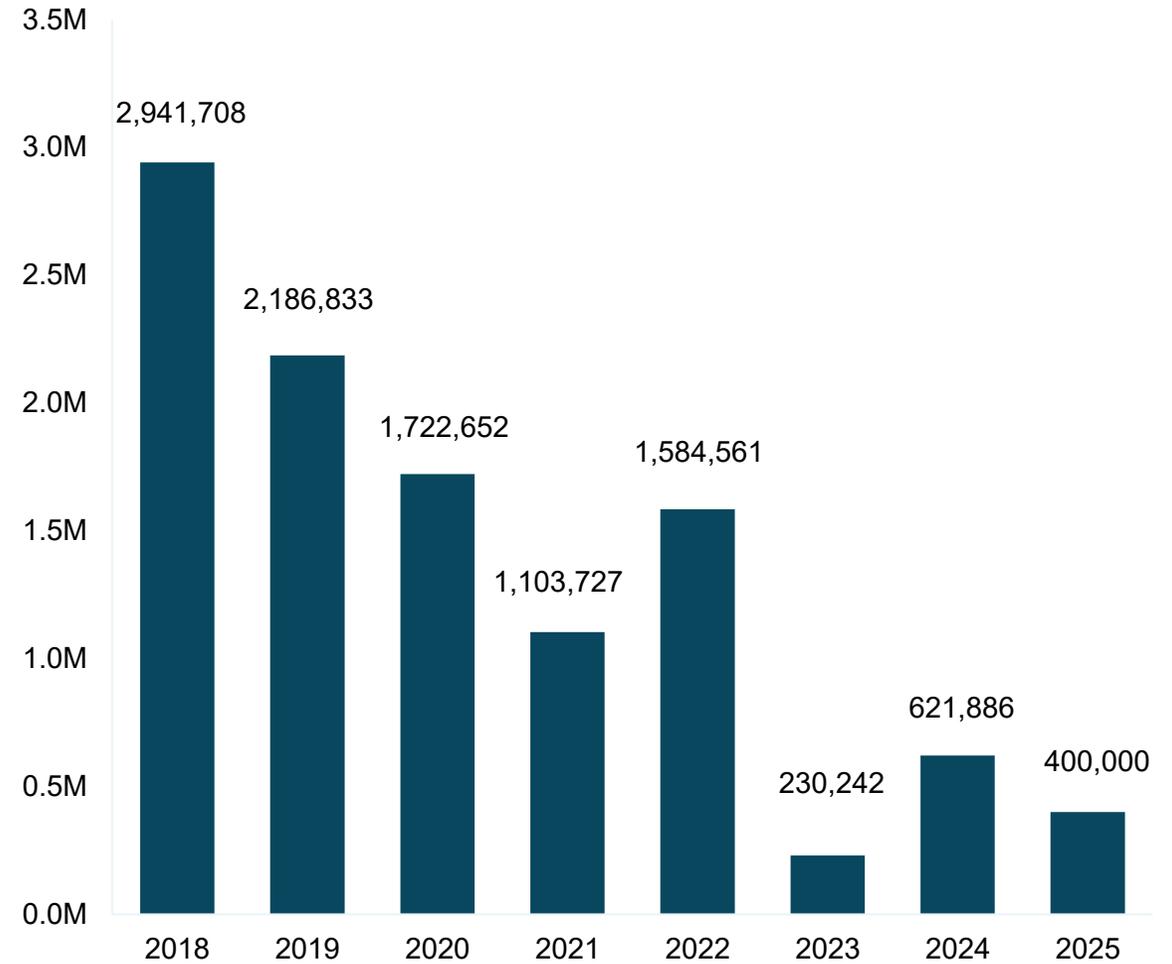
Direct vacancy



Note: Trophy vacancy excludes 600 5th due to its outlier status

Source: JLL Research

Completions (square feet)



Office in Central London

Key takeaways

Office in Central London

1. The Central London office market enters 2026 with **strong momentum**, underpinned by robust demand and constrained supply
2. 2025 delivers strongest leasing year since 2019 as **prime supply shortage** intensifies
3. Central London leasing driven by **flight to quality**, with pre-let activity accounting for 24% of annual transactions
4. City market and West End showcase the **bifurcated market** — City market records strongest annual performance since 2019, whilst West End momentum slowed in the second half of the year

Central London | JPMorgan to build 3 million square foot office for its headquarters in the UK

JPMorgan to build new London office tower as Jamie Dimon praises UK chancellor



Central London stats

Central London	Q4 2025	10-year quarterly avg	Year-on-year change
Quarterly take-up (square feet)	2.9 million	2.7 million	↓
Year to date take-up (square feet)	10.6 million	9.8 million	↑
Under offer (square feet)	3.8 million	2.9 million	↑
Active demand (square feet)	13.4 million	9.7 million	↑
Overall vacancy rate (%)	8.9%	6.6%	↓
New build vacancy rate (%)	1.2%	1.1%	↓
Speculative under construction (square feet)	9.9 million	9.2 million	↓
Quarterly investment volumes	£3.4 billion	£3.8 billion	↑
YTD investment volumes	£9.5 billion	£11.7 billion	↑

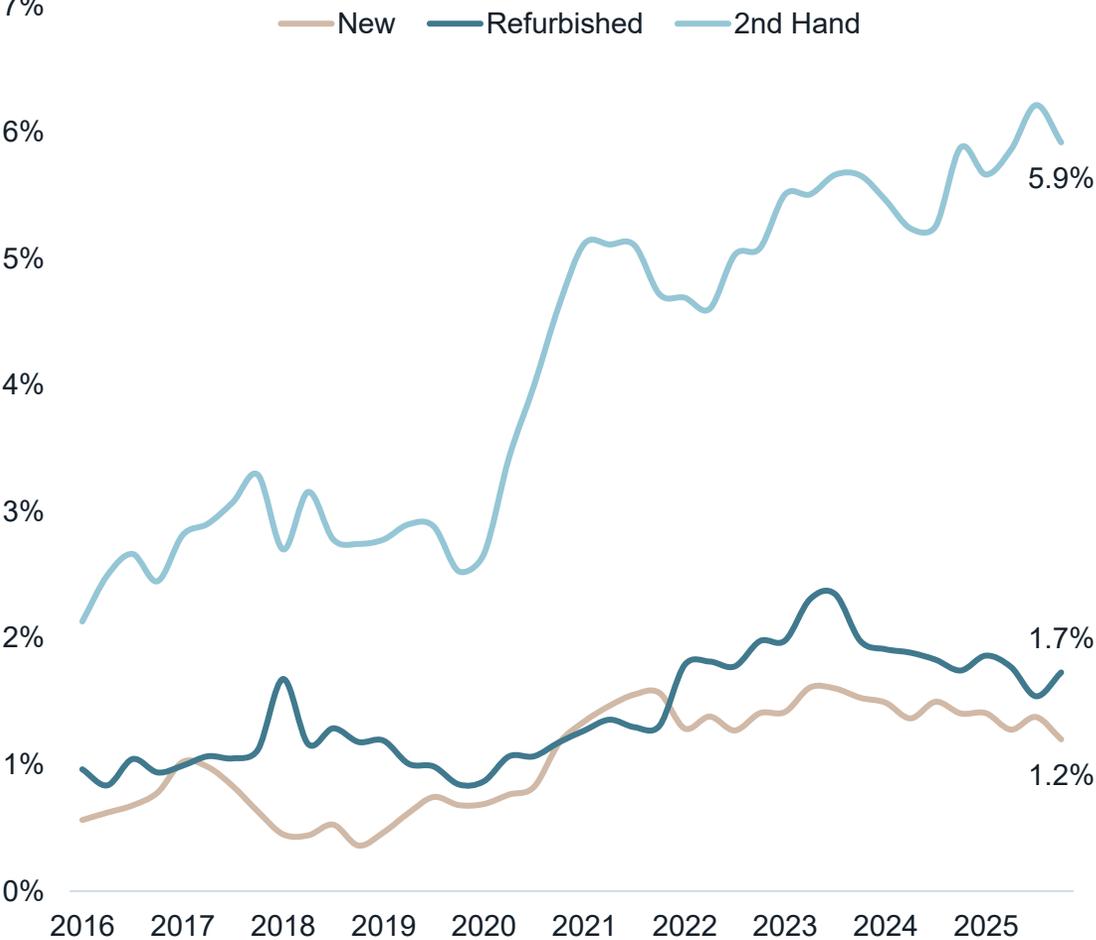
Source: JLL Research; Image courtesy of JPMorganChase/Foster+Partners/Handout via REUTERS

Central London | New and refurbished vacancy remains tight

Asking rents for Super Prime vs. Prime office



Overall Vacancy



Source: JLL Research



Impact of AI

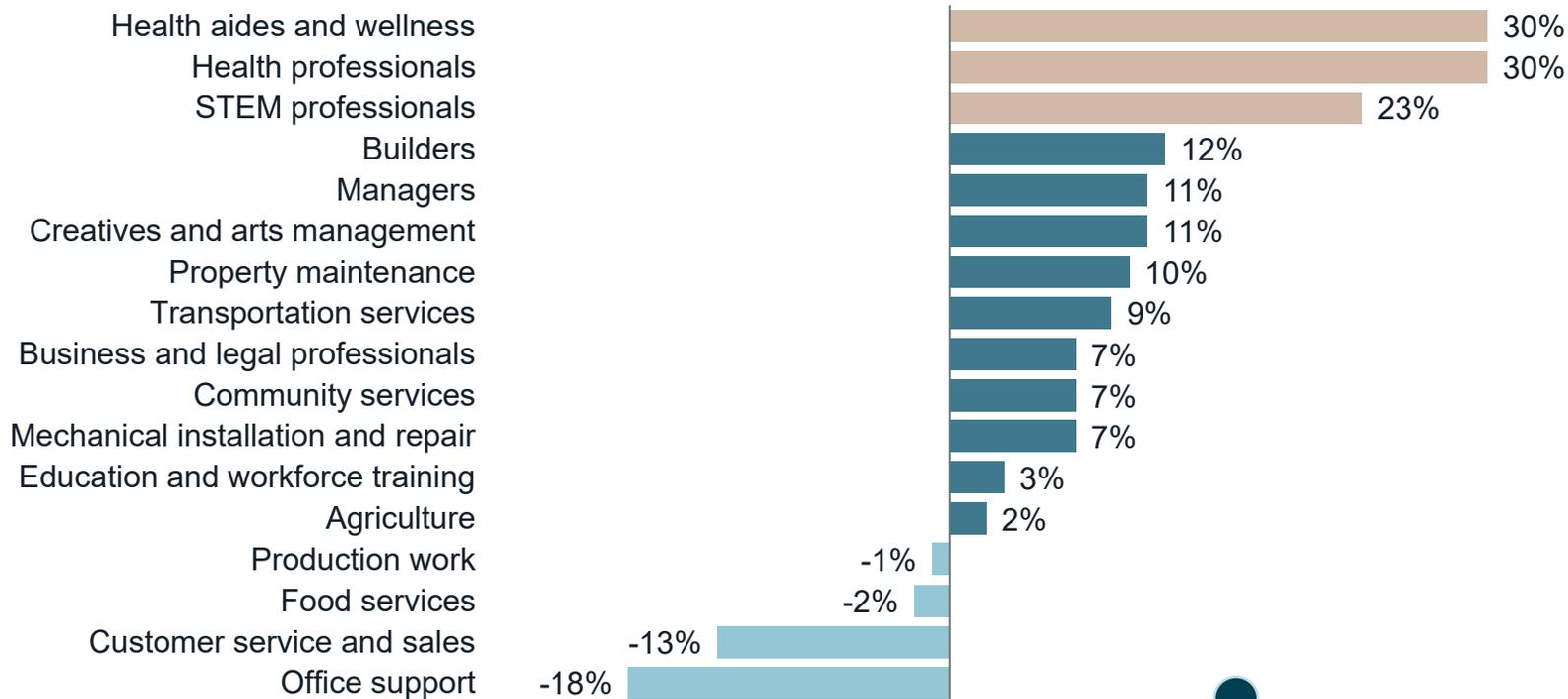
Key takeaways

Impact of AI

1. **AI will reshape office-using employment**, creating demand in high-skill markets while automating low-skill tasks
2. **Technology hubs** are best positioned to capture new demand from AI company growth; Sunbelt markets may face more work-task automation
3. While the actual impact remains unknown, **significant innovation** typically leads to significant economic opportunity

AI could drive demand among most current occupations; however, upskilling will need to happen across all occupations

McKinsey's forecasted net job demand among current occupations by 2030



Traditional back-office roles may be upskilled to other sectors such as the Healthcare industry

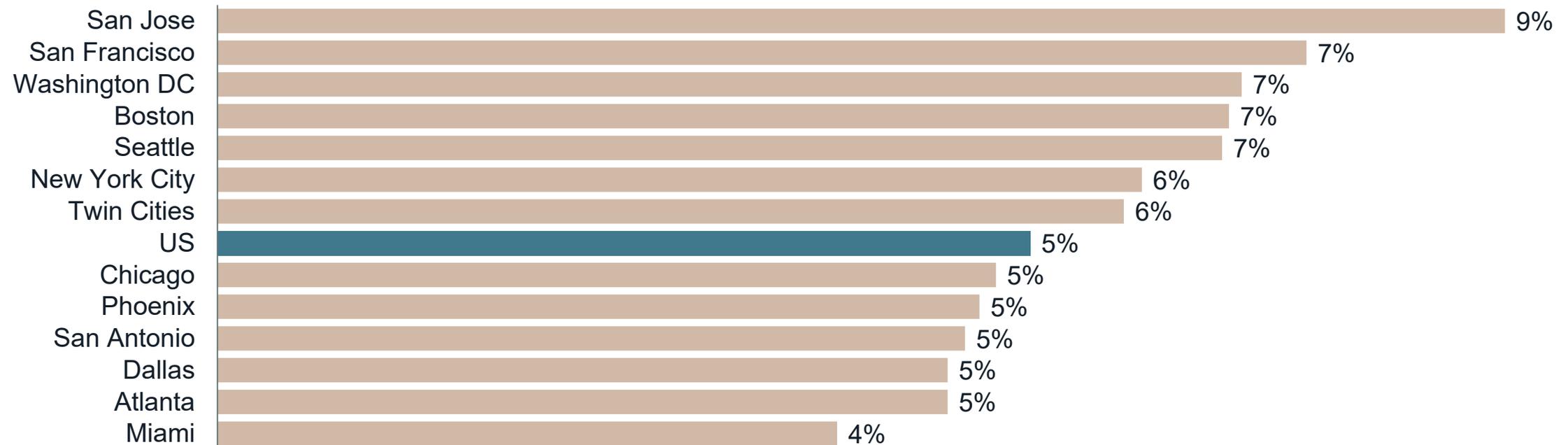
Source: McKinsey 2023 Generative AI Impact on Jobs; STEM refers to careers focused on science, technology, engineering or mathematics



Using McKinsey's forecast, there could be more job demand across all occupations in an AI economy

Interpersonal and critical thinking skills will be more important in an AI economy

McKinsey's forecasted net job demand among current occupations by 2030 (MSA)

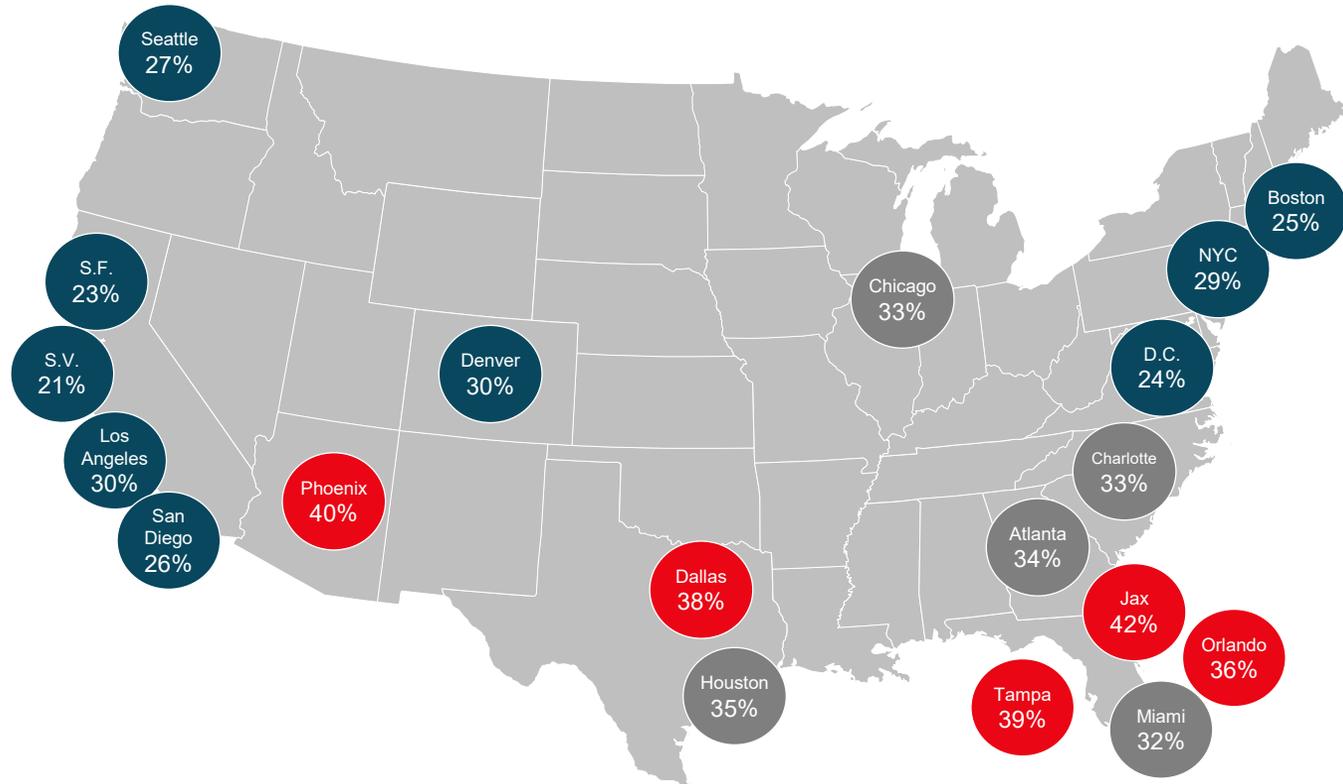


Source: McKinsey, BLS May 2022 data

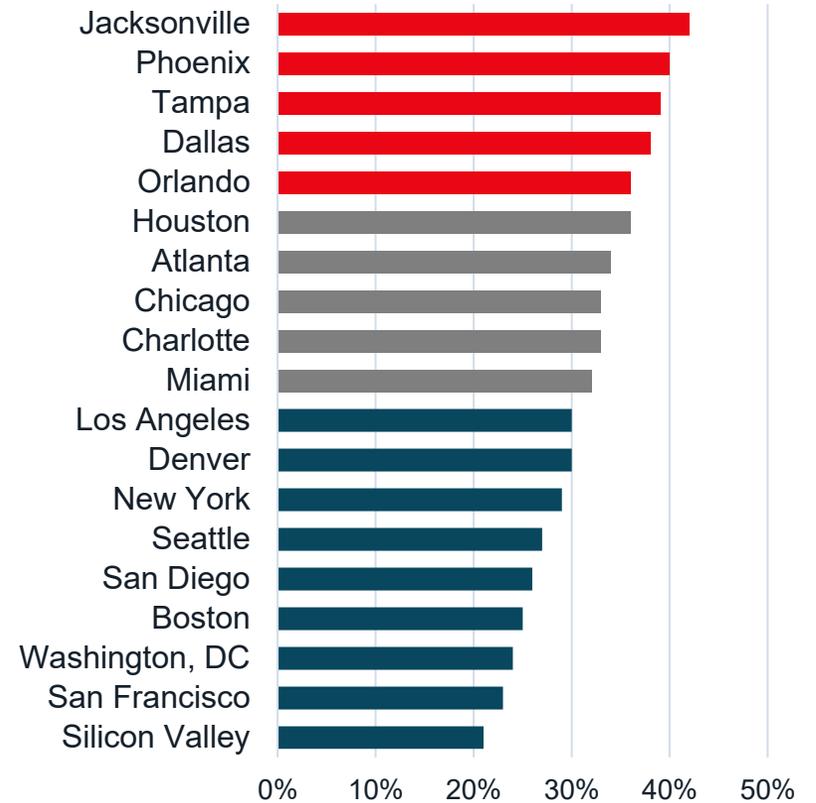


Estimated share of back-office employment in each market

Administrative and back-office roles as a % of total office employment



Approximate share of back-office employment



Source and methodology: data is an approximation based on occupations with a high proportion of routine, administrative tasks. Examples include: Office and Administrative Support, Bookkeeping and Accounting Clerks, Data Entry Keyers, Payroll and Timekeeping Clerks, and Business and Financial Operations Support roles. Calculation: The percentage represents the estimated share of jobs in the defined "back-office/support" occupations relative to the total "office-using employment" for that metro. Cities with a lower concentration of these roles are considered to have less exposure to potential automation. Derived from analyzing publicly available data from the Brookings Institution, McKinsey & Company and U.S. Bureau of Labor Statistics.

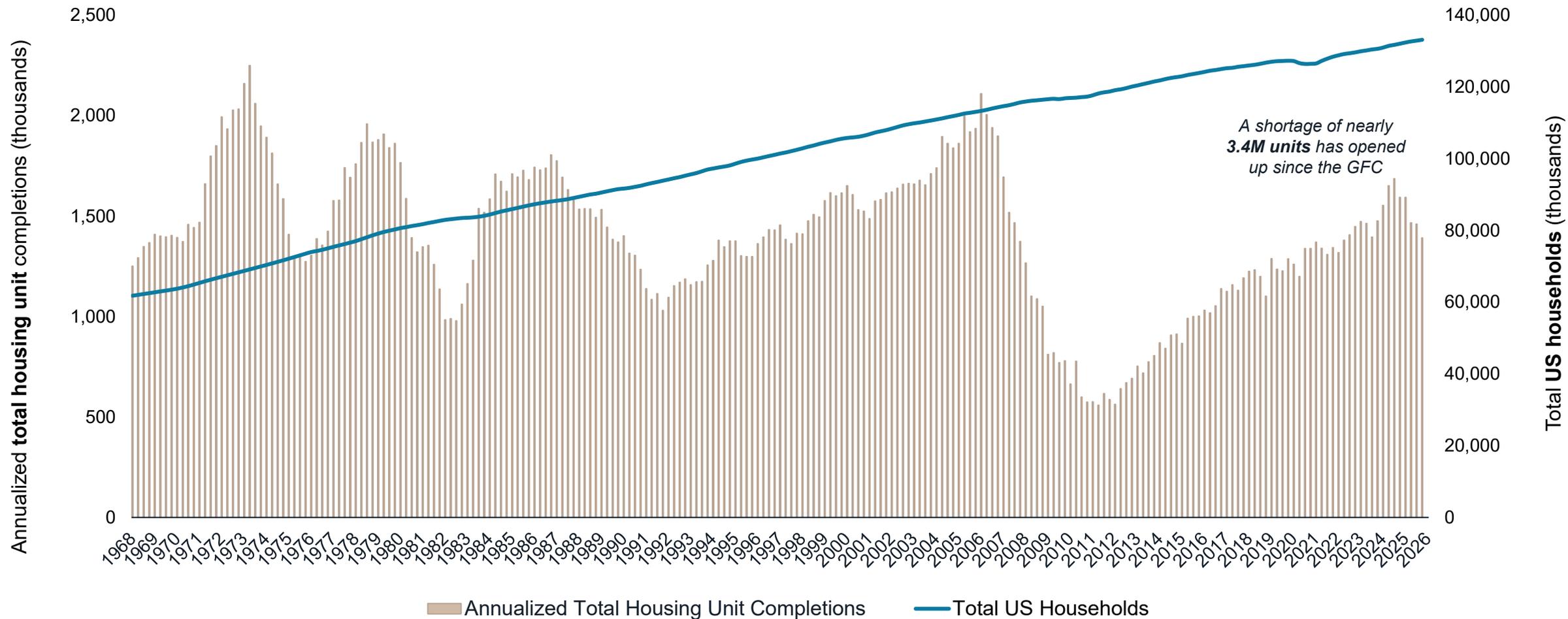
Multi-housing in the U.S.

Key takeaways

Multi- housing in the **U.S.**

1. **Structural shortage** of housing supply and the unaffordability of homeownership create a durable, long-term demand base for rental housing
2. **Sharp pullback** in new supply after 2025 sets up a favorable supply/demand dynamic for landlords through the end of the decade
3. Investment activity is **recovering broadly**, with the largest markets seeing the strongest capital inflows

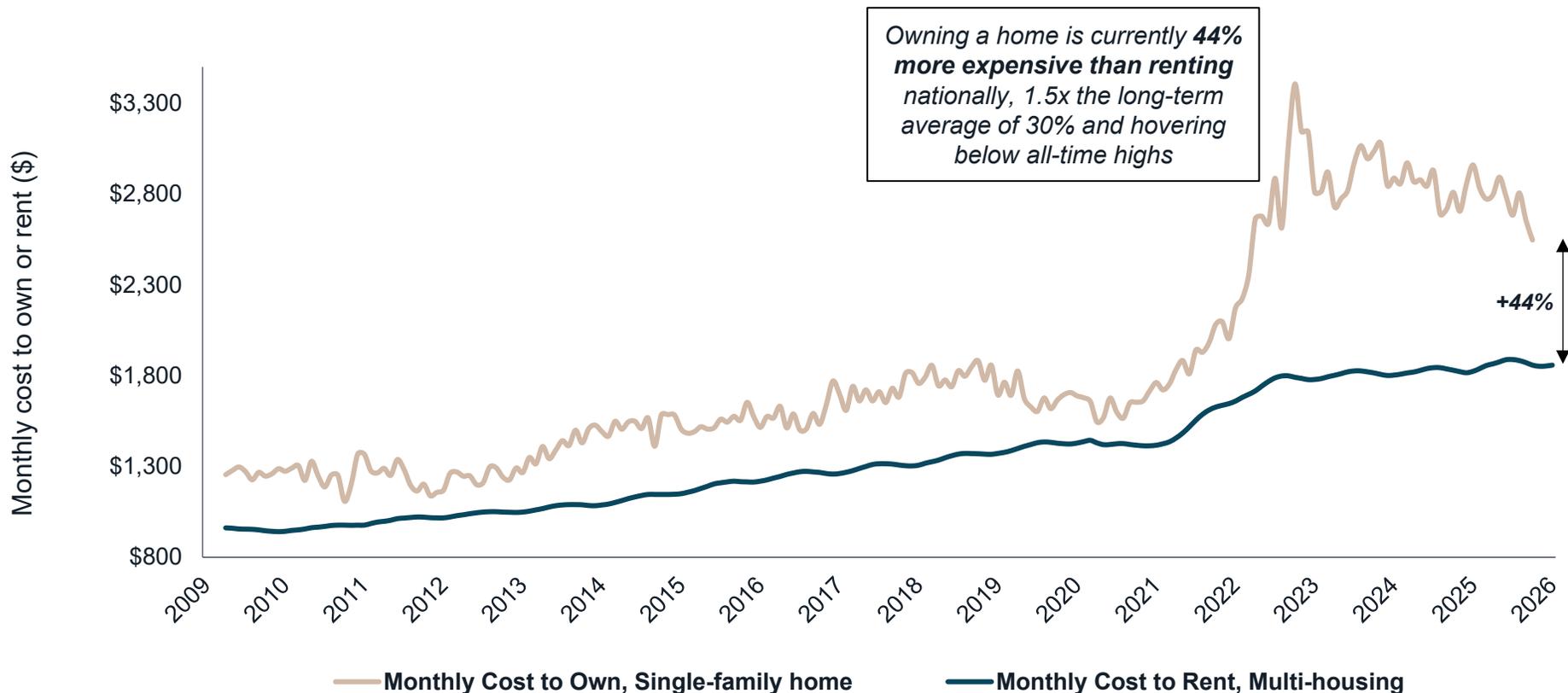
The national housing stock is structurally undersupplied long-term; since 2010, the imbalance has become more pronounced



Source: JLL Research, US Census Bureau; total housing unit completions pertain to both single-unit assets (SF, SFR, BFR, manufactured housing) and multi-housing assets.

The cost of owning a single-family home in the United States continues to be prohibitive, as would-be buyers remain long-term renters

Cost to own vs. cost to rent, US average (monthly)

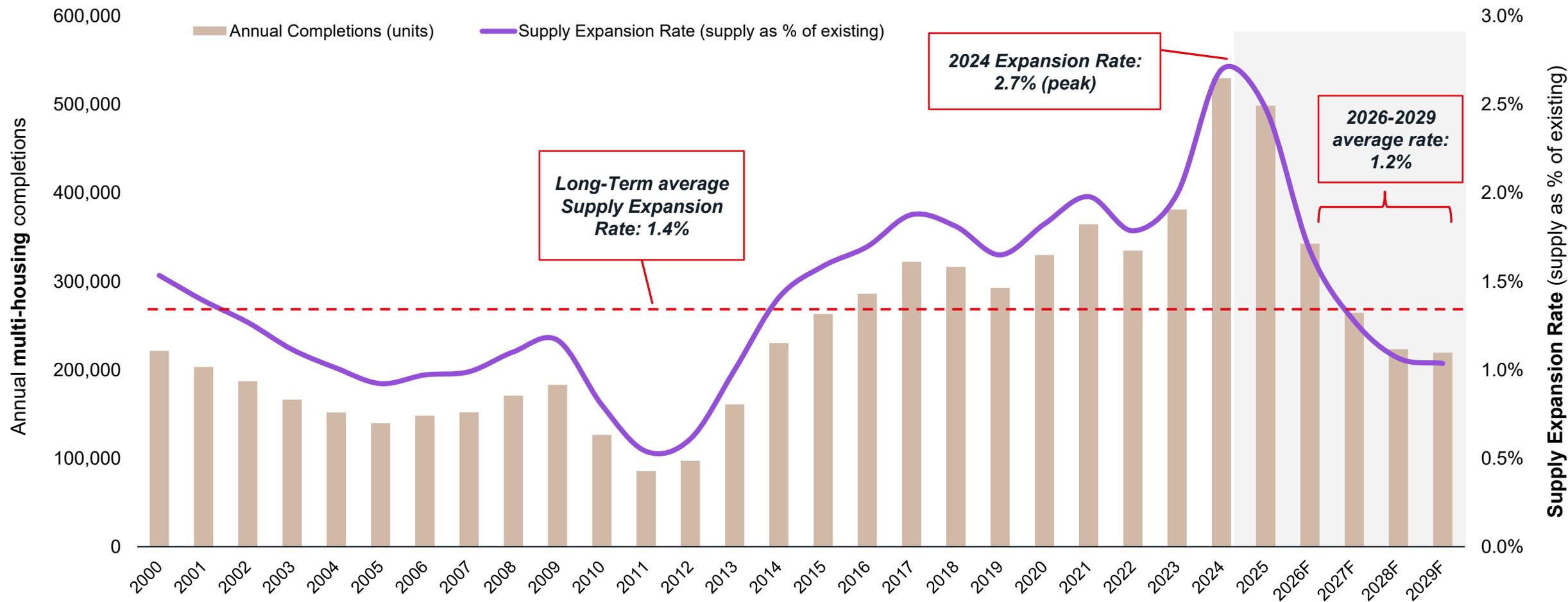


Period	30-year Mortgage Rate	Cost of Owning Premium
Today	6.11%	+44%
January 2024	6.64%	+60%
November 2023	7.62%	+70%
June 2022	5.52%	+49%
September 2021	2.90%	+23%
April 2020	3.31%	+8%

Source: JLL Research, U.S. Census Bureau, Freddie Mac, RealPage, NerdWallet, Green Street

Note: Monthly cost to own includes principal, interest, property taxes, and insurance on a 30-year fixed rate mortgage assuming standard mortgage underwriting criteria on a median-priced new home, based on national data.

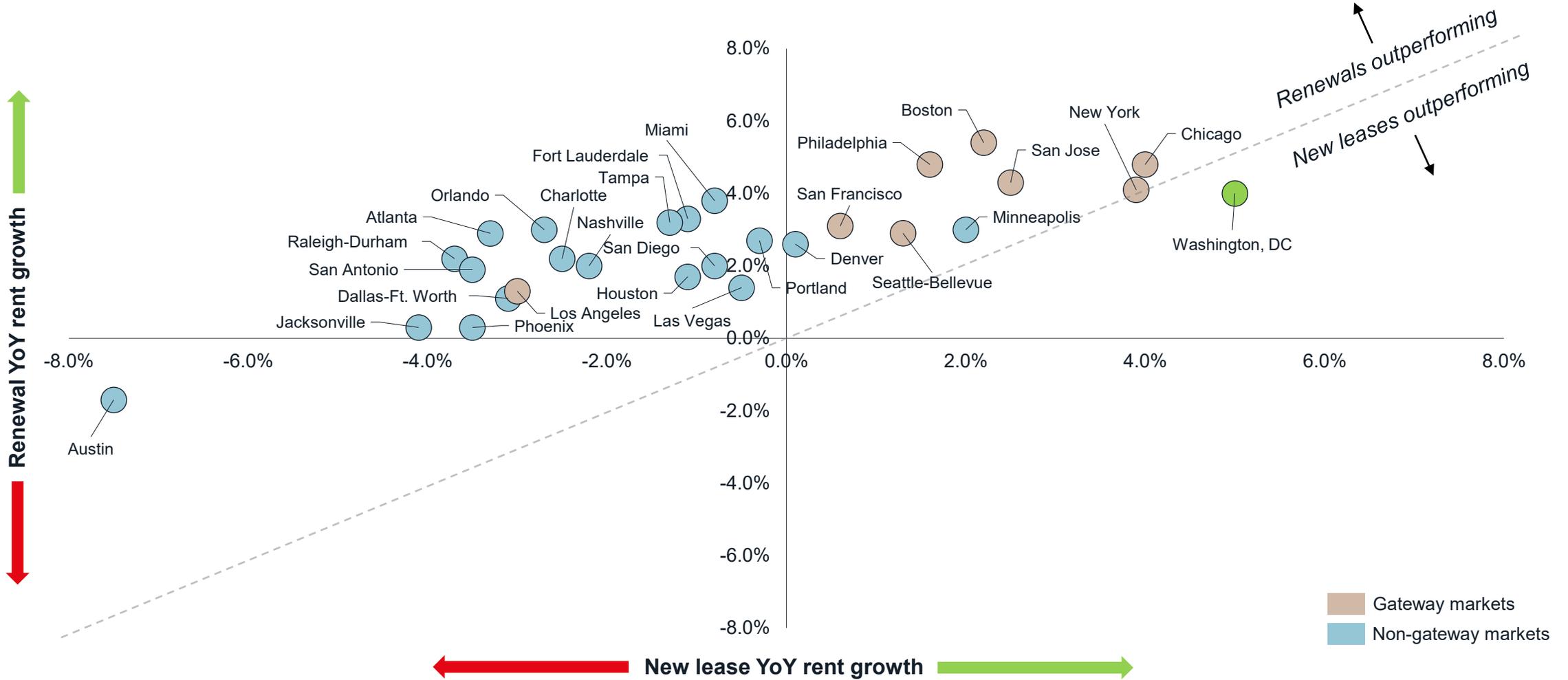
Long-term U.S. apartment supply picture: new supply has peaked with expansion rate slowing precipitously in 2026



Source: JLL Research, RealPage



Rent growth spotlight: renewals vs new leases



Source: JLL Research, Yardi; current YoY rent growth as of 2025

Innovation Science in the UK

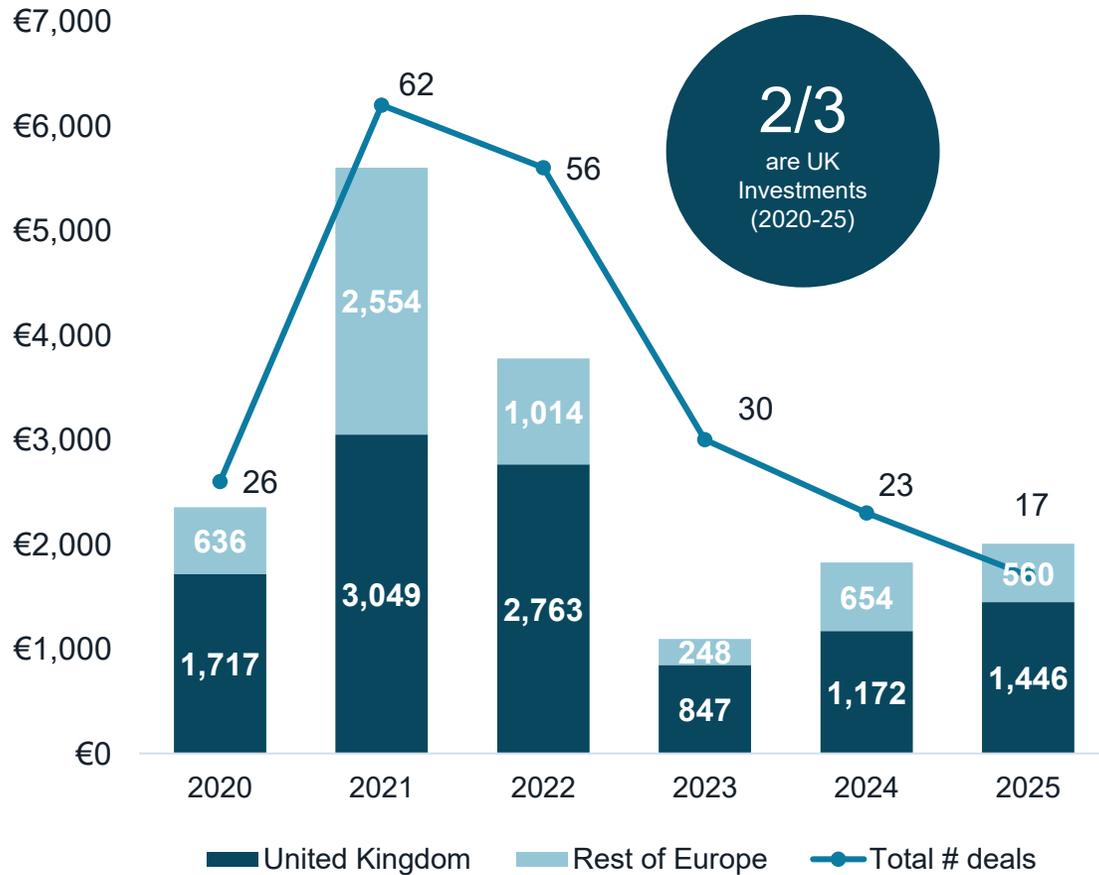
Key takeaways

Innovation Science in the **U.K.**

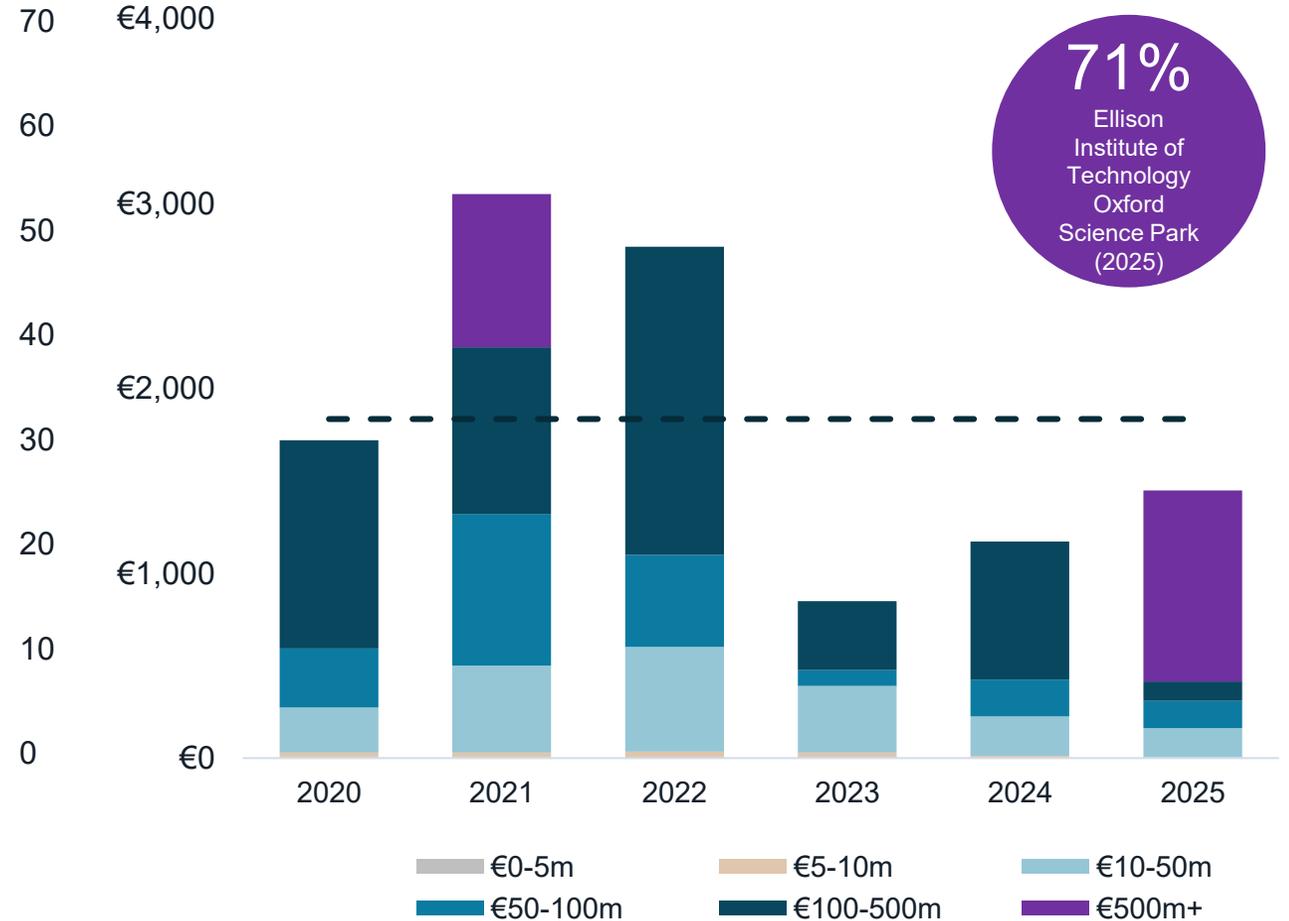
1. The U.K. is the **dominant investment** destination for life sciences real estate investment in Europe
2. Oxford, Cambridge, and London each offer distinct but complimentary **innovation ecosystems** with strong tenant demand and significant capital commitments ahead
3. UK government to invest more than £500M **in the Oxford-Cambridge** corridor; could boost UK GDP by adding up to £78B to the economy by 2035
4. **AI, Pharma/Biotech** are the primary drivers of leasing and venture capital activity across all three markets

Life sciences real estate in the UK continuously captures the largest share of investor demand

UK vs Europe investment deals (€m)



UK deal breakdown (€m)



Source: JLL Research



Cambridge 2040



Cambridge 2040 to enable further growth of the high-tech sector around Cambridge

"Cambridge 2040" is a UK government-led vision to establish the city as Europe's premier science and technology hub, leveraging its world-class university and existing innovation cluster. Key components include:

- **The redevelopment/ expansion** of up to 250,000 new homes, creating a "new Cambridge" to accommodate rapid population growth and support the expanding workforce.
- A major expansion of **new laboratory and office space** is planned to meet the demands of the high-tech and life sciences sectors, solidifying Cambridge's role in the UK's economic revival.
- The growth will be supported by **significant public investment** in new and sustainable transport infrastructure to enhance connectivity across the region.
- The Cambridge Delivery Group, dedicated development corporation, will oversee this multi-billion-pound urban transformation, ensuring a **streamlined and focused delivery** process.

Why OxCam*?

The OxCam region is one of the most innovative globally, with world leading levels of patents and scientific publications per capita

The region boasts extraordinary levels of graduate educated population, and at a per capita level produces a high amount of Unicorn startup firms (valued over \$1bn)

Whilst the region's high skilled sectors continue to grow above national levels at 3-4%, excess demand for housing and commercial space paint an unsustainable picture

Source: JLL Research; *According to a PublicFirst Oxford-Cambridge report in October 2024

Cambridge fundamentals

Life Sciences companies ~ 620

Employment: Professional, scientific & technical activities (Cambridgeshire) **63,900**

anchors: Cambridge University, Wellcome Trust, National Institute for Health and Care Research, Cambridge Biomedical Campus

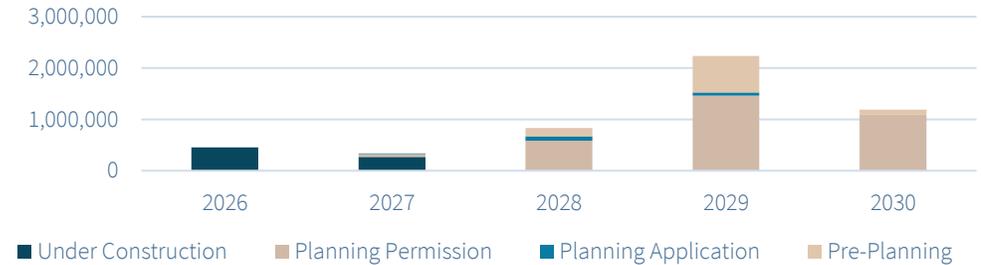
Key corporates: AstraZeneca, Amgen, Abcam, Illumina, Horizon Discovery, Bard Pharmaceuticals, Medimmune, Oncologica UK, Unisurge International, etc.

Science parks/buildings: Cambridge Biomedical Campus, Cambridge Science Park, Granta Park, Babraham Research Campus, Wellcome Genome Campus, West Cambridge Innovation District, Milner Therapeutic Institute

Cambridge | Leasing demand increasing; Cambridge 2040 to transform Cambridge into a leading European science hub by 2040



Supply Pipeline



- 0.6 million sq ft under construction; fitted lab vacancy: 10.8%; prime rent: £70 psf
- Plans for 150,000+ new homes to address the current housing shortage

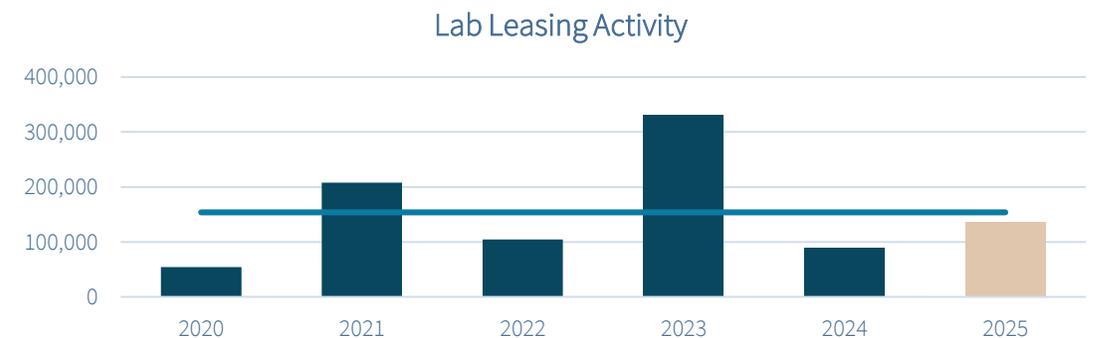
Capital flows



- 68% Pharma Biotech & Drug Discovery; ~ 1/3 of VC to AI related companies

Source: JLL Research

Demand



- 360,000 sq ft of active demand; 105,000 sq ft under offer; Pharma/Biotech & Drug Discovery & Tech
- The initiative aims to create a "new Cambridge" within 20 years to accommodate rapid population growth

Oxford | Leasing demand in Oxford remained stable; over next decade £10B private investment planned to expand Ellison Institute

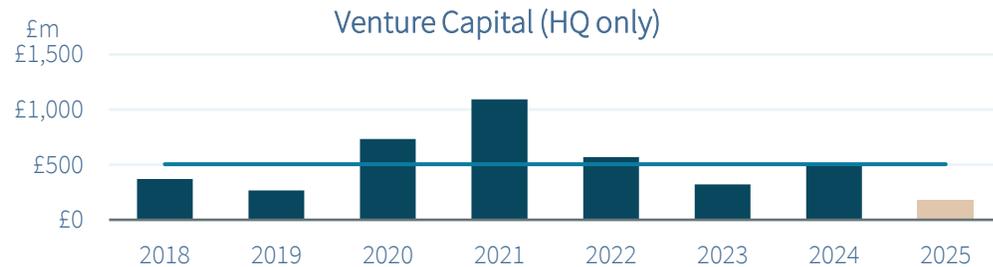


Supply



- 1.2 million sq ft under construction; Fitted lab vacancy: 3.3%; Prime rent: £85 psf

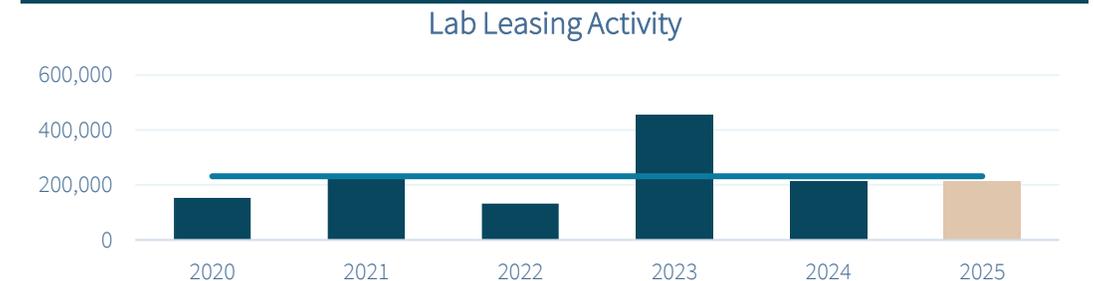
Capital flows



- 59% Pharma Biotech & Drug Discovery; ~ 2/3 of VC to AI related companies; M&A : OrganOx/Terumo \$1.5bn, Beckley Psytech/Atai Life Sciences \$390m

Source: JLL Research

Demand



- 420,000 sq ft of active demand; 49,000 sq ft under offer; Pharma/Biotech & Tech

London | London has emerged as the top destination for venture capital outside of the US—leasing demand is benefitting



Supply Pipeline



- 1.4 million sq ft under construction; fitted lab vacancy: 16.4%; prime rent: £125 psf

Capital flows

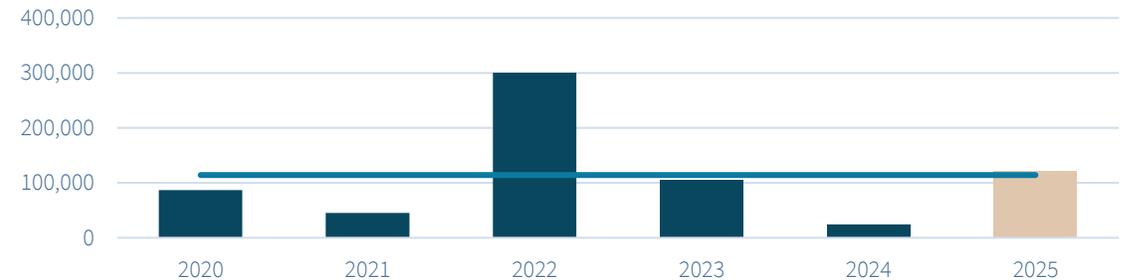
Venture Capital (HQ only)



- 57% Pharma Biotech & Drug Discovery; ~ 2/3 of VC to AI related companies; M&A: Verona Pharma/MSD \$10bn, ViceBio/Sanofi \$1.6bn

Demand

Lab Leasing Activity



- 160,000 sq ft of active demand; 72,000 sq ft under offer; Pharma/ Biotech

Source: JLL Research

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