

Intelligent Investment

European Lender Intentions Survey 2026

REPORT

CBRE RESEARCH
JUNE 2026

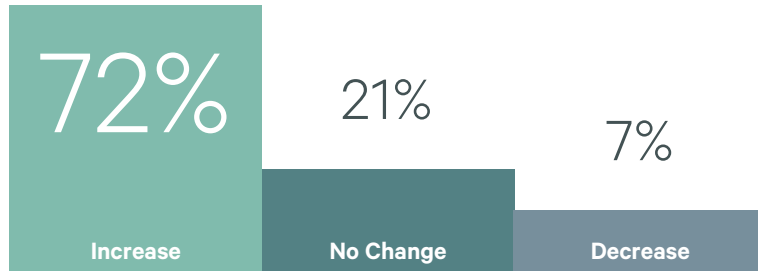
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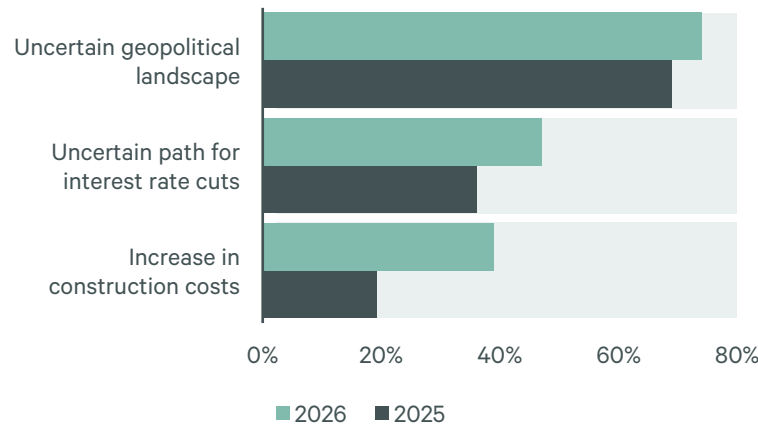
Survey Highlights

Lending activity to rise in 2026

72% of lenders to increase their origination activity when compared with 2025

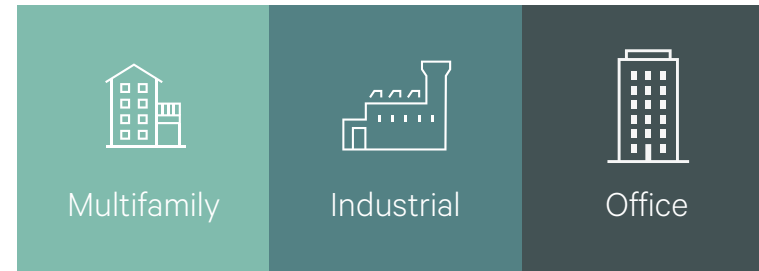


Geopolitics remains top of mind, alongside concerns about interest rates and rising construction costs

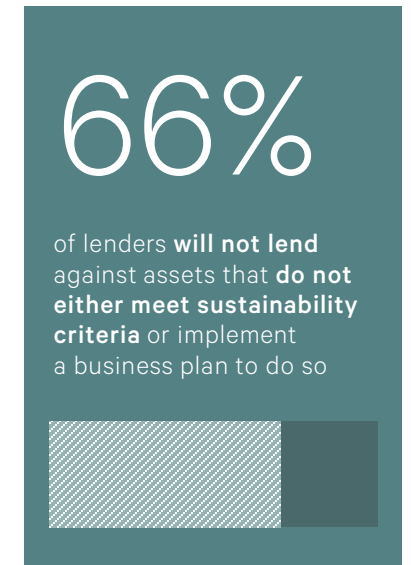
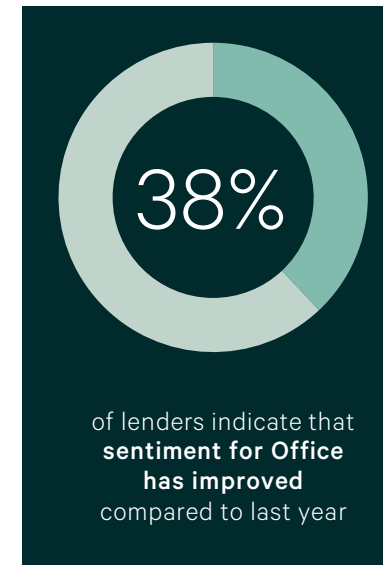
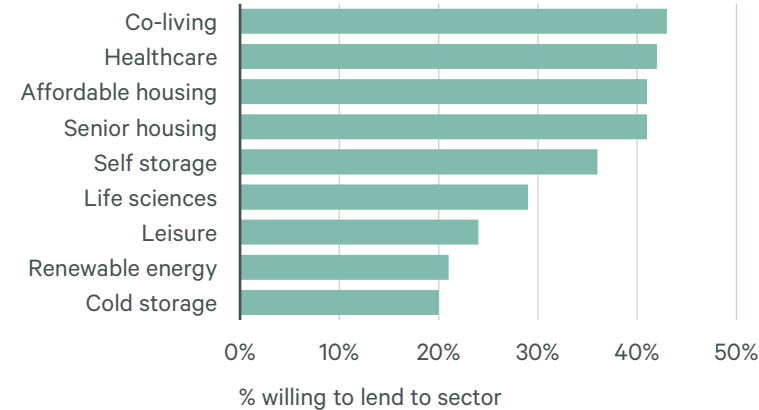


Lender preferences

Top three preferred sectors for lending



86% of lenders are willing to lend to alternatives, with Co-living and Healthcare the most popular



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Foreword

CBRE's 2026 European Lender Intentions Survey was conducted between 18 March 2026 and 28 April 2026. 134 Europe-based respondents participated in the survey, sharing their origination expectations, lending terms, and preferred sectors in 2026.

The survey results show that lender appetite for European real estate remains strong in 2026. Most lenders expect to increase their origination activity this year and sentiment has improved year-on-year for all sectors. All responses were collected after the outbreak of conflict in the Middle East. Hence, it is not surprising that most lenders identified an uncertain geopolitical landscape as the top challenge for the debt market given its impact on the outlook for inflation and interest rates. Yet the lending environment is still competitive. The Living sector was again ranked first as the preferred target for new lending, but there was a notable rise in interest towards Offices, and 86% of respondents were willing to lend against alternative real estate sectors such as Co-living, Healthcare, and Affordable Housing.



Tasos Vezyridis
Executive Director
Head of Research, UK&I
and Continental Europe



Chris Gow
Head of Debt Advisory,
Europe



01

Lending activity



Increase in origination intentions

Are lenders planning to increase their origination activity in 2026?

Findings in this year’s edition of the survey suggest that liquidity in real estate debt markets remains robust despite changes in Europe’s macroeconomic outlook. Notably, 72% of respondents indicated that they were expecting to increase their origination activity year-on-year, while only 8% anticipated a decline. This sentiment is consistent across both bank and non-bank lenders. Should this translate into greater debt availability, it would support investment activity. However, rising debt costs, owing to higher swap rates in March and April, may pose challenges for borrowers.

Lenders’ origination expectations compared with prior year



Source: European Lender Intentions Survey 2026, CBRE Research

Geopolitical uncertainty top of mind

What are the major challenges facing the lending environment in 2026?

The geopolitical landscape was selected as the top challenge facing the lending market by 74% of respondents. Uncertainty surrounding the path for interest rate cuts has also increased since 2025, ranking as the second most significant challenge in this year's survey. This reflects the ECB's signalling that future rate hikes remain possible should inflationary pressure persist. Despite this, only one-third of respondents fear a resurgence in inflation.

Low levels of investment activity was selected by only 37% of respondents as a challenge facing debt markets. This is down markedly from the last two editions of the survey and implies that property fundamentals are improving, even amid ongoing macroeconomic and geopolitical uncertainty.

Source: European Lender Intentions Survey 2026, CBRE Research
Note: Respondents were asked to select their top three challenges

Major challenges to European lending market			
	2024	2025	2026
01	Continued low levels of investment activity 63%	Uncertain geopolitical landscape 69%	Uncertain geopolitical landscape 74%
02	Uncertainty around future property values 54%	Continued low levels of investment activity 50%	Uncertain path for interest rates 47%
03	Uncertain path for interest rate cuts 52%	Fear of recession 42%	Increase in construction costs 39%
04	Uncertain geopolitical landscape 37%	Uncertain path for interest rate cuts 36%	Low levels of investment activity 37%
05	Changes in regulation of real estate lending 25%	Uncertainty around future property values 33%	Fear of a resurgence in inflation 34%

Refinancing continues to be principal source of demand

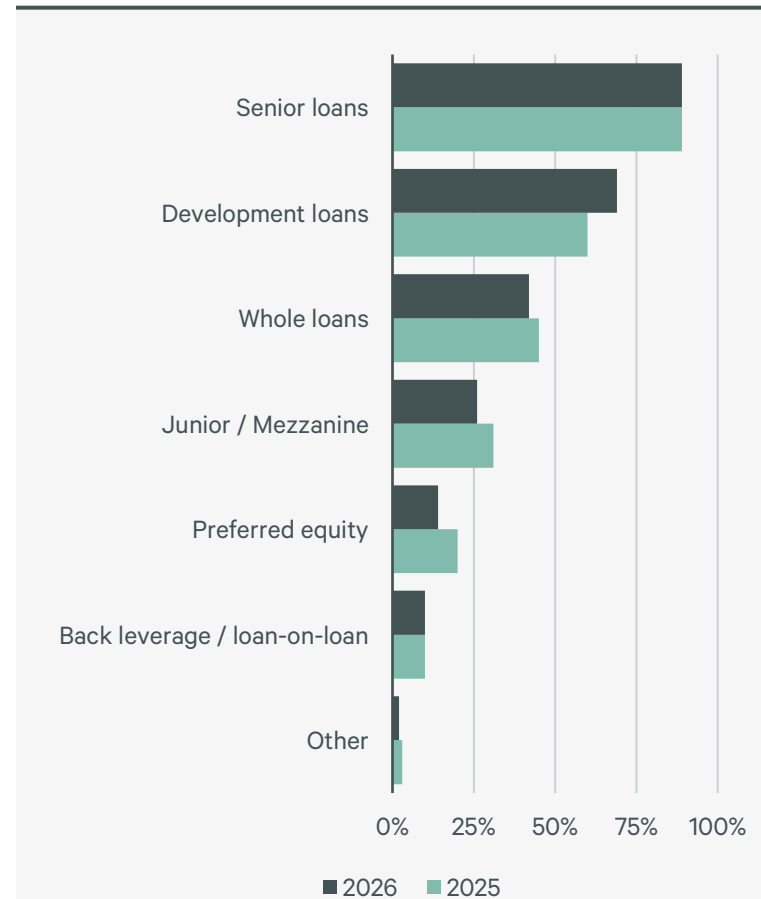
What types of loan will you underwrite and what will be the main source of demand for loans?

89% of lenders will underwrite senior loans, the same proportion as in last year's survey. Meanwhile, 69% are willing to provide development finance, up from 60% in 2025. Fewer lenders will underwrite whole loans, mezzanine loans, or preferred equity, and the proportion of lenders providing each of these types of finance declined slightly year-on-year.

Respondents from banks were almost exclusively focused on senior loans and development lending. In contrast, non-bank lenders have higher risk appetite, with the strongest overall interest in development (81%), following by senior loans, (74%), whole loans (71%), and junior/mezzanine lending (53%).

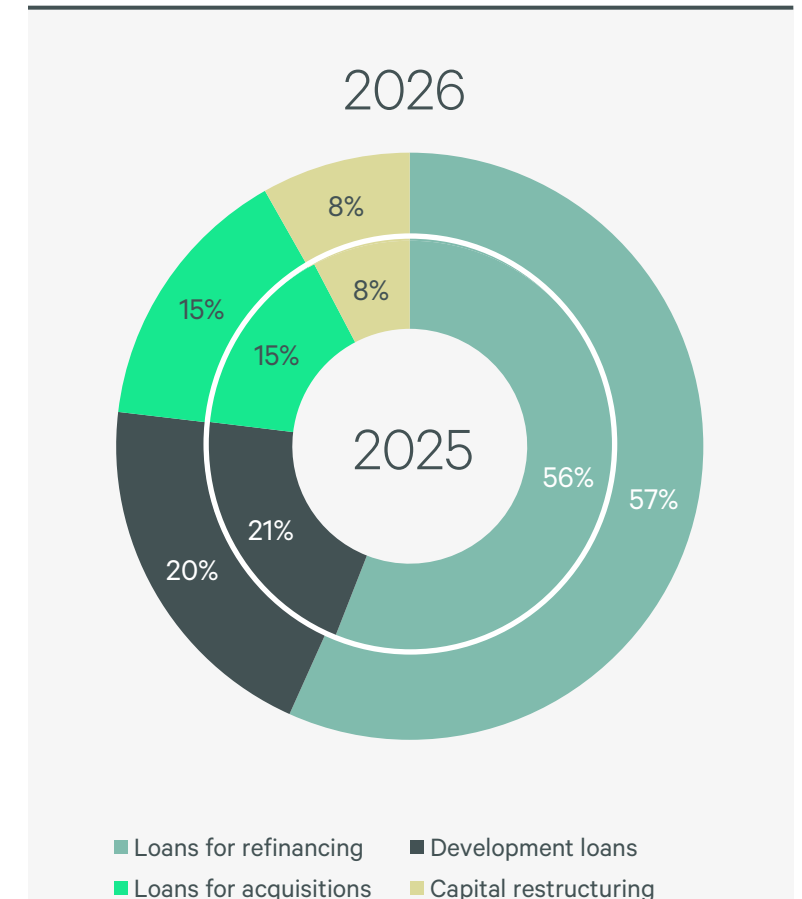
In terms of demand drivers for loans, there was little variance between the 2025 to 2026 editions. Refinancing remains the primary source of demand, despite the uptick in European investment volumes in 2025.

Types of loans willing to be underwritten: 2026 vs 2025



Source: European Lender Intentions Survey 2026, CBRE Research

Principal source of demand for loans: 2026 vs 2025



Source: European Lender Intentions Survey 2026, CBRE Research

02
Preferred
sectors



Living retains the top spot while office moves up



Which sectors are **most attractive** for lending?

Respondents were asked to rank all sectors from 1-7 by preference. Living was once again the top choice for lending, ranked first by 38% of respondents, followed by Industrial and Offices at 16% each.

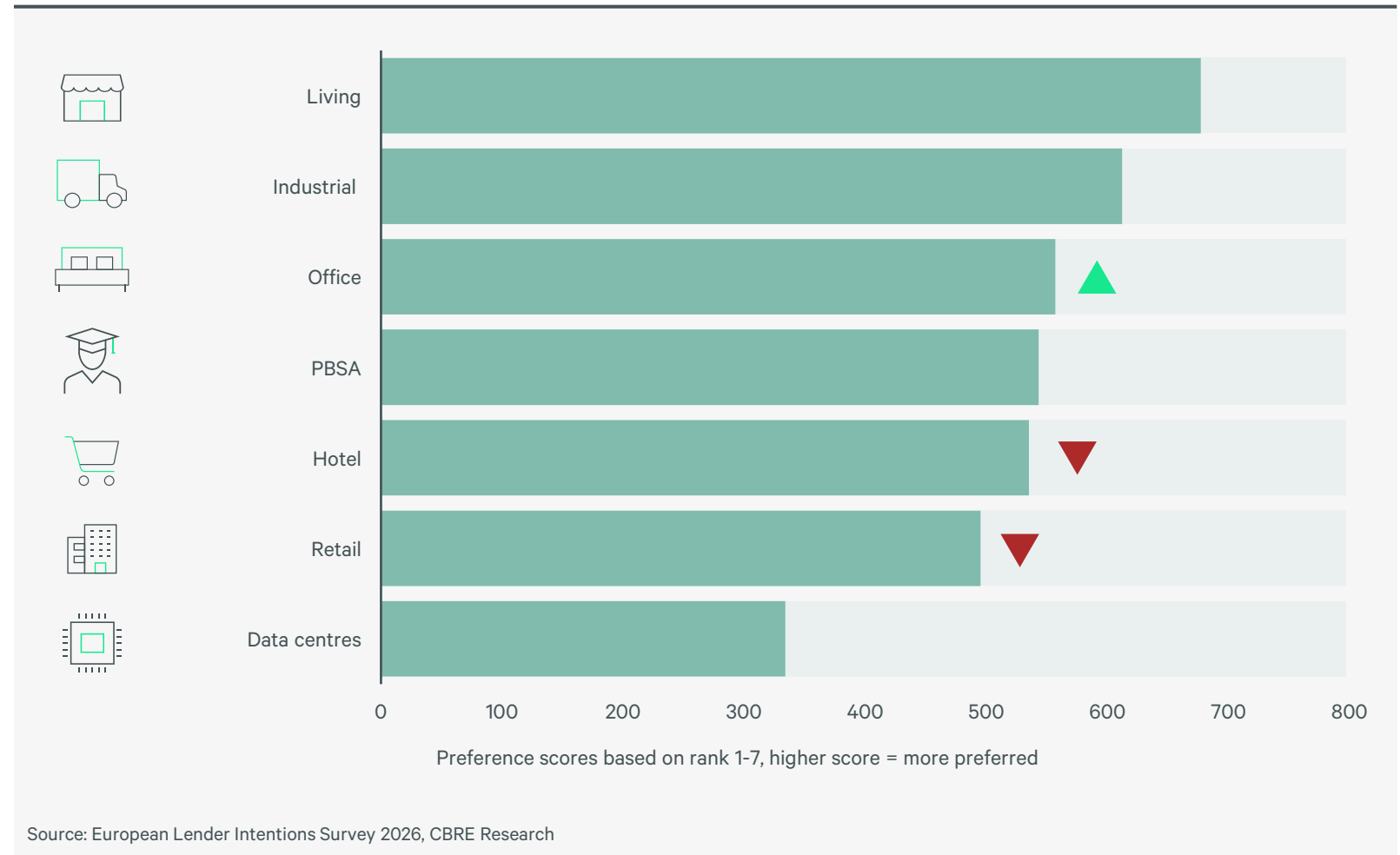
To take all rankings into account, an overall preference ranking was calculated by applying inverse weights on the same 1-7 scale (i.e., rank 1 = 7 points, rank 7 = 1 point), and summing for each sector across all respondents.

Living and Industrial stand out distinctly at the top two preferred sectors for lending. Office rose from sixth to third, reflecting renewed confidence in the sector's fundamental. Among the remaining PBSA, Hotel, and Retail sectors, variation around the average was tighter than last year's edition, suggesting more balanced lender preferences. While Data Centres ranked last, this likely reflects limited availability in some surveyed markets.

Legend

-  Higher ranking than year prior
-  Lower ranking than year prior

Preferred sectors for lending in 2026 and change from 2025



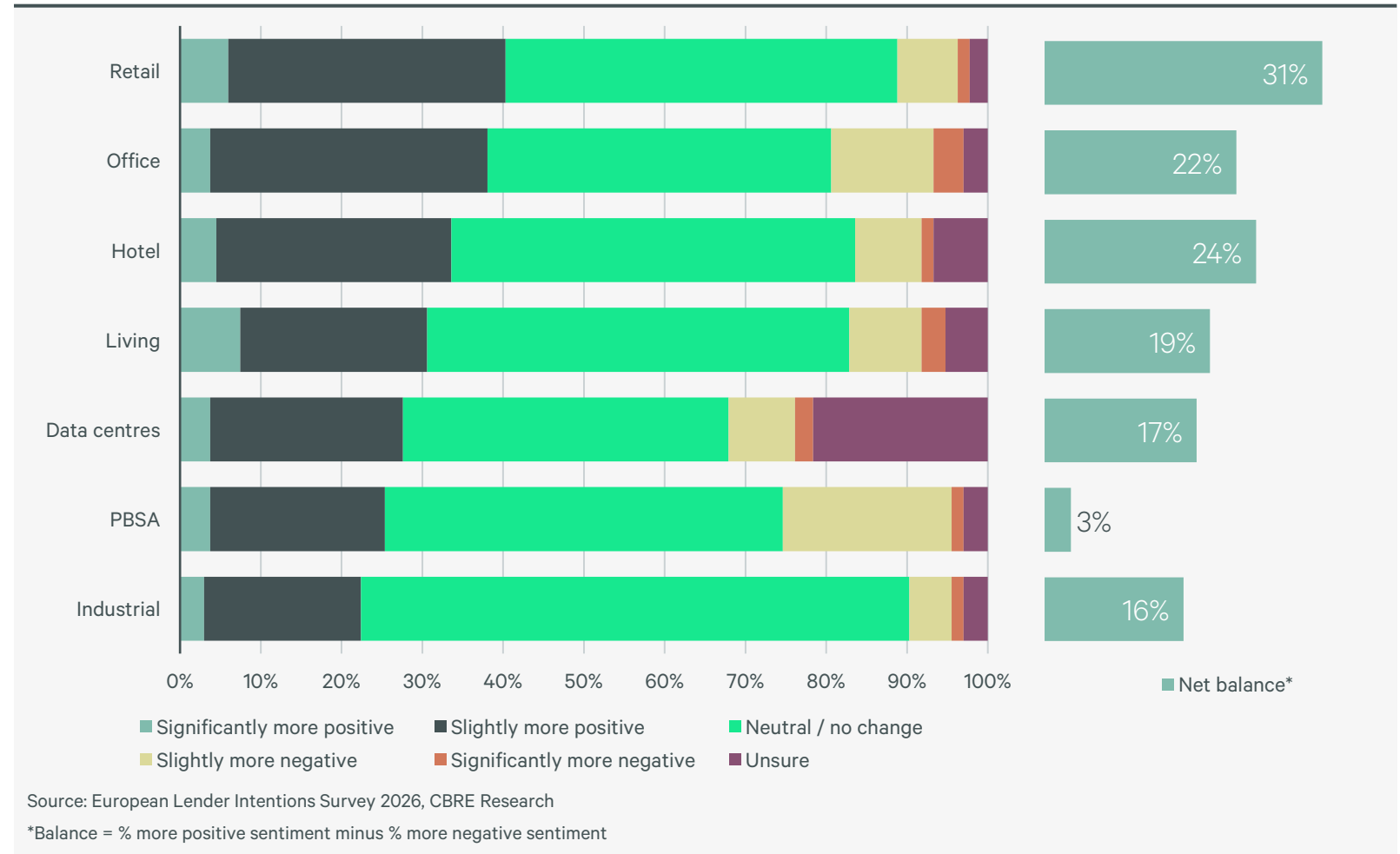
Improved sentiment towards Retail and Office

How has lenders' sentiment towards the following sectors **changed compared with last year?**

Lending sentiment towards all sectors strengthened compared to the year prior, with a positive net balance recorded in every sector. However, a more limited change in sentiment relative to other sectors does not necessarily indicate a lack of lender interest. For example, Industrial ranked as the second most preferred sector overall, but recorded the smallest increase in sentiment since it already had strong underlying interest.

Nonetheless, the results show a resurgence of interest in the Office sector, which saw a strong increase in positive sentiment relative to last year. This indicates that prime Offices are regaining traction with lenders. Retail, which ranked lower in the overall preference ranking, saw the largest increase in net sentiment. This is consistent with an improving outlook in the sector, despite not being the primary target for many lenders.

Lending sentiment per sector compared to the previous year



Living subsectors remain most favoured alternatives

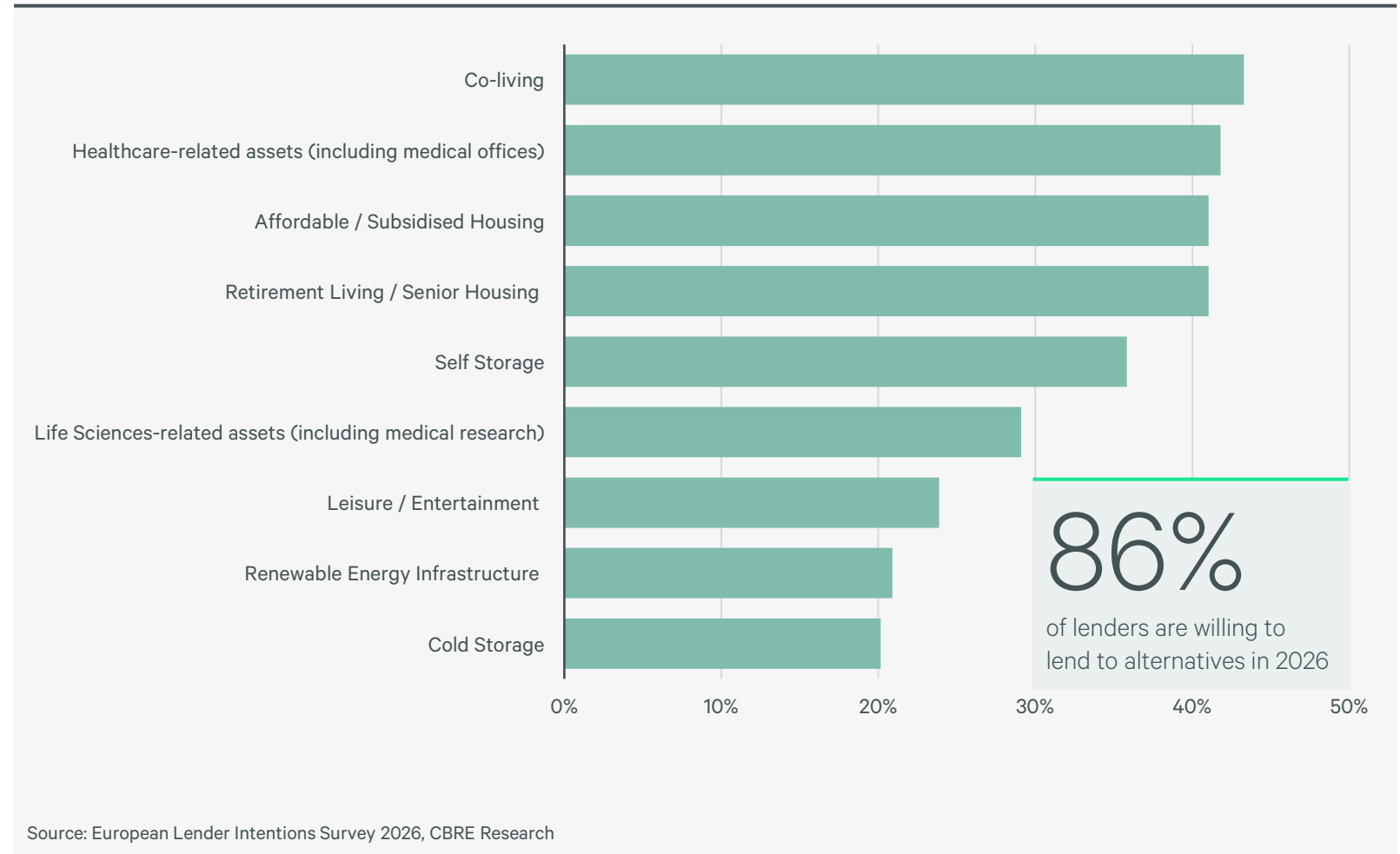
Which alternative sectors are **most attractive** for lending?

86% of lenders are willing to lend in one or more alternative real estate sectors, a 5-percentage point increase year-on-year. This shows that alternative sectors are becoming more firmly embedded within lenders' strategies.

Living-related subsectors were the most preferred alternative sectors. Co-living, Affordable Housing, and Senior Living each attracted interest from over 40% of lenders. Healthcare and Self Storage maintained strong appeal, with over a third of respondents targeting these sectors. There was less interest in other alternatives such as Renewable Energy and Cold Storage. This is likely to reflect variations in sector maturity across Europe as well as a need for more specialist expertise to underwrite such opportunities.

Both banks and non-bank lenders demonstrated similar overall willingness to lend to alternative sectors. However, banks exhibited a stronger concentration of focus in Living-related subsectors, while non-bank lenders displayed more willingness to deploy capital across all alternatives.

Most preferred alternative sectors by lenders in 2026



Lenders prefer pre-let development schemes

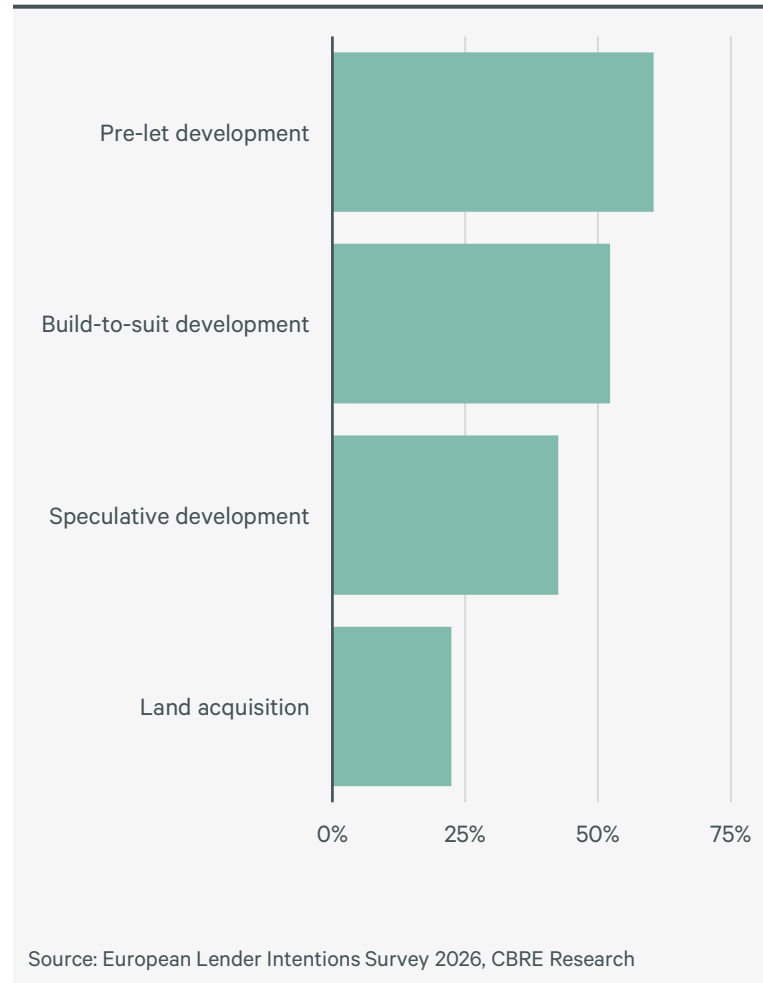
What **scheme types** are preferred, and which sectors are attractive for **development lending**?

69% of respondents this year were willing to underwrite development loans. These respondents were then asked further questions about their preferred types of development scheme and sectors.

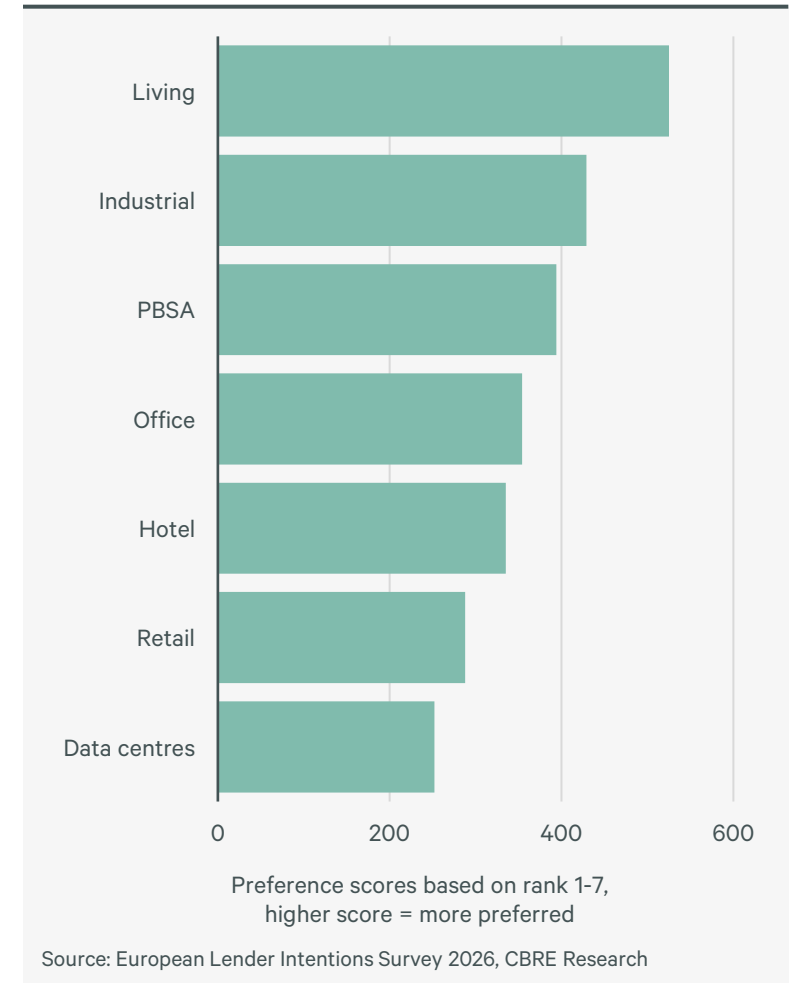
Most lenders providing development finance would lend against pre-let schemes, with 60% of the full sample of lenders willing to underwrite loans on this basis. Meanwhile, over 50% of all lenders would lend on Build-to-Suit schemes, while 43% of lenders showed interest in underwriting loans for speculative development projects.

In terms of preferred sectors, the ranking for development lending closely resembles that for investment lending. The Living sector was in first place, followed by Industrial, while PBSA edged ahead of Office into third place.

Lender preference for types of development scheme in 2026



Preferred sectors for development lending in 2026



A woman with black hair and bangs, wearing a light-colored striped button-down shirt, is smiling and talking to an older man with grey hair wearing a dark suit jacket. They are sitting at a table in a cafe or office setting with large windows in the background showing a cityscape and bokeh lights. There are coffee cups on the table. A green vertical bar is on the left side of the image.

03
Lending
terms

New loans available to borrowers on similar or improved terms

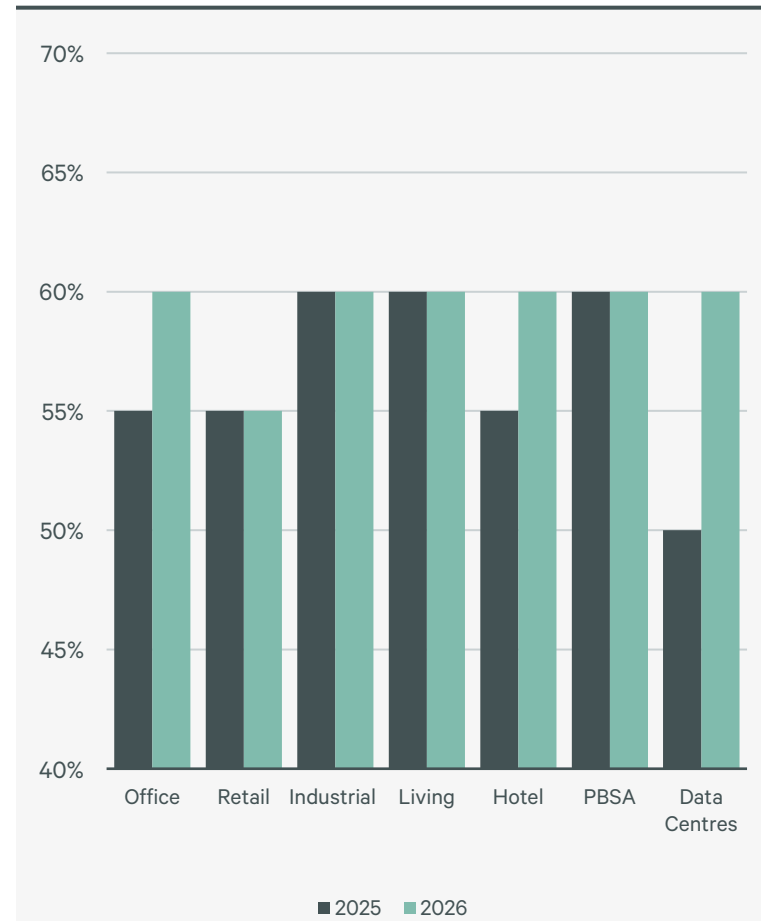
What is the typical competitive LTV ratio and margin for a **senior loan on a prime asset?**

The median Loan-To-Value (LTV) ratio for prime Offices, Hotels, and Data Centres increased compared with last year, while they remained the same for other sectors. The rise in Office LTVs reflects the broader improvement in sentiment toward the sector captured in the survey. Median senior loan margins remained broadly stable except in the Office sector, where the results indicate compression in margins year-on-year.

There are clear differences between bank and non-bank senior loan terms. Bank median margins were 50 bps lower for Office, Living, and Industrial, 60bps lower for PBSA and 70bps lower for Retail, Hotels and Data Centres. The willingness of banks to offer lower senior loan margins is in part due to lower required returns and access to cheaper capital.

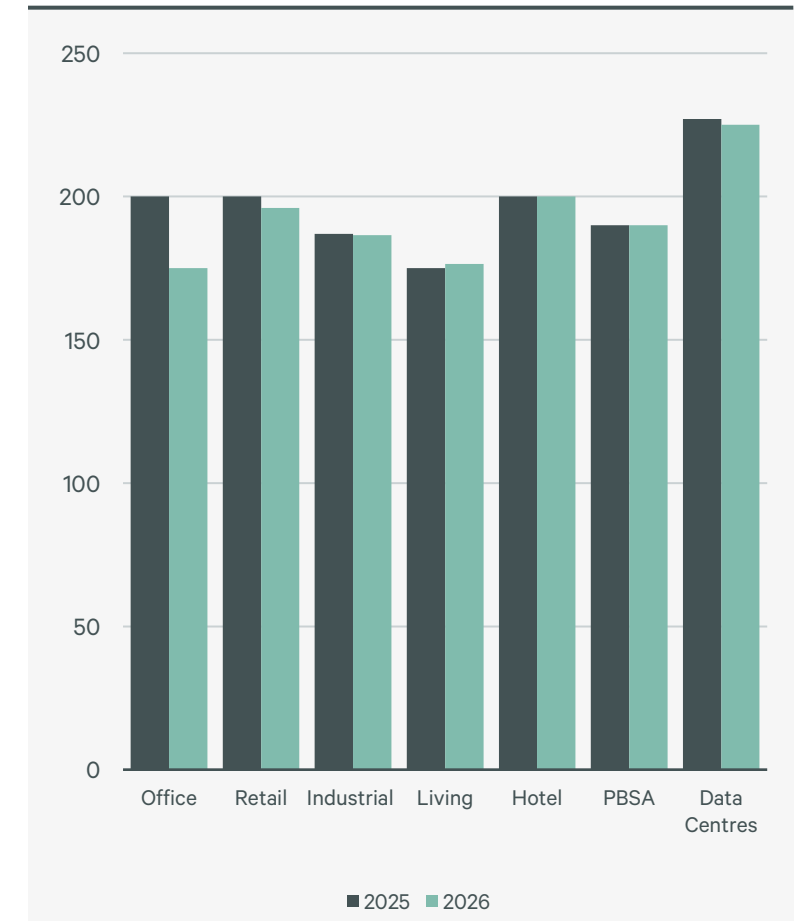
However, responses from non-bank lenders suggest that they will lend at higher LTV ratios than banks for certain sectors. This is especially the case for Living, where LTVs were 7.5 percentage points higher. In Industrial, PBSA and Data Centres, the difference was around 5 percentage points, while they were largely aligned across the remaining sectors.

Median loan-to-value ratio



Source: European Lender Intentions Survey 2026, CBRE Research

Median senior loan margin (bps)



Source: European Lender Intentions Survey 2026, CBRE Research

Wide range in margins across our sample of lenders

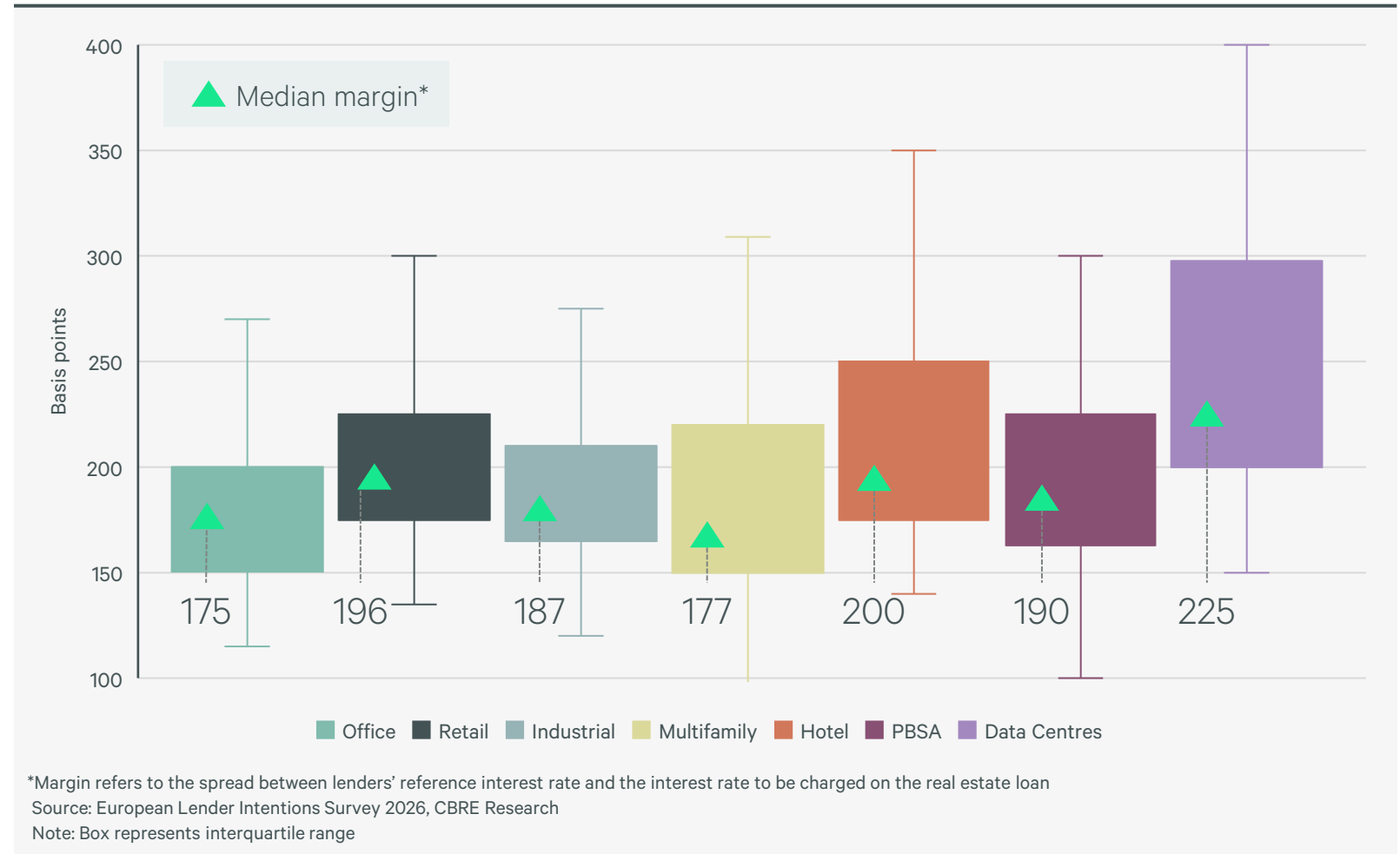
What is the typical competitive margin for a **senior loan on a prime asset**?

While the median senior loan margin remained broadly stable in most sectors, there was a wide range of responses as to what constitutes a competitive lending margin in each sector. These variations will reflect the type of lender and the geographies in which they are active.

Offices saw compression of 25 bps in the median loan margin compared with last year and this shift was accompanied by a narrowing of the interquartile range in lender responses. There was also a narrowing in the range of responses for Retail senior loan margins, indicative of increased consensus among lenders regarding the sector's outlook. For most other sectors, the range in margins was largely consistent with the prior year, although Living and PBSA saw a slight increase in the upper quartile margin.

Although respondents are asked to provide competitive margins, the reported median levels are likely higher than those achieved at deal signing. The 25th percentile is often more representative of actual pricing outcomes for prime assets.

Reported competitive margin for a senior loan on a prime asset in 2026



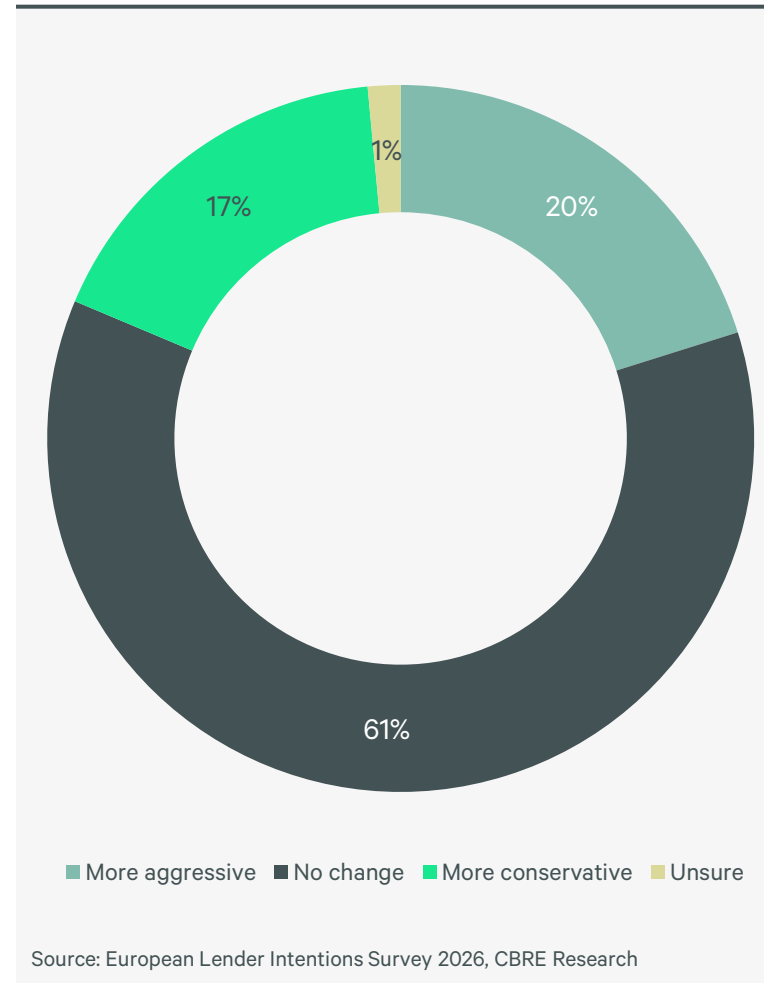
Underwriting requirements are unchanged for many lenders

Do lenders **expect changes in their underwriting requirements** for real estate lending?

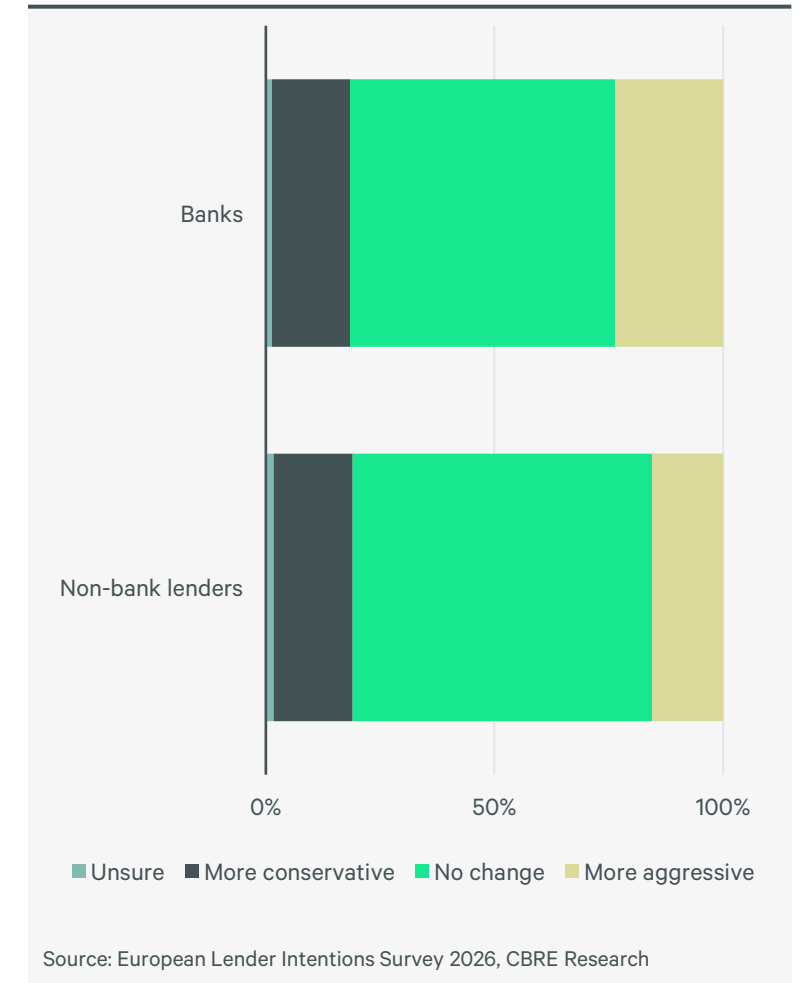
Underwriting requirements are expected to remain largely unchanged from 2025, with 61% of respondents anticipating no change in 2026, up from 54% last year. While some lenders expect to become either more aggressive or more conservative in their underwriting, the proportion of lenders in each group is broadly balanced. Overall, the results do not indicate a strong shift in underwriting criteria this year.

No change was the most common response among bank (58%) and non-bank (66%) lenders. However, the proportion of banks willing to adopt a more aggressive stance this year was higher than the proportion of non-bank lenders willing to do the same. This indicates that competition among banks to deploy debt against prime assets remains strong despite a more challenging macroeconomic backdrop.

Expected changes in underwriting criteria in 2026



Expected changes in underwriting: bank vs non-bank lenders





04
Sustainability

Two-thirds of lenders will not lend against assets without sustainability credentials or a business plan to improve them

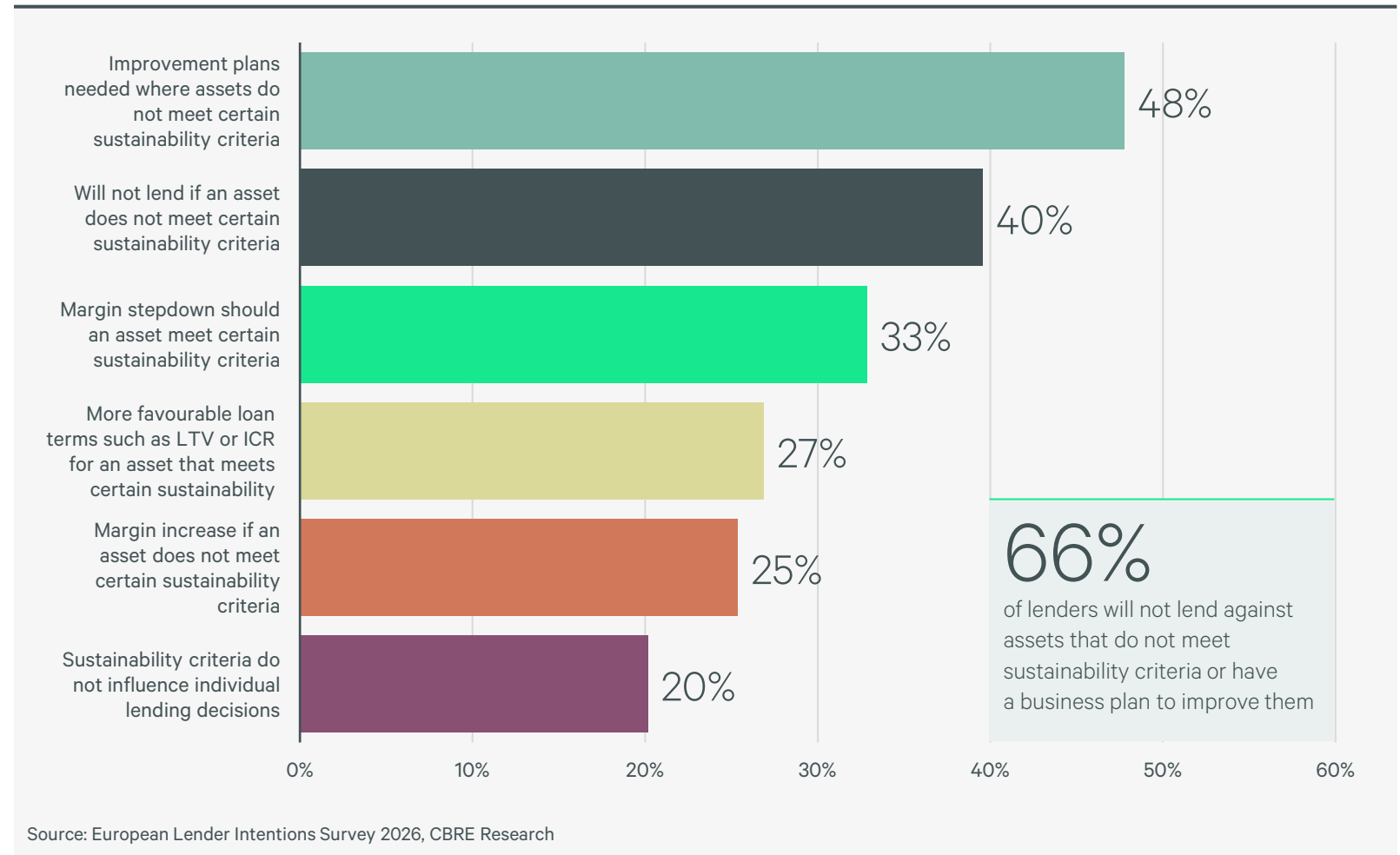
In which ways will sustainability criteria impact lending?

Respondents place a strong emphasis on sustainability criteria, with 66% stating that they would not lend against assets that either fail to meet sustainability standards or lack business plans for improvement. In contrast, only 20% of lenders indicated that sustainability considerations do not influence their lending decisions, highlighting the importance of sustainability criteria implementation for lenders.

Survey results also indicate that banks have a stronger focus on sustainability considerations than non-bank respondents. Notably, only 13% of banks report that sustainability criteria do not influence individual lending decisions, compared with 29% of non-bank respondents.

Additionally, 36% of bank respondents indicate that they will offer more favourable loan terms for assets meeting sustainability compliance, vs just 16% among non-banks. The level of incentives was also generally higher from bank lenders.

In what ways do sustainability criteria influence your lending on real estate?



Over half of lenders monitor the implementation of improvement plans quarterly

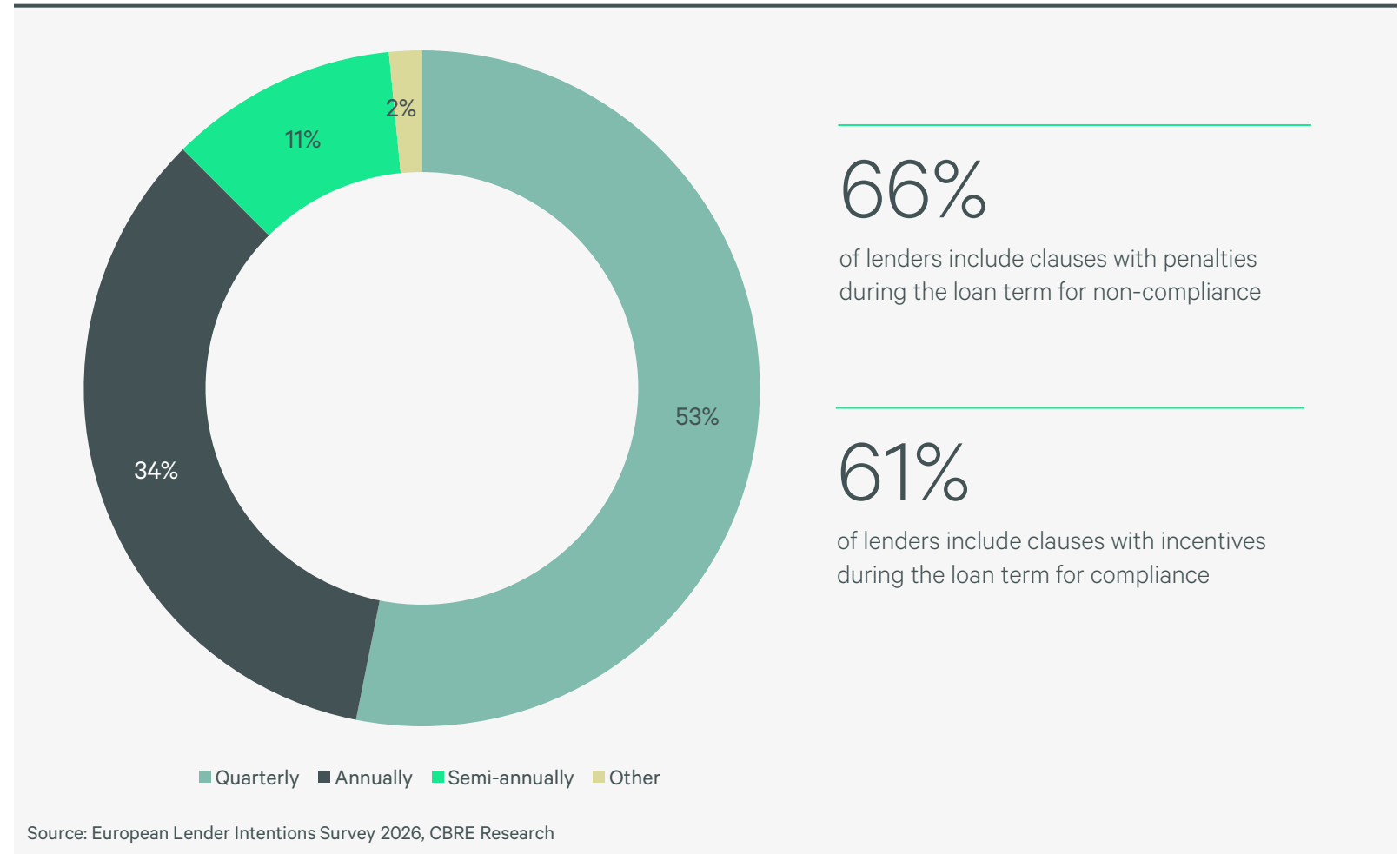
How frequently do lenders monitor the implementation of improvement plans?

Among the 48% of respondents who indicated that they implement improvement plans for assets that do not meet sustainability criteria, over half monitor progress on a frequent (typically quarterly) basis. Others adopt a less frequent approach, with 34% conducting reviews annually.

Nearly all respondents who require improvement plans monitor them with incentives and/or penalties. This generally takes place during the loan term rather than expiry.

Among respondents implementing improvement plans, more than 66% of respondents include penalty clauses, while 61% incorporate incentives for achieving sustainability targets during the loan term. There is also strong overlap between the two approaches, with approximately half of respondents implementing incentives during loan terms also implementing penalties, and vice versa.

How frequently do you monitor the implementation of improvement plans?



66%

of lenders include clauses with penalties during the loan term for non-compliance

61%

of lenders include clauses with incentives during the loan term for compliance

Margin increases for non-compliant assets are larger in magnitude than step-downs

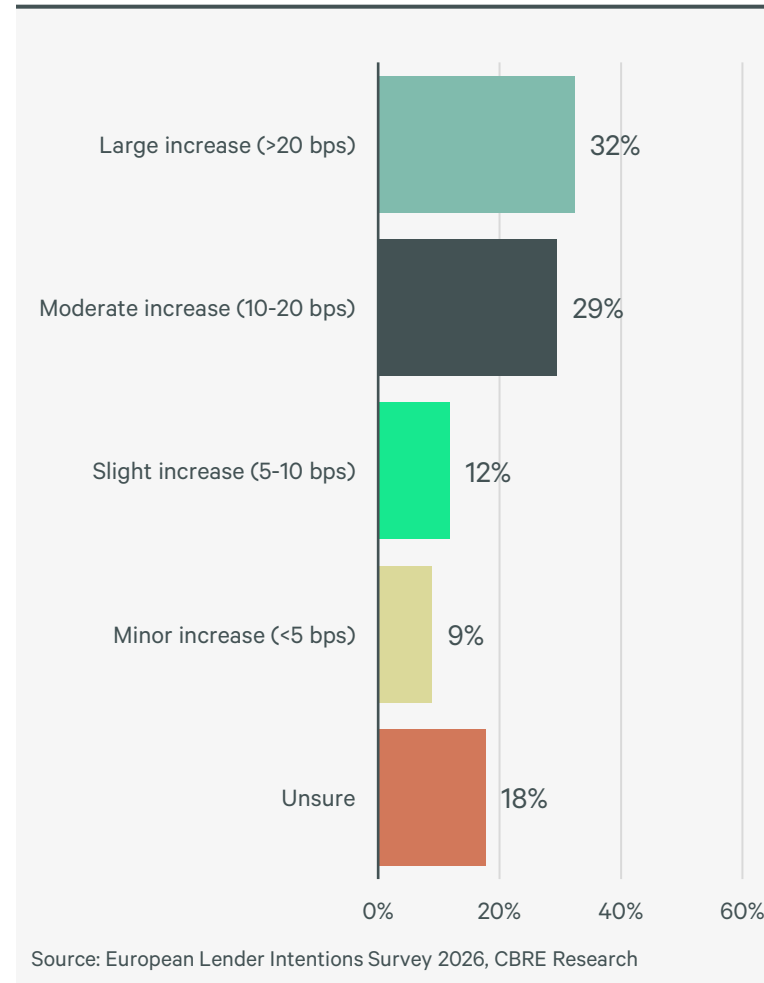
In which ways will sustainability criteria impact lending?

Margin stepdowns or increases are used by some lenders to distinguish assets based on sustainability criteria. Among the 25% of lenders that implement margin increases on less sustainable assets, many apply relatively large increases. One third of this group apply increases in the 10-20 bps range while a further third apply increases above 20 bps.

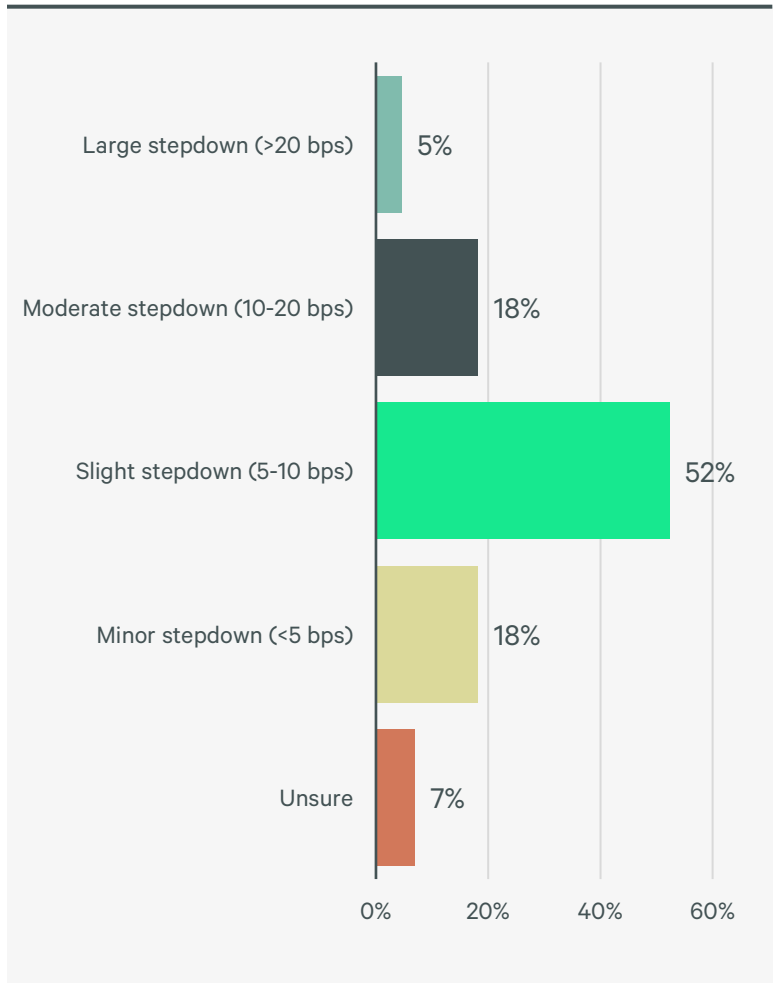
In contrast, the 33% of lenders that offer margin reductions generally apply smaller adjustments than those imposing increases. Over half of this group would apply a stepdown of 5-10 bps for assets meeting certain sustainability criteria.

Bank respondents are more willing to include margin adjustments based on sustainability criteria, with half of them stating they do so compared to only one-third of non-bank lenders. Among these respondents, banks also appear more willing to offer larger stepdown and indicated a higher degree of certainty in their approach. The ranges employed for margin increases are largely consistent across respondent profiles.

How much of a **margin increase** are lenders requiring for assets that do not meet certain sustainability criteria?



How much of a **margin decrease** are lenders willing to offer for assets that meet certain sustainability criteria?



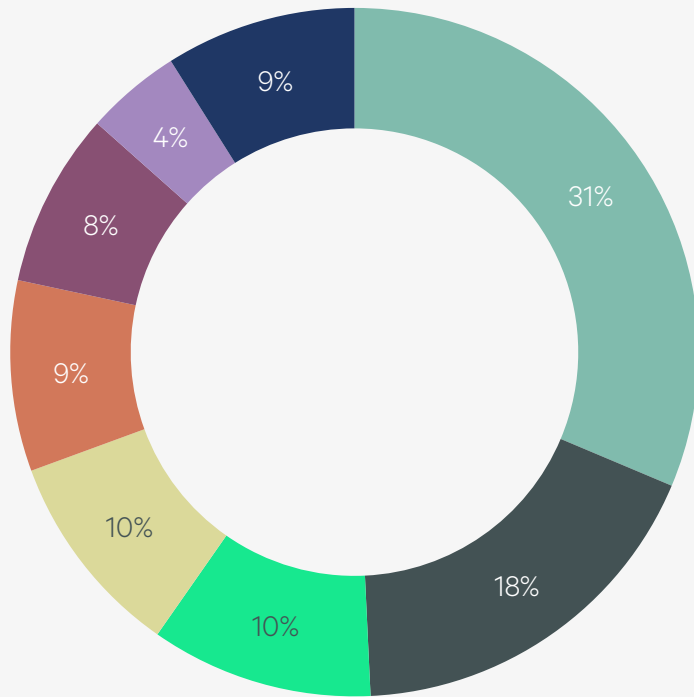
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Respondent
profile



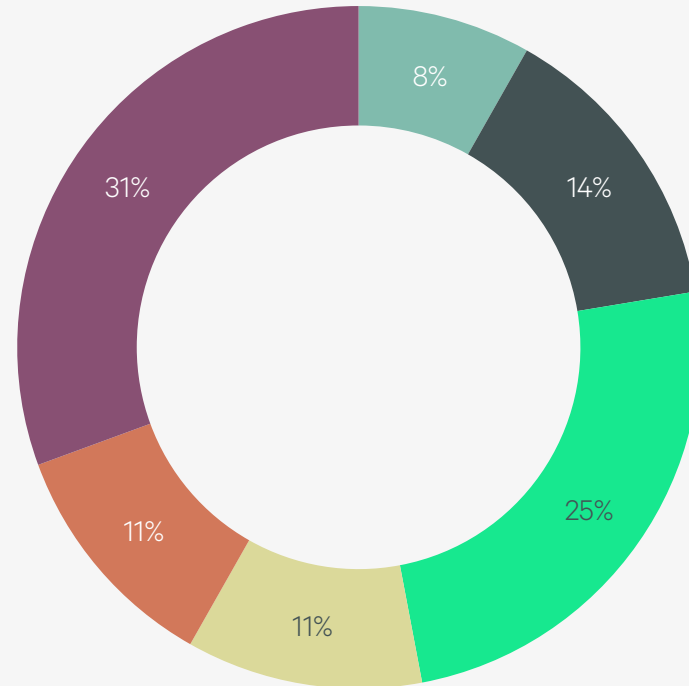
Total Responses: 134

Percentage of respondents by market



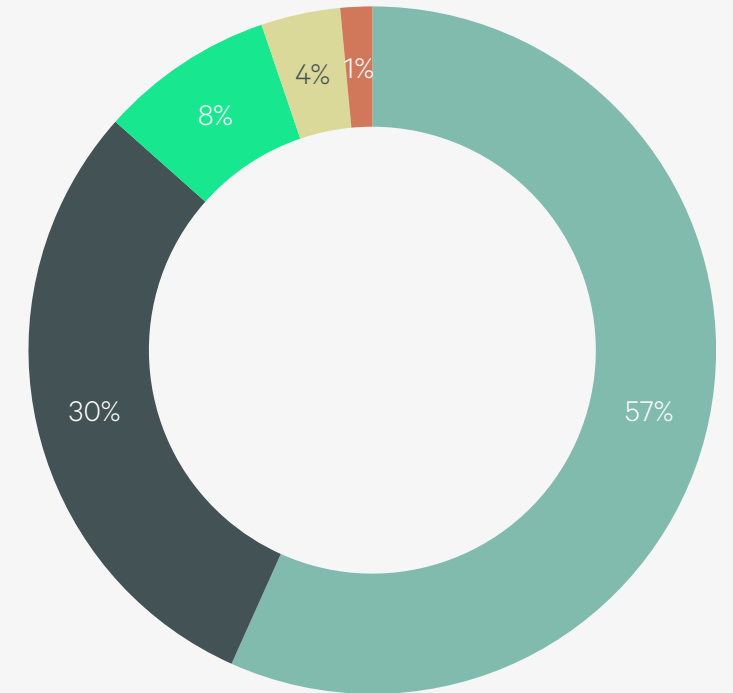
- United Kingdom
- Spain
- Netherlands
- Poland
- Germany
- Portugal
- France
- Other

Expected origination volume in 2026



- <€100m
- €100m-€200m
- €200m-€500m
- €500m-€750m
- €750m-€1bn
- >€1bn

Percentage of respondents by lender type



- Bank
- Debt fund
- Other lender type
- Insurance company
- Investment bank

Source: European Lender Intentions Survey 2026, CBRE Research

Contacts

European Business Contacts

Chris Gow

Head of Debt Advisory, Europe
chris.gow@cbre.com

Robert-Jan Peters

Executive Director, Debt & Structured
Finance, the Netherlands
robert-jan.peters@cbre.com

Nicolas Brandebourger

Executive Director, Debt & Structured
Finance, Europe
nicolas.brandebourger@cbre.com

Research Contacts

Tasos Vezyridis

Executive Director, Head of Research, UK&I
and Continental Europe
tasos.vezyridis@cbre.com

Steven Devaney

Head of Investment Market Research, Europe
steven.devaney@cbre.com

Benjamin Pipernos

Senior Analyst, Capital Markets Research
benjamin.pipernos@cbre.fr

Angharad Cole

Senior Analyst, Capital Markets Research
angharad.cole@cbre.com

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Contacts

Local Market Business Contacts

Stephen Barr

Executive Director, Debt & Structured Finance, UK
stephen.barr@cbre.com

John Hardie

Senior Director, Debt & Structured Finance, UK
john.hardie@cbre.com

Peter Keegan

Director, Debt & Structured Finance, Ireland
peter.keegan@cbre.com

Pedro Pinto

Deputy Head of Capital Markets, Portugal
pedro.pinto@cbre.com

Ignacio Meylan

Head of Debt & Structured Finance, Spain
ignacio.meylan@cbre.com

Massimiliano Rossi

Head of Capital Advisors, Italy
massimiliano.rossi@cbre.com

Alexandra Truninger

Head of Debt & Structured Finance, Switzerland
alexandra.truninger@cbre.com

Vladimir Reach

Director, Capital Markets, France
vladimir.reach@cbre.com

Yuksel Yildirim

Director, Debt & Structured Finance, the Netherlands
yuksel.yildirim@cbre.com

Michal Klimczak

Director, Debt & Structured Finance, Poland
michal.klimczak@cbre.com

Ralf Klann

Managing Director, Head of Debt & Structured Finance, Germany
ralf.klann@cbre.com

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