



ISRAEL REAL ESTATE FORUM

A not-for-profit industry association (amuta)

A U T U M N · 2 0 2 6

Only in Israel (and Singapore) is real estate 12-18% of the market

Regardless of whose sector definition you use, the property sector in Israel is extraordinarily large as share of the total stock market

Research note for the IREF community · October 2026

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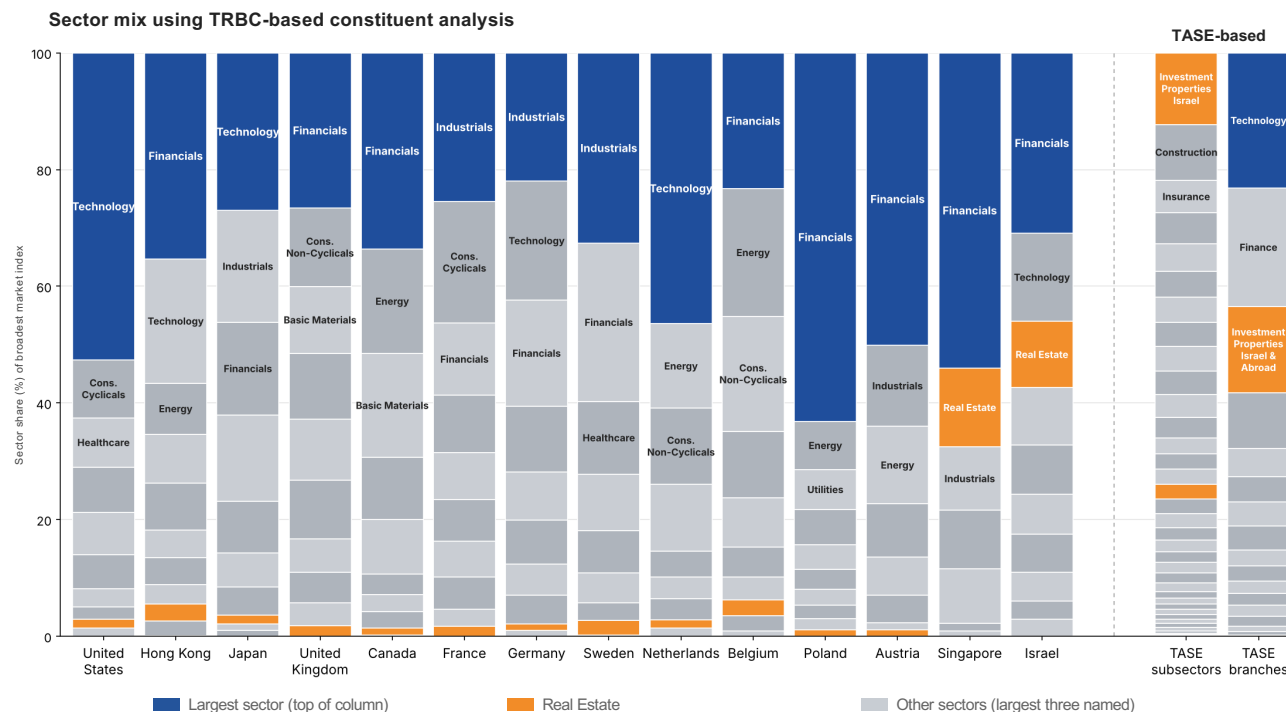
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In most of the world, the listed real estate sector is forgettable at 0-2% of the overall market



In Israel the real estate sector is 11% weight in the All Share index, using TRBC-based constituent analysis which compares with 12% weight in the same index under the TASE-based sector classification system corresponding with Investment Property in Israel and with 15% for Investment Property in Israel and Abroad and 18% when the developers, home builders and construction companies (all included in the Real Estate sector classification of the TASE). Based on TRBC and GICS and ICB sector classifications the real estate sector is typically in the 0-2% range of most broad national indices, with the notable exception of Singapore.

Not only relative size, but relative proportion also matters

Largest real estate equity market cap in Europe

As detailed in the previous notes, more than 100 TASE-listed real estate stocks have a combined equity market cap of over US\$100 billion. The sector exceeds that of any European country in both the number of stocks and total equity market cap.

Widespread portfolio exposure

Effectively all portfolios in Israel have significant real estate exposure. In most other countries, a typical general equity portfolio can have effectively no exposure to real-estate stocks.

Deeper investment expertise

One can infer that this widespread exposure builds specialized knowledge and experience across a larger swathe of the market, better equipping Israeli investors to analyze and value property companies than their generalist peers abroad with little or no real-estate exposure.

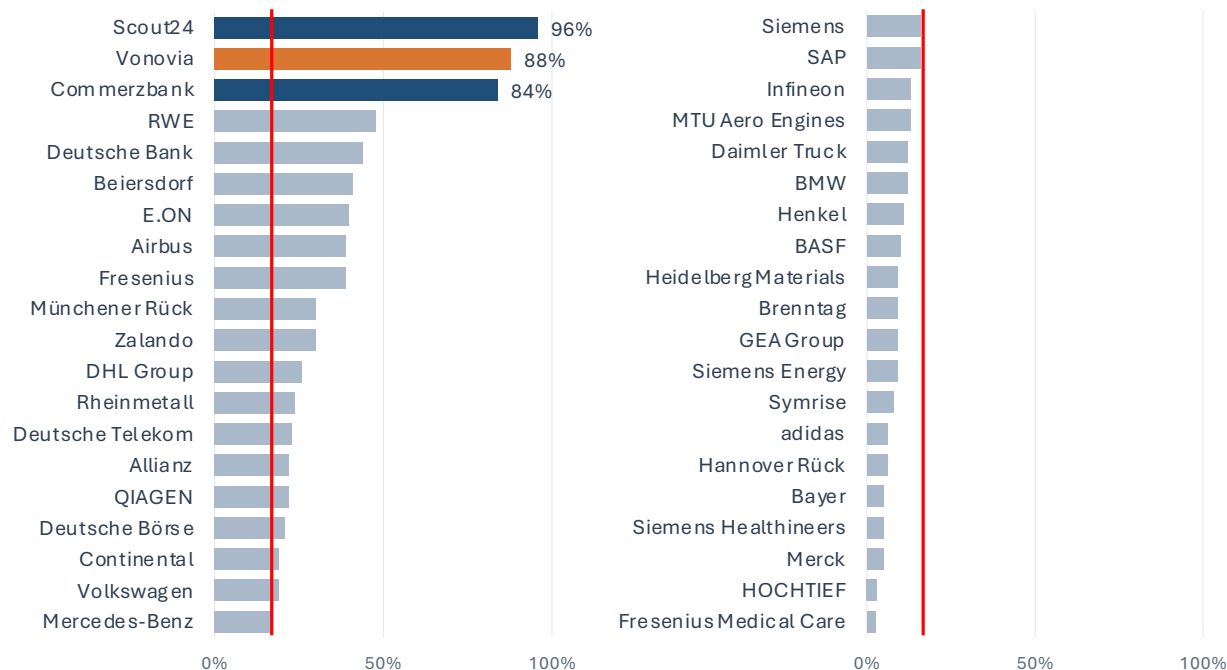
Potential valuation effect

Perhaps this helps explain why listed real-estate companies in Israel tend to command higher valuations (and with more liquidity) than in markets where property stocks are less prominent and the average investor has less sector knowledge.

Whereas in Europe...how real estate shares are positioned is VERY different

German share of revenue (%) in the DAX 40 universe

Median: 17%



Only 3 of 40 exceed 50%

Only 3 stocks in the DAX-40 index have more than half of revenues from Germany. Vonovia ranks second at 88%. It led the DAX before Scout24 joined the index in September 2025.*

Profit exposure is higher*

Germany accounts for nearly 90% of Vonovia's profit, versus an estimated 60% for Commerzbank (84% of revenue here), making it even more unusual.

Less than 0.7% of the DAX*

32nd by size, down from 2.9% in late 2020 the index weight of Vonovia is 0.68%.

Its worth having a look into the largest economy in Europe, Germany, and its listed property sector. Vonovia is the sole real estate stock in the DAX-40 index with weight of 0.7% and declining (down from 2.9% in 2020). And until recently it was the only non-financial stock with majority exposure to Germany (at around 90%). Given its small weight and unique profile, investors can safely ignore VNA shares, and can use them as proxy rather than own them for their residential real estate fundamentals.

The TASE applies its own sector taxonomy, neither ICB nor GICS

Most exchanges in Europe use ICB although Madrid and Swiss SIX have their own too.

	TRBC	GICS	ICB	TASE
Owner	LSEG	MSCI and S&P Dow Jones	LSEG (FTSE Russell)	TASE
Major Users*	LSEG Workspace (Refinitiv)	S&P 500 and MSCI indices Vanguard ETFs State Street ETFs Blackrock ETFs	Russell 2000, Euronext, STOXX, FTSE 100, NASDAQ and other exchanges and indices iShares ETFs Amundi ETFs	TASE indices ETFs tracking TASE indices
Public or licensed?	Structure public. Company assignments and methodology are a licensed Refinitiv/LSEG product.	Definitions public on the MSCI site. Company-level data is licensed (LSEG lists GICS as fee-liaible).	Ground Rules and definitions public. Use and distribution of the data requires an LSEG licence.	Fully public: procedure and MAYA filings.
AUM Tracking Product	unknown	US\$20 trillion+	US\$20 trillion+	ILS 100 billion+
Taxonomy structure	5 levels 10 economic sectors 33 business sectors 62 industry groups 154 industries 898 activities	4 levels 11 sectors 25 industry groups 74 industries 163 sub-industries	4 levels 11 industries 20 supersectors 45 sectors 173 subsectors	3 levels 4 supersectors 12 sectors 41 subsectors
Real Estate Category	Economic Sector 60	Sector 60	Industry 35	Sector 7
Category Name	Real Estate	Real Estate	Real Estate	Real Estate & Construction
Category test	Revenue: 60% with 2 segments, 51% with 3+. Ignore <10%. Fallback: assets, then profit.	>60% of revenue. Otherwise, majority of revenue and earnings. Market perception also matters.	≥50% of revenue, otherwise largest ≥20% above the next. Then broader/diversified tests.	Investment Properties ≥60% of revenue AND net assets. Abroad: same 60%/50% tests for qualifying revenue and assets abroad.
Review Frequency	At least once a year. Index codes reviewed quarterly.	On restructuring or a new annual report. Temporary swings ignored.	Quarterly effective dates. Temporary swings ignored.	Twice a year (30 Jun, 31 Dec). Real Estate & Construction once a year, 30 Jun.

The “Investment Property” sector on TASE is narrower than real estate on TRBC, GICS and ICB

Using the broader “Real Estate & Construction” sector on TASE its overall weight in the market would be the largest.

Main business	TRBC						GICS						ICB						TASE		
Category hierarchy s	Real Estate (60)						Real Estate (60)						Real Estate (35)						Real Estate & Construction (7)		
	Business sector: Real Estate (6010)						Supersector: Real Estate (3510)														
	Real Estate Operations 601010		Residential & Commercial REITs 601020				Management & Development 6020		Equity REITs 6010				Investment and Services 351010		Real Estate Investment Trusts 351020						
	Rental / dev. / operations 60101010	Real Estate Services 60101020	Diversified REITs 60102010	Commercial REITs 60102020	Residential REITs 60102030	Specialized REITs 60102040	Diversified activities 60201010	Operating companies 60201020	Development 60201030	Services 60201040	Multi-Family Residential 60106010	Single-Family Residential 60106020	Office REITs 60104010	Retail REITs 60107010	Holding and development 35101010	Real Estate Services 35101015	Diversified REITs 35102000	Residential REITs 35102040	Office REITs 35102030	Retail REITs 35102045	Other Specialty REITs 35102070
																			Investment Properties in Israel 7.1.2	Investment Properties Abroad 7.1.1	Construction 7.1.3
Landlords	Inside						Inside						Inside						Inside - Investment Properties		
Developers	Inside						Inside						Inside						Inside - Construction		
Homebuilders	Outside Consumer Cyclical (53)						Outside Consumer Discretionary (25)						Outside Consumer Discretionary (40)						Inside - Construction		
Construction contractors	Outside Industrials (52)						Outside Industrials (20)						Outside Industrials (50)						Inside - Construction		
Property agents and managers, etc.	Inside						Inside						Inside						Outside Services (6.3)		
Mortgage REITs	Inside						Outside Financials (40)						Outside Financials (30)						Outside Banks (3)		

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