



ISRAEL REAL ESTATE FORUM

A not-for-profit industry association (registered amuta)

AUTUMN · 2026

English reporting could lift Israel to 15% country weight from 4.3%

of the FTSE EPRA Nareit index EMEA sleeve

Research note for the IREF community · Working analysis as of September 2026

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EXECUTIVE SUMMARY

Israel can lift its EMEA benchmark weight from 4.3% to as much as 15%

Holding back the sector weight is (mainly) English language reports

- 1 Large reserve pool** 22 more stocks in “Investment Property” category in Israel of sufficient size to be candidate for FTSE EPRA Nareit Developed representing a large reserve pool of index candidates
- 2 Profile fit** Rule 7.1 definition of “Investment Property” companies is close match to ICB taxonomy applied by FTSE EPRA Nareit index, likely allowing all 22 to be eligible for index inclusion
- 3 Huge potential** Assuming all 22 stocks in reserve pool are added to the index, the Israel weight increases to 15% from 4.3% of EMEA sleeve.
- 4 The unlock is local** The main gating issue is neither size nor business profile nor liquidity, it is English language reports. Self help can fix this.

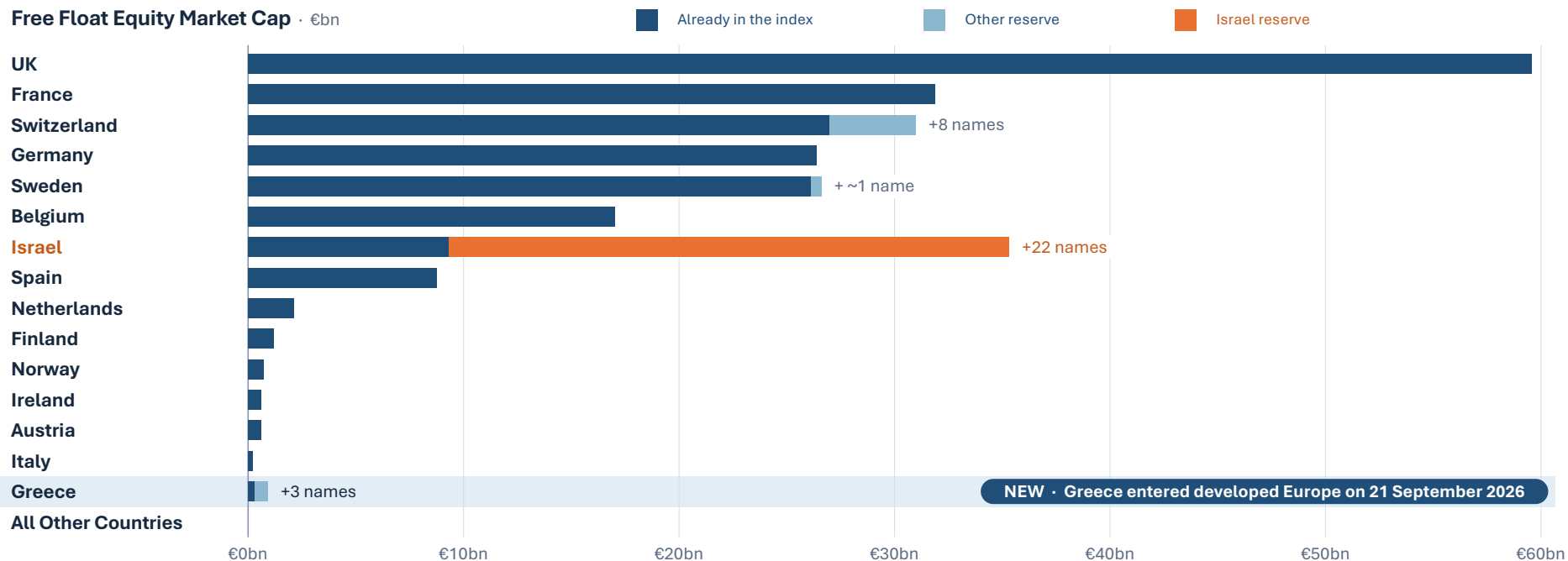
A rare country-level opportunity: coordinated issuer action can materially change Israel’s benchmark weight.

Sources: [Synthesis of this analysis](#) | [figures include working estimates](#).

01 · European countries are maxxed out

Israel is the only country with additional eligible names not already in the index

Free Float Equity Market Cap · €bn



Countries without a reserve bar have no material reserve of eligible names.

EMEA SLEEVE · FREE-FLOAT MARKET CAP

€211bn now

€230–240bn if reserves are added

Sources: EPRA monthly statistical bulletin (latest published) · FTSE EPRA Nareit country weights · IREF reserve-pool estimates (SE, CH, GR, IL)

02 · TASE Investment Property versus FTSE EPRA Nareit criteria

TASE industry categorization Rule 7.1 differs from FTSE EPRA Nareit index eligibility test, but not too different

Decision point	TASE Sector Classification Procedures	FTSE EPRA Nareit criteria	Implication
Security type & listing	Security listed for trading on TASE	Common stock on an eligible exchange	Each designed for index creation
Classification	Investment Property 7.1	ICB supersector Real Estate 8600	Not the same taxonomy
Revenue / activity	≥60% investment-property revenue*	≥75% relevant-real-estate EBITDA	54 names on TASE in Investment Property
Balance sheet	≥60% of net assets in investment property	No equivalent 60% net-assets gate	
Free float amount in EUR	No equivalent	€211M today (10 bps of EMEA free-float cap)	27 of 54 names qualify from TASE
Free float %	No equivalent	≥5% free float and ≥5% voting rights	All 27 names qualify from TASE
Liquidity	No equivalent	Minimum median daily turnover	26 of 27 names qualify from TASE
Disclosure in English	No English requirement in Rule 7.1	Detailed annual report and accounts in English	Small number of 26 qualify from TASE
Outcome	54 in Investment Property category	4 stocks from Israel in index	additional 22 from TASE eligible*

* Best case scenario

Sources: [TASE Rule 7.1](#) | [FTSE §4-5](#)

03 · TASE Investment Property versus FTSE EPRA Nareit criteria

Tables below show the % of total EBITDA coming from rental income under various non-rental revenue mix and margin assumptions

ALL CONSTRUCTION

10% construction operating margin

Non-rental revenue	60%	70%	80%
10%	98.2%	98.4%	98.6%
20%	96.0%	96.6%	97.0%
30%	93.3%	94.2%	94.9%
40%	90.0%	91.3%	92.3%

Columns: rental EBITDA margin assumptions

50 / 50 MIX

20% blended operating margin

Non-rental revenue	60%	70%	80%
10%	96.4%	96.9%	97.3%
20%	92.3%	93.3%	94.1%
30%	87.5%	89.1%	90.3%
40%	81.8%	84.0%	85.7%

Columns: rental EBITDA margin assumptions

ALL DEVELOPMENT

30% development operating-margin proxy

Non-rental revenue	60%	70%	80%
10%	94.7%	95.5%	96.0%
20%	88.9%	90.3%	91.4%
30%	82.4%	84.5%	86.2%
40%	75.0%	77.8%	80.0%

Columns: rental EBITDA margin assumptions

Lowest case: 75.0% of EBITDA from rental revenue

Illustrative only.

Source: [FTSE EPRA Nareit Global Real Estate Index Series Ground Rules](#)

04 · Reweighting potential (best case)

Adding the full 22 names with €26bn free float would lift Israel to 15% of EMEA and 2% of global developed

EMEA · FREE-FLOAT MARKET CAP

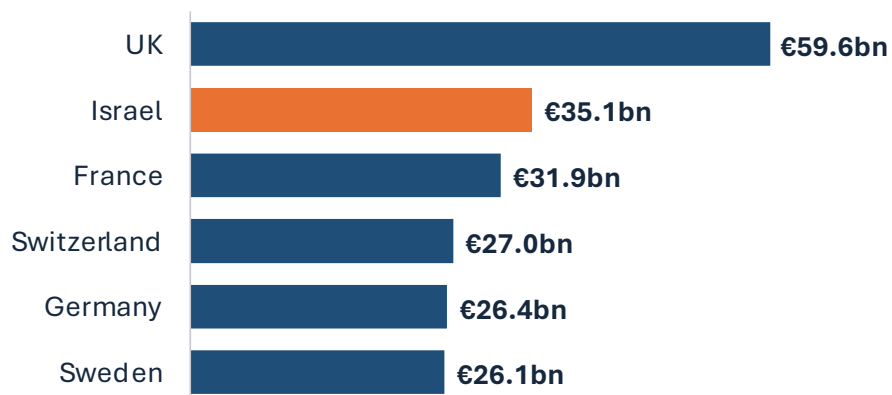
4.3% → **14.8%**

current weight

pro forma weight

$$(\text{€}9.1\text{bn} + \text{€}26\text{bn}) \div (\text{€}211\text{bn} + \text{€}26\text{bn}) = 14.8\%$$

Pro forma free-float market cap, largest EMEA countries, €bn



GLOBAL DEVELOPED · FTSE EPRA NAREIT

0.5% → **2.0%**

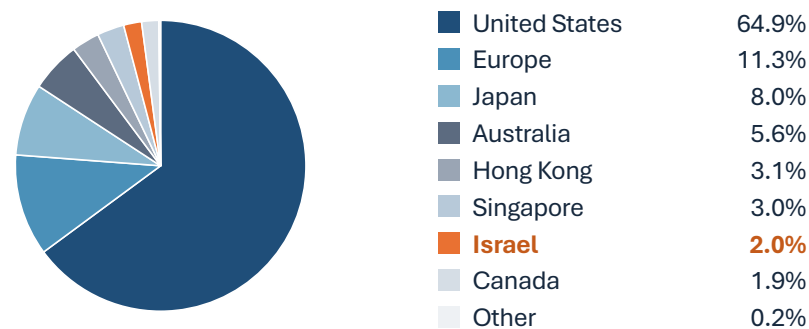
current weight

pro forma weight

$$(\text{US\$}10.4\text{bn} + \text{US\$}30\text{bn}) \div (\text{US\$}2,000\text{bn} + \text{US\$}30\text{bn}) = 2.0\%$$

At 2% the Israel weight would sit level with **Canada (1.9%)** and just behind **Hong Kong and Singapore (3%)**

Pro forma country weights, FTSE EPRA Nareit Developed



Sources: [EMEA country data from page 03](#) | [FTSE EPRA Nareit Developed breakdown by country: index free-float cap ~US\\$2.0tn](#)

05 · Binding constraint is language

The main gating issue is not business size or composition or liquidity — it is English financial reporting

“In order to be considered for index inclusion, companies must publish a publicly available audited annual report in English.”

FTSE EPRA Nareit Global Real Estate Index Series Ground Rules v12.9 (Sep 2026) · Section 4.6 · Accounts must include P&L, balance sheet, directors' review and full notes

**A Hebrew-only issuer can satisfy the economics, size and liquidity tests—
and still fail before inclusion.**

GPR applies the same gate: its universe requires the latest annual report in English. S&P Dow Jones Indices (both its S&P Property and Dow Jones RESI families) and MSCI have no English-language requirement.

Sources: [FTSE ground rules v12.9 §4.6](#) | [EPRA eligibility summary](#) | GPR General Index guideline (Solactive, Aug-2025) | S&P Dow Jones Indices property and RESI methodologies, MSCI GIMI methodology (2026)

06 · A material source of new share demand and liquidity

A 2% index weight would point ~US\$6bn of tracking capital at Israel, 16% of the sector’s free float

BENCHMARKED CAPITAL · FTSE EPRA NAREIT

US\$320bn

of assets benchmarked to FTSE Russell’s REIT indexes (LSEG)

Capital tracking Israel at each index weight, vs ~US\$40bn free float

Israel weight	Tracking capital	% of free float
1.0%	US\$3.2bn	8%
1.5%	US\$4.8bn	12%
2.0%	US\$6.4bn	16%

Free float: 26 TASE names including the 22 additions, ~US\$40bn (page 06). A 2.0% weight matches Israel’s pro forma global weight on page 06.

TRADING IMPACT AT A 2.0% WEIGHT

US\$6.4bn of tracking capital, split evenly:

Passive half US\$3.2bn bought at inclusion, low turnover	Active half US\$3.2bn estimated turnover 100% a year
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US\$4bn

of additional trading value every year

≈25% of current annual trading value in the sector

Assumes a 50/50 passive/active split and 100% annual turnover on the active half and 20% on the other half.

Sources: LSEG / FTSE Russell, Measurabl partnership release (Sep-2024): “over USD \$320 billion in benchmarked assets” | Free float from page 06 | Turnover split illustrative

07 · Conclusion: self help opportunity

The binding constraint is disclosure—not the scale or economics of the sector

Israel is the only large EMEA gap where issuer action can materially change country weight.

- 1 Scale exists** Prior work identifies a large TASE Investment Property universe already outside the benchmark.
- 2 Economics likely fit** The revenue-to-EBITDA bridge clears 75% under almost all reasonable rental-margin cases.
- 3 Impact is material** The working 22-stock / €26bn screen lifts Israel from 4.3% to about 15% of EMEA.
- 4 Action is controllable** Publishing full English reports is a board-level decision by the companies themselves.

No other European country appears to have a comparable pool of already-listed, potentially eligible companies waiting behind a disclosure gate.

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ISRAEL REAL ESTATE FORUM

A not-for-profit industry association (registered amuta)

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Registration Number 580843423 Registration Date 5 July 2026