Intelligent Investment

European Lender Intentions Survey 2025

REPORT

CBRE RESEARCH
JUNE 2025

Foreword

CBRE's 2025 European Lender Intentions Survey was conducted between 24 March 2025 and 25 April 2025. 143 Europe-based respondents participated in the survey, sharing their origination expectations, lending terms, and preferred sectors in 2025.

The survey results show that the recovery in the real estate lending market continues. Lenders expect an increase in their origination activity in 2025, while sentiment has improved for all sectors. This has translated to improved loan terms for borrowers, especially margins. However, there are challenges for the market and geopolitical uncertainty remains at the forefront of lenders' minds this year. The survey window spanned the period immediately before and after the U.S. announced reciprocal tariffs on 2 April and a 90-day pause on them shortly thereafter. The survey results suggest that tariffs have had no immediate impact on lenders' intentions in Europe, with no material differences in results based on response date.

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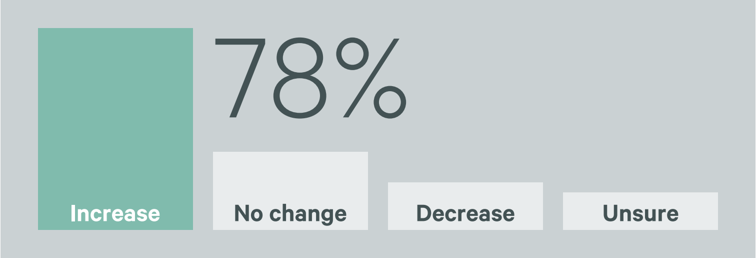
Head of Debt Advisory, Europe

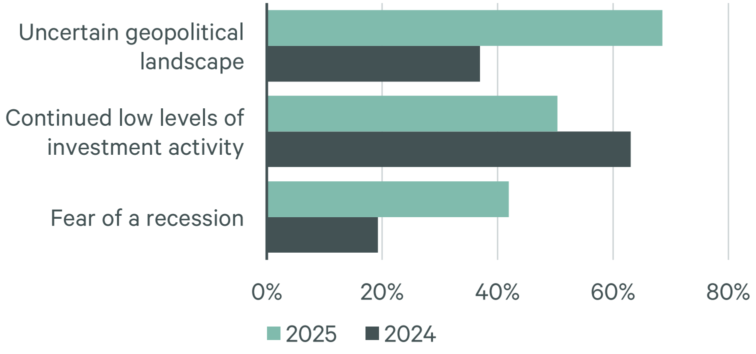
Lender intentions survey 2025 highlights

Lending activity to rise in 2025

Almost 80% of lenders to increase their origination activity when compared with 2024

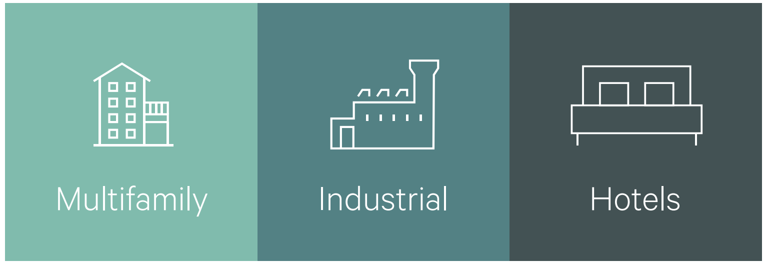


Uncertain geopolitical landscape becomes main challenge for lending market

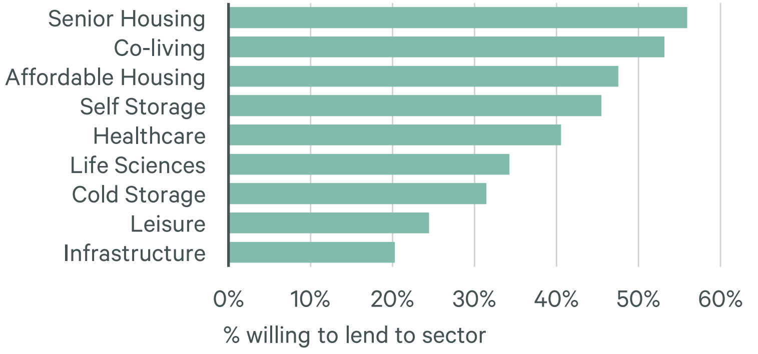


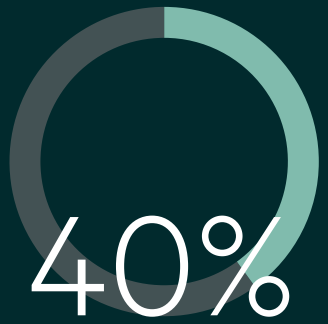
Lender preferences

Top three preferred sectors for lending



81% of lenders are willing to lend to alternatives, with senior living and co-living the most popular

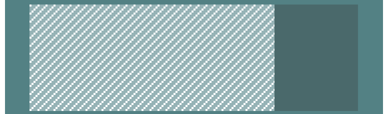




of lenders indicate that **sentiment across sectors has improved** compared to last year

71%

of lenders **will not lend** against assets that **do not either meet sustainability criteria** or implement a business plan to do so



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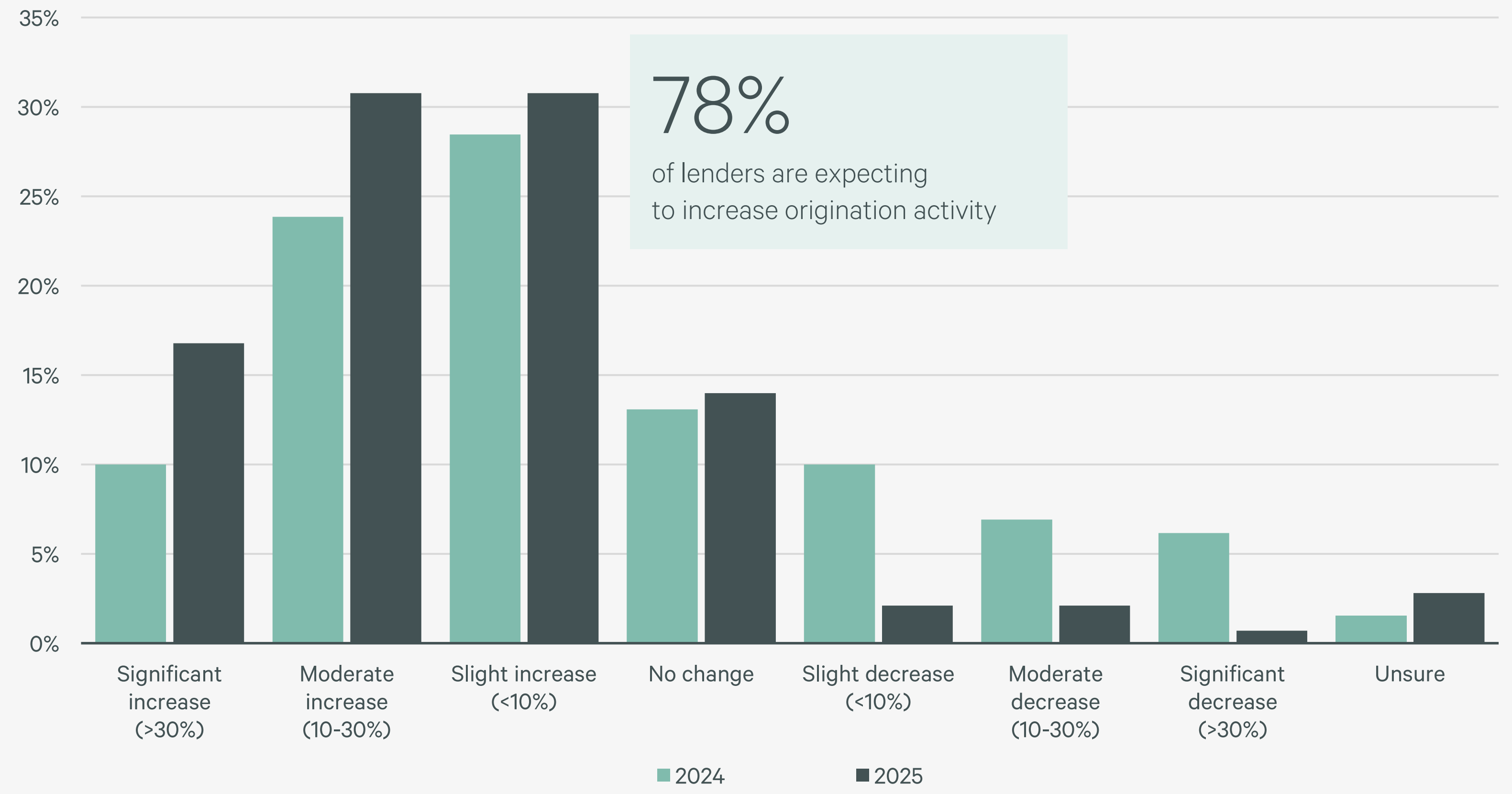
Lending activity

Increase in origination intentions

Are lenders planning to **increase their origination activity in 2025?**

After two years of relatively low origination volumes, real estate lenders are positive towards financing more in 2025 – almost 80% of lenders expect their origination activity to be higher than last year. Lenders' intentions to increase origination is even more pronounced than last year, which should support further recovery in the European real estate market.

Lenders' origination expectations for 2025 compared to 2024



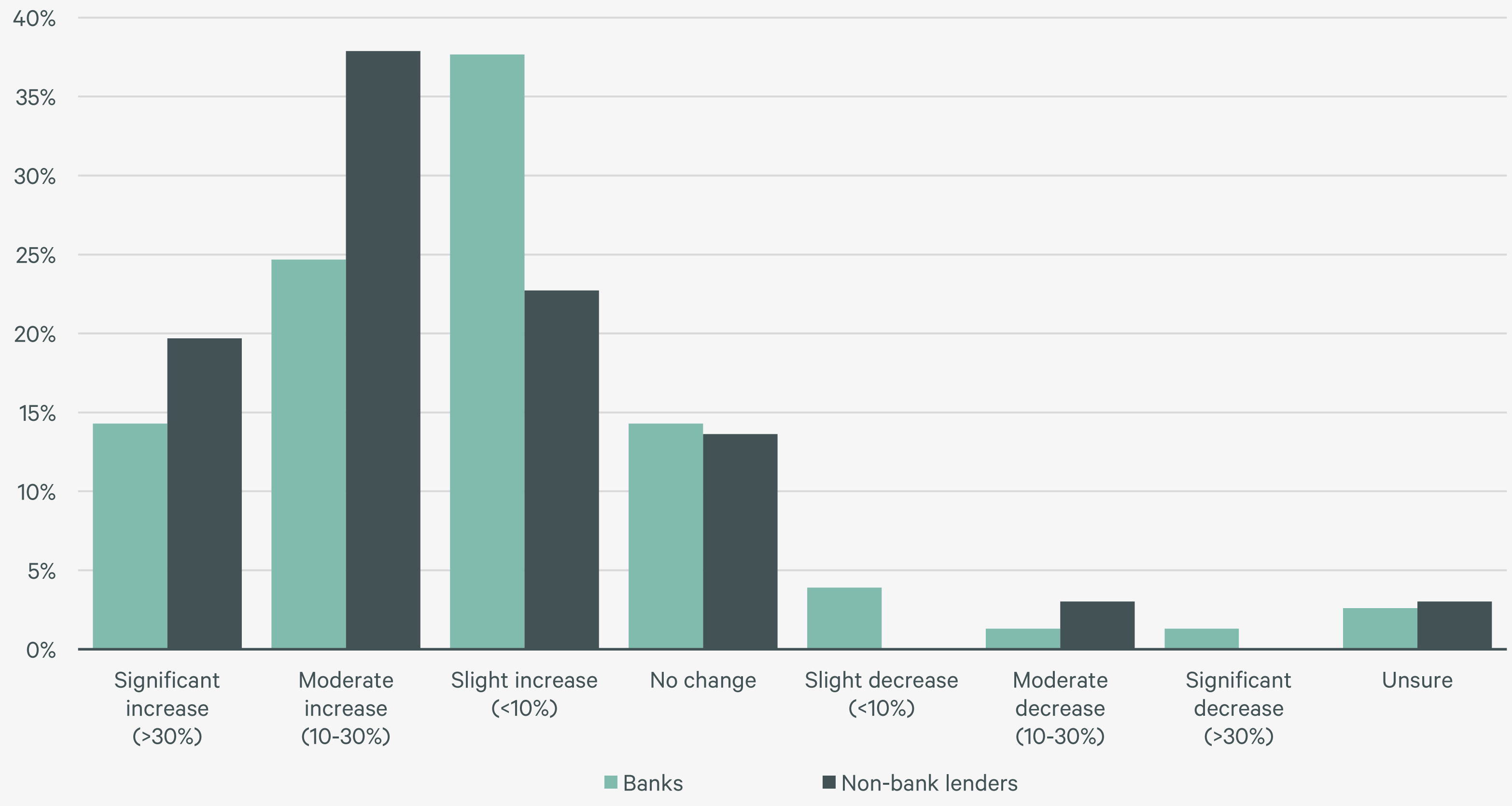
Source: European Lender Intentions Survey 2025, CBRE Research

Non-bank lenders expect even stronger increase in originations

Are lenders planning to **increase their origination activity in 2025?**

Debt funds, insurance companies, and investment banks show stronger origination expectations than banks. While a majority in both groups expect to lend more to real estate in 2025, non-bank lenders typically anticipate higher increases in activity levels.

Lenders' origination expectations for 2025 – Banks vs. non-bank lenders



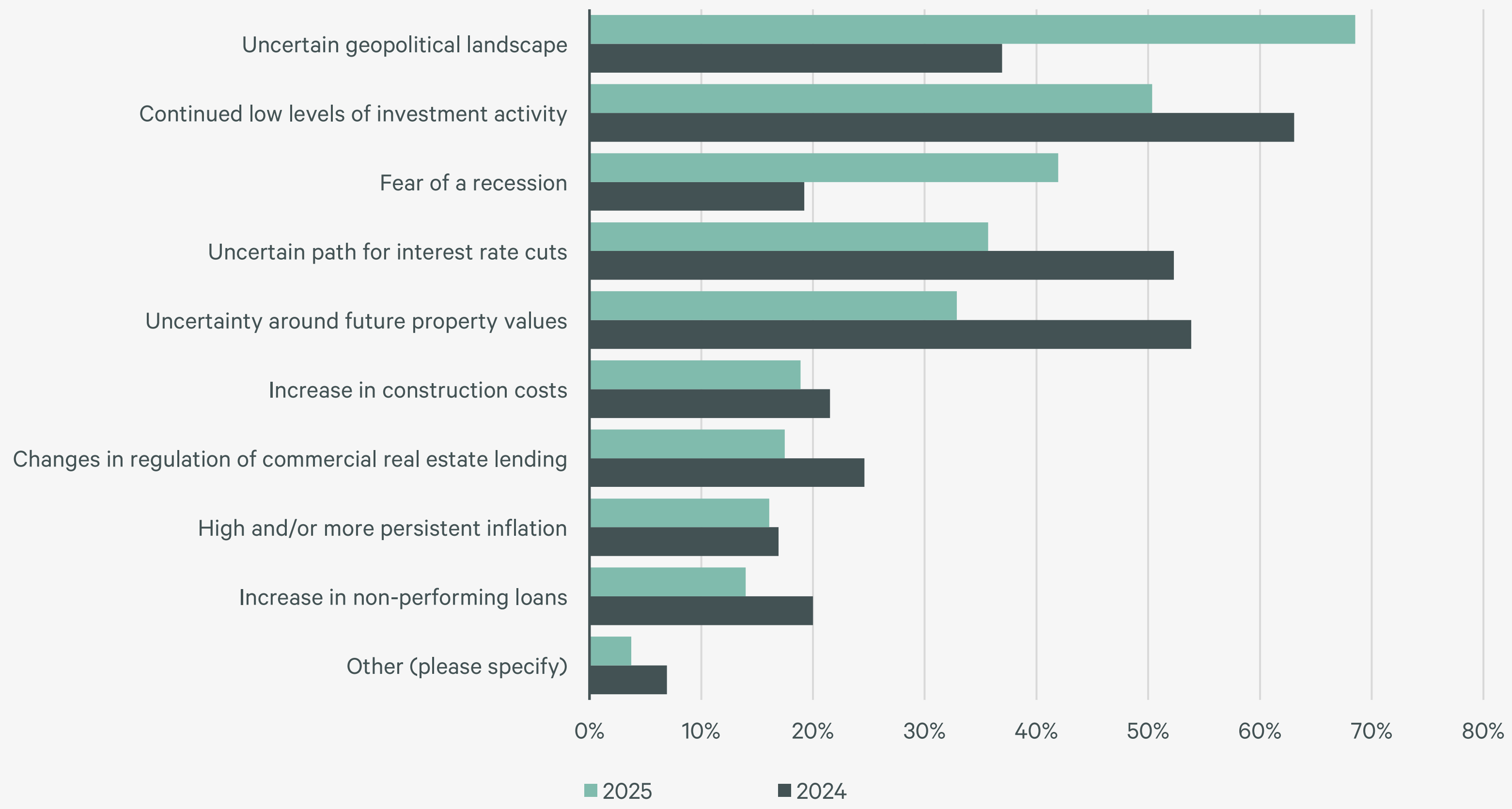
Source: European Lender Intentions Survey 2025, CBRE Research

Geopolitical uncertainty top of mind

What are the major challenges **facing the lending environment in 2025?**

Almost 70% of respondents see the uncertain geopolitical landscape as the main challenge to the European lending market in 2025. This is up from 37% (fourth place) in 2024, when low investment activity, uncertainty around future property values, and interest rates were perceived as greater challenges. Fear of a recession also increased notably, moving from eighth to third place in 2025.

Major challenges to European lending market in 2025



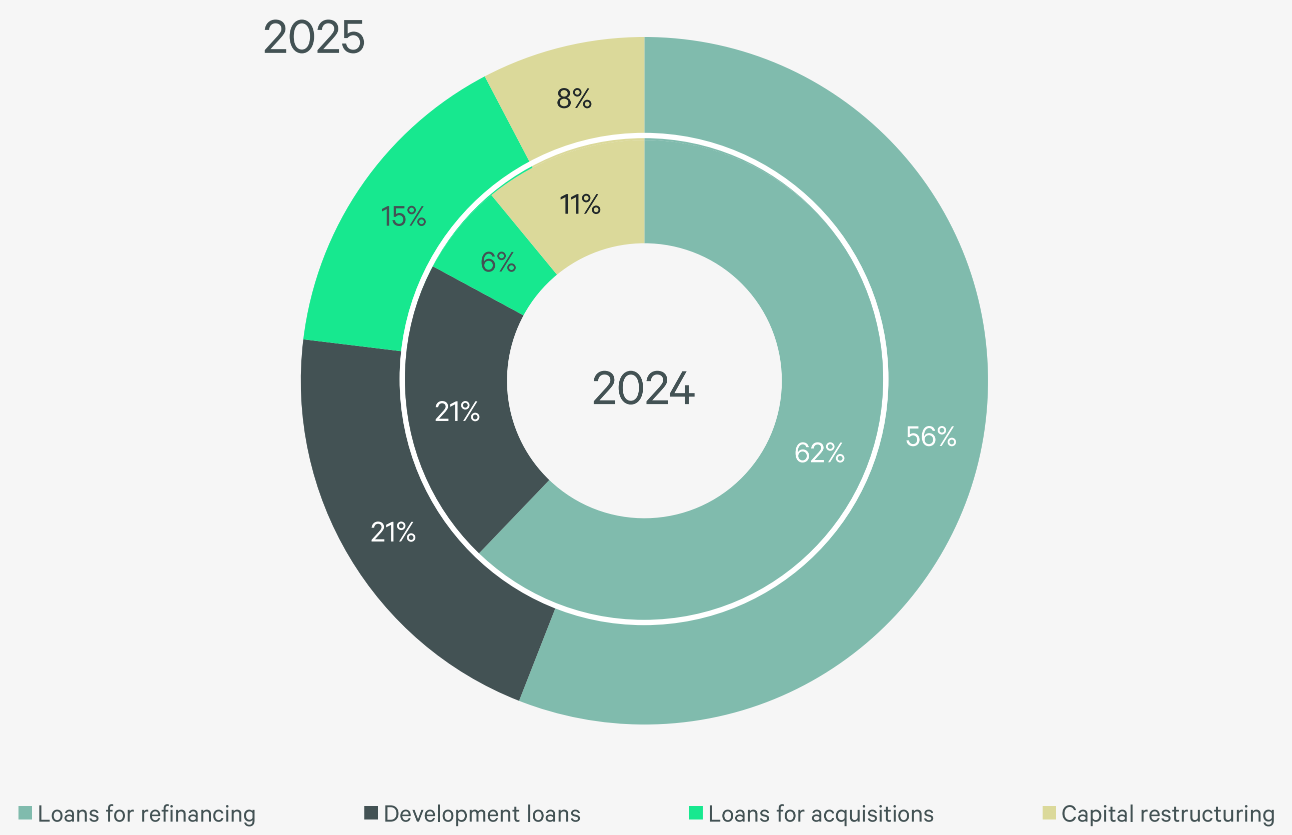
Source: European Lender Intentions Survey 2025, CBRE Research
Note: Respondents were asked to select their top three challenges

Refinancing expected to remain key source of demand for loans

What will be **the principal source of demand for loans in 2025?**

Refinancing is expected to remain the top source of demand for loans this year. 2025 will be an important year for loan maturities as many real estate loans originated during the previous market cycle peak are set to mature. However, as the transaction market continues to recover, acquisition loans have become the main source of demand for a growing share of lenders. The share of development loans remained stable at just over 20%.

Principal source of demand for loans in 2025 compared to 2024



Source: European Lender Intentions Survey 2025, CBRE Research

02

Preferred sectors

Multifamily takes top spot

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

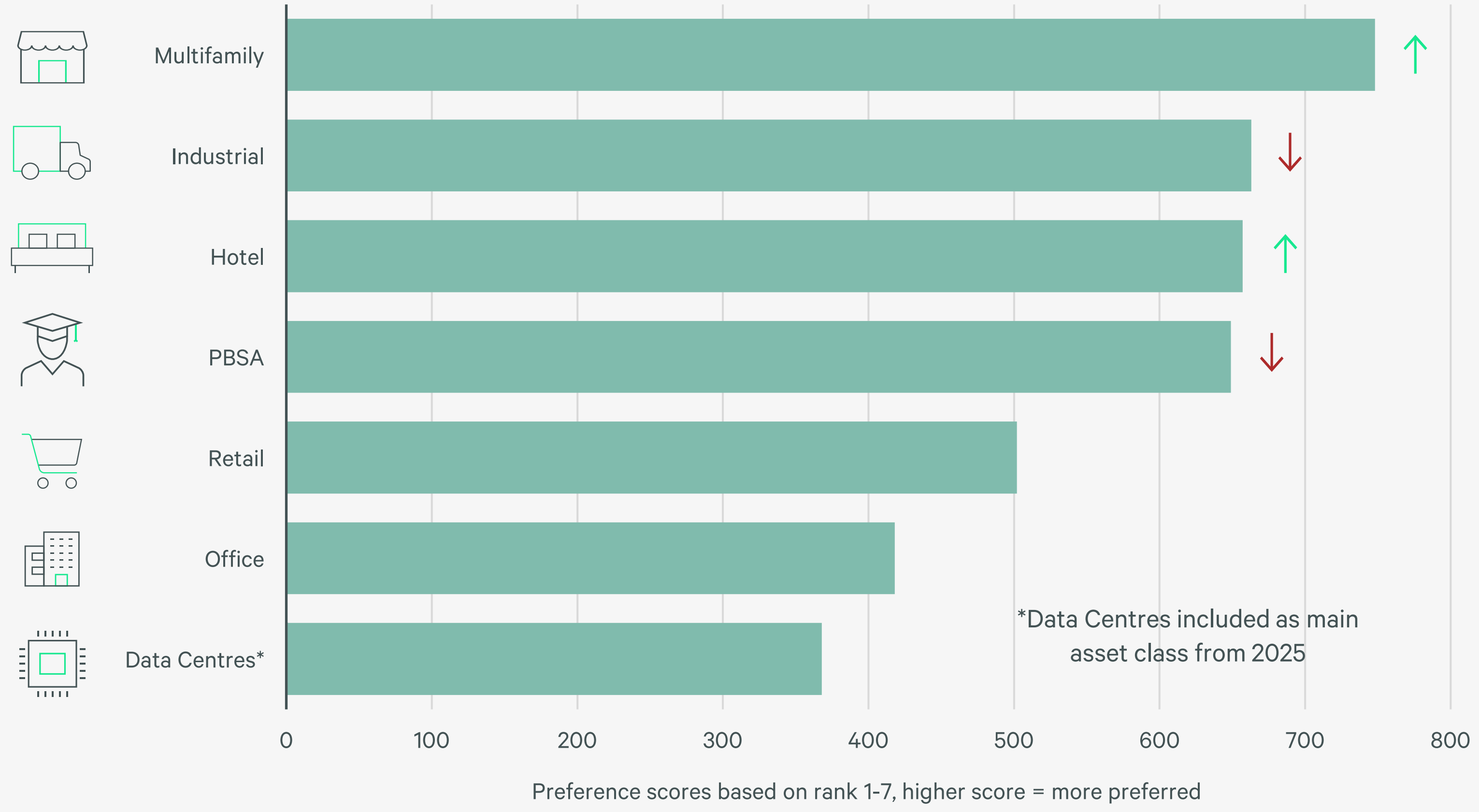
Multifamily emerged as the top choice for lending in 2025, selected as the preferred sector by 48% of the respondents. Last year, this ranking was shared with Industrial, which has now fallen to second place. Hotel rose to third, with 14% of respondents naming it the most attractive sector. While Data Centres gain attention, some lenders may not yet have the capabilities to lend against this asset class.

Legend

↑ Higher ranking than year prior

↓ Lower ranking than year prior

Preferred sectors for lending in 2025 and change from 2024



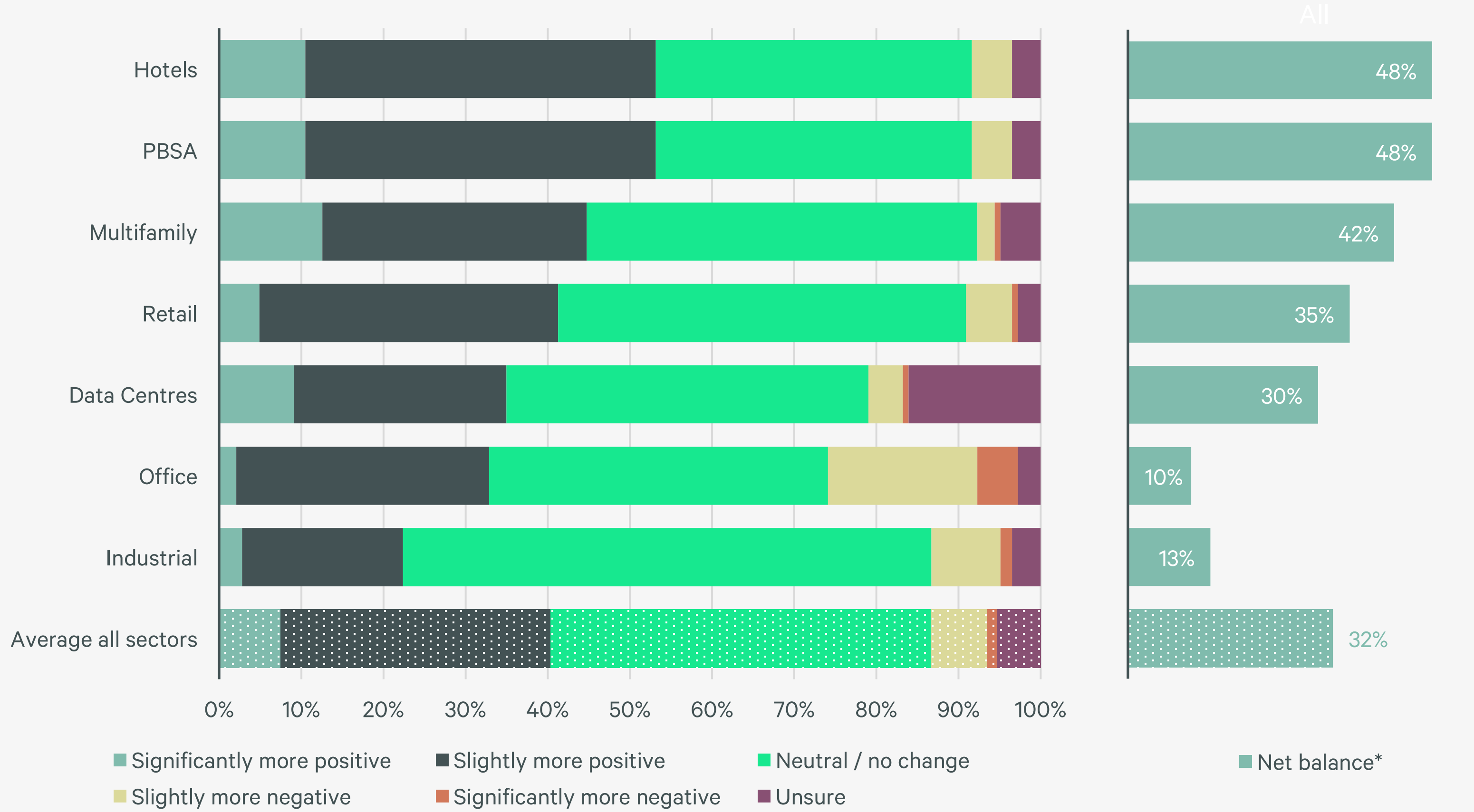
Source: European Lender Intentions Survey 2025, CBRE Research

Marked improvement in sentiment towards Hotels and PBSA

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

Sentiment has strengthened across all sectors, although in some more than others. Hotels and PBSA saw the most pronounced improvement in sentiment, closely followed by Multifamily and Retail. Approximately one-third of respondents indicate that sentiment for Office has improved, although this was partly offset by one-fifth being more negative towards the sector. Data Centres recorded the most 'unsure' responses, which could indicate that not all lenders surveyed have exposure to the sector.

Lending sentiment per sector compared to the previous year and balance of increase



Source: European Lender Intentions Survey 2025, CBRE Research

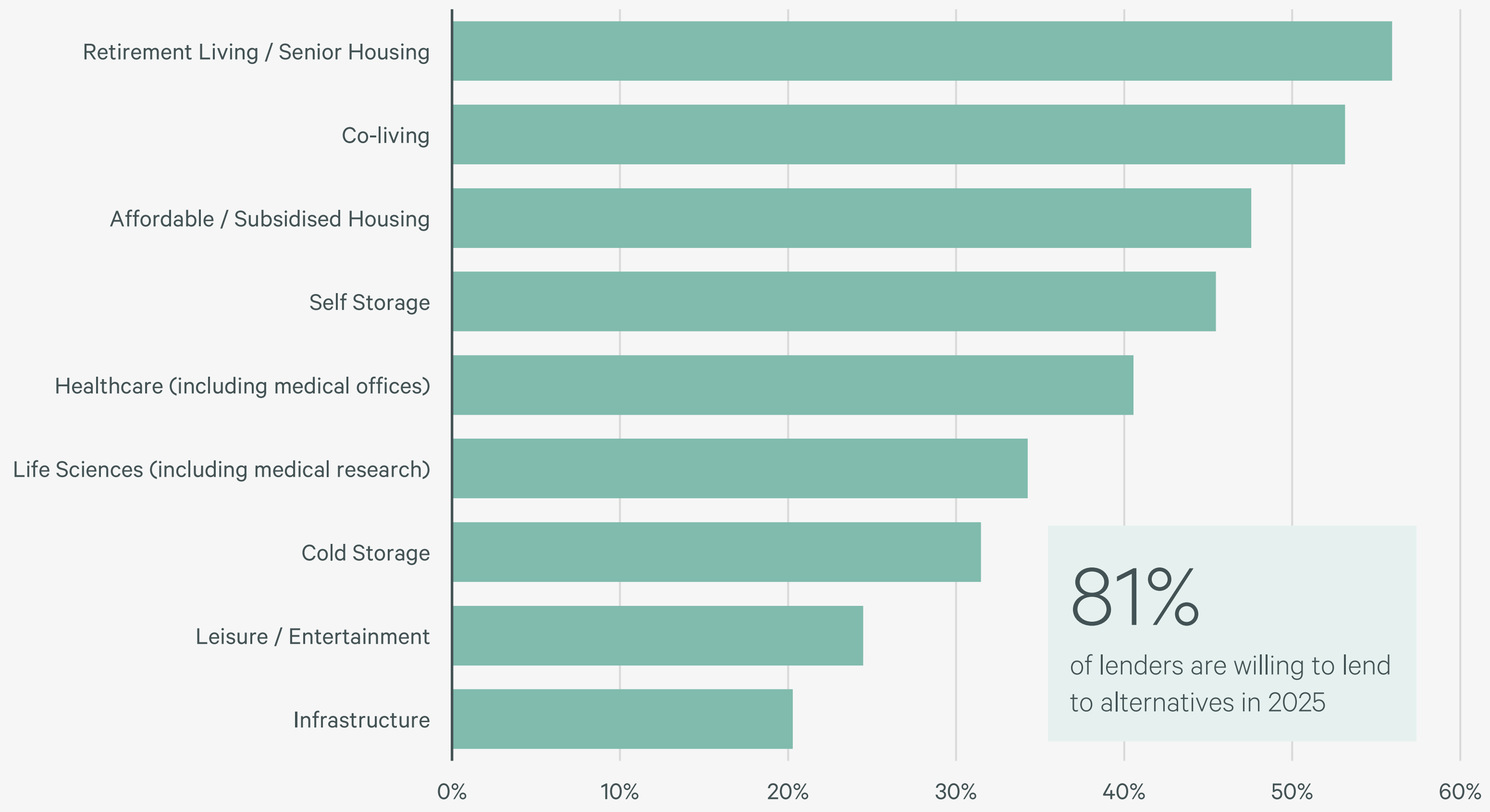
*: Balance = % positive sentiment minus % negative sentiment

Living sectors remain most favoured alternatives

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

For the second year in a row, just over 80% of lenders were willing to lend against assets in alternative sectors. Living sub-sectors remain the most sought-after alternatives to lend against, occupying the top three places, while an increase in interest in Self Storage compared with last year brought the sector to fourth place.

Most preferred alternative sectors by lenders in 2025



81%

of lenders are willing to lend to alternatives in 2025

Source: European Lender Intentions Survey 2025, CBRE Research

03

Lending terms

Slight increase in LTVs but largely stable compared to last year

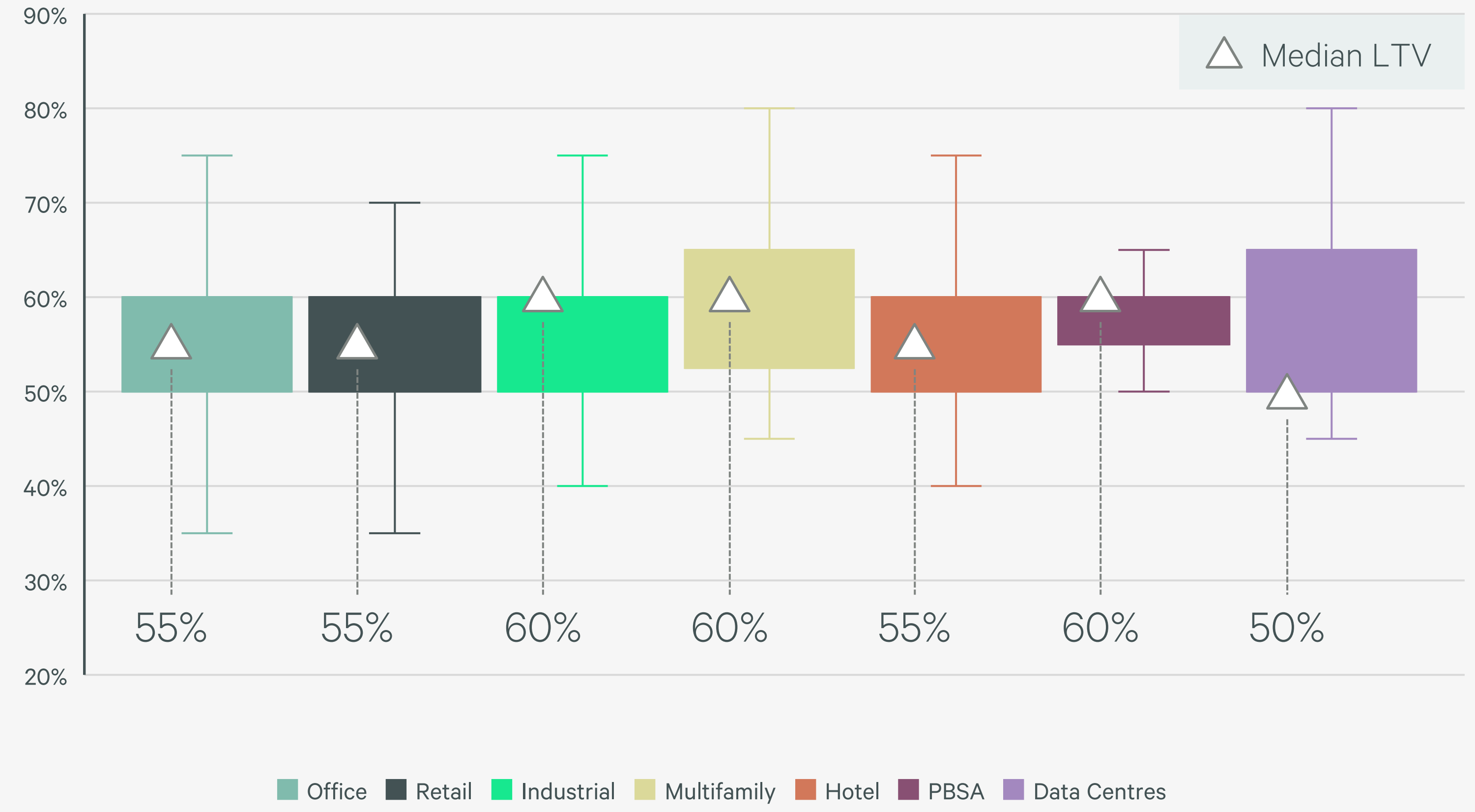
What is the typical competitive LTV ratio for a **senior loan on a prime asset?**

50-60% is a competitive loan-to-value ratio in most sectors, with a median of 55% reported for the Office, Retail, and Hotel sectors, and 60% in the Industrial sector.

Multifamily saw LTVs in the range of 52.5% to 65%. Data Centres also had a wide range of 50% to 65%, but the median LTV was at the lower end at 50%. Compared to 2024, median LTVs remained stable and did not move by more than 1-2% points.

Banks and non-bank lenders were consistent in reported LTVs overall, with variation only registered in lending towards Industrial and Data Centres. For industrial, the median LTV identified by banks was 55% compared with 60% by non-banks. The opposite was true for Data Centres, where banks reported median LTVs of 60% compared to 55% for non-banks.

Reported competitive loan-to-value (LTV) ratio for a senior loan on a prime asset in 2025



Source: European Lender Intentions Survey 2025, CBRE Research
Note: Box represents interquartile range

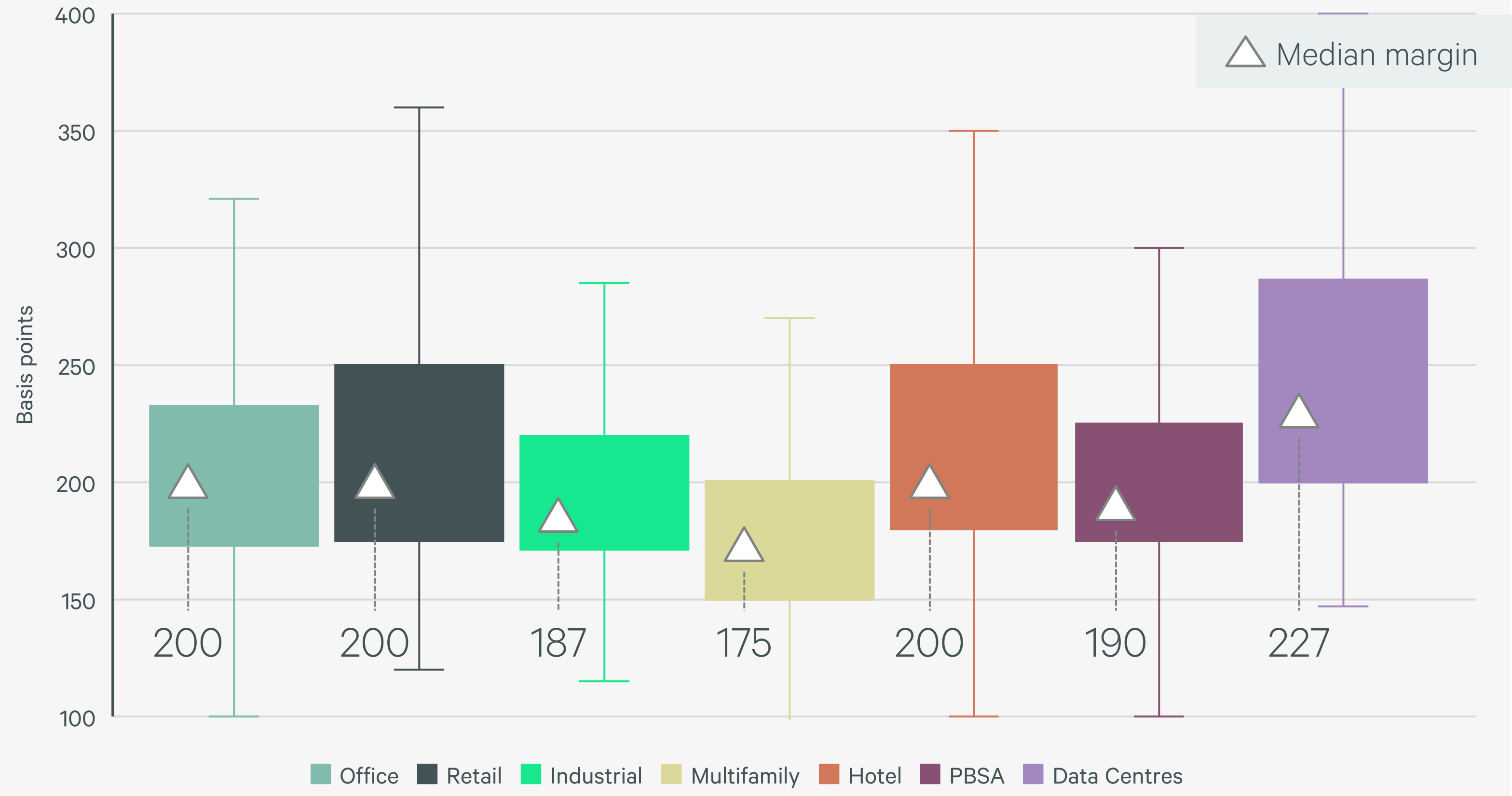
Margins have compressed by 25-50bps since last year

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

Senior loan margins have compressed since last year's survey, resulting in more favourable pricing for borrowers. The median margin decreased by as much as 50bps for Hotels, while Retail saw a decline in margin of 40bps, although the range remains wide.

Notably, lenders are willing to offer margins well below 200bps in more sectors now. Last year, this was only the case for Industrial and Multifamily, but now for all asset classes, except Data Centres, the lowest 25% margins are between 150bps and 180bps. Data Centres likely had moderately higher margins as most of the recent financing has been for development and/or value-add loans. Deals in the prime segment have signed at margins in the 150-180bps range.

Reported competitive margin for a senior loan on a prime asset in 2025



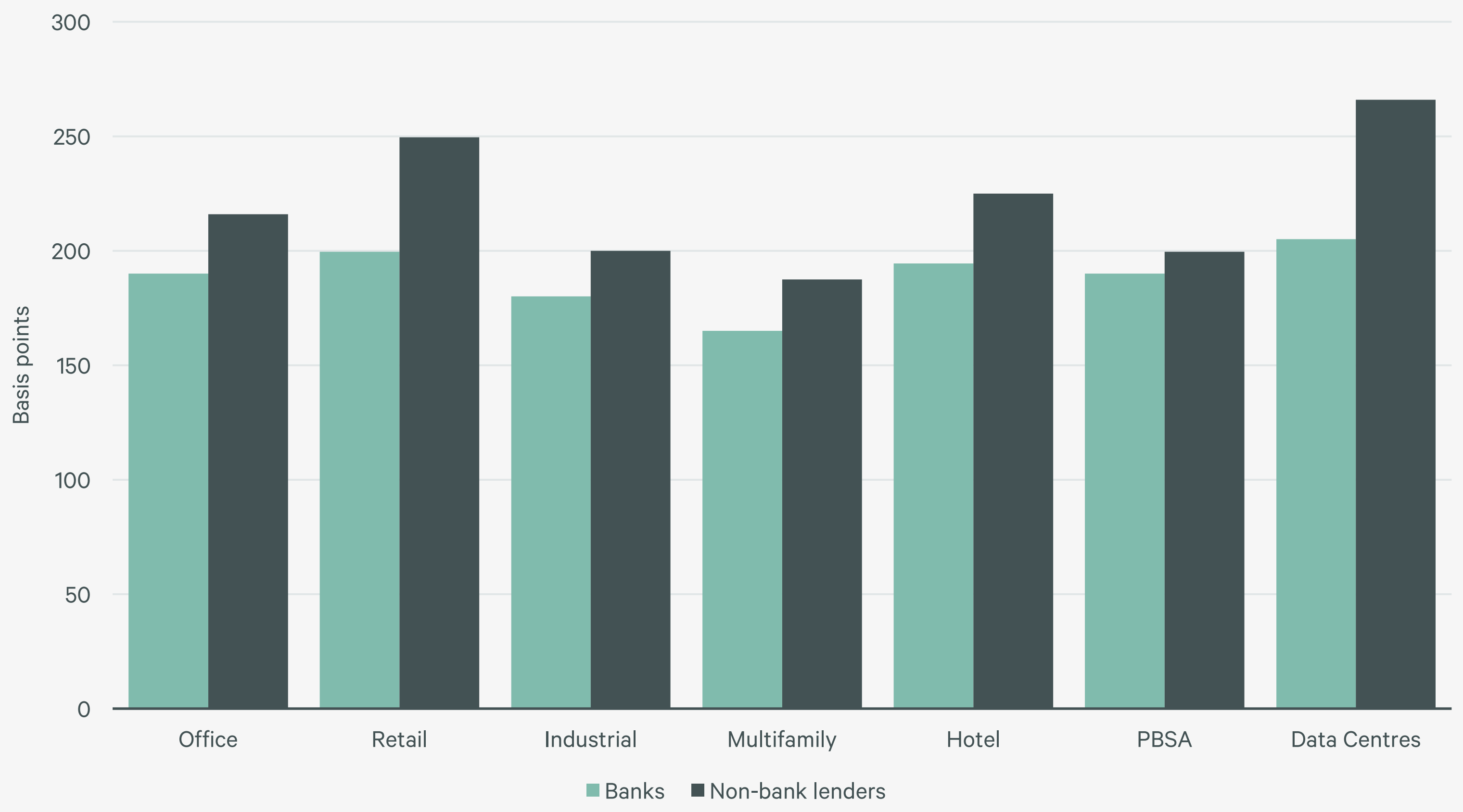
*Margin refers to the spread between lenders' reference interest rate and the interest rate to be charged on the real estate loan
Source: European Lender Intentions Survey 2025, CBRE Research
Note: Box represents interquartile range

Banks provide slightly lower margins than non-bank lenders

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

In all sectors, banks report slightly more favourable margins (from a borrower's perspective) than non-bank lenders, who are generally more willing to provide funding for assets that are higher in the risk spectrum or less liquid. The gap between banks and non-bank lenders is as narrow as 10bps for PBSA to as much as 50bps and 60bps for Retail and Data Centres, respectively.

Median margins by sector and lender type in 2025



Source: European Lender Intentions Survey 2025, CBRE Research

> The timing of this year's survey – coming immediately before and after the "Liberation Day" tariffs were announced and then paused for 90 days – provided intriguing insights. Over 60% of lenders cited geopolitical concerns as their top challenge, yet nearly 80% plan to boost origination and underwriting. This drive for deployment is creating strong liquidity, with lenders increasing LTVs and lowering pricing to secure deals. While the focus on Beds and Sheds remains, the survey also highlights a renewed interest in Retail and the growing appeal of Data Centres and Infrastructure as asset classes for real estate lenders.

Chris Gow

Head of Debt Advisory, Europe

04

Underwriting expectations

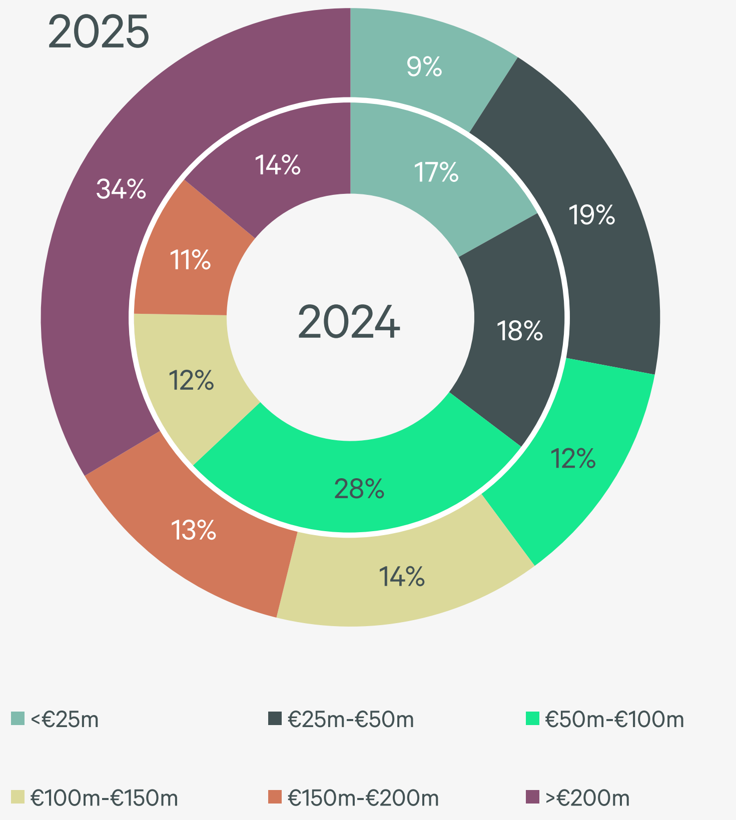
Increase in willingness to provide larger loans

What is the maximum loan size **willing to be underwritten** and what types of lending activity **are expected to be carried out?**

This year, almost 35% of lenders are willing to write loans of more than €200m, up from just 14% last year. The increased appetite for larger loans should be positive for real estate transaction activity.

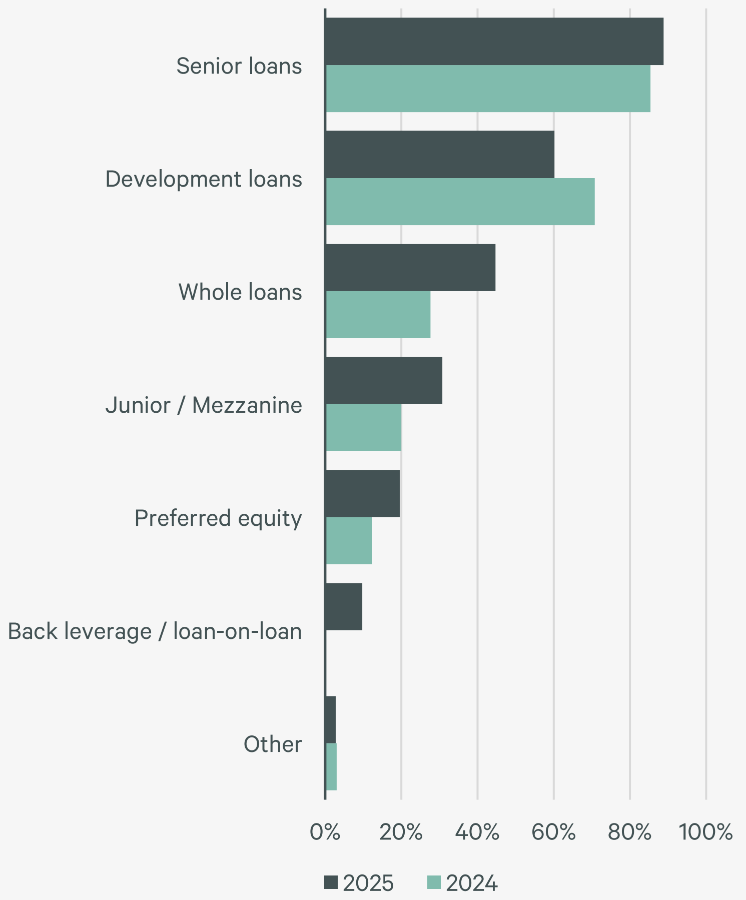
Despite a decline compared with last year, a large share of lenders (60%) are prepared to provide development finance. Meanwhile, there is an increase in the number of lenders offering whole loan solutions and mezzanine finance in 2025.

Maximum loan size willing to be underwritten



Source: European Lender Intentions Survey 2025, CBRE Research

Types of loans willing to be underwritten



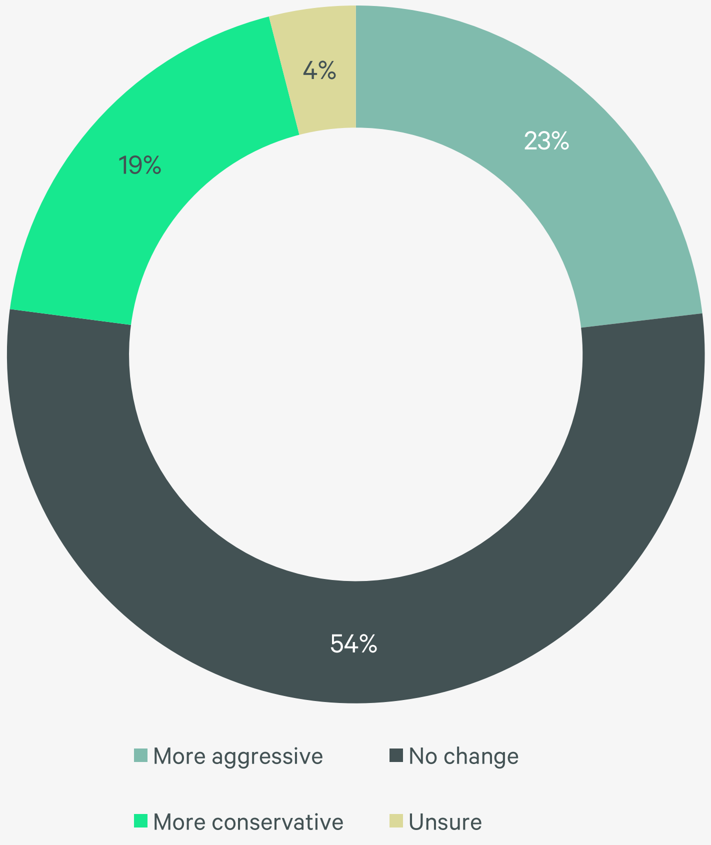
Source: European Lender Intentions Survey 2025, CBRE Research

Underwriting requirements are unchanged for many lenders

To what extent are lenders **expecting changes in their underwriting requirements** for commercial real estate lending?

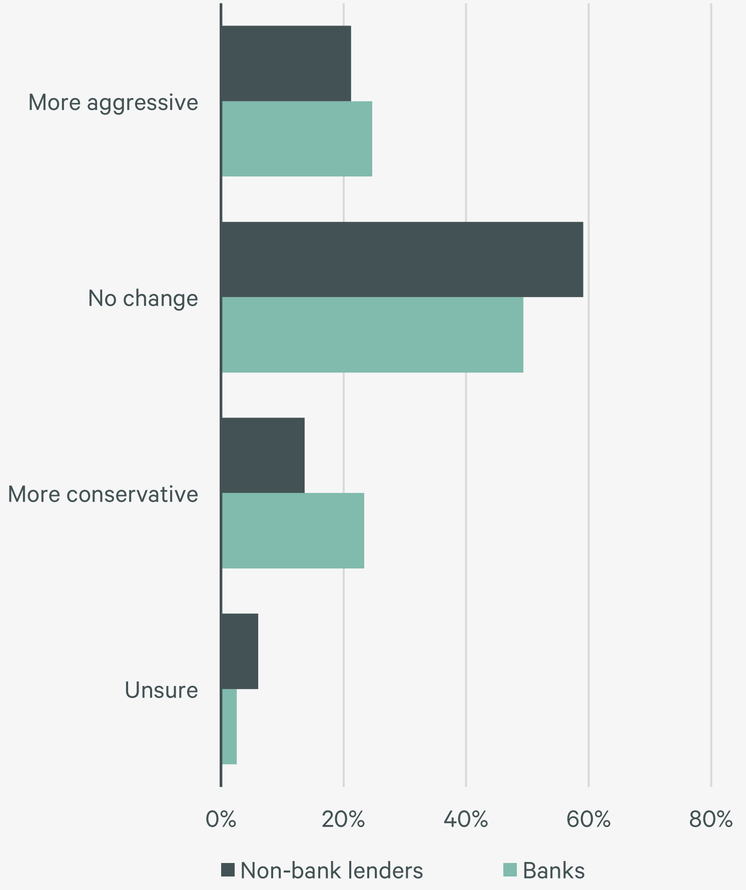
Most lenders (54%) expect to have similar underwriting requirements in 2025. There is a split, with some lenders looking to be more aggressive (23%) and some lenders expecting to be more conservative (19%) in their criteria relative to last year. The patterns do not differ markedly between bank and non-bank lenders. Across all lender types, a change in LTV ratio is the primary metric for lenders looking to be more conservative/aggressive.

Expected changes in underwriting criteria in 2025



Source: European Lender Intentions Survey 2025, CBRE Research

Expected changes in underwriting, banks vs non-banks lenders

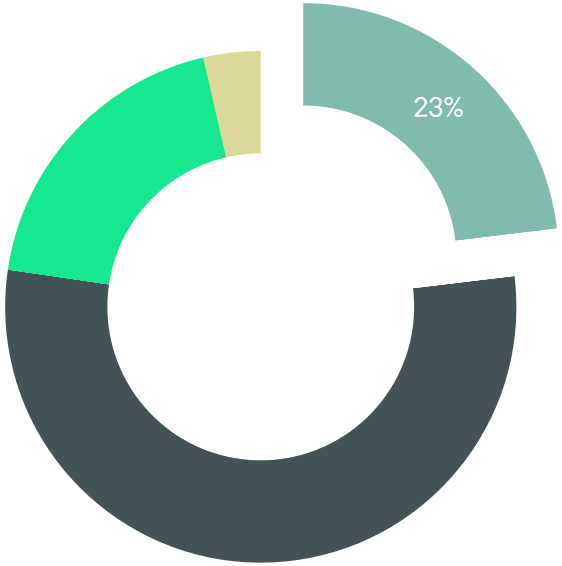


Source: European Lender Intentions Survey 2025, CBRE Research

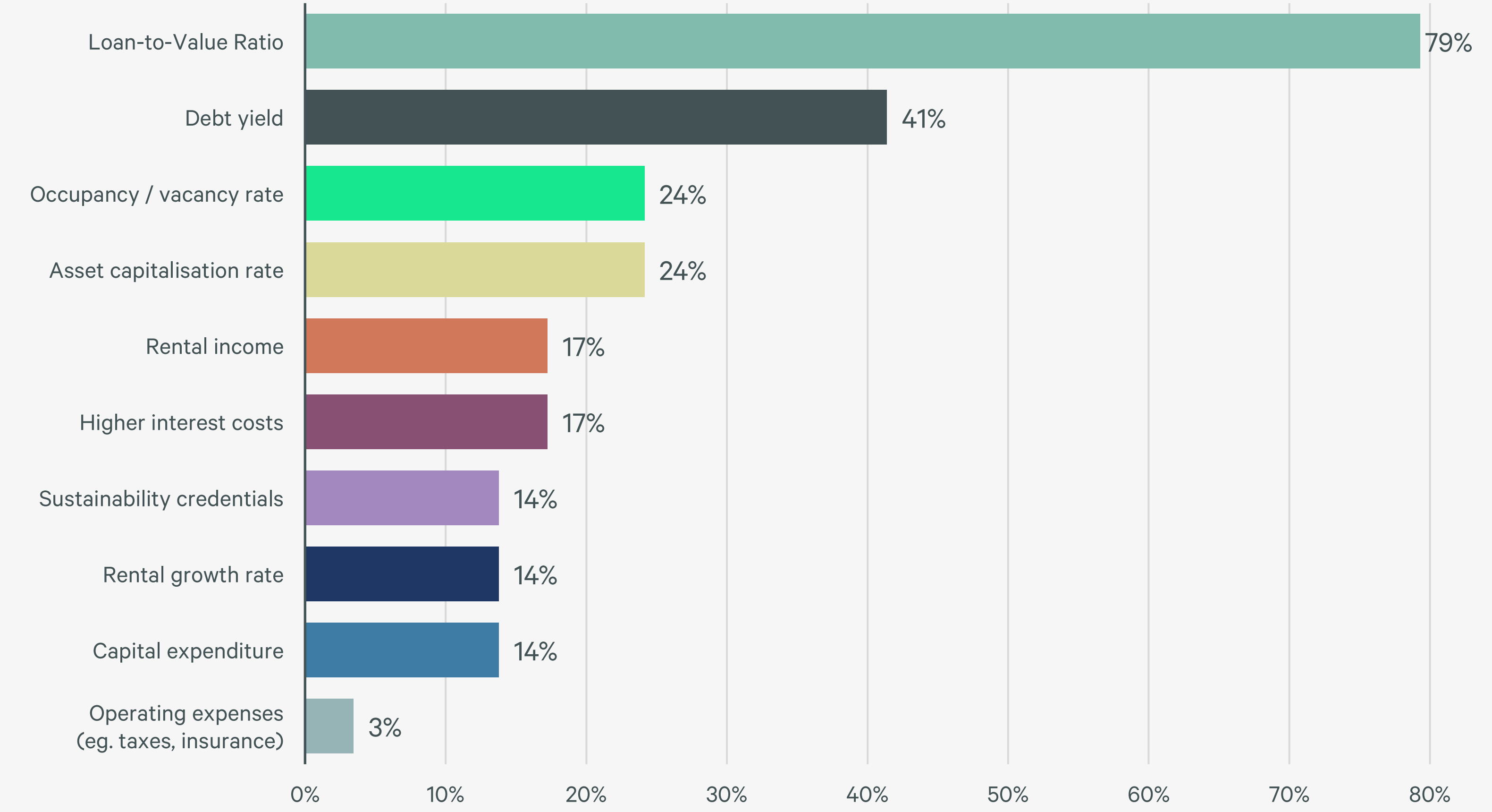
LTV remains top metric for lenders in underwriting criteria

In which areas **will lenders be more aggressive?**

The LTV ratio is the key metric for change among lenders seeking to be more aggressive in their underwriting.



Areas in which lenders will be more aggressive in 2025

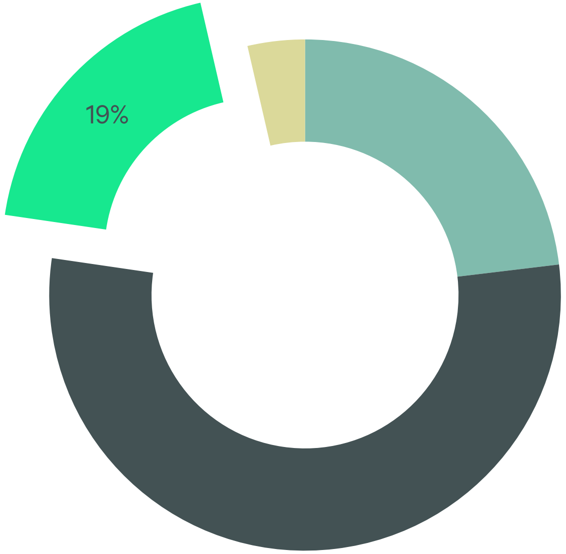


Source: European Lender Intentions Survey 2025, CBRE Research

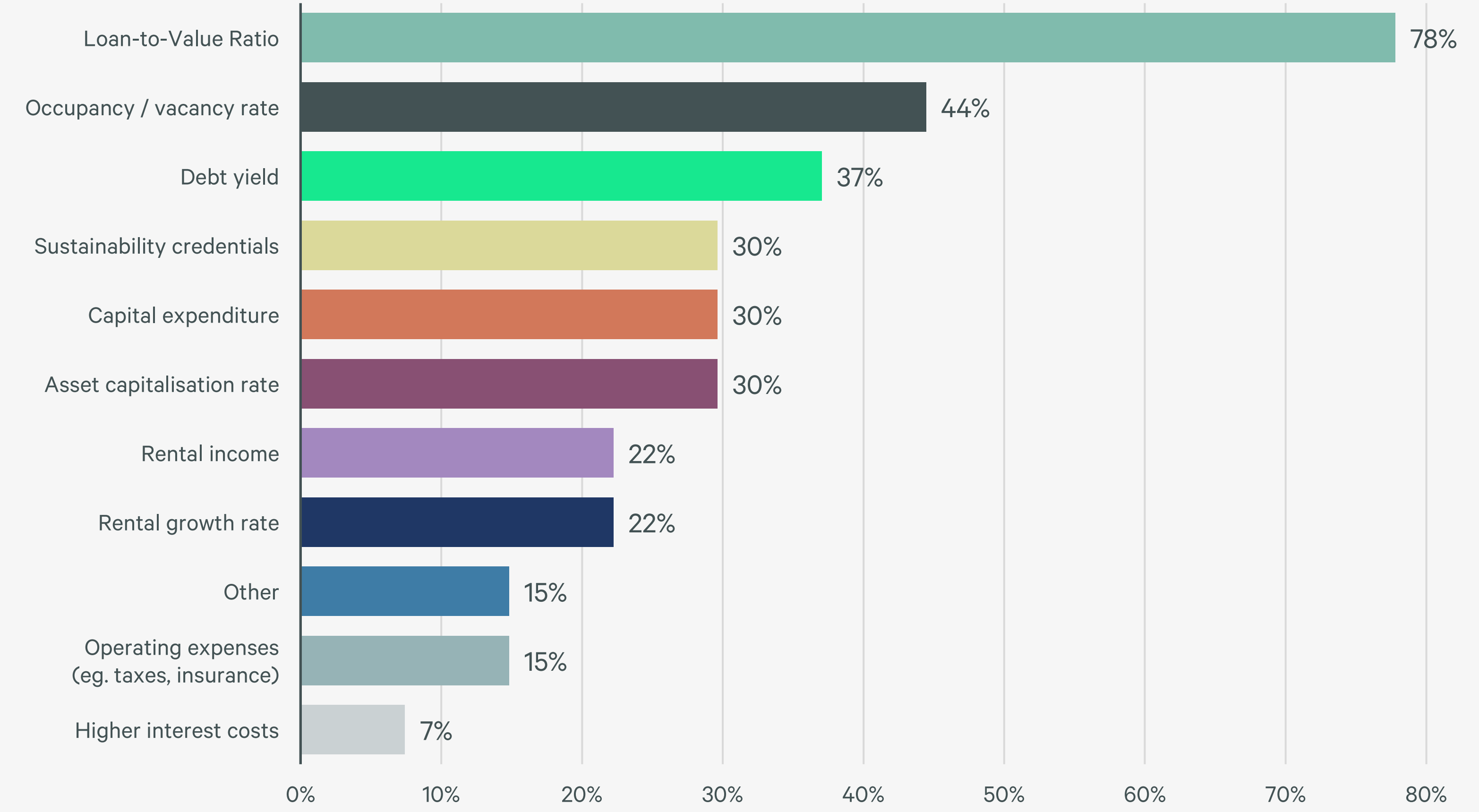
LTV remains top metric for lenders in underwriting criteria

In which areas **will lenders be more conservative?**

The LTV ratio is also the main criteria for those lenders implementing tighter loan standards in 2025.



Areas in which lenders will be more conservative in 2025



Source: European Lender Intentions Survey 2025, CBRE Research

Hedging of interest rate exposure remains important

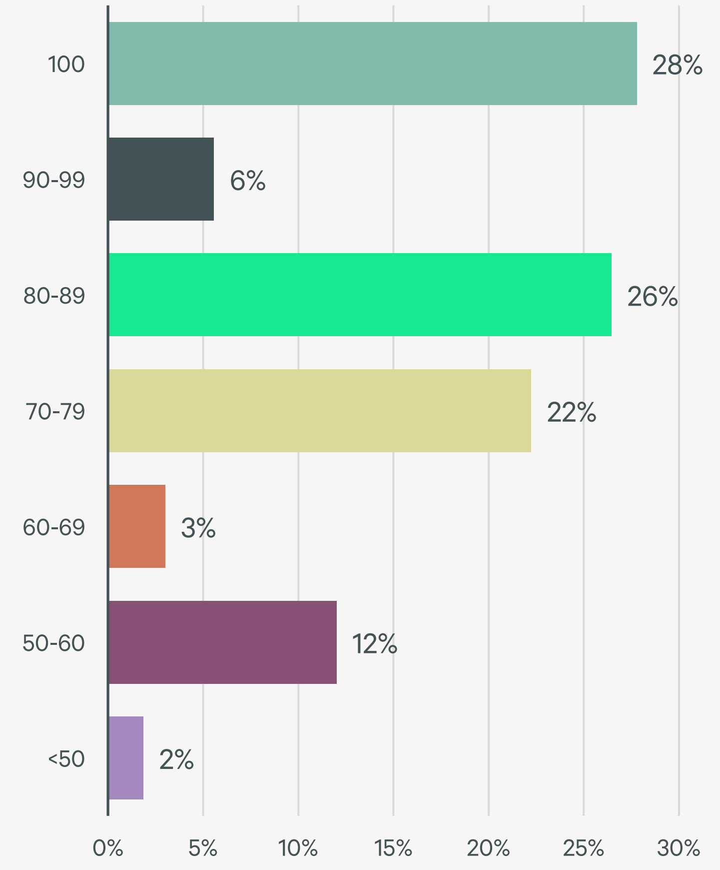
84%

of lenders seek to have their loans hedged

For senior loans, most lenders are seeking to have exposure to interest rate movements.

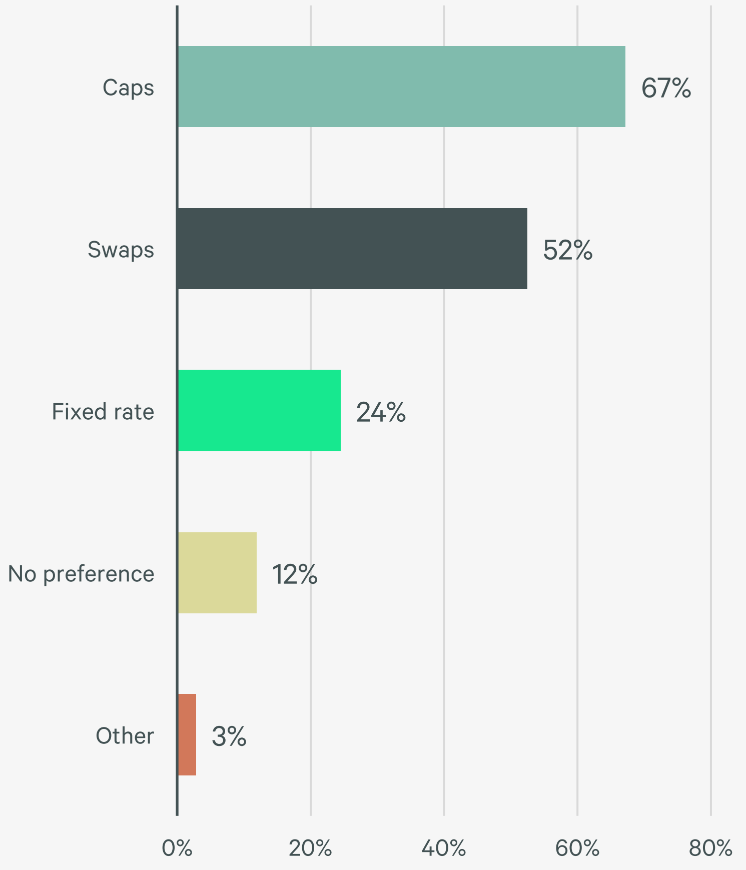
Where hedging is required, most respondents indicated that 70% or more of the senior loan would be hedged in the current market environment, with a strong preference for Caps and Swaps as the instruments to achieve this.

What proportion of a typical senior loan **would lenders normally seek to have hedged?**



Source: European Lender Intentions Survey 2025, CBRE Research

What are lenders' preferences on hedging instruments **for use in the current market?**



Source: European Lender Intentions Survey 2025, CBRE Research

05

Sustainability

> Sustainability criteria strongly influences lending decisions: half of lenders avoid non-compliant assets, while others require business plans to ensure alignment. This also affects loan pricing, especially through margin adjustments.

Ludovic Chambe

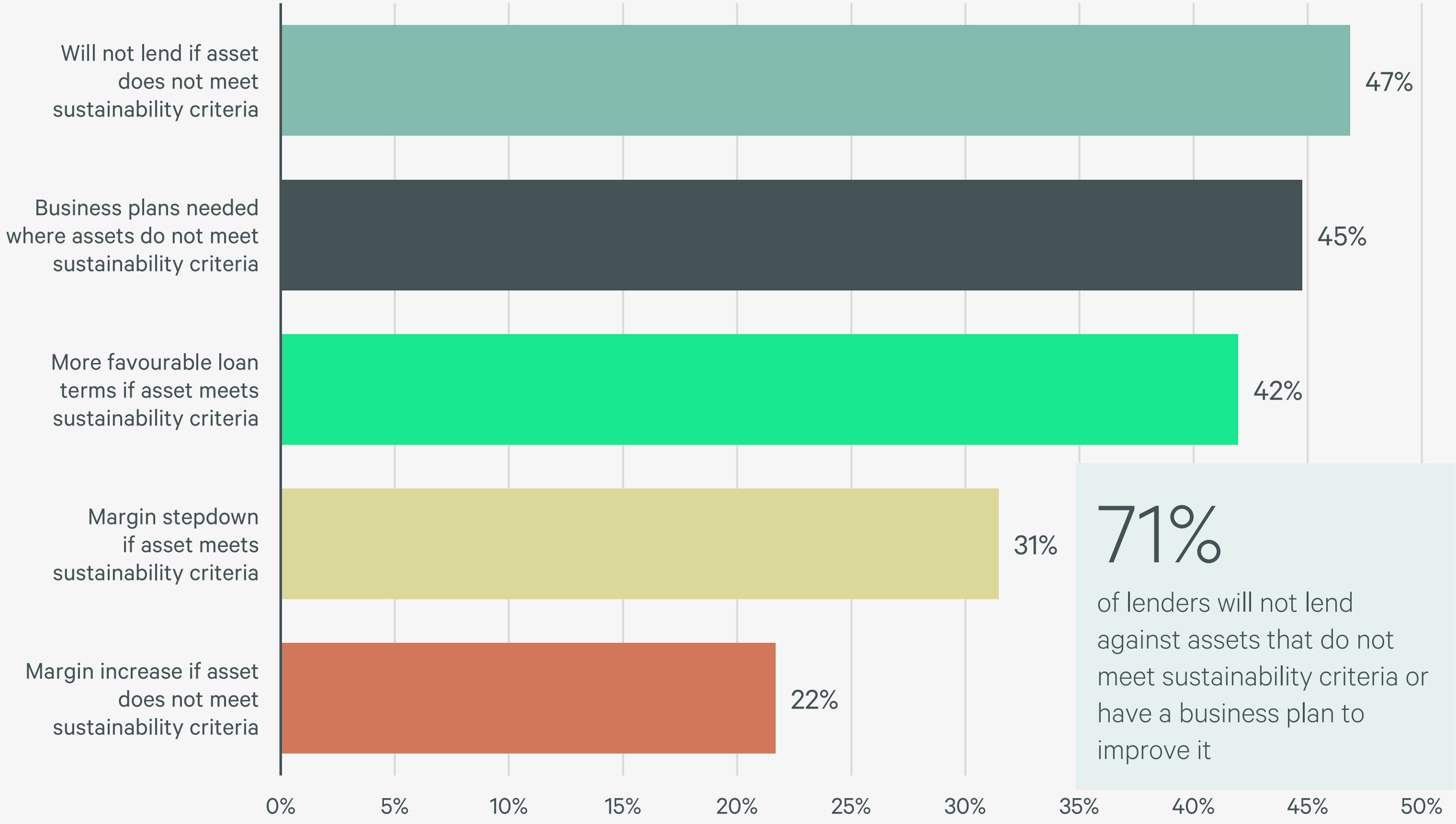
Head of ESG & Sustainability Solutions, Continental Europe

More than 70% of lenders will not lend against assets without sustainability credentials or a business plan

In which ways **will sustainability criteria impact lending?**

Most real estate lenders in Europe are strict when it comes to sustainability criteria. More than 70% will not lend if an asset does not meet certain sustainability criteria, or if there is no business plan in place to improve the asset.

Lenders also look at positive ways to encourage sustainability improvements. 57% offer more favourable loan terms and / or margin stepdowns to borrowers if the assets meet sustainability criteria.



71%

of lenders will not lend against assets that do not meet sustainability criteria or have a business plan to improve it

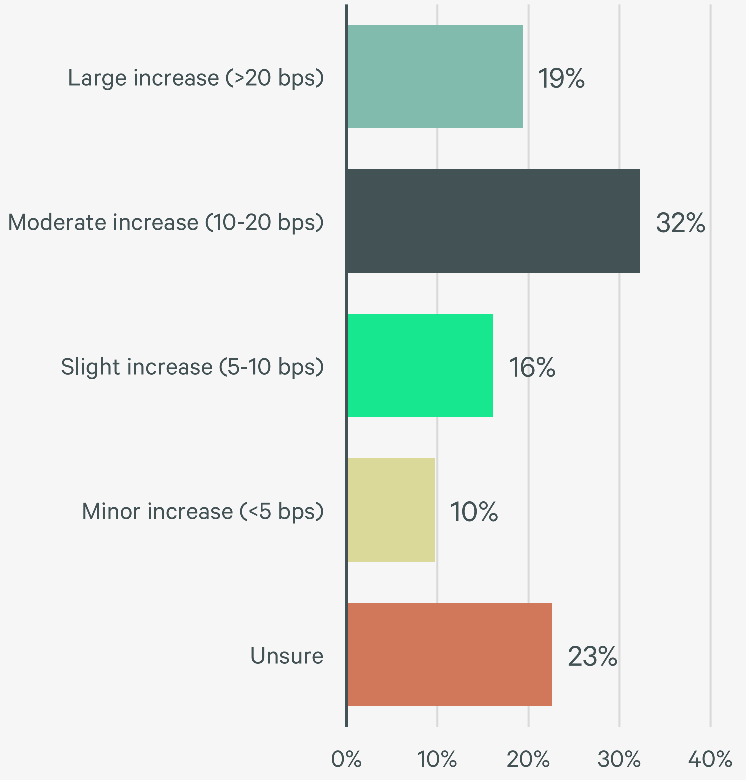
Source: European Lender Intentions Survey 2025, CBRE Research

Lenders typically require a larger margin increase than the stepdowns they offer

In which ways **will sustainability criteria impact lending?**

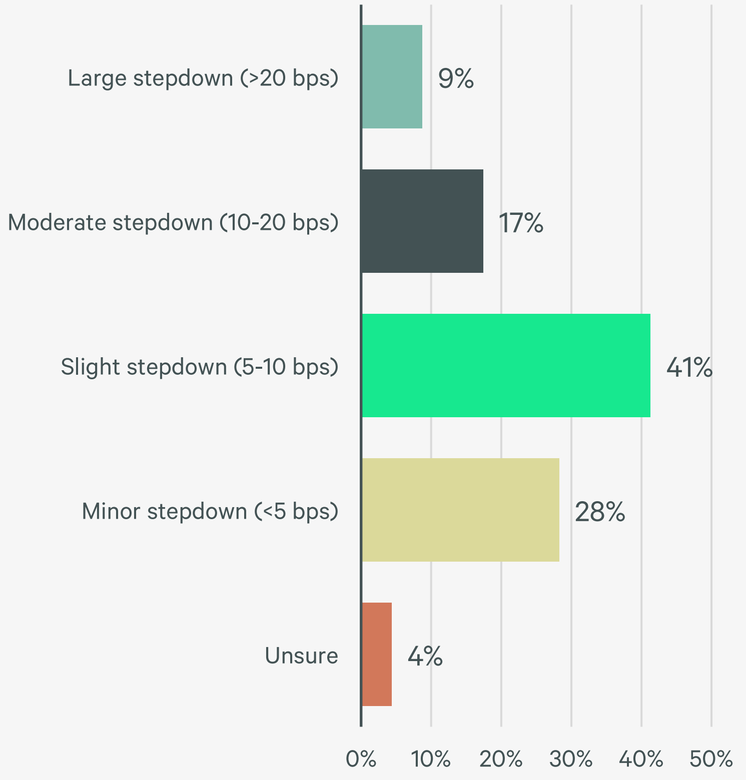
Fewer lenders apply margin increases for real estate assets that do not meet sustainability criteria compared with lenders offering margin stepdowns where assets have favourable sustainability criteria. However, where they are applied, margin increases are typically larger than margin stepdowns.

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



Source: European Lender Intentions Survey 2025, CBRE Research

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

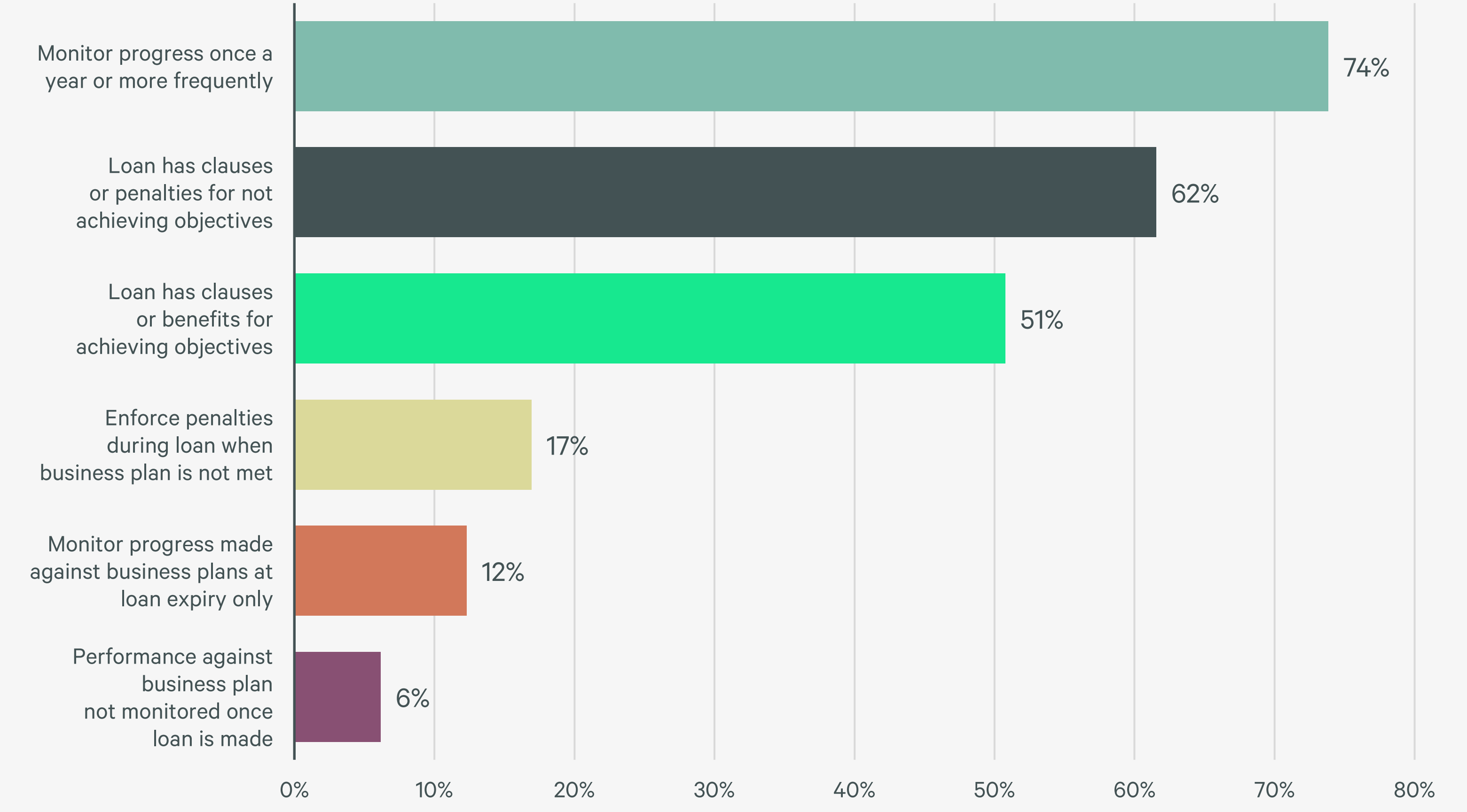


Source: European Lender Intentions Survey 2025, CBRE Research

Most lenders actively monitor business plans at least once a year

How do you **monitor business plans to improve sustainability credentials?**

Among those lenders that require assets to have a business plan, progress on the improvement of sustainability credentials is closely monitored, often at least once per year. These lenders indicate that it is also common to include clauses with either penalties or benefits for (not) achieving objectives.



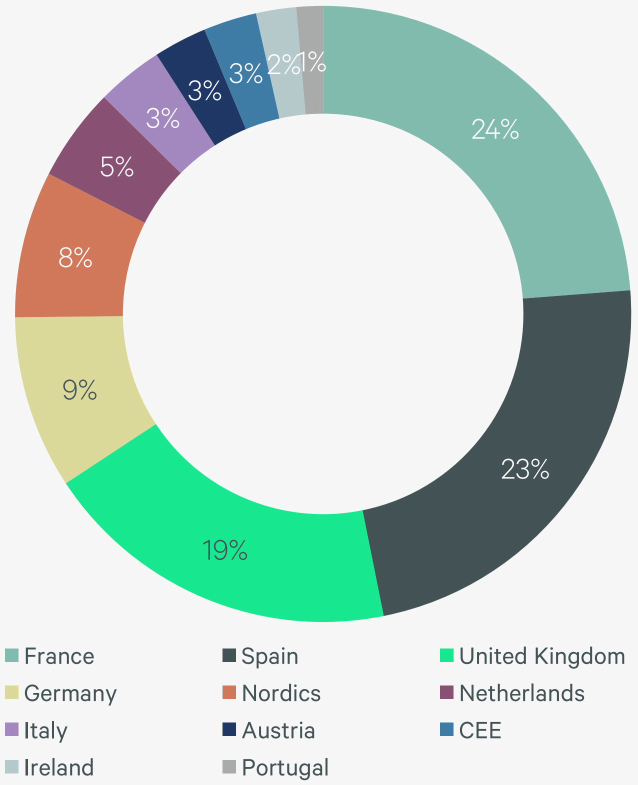
Source: European Lender Intentions Survey 2025, CBRE Research

06

Respondent profile

Total Responses: 143

Percentage of respondents by market

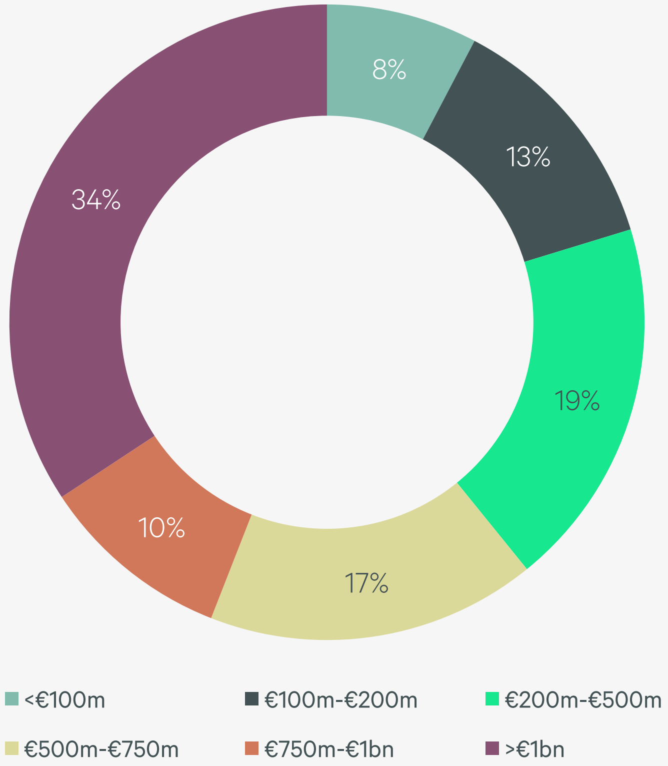


CEE includes respondents from: Croatia, Poland, Romania, Serbia.

Nordics includes respondents from: Denmark, Finland, Norway, Sweden.

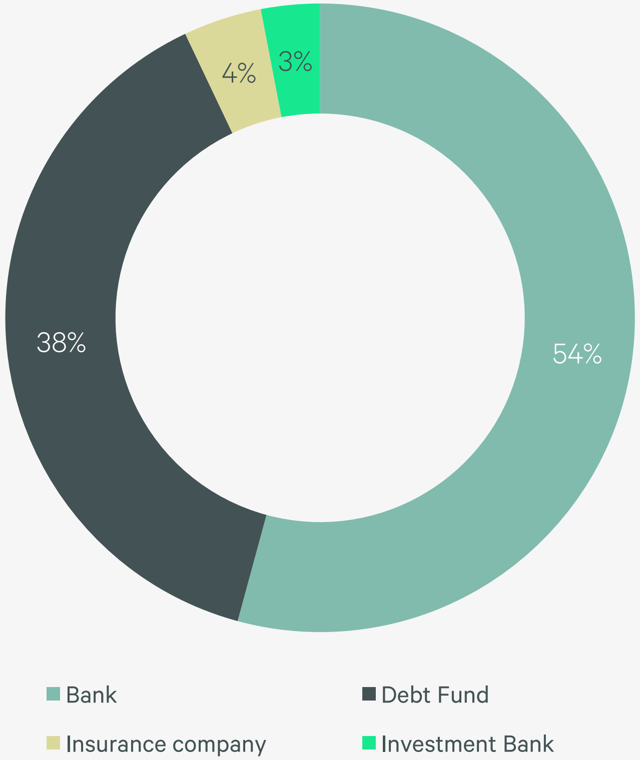
Source: European Lender Intentions Survey 2025, CBRE Research

Expected origination volume in 2025



Source: European Lender Intentions Survey 2025, CBRE Research

Percentage of respondents by lender type



Source: European Lender Intentions Survey 2025, CBRE Research

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