PRESS RELEASE
04 March 2026 07:00:00 CET

Catella House view: Affordable housing and operational living lead European real estate recovery

Catella today publishes its market outlook Catella House view, highlighting affordable housing and operational living as the most attractive real estate investment segments in the European investment landscape. Driven by structural housing shortages, demographic change and growing demand for flexible living formats, these sectors offer resilient income and long-term growth potential across key urban markets.

The House view is based on Catella's pan-European research and local market expertise. After several years of repricing, higher interest rates and subdued transaction activity, real estate markets are stabilising, with improving financing conditions and continued rental growth in undersupplied segments.

Catella sees particularly strong opportunities in affordable rental housing, as well as operational living concepts such as student housing, senior housing, co-living and serviced apartments, especially in high density cities across the Nordics, Spain and Germany. Residential markets are supported by long-term supply constraints, low vacancy and population growth in major metropolitan areas, with operational living formats adding strength through shorter lease cycles, flexible pricing and specialist management models.

"Affordable housing and operational living stand out because they combine structural demand with income security. Across Europe, supply is not keeping pace with demographic needs. That creates durable occupancy, predictable cash flows and reinforce defensive, income-focused investment strategies," says Petra Blazkova, Head of Group Research and Strategy at Catella Group.

Tactical investment opportunities are identified across consumer-facing nodes in retail parks including non-discretionary retail as well as logistics assets across the whole supply chain. The ongoing flight-to-quality continues to support demand for CBD office but these tactical investment strategies play a secondary role compared with housing led strategies.

"*We are entering a new phase of the cycle where returns will depend more on income and operational performance than on yield compression. Investors need strategies that are closely aligned with real demand drivers and supported by active asset management. Housing-led and operational platforms are best positioned in that environment,"* Petra Blazkova continues.

Catella's House view Spring 2026 brings together cross border sector research and on-the-ground market expertise to identify high conviction themes and prioritised investment segments across Europe for the year ahead in an environment whereas capital remains selective and execution capability increasingly important.

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About Catella

Catella is a leading specialist in property investments and fund management, with operations in 12 countries. The group has over EUR 14 billion in assets under management. Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Read more at **catella.com**.

Attachments

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