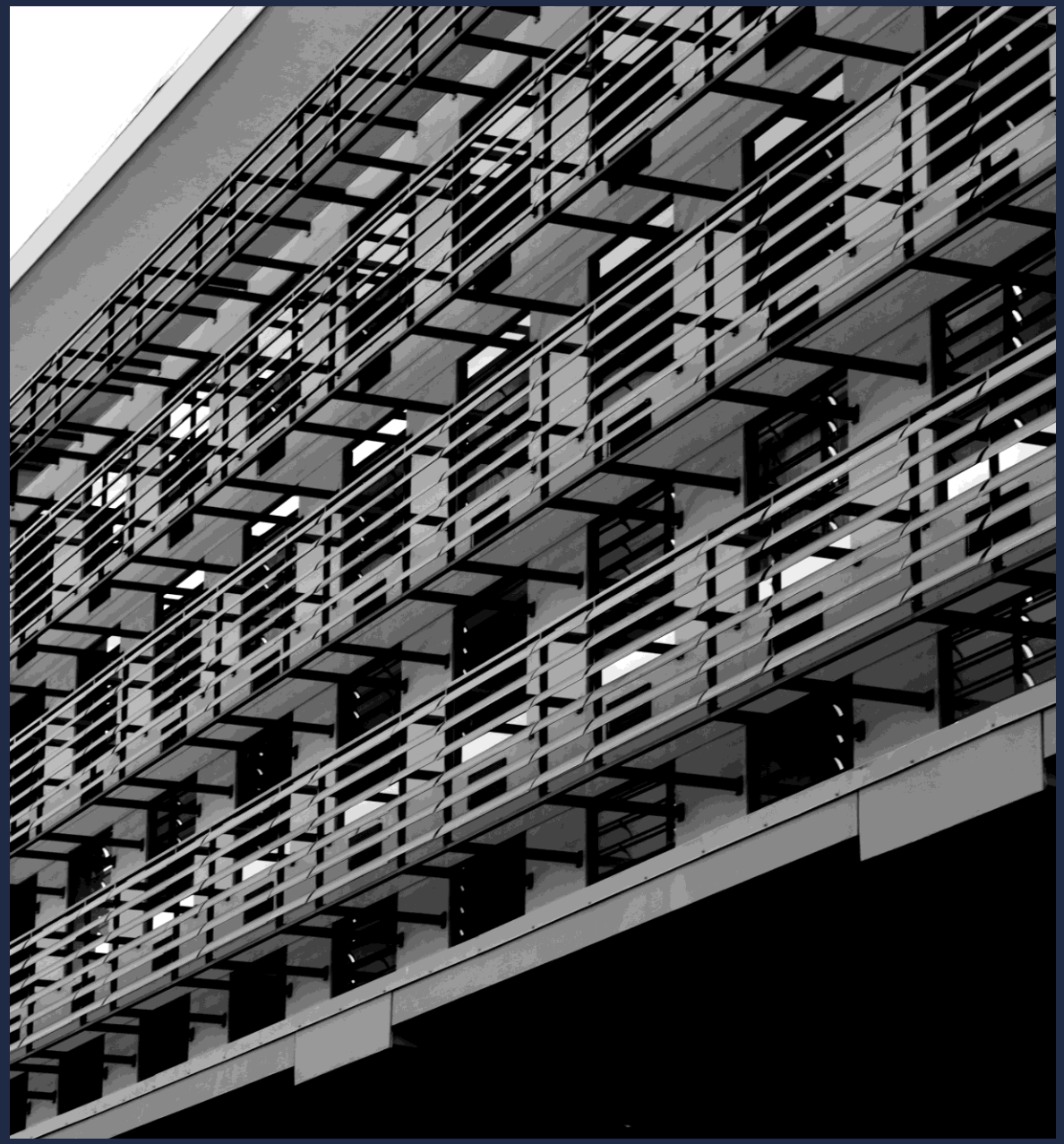
LOGAN
Institutional Valuation and Consulting

2026
Investment Report

Costa Rica
Fourth Edition

Research

Investment Activity · Rate Trends · Outlook



Introduction

LOGAN provides an independent perspective on the institutional real estate market, combining regional expertise with international valuation standards.

Our approach integrates technical rigor, local knowledge, and methodological consistency to enable comparisons across markets and over time.



Robert L. Dragoo

MAI, MRICS, ASA
Principal | Mexico & Central America

This report analyzes the institutional real estate market through two components: the value of Assets Under Management (AUM) of regulated vehicles, and the results of surveys of General Partners (GPs) and Limited Partners (LPs). Together, they capture both the evolution of capital and the views of the market's key participants.

The information is drawn from public financial statements, manager reports, and annual surveys conducted by LOGAN, enabling an analysis that is consistent, up to date, and comparable with other markets.

This document is intended for fund managers, developers, brokers, consultants, and institutional investors, including pension funds, insurers, financial institutions, and family offices.

Its purpose is to offer a strategic view of the market, identify trends, and support long-term decision-making.



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01

Assets Under Management

A comprehensive view of institutional capital: its evolution, structure, and allocation.

Real Estate Vehicle Typology

Market Structure

How is the institutional real estate market structured in Costa Rica?

In Costa Rica, SUGEVAL classifies real estate investment funds as closed-end funds, regardless of their investment strategy.

These funds may have an indefinite term, and their units may be traded on the secondary market.

The key distinction between open-end and closed-end funds is the obligation to redeem units, not their investment horizon or strategy.

	Open-End	Closed-End
Typical Strategy	*Core*	*Value-Add, Opportunistic*
Typical Access	Public	Private
Liquidity	Higher	Lower
Horizon	Indefinite	Defined

Source: LAREV

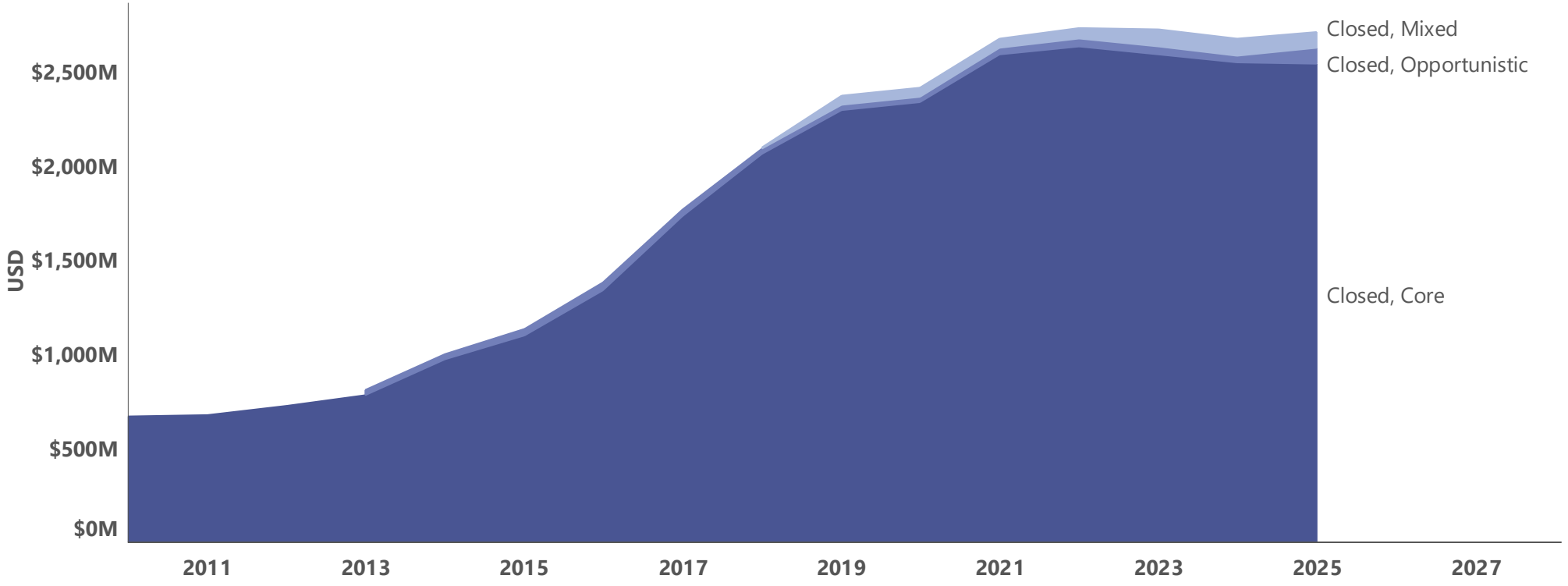
> In Costa Rica, SUGEVAL classifies real estate funds as closed-end because of their fixed-capital structure and redemption restrictions. However, many display characteristics of open-end vehicles under LAREV, such as an indefinite term and secondary-market trading.

AUM Growth by Type and Strategy

Market Structure

How has the institutional market grown?

The AUM of traditional SAFIs (fund management companies) shows signs of stagnation, while new funds with Opportunistic strategies are emerging. At the same time, much of real estate development is channeled through private investments, joint ventures, and family offices, outside regulated vehicles.



Note:

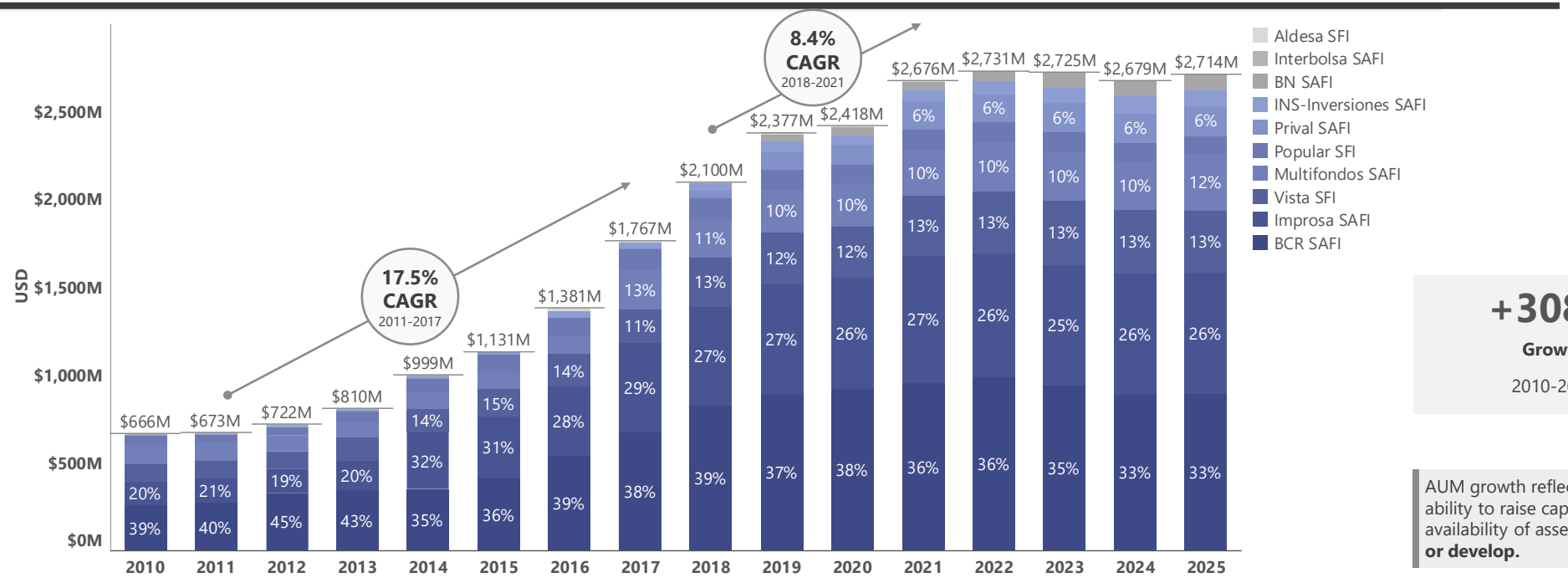
- **Information source:** Real estate information, financial statements and prospectuses reported to the General Superintendency of Securities (SUGEVAL) of Costa Rica.
- **Core Strategy:** investment in stabilized, low-risk assets, aimed at income generation.
- **Opportunistic Strategy:** investment in project development, aimed at growth.
- **Mixed Strategy:** funds aimed at growth during the development phase and at income during the operating phase.

Assets Under Management

Capital Growth and Flows - SAFI Vehicles

How has the institutional market grown?

After a period of strong expansion through 2022, the AUM of real estate funds managed by SAFIs shows signs of stagnation in recent years, reflecting a slowdown in the growth of the traditional regulated-vehicle market.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GPs	7	7	7	7	7	6	7	8	9	9	9	9	8	8	8	8
Vehicles	19	18	14	15	18	16	16	16	18	18	19	20	18	19	19	20

+308%

Growth

2010-2025

AUM growth reflects both the ability to raise capital and the availability of assets to **acquire or develop.**

Note:

- The list of real estate vehicles was taken from the General Superintendency of Securities (SUGEVAL) of Costa Rica.
- To calculate the value of assets under management (AUM), the book value of properties reported in SUGEVAL's real estate information is used. For the vehicles **Fondo de Inversión de Desarrollo de Proyectos Multifondos** y **Fondo de Inversión de Desarrollo de Proyectos Multifondos Secrt Escalante**, the Investment Property line item in their financial statements is used.
- For vehicles reporting in CRC, values are converted to USD using each year's closing exchange rate.
- The vehicle **Fondo de Inversión de Desarrollo de Proyectos Multifondos Secrt Escalante**, authorized in November 2024, began operations in April 2025 and reports its first AUM value at year-end 2025.
- **CAGR (Compound Annual Growth Rate):** A metric that measures how much something grew, on a consistent year-over-year basis, over a given period.

Real Estate Vehicles

Capital Growth and Flows – Closed-End Vehicles

How is the analyzed sample composed?

Vehicles with **Core** strategies predominate, focused on stabilized assets and recurring income generation. However, funds with **Mixed and Opportunistic** strategies are beginning to emerge, mainly tied to real estate development.

Manager	Real Estate Vehicle	Strategy
BCR SAFI	Bcr Fondo de Inversión Inmobiliario no Diversificado	Core
	Bcr Fondo de Inversión Inmobiliario del Comercio y la Industria (Fci) no Diversificado	Core
	Bcr Fondo de Inversión Progreso Inmobiliario no Diversificado	Core
	Bcr Fondo de Inversión Inmobiliario Rentas Mixtas no Diversificado	Core
	Fondo de Inversión de Desarrollo de Proyectos Parque Empresarial Lindora	Opportunistic
Improsa SAFI	Fondo de Inversión Inmobiliario Gibraltar	Core
	Fondo de Inversión Inmobiliario los Crestones	Core
	Improsa Fondo de Inversión no Diversificado Inmobiliario Cuatro	Core
Vista SFI	Fondo de Inversión Inmobiliario Vista	Core
	Fondo de Inversión Inmobiliaria de Renta y Plusvalía no Diversificado	Core
Multifondos SAFI	Fondo de Inversión Inmobiliario Multifondos	Core
	Fondo de Inversión de Desarrollo de Proyectos Multifondos SECRT Escalante	Opportunistic
	Fondo de Inversión de Desarrollo de Proyectos Multifondos	Opportunistic
Popular SFI	Fondo de Inversión Popular Inmobiliario Zeta no Diversificado	Core
	Fondo de Inversión Popular Inmobiliario no Diversificado (Finpo Inmobiliario)	Core
Prival SAFI	Fondo de Inversión Inmobiliario Prival	Core
INS-Inversiones SAFI	Fondo de Inversión Ins Inmobiliario no Diversificado	Core
	Fondo de Inversión de Desarrollo de Proyectos Centros de Salud - INS	Core
BN SAFI	Fondo de Inversión de Desarrollo de Proyectos de Infraestructura Pública - 1	Mixed
	Fondo de Inversión de Desarrollo de Proyectos Bn I	Mixed

An emerging trend is visible toward the creation of funds with **Opportunistic** strategies focused on real estate development, such as the new Multifondos SAFI vehicles.

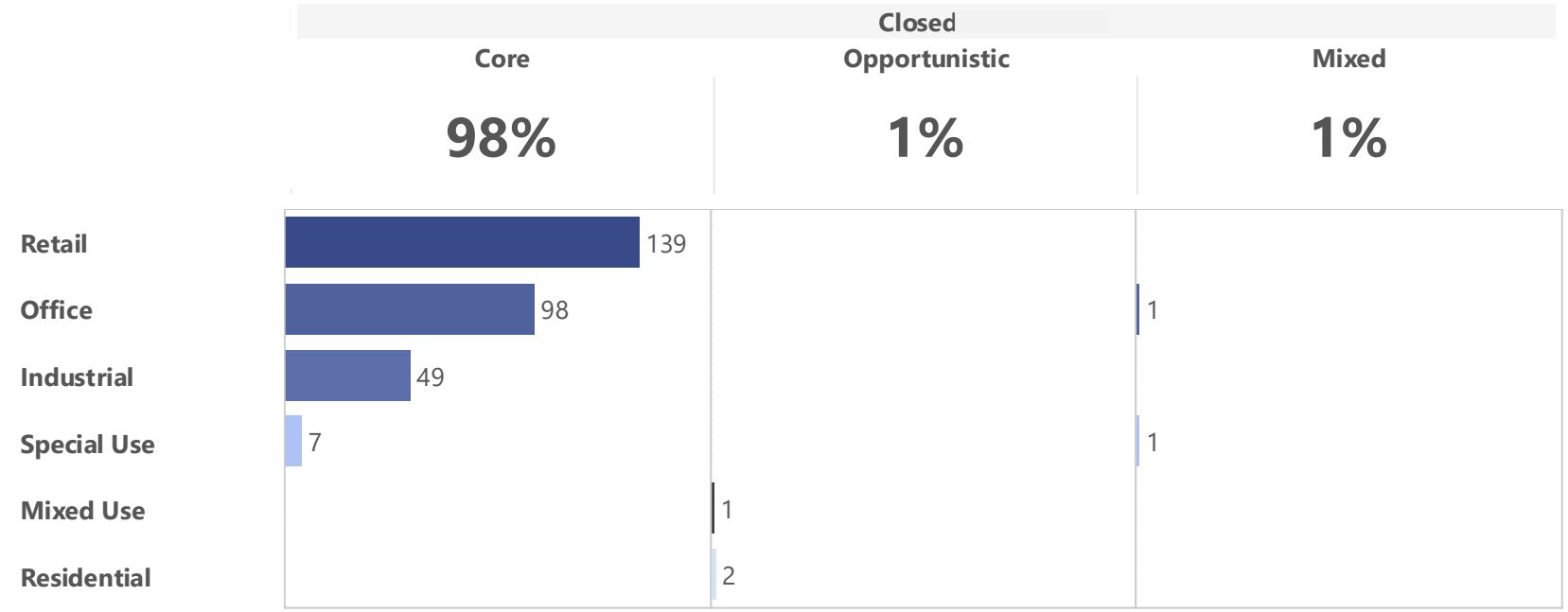
Note:
- **Information source:** Prospectuses and financial statements reported to the General Superintendency of Securities (SUGEVAL) of Costa Rica.

Assets by Sector

Number of Assets

How does sector allocation vary by structure and investment strategy?

Core real estate funds hold 98% of assets, primarily in retail and office, followed by industrial. Opportunistic and Mixed strategies maintain a marginal presence, focused on residential projects, mixed-use, and specialized assets.



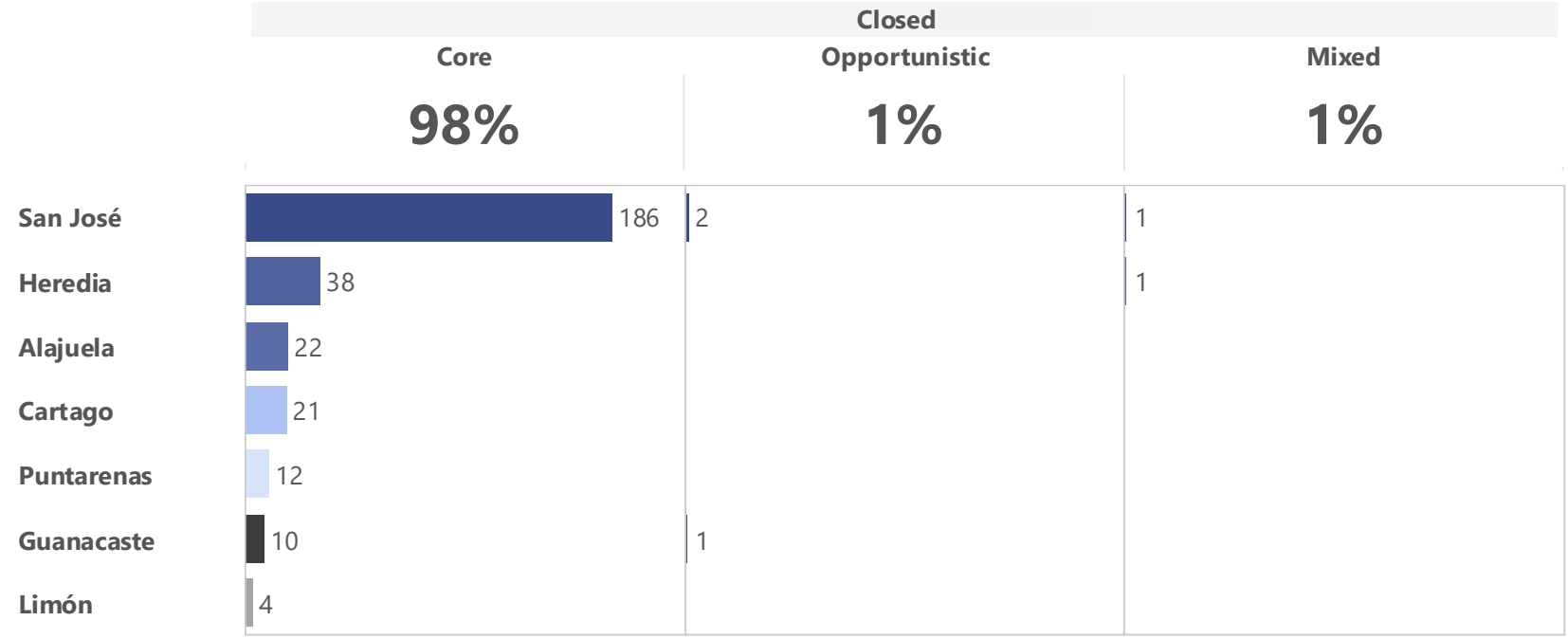
Note:
- **Information source:** Real estate information reported to the General Superintendency of Securities (SUGEVAL) of Costa Rica, as of December 2025. For vehicles not listed in that report, their financial statements and prospectuses are used.
- **Special Use** includes educational centers, healthcare centers and a data center.
- **Mixed Use** is a mixed-use industrial, office and retail park.

Geographic Distribution of Assets

Number of Assets

How does geographic allocation vary by structure and investment strategy?

Institutional real estate assets are concentrated mainly in San José, followed by Heredia, Alajuela, and Cartago, reflecting the importance of the Greater Metropolitan Area (GAM). Guanacaste and Puntarenas hold a smaller share, while Opportunistic and Mixed strategies have a limited geographic presence.



Note:
- **Information source:** Real estate information reported to the General Superintendency of Securities (SUGEVAL) of Costa Rica, as of December 2025. For vehicles not listed in that report, location is taken from their financial statements and prospectuses.
- Location refers to the province where each property is situated.

02

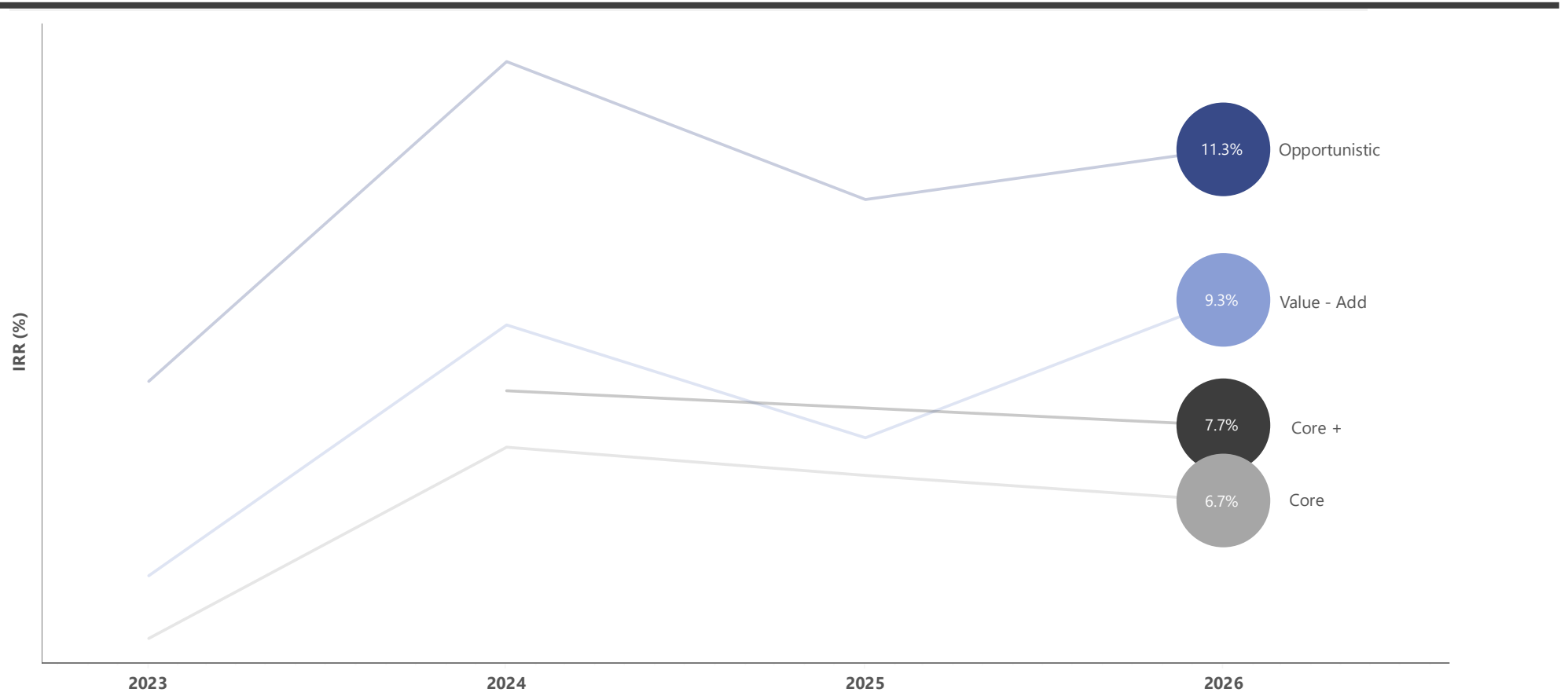
Investor Perspective (LPs)

Return expectations, risk perception, selection criteria, and investment horizon.

Annual Return Expectations (IRR)

Expected Returns

LP return expectations show a clear differentiation by risk profile, with IRRs of 6.7% for Core and 11.3% for Opportunistic. In 2026, higher-risk strategies show increases in required returns, widening the gap versus Core strategies.

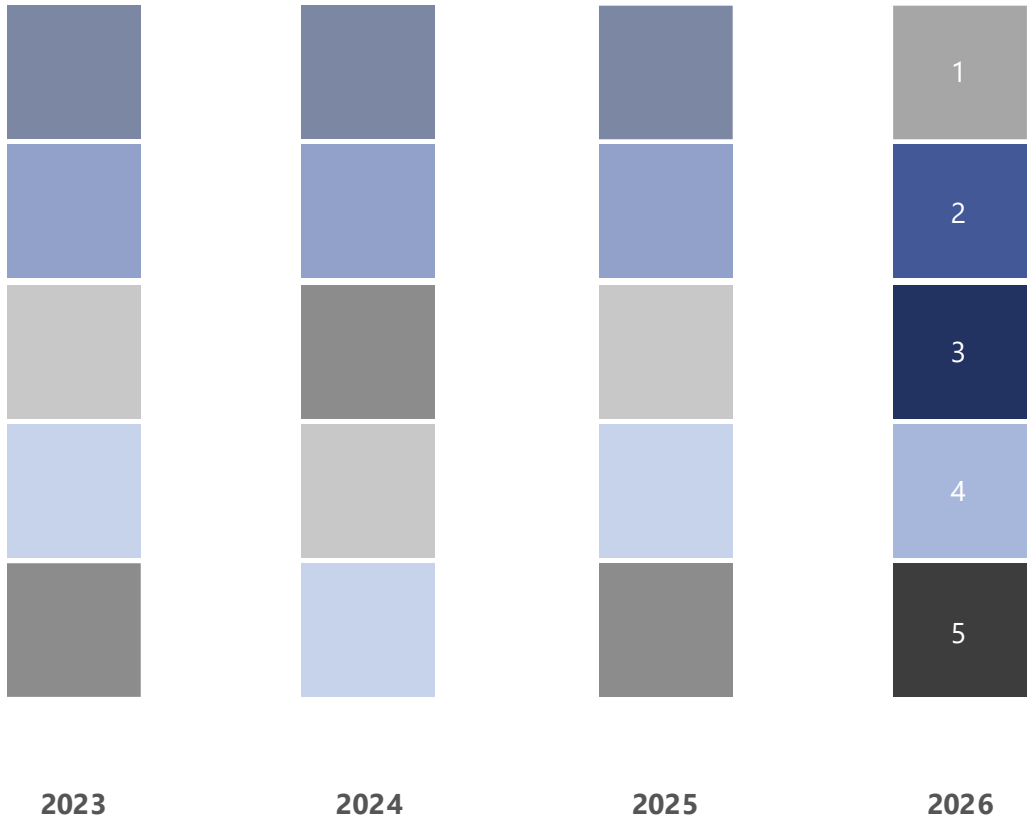


Source: LOGAN annual survey of institutional real estate investors.

Ranking of Criteria for Selecting a Manager

Risk Perception

In 2026, institutional investors prioritize their working relationship with the management team and its operating capability over its financial contribution. This suggests that trust and management capability carry more weight in manager selection than financial alignment mechanisms such as co-investment.



Relationship with manager's team

+2 Positions
Greater importance of the manager relationship.

Operational capability

Historical quality of investments

Manager's financial contribution

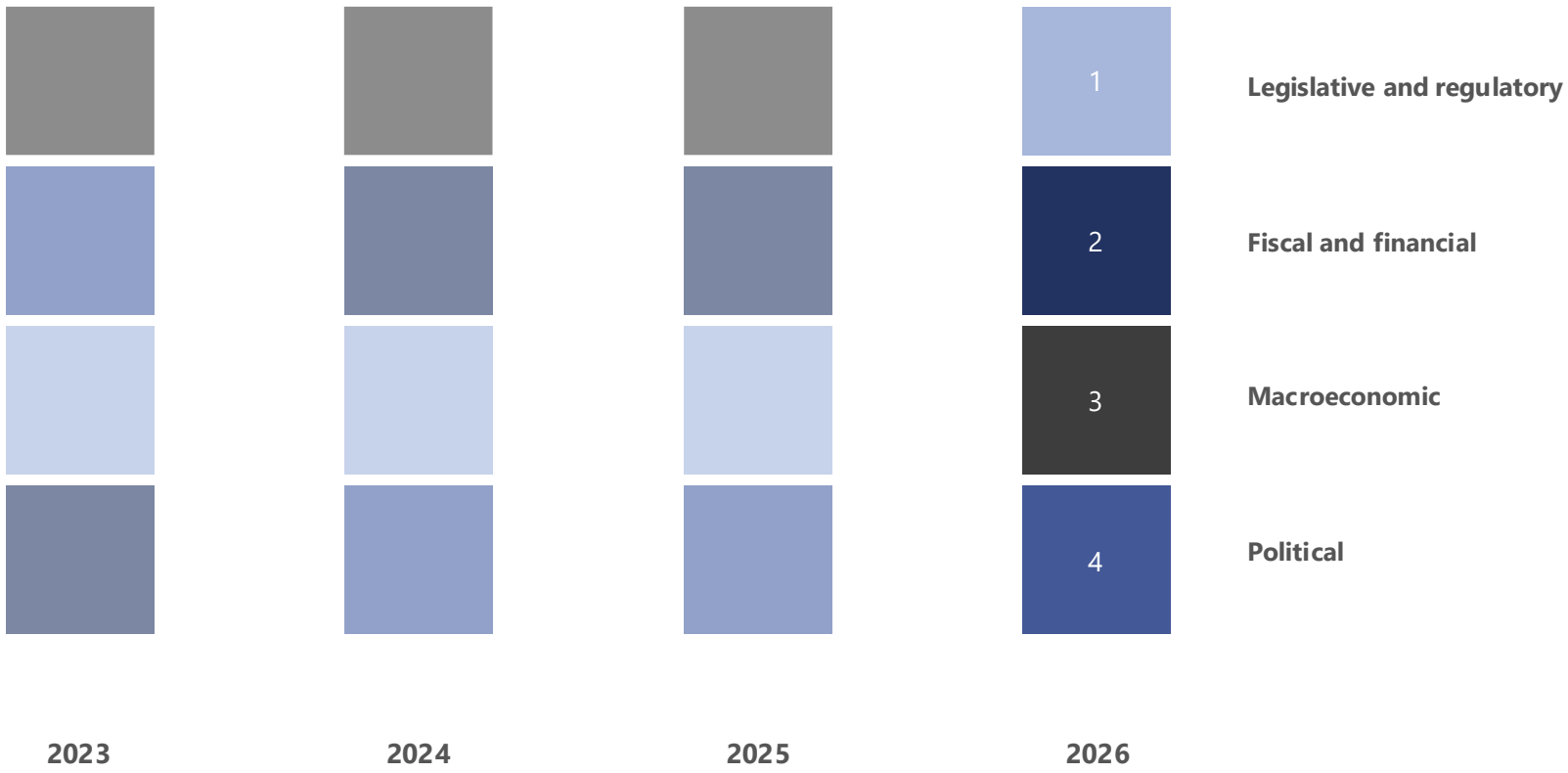
Participation of other investors

Source: LOGAN annual survey of institutional real estate investors.

Ranking of Perceived Investment Risks

Risk Perception

Legislative and regulatory risk is the top concern of institutional investors heading into 2026, followed by fiscal and financial risk, while political risk ranks last. This hierarchy reflects greater attention to changes in the regulatory framework and to fiscal and financing conditions than to political instability in Costa Rica.

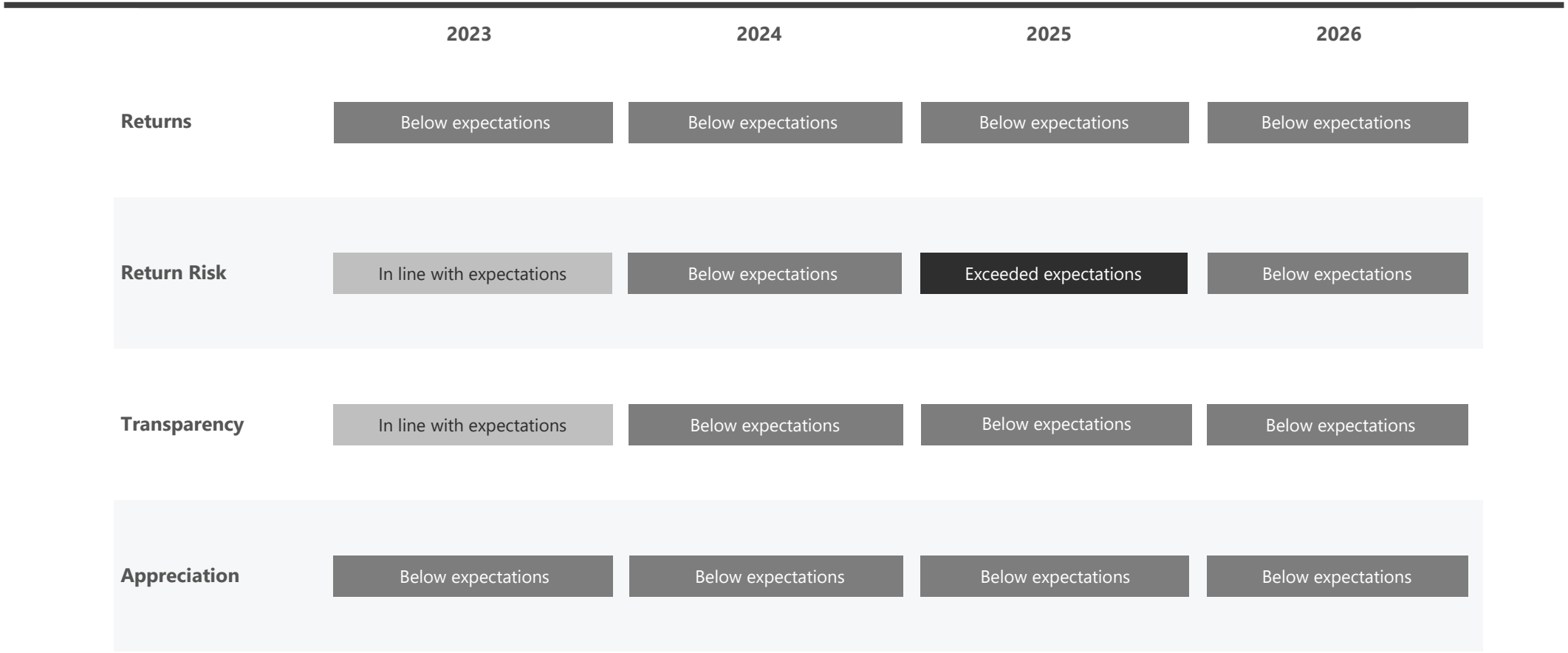


Source: LOGAN annual survey of institutional real estate investors.

Investment Experience

Risk Perception

Between 2023 and 2026, institutional investors reported returns and asset appreciation below their expectations for four consecutive years. Transparency has also remained below expectations since 2024, reflecting a persistent gap between LP expectations and their investment experience.

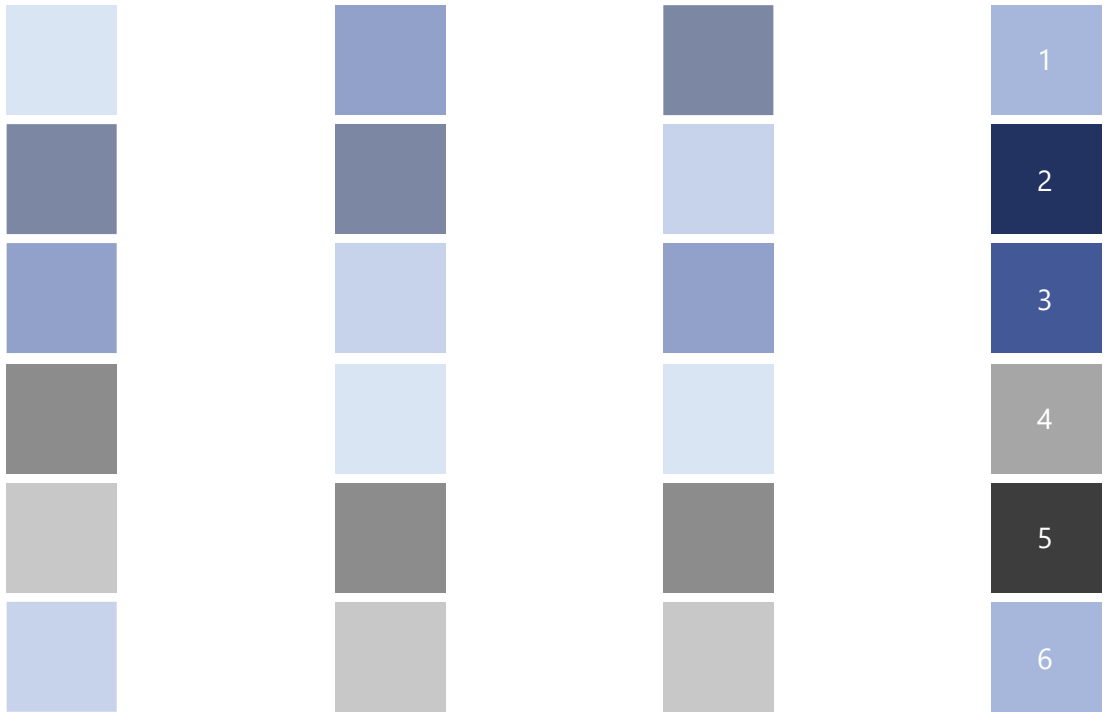


Source: LOGAN annual survey of institutional real estate investors.

Ranking of Vehicle Performance Drivers

Investment Criteria

Entry price is the main driver of performance, since acquiring at appropriate valuations helps protect returns. Manager capability ranks second; although it drops one position, it remains key in Costa Rican closed-end funds, where value creation depends on sound asset management through leasing, improvements, repositioning, and well-timed investment and divestment decisions.



Entry prices

+1 Position
Greater importance of entry price

Managers' ability to manage and position assets

Economic growth

Exchange rates

Market conditions for sale

Use of leverage

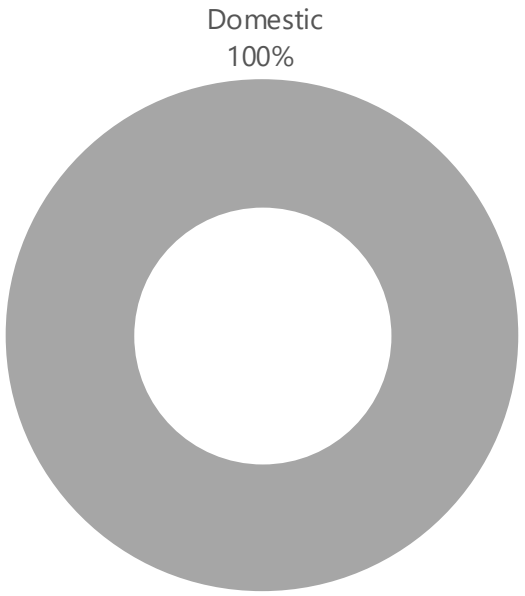
Source: LOGAN annual survey of institutional real estate investors.

Investment Destination and Strategy

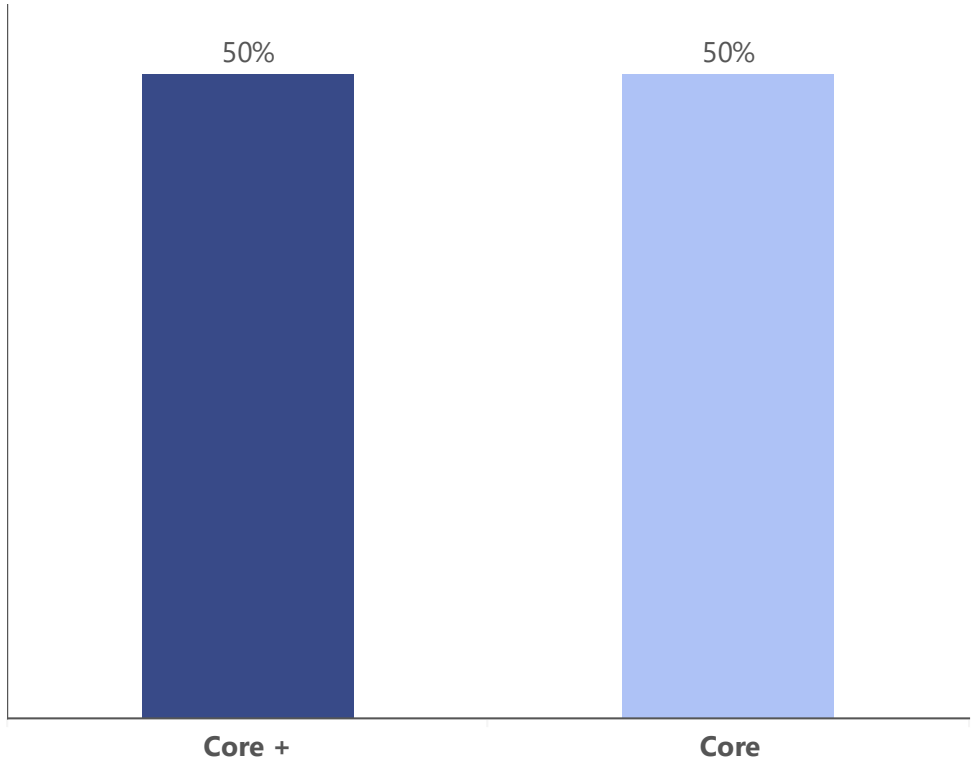
Investment Horizon

In Costa Rica, the real estate investment of surveyed LPs is concentrated in the domestic market, with a balanced distribution between Core and Core+ strategies. This reflects a preference for stabilized assets, recurring income, and sustainable long-term returns.

Domestic vs. Foreign Investment in Real Estate



Domestic Investment Distribution



Source: LOGAN annual survey of institutional real estate investors.

03

Manager Perspective (GPs)

Cap rates, rent growth, returns, and operating outlook.

Income Currency by Sector

Predominant Income Denomination | Class A Assets | Major Markets

In Costa Rica, real estate income is denominated in dollars or colones depending on the sector. This difference affects currency exposure, returns, and financing conditions.

Sector	Currency
Office	USD
Retail	CRC / USD
Industrial – Logistics	USD
Industrial – Manufacturing	USD
Hotels – Business	CRC / USD
Hotels – Tourism	USD
Healthcare	CRC
Multifamily	USD
Education	CRC
Self-Storage	USD

Source: LOGAN Valuation. Classification based on market judgment; currency may vary by asset and contractual terms.

Net Cap Rate

Expected Returns - Class A Stabilized Assets | Prime Rates | Major Markets

Cap rates show mixed movements in 2026. However, the recent increase in sovereign bond yields is putting upward pressure on cap rates, particularly in sectors with lower expected income growth.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	9.38	8.35	**8.48**	+13	→
Retail	Regional Mall	9.44	9.46	**9.40**	-6	↗
	Neighborhood Center (Convenience)	9.25	9.70	**9.23**	-47	↗
	Standalone Retail	9.25	9.63	**9.48**	-15	→
	Ground Lease - Standalone	-	-	**7.50**	-	→
Industrial	Logistics	8.43	8.18	**8.19**	+1	↗
	Manufacturing	8.38	8.25	**8.16**	-9	↗
Healthcare	Healthcare / High Acuity	-	-	**10.27**	-	→
	Healthcare / Low Acuity	-	-	**9.75**	-	↗
Multifamily	-	8.25	8.25	**8.83**	+58	↗
Education	-	-	-	**10.00**	-	↗
Self-Storage	-	-	-	**9.22**	-	↗

Source: LOGAN annual survey of real estate managers and developers.

Net Cap Rate (Hotels)

Expected Returns - Class A Stabilized Hotels | Prime Rates | Major Markets

Hotel cap rates show broad-based expansion in 2026, more pronounced for Business hotels than for Tourism hotels. Rising sovereign bond yields could add further upward pressure, although tourism hotels maintain more competitive rates.

.

		2024	2025	2026	Chg. (bps)	Forecast
Hotels - Business	Luxury	7.37	8.75	**9.50**	+75	↗
	Upper Upscale	7.37	8.75	**9.88**	+113	↗
	Upscale	7.37	9.25	**10.25**	+100	↗
	Upper Midscale	9.50	9.50	**10.63**	+113	↗
	Midscale	9.50	9.75	**10.88**	+113	↗
	Economy	-	-	**11.00**	-	↗
Hotels - Tourism	Luxury	7.37	8.75	**9.13**	+38	→
	Upper Upscale	7.37	8.75	**9.63**	+88	↗
	Upscale	7.37	9.25	**10.00**	+75	↗
	Upper Midscale	9.50	9.50	**10.38**	+88	↗
	Midscale	9.50	9.75	**10.63**	+88	↗
	Economy	-	-	**10.75**	-	↗

Source: LOGAN annual survey of real estate managers and developers.

Net Exit Cap Rate

Expected Returns - Class A Stabilized Assets | Prime Rates | Major Markets

Exit cap rates carry premiums over entry rates in most sectors, reflecting conservative expectations about residual value. The recent rise in bond yields could add further pressure on these rates.

		2026	Forecast
Office	-	**8.75**	↗
Retail	Regional Mall	**10.14**	↗
	Neighborhood Center (Convenience)	**10.23**	↗
	Standalone Retail	**10.07**	↗
	Ground Lease - Standalone	**7.50**	→
Industrial	Logistics	**8.26**	↗
	Manufacturing	**8.19**	↗
Healthcare	Healthcare / High Acuity	**10.40**	→
	Healthcare / Low Acuity	**9.75**	→
Multifamily	-	**9.00**	↗
Education	-	**10.00**	→
Self-Storage	-	**9.72**	↗

Source: LOGAN annual survey of real estate managers and developers.

Real Market Rent Growth

Expected Returns - Class A Assets | 3-Year Annual Average | Major Markets

Real rent growth slows in 2026 and remains low across all sectors. Multifamily posts the highest growth (1.33%) thanks to a greater ability to adjust rents, while office is close to zero owing to weaker demand.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	-0.20	0.40	**0.10**	-30	→
Retail	Regional Mall	1.00	1.00	**0.78**	-22	→
	Neighborhood Center (Convenience)	1.00	1.00	**0.67**	-33	→
	Standalone Retail	0.33	1.00	**0.33**	-67	→
	Ground Lease - Standalone	-	-	**-**	-	→
Industrial	Logistics	0.93	0.50	**0.14**	-36	↗
	Manufacturing	0.93	0.33	**0.13**	-20	→
Healthcare	Healthcare / High Acuity	-	-	**0.65**	-	→
	Healthcare / Low Acuity	-	-	**0.75**	-	↗
Multifamily	-	-	2.00	**1.33**	-67	↗
Education	-	-	-	**-**	-	→
Self-Storage	-	-	-	**0.25**	-	→

Source: LOGAN annual survey of real estate managers and developers.

Internal Rate of Return (IRR)

Expected Returns - Class A Stabilized Assets | Prime Returns | Major Markets

In industrial, expected IRRs decline in 2026, with the largest drop in logistics (-77 bps), while manufacturing remains practically stable (-4 bps). This may reflect a growing sector with strong demand, which lowers risk and, therefore, the return investors require.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	11.50	10.40	**10.68**	+28	→
Retail	Regional Mall	10.63	11.42	**11.19**	-23	→
	Neighborhood Center (Convenience)	11.00	11.55	**11.50**	-5	→
	Standalone Retail	9.88	11.46	**11.25**	-21	→
	Ground Lease - Standalone	-	-	**10.00**	-	→
Industrial	Logistics	9.75	11.46	**10.69**	-77	→
	Manufacturing	9.75	11.04	**11.00**	-4	→
Healthcare	Healthcare / High Acuity	-	-	**13.02**	-	→
	Healthcare / Low Acuity	-	-	**13.75**	-	→
Multifamily	-	10.50	10.50	**11.67**	+117	→
Education	-	-	-	**12.50**	-	→
Self-Storage	-	-	-	**12.25**	-	→

Source: LOGAN annual survey of real estate managers and developers.

Development IRR

Expected Returns - Class A Projects | Prime Returns | Major Markets

Development IRRs show moderate increases in 2026, mainly in office (+167 bps) and multifamily (+67 bps), reflecting higher required returns given execution and leasing risks. Industrial shows mixed movements, with logistics slightly lower and manufacturing higher.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	15.00	15.00	**16.67**	+167	→
Retail	Regional Mall	-	18.00	**18.00**	-	↗
	Neighborhood Center (Convenience)	-	-	**18.00**	-	↗
	Standalone Retail	-	-	**16.50**	-	↗
	Ground Lease - Standalone	-	-	**12.00**	-	→
Industrial	Logistics	14.50	15.00	**14.90**	-10	↗
	Manufacturing	14.50	14.50	**15.00**	+50	↗
Healthcare	Healthcare / High Acuity	-	-	**20.00**	-	→
	Healthcare / Low Acuity	-	-	**20.00**	-	→
Multifamily	-	15.00	15.00	**15.67**	+67	↗
Education	-	-	-	**20.00**	-	→
Self-Storage	-	-	-	**16.00**	-	↗

Source: LOGAN annual survey of real estate managers and developers.

Residential Development IRR

Expected Returns - Benchmark Projects by Segment | Prime Returns | Major Markets

Residential development IRRs remain differentiated by income segment, with notably lower returns in low-income housing, reflecting different levels of risk, absorption, and ability to pay. Leverage consistently increases equity returns across all three segments.

		2026	Forecast
Project IRR	High Income	**17.00**	
	Medium Income	**17.50**	
	Low Income	**11.00**	
Equity IRR	High Income - Equity	**17.50**	
	Medium Income - Equity	**19.00**	
	Low Income - Equity	**12.00**	

Source: LOGAN annual survey of real estate managers and developers.

Stabilized Financing Assumptions

Debt Terms - Class A Stabilized Assets | Prime Terms | Major Markets

How is debt financing structured?

Financing for stabilized assets shows sector-specific conditions. Industrial posts the highest leverage levels, especially manufacturing, along with competitive terms, while healthcare, education, and multifamily face more conservative structures, with lower LTVs, shorter terms, and wider spreads.

		LTV (%)	Debt Term (Years)	Interest Rate (%) SOFR + (%)
Office	-	65	12	2.8
Retail	Regional Mall	63	12	2.6
	Neighborhood Center (Convenience)	65	13	2.4
	Standalone Retail	65	13	2.4
	Ground Lease - Standalone	60	12	3.8
Industrial	Logistics	68	13	2.6
	Manufacturing	73	13	2.2
Healthcare	Healthcare / High Acuity	65	10	3.6
	Healthcare / Low Acuity	60	10	4.0
Multifamily	-	60	10	3.8
Education	-	60	10	3.8
Self-Storage	-	50	13	3.4

Source: LOGAN annual survey of real estate managers and developers.

Development Financing Assumptions

Debt Terms - Class A Projects | Prime Terms | Major Markets

How is debt financing structured?

Development financing shows relatively uniform conditions across sectors, with industrial standing out for higher leverage, longer terms, and lower spreads. In the other sectors, short-term loans predominate, with higher financing costs and refinancing needs at project completion.

		LTC (%)	Debt Term (Years)	Interest Rate (%) SOFR + (%)
Office	-	60	3	5.0
Retail	Regional Mall	60	3	4.8
	Neighborhood Center (Convenience)	60	3	4.8
	Standalone Retail	60	3	4.8
	Ground Lease - Standalone	60	3	4.8
Industrial	Logistics	68	8	3.3
	Manufacturing	65	3	3.2
Healthcare	Healthcare / High Acuity	60	3	5.0
	Healthcare / Low Acuity	60	3	5.0
Multifamily	-	60	3	4.8
Education	-	60	3	4.8
Self-Storage	-	50	3	4.4

Source: LOGAN annual survey of real estate managers and developers.

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