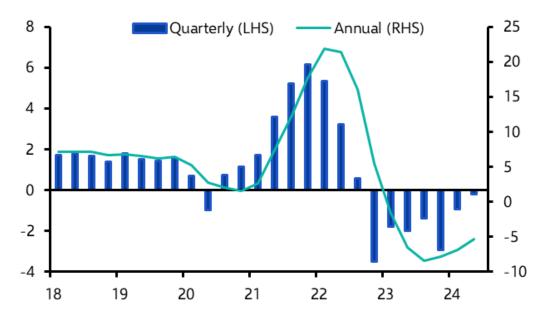


Commercial real estate – The size and scope of the recovery

This collection of analysis explores the outlook for US, UK and European markets

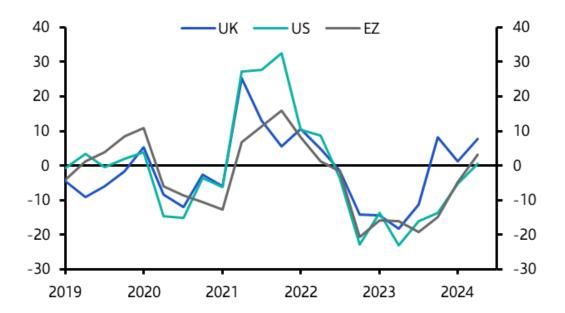
Gauging signs of a turning point



US Commercial Property Update

NCREIF Q2 data show appraisers still lagging reality

A second consecutive reduction in the size of value falls – just 1.4% q/q – in the Q2 NCREIF NPI appears to point to the price correction being all but over. However, with evidence of distress growing... 29th July 2024 · 3 mins read



US Commercial Property Update

Investment recovering, but not without risks

While the UK led the recovery in investment activity in Q4 last year, the latest data suggest the US and euro-zone are now also turning a corner. But given concerns over economic growth in all three...
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UK Commercial Property Update

Commercial property capital values bottom out

The Q2 RICS commercial survey added to the growing body of evidence that capital values at the all-property level have now bottomed out. But, in line with our forecasts, it also implied that the... 25th July 2024 · 3 mins read

What will this recovery look like?



UK Commercial Property Focus

Why this will be the slowest global recovery on record

Relatively high interest rates and structural problems within offices will weigh on the commercial real estate recovery over the next three years. Indeed, we forecast the upturn will be weaker than in...
4th March 2024 · 21 mins read



US Commercial Property Update

Near-term laggard but US to outperform longer term

The slower adjustment to past rises in interest rates and sharper hit to office demand mean US property is set to underperform European property over the next five years. But unlike equities, we think... 8th July $2024 \cdot 3$ mins read

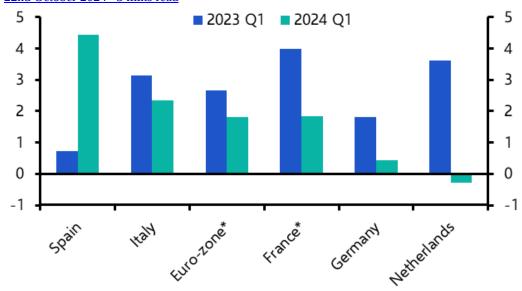


UK Commercial Property Update

Are we underestimating the capital value recovery?

The strong recovery in property equities prices across the UK, euro-zone and US implies larger rises in commercial property capital values by the end of the year than we are currently forecasting...

22nd October 2024 · 3 mins read

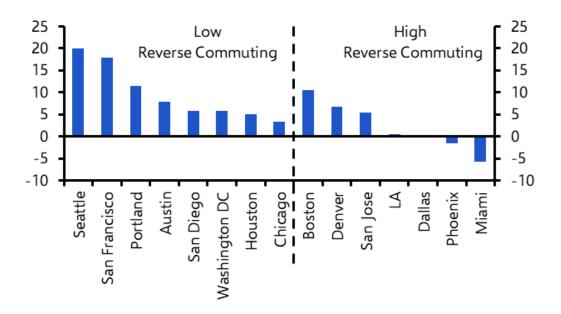


Europe Commercial Property Update

Tables turning in favour of southern European offices

<u>Indications that take-up stabilised across many markets in Q1 were encouraging. However, looking ahead we think the prospects for occupier demand are better in southern European markets.</u>
6th June 2024 · 3 mins read

Which sectors and markets could get left behind?



US Commercial Property Update

Downtowns will recover, but not any time soon

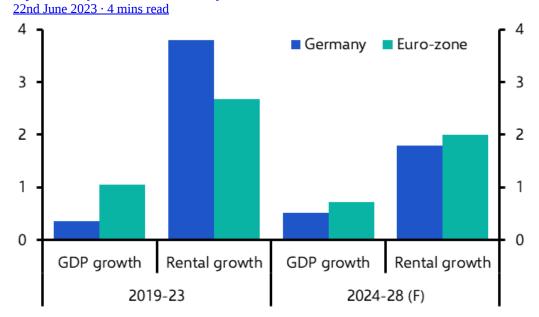
The gap between downtown and suburban office vacancy rates has widened alarmingly since 2020. This reflects pandemic-driven changes to working patterns, exacerbated by the cyclical slowdown. In our...



US Commercial Property Update

Office values unlikely to regain their peaks even by 2040

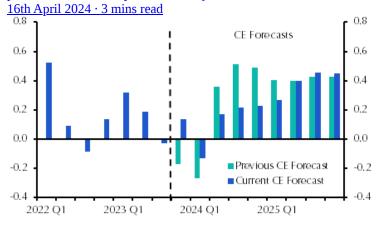
The reduction in office demand due to remote work will cause a hit to net operating incomes on a par with, or worse than, that experienced by malls over the last six years. And in line with the...



Europe Commercial Property Update

Expect subpar rental performance in Germany

While rental performance in German commercial property markets has been relatively solid given the country's poor economic performance over the past five or so years, we think this is set to end.



UK Commercial Property Update

Slower economic recovery is a risk for retail rents

High interest rates have taken longer to percolate through the economy than we expected, but we now think consumer spending will contract over the next six months. That poses a risk to our retail rent...

20th December 2023 · 3 mins read

Are distressed assets still a threat?

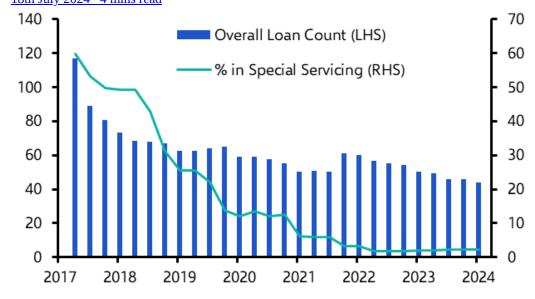


US Commercial Property Update

Distress rising, but still a long way to go

With the share of non-performing CMBS loans on the rise, and plenty of loans set to refinance onto a higher rate this year, recent data provide further evidence that distress will rise both this year...

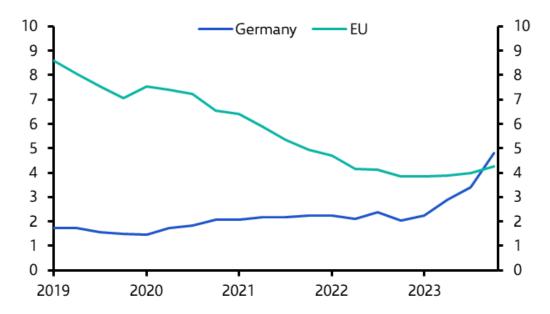
18th July 2024 · 4 mins read



US Commercial Property Update

CMBS losses not a sign of widespread debt crisis

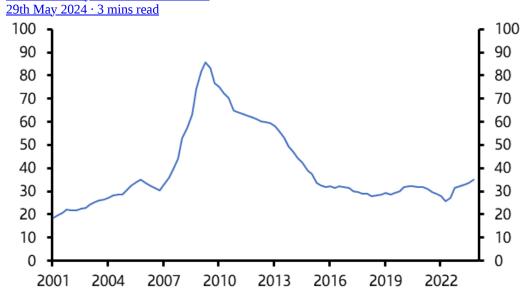
News that some top-rated CMBS in both the US and Europe are set to make losses is in line with our previous view that distress will ramp up in 2024. But, to date, the troubled securities have all been... 27th June 2024 · 3 mins read



Europe Commercial Property Update

Rising distress points to further value falls in Germany

While German property yields stabilised in Q1, further indications of rising distress give us confidence in our view that property values there have not yet reached the bottom.



UK Commercial Property Update

Will commercial property distress spread to the UK?

<u>Distress in the US commercial property market is once again in the news, but the risk of that spreading to the UK is low. The rise in aggregate loan-to-value ratios to date looks manageable and with...</u>
6th February 2024 · 4 mins read

Latest quarterly Outlooks



US Commercial Property Outlook

Apartments to top the charts with total returns of 9.5% p.a.

There are tentative signs of improvement in the investment market, but we continue to think refinancing requirements will weigh on transactions. We still think appraisal-based valuations need to...

12th September 2024 · 21 mins read



UK Commercial Property Outlook

Look to beds, sheds and retail for best returns

Commercial property yields and capital values have stabilised in recent months, which has encouraged investors to dip their toes back into the sector. But the recovery is set to be a weak one...

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Europe Commercial Property Outlook

Industrial to outperform as muted recovery gets underway

After two disappointing years, commercial property values have stabilised. However, the recovery is set to be weak. We think yield falls in the coming years will be small compared to previous...

23rd September 2024 · 28 mins read

Global Commercial Property Chartpack (Q3 2024)

Global Commercial Property Chart Pack

Global Commercial Property Chartpack (Q3 2024)

All-property values have stabilised in the UK but we expect further falls elsewhere, especially in the US. Combined with a weaker office outlook, the US is set to underperform over the next couple of... 2nd October 2024 · 0 mins read

| 20th April 2023

