



NEWS RELEASE

## Colliers' 2025 Global Investor Outlook reveals renewed investor optimism in commercial real estate as pricing stabilizes

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Broad momentum across asset classes, private wealth to reshape capital flows

LONDON and TORONTO, Nov. 19, 2024 (GLOBE NEWSWIRE) -- Leading global diversified professional services company Colliers released its **2025 Global Investor Outlook**, revealing renewed investor optimism and confidence that the commercial property market has moved past an inflection point following two years of muted transactions. On the back of subsiding inflation, lower interest rates, an improved economic outlook and expansive fundraising, Colliers anticipates a new market environment to emerge, more diverse – by asset class and investor base – than the one it replaced.

Some uncertainties remain, including a potential resurgence in inflation that changes the direction or tempo of rate cuts, a lack of inventory and low levels of new supply, and regulations that can complicate market liquidity on a more nuanced basis. While recent elections in major economies such as the UK and U.S. have provided more clarity around policies, lingering geopolitical tensions require a prudent approach to 2025 investments.

"We are seeing signs of positive momentum, with stronger sentiment growing as asset values stabilize. Stronger fundraising, including a return of core capital, will take time to flow through into deal volumes, though it is a strong indicator that more activity will hit the market soon," said Luke Dawson, Head of Global Capital Markets for Colliers. "In conversations with investors around the world, now is the time to be laying the groundwork for the next few

years of growth as the transactional market moves off the bottom of the cycle.”

Broad interest in all asset classes, though preferences are shifting

Underlying fundamentals are improving across all sectors. As high-profile, global firms lead the return-to-office charge, prime urban office assets are attracting renewed interest, while secondary assets and locations are witnessing value-add strategies play out for redevelopment and renovation. A large number of offices purchased in the last 12 months have been acquired for redevelopment into higher quality, more sustainable offices to match elevated standards required by occupiers.

Similar to the bifurcation in office assets, industrial and logistics (I&L) assets continue to be a major investment theme, though flight to quality has also emerged in the sector. Many investors now seek assets that have solid sustainability credentials and modern features that tenants demand.

Driven by increasing disposable incomes and leisure travel, more investors are exploring hotels and shopping centres in strategic locations. Alternatives such as cold storage and senior housing continue to be subject to intense competition, given the scarcity of investible product. In particular, investors are chasing data centres due to the boom in artificial intelligence, but the sizeable energy needs of such facilities are running into supply and planning constraints in some markets.

“Where there is tight inventory, limited new development opportunity or high costs for ground-up construction, investors should consider value-add or opportunistic properties in well-located areas and take a redevelopment approach to support demand,” added Dawson.

Increased private wealth investments marks shift from credit to equity

Colliers expects private investors, especially family offices and private equity funds, to be among the more active buyers in 2025. As interest rates escalated, they stepped in amid the pullback by credit-backed investors. Even as the market recovers and monetary easing assists debt-backed participants, more private generational wealth is likely to expand into real estate. Colliers also predicts a pivot back to equity-focused strategies as debt becomes more accessible and investors reallocate capital to traditional equity structures like joint ventures, recapitalizations, and M&A.

“Family offices and private wealth are expanding and bolstering the commercial real estate investor base because they often have access to more nimble and versatile capital,” said Damian Harrington, Head of Research for Colliers’ Global Capital Markets platform and EMEA. “As they continue to grow and diversify their portfolios, they – like all investors – must stay informed of market conditions and regulatory changes impacting real estate: ranging from

residential rent caps and utility provision, to planning policies that would impact construction. Successfully entering new markets or niches often requires expert advisers who can help you navigate the market and explore innovative structures.”

#### Regional highlights:

- APAC: Rate cuts are expected to drive transaction volumes, with high interest in logistics, multifamily, and office sectors.
- EMEA: Demand for high-quality office and logistics assets is growing, with a notable return of shopping centres and tourism-driven hotel investments.
- U.S.: Declining rates and stabilized vacancies in multifamily and industrial segments are likely to drive investment.
- Canada: Domestic institutions are returning, with a continued focus on industrial and a cautious optimism for office markets.

#### About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading global diversified professional services company, specializing in commercial real estate services, engineering consultancy and investment management. With operations in 70 countries, our 22,000 enterprising professionals provide exceptional service and expert advice to clients. For nearly 30 years, our experienced leadership – with substantial inside ownership – has consistently delivered approximately 20% compound annual investment returns for shareholders. With annual revenues exceeding \$4.5 billion and \$99 billion of assets under management, Colliers maximizes the potential of property, infrastructure and real assets to accelerate the success of our clients, investors and people. Learn more at [corporate.colliers.com](https://corporate.colliers.com), X [@Colliers](https://twitter.com/Colliers) or [LinkedIn](https://www.linkedin.com/company/colliers).

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## Colliers 2025 Global Investor Outlook

Colliers' fifth annual report synthesizes views from senior capital markets experts and research data to provide a comprehensive look at commercial real estate investment trends and the most promising opportunities in the year ahead.

Source: Colliers International Group Inc