Investor Webcast with Richard Bloxam, CEO, Capital Markets Services
October 1, 2025

Sean Coghlan, Head of Investor Relations at JLL:

Thank you, everyone for dialing in today. For those I've not had the opportunity to connect with, I'm Sean Coghlan, Head of Investor Relations at JLL. Welcome to what I hope is an insightful discussion with Richard Bloxam, CEO of our Capital Markets Services business. Richard has been with JLL for over 3 decades and is a member of our Global Executive Board.

Before kicking off the agenda, I wanted to remind everyone that today's call is being webcast live and recorded. A transcript and recording of this conference call will be posted on the Investor Relations section of our website. Any statements made about future results and performance, plans, expectations and objectives are forward-looking statements. Actual results and performance may differ from those forward-looking statements as a result of factors discussed in our annual report on Form 10K and in other reports filed with the SEC.

The company disclaims any undertaking to publicly update or revise any forward-looking statements. Richard and I are live together in London. We'll start with a conversation on the strategy, evolution and outlook of our capital markets business. We'll then open up the call for Q&A. Some of you have already shared questions with us in advance of the call and I'd encourage you all to submit additional questions through the Q&A function on the event page at any point during the webcast.

We'll address as many of these questions as time allows.

Richard, thank you for being with us.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Thank you, Sean.

Sean Coghlan, Head of Investor Relations at JLL:

You've been the CEO of the capital markets business since January of 2017 and the business has been performing impressive results at the top and bottom line over that time period. I'm going to call out just a few metrics to level set here. Since 2020, revenue growth across investment sales, debt and equity, advisory and loan servicing has averaged 10% per annum. JLL's market share has grown to a top two position in investment sales and into advisory. And over that time period, EBITDA across the segment has increased twice the rate of revenue growth, and I'd be remiss if I didn't mention all of this happened through a global pandemic and the largest correction real estate since the global financial crisis. How have you seen JLL's business evolve over the past decade to enable this strong performance?

Richard Bloxam, CEO of Capital Markets Services at JLL:

Thanks, Sean. Well, yeah, it's certainly been a very interesting period since 2020.

Look, I think first of all, we're informed by the macro trends in the industry and we have witnessed in the last 20 years, but particularly in the last 15, an increasing diversification of how investors invest in real estate. And I think if I look back to the global financial crisis, we were very heavily weighted to investment sales as a business, not too far off the entirety of our business, but as investors look to investor invest across debt instruments, entity level, fund level as well as buying traditional assets as sales, we've been able to mature and develop our business too and that has a couple of effects. One, it makes this a much more strategic partner than we would have been when we were really execution focused on an investment sale. And secondly, it helps us provide a much more resilient business. If I think about that waiting to investment sales, it meant that in the 2008, 2009 period, we had real profitability concerns whereas in the depths of the difficult market we've just been through in 2023, we were still able to generate an EBITDA margin of $170 million.

So I think the clients have changed how they allocate to real estate. Our businesses evolved to meet those needs and we've also created a lot more diversification in our revenue streams.

Sean Coghlan, Head of Investor Relations at JLL:

One thing that we talk a lot about is how you how part of that is also been building out our loan servicing business which has grown our volume risk advisory business that has introduced some additional resilience to the segment overall.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Absolutely, they're both very resilient businesses and we continue to look to grow those activities in our portfolio.

Sean Coghlan, Head of Investor Relations at JLL:

I'd like to double click a little bit on the debt advisory business because it's been significant growth component of the business overall. Since 2020, top line growth in our debt advisory business has averaged 14% per annum and over the past 12 months that business has been growing at two times the rate of the investment sales business. For those who are not familiar with it, can you provide a brief introduction to what the debt advisory business is for our industry and can you talk us through the drivers behind that growth?

Richard Bloxam, CEO of Capital Markets Services at JLL:

Well, its simplest level, we provide a service that facilitates achieving the best possible financing terms for a borrower to meet their return requirements. And that industry feeds off an annual transaction volume of five year average of about $850 billion ish of debt financings across construction, financing, refinancing and debt origination.

So for me, we have the backdrop of a very active market. I think a really interesting evolution of that business has been the proliferation of different lenders, the fastest growing component of which has been debt funds. And the debt funds, for those that aren't aware, are really run by the same companies that are also our clients in our investment sales business and across the broader JLL enterprise as investor clients. So it's a very natural area for us to grow into.

But the backdrop of many different choices that lenders that borrowers have is providing us an opportunity to provide insight and value to those borrowers in a way that's really dramatic. I'm particularly excited, you know, we inherited an incredibly strong debt business when we acquired HFF, but also we've been rapidly growing that business in outside the US as well, with the fastest growing element of that being in Europe. Where we've over doubled the revenues we've generated and then advisory since 2020.

Sean Coghlan, Head of Investor Relations at JLL:

You bring up HFF and that's one of a few different big strategic shifts that we've made over that past decade. That acquisition happened in 2019. In 2022 JLL also announced a significant organizational shift from a geographic centric model to a global business line model. Can you talk through how those decisions in particular have contributed to the outperformance we've been talking about?

Richard Bloxam, CEO of Capital Markets Services at JLL:

Sure. When I first took the role in 2017, it was clear that we didn't have the scale that we wanted or frankly that our clients needed to be able to provide valuable value added services to them across the US. And with the HFF acquisition and for a capital markets perspective, I'd very much call it a merger. We were able to bring on board an incredibly talented cohort of leaders and experts in the real estate capital markets.

What I really admired about the business was that they'd already gone down a journey of providing the range of services that met clients needs. They'd already created an investment banking practice. They'd already created loan sales business. They had already developed an association with the derivatives partner. And so they were thinking very much along the same lines that I was. And so that's been a very big impact for us.

I think you shouldn't underestimate the importance of culture in our real estate advisory industry and you want to create a culture where there's no inherent competition within your teams and so that the team is all marching to the same tune, which is to bring leverage our shared insights and intelligence across the platform. And so the other thing that HFF had done had invested quite heavily in technology in a data platform and that was also the same direction of thinking that I was having with the broader group. We also inherited some fantastic leaders, many of whom are still with the Business Today and we go from a strength to strength and some of the market share that we've been generating as a company, we're now we've expanded our market share in investment sales globally by 200 basis points since 2021. And we've outpaced that in the US.

I would add that market share isn't necessarily our destination, but if you've got the right people with access to a good platform, we think that's the natural outcome of doing that well.

Sean Coghlan, Head of Investor Relations at JLL:

You mentioned technology and I want to do a little bit of a deeper dive into AI, specifically at JLL, specifically for capital markets. We have talked externally about JLL's, AI platform and products as well as the focus on accelerating productivity but also operating efficiency across the businesses. How is the technology strategy evolving for the capital markets business and what do you see as the future role for AI in capital markets?

Richard Bloxam, CEO of Capital Markets Services at JLL:

The way that we look at technology within the company, but specifically in capital markets is that it's very much an enabler of our business, our people. I don't think you can separate your overall strategy from a technology enablement strategy. So it's very much integrated. We've been building an ecosystem that allows our people to glean debt insights, value insights, sales insights. When you have that ecosystem working well, then it drives ability for our people to be more productive than they otherwise would be and be able to provide their clients with simply better insights. And clearly, we want to take advantage of being in that position.

I think if you've done all that hard work in making sure your platform is organized, the technology ecosystems in place, you're that much better able to take advantage of all the opportunities that AI can bring. And we're not new to the AI journey. We started early and we already have platforms that were developing machine leveraging machine learning and our ability to predict which buyer is going to buy an asset, which lender is going to lend to an asset and who's going to buy or sell an asset in the future is all part of that AI journey.

I think in terms of generative AI where we're using that most effectively is in extricating key data points from our meeting notes that people are putting in our systems to allow that unstructured data, but organized data to be leveraged within our kind of buyer lists and the like.

So for me, the next step of that is leveraging agentic AI and I think there are enormous applications for our business in improving process efficiency and augmenting what is already a very high caliber human intelligence organization with artificial intelligence. So we're very excited and we feel very well prepared for that evolution.

Sean Coghlan, Head of Investor Relations at JLL:

We've been operating in a more dynamic market environment for a number of years now. I did want to take a pause and talk a little bit about the market. We get a lot of questions from shareholders and investors and analysts around our outlook for the markets. How are you thinking about our outlook for 2025 and capital markets?

Richard Bloxam, CEO of Capital Markets Services at JLL:

We've seen a gradual increase in activity since the sort of summer of 2024 and I don't think we were predicting a hockey stick return to activity, but there are a few ingredients that were coming together, a few different elements that were creating a confluence that meant the market is beginning to come back to more activity.

I think one is we're, we're the beneficiaries of a very liquid lending market. I described that a little bit earlier when we were talking about the debt advisory business. If you combine that with over $585 billion of dry powder at the end of last year that's raised in closed end funds looking to be deployed. You don't have a lack of capital that's looking to invest in the real estate investment markets. What we were missing was an ask that the bid was prepared to get to and we've been seeing that bid ask spread narrowing and it narrowed very quickly for some asset classes and it's taken longer in others. And if you combine that with those investors that have funds that have now done one or two or even sometimes three years of extension on their closed end funds. Their equity investors, their LP's are also demanding capital back. So we're seeing a bit more what might be termed as capitulation in terms of pricing that is all feeding into a more constructive pipeline for us as well as more transactional activity. And we see that with our bid momentum index. We see the bid intensity index improving or certainly the decline is moderated and we would expect to see a good and I think moderate but improved environment for investment transactions going forward.

Sean Coghlan, Head of Investor Relations at JLL:

We're now in an environment where more central banks around the world are cutting rates. How do you think about the impact of that rate cutting cycle on our business? Is it a, is it a catalyst for growth? Is it a risk? How should we think be thinking about that?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think if you look over time, the most important thing for the real estate transaction environment and frankly for any business leader to be making kind of decisions in with confidence is a stable interest rate environment. So we definitely don't need interest rates to go down for the market to continue to improve. So I think stability is probably more important than a direction one way or the other.

What the industry really struggles with is very large and quick changes in the cost of capital, whether that's debt or the equity markets. And so that's what you saw really in the period of post COVID period was with inflation rapidly accelerating, central banks rapidly changed. The cost of the capital and the real estate industry struggles with indigestion when that happens. So a stable environment, if interest rates continue to slowly moderate down, then that will be advantageous. But we also have a very competitive debt market with spreads already tightening because of that competition.

Sean Coghlan, Head of Investor Relations at JLL:

Let's talk a little bit about over the mid to long term. We've talked a lot over the years around the kind of bigger thematics that have been driving the macro landscape and the opportunity for our capital markets business. What are the market thematics that you're most focused on today and if you reflect on the more dynamic environment over the past few years, how it all have those thematics that have been underpinning your strategy changed?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think the diversification of exposure both by the part of the capital stack in which the investor is prepared to invest, the willingness to invest in an entity or a platform level, not only at an asset level, as well as the broadening of the range of asset types that investors are prepared to lend and invest in have all been theses that I think we spotted and has contributed, I think to part of our growth.

As I look forward, I think that cycle from an asset class being relatively nascent to being institutional has compressed. That time frame is compressed. We're very excited about the evolution of the digital economy and what that's meaning for digital infrastructure. The scale of opportunity, I think that will emerge in data centers, but further down the line, quantum computing.

If you look at advanced manufacturing, with a lot of the changes in domestic political approaches about getting jobs and manufacturing back in domestic markets, that's creating a demand for advanced manufacturing, all of which has high energy needs, which is another component of our business, which is evolving quickly, which is our energy and infrastructure capital advisory capability.

So I think on an asset class level, an investor allocation approach, those themes that we've seen. I think the other is the proliferation of retail capital and how it's trying to get into the private markets of which real estate is clearly an important component and that's coming in several channels. That's ultra high net worth family offices, high net worth individuals investing directly in real estate, financial instruments and assets. But also with rapidly changing regulations around the use of pension fund money in direct real estate investments, we see these as very positive tailwinds for capital looking to get deployed in the asset class.

Sean Coghlan, Head of Investor Relations at JLL:

And how much does that change if you think about how capital is thinking about the markets and the landscape relative to maybe how we were where we were in 2018 or 2019?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think it's just an increasing sophistication and what the client then demands of us is much higher quality advice, much more strategic partnership and they're looking for insights.

And so one of the compelling propositions I think for our business, but also a compulsion for us to provide is access to the best quality insights in the industry and we're very committed to doing that through great people and excellent platform with access to technology and data that's world class.

Sean Coghlan, Head of Investor Relations at JLL:

It brings me to our last question before we open it up for Q&A. And as a reminder, anyone is welcome to submit questions through the Q&A function as we're going through, as we're going through the call. When you reflect on all that's been achieved in capital markets as well as our positioning within the industry, what do you view as the competitive advantages that JLL has developed?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think I'd start with people. And both the individual quality of the employees in the business, but also the combined culture that we create. I think it's very important that you have teams that are willing to bring the best out of each other, that share insights with one another to bring the best results for the clients. And you can do that both in a traditional analogue way, but you can also increasingly do that and we do through technology. And you don't create that ability to provide leveraged insights across a platform if you don't have the right culture in place. So we I would say that's a primary differentiator.

I think the second would be around platform excellence as we move to the global vertical, which you referred to earlier in the discussions. This is not necessarily about centralizing or globalizing. It's about standardizing and creating an efficiency in our delivery platform. We've worked very hard to create that structure. That's not just about technology and data, but it's also about governance and operating excellence.

I think those are things that are also a differentiator at the firm. And clearly we have a global footprint. Not everybody has that. And for our biggest clients who've I think is a trend of being growing increasingly large, being able to marry up our services to those investors that are investing around the world at the same time as providing the very best service to clients in a local context is something that we feel is a real differentiator for us at JLL.

Sean Coghlan, Head of Investor Relations at JLL:

Excellent. We're now going to transition to the live Q&A section of the agenda. Thank you to everyone who has already submitted a question. As a reminder, as I just said, anyone is welcome to submit additional questions through the Q&A function will respond to as many as time allows.

So the first question we have, Richard, how do you measure the impact of the technology and platform investments you've made in the capital markets business?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I refer a little bit to my previous discussion point, which is that we see the people and the technology ecosystem as one. It's an ecosystem that can't be successful on its own without the other. And so when I think about how we measure the effects or the impacts of that technology, sure, we have the same metrics that any product oriented organization would have around utilization, time spent in particular applications and whether it's creating efficiency or productivity improvements. But overall I think we are seeing the combination of platform culture, people and technology manifest itself in sustained revenue and margin growth and market share as an outcome rather than the destination itself. So that's how we think about technology and its impact on the business.

Sean Coghlan, Head of Investor Relations at JLL:

Yeah, there's certainly been that focus on enablement and tech enabling our people to be the most productive and efficient and how they're operating for clients.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Yeah, it's an essential component of the strategy.

Sean Coghlan, Head of Investor Relations at JLL:

How has the makeup of our client base evolved in capital markets and how do you expect it will evolve in the future? So the makeup, the construct of clients that were.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Yeah, sure. Well, I think being a global footprint and both being represented on the ground in a local market context as well as globally. I think probably the biggest trend that I would say is you know when I first started in this role in January 2017 the average assets under management of the big investment manager was somewhere around $100 billion, although largest investment managers had $100 billion. Whereas now there are a plethora of those groups that are significantly ahead of that multiple $100 billions under management. So that's a significant shift in the concentration of capital amongst a fewer number of investors and that's been a shift in how the industry works and clearly we're well set up to solve that.

And I think the other area that you see is the advent of retail capital and that manifests itself also in a lot of what I call mid market trades sub $25 million. I think finding out $25 million in value, sorry to be specific. And I think there's also a huge opportunity for the industry to provide a better quality service in that space.

Sean Coghlan, Head of Investor Relations at JLL:

Double clicking on that for our next question.

What are you seeing in terms of activity from the more sophisticated Syria investor base? So thinking about probably the more core groups and are they becoming much more active in recent months

Richard Bloxam, CEO of Capital Markets Services at JLL:

And I think the recovery period out of the last three or four years are very volatile markets is following a little bit of a similar pattern to post global financial crisis. Where the higher return, more value add investors move first and we've absolutely seen that happen this time around as well. There's no doubt we're seeing more institutional bidders on all the products we're bringing to market and we expect that momentum to continue so that you have the full range of return criteria investors. I wouldn't necessarily call institutional core investors more sophisticated or less sophisticated, but they certainly have a different approach to risk adjusted returns. And yeah, for the real estate markets to be truly dynamic you need the full spectrum of return and risk profiles to be active because that's what creates buyers and sellers in any given situation. So the momentum around institutional investors, core and core plus, is certainly positive, but it's still nascent.

Sean Coghlan, Head of Investor Relations at JLL:

How would you characterize the current backdrop in terms of attracting and retaining producer talent?

Richard Bloxam, CEO of Capital Markets Services at JLL:

First, first and foremost, I would say that we've we focus on our own business. We're very conscious there's a market out there, but I don't control what happens in the external market. But me and my colleagues leading the capital markets business can certainly control what we're doing. And so we emphasize what we can do in terms of offering producers that are already in the business, but also those that we're trying to bring to our platform. The benefits that they wouldn't receive anywhere else and that includes the culture that includes a productivity level per producer, which we believe is comfortably at the higher end of the industry and a technology platform that is unique. And I think it's that combination that we focus on in terms of attracting and retaining the best talent in the industry and we also have an evidence of what our high watermark in revenue per producer can be, which was in 2021. Now that was a slightly unusual year in terms of the dynamics, but we know inherently that even with our existing teams, we have plenty of room for revenue and incremental margin to be derived for our existing teams.

That does absolutely does not mean that we want to want to go out and hire good quality people, good talent and there are clearly areas around the world where we feel like we've got an opportunity to take that group in and drive it, but what you definitely won't see from us is just chasing market share by hiring talent for the sake of hiring the talent, what we will continue to do is focus first and foremost on revenue and margin accretion of our talent base and the market share will be a happy outcome of getting that right.

Sean Coghlan, Head of Investor Relations at JLL:

The recovery in the CRE capital markets has been gradual. Are you seeing the market shift gears into more robust phase of recovery?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think if you look at the range of data points that we see, the number of bids per deal, the concentration of those bids around a common price and the maturity and how prolific the debt market is today, these are all indicators that would suggest there is going to be continued upward momentum in the transactional market. Clearly, we are in a world where a tweet or a quote can change dynamics pretty quickly. But if things remain stable, I see no reason why we won't see the evidence points we're beginning to see today continue to provide momentum in the market.

We've certainly got the capital available and we've certainly got an increasingly increasing willingness from sellers to meet the price.

Sean Coghlan, Head of Investor Relations at JLL:

Alternative capital has filled a void from more traditional lenders. If you think about over the past few years, I think the questions probably referring to the proliferation of private credit in our space. Do you think this trend is sustainable?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think going back to my previous comments around LP Capital, so the people that are putting investments into the hands of investment managers are looking for access to credit markets and so this is a demand led approach and clearly in any industry there are going to be waves when you have more demand or less demand for those kind of products. I would say at the moment that's proving very resilient. But even without that proliferation of debt funds, the range of potential lenders still looks very attractive if you look across the insurance industry across the US with the agencies. Money center banks. So I feel pretty confident in the stability of the availability of debt, but sure that the desire to invest in different types of products obviously changes through cycles.

Sean Coghlan, Head of Investor Relations at JLL:

Next question here, where do you think the white space is in the JLL capital markets platform? You the question specifically calls out geographic white space, property type, deal size?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think we feel with the market momentum alone, the chance for us to grow is high. I would say that we kept our producer head count pretty steady throughout the volatile market. In fact, we're 10% up, I think it is since 2021, but I can be corrected at the end of the call, but it's been something we've consciously retained that capability. And so the white space first of all is what each of our producers is able to do in a more active market. That said, I think we have a clear proclivity towards kind of mid to higher value asset sizes and we've been growing our market share in smaller asset sizes. So that's clearly an area that continues to be of interest to us. And geographically we would continue to look to expand in markets that we think has real momentum. And you know I would call out the growth in the market in India, market share growth in Japan as other areas of real interest for us.

Sean Coghlan, Head of Investor Relations at JLL:

And just to clarify, Richard's data point on producer head counts, the producer head count in the US has grown by 10% since 2021.

Richard Bloxam, CEO of Capital Markets Services at JLL:

OK.

Sean Coghlan, Head of Investor Relations at JLL:

Which is the match that you're referring to.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Great.

Sean Coghlan, Head of Investor Relations at JLL:

As scale and data become more important to the business. Have you seen smaller competitors struggle to compete? How do you expect market share will evolve over time as a result of this dynamic?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think again, we try to focus on what we can do for the clients that we're interacting with and our ability to leverage insights from around the world, what investors are thinking, what they're prepared to price, what lenders are thinking, what they're prepared to price, clearly gives a value to scale.

I think it would be wrong to dismiss the notion that a small scale boutique is not always going to have its role in the industry.

There is a huge amount of the market still and particularly outside the US where there is no intermediary involved at all. And so you don't need to kind of run around trying to take market share from other advisors to find a really strong trajectory for growth in gaining market share. So finding ways of ensuring that those groups that don't believe an intermediary adds any value that they begin to use more of us, I think is an exciting opportunity. But overall I would agree that scale and data advantage together with really talented people is likely and we would project to allow us to grow incremental revenue drive incremental margin and share being the outcome, I think of being successful.

Sean Coghlan, Head of Investor Relations at JLL:

Next question we have here, can you talk about any changes to fee structures as the business has evolved to more from a one off principle, selling an asset with a broker to large sponsors during business across a variety of JLL business lines and geographies. So I think the question really is how is JLL thinking about their work and how they structure their work as they're working with clients who they're working with across multiple business lines across the firm?

Richard Bloxam, CEO of Capital Markets Services at JLL:

So what we tend to find with the investor universe in particular is that they will use companies for various different activities. There is no doubt over the last five, six, seven years that there has been a tendency for the larger clients to try and work with fewer advisors. Like it's complicated if you've got to go to 100 different groups every day. So the that evolution to go into fewer number of advisors means that there's a natural opportunity for JLL to do more work with those clients across a range of services.

And in fact, one of the interesting statistics that came out of our HFF acquisition was that since 2021, we've generated $800 million of cross selling fee revenue at an enterprise level which is delivered incremental projected to deliver an incremental margin of around $250 million. So there are real benefits of combining the abilities of our different service lines to service those clients.

I would add though that the clients are going to continue to look for best in class as well. So it's a combination of strategic relationship allowing you to do more with the same client, but also you can't take your, you can't put your foot on the brake. You have to keep focused on delivering the best quality service in the specific execution role that you've been asked to provide for that client. So it's a little bit of both, Sean.

Sean Coghlan, Head of Investor Relations at JLL:

Yeah. I mean, it's part of how our teams work together too. That I think is a cultural mindset and facet of how we operate as a business that can be hard for people to understand if they're not working in a JLL office every single day.

Richard Bloxam, CEO of Capital Markets Services at JLL:

It's easy to say on a screen like this, but it also happens to be true that it is a really incredibly collaborative culture and the ability for us to kind of think how an occupier thinks because we're managing occupier a space all over the world provides a level of insight into how we should be thinking for investors and vice versa, so it's a compelling proposition.

Sean Coghlan, Head of Investor Relations at JLL:

What is your view on the longer term margin profile for the capital markets business?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think we should be thinking about the margin profile of capital markets that there's about a 35 to 40 percent incremental margin in our business and you know I would see that the capital markets business is always going to need to be at the very upper end of the range of margins that the company is operating in. So if you think about the margin expectations that Christian and Kelly have outlined in the earnings schools, the margin aspiration for capital markets needs to be at the very highest end of that, if not above.

Sean Coghlan, Head of Investor Relations at JLL:

Excellent. Do you see the potential for cross-border investment activity to accelerate?

Richard Bloxam, CEO of Capital Markets Services at JLL:

That's an interesting question. I was kind of expecting the opposite question, which is that with all the kind of geopolitical challenges around the world a with a that would be the opposite is the case. Actually, I think cross-border capital is alive and well. I think the challenge that domestic capital faces is that if it does not diversify, there is always going to be the risk that something goes wrong in your market and you haven't acted in the best fiduciary interests of your pension holders or insurance holders. And so I don't see an era where irrespective of tariff policies and geopolitical challenges that you won't see capital continue to move around the world.

And I guess one of the key tenets of our strategy in capital markets is to be the most connected real estate advisor in capital in the world and we say that for a very important reason because if you want to advise a client in New York, you have to know Japanese capital. And if you want to advise a Tokyo multifamily owner, you have to understand capital that's coming to Japan from outside as well as the domestic market. So I think it's alive and well and I don't see any reason why international capital movements won't continue to be important part and indeed accelerate.

Sean Coghlan, Head of Investor Relations at JLL:

So one last question from the live Q&A. What are you seeing in terms of bid ask spreads across property sectors and geographies? How are buyers and sellers thinking about rent growth?

Richard Bloxam, CEO of Capital Markets Services at JLL:

That's a good point to make, I think. When I was describing the change in the market dynamics, I think one thing I probably forgot to mention was in addition to there being lots of capital available, the capital has also switched from being laser focused on the 10 year treasury or 10 year gilts or 10 year bunds to GDP growth. And that's why you saw post the September blip and 10 year treasuries for the first time last year in 2024 that the investors really saw through the noise. So GDP growth is a very important underwriter for real estate. It's where real estate, which is essentially where all industry happens, you kind of need GDP growth to create the foundations for rental growth. The dynamics of the market are too specific to go into here, but there are clearly now with all time low deliveries or break ground breakthroughs for offices in Europe. 10 year low in the US, it's an all time low that you're seeing a pressure cooker begin to build around lack of available office space. So that would be one example, I guess of where rental growth is likely to come through. But it's a, it's a very detailed and broad picture and very dynamic city by city, sector by sector.

Sean Coghlan, Head of Investor Relations at JLL:

It's been really interesting to watch the evolution of how people are thinking about the office sector, especially given some of the outperformance at the top of the market and some of the scarcity challenges that we're starting to rub up against.

Richard Bloxam, CEO of Capital Markets Services at JLL:

It is it has kind of like an echo of maybe what the retail industry went through in the digitization era. But like all things these days, the cycle seems to move much more quickly.

Sean Coghlan, Head of Investor Relations at JLL:

Yeah. So one lighter question to close the call. You've been in our industry for over 30 years and you've been through multiple cycles. What aspect of the capital markets business continues to energize you the most?

Richard Bloxam, CEO of Capital Markets Services at JLL:

I think our clients are so innovative and they're constantly challenging us to work with them on what the most effective themes are that they should be following. And I get very energized by how dynamic those conversations are. And I feel much better armed to have those conversations with access to great quality data.

But in the end, me being able to have that conversation doesn't grow a business, doesn't transform a business. So what really excites me is it's frankly that we continue to be able to hire and retain the very invest people in the industry and watching what they can do with access to the kind of information we have and the technology that we're delivering. And we're not the finished article yet. That's what kind of, I really enjoy that to see, to see what they can do with. That level of support, it's amazing.

Sean Coghlan, Head of Investor Relations at JLL:

Awesome. While in closing, I'd like to again thank each of you for taking the time to join us today and to Richard for all of the insight and perspective into a very dynamic and important part of our company.

Richard Bloxam, CEO of Capital Markets Services at JLL:

Well, thank you for the time, Sean.

Sean Coghlan, Head of Investor Relations at JLL:

Enjoy the rest of your day everyone. And to the extent you have any further follow up questions, please don't hesitate to reach out.