# IS THE WAIT FINALLY OVER FOR CRE CAPITAL MARKETS?

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# QUICK OVERVIEW

- Performance remains highly bifurcated: Multifamily and industrial sectors continue to trend together, while office and retail show similar but less pronounced patterns.
- However, positive liquidity outlook through 2029 will benefit returns across all sectors.

# REVENUE-SIDE OUTLOOK

- Multifamily and industrial rents set to rise as oversupply from 2021-23 subsides.
- Office rents will increase for new, well-located properties alongside ongoing RTO; lease renewal prospects for commodity office highly limited.
- Retail is the only sector with forecasted outperformance thanks to low supply and strength of grocery-anchored centers.

# YIELD-SIDE OUTLOOK

- Higher-for-longer persists: Despite projected easing, Treasuries will remain above recent historic averages through 2025, creating upward cap rate pressure and negative capital returns (except for multifamily).
- Accumulated rate cuts and improved revenue should strengthen capital returns in 2026, compressing cap rates.

# UPSHOT

- Improvements in both demand fundamentals and liquidity should boost CRE cap markets over the next 12 months
- Combined with plenty of dry powder, transaction volume should finally lift, creating a virtuous cycle – more transactions, more price discovery, more confidence, higher returns

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# WANT MORE INSIGHTS?

## Connect with Audrey

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