

Intelligent Investment

U.S. State of the Market

FEBRUARY 2026



Opportunities and Risks for the Real Estate Sector

Opportunities



Productivity Gained
Through AI & Tax Cuts

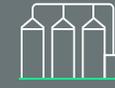


Lower Cost of Finance



Strong CRE Fundamentals
& Price Stabilization

Risks



Valuation on Tech Sectors

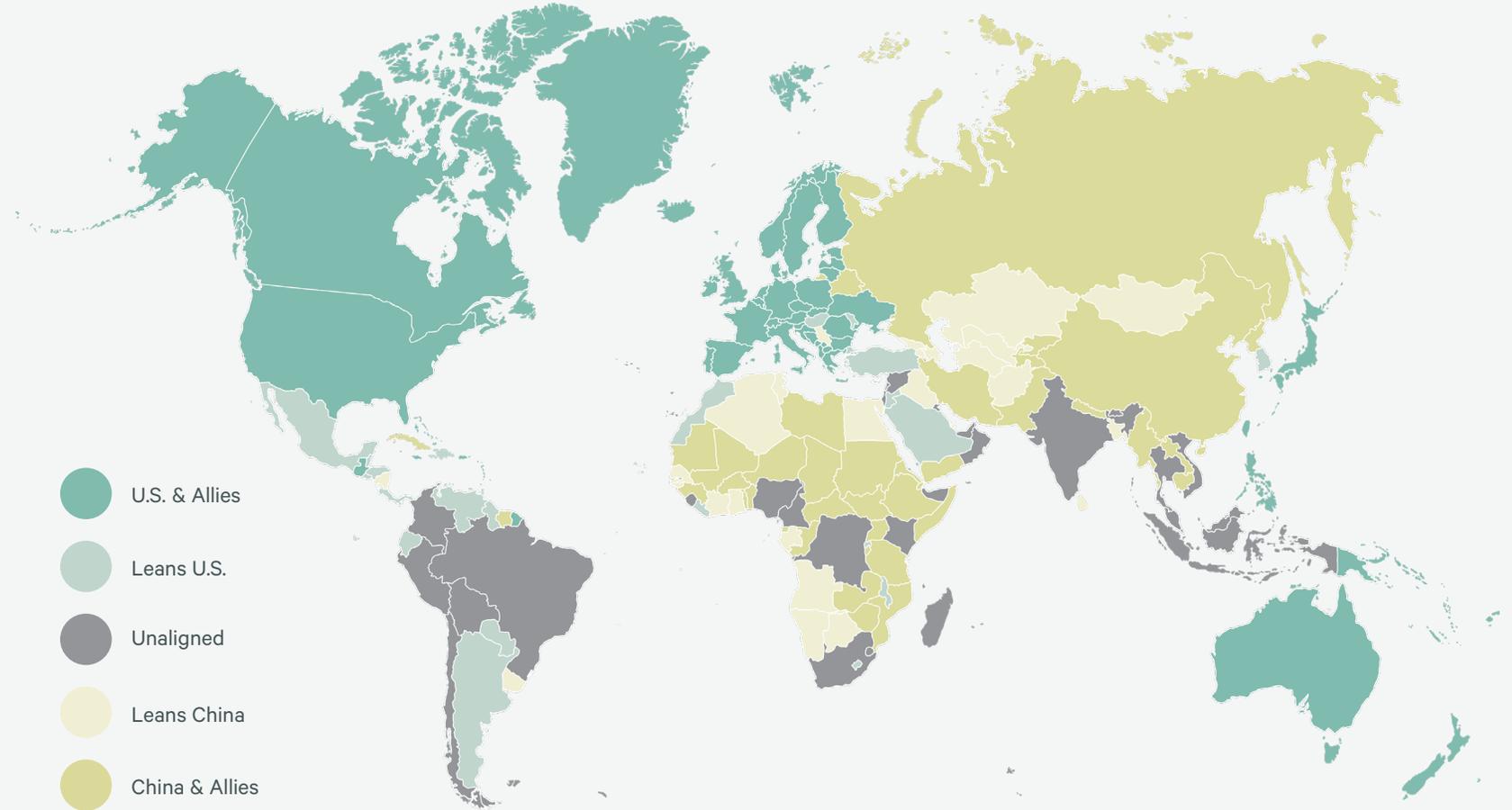


Weakening Labor Markets



Geopolitical
Tensions & Trade

Global Alignment Towards the United States and China in Early 2026

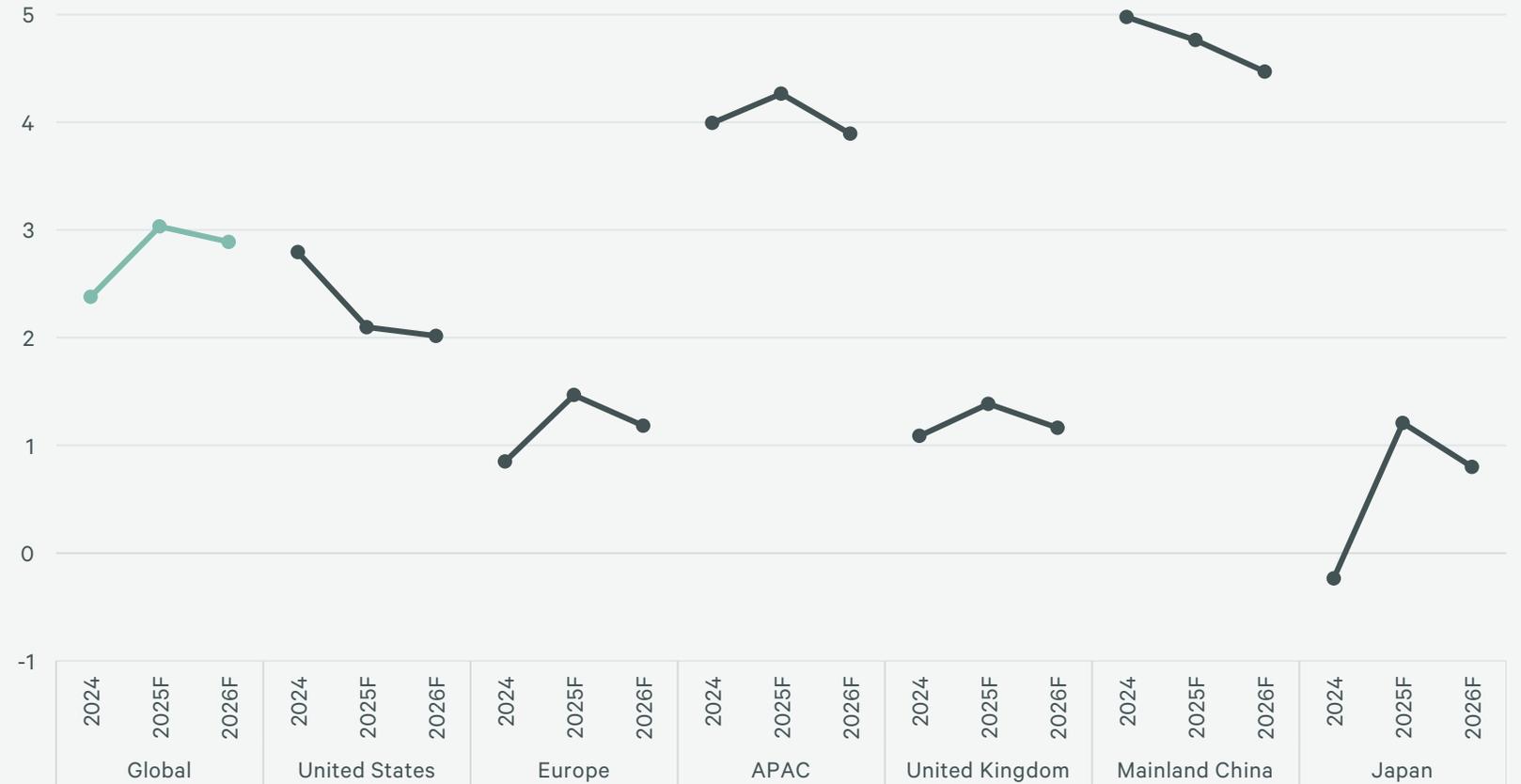


Source: Capital Economics, January 2026.

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Moderate Economic Growth is Set to Continue in 2026 Globally

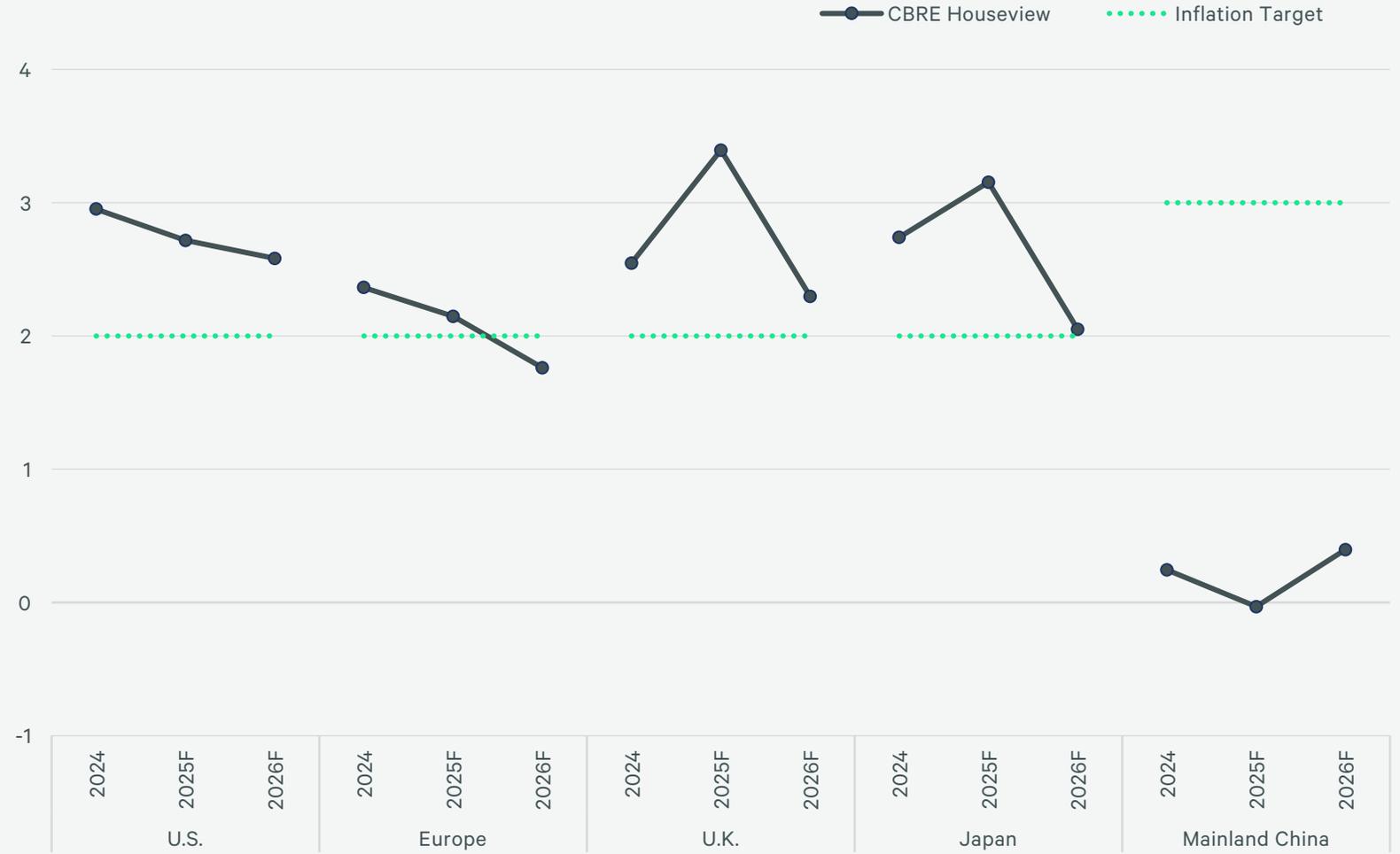
GDP Growth & Forecast (% Per Annum)



Source: CBRE House View, January 2026.

Global Prices are Normalizing

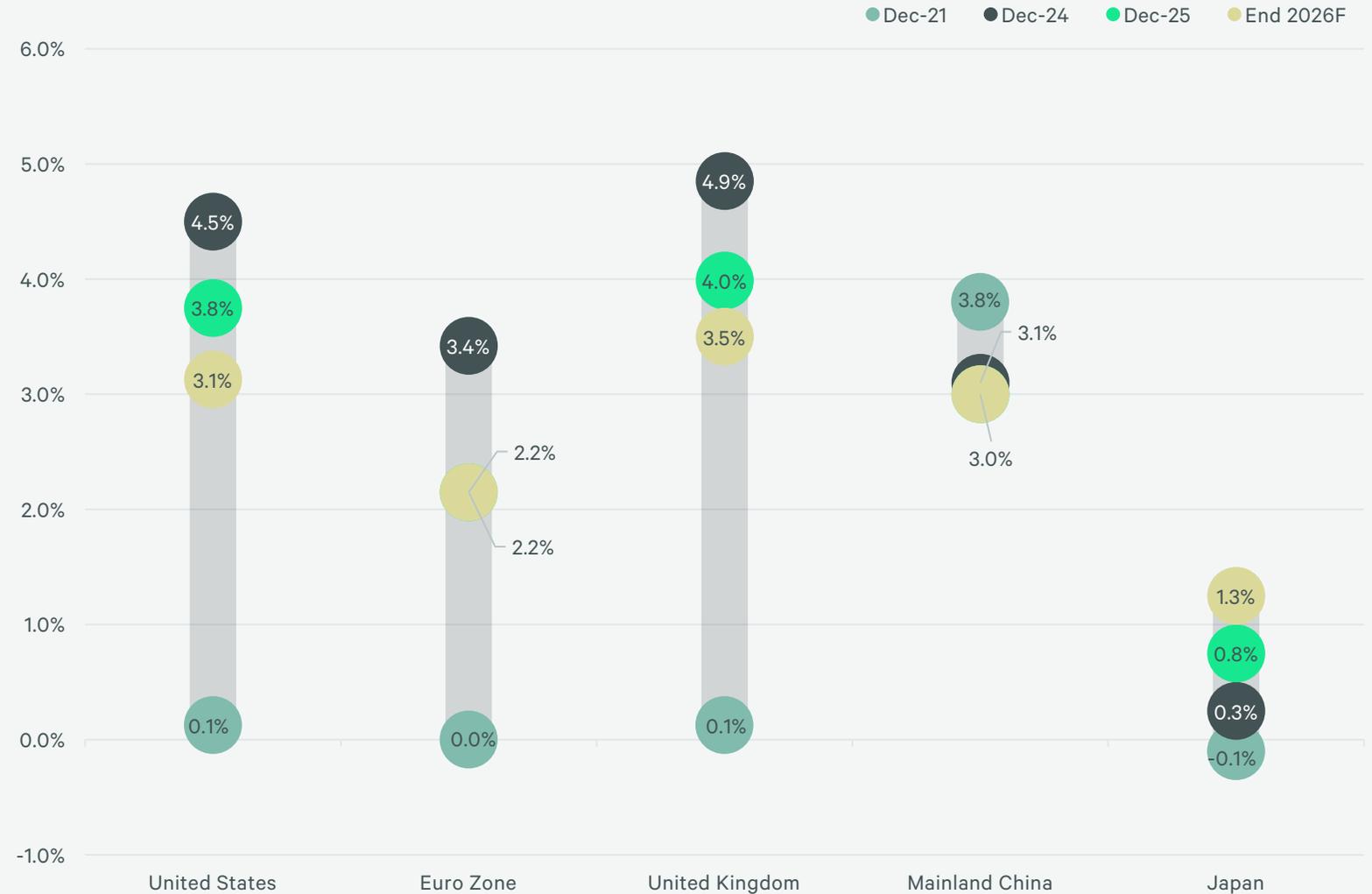
Annual Average CPI YoY, %



Source: CBRE House View, January 2026.

Policy Rates are Falling in all Major Economies Outside of Japan

Policy Interest Rates (%)

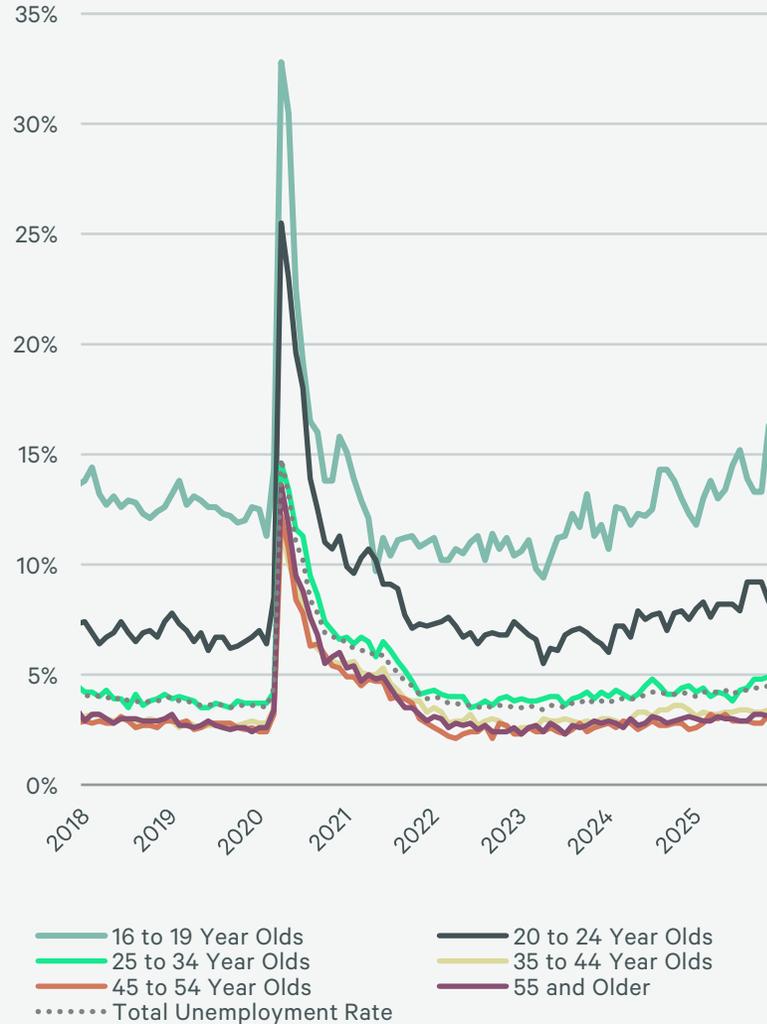


Source: Macrobond, CBRE Research, CBRE House View as of 8 January 2026.

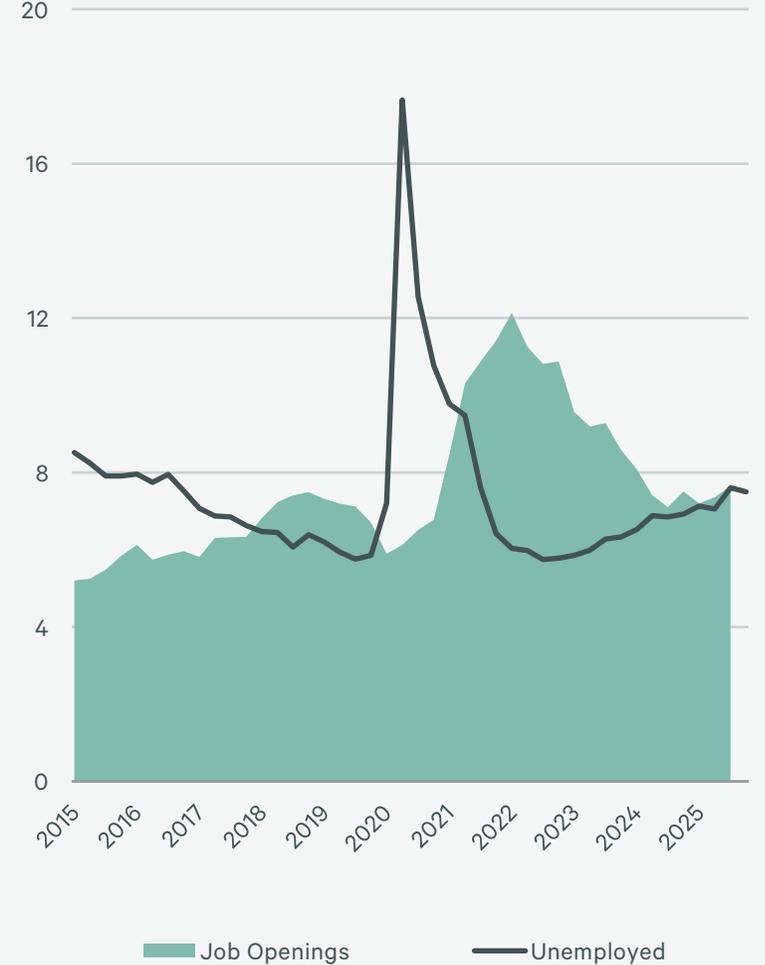
Unemployment Amongst Those Under 24 Years Old Remains Elevated

— The unemployment rate for those 16 to 19 years of age continues to increase. The age group has noted a 3.4 percentage point increase in the last year, the largest of any age cohort.

U.S. Unemployment Rate by Age Cohort, %



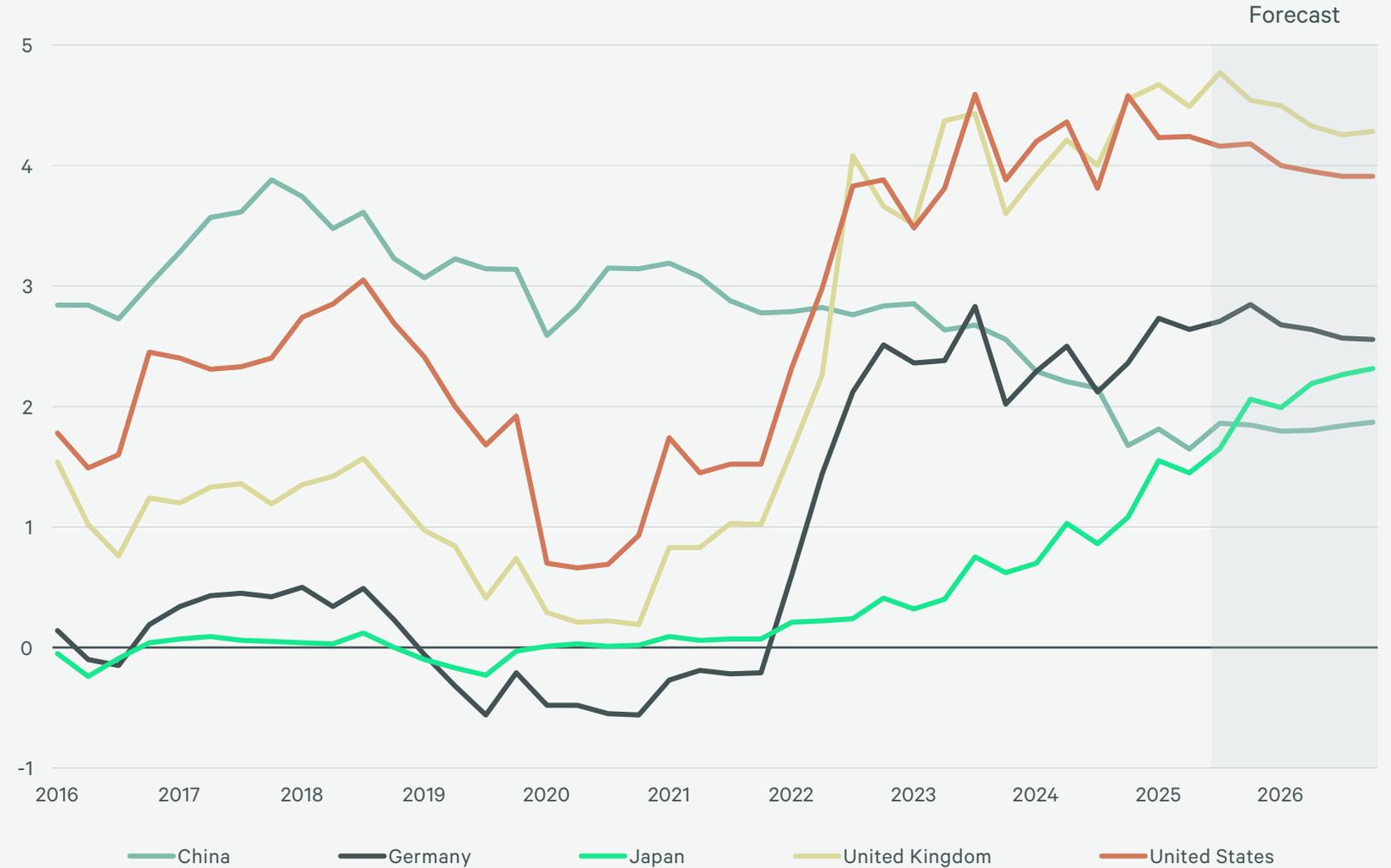
Job Openings and Unemployed, Millions



Source: U.S. Bureau of Labor Statistics, CBRE Research, January 2026.

Globally Bond Yields Will Remain Higher for Longer

Global 10-Year Government Bond Yields, %



Source: CBRE House View, Macrobond, CBRE Research, January 2026.

Mild Cap Rate Compressions are Expected

PEAK-TO-TROUGH

U.S.

Office +201bps
Retail +97bps
Industrial +232bps

Europe

Office +171bps
Retail +93bps
Industrial +153bps

Asia Pacific

Office +113bps
Retail +84bps
Industrial +114bps

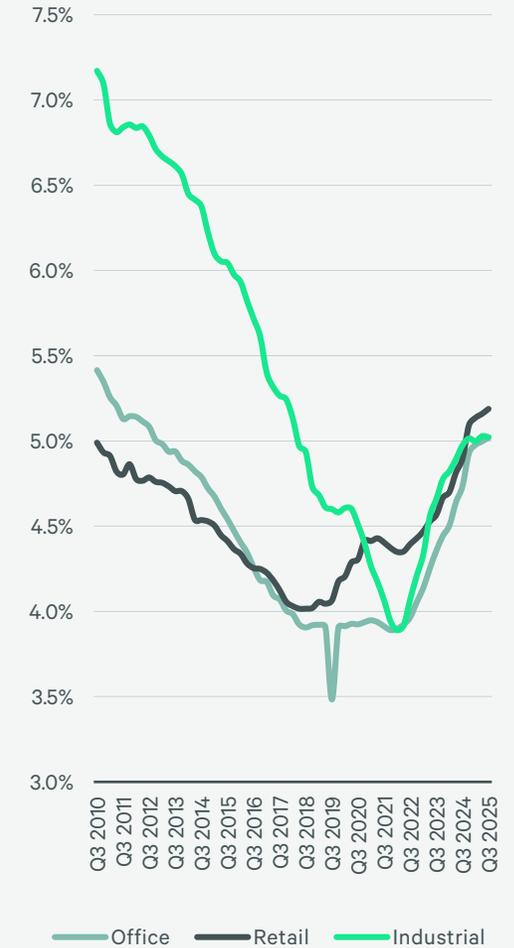
U.S CRE Yields (As of Q3 2025)



Europe CRE Yields (As of Q3 2025)



Asia Pacific CRE Yields (As of Q3 2025)



Source: CBRE Econometric Advisors, CBRE Research, Q3 2025.

US CRE Well Priced Compared to Equities

U.S. Equities PE Ratio / CRE PE Ratio, Expressed as a Z-Score



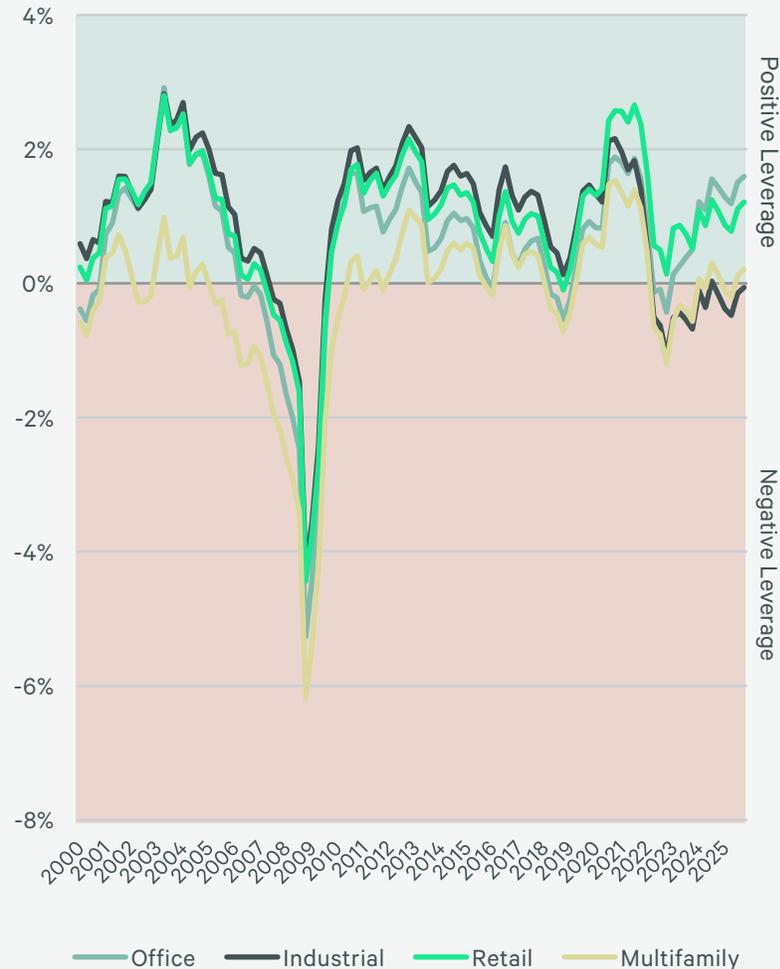
U.S. REIT Index by Sectors Index (April, 2023 = 100)



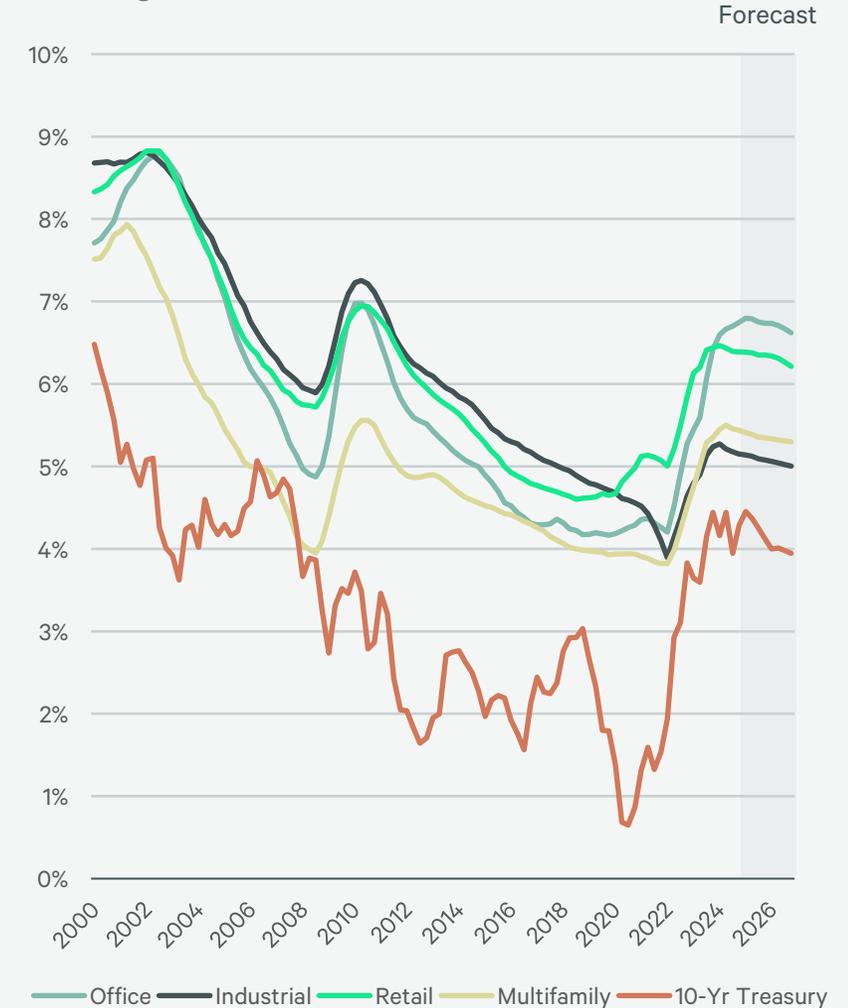
Source:
Left: CBRE Econometric Advisors, www.multip.com, Q3 2025.
Right: CBRE Research, S&P Global, January 2026.

Positive Leverage Exists in All Sectors Except Industrial

Cap Rates by Sector Less All in Cost of Leverage (%)



Cap Rates by Sector & 10 Year Treasury Yield (Average of Period)



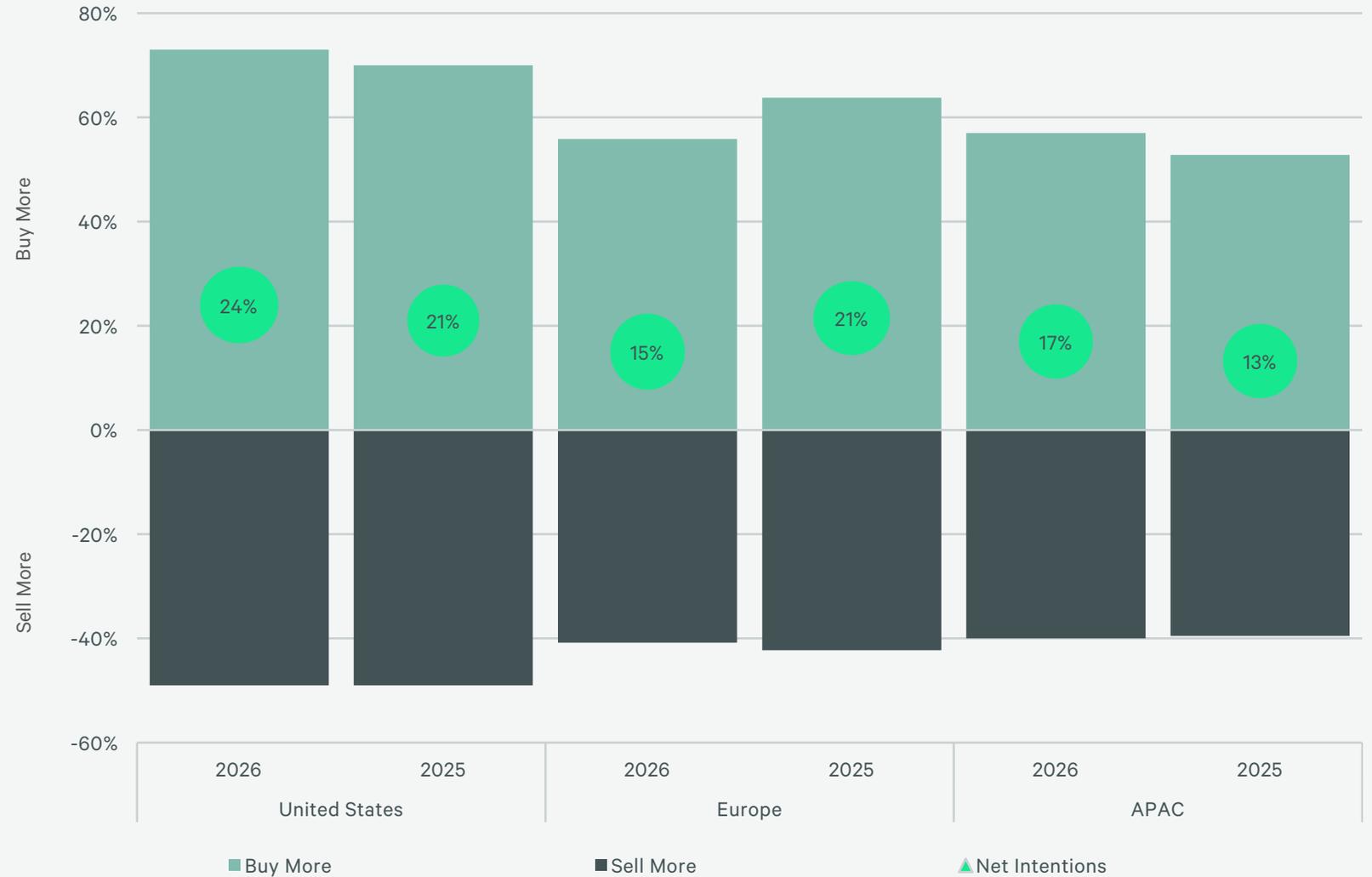
Source: CBRE Econometric Advisors, CBRE Research, Cap Rates Forecast as of Q3 2025. CBRE House-View as of January 2026.



Investor
Intentions
Survey Preview

Net Buying Intentions Remain Strong Globally

2026 vs. 2025 Purchasing and Selling Intentions by Region

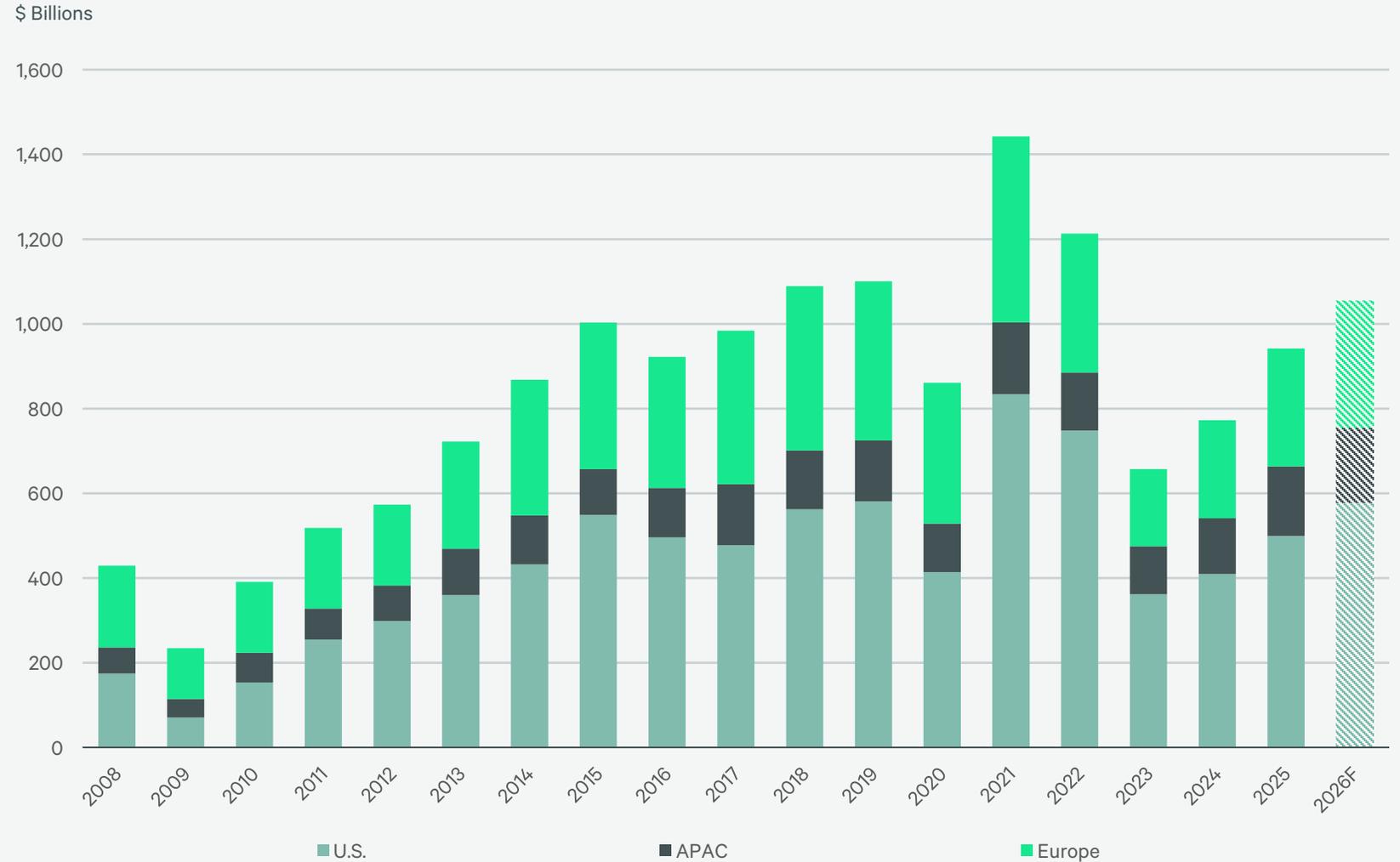


Source: 2026 CBRE Global Investor Intentions Survey, CBRE Research, January 2026.

Capital Markets Activity to Improve in 2026

- U.S.**
16% YoY Growth
- APAC**
5-10% YoY Growth
- Europe**
16% YoY Growth

Annual Global Commercial Real Estate Investment Volume



Source: MSCI Real Assets, CBRE Research., January Forecast, Q4 2025.

Major Headwinds and Tailwinds Facing Real Estate Investment in 2026

Headwinds

% of respondents who indicate issue is a concern



Uncertain Geopolitical Landscape

North America | U.S. 12% Canada 30%
Europe | 47%
APAC | 38%



Uncertain Economic Outlook

North America | U.S. 51% Canada 63%
Europe | 27%
APAC | 35%



Mismatch in Pricing Expectations

North America | U.S. 26% Canada 22%
Europe | 62%
APAC | 29%

Tailwinds

% of respondents who indicate issue is a concern



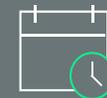
Reduced Supply Pipeline

North America | U.S. 80% Canada 63%
Europe | 38%
APAC | 42%



Lowering of Debt Costs

North America | U.S. 68% Canada 63%
Europe | 38%
APAC | 40%



Attractive Price Entry Points

North America | U.S. 33% Canada 52%
Europe | 41%
APAC | 32%

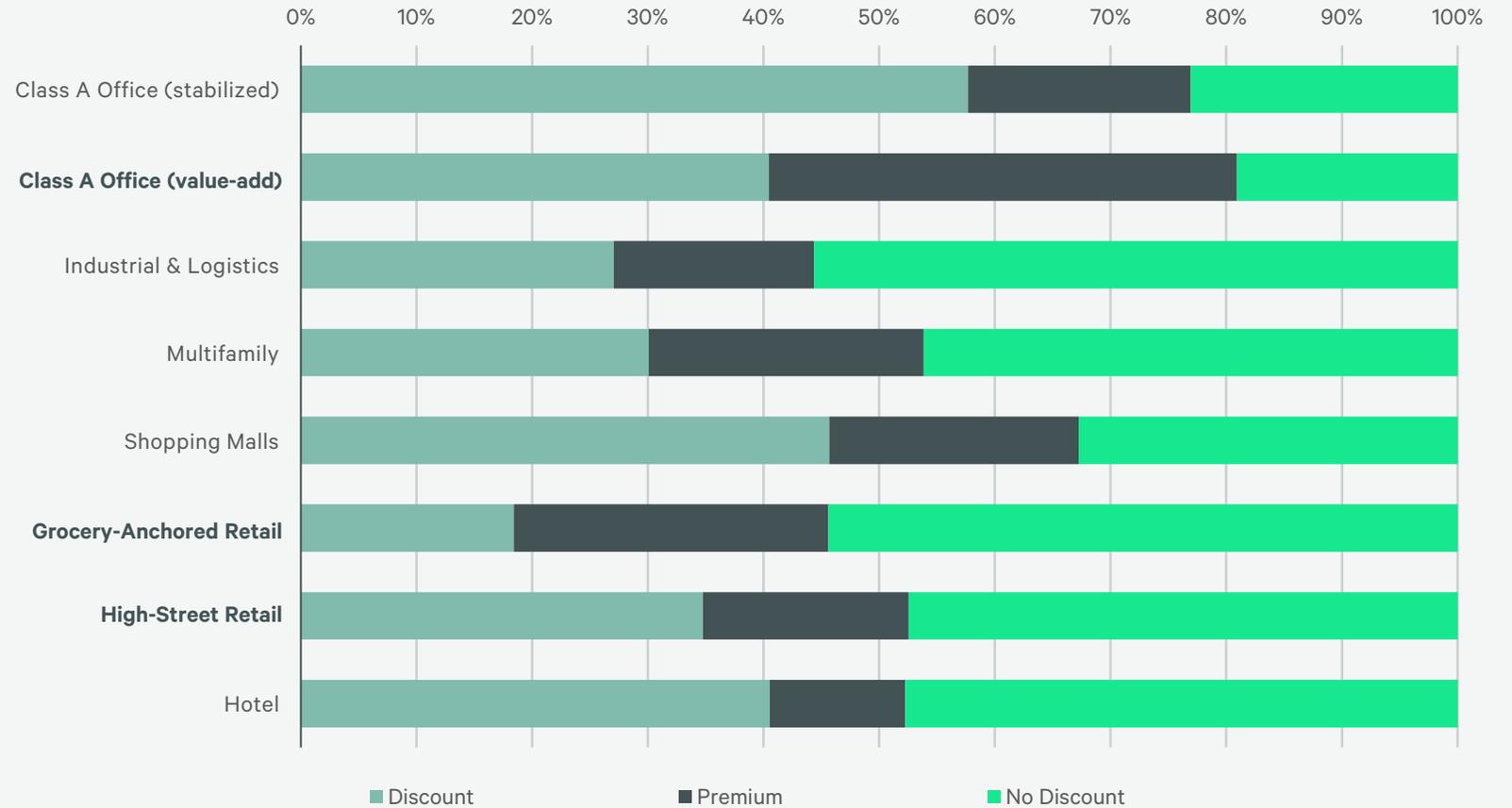
Investors’ Preferred Sector for Investment in 2026

- Survey indicates a strong preference for industrial & logistics as well as multifamily globally. However, office and retail are beginning to gain traction.

	U.S.	Canada	Europe	APAC
01	Multifamily	Industrial & Logistics	Living (Residential)	Office
02	Industrial & Logistics	Office	Industrial & Logistics	Industrial & Logistics
03	Retail	Multifamily	Office	Residential (Multifamily / Build-to-Rent)
04	Office	Retail	Retail	Data Centers
05	Alternatives (Self-Storage, Life Sciences, etc.)	Alternatives (Self-Storage, Life Sciences, etc.)	Hotels	Hotels
06	Data Centers	Hotels	Alternatives (Self-Storage, Life Sciences, etc.)	Industrial & Logistics
07	Hotels	Data Centers	Data Centers	Retail

Pricing Expectations Improve in North America, led by Grocery Anchored and High-Street Retail

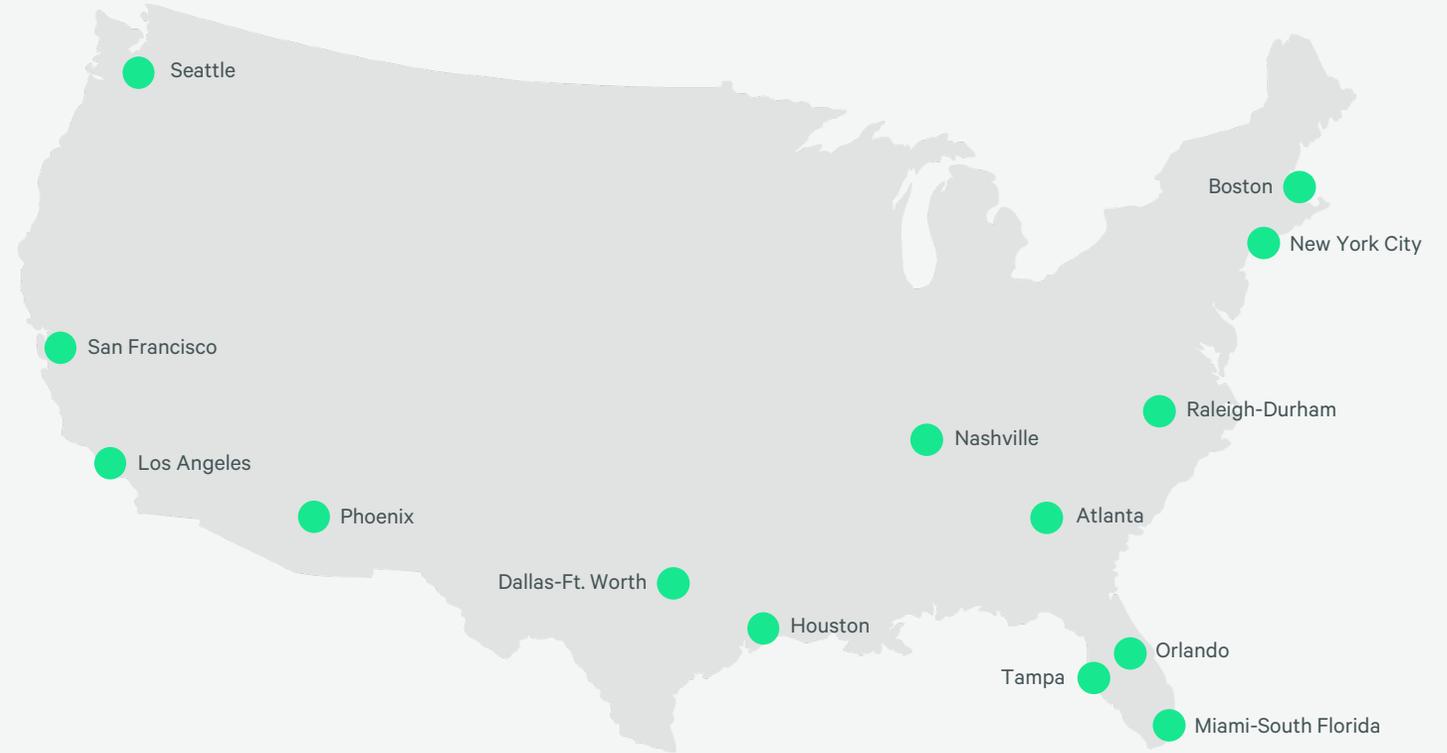
North American Investors' Pricing Expectations by Sector in 2026



Source: 2026 CBRE Global Investor Intentions Survey, CBRE Research, January 2026.

High-Growth Sun Belt And Gateway Markets Most Attractive

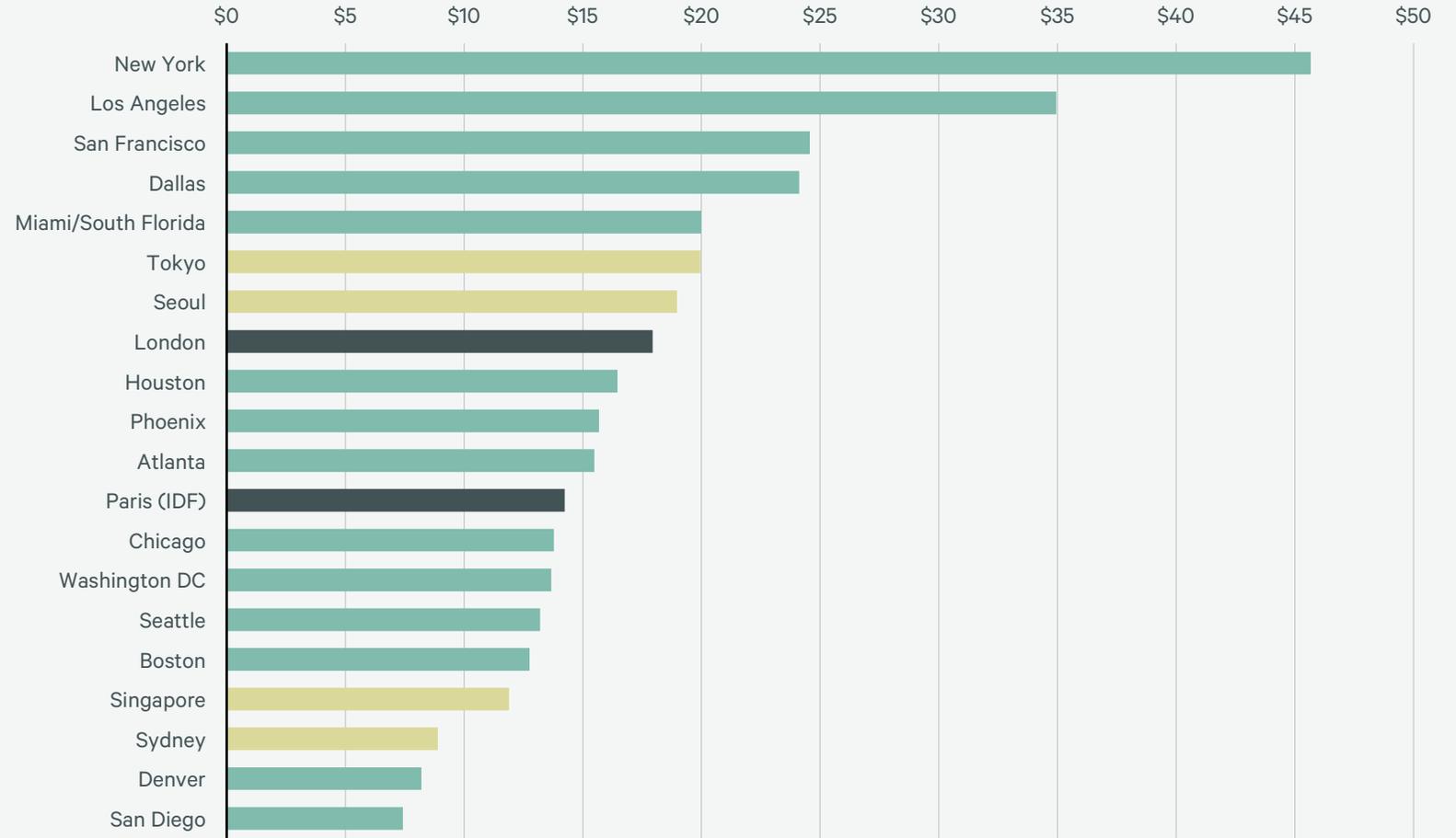
Most Attractive Cities for Investment in 2026 (Top 15)



Source: 2026 CBRE Global Investor Intentions Survey, CBRE Research, January 2026.

NY and LA Continued to Lead the Global Investment Volumes Over the Past Four Quarters

Top 20 Global Investment Cities by Total Volumes, 4-Trailing Quarters ending in Q4 2025 (US\$ Billions)



Source: CBRE Research, MSCI Real Assets, Data as of Q4 2025.

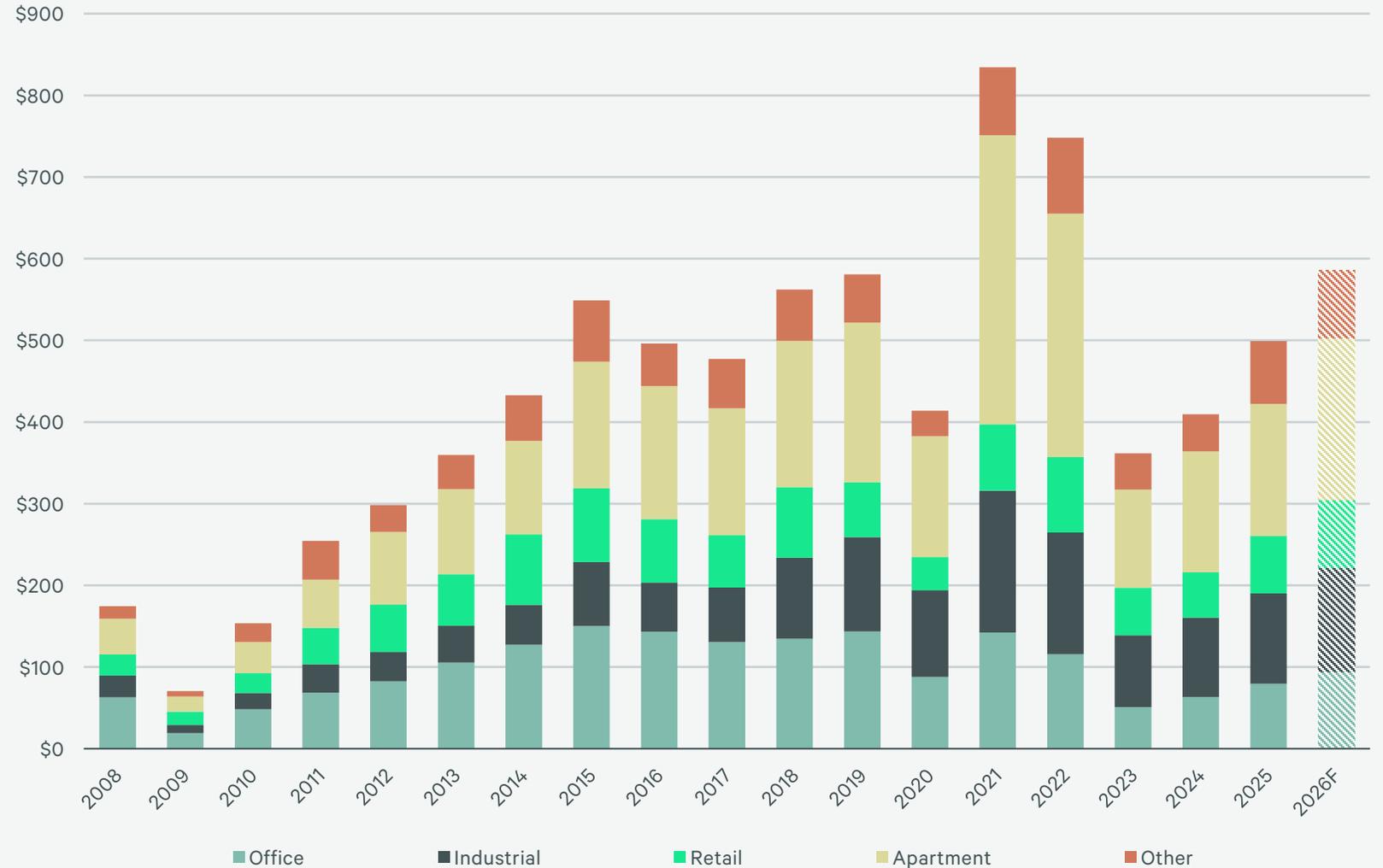


U.S. CRE
Fundamentals

Investment Activity Expected Near 2019

– We expect U.S. investment volumes to increase around 16% in 2026 on a year-over-year basis.

U.S. CRE Investment Volume 2008 to 2026 (US\$, Billions)



Source: MSCI Real Assets, CBRE Research., January Forecast, Q4 2025.

Minimal Yield Compression Means Income will be King

- Income will drive a minimum of 50% of total returns for the next 10 years for all sectors.
- For the industrial and multifamily sectors, where we forecast less cap rate compression, the share will exceed 75% for much of the forecast period.

U.S. CRE Returns by Sector and Cycle

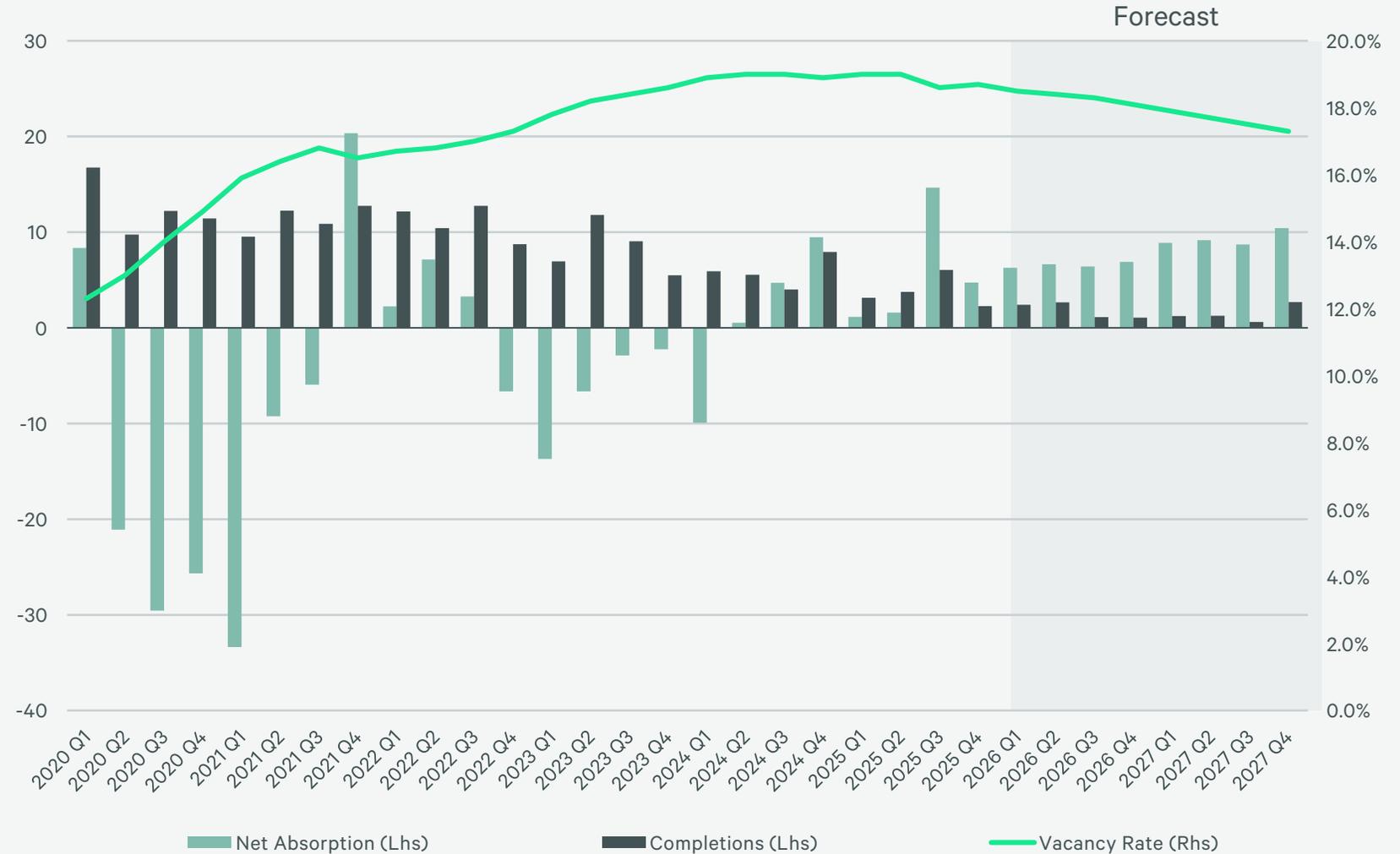


Source: CBRE Econometric Advisors, Q3 2025.

Net Absorption Remains Positive

- Net absorption was positive for the seventh consecutive quarter at 4.7 million sq. ft.
- That absorption is becoming more widespread as more than half of the 40 largest markets saw vacancy decline in Q4 2025.
- The overall office vacancy fell 10bps to 18.7% in Q4 2025. While absorption was well below long-run averages, completions were equally minimal – leading to just a small decline in vacancy on the quarter.

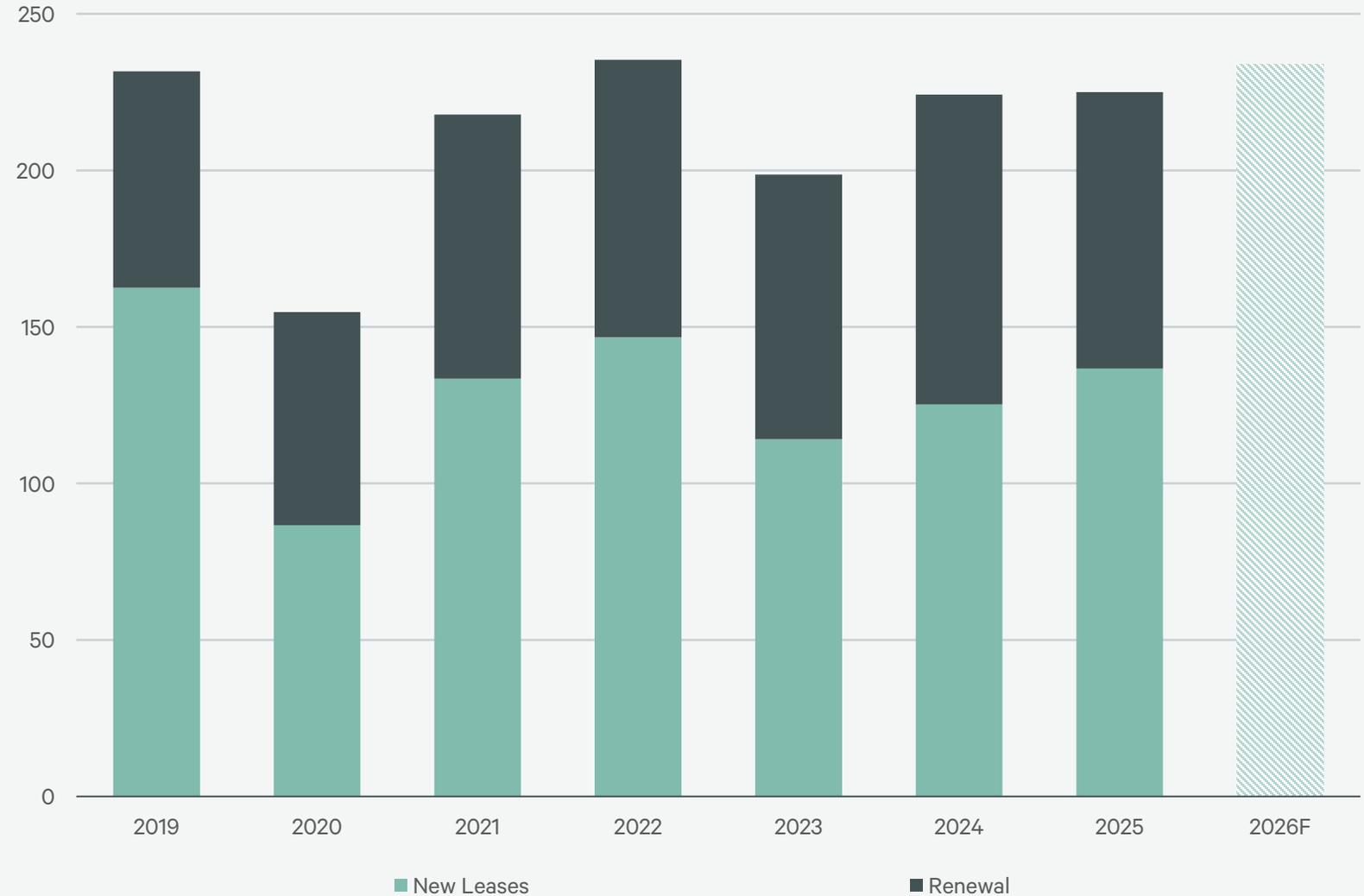
U.S. Office Net Absorption & Completions (Sq. Ft. Millions) vs. Vacancy Rate (%)



Source: CBRE Econometric Advisors, CBRE Research.

Office Leasing Momentum is Expected to Continue into 2026

U.S. Office Leasing (Sq. Ft. Millions)

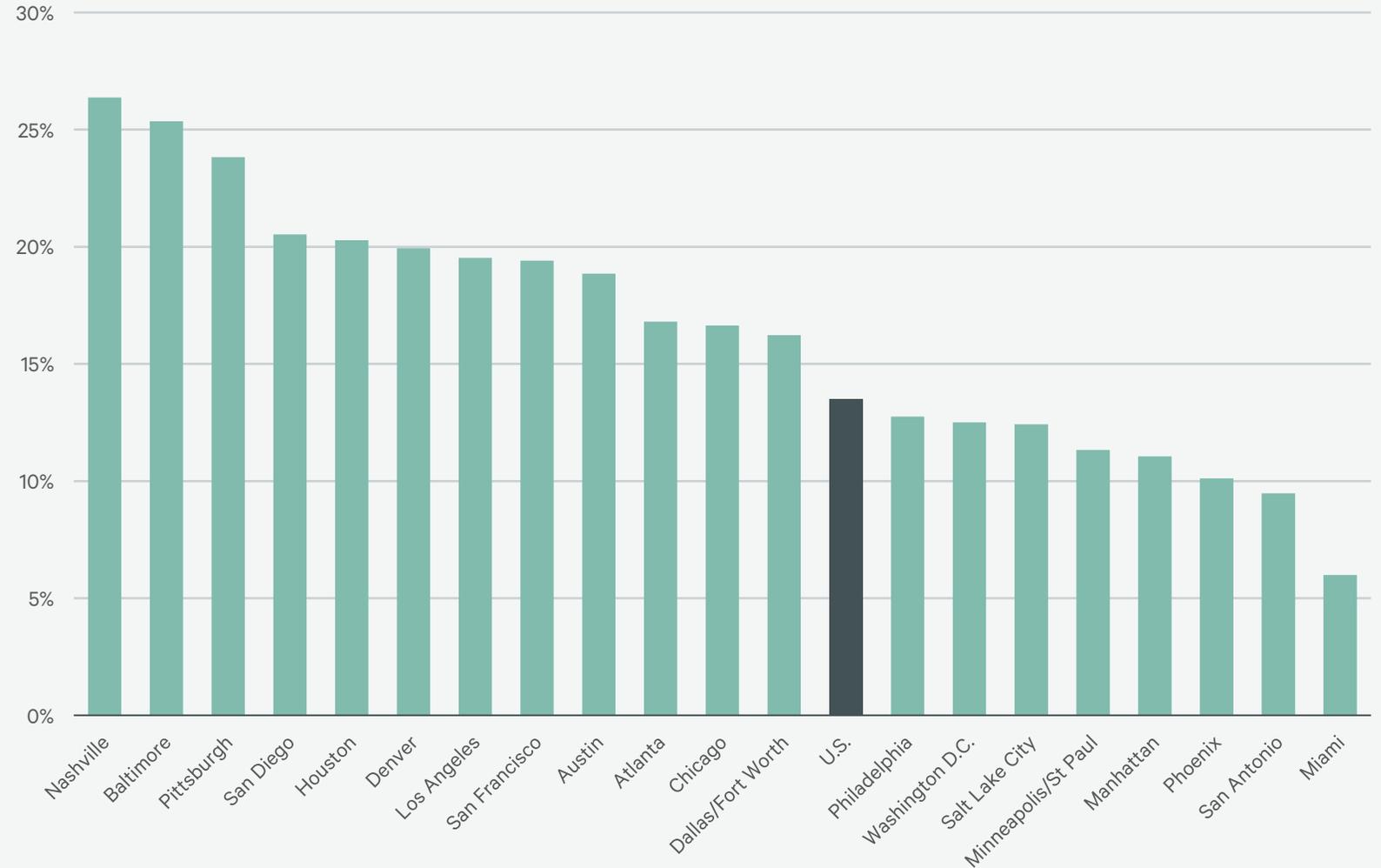


Source: CBRE Research, Q4 2025

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Miami Maintains the Lowest Prime Office Vacancy Amongst the Major Markets

U.S. Prime Office Vacancy, %

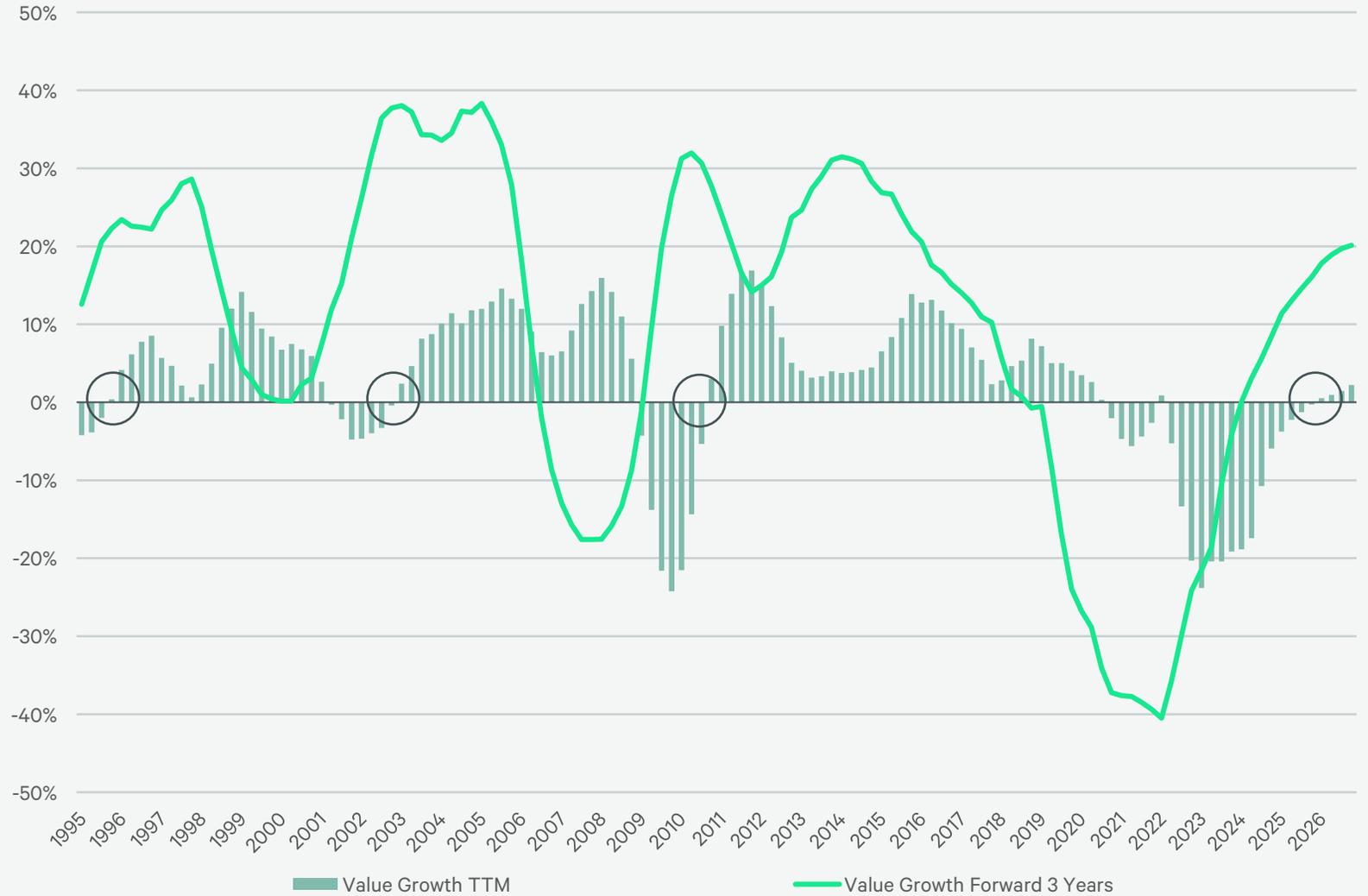


Source: CBRE Research, Q4 2025.

2026 Represents a Favorable Vintage Investment

- Tenants have one year to negotiate good deals.
- Vintage year to invest into US offices for Investors.

Overall US Office – Value Growth (Trailing 12 Months vs. Forward 3 Years)



*Based on tracked competitive office stock across 52 major U.S. markets

Source: CBRE Econometric Advisors, Q3 2025.

Gateway Markets are Leaning to Landlord Favorite

- There is a big divergence inside gateway markets. San Francisco, Manhattan and Dallas are expected to have much better rental growth than Washington, D.C., Los Angeles and Philadelphia.
- Steady performers like Dallas, Charlotte, Nashville and Austin are expected to continue their growth.
- All the 64 we track are expected to see asking rent growth in the next 2 years.

2 Year Future Rent Growth (CAGR, %)
Sum of Markets: 1.0% (CAGR, Past 2 Years)



Note: Markets in green are gateway markets.
Size of bubble reflects current vacancy rate.

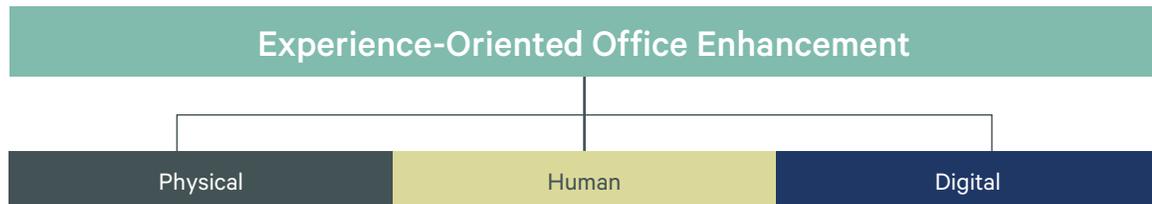
Experience-Oriented Office Enhancement

Outperforming office buildings are centered upon leading-edge design and management that delivers a better tenant and user experience. Gaining a comprehensive understanding of the profile of end-users and the community is therefore essential.

Office tenants: Landlords must identify the factors that inform tenants' office relocation or lease renewal decisions. In addition to rents and service charges, soft services and landlords' attitudes toward partnerships are key reasons tenants may choose a particular building.

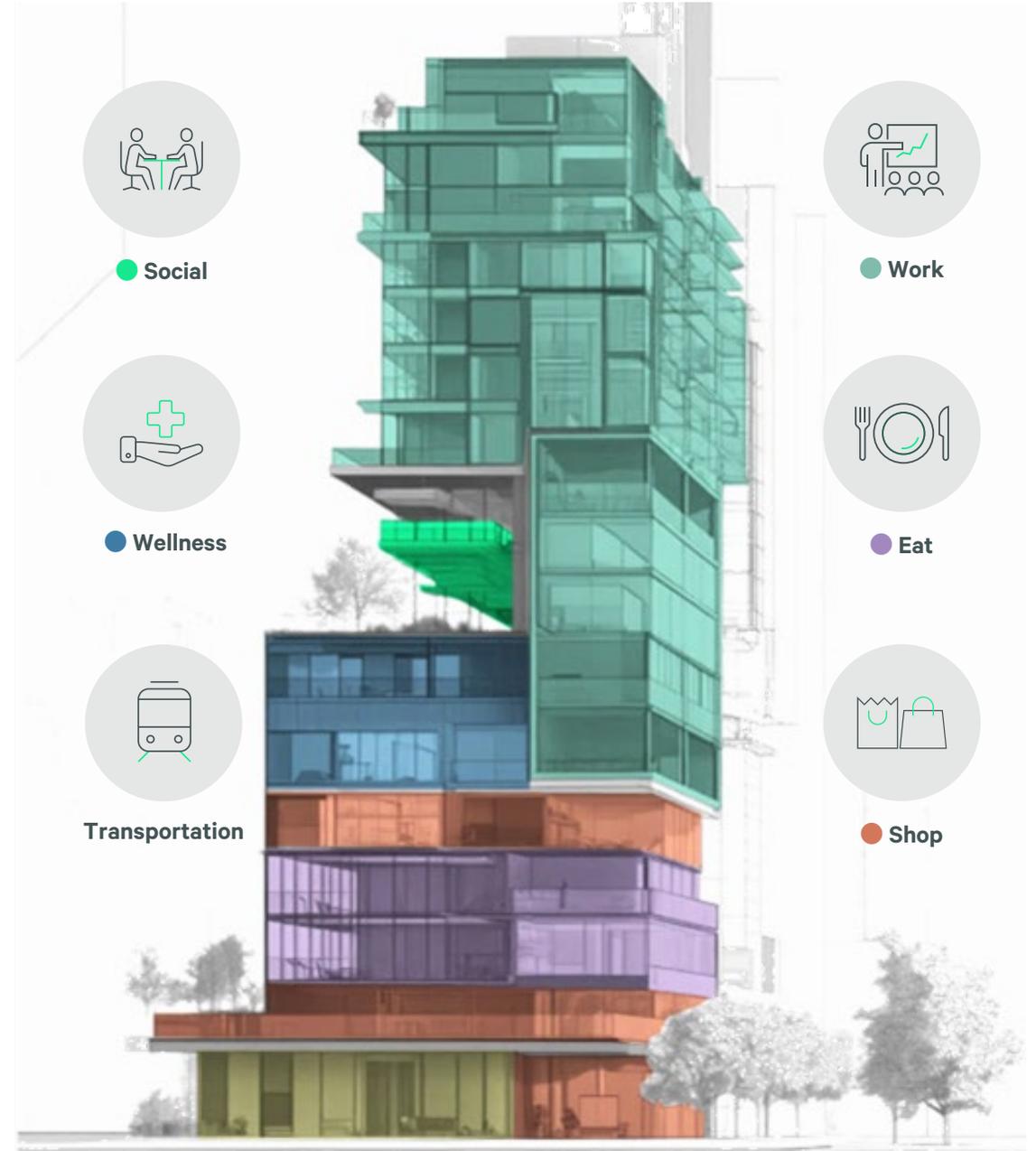
Office workers: Employees expect a pleasant journey to the office and a strong F&B, social and wellness offering. Specific features such as washroom hygiene, elevator efficiency and internet connectivity are other areas of focus.

Neighboring community: Property owners are advised to conduct a comprehensive evaluation of the composition of the neighborhood population and identify potential business opportunities within the assets' catchment area,



Source: CBRE Research, May 2025.

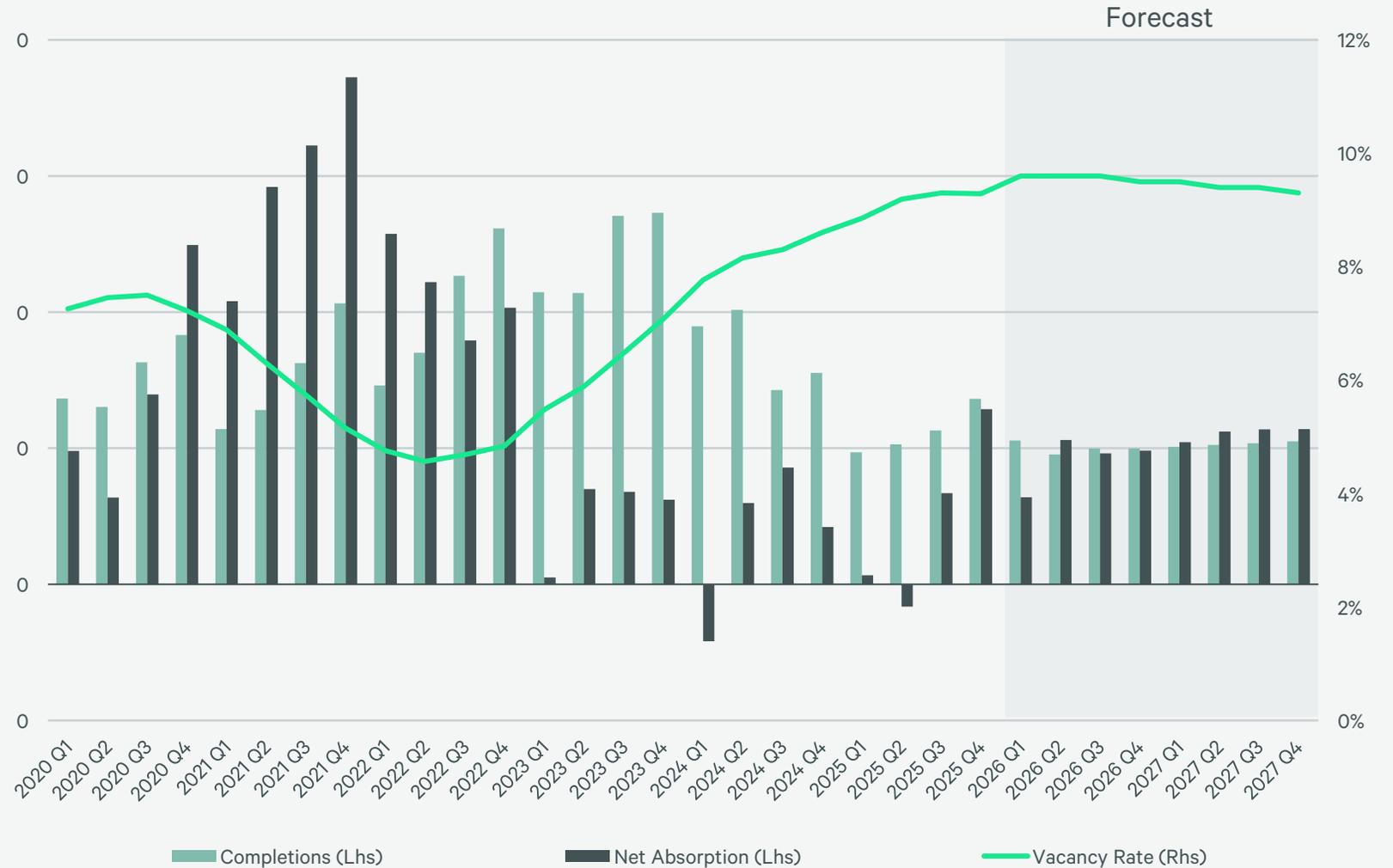
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Vacancy Continues to Climb

- 2025 construction completions totaled 224.6 million sq. ft.
- Net absorption totaled 93 MSF, despite recording negative absorption in Q2.
- Completions continue to outpace net absorption, pushing vacancy higher.

U.S. Industrial Net Absorption & Completions (Sq. Ft. Millions) vs. Vacancy Rate (%)

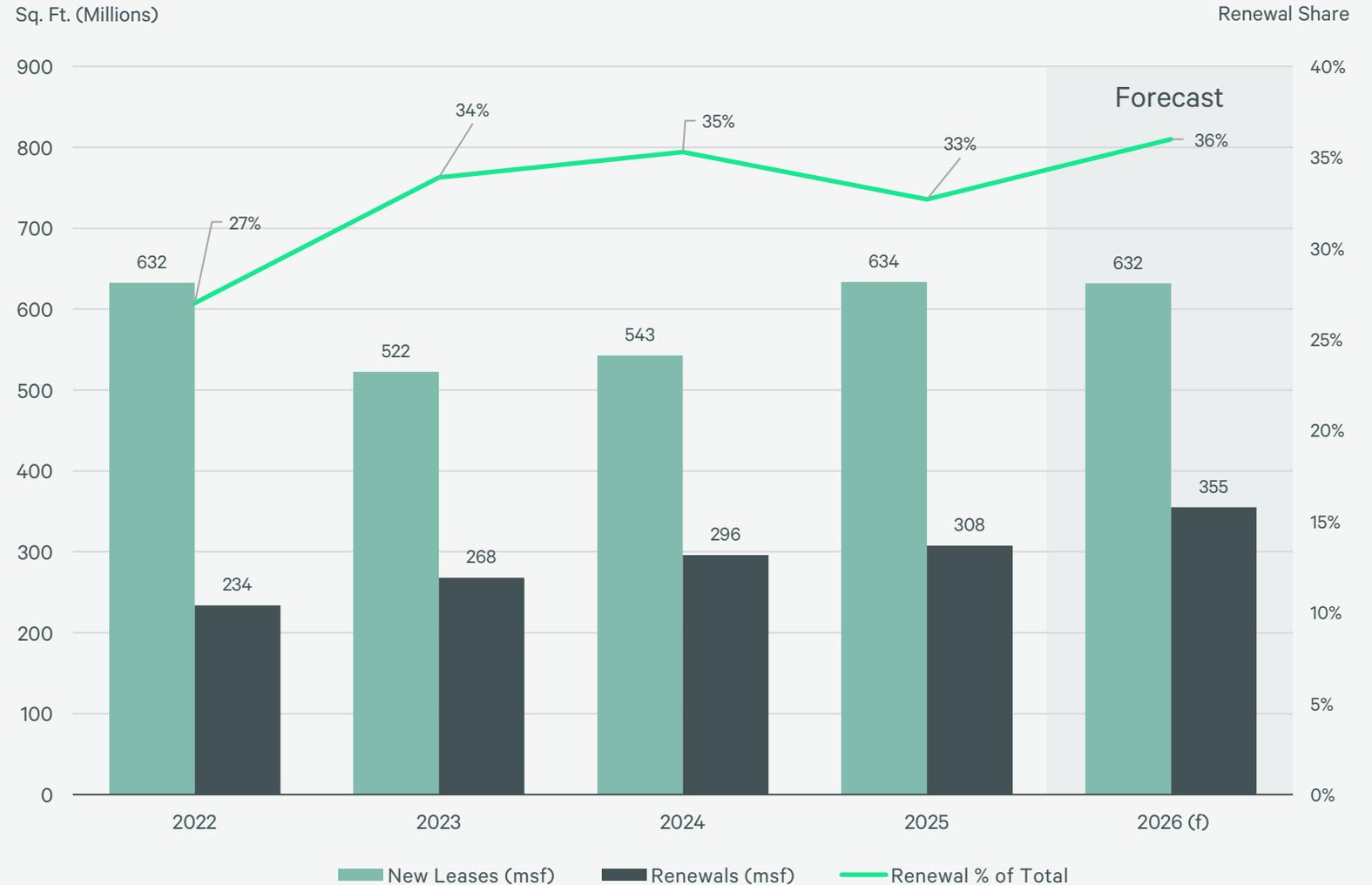


Source: CBRE Econometric Advisors, CBRE Research.

Renewals Continue Solid Trajectory

- Lease renewals will account for more than 35% of total volume, well-above the historical average of 24%
- New leasing activity will remain on par with 2025, driven by a flight to quality to take advantage of taller clear heights and stronger power or outsource their distribution operations to 3PL providers.

New Industrial Leases vs Renewals



Note: Includes new leases and renewals for 10,000 sq. ft. more.

Source: CBRE Research, January 2026.

Manufacturing Demand Escalates as Onshoring Benefits Fundamentals

- Bulk leasing (100,000 sq. ft. or more) increased by 14% year-over-year.
- 3PLs accounted for 36% of bulk leasing activity in 2025, with the number of companies outsourcing distribution continuing to rise amid economic and supply chain uncertainty.
- Manufacturing demand increased by 47% year-over-year as more occupiers sought to diversify their supply sourcing.

2025 Transactions 100,000 SF and Above

Occupier Type	SF Transacted	Market Share	YoY Change in Share %
Third Party Logistics	217.6M	36.1%	▲
General Retail & Wholesale	118.3M	19.6%	▼
Manufacturing	66.2M	11.0%	▲
Food & Beverage	48.8M	8.1%	▼
Building Materials & Construction	45.7M	7.6%	▲
Automobiles, Tires, & Parts	37.2M	6.2%	▲
E-Commerce Only	27.4M	4.5%	▼
Medical	22.3M	3.7%	▲
Undisclosed	19.7M	3.3%	▲
Total	603.3M	100%	

2024 Transactions 100,000 SF and Above

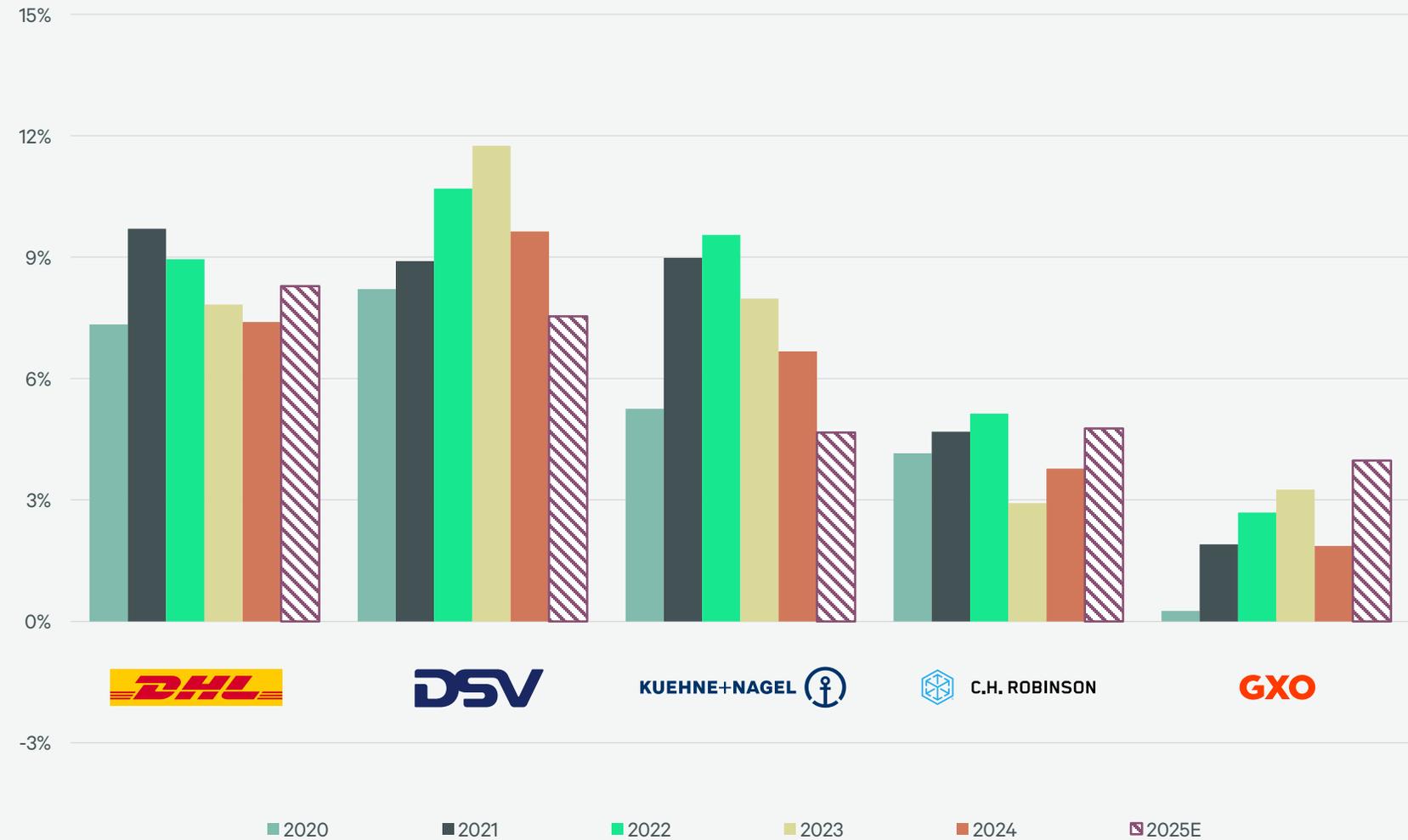
Occupier Type	SF Transacted	Market Share
Third Party Logistics	178.0M	33.7%
General Retail & Wholesale	145.5M	27.0%
Manufacturing	45.7M	8.7%
Food & Beverage	45.0M	8.5%
Building Materials & Construction	33.5M	6.3%
Automobiles, Tires, & Parts	31.8M	6.0%
E-Commerce Only	26.0M	4.9%
Medical	15.3M	2.9%
Undisclosed	10.8M	2.0%
Total	394.6M	100%

Source: CBRE Research, Q4 2025.

Low Operating Profit Margin Among Logistics Companies Although Some Improved

Operating Profit Margin of Latest Five Financial Years and Estimate of 2025 Performance

Operating Profit Margin



Source: Bloomberg, January 2026.

Key Features of Modern Logistics Facilities



Ceiling Height (Over 32 Ft.)

Modern logistics facilities normally feature ceilings with a height of over 32 ft. which enables vertical storage or racking systems to be accommodated.



Floor Loading ($\geq 5\text{kPa}$, i.e. 5000 kg./sq. m.)

Floor loading refers to the upper limit of weight that a standard unit can hold. As certain warehouses store heavy machinery and goods, floor loading is crucial.



Column Grid / Spacing (10m x 12m)

Pillars normally divide warehouse space into column grids. An optimized grid can enhance floor usage efficiency.



Loading Bay / Dock Door Ratio (1:1,000 sq. m.)

This ratio pertains to the size of a warehouses' loading area and its number of designated doors for trucks to load and unload goods. Warehouses that handle a high turnover of goods require more dock doors.

Opportunities Within Logistics Markets Provide a Mixed Picture

Market Categorization Based on Industrial Forecasted Rent Growth vs. Spread

*EA Asking Rent Total Growth (Q2 2025-Q2 2027)

Average Spread: 270

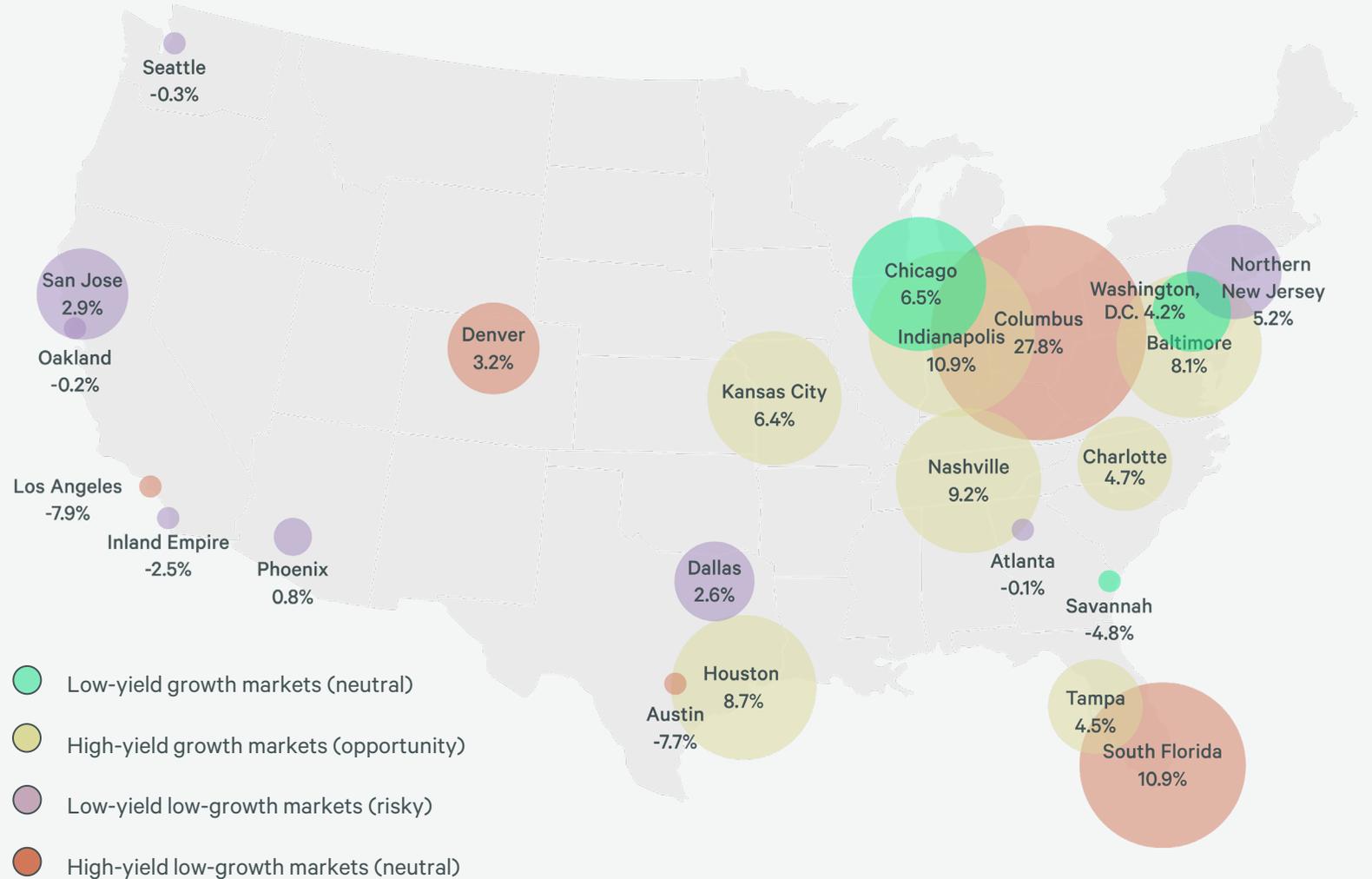


● Low-yield growth markets (neutral)
 ● High-yield growth markets (opportunity)
 ● Low-yield growth markets (risky)
 ● High-yield growth markets (neutral)

Source: CBRE Econometric Advisors, Q2 2025.

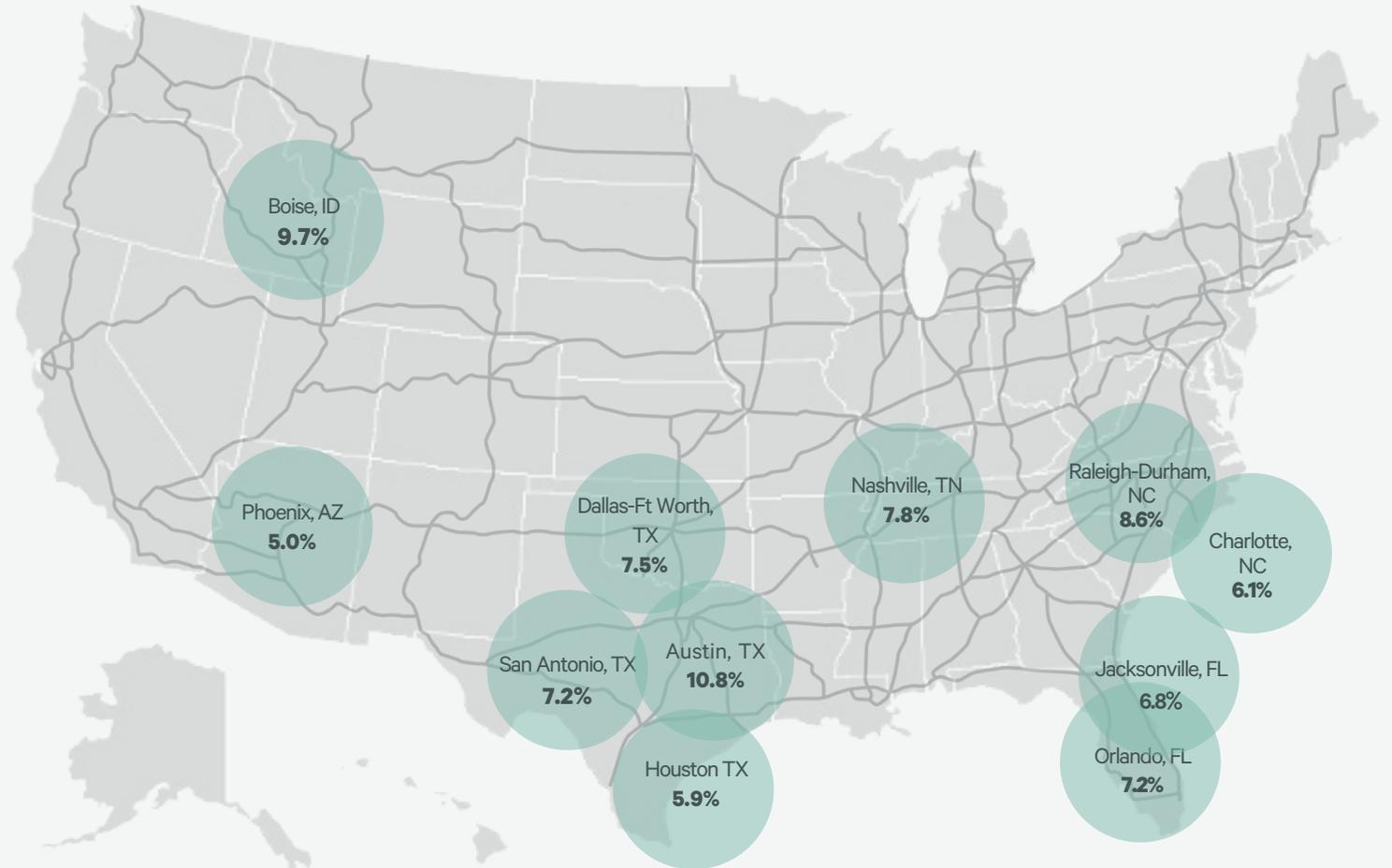
Industrial markets with positive absorption are generally seeing higher rents and tighter spreads, accompanied by lower vacancy

Market Categorization Based on Industrial Forecasted Rent Growth vs Spread, Absorption Rate (Forecast as of 2Q 2025, CBRE-EA)



"In the Right Locations" is Key to Meeting Demand

- Maintaining the appropriate inventory at optimal locations—whether with retailers, suppliers, or outsourced 3PLs—will be crucial for satisfying consumer demand.
- Forecasted population growth also has Austin, Texas as leading the way with 10.8% average growth by 2029.
- These markets are predicted to witness a correlation in further industrial activity in comparison to population growth over the next five years.
- Additionally, markets in the central U.S. and along the U.S.–Mexico trade routes are likely to draw long-term manufacturing demand driven by trade growth, supply chain diversification, and their status as transportation hubs, while remaining resilient to macroeconomic uncertainties.

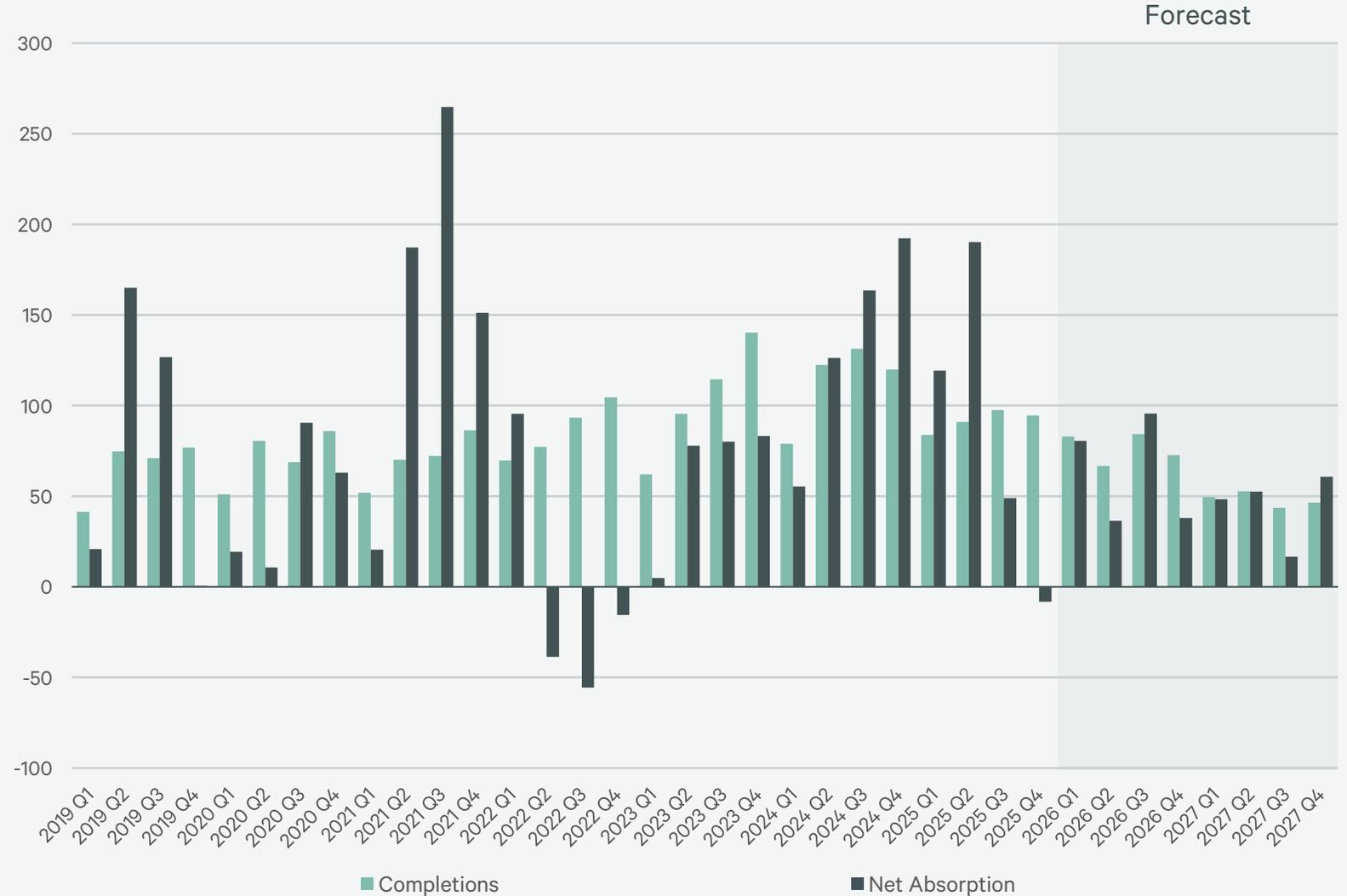


Source: CBRE Research. Depicts CBRE tracked industrial markets with 900,000 population or higher. Note: % refers to the population growth and the growth is for the MSA the market is located in.

Demand Far Outpaces New Supply

- Net absorption fell by 57,000 units quarter-over-quarter and turned negative (-8,300 units) for the first time since Q4 2022.
- For the year, completions outpaced net absorption by only 5% and are expected to moderate throughout 2026.
- As the economy continues to improve, we expect job creation to support more demand later this year.

U.S. Multifamily Supply and Demand (Units Thousands)



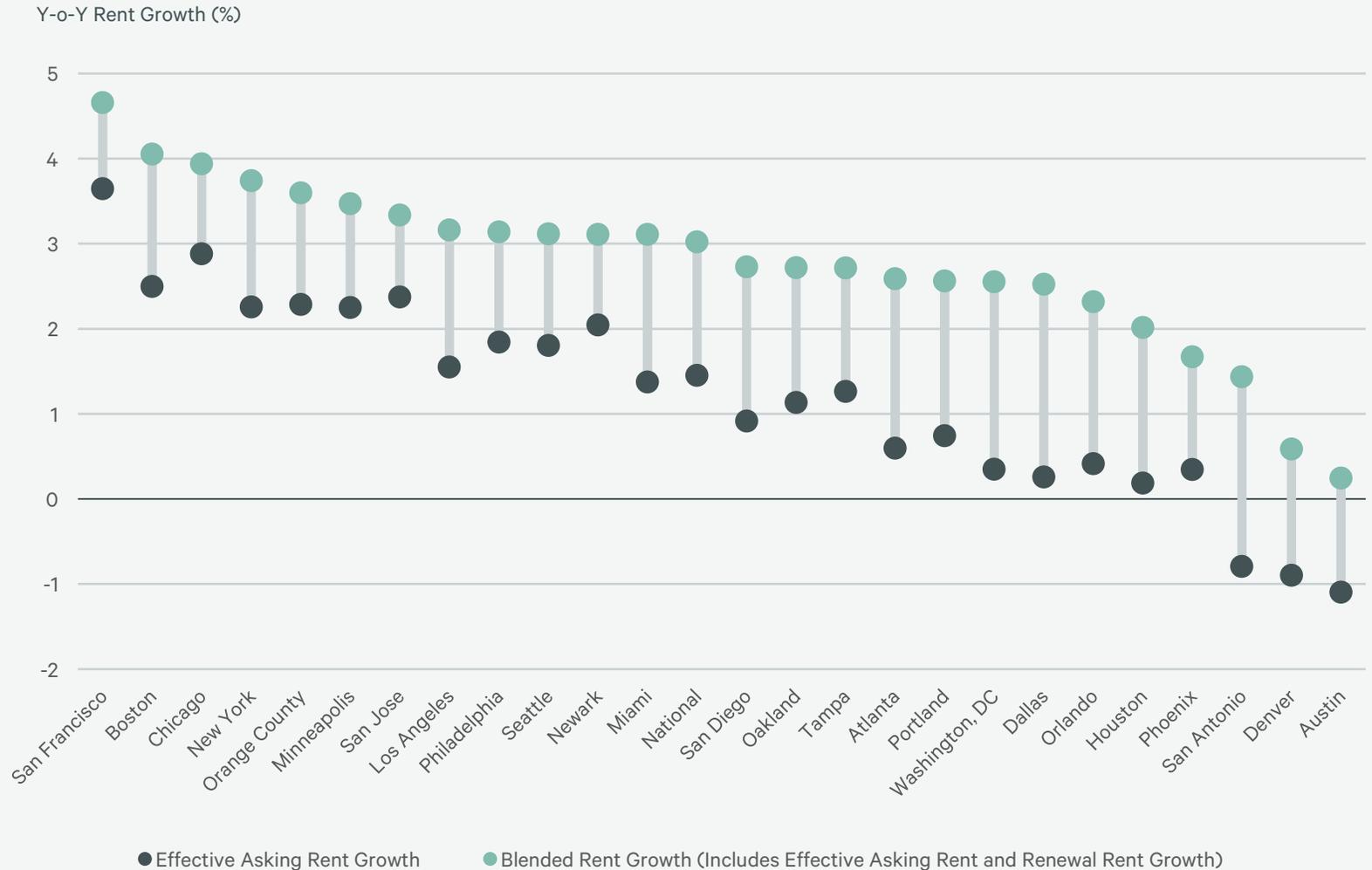
Source: CBRE Econometric Advisors, CBRE Research.

Rent Growth Is Solid, Buoyed By Renewals

- Renters are renewing their existing leases at historically high levels. Not only do renewals reduce turnover costs and the risk of months of vacancy, but they dramatically outpace new leases for rent growth.
- Blended rent growth is expected to remain higher than asking rent growth for new leases alone. The difference is especially pronounced in markets like Austin and Denver, where asking rent growth is projected to remain negative in 2026 yet blended growth will turn positive.
- More generally, the difference is largest in markets that depend the most on domestic migration and employment growth.

Note: Blended rent growth represents the overall rent growth in a given market that is determined by combining a weighted average from both renewal rent growth and effective asking rent growth.
 Source: CBRE Research, Real Page Inc., CBRE Econometric Advisors, January 2026.

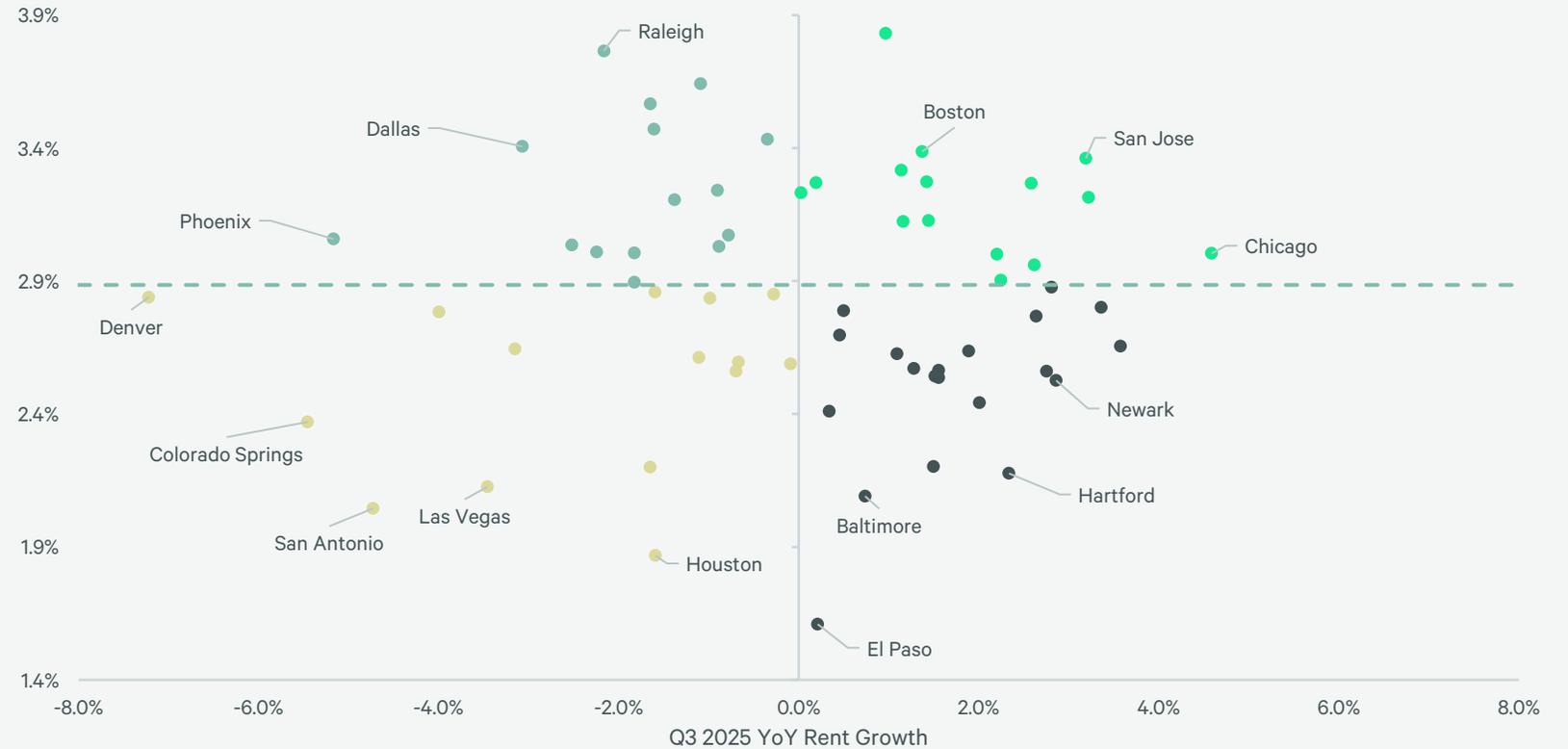
2026 Forecast Multifamily Rent Growth for 25 Largest Markets



Recent Performance is Not Indicative of Long-Run Potential

U.S. Multifamily 10-Year CAGR vs. Q3 Y-o-Y Rent Growth

Forecasted 10-Year CAGR of Rent



Long-Term Growth Markets

- 01 Raleigh
- 02 Dallas
- 03 Phoenix

Near-Term Growth Markets

- 01 Hartford
- 02 Newark
- 03 Baltimore

Performance Markets

- 01 Chicago
- 02 San Jose
- 03 Boston

Correction Markets

- 01 San Antonio
- 02 Las Vegas
- 03 Colorado Springs

Source: CBRE Econometric Advisors, CBRE Research, Q3 2025.

POP M

COSMOPOLITAN

Wait, WTF Is a Labubu?

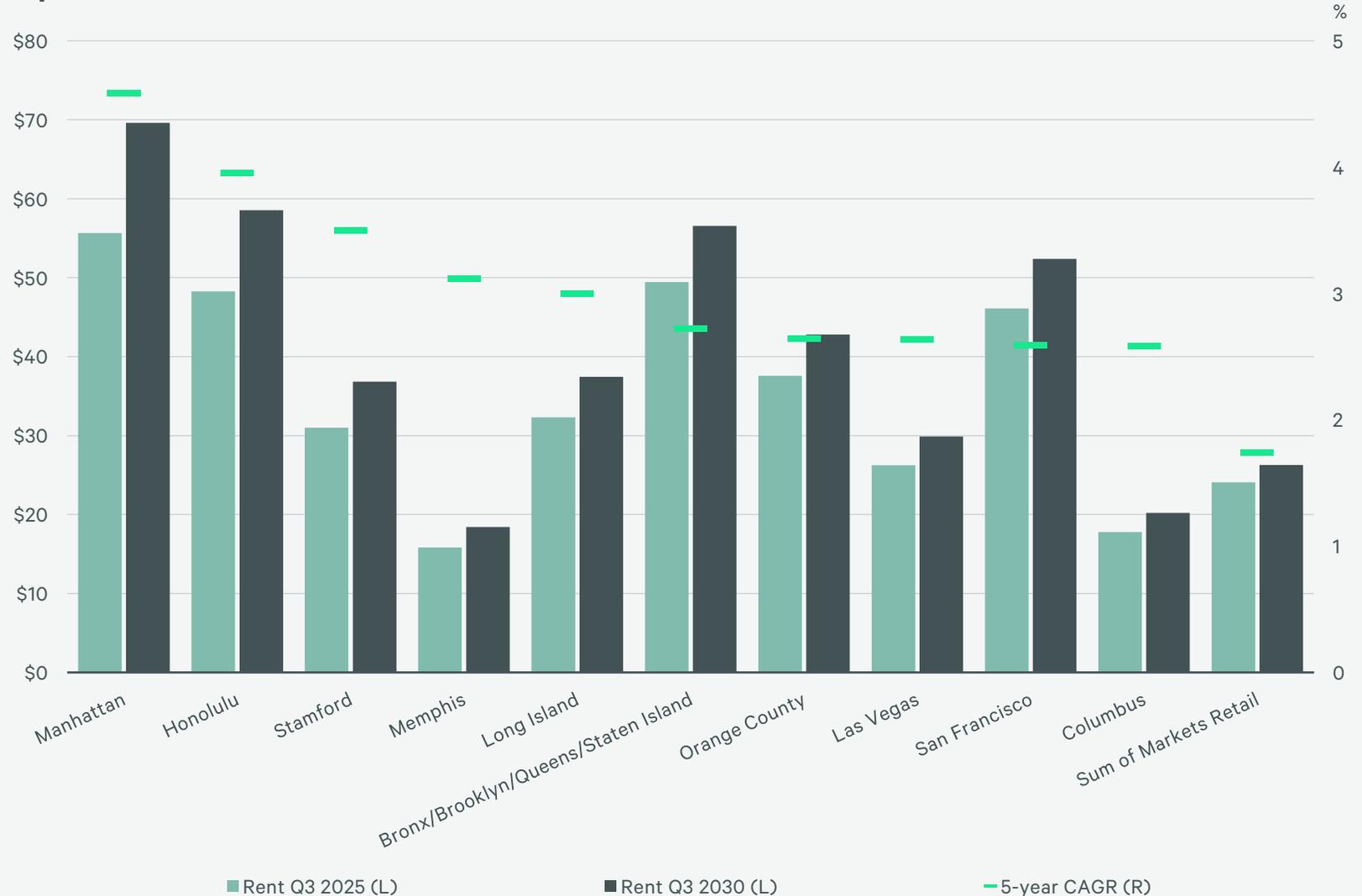
Inside the internet's newest (and cutest) collectible obsession.



Balanced growth ahead as Sun Belt strength meets Gateway recovery

- While the Sun Belt markets continue to dominate recent rental growth, our Sum of Markets is expected to grow at 1.7% (CAGR) over the next five years. Although a slight downgrade, fundamentals broadly favor continued rent growth.
- While the Sun Belt maintains stable rent growth, markets with heavier concentrations of downtown office and return-to-office mandates also top the rankings.
- Slight upward revisions in nominal rental growth are mostly offset by our expectations of increased inflation levels.

Top 10 Markets for Rental Growth



Source: CBRE Econometric Advisors, October 2025.

Six ways U.S. retail environments engage with consumers

Experience

Meow Wolf, Omega Mart, Las Vegas



Shoppers expect immersive, Instagram-worthy environments that go beyond product.

Wellness

Lululemon Athletica, Chicago



Health, fitness, and self-care are central to U.S. consumer identity and spaces integrate gyms, meditation pods, and healthy dining.

Family & Entertainment

The Main Event, Dallas



Retail is about multigenerational fun, from kids' play zones to adult-friendly entertainment like breweries and arcades.

Community

Hudson Yards, Plaza Events, NYC



Retail is increasingly about gathering spaces that blend shopping, dining, and social interaction.

Cultural Expression

Wynwood Walls, Miami



Retail that reflects diversity through art, design, and events and spaces become canvases for local culture.

Food

Ponce City Market, Atlanta



Dining is a leading traffic driver, often rivaling shopping with food halls, celebrity chef concepts, and unique quick-service offerings.



Occupiers
Strategies

Despite Economic Policy Uncertainty, Real Estate Fundamentals Remain Resilient

- Flight-to-Quality Continues Across All Sectors
- Markets Are in Favor of Tenants, but are Changing Quickly - Occupiers are Advised to Review their CRE Strategies
- Lack of Supply will soon Be an Issue for Offices and Retail





Investment Strategies

INVESTMENT STRATEGIES

Vintage

- Credit Strategies **(Core to Opportunistic)**
- Public to Private **(Opportunistic)**
- Sale Lease Back **(Core Plus to Value Add)**

Data Centers

- Limited inventory, Power constraints, Market expansion, Focus on opportunistic investments **(Cyclical)**
- Shifting operational risk, Importance of infrastructure, High-quality counterparties, Scale of deployments **(Structural)**

Multifamily

- Urban/high-growth metros, inner-ring submarkets and senior housing **(Structural)**
- Realized returns for earlier investments (sell) **(Cyclical)**

Alternatives

- Credit Strategies **(Core to Opportunistic)**
- Public to Private **(Opportunistic)**
- Sale Lease Back **(Core Plus to Value Add)**

Retail

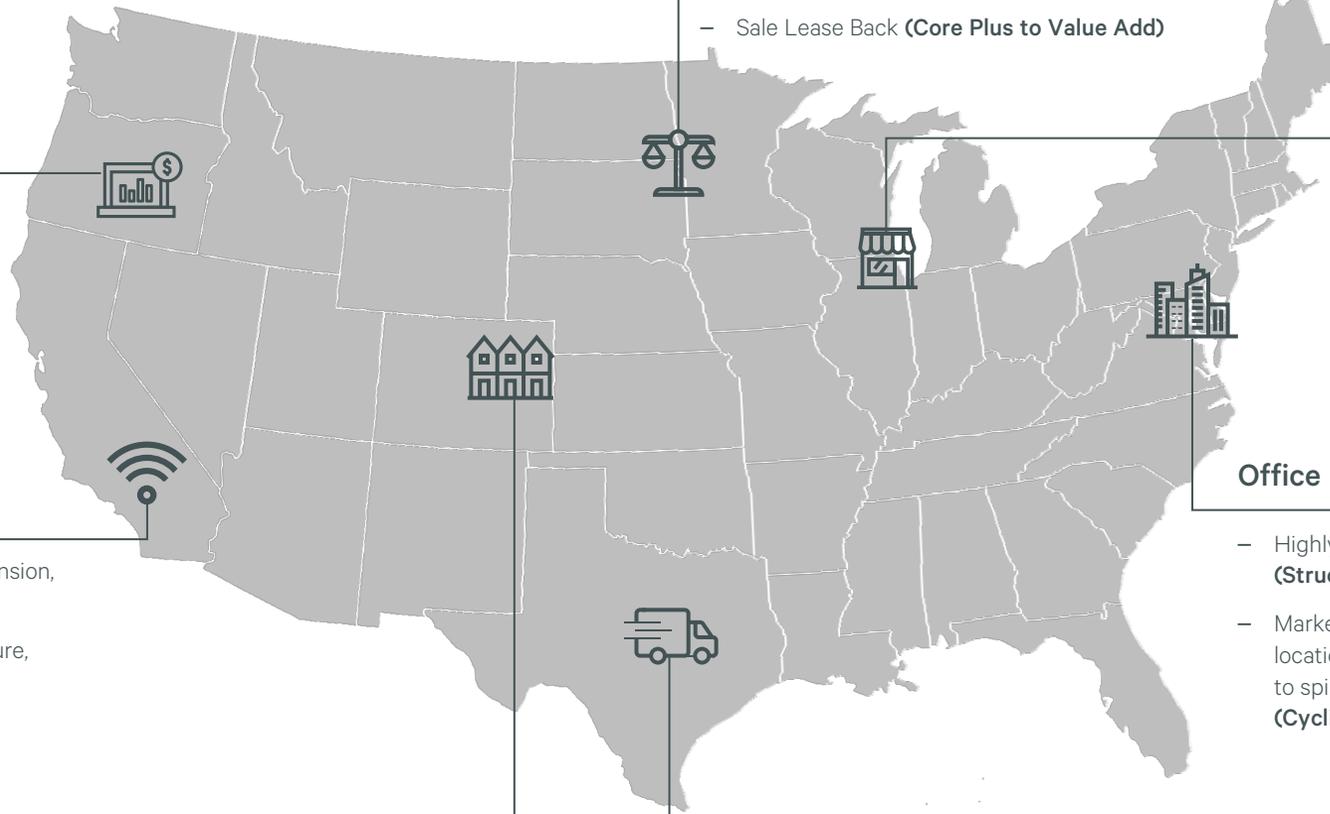
- Power Centers, Live-Work-Shop in vibrant neighborhood, Suburban/Strip Centers **(Structural + Cyclical)**
- High Density populated locations **(Structural)**

Office

- Highly amenitized assets in major markets **(Structural)**
- Market diversification, prime assets in LWP locations and Value add in Gateway Markets due to spill over demand (e.g. Midtown Manhattan) **(Cyclical)**

Industrial

- Modern facilities, Long WALT driven sales, well-located assets. **(Structural + Cyclical)**
- Realized returns for early investments (sell) **(Cyclical)**
- Value add strategies for older assets in the right locations **(Structural)**



Thank You

Gracias ধন্যবাদ Salammat धन्यवाद Obrigado 謝謝 Спасибо 감사합니다 Merci תודה شكریه Danke ありがとう Terima Kasih شکرا

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