

Positioning for what's ahead

A fresh chapter that brings exciting opportunities and growth

What you need to know

- Private real estate has delivered six consecutive quarters of positive return, driven by steady income and modest appreciation.
- Fundamentals are healthy and values have adjusted to reflect the higher rate environment.
- NOI growth is accelerating as new supply declines and tenant demand remains strong, fueled by macroeconomic drivers.

What this means for 2026

- Industrial, healthcare and housing sectors driven by demographics and innovation are positioned to outperform.
- With the Fed pursuing steady rate cuts, liquidity and transaction volumes should continue to strengthen.
- Capital remains anchored in high-conviction sectors but is beginning to extend into more differentiated market areas.
- Tight spreads and robust debt markets are providing high-quality borrowers and assets with ample access to financing.

High-conviction macro themes

Demographics

- Growth among 35- to 50-year-olds is fueling demand for housing; industrial space; and retail focused on essentials, services and experiences.
- The aging baby boomer population is driving demand for healthcare, senior housing and medical office space.

Innovation

- Artificial intelligence (AI) accelerates other trends – for example, driving robotics adoption for modern warehouses and advancing patient care and medical research.
- Ecommerce is driving industrial demand.
- Biotech and pharmaceutical sectors are key drivers of growth across healthcare properties.



Shifting patterns of globalization

- Supply-chain modernization, nearshoring and manufacturing expansion are driving demand for industrial and IOS.

Housing

- Persistent housing shortages and affordability challenges are fueling demand for rental properties.

Sources: Clarion Partners Global Research; Marcus & Millichap; Colliers; Green Street; Moody's Analytics.

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