2025 MID-YEAR GLOBAL INVESTMENT OUTLOOK

The Bell Can't Be Unrung

Opportunity in the Midst of Uncertainty

A Letter from David Steinbach

GLOBAL CHIEF INVESTMENT OFFICER

Uncertainty aside, global opportunities are taking shape for those who know where to look.

As 2025 continues to unfold, markets are waking up to a new reality punctuated by tariff shocks, inflation persistence, rising yields on longer-term bonds, and growth downgrades that may have caught many by surprise. However, the underlying forces shaping this moment (including deglobalization, demographic pressure, energy insecurity, and political bifurcation) had been building over time, like massive tectonic shifts gradually making their way to the surface. As a result, the landscape built over the last four decades is transforming, becoming more fragmented and localized. In other words, the bell had been ringing; it's only now that we can finally hear it.

At the start of the year, optimism was quietly returning. The U.S. election outcome was clear, and it appeared that the U.S. Federal Reserve's historic tightening cycle was potentially nearing its end. Meanwhile, markets were stabilizing, central banks more broadly were pausing or easing interest rates, and the bid-ask gap was narrowing.

> ***"The bell had been ringing; it's only now that we can finally hear it.***

But as the year progressed, U.S. tariff policy abruptly disrupted progress and shifted the conversation (in fact, this paper leans a bit U.S.-centric, given that it's at the epicenter of many global dynamics at the moment). In this environment, global investors were asked to hold two opposing truths, with growth moderating and inflation remaining sticky. For me, it was remarkable to witness this turnaround firsthand. What started with confidence at the World Economic Forum in January had pivoted to concern by the Milken Institute Global Conference in May.

Hines has long believed that this cycle would be different. That valuations would reset not with a bang, but with a steady recalibration. That fundamentals would reassert themselves. And that real estate (especially private real estate) would emerge as one of the few places where long-term capital could find income, resilience, and strong relative value.

Historical perspective informs that view. My colleague Josh Scoville's research draws on a fascinating period in U.S. history from 1966 to 1982, when cap rates rose sharply and inflation spiked. What was the outcome then? Real estate income growth not only kept up, it accelerated. Rent growth emerged, driven by scarcity, discipline, and rising replacement costs. We are beginning to see these echoes now.

Today, global construction has fallen off compared to historic averages. Yet demand has remained. The reality is that we are not building enough to meet the next cycle's needs. That supply/demand mismatch is not hypothetical; it's currently being baked into the back half of this decade. In the immediate moment, these forces potentially represent an uncommon buying opportunity. However, as the cycle progresses, we believe we will begin to shift to a building moment—an inflection point that many could miss.

> ***"As the cycle progresses, we believe we will begin to shift to a building moment—an inflection point that many could miss.***

We have been watching the key themes of deglobalization, deleveraging, demographics, dispersion, data, and decarbonization. These are structural forces that we believe will shape the investment landscape for years to come. Practically, our key near-term conviction remains living, and how we tackle that space will vary by market. At the same time, we continue to lean in on retail and U.S. office credit. Our fast-follow strategies are industrial (which remains interesting on a selective basis) and office on the equity side (which we continue to monitor closely). Regarding data centers, we remain focused on powered land aggregation globally. And overall, while we are most singularly focused on acquisitions and credit, we continue to anticipate signals to build.

We Can't Unring the Bell, but We Can Redefine the Echo

We remain in an evolving investment landscape that requires a patient, efficient, and methodical approach. In this environment, it's especially important to avoid recency bias and keep a broader perspective because there are opportunities to be found in all markets. In fact, from our on-the-ground vantage point, we've been able to successfully execute a range of deals despite uncertain market conditions. Looking ahead to the second half of 2025 and beyond, I'm confident that our globally aligned platform, local execution capabilities, and strong capital position will power us through the current uncertainty and best position us for the road ahead.

Thank you for your continued trust.

DAVID STEINBACH
Global Chief Investment Officer

MID-YEAR MARKET UPDATE

Finding Opportunity in a New Era

By Joshua Scoville
Head of Global Research

While there are more questions than answers surrounding deglobalization and tariffs, one outcome that seems probable in Hines' view at the midpoint of 2025 is that the tariffs will put upward pressure on inflation, particularly in the U.S. Afterall, one of the main drivers of low and steady inflation over the past forty years was globalization, as trade as a percentage of global GDP rose from 26% in 1970 to 63% in 2022.[1]

Globalization's reversal is likely to drive the cost of goods higher, whether that's due to nearshoring, onshoring, or the tariffs themselves. With recently announced trade deals, calls for a U.S. recession have eased, but the consensus forecast for global growth has diminished. The expectation is that slower growth should ease inflationary pressures over the next few years. As inflation eventually eases, that is expected to provide cover for central banks to cut interest rates in an effort to boost growth. In fact, we've already seen interest rate cuts in key global markets in 2025 as the U.S. has held rates steady.

However, what if inflation is more persistent than expected and we experience a more 1970s-like cycle, with twin peaks of inflation over the course of seven to eight years? The U.S. inflation cycle to date has looked very much like the 1970s, with inflation rising to its first peak over the first 26 months of each cycle, easing over the following 26 months, and, in the case of the 1970s, rising again over the following 40 months.[2] How would commercial real estate fare in that environment?

> ***"The historical experience suggests that real estate has plenty of potential to continue to perform, given a conceivable uplift in income growth.***

A Long-Term Period of Cap Rate Compression

One of the issues with modern commercial real estate research has been that most of the data started right around the time that interest rates peaked in the early 1980s before embarking on a roughly 40-year decline. As such, the data Hines Research analyzes generally comes from a long-term period of cap rate compression.[3]

Cap rate compression influences the market in a couple of important ways. First, and most obvious, is the upward pressure it exerts on valuations. It is the primary reason commercial real estate values best fit with an exponential trend line, while rents have grown more linearly. Second, and less understood, is the downward pressure it exerts on rent growth. More on that in a moment.

Finally, as cap rates compress, capital expenditures (which tend to be relatively stable as a percentage of value over time) eat up an increasing percentage of NOI. Using NCREIF data for the U.S., capex as a percentage of value has been consistently around 2%—regardless of the cap rate environment. As a percentage of NOI, however, capex has risen steadily as cap rates declined.

For example, if it costs 2% of value to maintain a building in a 10% cap rate environment, capex equates to 20% of NOI. But in a 4% cap rate market, that 2% of value now accounts for 50% of NOI. Unsurprisingly, research on capex increased dramatically as cap rates declined.

The Relationship Between Rising Cap Rates and Rent Growth

Back to cap rates and rent growth. There is an interesting fundamentals and capital markets relationship between the two. If a developer needs a 25% margin to profitably develop a building that costs $100 to build in an 8% cap rate market, they'll need to underwrite $10 of NOI on that development in order to move forward (i.e., build to a 10% return on cost, sell at an 8% cap rate). But if cap rates fall to 6%, that same $100 development now pencils at an NOI of $7.50. This obviously oversimplifies the scenario because other factors, notably rising construction costs, will offset some of this impact over time. However, on the margin, rent growth is somewhat suppressed by declining cap rates.

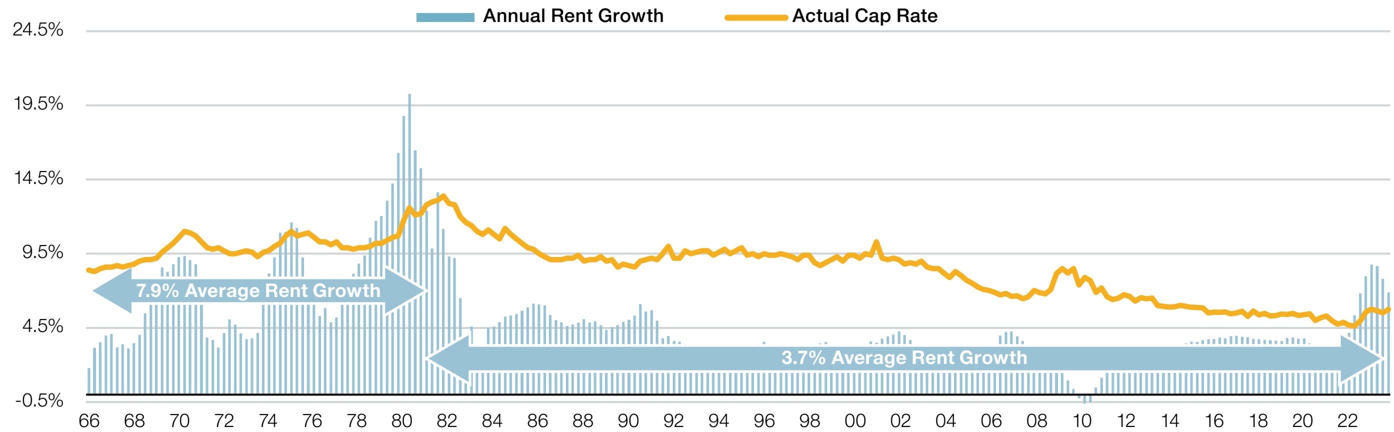
But what if we are at the start of an extended period of persistent inflation, elevated interest rates, and upward trending cap rates? Would our current models, informed by 40 years of declining cap rates, decline in accuracy? Would developers, and their financing sources, require higher underwritten rents to build in a larger cushion for the possibility, or even the expectation, of exiting a project in a higher cap rate environment? And if so, would fewer projects move forward, thereby exerting greater upward pressure on market rents? In other words, would prices grow linearly while rents grew exponentially? Alas, a complete paradigm shift from the last forty years!

Historical Research on Cap Rate Expansion

Within Hines Research, this debate has largely been theoretical, but we recently uncovered interesting data during an extended period of cap rate expansion from 1966 to 1982, which substantiates the theory. First, data from the American Council of Life Insurers (ACLI) includes quarterly cap rates on properties that the LifeCos lent against starting in Q3 1965. The data has some cyclicality as would be expected, but over the life of it, there are an average of 520 loans executed each quarter, so it is a relatively robust and representative dataset.

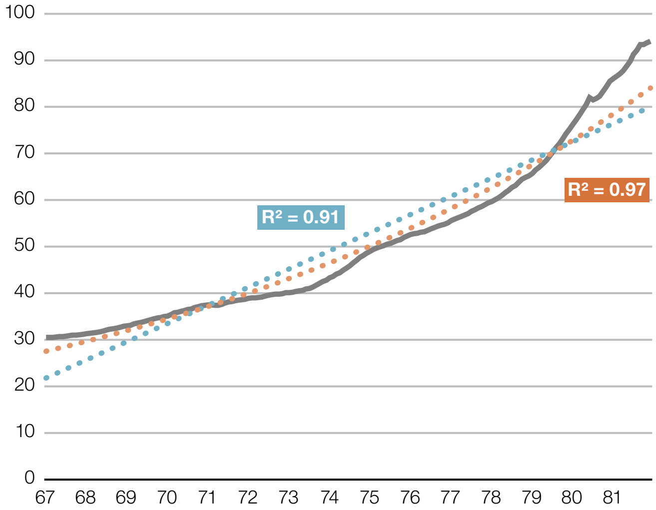
Second, the Organisation for Economic Co-operation and Development (OECD) has a rent index for the U.S. starting in 1960. Exhibit 1 illustrates the two across two periods: 1966 to 1981 (when cap rates rose from 8.4% to 13.4%, per the ACLI data) and 1982 to 2023 (when cap rates declined to a record-low of 4.6% at the peak of the zero-interest rate policy era in mid-2022). As shown, annual rent growth averaged 7.9% in the period of rising cap rates vs. 3.7% in the period of declining rates.

Exhibit 1
Cap Rate Changes and Rent Growth



Sources: ACLI, OECD, and Hines Research. As of Q4 2023.

Exhibit 2
U.S. Rent Price Index



Sources: OECD and Hines Research. As of Q4 2023.

> ***Average rent growth wasn't just stronger during the period of rising cap rates, it did in fact exhibit exponential growth.***

Average rent growth wasn't just stronger during the period of rising cap rates; it did in fact exhibit exponential growth. Exhibit 2 plots the OECD rent index time series from 1966 to 1981 along with the exponential trend line in orange and the linear trend line in blue. As we can see from the R-squareds[4], there is a better fit with the exponential trend line than the linear one.

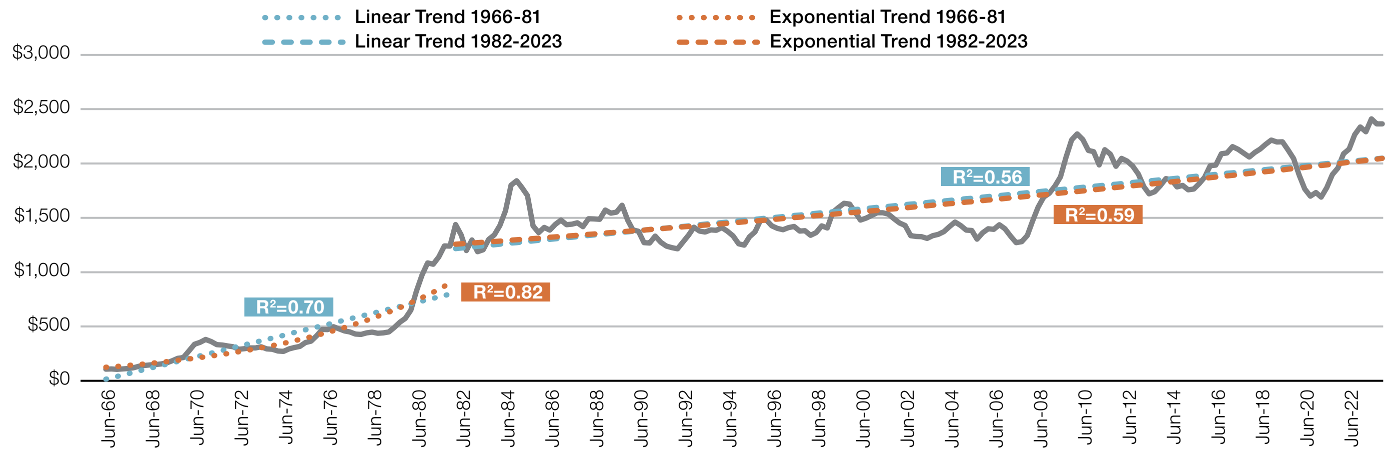
From 1982 to Q2 2022, when cap rates were generally declining, both the linear and exponential trend lines had the same fit at 0.99. We can perform the same analysis with the housing component of the consumer price index data collected by the U.S. Bureau of Labor Statistics, and it corroborates the stronger and more exponential-like growth in the rising cap rate environment versus weaker and more linear growth in the falling cap rate period.

Per the ACLI data, it's possible to calculate the average collateral value on loans using the average loan size for each quarter and the average LTV, and then calculate the average NOI in each quarter using the average cap rate.[5]

Exhibit 3 illustrates the resultant NOI time series since the four-quarter moving average starts in Q2 1966 through Q4 2023. Included are the exponential and linear trend lines for each of the two different cap rate environments.

This analysis shows a stronger relationship to the exponential trend line in the rising cap rate environment. While the relationship to the exponential trend line is slightly stronger in the falling cap rate environment as well, it has been very similar to the linear trend line since 1982. In addition, notice the much steeper slope in the NOI curves in the rising cap rate environment, corroborating stronger income growth when cap rates are rising.

Exhibit 3
Derived NOI from ACLI Loans (000s, 4-quarter moving average)



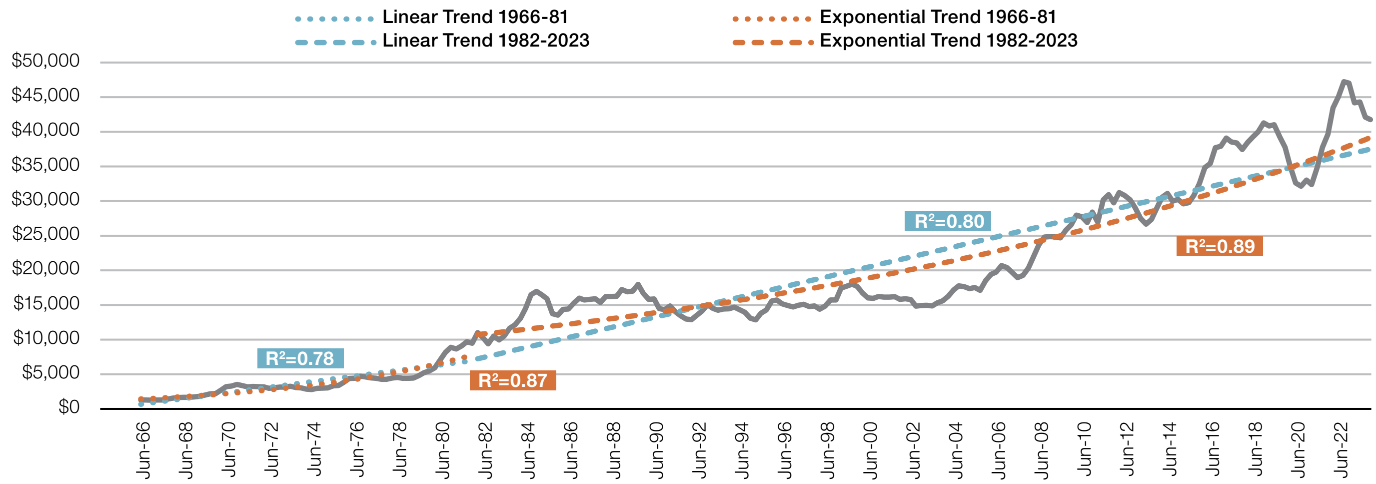
Sources: ACLI and Hines Research, As of Q4 2024.

If incomes grow faster and exhibit more exponential-like growth during periods of rising cap rates, what about values? That is shown in Exhibit 4.

As shown, values do not move on a linear path when cap rates are rising as much of the stronger income growth offsets rising cap rates. However, during the rising cap rate period, cumulative value growth from Q2 1966 to Q4 1981 accounted for just 62% of cumulative income growth. In other words, the increase in cap rates trimmed 38% off of the potential value creation. That's very different from the experience from 1982 to Q4 2024 (the most recent data available), when value growth was four times income growth per this analysis due to compressing cap rates.

Exhibit 4

Derived Collateral Value on ACLI Loans (000s, 4-quarter moving average)



Sources: ACLI, OECD, and Hines Research. As of Q4 2023.

Potential Impact on Construction Activity

Importantly, rising cap rates could bring a reduction in construction activity due to the difficulty of penciling new developments prior to the acceleration of rent growth. Indeed, the latter is likely heavily influenced by the former but takes time to develop fully. In the 1966 to 1981 rising cap rate cycle, there were three peaks in rent growth per the OECD data, with the first starting in 1969, about three years after cap rates began rising.

Construction starts in the current environment have already decreased dramatically with office construction down 50% in Asia and the U.S. and 76% in Europe from their cyclical peaks. Likewise, industrial starts are down 80% in the U.S., 50% in Asia, and 55% in Europe.[6] The residential and retail sectors are seeing similar declines in construction activity despite a desperate need for housing globally.

As a result, the lack of modern new supply is likely to be a significant market trend in the later years of this decade and could result in considerable upward pressure on rents, particularly for newer assets in desirable locations. In addition, given the sustainability goals of many tenants, there could be particularly strong competition among commercial tenants for buildings that meet sustainable objectives.

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A Mid-Year Update on the Capital Markets

Following a couple of years of a relatively lackluster capital markets environment, the ingredients were in place for a classic recovery prior to the onslaught of the trade war. Bank lending standards were no longer tightening like they had been, transaction volume was generally on the rise, write-downs appeared to have come to an end, and the bid/ask spread appeared to be closing. However, the increased uncertainty may disrupt the recovery as investors wait and see to reevaluate the full impact of evolving U.S. tariff policy.

Conversely, would-be sellers (and their lenders) may give up on the prospects of lower rates, and capitulate to the higher-for-longer environment, thereby increasing sales volume in some markets. Hines' internal pipeline remains active, and we believe the market remains competitive for in-favor sectors such as multifamily in the U.S. and industrial just about everywhere. Even in markets such as U.S. office, volume has increased, and the debt markets were getting a bit more competitive, with some banks even willing to underwrite core assets for high-quality sponsors. It remains to be seen if the nascent recovery continues or gets derailed by a more uncertain policy environment.

> ***"It remains to be seen if the nascent recovery continues or gets derailed by a more uncertain policy environment.***

Sector Updates

Living

"In Europe, the student housing sector is an increasingly institutional market with low provision rates among a growing student population, creating a compelling combination."

As we highlighted in our global living white paper in March 2025, the current housing supply shortage is very real, and it's also global. By our estimates, we need a net 6.5 million housing units to meet current global demand.[7] This lack of supply has contributed to a global affordability crisis that is fueling a shift toward renting. In fact, over 80% of households in the developed economies we analyzed were in country markets showing clear momentum for renting over buying.[8]

That's the broad perspective. From a localized point of view, fundamentals in the for-rent living sector vary across regions. In the Americas, fewer supply restrictions and the robust capital markets environment that existed before the U.S. Federal Reserve started raising rates resulted in oversupply, particularly in the Sunbelt. But demand has been strong, stoked by continued job growth and the difficulty of buying due to high interest rates, limited inventory, and sticky home prices.

As of the latest data (Q1 2025), fundamentals remain slightly below average but have been on the mend since the latter half of 2023.[9] Using projected yearly absorption (lease-up) rates, Hines Research can estimate how long it may take for each market to absorb the current supply pipeline of units under construction. While this estimate is based on a 10-year trailing average, exceptionally high current demand could result in faster absorption than projected. However, Sunbelt apartment markets have faced a higher risk of prolonged downward pressure on rents due to supply outpacing demand, with an average of 3.5 years' worth of supply relative to long-term annual demand. In non-Sunbelt markets, the average is closer to two years. In Chicago and San Francisco, this estimate is less than one year, and unsurprisingly, those two markets are leading the nation in annual rent growth as of Q1 2025.[10]

While the institutional for-rent sector is more nascent in Europe and Asia, housing fundamentals remain steadfast. In Asia, Japan provides the most institutional market with strong wage-driven rent growth, especially in Tokyo.[11] Korea and Australia are also markets of note in this space. In Europe, the student housing sector is an increasingly institutional market with low provision rates among a growing student population, creating a compelling combination, particularly near high-quality schools.

The opportunity as we see it

Significant undersupply in all regions and in the U.S. specifically. Markets in developed Asia are seeing potential for rent growth.

Retail

"Retail dynamics in key developed Asia markets are increasingly appealing with fundamentals on an upward trajectory since the end of the pandemic."

In general, increases in uncertainty tend to have a negative relationship to commercial leasing activity across the major sectors. The opposite is true in the for-rent residential sector as rising uncertainty delays significant decisions like buying a home. According to policyuncertainty.com, global policy uncertainty is at an all-time high (as of April 2025), exceeding previous highs experienced during the pandemic. In addition, retailers are particularly exposed to tariffs given their already thin margins and abundance of Chinese-produced inventory, which adds additional risk to the retail sector.

Previously tight retail fundamentals in the U.S. have softened a bit but remain above average due to the lack of new supply over the past 15 years, as well as the razing and redevelopment of previously struggling centers. Over the past decade, the retail sector has sorted out the winners and losers. The winners are able to generate competition amongst tenants, thereby driving rent growth, while the losing centers are effectively obsolete.

The importance of having a grocer in competitive centers is increasingly clear. While new construction remains muted, many owners have converted previously non-grocer space to grocer. The result is that the number of grocery stores in the U.S. has increased significantly over the past three years. Therefore, it's imperative to understand each grocer's competitive position within its trade area when evaluating grocery-anchored assets.

With the exception of Hong Kong, retail supply in developed Asia has been a fraction of its peak a decade ago, with completions off 75% in 2024.[12] Given the region's rapid growth, retail dynamics in key developed Asia markets are increasingly appealing with fundamentals on an upward trajectory since the end of the pandemic.

Europe is a bit behind the U.S. in the retail sorting process, but fundamentals have stabilized. Given its lower space per capita, the process won't likely take as long to play out. European retail acquisitions are increasingly attractive with appealing yields relative to other sectors.

The opportunity as we see it

Grocery-anchored retail in the U.S. and a lack of supply in Asia amid dynamic growth could present the top opportunities for retail.

Industrial

"Another round of supply chain reconfiguration is likely to result from the tariffs as more clarity arises."

Like retail, high and rising uncertainty is generally negative for industrial leasing activity. Fundamentals in the U.S. are on a decidedly downward trajectory with slower leasing combining with the last remnants of the recent supply wave. CoStar estimates that upwards of 40 of the 390 U.S. markets it tracks will have falling rents in Q2 2025, up from zero a year ago. That said, closer-in and smaller warehouses are performing better relative to the oversupply of large warehouses in more remote locations. In addition, another round of supply chain reconfiguration is likely to result from the tariffs as more clarity arises.

European industrial markets are experiencing similar trends with slowing but still average fundamentals. A decrease in tenant demand has caused rent growth to slow, though Europe's generally higher supply constraints should prevent the short-term overbuilding that has occurred in the U.S.

Asia's industrial fundamentals had been exhibiting a similar slowdown, but unlike the other global regions, fundamentals stabilized at a fairly healthy level over the past several quarters.

The opportunity as we see it

Smaller warehouses and Class A logistics facilities near irreplaceable infrastructure are faring well, but new corridors of opportunity may open up as trade routes shift.

Office

"Given the delayed leasing decisions over the last several years, particularly in U.S. markets, the increase in uncertainty may not have as large of an impact as it has historically."

Fundamental conditions in global office markets have been significantly disparate. Seoul remains a strong office market with low vacancy rates and strong rent growth. However, fundamentals do seem to be softening a bit. Meanwhile, the office market in India has been showing notable signs of growth. For example, office rent growth in the country hit a 14-year high in 2024 and also saw record net absorption.[13]

European Central Business Districts had been holding up quite nicely, but have started to soften as of late. In the U.S., the national office recovery appears to be underway with Manhattan leading the way, but improving fundamentals are increasingly visible in softer markets such as San Francisco.

Uncertainty is also typically a negative for office leasing. Still, given the delayed leasing decisions over the last several years, particularly in U.S. markets, the increase in uncertainty may not have as large of an impact as it has historically. Q1 2025 net absorption in the U.S. enjoyed its strongest quarter in several years per CoStar, and despite weak office-using employment growth, pent-up leasing amid greater return-to-work policies is helping to boost the amount of space leased per office-using employee for the first time since the pandemic.

While the highest-quality space has been leading the improvement, tenants are increasingly leasing space in the next tier down, given the lack of high-quality space available for lease. The recovery in Trophy and Class A office demand and an increasing need for financing underscore our thesis that debt investors should remain bullish on the U.S. office market.

The opportunity as we see it

The sector is gaining momentum globally, but we're still in the early stages. U.S. office credit remains the top opportunity.

Alternative Sectors

"Given the slowdown in new construction across sectors, fundamentals are generally healthy or on an upward trajectory."

Medical office, single-family rentals (SFR), purpose-built student accommodation (PBSA) (particularly in Europe but also in select U.S. markets), self-storage, and data centers each have compelling demand-side drivers. Given the slowdown in new construction across sectors, fundamentals are generally healthy or on an upward trajectory in each. Medical office should benefit from the aging of the population, not only in the U.S., but across developed markets globally. SFR provide an alternative to expensive for-sale housing while catering to the millennials who are increasingly aging into their child-rearing years.

Student housing in Europe, long a magnet for international students, may receive a boost from Asian and Canadian students who otherwise may have studied in the U.S. in previous years.

Self-storage in the U.S. suffered from a period of overbuilding and a decrease in mobility due to below-market rates in embedded mortgages. However, demand surpassed new deliveries in 2024 for the first time in several years. Given how far effective rents fell during their correction, a case can be made for accelerating rent growth. In Europe, self-storage is a less developed institutional market, but that provides opportunity in a less crowded sector.

Finally, data centers have been supercharged by the AI boom, but there's concern that a reduction in capex by hyperscalers may slow the industry. However, given the emergence of new sectors such as driverless cars, the demand for data processing is likely to have quite a long runway.

The opportunity as we see it

Living-focused sectors, including purpose-built student accommodation and single-family rentals, offer compelling investment themes.

Conclusion

Will there continue to be upward pressure on cap rates from persistent inflation and elevated interest rates? Will the Fed prematurely cut rates and stoke another wave of inflation similar to the experience in the 1970s? No one knows the answer to those questions, but if we were to get into an extended period of rising cap rates, the historical experience suggests that real estate has plenty of potential to continue to perform, given a conceivable uplift in income growth. How real estate derives returns may differ from the last 40 years, but the oldest asset class in the world has historically thrived in many differing rate environments.

Joshua Scoville
Head of Global Research

ABOUT THE AUTHOR AND THE HINES PROPRIETARY RESEARCH TEAM

Joshua Scoville and his team are responsible for constructing the Hines macroeconomic view and the outlook for commercial real estate market fundamentals and pricing. Hines Research is also responsible for assisting with developing investment strategies for the firm's investment programs; working closely with the local and fund management teams, clients, and partners; and supporting geographic leaders in identifying market/submarket opportunities and risks. The views of the local and fund management teams on the latest market developments are exchanged regularly via biweekly conference calls and quarterly market updates, and are essential for reviewing investment strategies and fund portfolio allocations. Additional Hines' Proprietary Research team members include Michael C. Hudgins, Tim Jowett, Ryan McCullough, James Purvis, Michael Spellane, Erik Thomas, and Anthony Witkowski.

Endnotes

1 Sources: The World Bank and Hines Research. As of May 2025, with latest data from 2022.

2 Sources: The Bureau of Labor Statistics and Hines Research. Analysis of historical data as of May 2025.

3 Cap rate compression references a decrease in capitalization rates, typically due to increased property values or lower perceived investment risk.

4 R-squared is defined as the coefficient of determination ranging between 0 -1 (0 -100), reflecting percentage of the response variation reflected by the linear model/factor. The higher the number the higher the correlation with 1 (100), reflecting a complete correlation.

5 While the resulting time series is not a same-store index as the assets being lent against will change every quarter. It is noisy from quarter to quarter, the high number of loans in the data should help to wash out many of the idiosyncrasies of the collateral and a four-quarter moving average helps to alleviate some of the quarter-to-quarter noise. In addition, the same flaws exist in each period, so an analysis between the two retains validity.

6 Sources: JLL, CBRE, CoStar, and Hines Research. As of Q1 2025.

7 Sources: Oxford Economics, Eurostat, U.S. Census Bureau, Statistics Canada, Statistics Korea, Australian Bureau of Statistics, Hong Kong Census and Statistics Department, Statistical Bureau of Japan, and Hines Research. As of 4Q 2024, but using annual data where 2023 is generally the latest available calendar year.

8 Sources: Oxford Economics, Eurostat, U.S. Census Bureau, Statistics Canada, Australian Bureau of Statistics, Statistics Korea, Hong Kong Census and Statistics Department, Statistical Bureau of Japan, and Hines Research. As of 4Q 2024 but data availability differs by country. Note that the analysis generally covers the period from 2010 to 2023, except for Japan (2013-2018), Korea (2016-2023), Canada (2011-2021), and Australia (2010-2020). For the stats provided, we had to assume that the homeownership rate for those three stayed the same from the last datapoint available through 2023. The countries we analyzed included: Spain, the Netherlands, Italy, Sweden, France, Germany, Denmark, United Kingdom, United States, Canada, Australia, South Korea, Japan, and Hong Kong.

9 Sources: Hines Research metric based on CoStar data. As of Q1 2025.

10 Sources: CoStar and Hines Research. As of Q1 2025. Note: Hines Research considers an acceptable supply level to be approximately 1.5–2 years' worth of inventory.

11 Sources for wage growth data: CEIC and Hines Research. As of 4Q 2024. Sources for rent growth data: Mitsui at Home and Hines Research. As of 2Q 2024, the most recent data available. Learn more in Hines Research's 2025 global living report: https://www.hines.com/global-living-reimagined.

12 Sources: JLL and Hines Research. As of Q1 2025.

13 Sources: JLL and Hines Research. As of Q1 2025.

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