RENEWED MARKET MOMENTUM

2026 Global Investor Outlook

Global Capital Markets

GLOBAL APAC EMEA U.S. CANADA

Momentum returns to markets

Commercial real estate markets have shown remarkable resilience in 2025 despite significant uncertainty. In the second half of the year, we began to see momentum building. Institutional investors who had stepped back from their home markets are returning as confidence grows, big-ticket office deals are reemerging, industrial assets remain in strong demand, and data centers are witnessing unprecedented levels of fundraising.

Looking ahead to 2026, we expect transaction volumes to rise steadily. Investors are becoming more selective and strategic, exploring opportunities beyond domestic and U.S. markets into Europe and high-growth Asia-Pacific (APAC) economies. More are pursuing specialized approaches, from upgrading assets to meet higher sustainability standards to forming joint ventures (JVs) that actively manage and grow portfolios.

At the same time, risk management remains front of mind. Diversifying across sectors, geographies, and partnerships reflects a tactical, thoughtful approach, not a slowdown. It's a sign of maturity, with investors positioning themselves to benefit from positive market momentum while adapting to new market realities.

This report brings together the views of our senior experts around the world, our research data, and insights from our recent survey of international investors. Our goal is to provide you with a clear picture of the trends shaping the market and, most importantly, where opportunities lie in the year ahead.

We hope you find it a useful guide as you navigate your strategies for 2026.

Luke Dawson
Head of Global and EMEA Capital Markets

Contents

Global

Key themes

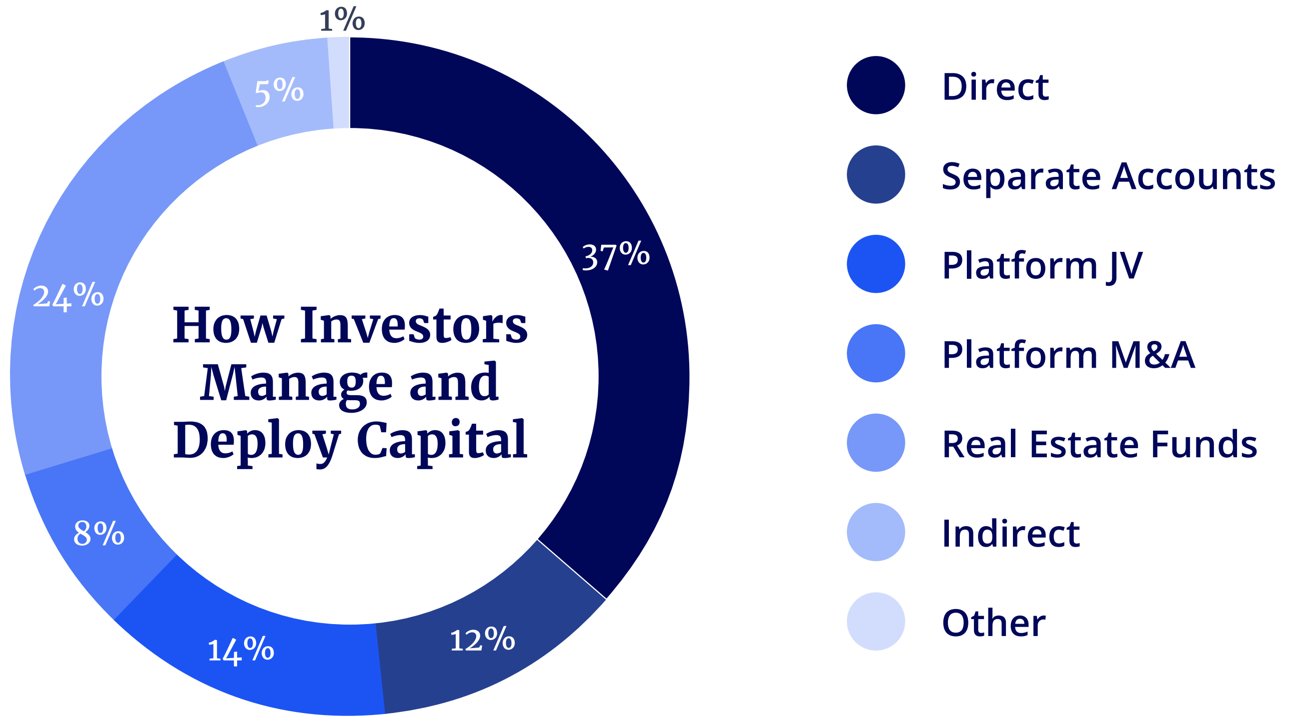
Against a backdrop of shifting global allocations, evolving investor preferences, and persistent cost pressures, the following themes capture the forces shaping capital markets and real estate investment strategies for 2026.

Capital deployment

Migration to more active strategies

Our 2026 investor capital deployment analysis points to a clear shift toward more active, controlled strategies. Investors increasingly favor direct investments and separate accounts over traditional fund structures, driven in part by underperformance and extended exit timelines within some funds.

At the same time, the desire for strong platform investment is reflected in private equity and secondary funds increasingly investing in both property-owning entities ("propcos") and operating businesses ("opcos"). Greater influence over strategy and the ability to scale successful brands across markets and regions are key benefits of this approach.

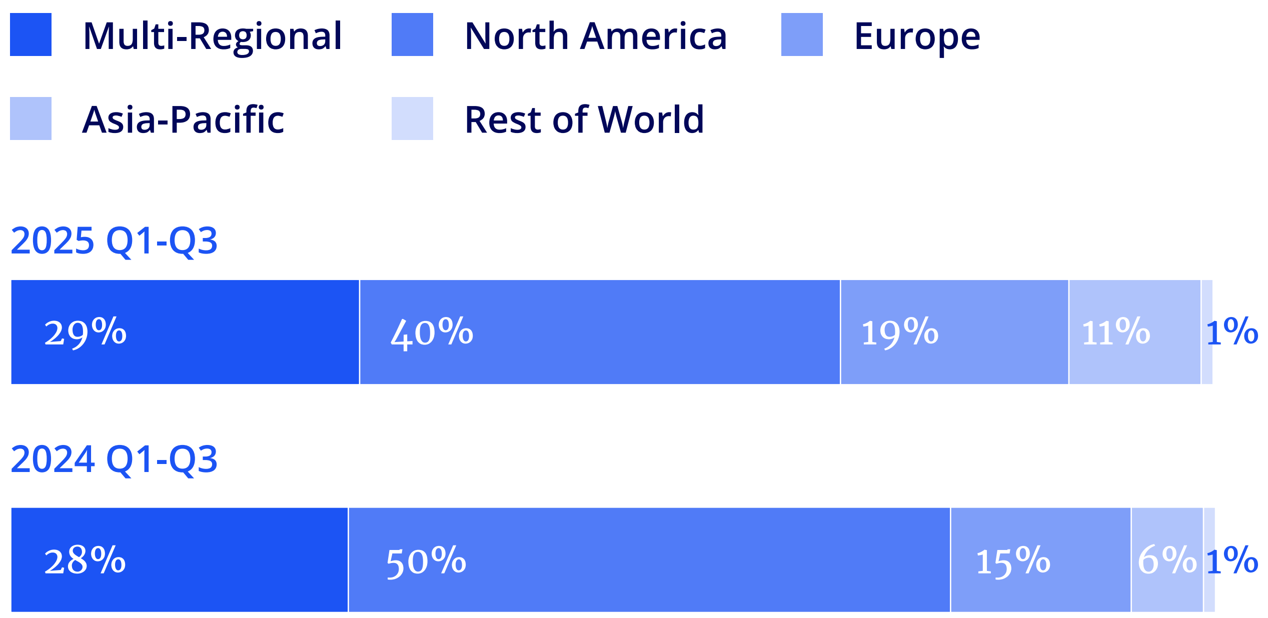


Source: Colliers 2026 Global Investor Outlook Survey

A global rebalancing as investors seek diversification

Investors are pursuing a more balanced global allocation in 2026, as reflected in fundraising trends. By the end of 2025 Q3, global fundraising had matched the 2024 total of around US$165 billion. North America accounted for 40% of the total, down from 50% in 2024, despite a notable increase in North American strategies during Q3. Meanwhile, Europe and APAC gained share, with European fundraising up 50% and APAC fundraising up 130% year-over-year. While the U.S. remains a key market, global allocations are clearly shifting as multi-regional strategies gain momentum.

Global Fundraising by Region
2025 vs. 2024 Q1-Q3, by Destination



Sources: Colliers, PERE

Global Market Drivers

Building and operating costs remain a challenge

High labor and raw material costs continue to weigh on construction activity across sectors, while elevated operating costs remain a key concern. These pressures are often compounded by rigid planning and regulatory frameworks, limiting development-focused investment strategies and slowing the introduction of new product to the market.

Fundamentals are improving

On the positive side, sentiment toward real estate fundamentals is improving. Market liquidity, debt and capital costs, and rental growth are viewed more favorably, while concerns about value declines and vacancy rates have eased.

Wariness around tariff and tech risks

The impact of tariffs and geopolitical risks has been limited so far, but trade tensions could affect prices and consumption. Rising inflation may trigger policy actions that dampen investor sentiment.

Conversely, easing supply chains or lower material, labor, and energy costs could boost development in 2026, particularly in undersupplied tier-one cities and housing markets.

Concerns also remain about a potential global equity bubble, with stretched valuations and imbalanced concentrations of capital that could impact global investment returns and allocations.

Investor Perspectives on Market Drivers

Survey results highlighting which factors investors see as creating opportunities or posing challenges in the year ahead.

+ Opportunities   − Challenges

Top 3 Opportunities

- Rental growth
- Revenue productivity outlook
- Technology readiness/ digital maturity

Top 3 Challenges

- Higher asset operating costs
- Trade tariffs and taxation
- Rising construction costs

Macroeconomic

Opportunities:

- Regional economic growth
- Global economic growth
- Consumer demand

Challenges:

- Trade tariffs and taxation
- Energy supply/costs
- De-globalization/rising geopolitical tension
- Inflation
- Currency fluctuation
- Demographic pressure
- Interest rates

Business Operational

Opportunities:

- Technology readiness/ digital maturity
- Revenue productivity outlook
- Workforce management

Challenges:

- Supply chain disruption
- Cybersecurity risk
- Tenant solvency
- Business interruption/growth
- Talent availability

Real Estate Market

Opportunities:

- Rental growth
- Availability of debt
- Capital market liquidity
- Yield/cap rate decompression

Challenges:

- Higher asset operating costs
- Rising construction costs
- Regulatory approval time frames
- Capital value contraction
- Vacancy rates
- Cost of debt/capital
- Availability of product

Source: Colliers 2026 Global Investor Outlook Survey

37% of investors surveyed favor core and core-plus strategies, but only 9% of real estate funds are being raised for them.

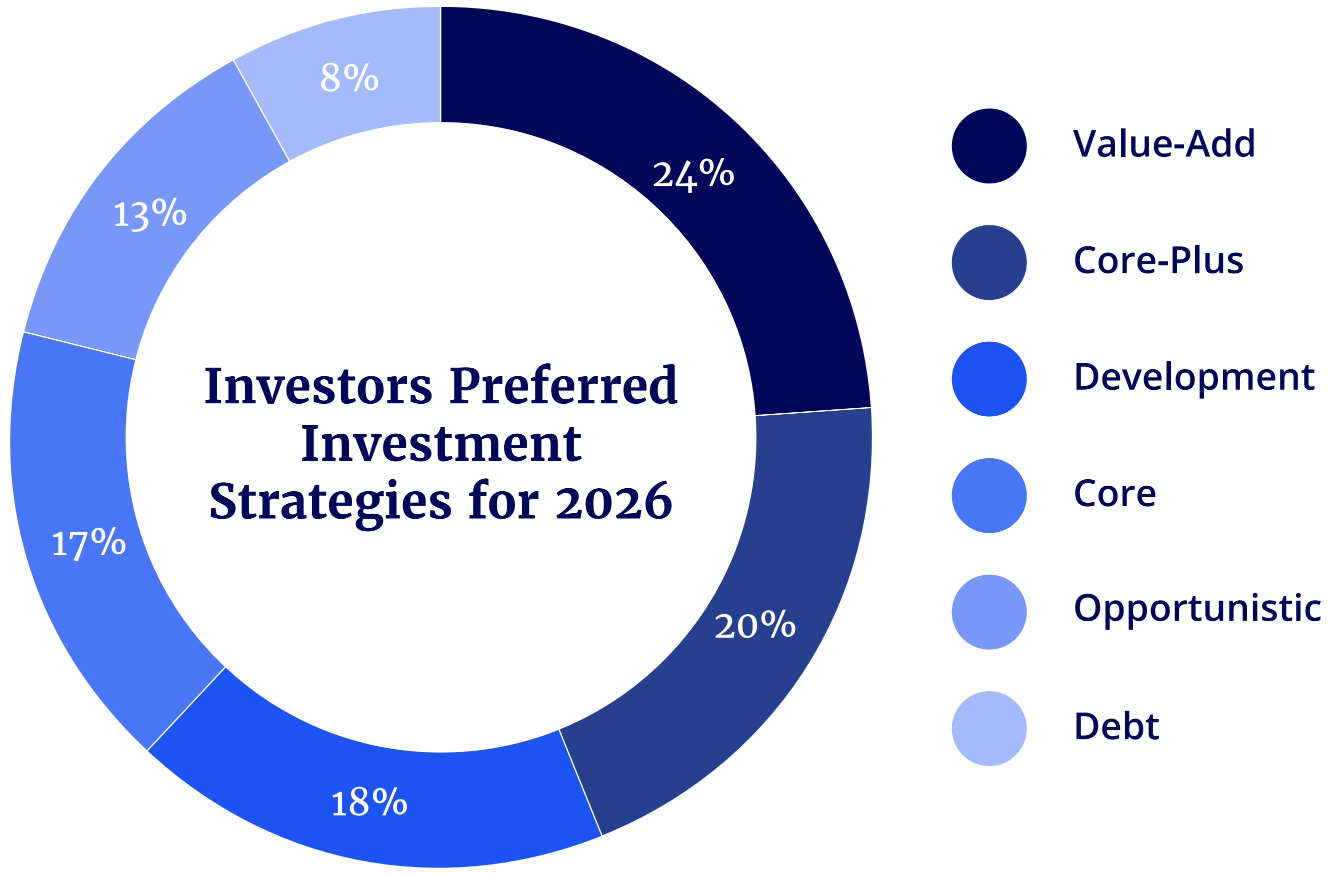
Investment Strategies Led by Market Dynamics

A supportive monetary policy environment as uncertainty persists

Markets such as the U.S. and the UK face a delicate balance between slow economic growth and persistent inflation, but additional rate cuts are likely in early 2026 as policymakers lean toward economic stimulus. Strong inflows into debt and credit markets have created ample liquidity, which, combined with lower rates, should support activity throughout the year. Yield spreads are already attractive, and further rate cuts are expected to enhance capital growth potential.

Our survey shows that debt strategies (8%) are significantly less appealing to investors than core (17%) and core-plus (20%) strategies for 2026. As a result, these strategies are attracting more interest than current fundraising trends indicate. In total, 37% of investors prefer these approaches, compared with just 9% of funds being raised for core and core-plus strategies*. Early signs of this shift are already evident in direct transactions.

**PERE, Q3 2025 Fundraising Report*

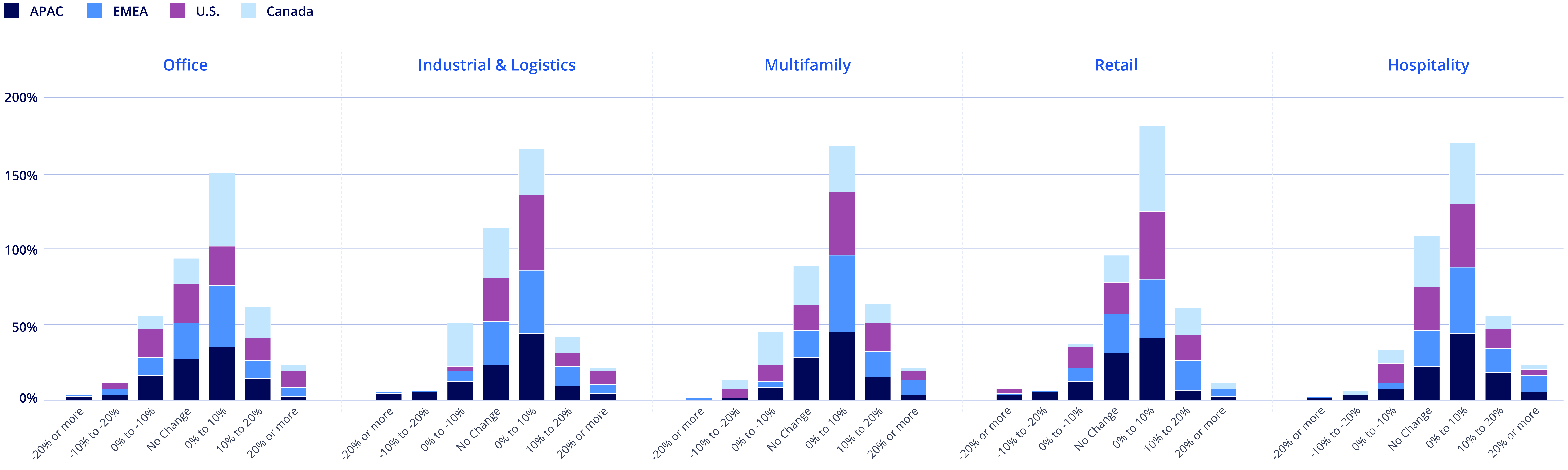


Source: Colliers 2026 Global Investor Outlook Survey

Rising activity as pricing realities set in

A return of core capital across all sectors is expected to accelerate a broad-based recovery through 2026. Valuations and investor expectations have steadily moved closer to equilibrium across many locations and asset classes, which should encourage more buyers and sellers to execute trades as confidence in the market's momentum grows. There are far fewer investors expecting values to contract than in previous years. Equally, those anticipating stellar returns have also diminished, as some normality has come back into pricing expectations.

Core Capital Value Outlook Across Asset Types



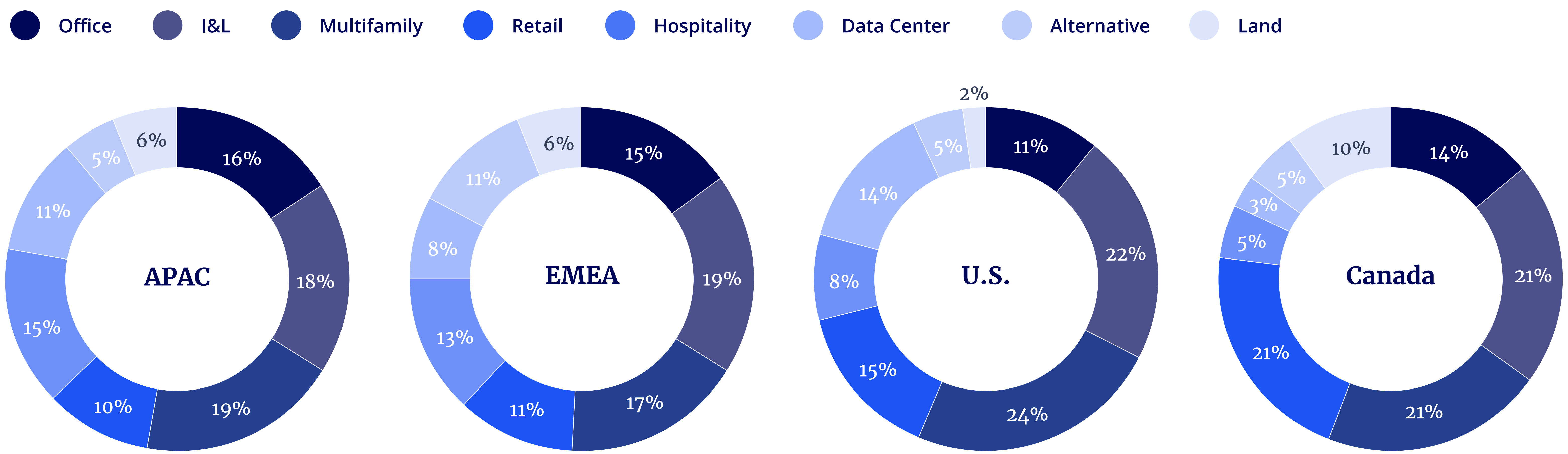
Source: Colliers 2026 Global Investor Outlook Survey

Sector Preferences

Office back in the spotlight

Overshadowed by industrial and logistics (I&L) and multifamily assets since the COVID-19 pandemic, office assets are coming back into focus for investors globally. Office activity in APAC remains strong, with a significant uptick across Europe and early signs of a pickup in momentum in North America. Activity is concentrating on locations with stable occupier demand, as well as opportunities to access assets at scale and create value — specifically through capex and refurbishment programs that raise sustainability standards and achieve rental uplift.

Preferred Asset Classes for 2026 Investments



Source: Colliers 2026 Global Investor Outlook Survey

Data centers boom, but investors grow more discerning

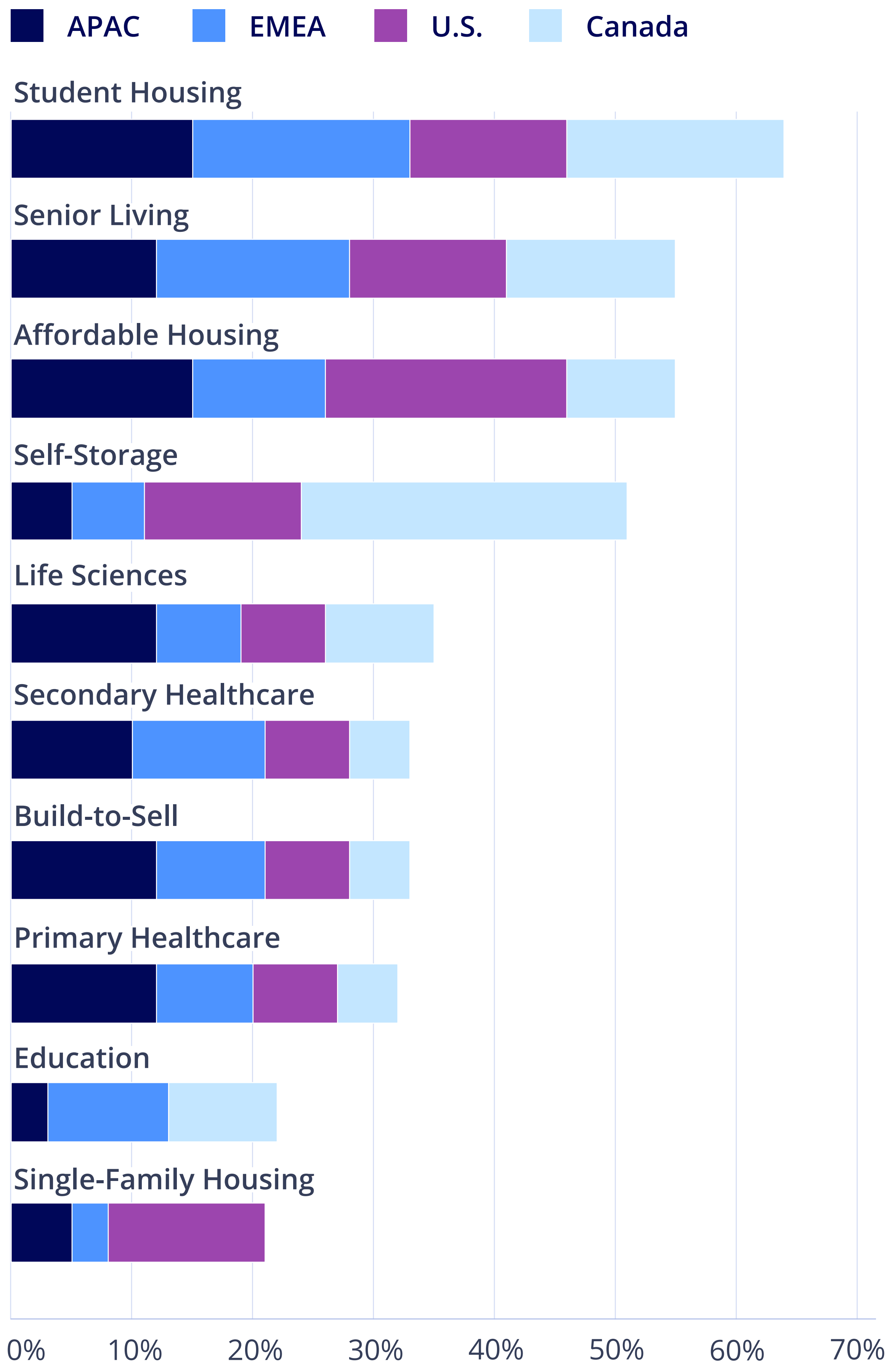
There has been a dramatic surge in capital being raised for data centers, with PERE research showing the sector accounted for 31% of total capital raised in 2025 Q1-Q3, up from an average of 15% since 2020. This means the sector has now displaced mainstays like I&L and office from a fundraising perspective, trailing only multifamily.

While the U.S. remains the largest and most mature market, investor interest is global, driven by rapid AI growth and corporate investment from large tech firms and infrastructure funds. Looking ahead to 2026, the sector is expected to continue attracting attention, with investors focusing on energy availability and infrastructure, which remain key constraints on development in some regions.

Rising appetite for alternatives

While the I&L and residential sectors continue to attract strong interest, more investors are preparing to allocate tactically to growth markets where clear supply-demand imbalances are emerging across several alternative asset classes. One prominent example is student housing in Europe and APAC, where many see the sector entering the maturity phase. Another is self-storage, which continues to gain appeal across Europe and North America.

Alternative Asset Classes Targeted for Investment in 2026, Per Region



Source: Colliers 2026 Global Investor Outlook Survey

Outlook

Asia-Pacific

Allocations to Asia-Pacific (APAC) are on the rise as investors move to capitalize on the region's robust growth potential. There is continued appetite for core sectors such as office and industrial & logistics, with retail and hospitality seeing an uplift in activity. Investor focus is expanding to emerging alternatives, led by data centers, with healthcare, affordable housing and senior living also attracting increased interest.

Capital shifts to APAC as investors bet on growth potential

Mumbai, India

APAC-focused capital raising has increased over 130% since 2024.

After years of heavy allocations to the U.S. and Europe, investors are increasingly turning to APAC, where they remain relatively underweight despite strong growth prospects. According to PERE data, APAC-focused capital raising rose more than 130% in 2025 Q1–Q3 compared with the same period in 2024, reaching 11% of global fundraising, up from 6%. This signals greater fund deployment in the region. While established markets such as Japan, Australia, and Singapore remain popular, emerging markets, particularly India, are gaining attention as destinations for higher returns.

> "The shift back to APAC is positive, especially for Japan and Australia, the region's core markets. We are also seeing investors who had never considered India now view it as a market for deploying capital at scale in the years ahead."
>
> **JOANNE HENDERSON**
> National Director of Research, Australia

Private capital and innovative dealmaking gain traction

Family offices and high net worth individuals are becoming more active in markets like Hong Kong and Australia, often taking a counter-cyclical view and moving on compelling pricing opportunities that see limited uptake by larger institutions.

More investors are experimenting with tactics such as corporate sale-and-leasebacks or taking a private credit position to gain exposure to an asset in a more tax-efficient manner. In line with global trends, there is a growing tendency among limited partners (LPs) and private equity funds to acquire stakes in operating companies or platforms alongside real estate assets, especially in the living and hospitality sectors.

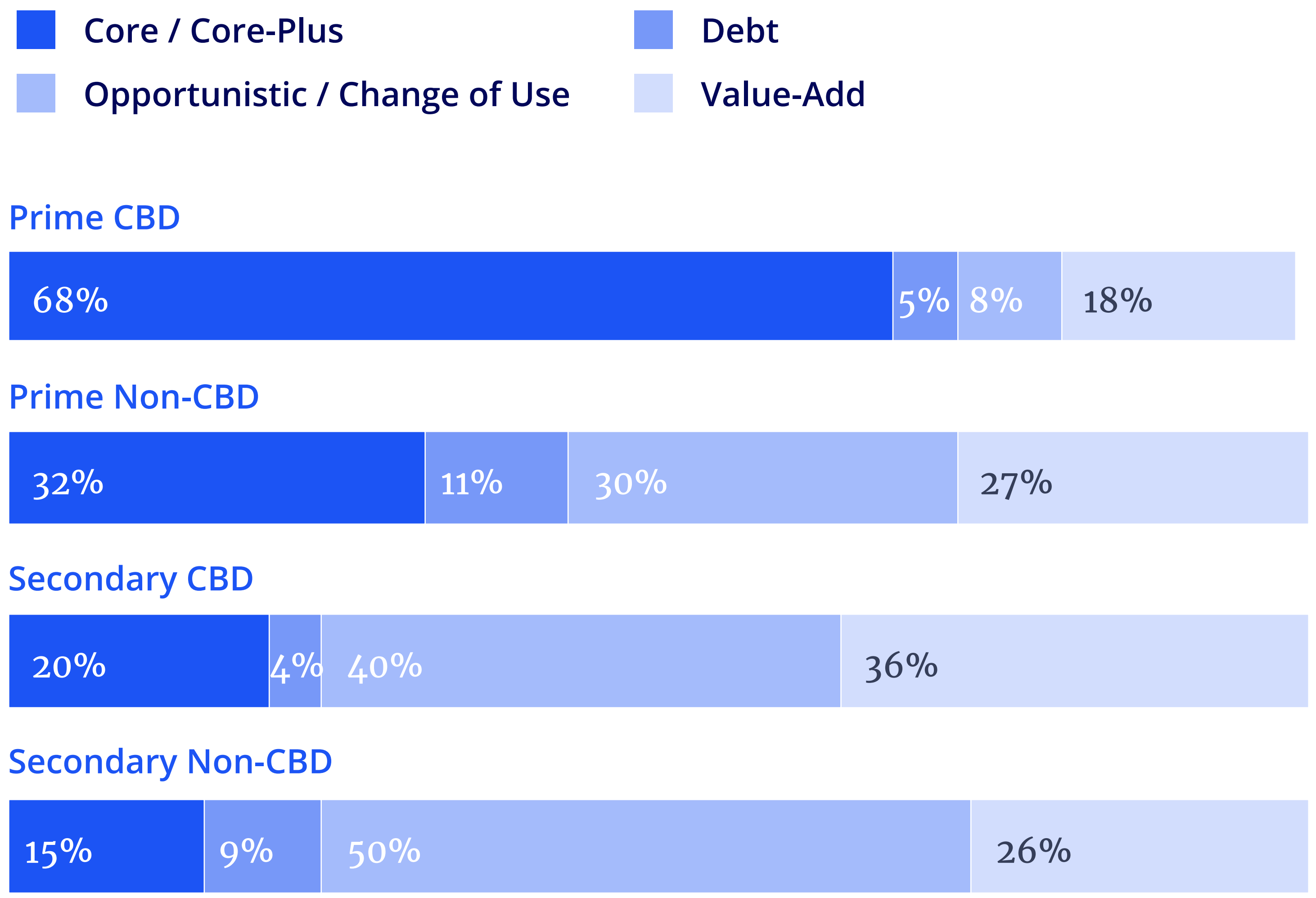
Office comes in from the cold

After a brief period of stagnation the office sector is seeing renewed investor interest across APAC, encouraged by resilient demand side fundamentals, particularly in markets such as Seoul, Tokyo, and Sydney with a realization among investors that values have generally bottomed out. The sector is a major beneficiary of the shift of capital to the region, with a notable increase in U.S. and Japanese capital flowing into the Australian market, and Japan drawing investors with low vacancy and positive rental growth rates.

The high costs of construction in the region are steering investors towards existing, tenanted buildings, though more developers are moving to capitalize on opportunities to reposition lower-grade office assets in fringe locations. However, there has been a marked uptick in interest from opportunistic investors, particularly for secondary CBD assets, where appetite has grown by 18 percentage points (pps) year-over-year. With values now more favorable, these well-located core office assets are attracting attention as investors seek to meet tenant demand amid a slowdown in new office development.

Seoul, Korea

APAC Office Investor Type Preferences to Office Location / Quality



Source: Colliers 2026 Global Investor Outlook Survey

"After a quiet period, office is coming back as an asset class that is catching investors' attention. The gap between borrowing costs and market yields is still very attractive."

LUCY MALLICK
International Capital Lead, Australia


Sydney, Australia

Retail regains its shine

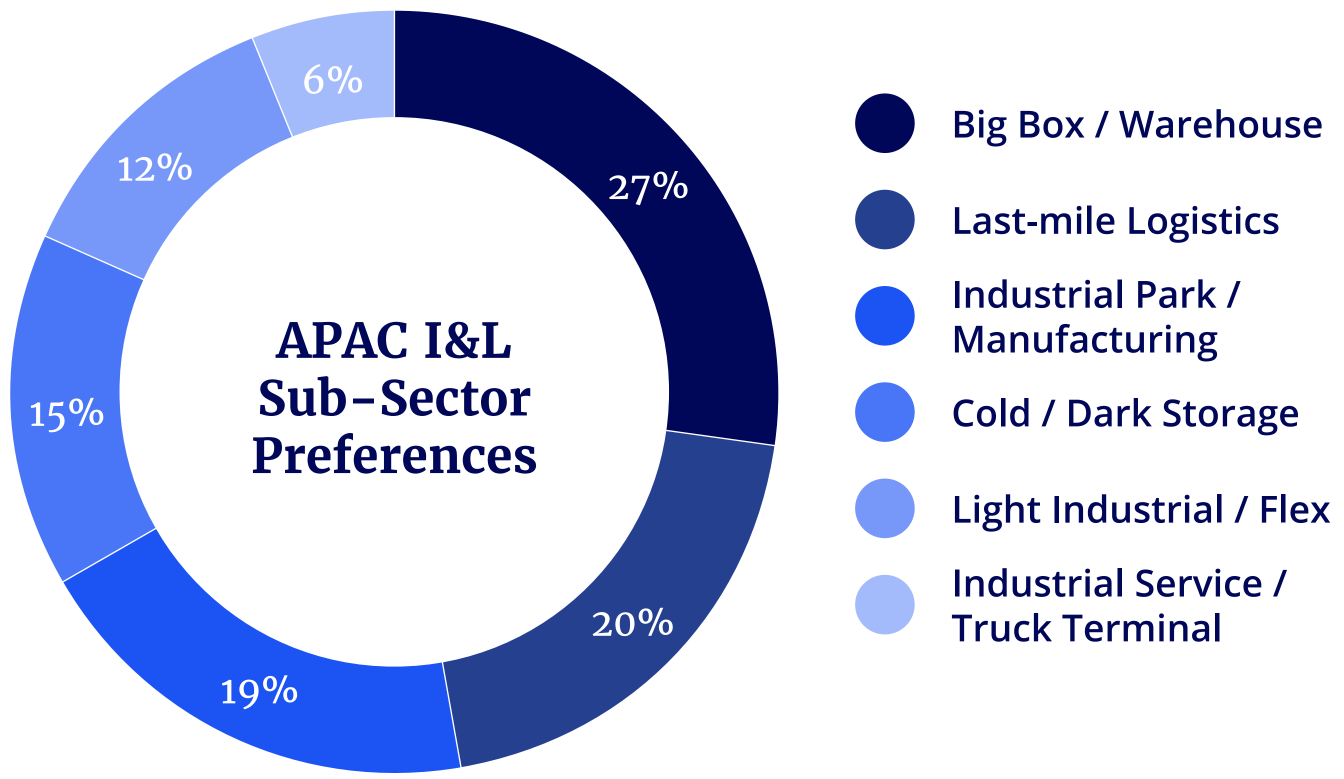
The general acceptance that retail supply has 'right-sized' in many APAC markets is giving investors more confidence in the sector's income profile and potential to outperform. Investors are shifting attention back to core, high-quality retail assets, which some now see as a safer bet than certain alternative sectors. Cap rates are set to further compress, indicating the lower perceived risk and growing attractiveness of the asset class.

Colliers' investor survey shows neighborhood centers and CBD/high-street retail are the preferred sub-sectors, with 31% and 27% of respondents planning to allocate to these areas respectively.

> "We're seeing a renewed focus on well-located assets with demographic tailwinds. Retail, long considered a Premier asset class, then viewed as an alternative, has now swung back to Premier status. It's truly 'back to the future' for retail."
>
> **LACHLAN MACGILLIVRAY**
> Managing Director, Retail Capital Markets, Asia-Pacific

E-commerce drives I&L demand across APAC

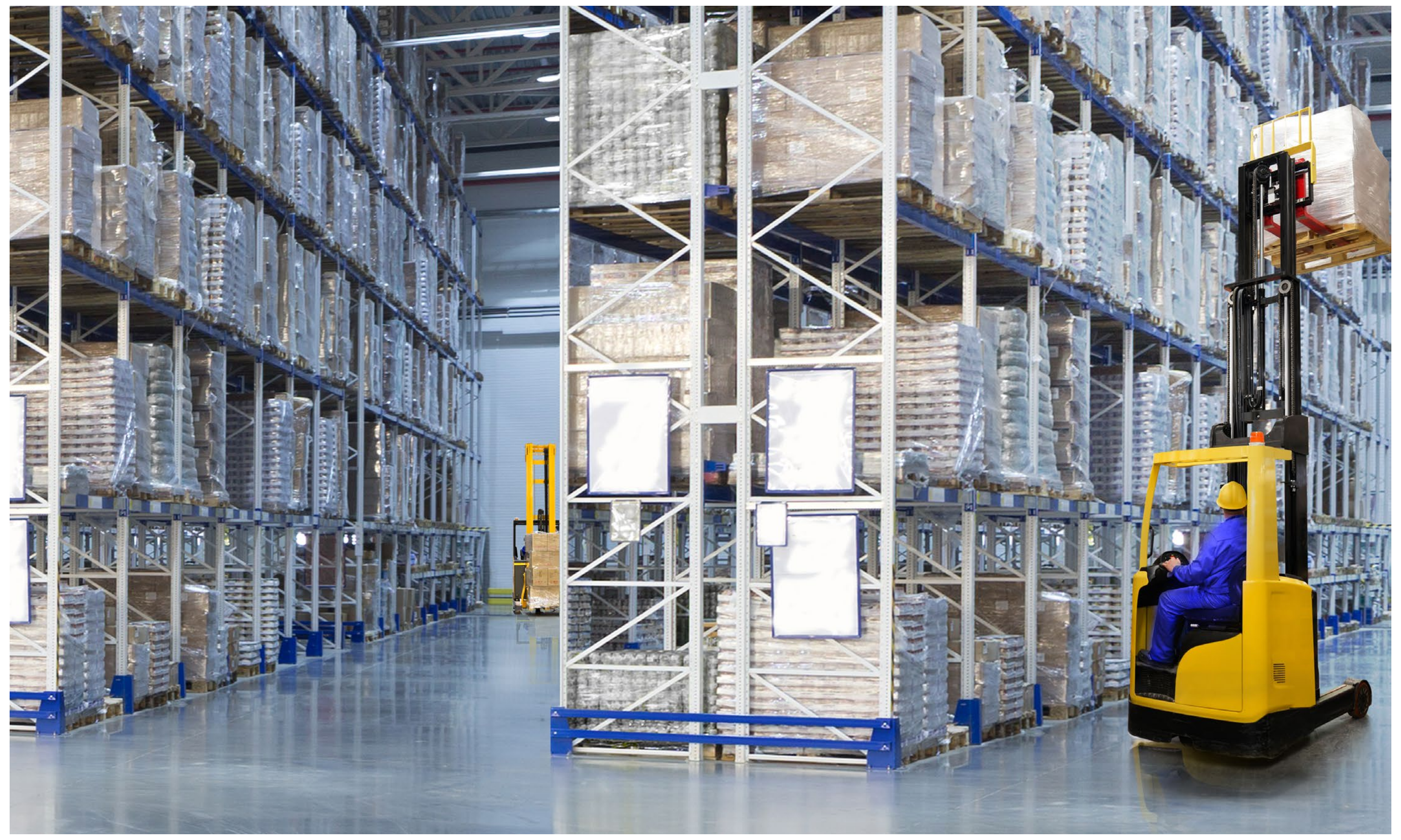
The I&L sector remains top of mind for many investors, with transaction activity surging in Australia and demand continuing to rise in markets like India and Japan, fueled by continued growth in e-commerce. Investor preferences are skewed towards Australia, New Zealand, Japan, and South Korea. However caution is emerging due to rising vacancy rates in some markets. Survey respondents continue to highlight a preference for big box warehousing (27%) and last mile logistics (20%) assets, although cold store logistics has seen a two pps increase on the prior year to 15%.



Source: Colliers 2026 Global Investor Outlook Survey

"Investor focus across the logistics sector is shifting toward core assets, with core-plus strategies remaining active. Limited available stock is contributing to further yield compression and continued investment activity, supporting a positive outlook for the sector."

GAVIN BISHOP
Managing Director, Industrial & Logistics
Head of Industrial & Logistics Capital Markets, Australia



Data centers emerge as a key growth sector

Data centers are a major growth area across APAC, with significant capital raised for deployment in Singapore and Australia. India is also drawing attention due to its large tech sector, though near-term growth is limited by supply side constraints. In Japan, restricted access to power could pose additional bottlenecks. Our survey showed that cross-border capital has strong interest in data center investment for 2026, with 11% of respondents planning to deploy into the sector, only slightly behind the U.S. at 14%.

"There's been a huge amount of money raised by several groups in the data center space, and we're going to see that getting deployed in Japan, Australia and some Southeast Asian markets as well."

ALEX WORTHINGTON
Director, APAC Capital Markets

Major cities lead multifamily growth

Multifamily is also likely to see higher volumes in 2026 as more private equity targets the sector. Most investors are focusing on the region's large cities with 87% of respondents highlighting a preference for major city locations. The multifamily sector in Japan is particularly vibrant due to migration to major cities and limited new supply, while the market in India offers steady performance and significant long-term potential.

> "Japan's major cities, particularly Tokyo, continue to shine as magnets for multifamily investment. With strong urban migration, limited new supply, and growing domestic capital, the outlook for Japan's multifamily market in 2026 remains positive."
>
> MASAHIRO TANIKAWA
> Executive Director & Head, Capital Advisory, Japan

Student housing gains momentum

Student housing is attracting increasing capital, particularly in supply-constrained markets like Hong Kong, where strategies are emerging to convert underperforming hotels into student residences. Foreign investors are showing strong interest in India, betting on a mismatch between growing demand and limited quality supply, driven by an expanding young population.

Preferred Locations by Asset Class

01 | Office
in Tokyo, Singapore, and Sydney

02 | Industrial & Logistics
in Tokyo, Sydney, and Singapore

03 | Multifamily
in Tokyo, Sydney, and Singapore

Complex risk environment, construction costs emerge as market impediments

Global economic and geopolitical uncertainty, sticky inflation and the potential for interest rate hikes all have the potential to weigh on investor sentiment, although survey respondents indicated a more positive view on availability of debt (+12% net balance). High construction costs will also continue to exert a negative market impact, creating supply constraints and pushing investors towards conversions and adaptive reuse projects rather than new builds. Costs are compounded by labor shortages in key markets like Japan and Hong Kong, which can impact the operating margins of assets like hotels.

Hong Kong

APAC | What to Watch in 2026

Opportunities

- The number of office refurbishment and upgrades are rising in both core and fringe locations, alongside change-of-use potential for secondary CBD assets.
- Sectors tied to emerging market growth and established infrastructure, such as last-mile logistics and e-commerce, offer strong long-term upside.
- Data center infrastructure is underdeveloped compared with the U.S., with demand expected to increase.

Considerations

- Export-oriented markets remain sensitive to tariffs and inflation, though agreements like Japan's U.S. tariff deal provide some relief.
- Construction and operational costs continue to pose a significant hurdle, particularly if inflation persists.
- Regulatory frameworks for sectors such as multifamily and data centers vary across the region, creating uncertainty for investment strategies and long-term outlooks.

Outlook

EMEA

EMEA continues to be a top destination for international capital and will see an increase in activity in 2026 as domestic investors reassert their presence in the region’s larger markets. Large office deals are returning to major cities and the industrial and hospitality sectors will be hotbeds of activity as these pillars of the region’s economy outperform.

Europe proves a magnet for capital

Europe is well-positioned to capture increased real estate investment, hosting seven of the top ten global destinations for capital deployment. The UK leads the European list, valued for its liquidity, transparency and safe-haven appeal.

Markets traditionally dominated by domestic investors, such as Germany and France, are attracting more international capital. With local investor activity slowing in some areas, cross-border investors see an opportunity to expand their presence during a period of relatively muted competition.

> "With strong liquidity and transparency, Europe's top markets are increasingly drawing international investment, offering opportunities as local investor activity eases."
>
> **LUKE DAWSON**
> Head of Global & EMEA Capital Markets

Top 10 Global Cross-Border Capital Destinations
Standing Assets, 12-Month Rolling, US$m

Country	Cross-Border Total	% of Total	Five Year Average
United States	▼ 26,525	16.6%	19.4%
United Kingdom	▲ 26,416	16.6%	15.7%
Germany	▲ 15,075	9.4%	9.5%
Japan	▲ 11,928	7.5%	5.7%
Australia	▲ 10,519	6.6%	5.1%
France	▼ 8,166	5.1%	5.2%
Spain	▲ 7,851	4.9%	3.9%
Italy	▲ 6,395	4.0%	2.9%
Netherlands	▼ 4,998	3.1%	4.0%
Poland	▼ 3,641	2.3%	2.4%

▲ ▼ Change in % share over the past 12 months

Data as of 2025 Q3

Sources: Colliers, MSCI Real Capital Analytics

Stabilizing outlook, return of core capital could unleash momentum

While investor sentiment remains cautious, stabilizing inflation and a relatively stable geopolitical environment provide a foundation for increased market activity. High capital values and pricing gaps for prime assets in mature markets have limited some investors, but overall transaction volumes remain healthy.

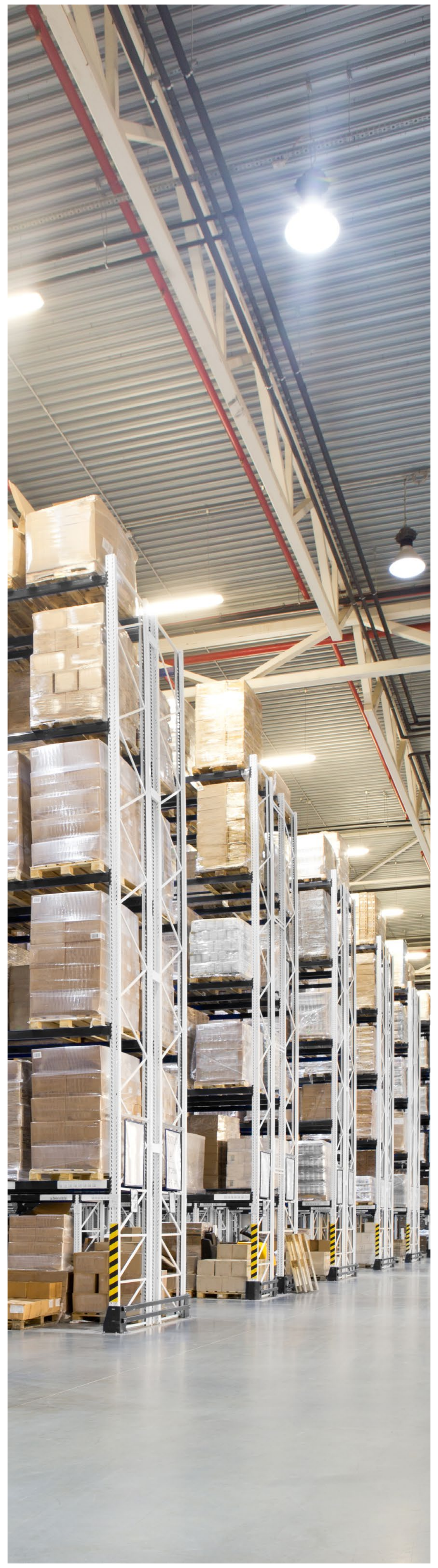
Recent short-term interest rate cuts across Europe, and anticipated reductions in the UK, are improving conditions, while spreads remain competitive globally, supporting both domestic and cross-border capital deployment.

Investors are also anticipating a return of core capital, which has been slower than expected. Emerging pockets of activity, particularly in the office and industrial and logistics (I&L) sectors, are likely to accelerate into 2026. Increased core acquisitions will boost market momentum, drive volumes and encourage more sellers to act on their business plans.

> "The Eurozone has largely exhausted the scope for short-term rate cuts, whereas the UK has more to go. It faces high inflation alongside weak growth, and policymakers will act in early 2026. Uncertainty remains around the impact of tariffs on consumption and costs. While the outlook isn't fully clear, investors can move forward with cautious optimism."
>
> **DAMIAN HARRINGTON**
> Director, Head of Research, Global Capital Markets & EMEA

Core capital is expected to rebound, with momentum already emerging in office and industrial & logistics.

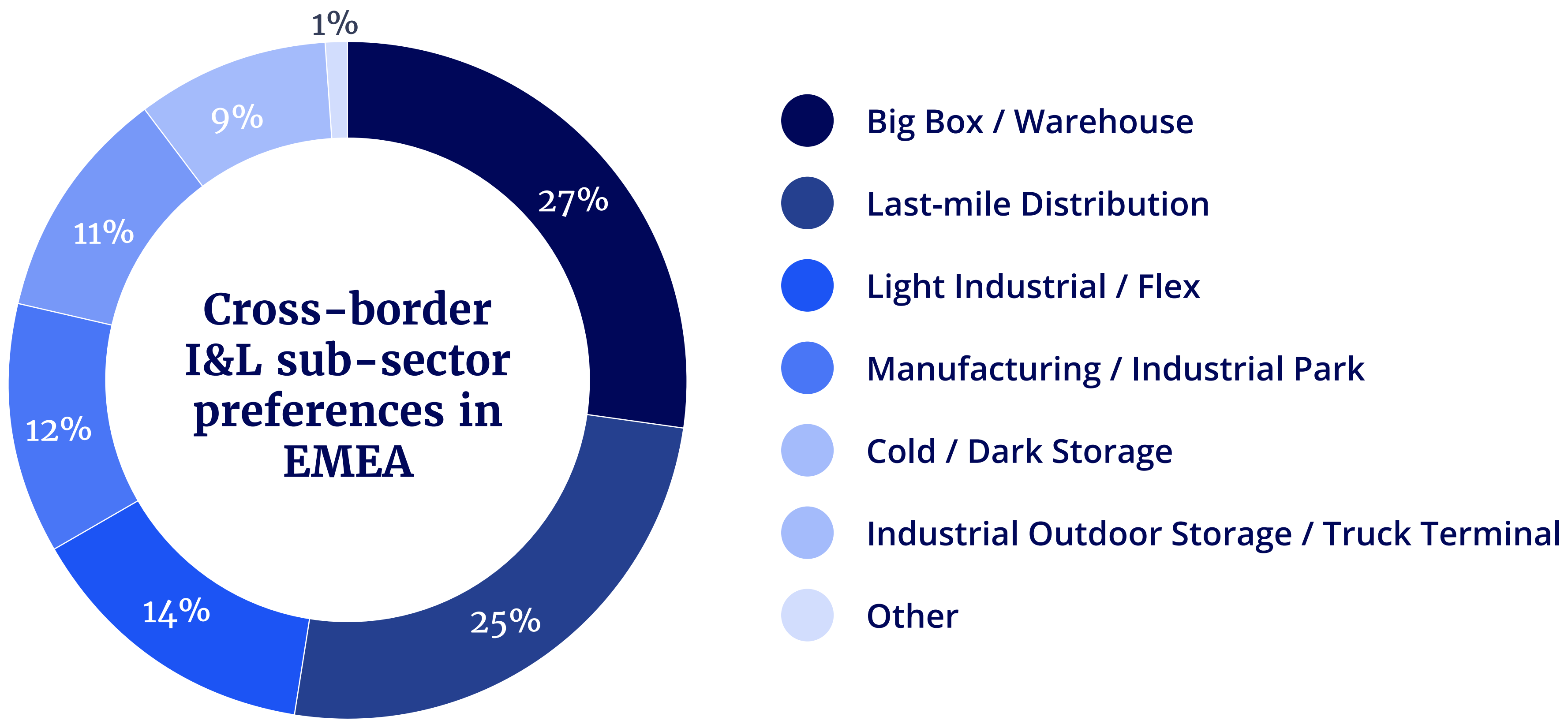
Paris, France



I&L strikes the right risk-return balance

I&L markets will benefit from strong infrastructure and NATO's planned €50 billion annual defense investment over the next decade. This could transform manufacturing, logistics and supply chains, especially as 2024 I&L investment totaled circa €40–50 billion. Continued e-commerce growth, driven by low penetration rates, will further support the sector.

Core markets like Germany, the Netherlands, and the UK will remain active as investors seek reversionary opportunities, although investment volumes may be capped by relatively high valuations and the limited supply of prime assets. Central and Eastern Europe is now attracting increased I&L portfolio activity, as institutional and private equity investors respond to the favorable risk-return profile, with significant deals emerging in Slovakia and Poland.



Source: Colliers 2026 Global Investor Outlook Survey

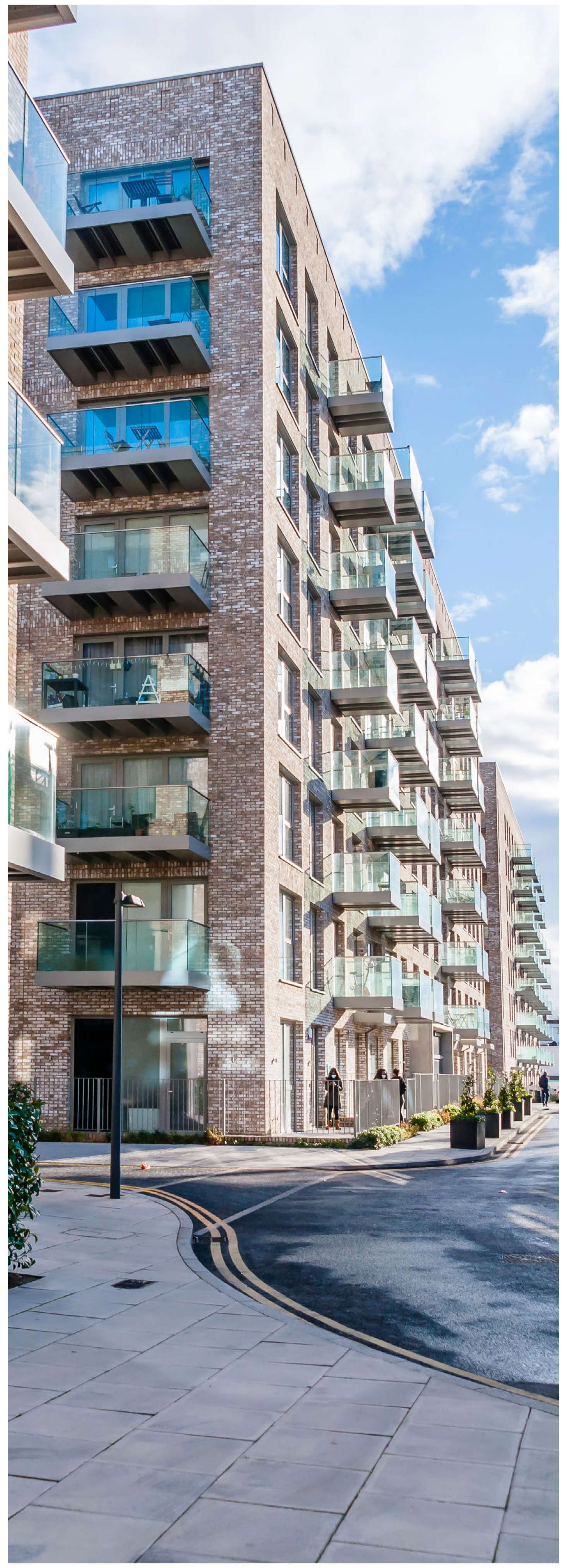
> "Investors have focused on top-tier industrial assets in prime locations, but supply is limited. Some frustrated capital in Western Europe is increasingly looking to Central and Eastern Europe, where lower labor costs, available land and cheaper rents make the markets more attractive than previously thought. We expect indirect investment across the region to rise, mainly through JVs and strategic partnerships."
>
> **EDWARD PLUMLEY**
> Director, EMEA Capital Markets, Co-head, Industrial & Logistics

Data centers see strong growth despite challenges

The EMEA data center sector has grown substantially, although capital raised in the U.S. remains small in comparison. High demand for infrastructure-linked assets, expanding AI, tech, and defense sectors will keep the sector very active in 2026. Access to power and sustainability regulations will pose challenges for developers and investors.

Self-storage emerges as a growth opportunity

Investor interest in self-storage is rising as the sector catches up with other alternative asset classes. Strong demand for flexible space and limited supply in key markets are creating opportunities for value-add and expansion across Europe.



Student housing catching up with multifamily

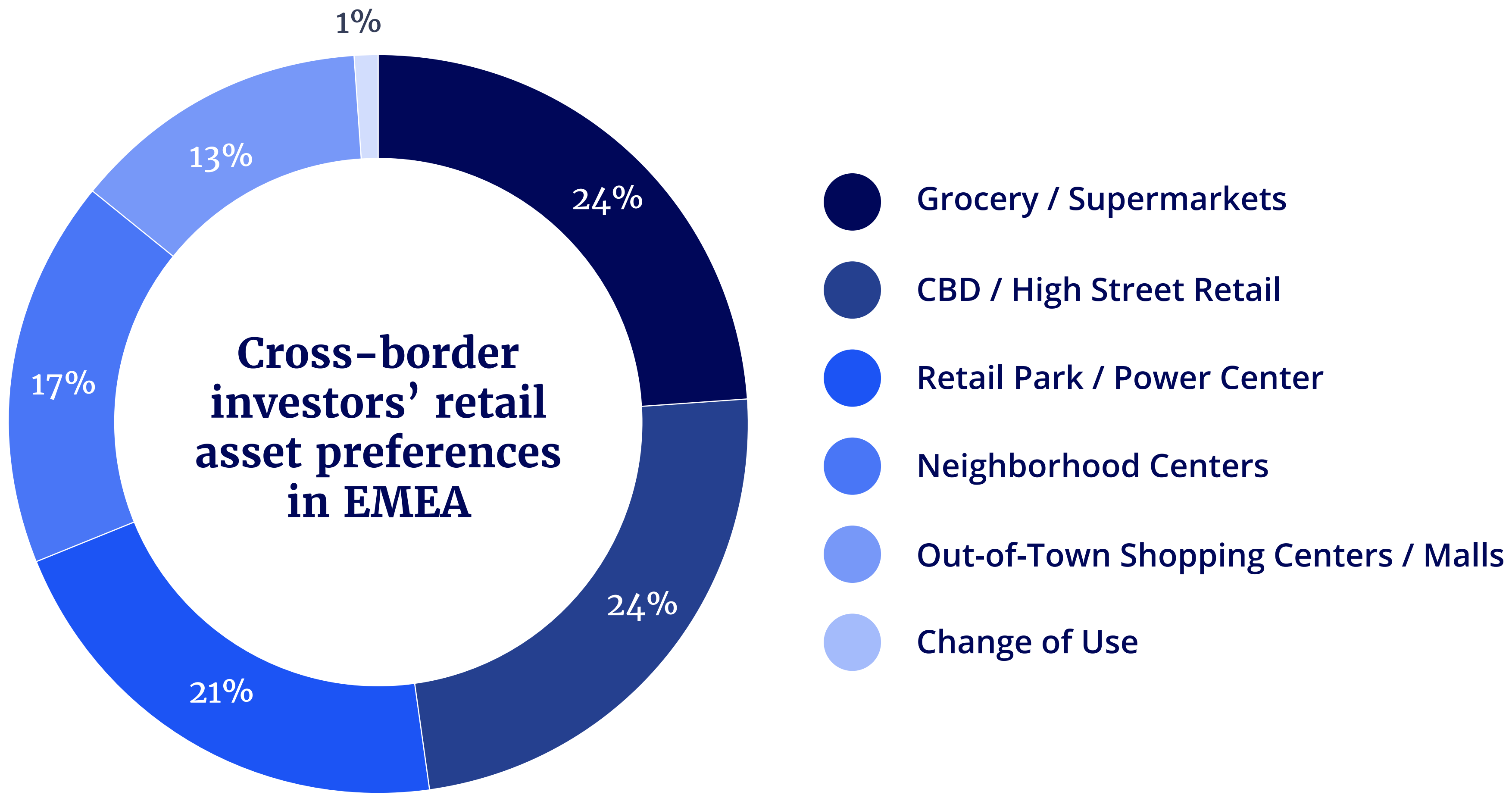
Multifamily remains a preferred asset class for investors, but recent evidence of transactions points to purpose built student accommodation (PBSA) catching up, especially as multifamily pricing remains tight in many markets. That said, student accommodation continues to face supply shortages, particularly in markets with leading universities such as the UK. Once dominated by development, the UK PBSA sector is becoming increasingly institutional, creating value-add opportunities to refurbish and future-proof assets. Activity is also expanding across Europe, with strong growth in Iberia and further potential in Germany and Italy.

> "There's a growing opportunity to acquire and refurbish first-generation assets, future-proofing them for the next generation of students. While investment has traditionally focused on ground-up development, we're now seeing increasing interest from vertically integrated capital seeking standing assets where active management and upgrades can drive long-term value and performance."

MATTHEW ARDRON
Director, EMEA Capital Markets

Retail favored as a defensive play

Retail assets are attracting renewed investor interest, supported by stable income streams, potential rental growth and attractive yields/valuations. Grocery and convenience retail, including retail parks, along with high street locations, are expected to be the top investment priorities in 2026. Appetite for secondary assets remains limited, especially as concerns around inflation and consumer sentiment persist, but the sector benefits from low development activity compared with other asset classes. With few alternatives to leading centers and key shopping destinations, the defensive appeal of core assets remains strong.



Source: Colliers 2026 Global Investor Outlook Survey

Office poised for resurgence

Activity in the office sector is returning across tier-one and tier-two cities, supported by attractive pricing and yields relative to other asset classes. Large-scale transactions have returned in top markets like Paris and London, with most deals now exceeding £100 million (US$133 million) for the first time in years.

The sector is also seeing growth in joint ventures (JVs) targeting value-add and core assets, giving investors more direct participation in major deals. This trend is expected to continue, alongside potential equity recapitalizations, further boosting market momentum.

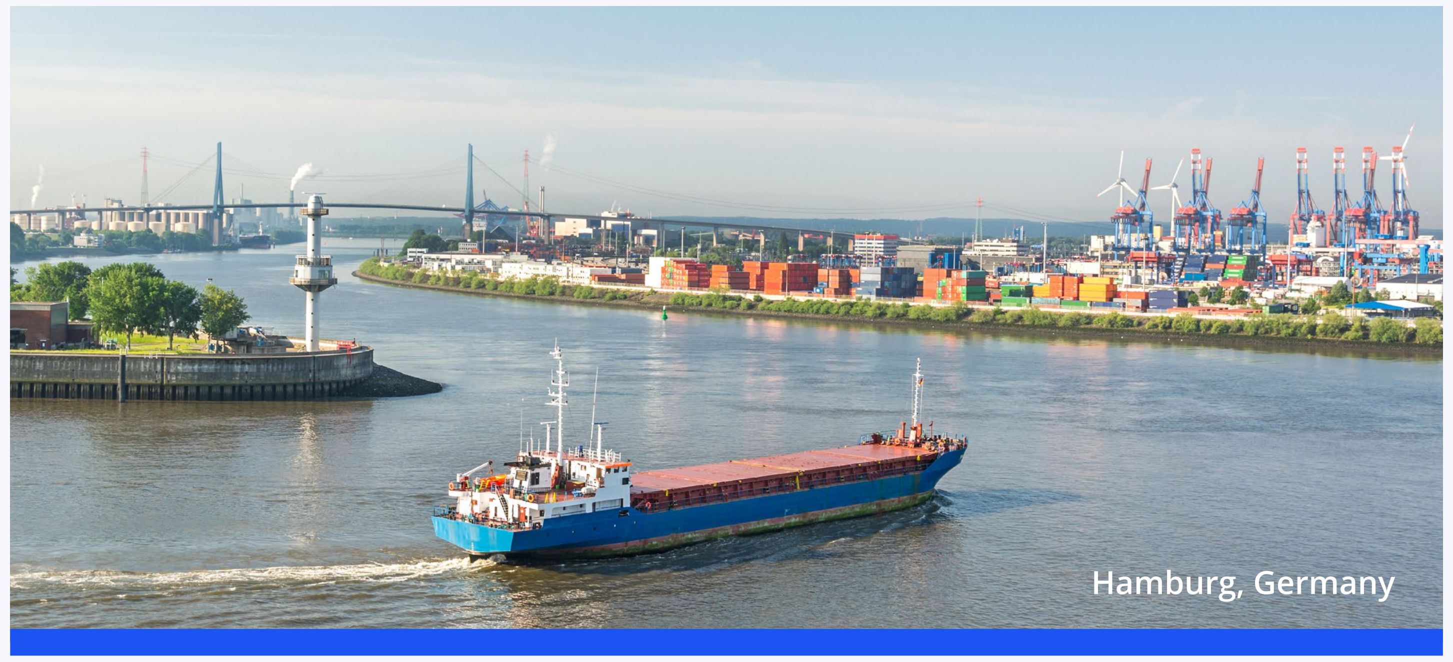
> "Investors are targeting office locations with stable occupier demand and seeking to create value through discounted trophy assets or refurbishments, including sustainability upgrades, to drive future rental growth."
>
> LUKE DAWSON
> Head of Global & EMEA Capital Markets

Investors becoming more hands-on with hospitality

European hospitality investment is shifting from traditional lease contracts to risk-based hotel management and franchise agreements, driven by higher returns, deeper industry knowledge and stronger lender support.

London remains the region's top investment destination, followed by France, Germany, and Spain, where the tourism sector is becoming more institutionalized. Greece and the Adriatic region are emerging markets, offering stable economies, growing tourism and limited development, creating attractive opportunities for investors.

Preferred Locations by Asset Class



01 | Industrial & Logistics
in Amsterdam, Hamburg, and Frankfurt

02 | Multifamily
in Madrid, London, and Amsterdam

03 | Office
in London, Paris, and Munich

Building costs to dampen development

Unless there is a sharp economic or geopolitical shift, high building/operating costs are expected to be the main drag on development in 2026, particularly in the multifamily sector.

Housing shortages across Europe are set to persist, but more ambitious policies could unlock new phases of affordable and multifamily development. Additionally, higher construction levels will introduce more product to the investment market in due course.

EMEA | What to Watch in 2026

Opportunities

- Office activity is rising, bringing assets ripe for sustainability-focused refurbishments and redevelopment.
- Institutionalization in student housing and hospitality opens opportunities for JVs and operating businesses, with branded residences emerging as a key area.
- Geopolitical trends are driving infrastructure growth and reshoring, benefiting manufacturers, supply chains and industrial assets.

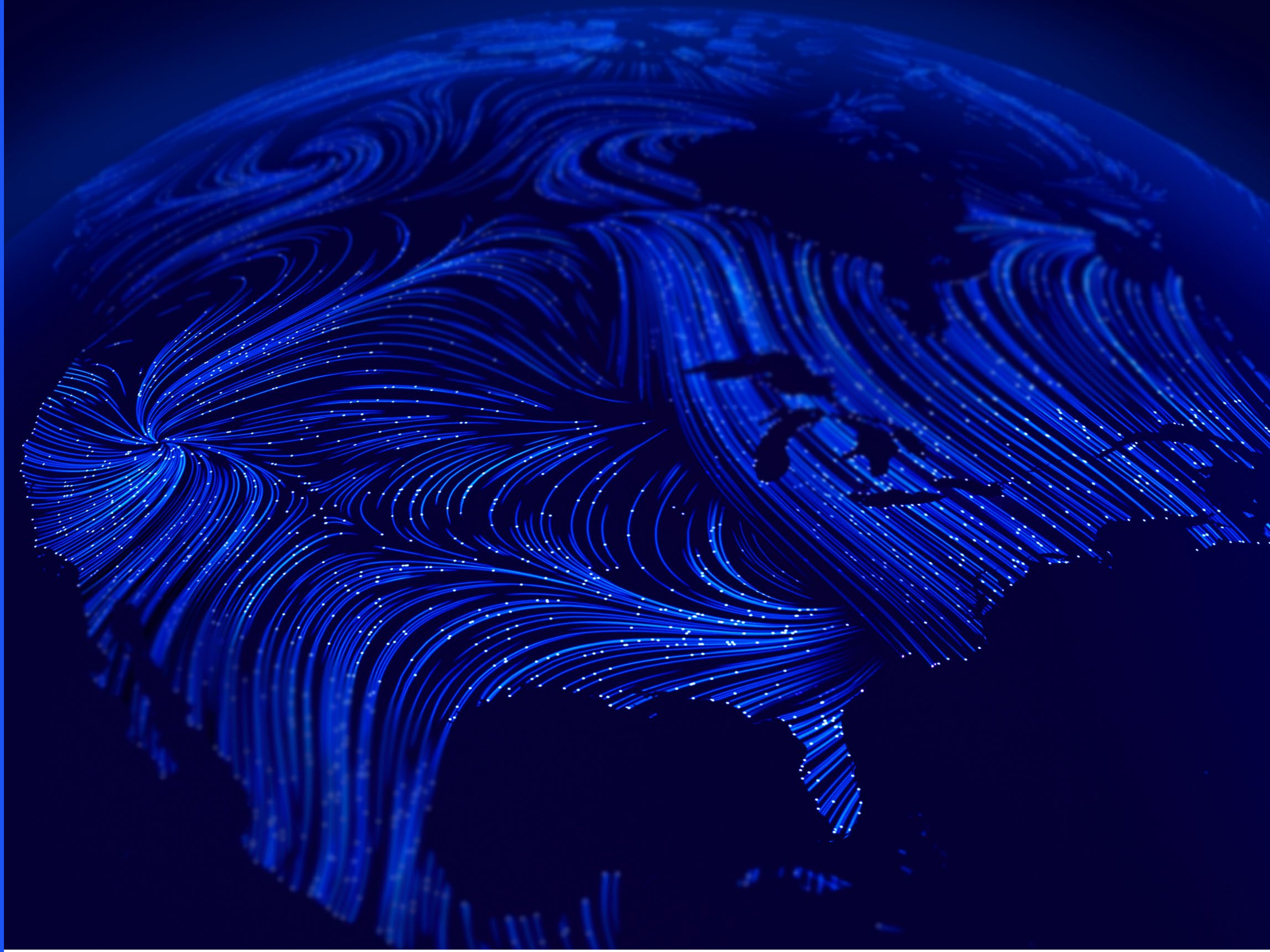
Considerations

- Persistent inflation or slower-than-expected policy easing could shift pricing and reduce investment activity, especially in major markets like the UK.
- High construction and operating costs remain a challenge across asset classes, particularly for development.
- Development constraints and regulatory uncertainty will continue to limit supply in fast-growing sectors such as data centers and student housing.

Outlook

United States

The U.S. will remain a key source and destination for global capital, with real estate fundraising on the rise. Investors are moving to capture opportunities created by increasingly attractive pricing, improving fundamentals across major asset classes, and a surge in data center development.




Chicago, Illinois

Pent-up capital poised to make a return

The groundwork is being laid for improved activity, supported by hundreds of billions of dollars in parked capital waiting to be deployed. Fundraising is rebounding from recent lows, with several funds exceeding targets, a promising sign. PERE reports that fundraising of US$66.2 billion through 2025 Q3 has already topped the US$65.5 billion raised in all of 2024. At the same time, debt capital is readily available, providing a necessary backstop for stronger investment sales activity in the quarters ahead.

The U.S. should remain the largest source of cross-border capital globally. Early indicators suggest that major global investors such as NBIM, GIC, EQT, and Brookfield are turning to the U.S., including on the office side. Foreign investment has been muted in recent quarters, with selective acquisitions taking place. A rebound in international capital flows to the U.S. would accelerate the recovery in volume and bolster overall market growth.

> "Investors continue to find greater relative value in debt than on the equity side. This dynamic is creating an environment where capital remains widely accessible."
>
> **DAVID AMSTERDAM**
> President, Capital Markets, U.S.

Top Five Global Cross-Border Capital Sources
Standing Assets, 12-Month Rolling, US$m

Country	Cross-Border Total	Cross-Border Global	Cross-Border Regional	% of Total	5-Year Average
United States	▲ 43,817	40,701	3,116	27.5%	24.2%
Canada	▲ 14,710	9,050	5,659	9.2%	10.9%
United Kingdom	▲ 12,743	4,350	8,393	8.0%	6.6%
Sweden	▼ 9,397	3,804	5,593	5.9%	6.6%
Singapore	▼ 7,450	3,217	4,233	4.7%	9.2%

▲ ▼ Change in % share over the past 12 months

Data as of 2025 Q3

Sources: Colliers, MSCI Real Capital Analytics

Private investment leading the charge

Private investors are the primary source of capital today. While some of these players partner with institutional capital – whether pension funds, investment managers, or family offices – they have been by far the most active. Institutional capital and REITs are selectively returning to the market, which should improve liquidity overall, particularly for larger transactions.

Users are also becoming more active, recognizing value in today's market pricing. Those with long-term plans are able to acquire assets below replacement cost. These trends reflect typical behavior in the early stages of a recovery. It is worth noting that while volume has not hit the levels seen from late 2020 to early 2022, liquidity in the U.S. multifamily and industrial sectors is healthy relative to pre-pandemic norms.

> "The CMBS market is on a record-setting run, with strong issuance and a receptive buyer pool. This environment has provided a much-needed source of liquidity for major transactions – those surpassing $1 billion – as well as for quality office product. What was historically a 10-year CMBS deal has shifted to 5-year paper, reflecting investor expectations for lower Fed Funds rates in the future."
>
> **AARON JODKA**
> Director of Research, Capital Markets, U.S.

Institutional capital and REITs are selectively returning to the market.

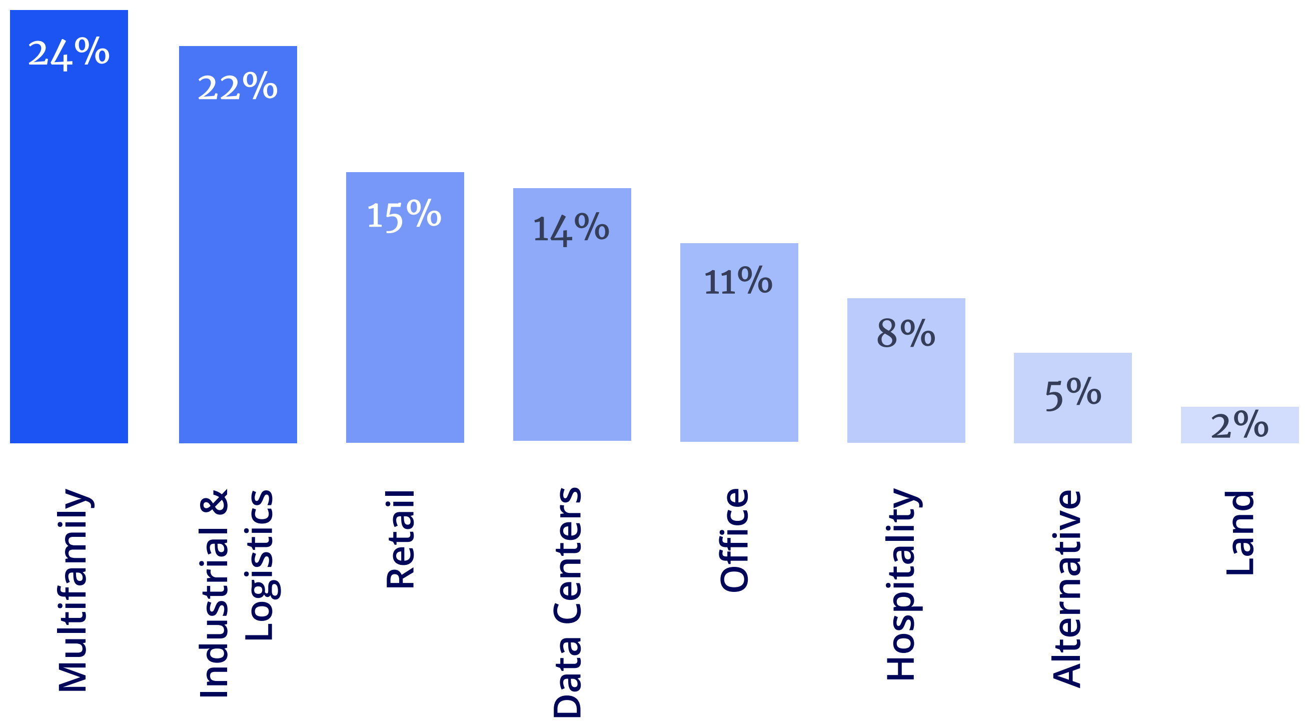
New York City, New York

Santa Monica, California

Multifamily and industrial stay in the spotlight

Investors remain heavily focused on multifamily and industrial properties, a trend that has persisted since 2020 and shows no signs of abating.

U.S. Cross-Border Investor Sector Preferences



Source: Colliers 2026 Global Investor Outlook Survey

From a market perspective, capital is chasing growth in the Sun Belt, and both asset classes are benefiting from an easing development pipeline. This is setting the stage for improved fundamentals and, in turn, rent growth. At the same time, core markets remain an intriguing play, capturing investor dollars. If fundamentals are slower to improve, rent growth will be as well.

> "Multifamily is on the verge of a rebalance. Starts are limited while demand continues to hold up well. Investors are uncovering opportunities from coast to coast."

DAVID GOODHUE
Executive Managing Director,
Boston & Head of Multifamily Capital Markets, U.S.

Easing supply-side pressure suggests stronger performance in 2026 and beyond for industrial & logistics. Institutional investors are becoming more active in this space, enhancing liquidity. Rents are correcting in several markets, limiting the mark-to-market strategy that had been popular in recent years.

Office recovery in motion

Office sales volume is improving as investors believe the worst of the cycle has passed. Fundamentals are stabilizing, with key markets such as Manhattan and San Francisco seeing a strong rebound in occupier demand. However, vacancy remains at record highs, and acquisitions require substantial capital investment to re-tenant low-occupancy assets.

Supply constraints create opportunities in retail and hospitality

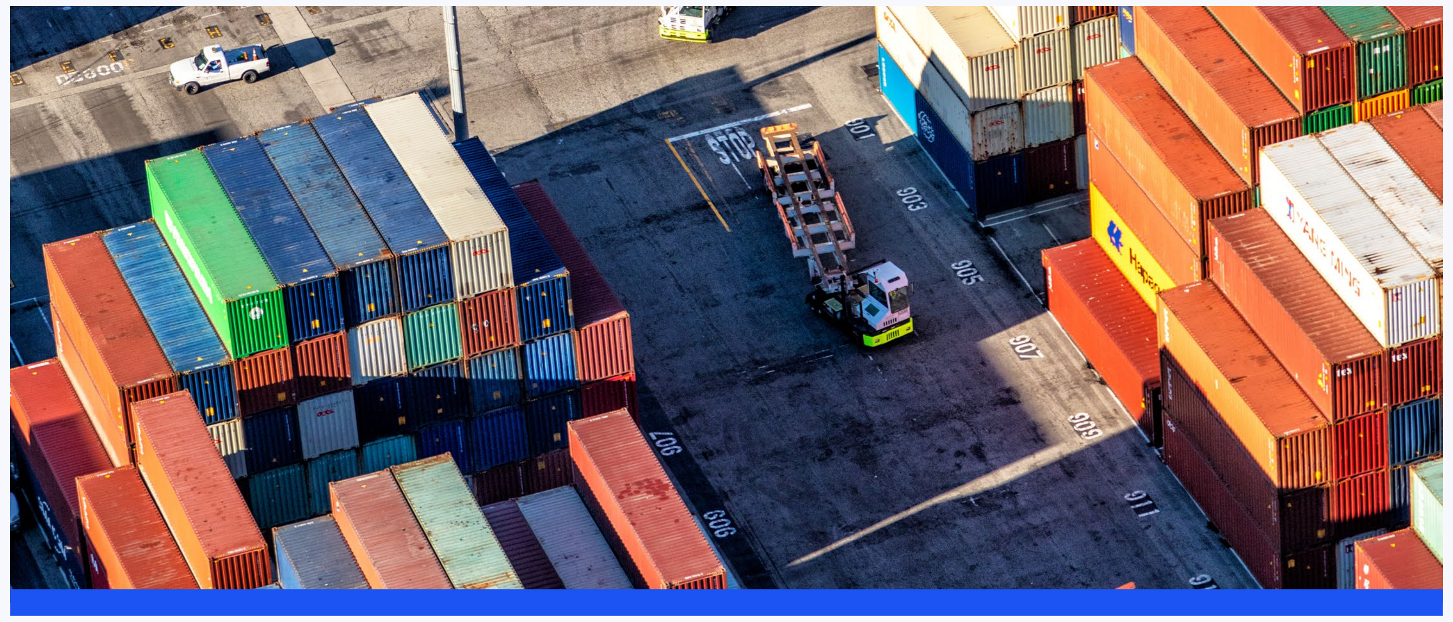
Retailers have balanced in-store and online experiences to capture consumer dollars, making them arguably the strongest they have been in recent years. Limited construction allows for healthier fundamentals and rent growth potential. U.S. consumers drive the broader economy, and a pullback due to softening job and economic conditions would weigh on the retail sector. Performance, however, will vary notably across brands, centers, and locations.

Limited supply-side pressure allows for stable hospitality asset performance. Investors with strong operations stand to outperform. That said, labor availability and quality are pressuring operating margins, while weaker international travel is putting downward pressure on bookings.

Preferred Locations by Asset Class


Los Angeles, California

01 | Multifamily
in Dallas, Los Angeles, and Atlanta



02 | Industrial
in Los Angeles, Dallas, and Chicago


New York City, New York

03 | Office
in Manhattan, Los Angeles, and Dallas

Data centers soar

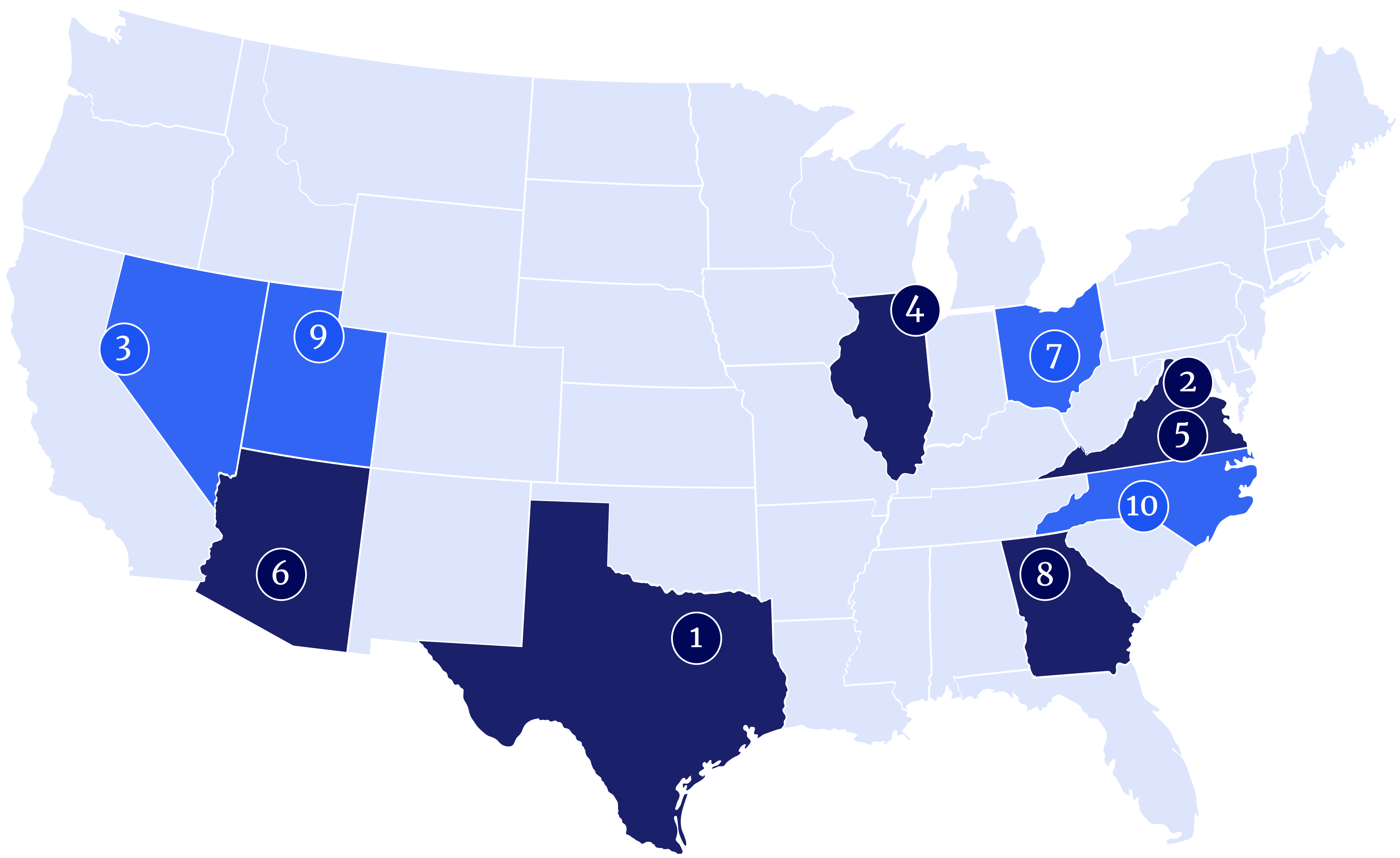
Data center demand is astronomical, with activity and investment reaching unprecedented levels. Development is expanding beyond major data center markets into secondary and tertiary locations, as platforms are being established and expanded, creating major private players. However, the cost of entry is steep, with new developments regularly topping US$1 billion. Access to power remains a key constraint on market expansion.

> "Record-high capital commitments are chasing the transformational opportunity in the data center space. Investors are permitting land, securing power arrangements, and raising funds at record levels. With both real estate and infrastructure funds seeking market exposure, the market is becoming increasingly competitive. Expertise, however, is paramount to create a differentiated platform."
>
> RAUL SAAVEDRA
> Vice Chair, Head of Data Center Advisory, Americas

Life sciences stabilize

Life sciences construction is easing, allowing the market to catch its breath. Talent remains highly concentrated in select locations, suggesting recovery will begin in major markets first. However, the rapid expansion of inventory in recent years has created elevated vacancy rates. Evolving policy and funding are pressuring demand, limiting leasing velocity.

Top Markets for Planned Data Center Power Capacity



- Major Markets
- Secondary Markets

1. Dallas, Texas
2. Northern Virginia, Virginia
3. Reno, Nevada
4. Chicago, Illinois
5. Richmond, Virginia
6. Phoenix, Arizona
7. Columbus, Ohio
8. Atlanta, Georgia
9. Salt Lake City, Utah
10. Charlotte, North Carolina

Sources: Colliers, datacenterHawk

Economic concerns, instability top list of risks

An economic downturn is the most likely impediment to a broader recovery next year. Numerous geopolitical factors also bear watching, including the risk of policy change, conflict, or broader uncertainty.

Distress is emerging, though the flood some had anticipated hasn't materialized. Loan extensions and modifications have carried the market as lenders kick the can. Note sales and short sales are coming to market, primarily for office properties. Industrial has shown few signs of distress, while transitional multifamily deals are facing headwinds.

> "Loan maturities will remain a focal point in 2026, with expectations for billions of dollars in extensions and modifications, similar to what we've seen in recent years. These maturities will present intriguing opportunities for acquisitions, recapitalizations, or financing."
>
> **DAVID AMSTERDAM**
> President, Capital Markets, U.S.

U.S. | What to Watch in 2026

Opportunities

- Early movers in the office sector may benefit from attractive valuations in top-tier cities positioned for long-term occupier demand.
- A slower pace of development is expected to create income-generating opportunities across the multifamily and industrial sectors.
- Secondary and tertiary locations are likely to remain key entry points into the expanding data center market.

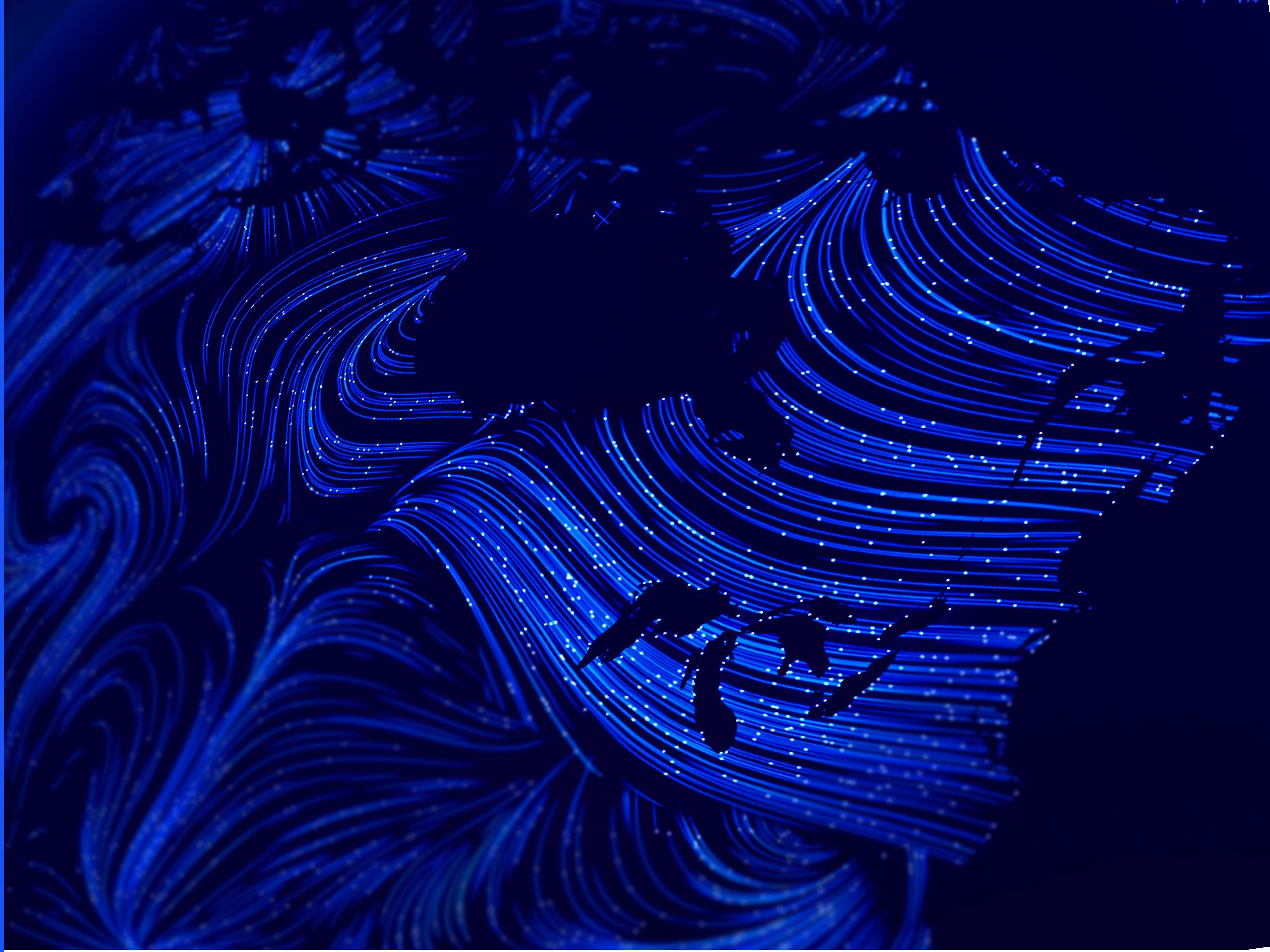
Considerations

- A significant economic slowdown could amplify distress in segments of the market already showing strain.
- Investment in AI and data center infrastructure will continue to lift U.S. GDP, tying real estate performance more closely to economic growth.
- Consumer sentiment and employment trends will bear watching, as weaker conditions could limit rental growth in residential and retail.

Outlook

Canada

Canada's status as a safe haven and long-term growth trajectory continue to attract capital, despite concerns about current economic weakness. Sectors like multifamily, retail, and industrial all exhibit limited supply and favorable valuations relative to global peers, setting the stage for more development and investment activity in 2026.



Market conditions improving despite tariff fears

Vancouver, Canada

While ongoing uncertainty around relations with the U.S., Canada's largest trading partner, continues to weigh on sentiment, tariffs have so far had limited impact on demand for assets in key sectors and markets. A significant portion of trade remains tariff-free under existing agreements and business activity is often sustained largely by regional and domestic demand. As interest rates normalize, capital costs ease, and bid-ask spreads narrow with more realistic book values, transaction volumes are expected to rise in 2026.

"Lenders are still very much open for business for the right product, and fundraising on the equity side is improving but we're still below prior peaks. Following a lull in transaction activity in 2025, a lot of dry powder has been sidelined but pressure to deploy remains, which bodes well for investment activity to improve next year."

REID TAYLOR
Senior Vice President, Capital Markets, Canada

Top Macro-Economic Challenges for Investors in 2026

01.
Trade tariffs and taxation

02.
Inflation

03.
Demographic pressure

04.
De-globalization/
rising geopolitical tension

05.
Consumer demand

Source: Colliers 2026 Global Investor Outlook Survey

Population and policy trends to benefit real estate

Demographics remain in Canada's favor and will ultimately be a more meaningful factor for the market than tariff concerns or borrowing costs. Though the impacts of tighter controls on immigration are already visible, it will still be a source of population growth that is robust compared to many global peers.


Vancouver, Canada

Canada also remains underbuilt relative to markets like the U.S., which continues to drive a supply/demand imbalance in sectors like multifamily and retail. Development will eventually see a resurgence, potentially as early as late-2026, as costs normalize, lenders grow less risk-averse and the government fast-tracks more projects to support the economy in the face of U.S. pressure.

> "It's not easy to develop here, which means we're much less overbuilt in basically every asset class. Investors can buy an asset and not have to worry about 10 more being built down the road that are going to push theirs down the market. The limited development outlook supports the argument for investing in Canada, because in many areas there's a fairly clean slate without competition."
>
> **ADAM JACOBS**
> Head of Research, Canada

Top Business Drivers for Investor Opportunities in 2026

01.
Technology readiness/digital maturity

02.
Revenue productivity outlook

03.
Workforce management

04.
Talent availability

Source: Colliers 2026 Global Investor Outlook Survey

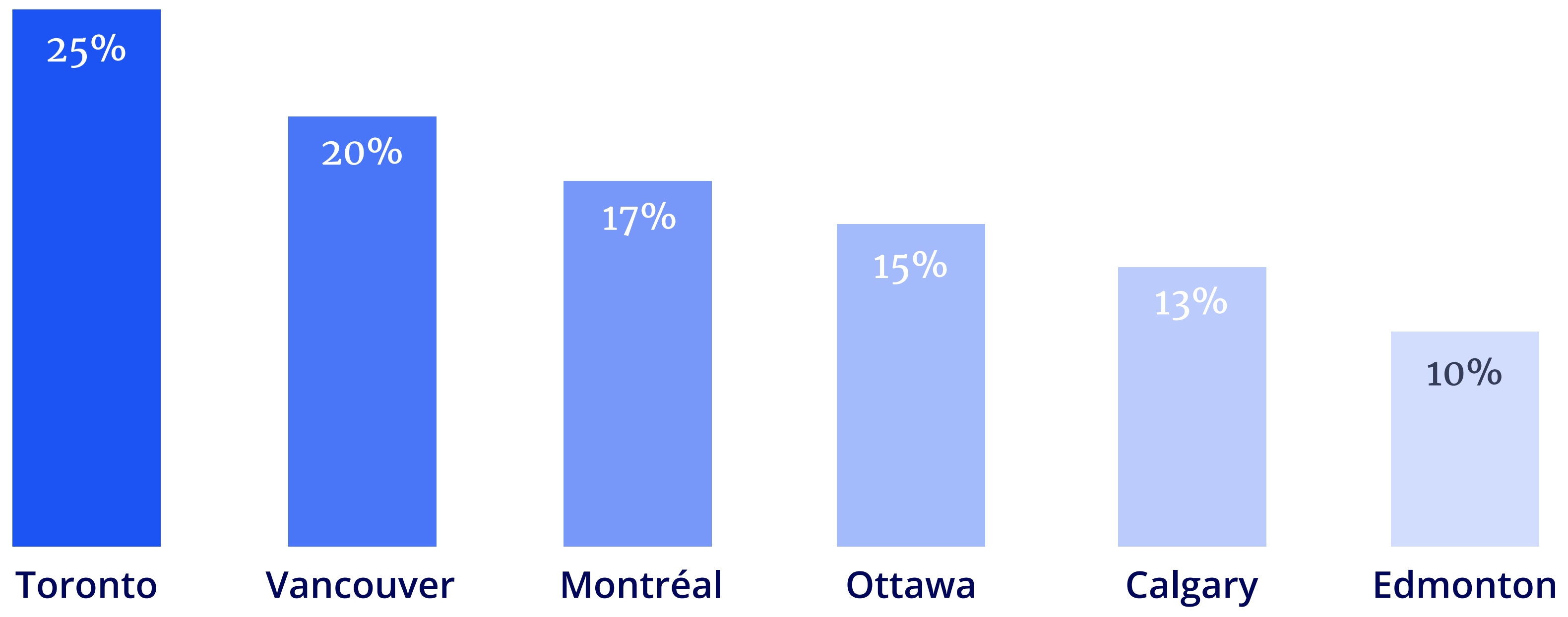

Toronto, Canada

Canada expands global appeal; domestic investors continue to drive the market

Pricing remains competitive in the global context, and Canada's reputation as a relative safe haven will continue to attract international capital. Beyond the established U.S. and APAC investors that have dominated in recent years, a growing number of European-based investors are renewing mandates to expand their presence in key markets such as Toronto, Vancouver, Montréal, and Calgary.

There are also signs that large domestic institutions, largely absent over the past 24 to 36 months, are returning to the market at meaningful scale. Major pension funds are signaling plans to increase Canadian allocations, particularly through platform and direct income opportunities. After nearly a decade of focusing on long-term growth and large development pipelines, many of Canada's biggest landlords are now rebalancing portfolios to prioritize investments that offer a shorter path to cash yield.

Preferred Locations for Investment in Canada, in 2026



Source: Colliers 2026 Global Investor Outlook Survey

> "There's increasing certainty to how assets are being priced in the market; the bid-ask spread is continuing to narrow, and book values are becoming more realistic. This alignment should enable the return of our largest domestic institutions in 2026, both on the buy and sell sides, which will act as a much-needed catalyst for broader market liquidity."

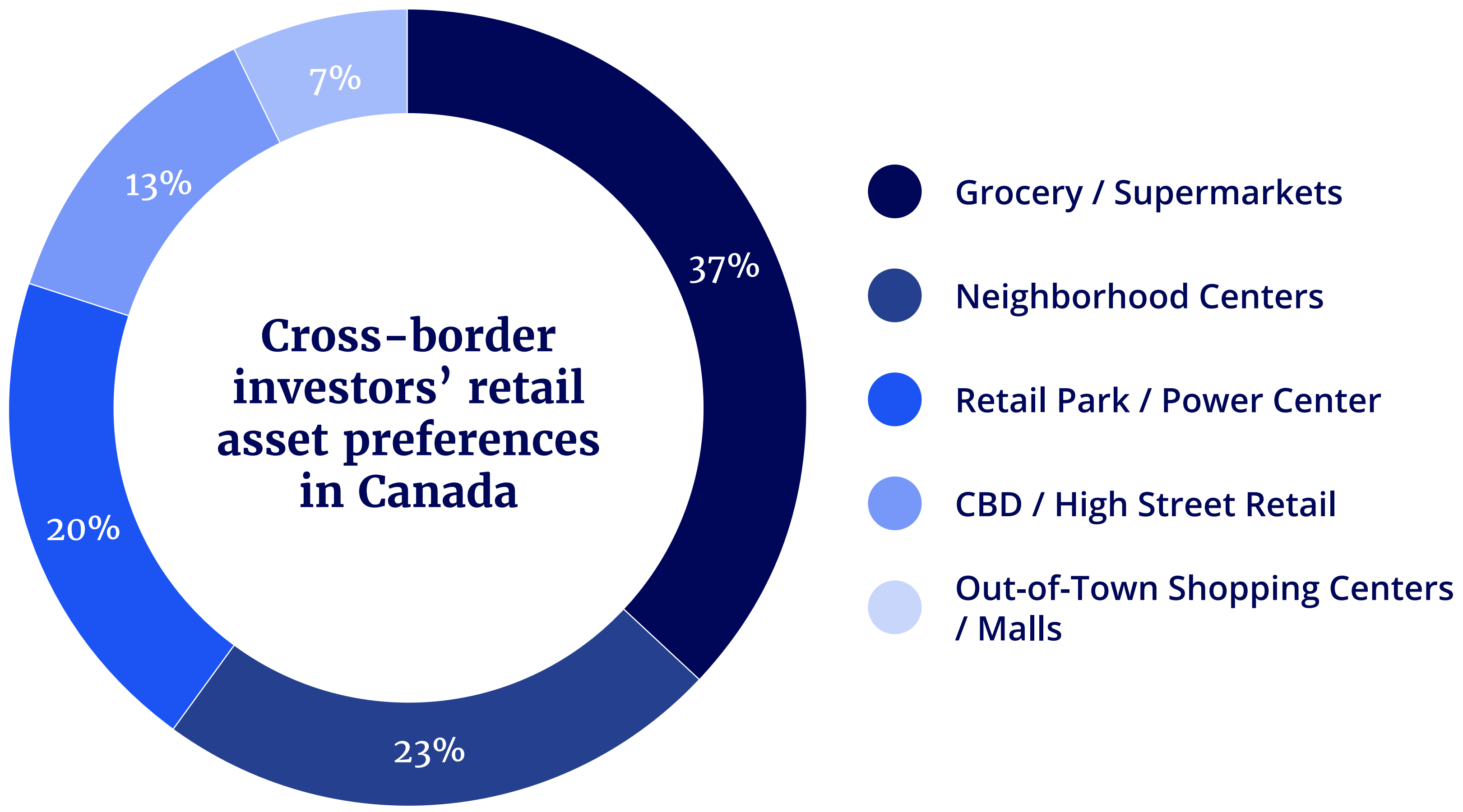
REID TAYLOR
Senior Vice President, Capital Markets, Canada

More privatizations, joint ventures and recaps expected

Privatizations are expected to be a major driver of transaction activity next year, as many REITs continue to trade below NAV and strategic buyers seek to capitalize on public-to-private valuation gaps. Programmatic JVs with developers are likewise gaining momentum, reflecting the prevailing investor preference for phased capital deployment and earn-outs tied to project stabilization. Mezzanine financing and preferred equity are also emerging as favored tools in an environment that requires more creative and flexible approaches across the capital stack.

Retail remains a core focus

Retail, particularly grocery-anchored and necessity-based properties, remains a key focus for institutional investors. Rising rental rates and steady yield growth expectations continue to drive acquisition activity. Supply constraints in major markets such as Greater Toronto, Montréal, and Vancouver make secondary markets increasingly attractive for investment.



Source: Colliers 2026 Global Investor Outlook Survey

Industrial and logistics showing steady adjustment

Despite lingering concerns over cross-border trade dynamics, Canadian industrial and logistics fundamentals remain healthy, with major markets now in the final stages of absorbing an unprecedented wave of new supply. While rent growth and net absorption tapered through 2025, leasing performance remains positive by North American and global standards. More institutions are adopting strategies surrounding supply-constrained small-bay, mid-bay, and urban infill assets with irreplaceable last-mile locations. Larger format "big box" facilities have seen the sharpest correction, but with speculative construction having slowed considerably, conditions are expected to tighten again by 2027 to 2028.

"Industrial and logistics dynamics in Canada have moderated over the past 12–24 months, but leasing fundamentals remain strong in a North American context. Availability rates have risen from historically low levels (2–3%), and below 1% in top submarkets – rarely seen in comparable global markets. While a rapid upswing is unlikely in 2026, growth is expected to remain steady."

REID TAYLOR
Senior Vice President, Capital Markets, Canada

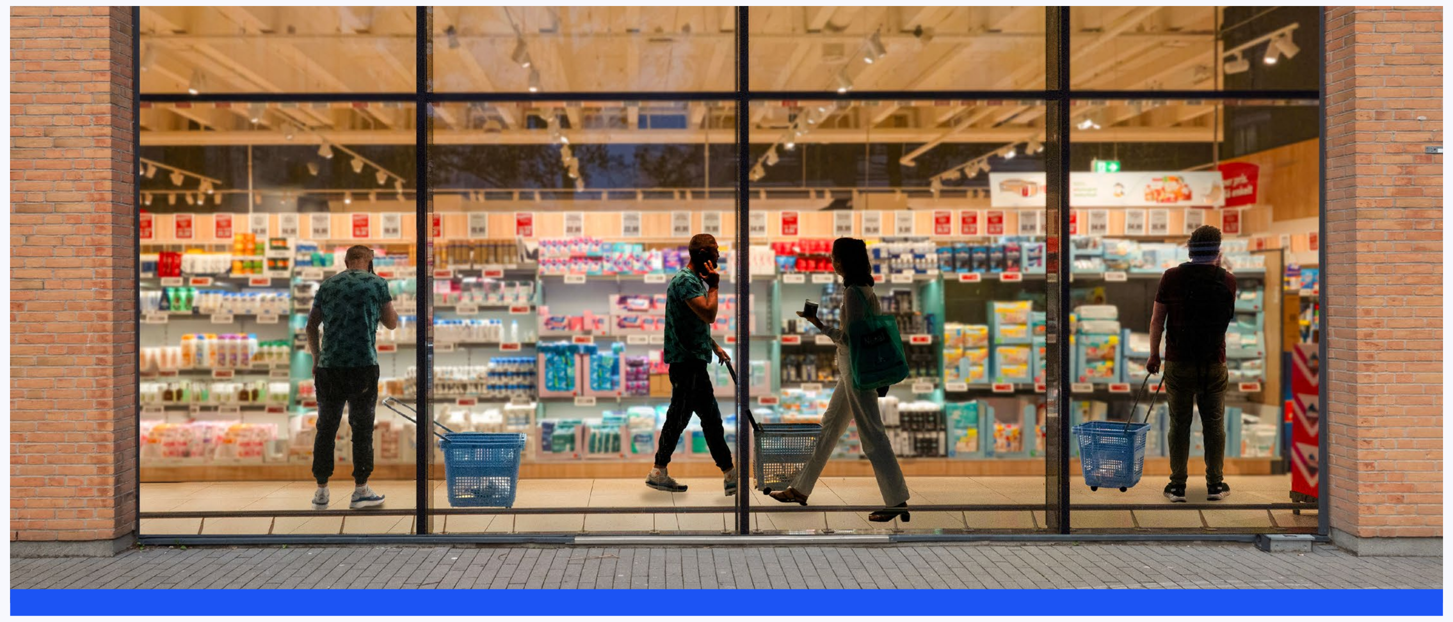
Multifamily activity climbs despite immigration curbs

Multifamily investment volumes rose over 20% in 2025 from the prior year and the sector's trajectory is set to continue in 2026, amid persistent housing shortages in markets like Greater Toronto, Calgary, and Ottawa. While recent policy changes will curb population inflows, immigration is still near historical records and will continue to drive rental demand amid tight supply.

Office recovery gains momentum

The long-awaited recovery in the office sector is gaining momentum as return-to-office mandates expand and companies move to reclaim space shed during COVID-era downsizing. A wave of new large-block occupier RFPs for Class A, AA and AAA space in Toronto's Financial Core, and increasing activity expected in Vancouver and Montréal, is already driving a rebound in investor confidence. With limited new supply across major CBDs, leasing momentum is set to accelerate, first concentrating on prime assets before extending to suburban and mid-grade space as demand begins to outpace available inventory.

Preferred locations by asset class



01 | Retail

in major markets for grocery-anchored and necessity-based assets, with top regional malls in secondary markets.

02 | Industrial & Logistics

in Greater Toronto, Vancouver, and Montréal for urban last-mile (small- and mid-bay, infill), and regional sortation locations (big box).

03 | Multifamily

in high-demand locations within major metros, core, core-plus, and value-add assets only.

Emerging opportunities for alternatives

Canada's alternatives market is expanding. Institutional investors are focusing on niche, defensive assets tied to demographic trends, including retirement homes, self-storage, and student housing, which benefits from strong international enrollment and limited campus accommodation. Data centers and digital infrastructure are also attracting interest, often requiring build-to-core strategies due to limited existing stock. Power supply availability and cost continue to constrain significant growth in the sector.

> "There's a huge amount of interest in assets that are less tied to the market and what's happening right now in the economy, and more tied to demographic trends – lab space, retirement homes, self-storage. We're seeing bigger deals in those spaces, with institutions that never would have been involved five or 10 years ago buying entire portfolios."

ADAM JACOBS
Head of Research, Canada

Canada | What to Watch in 2026

Opportunities

- Retail and industrial sectors outside primary markets offer attractive yields and long-term upside in secondary markets.
- Institutional growth in student housing and hospitality creates joint venture and operating business opportunities.
- Upcoming nation-building and infrastructure projects support domestic growth and a positive development environment.

Considerations

- Tariff and trade uncertainties may dampen business sentiment and reduce lender appetite, limiting investment activity.
- Traffic congestion and transit constraints continue to hinder office recovery in major CBD markets.
- Weak job growth and slower immigration could pressure multifamily rents and prompt pricing adjustments.

Global

Key takeaways

Act fast as competition heats up

With markets rebounding, domestic and global investors are returning, driving fierce competition for prime assets. Economic and geopolitical uncertainty may stall some deals, creating rare openings for agile investors. Speed, clarity, and decisive action will be key to capturing opportunities before the window closes.

Focus on occupier demand and rental growth

Understanding where rental growth potential lies is critical for success. While some sectors and regions continue to see strong gains, others still lag. Investors should target opportunities created by redevelopment or tightening supply, as these will drive returns in the coming year.

Partner with sector specialists

All sectors are navigating growing political, environmental, and regulatory complexity. Deep local insight and sector-specific expertise will be critical for identifying opportunities and managing risk.

Platform investment drives value and scale

Strategic joint ventures leveraging deep market and regulatory knowledge are key to enhancing asset value and generating outsized, long-term returns. A partnership approach can help investors access opportunities at scale, particularly in traditional sectors such as office.

Redevelopment offers a new path

With construction and infrastructure constraints limiting greenfield projects, redevelopment strategies are gaining appeal. Options include refurbishing aging offices, upgrading for sustainability compliance, or repurposing assets to meet demand in sectors such as multifamily and student housing. Growing support from policymakers and lenders is accelerating these initiatives.

CONTACTS

This report brings together the views of our senior experts around the world, our research data and insights from our recent survey of international investors.

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2026 Global
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