

# Global real estate investment: 2025 and beyond

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## Market trends

**After a sharp downturn in real estate capital markets, sentiment is starting to turn. But how quickly will recovery follow? We project global real estate investment will rise by 7% to US\$747 billion in 2024, with further growth to US\$952 billion forecast for 2025.**

The past 18 months has been notably quiet for global real estate capital markets. In 2023, investment fell to US\$699 billion, the lowest level since 2012, with the first half of 2024 following a similar trend. Much of this downturn is due to cyclical factors, particularly a generational shift in interest rates in most major markets.

But these cyclical factors are starting to reverse. Central banks across major economies have begun to cut policy rates, fears of a global recession have largely been quelled and occupational markets remain resilient. The fundamentals of real estate continue to attract institutional investors.

So what do these positive signs mean for future global real estate investment?

We've already seen some early signs of this optimism coming through capital markets. Investment turnover has stabilised, with institutional investors starting to return to the market, increasing their market share to the highest level since 2021.

Our forecasts, which cover over 90% of the global market, expect turnover to increase by 7% by the end of this year, reaching US\$747 billion. This recovery is anticipated to gather momentum in 2025, with investment forecast to rise by 27% to US\$952 billion. By 2026, global activity is expected to surpass the US\$1 trillion mark for the first time since 2022.

**Source:** *Savills Research using MSCI RCA, Macrobond, and Oxford Economics.*  
*Global investment throughout this article refers to investment in Australia, Canada, China, France, Germany, Hong Kong, India, Italy, Japan, Netherlands, Singapore, South Korea, Spain, Sweden, United Kingdom, and United States. In total, this represents over 90% of global investment.*

## **Regional investment forecasts**

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Much of this initial growth is supported by a recovery in Europe. With all major central banks in the region having started rate cutting cycles in the summer, commercial real estate is looking a lot more attractive. Pricing plays a role here too – values across Europe have corrected quickly, allowing buyer expectations to be met. However, it is important to take base effects into account for context; Europe experienced the largest decline in investment in 2023.

Next year, North America is forecast to be the fastest-growing region, with investment of US\$575 billion – a 38% increase on the year. This comes as the Federal Reserve has cut policy rates by 50 basis points – to 5% – with further easing expected.

The International Monetary Fund projects US growth at 1.9% in 2025, slower than in 2024 but still outpacing expectations for the euro area. Pricing has already begun to improve; for the first time since November 2022, commercial property prices were up in August, according to MSCI RCA.

Investment activity in APAC has remained relatively stable over the past few years, having avoided the volatility seen in America and Europe. This steady growth is expected to continue over the coming years, though activity will vary across countries.

Indebted developers and slower economic growth in China will weigh heavily on real estate markets, dampening investment. Japan is set to experience higher-than-average growth due to corporate reforms and still low interest rates. Meanwhile, India is one of the fastest growing investment markets in the region – albeit starting from a lower base.

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Market trends

# How infrastructure investment brings real-estate opportunities

Over the coming decades, trillions of dollars will be spent on public transport, green energy generation, digital connectivity and sustainability projects. And where infrastructure leads, real estate follows