

2024

INVESTOR SURVEY

INVESTOR EXPECTATIONS SNAPSHOT



Soft-Landing Recession



Downturned Market for
Longer Than a Year



No Rate Hikes

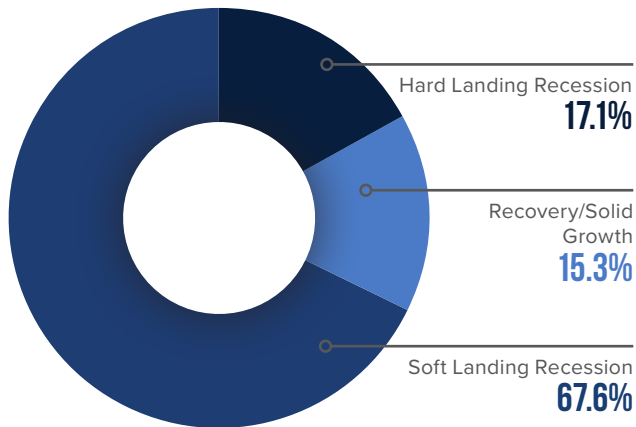


Increased Cap Rates

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES

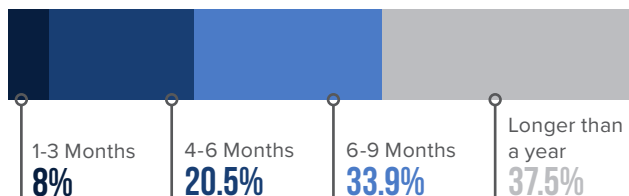
MARKET OUTLOOK

ECONOMIC PREDICTIONS FOR 2024



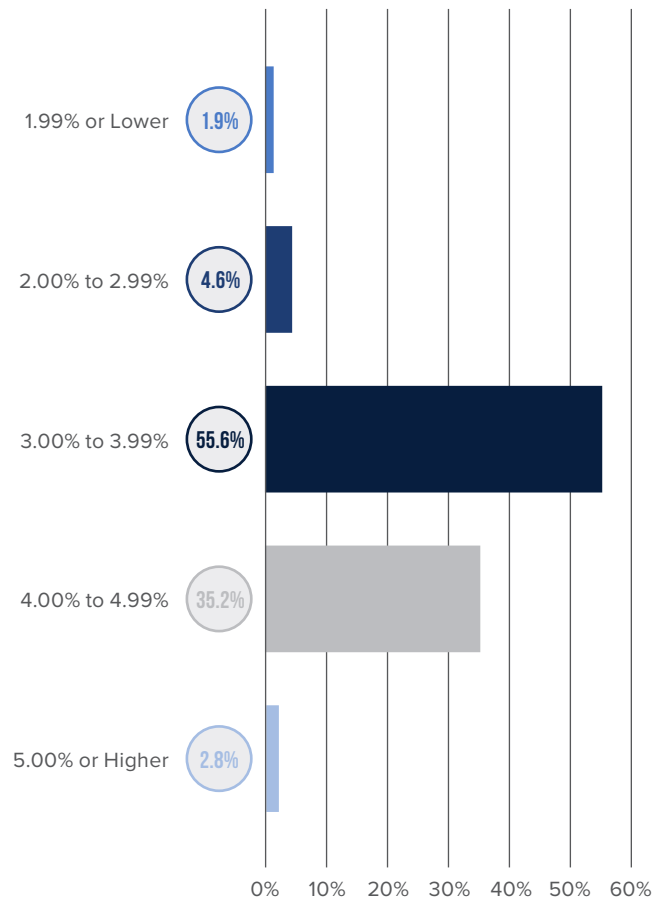
67% OF INVESTORS PREDICT A SOFT-LANDING RECESSION

DURATION OF DOWNTURNED MARKET



37% OF RESPONDENTS BELIEVE THE MARKET WILL BE DOWN FOR LONGER THAN A YEAR

WHERE WILL THE 10-YEAR TREASURY FALL IN THE FIRST 6 MONTHS OF THE YEAR?



OVER 50% OF INVESTORS BELIEVE THAT IN H2 2024 THE 10-YEAR TREASURY IS EXPECTED TO FALL BETWEEN 3.00% AND 3.99%

RATES WILL INCREASE IN...

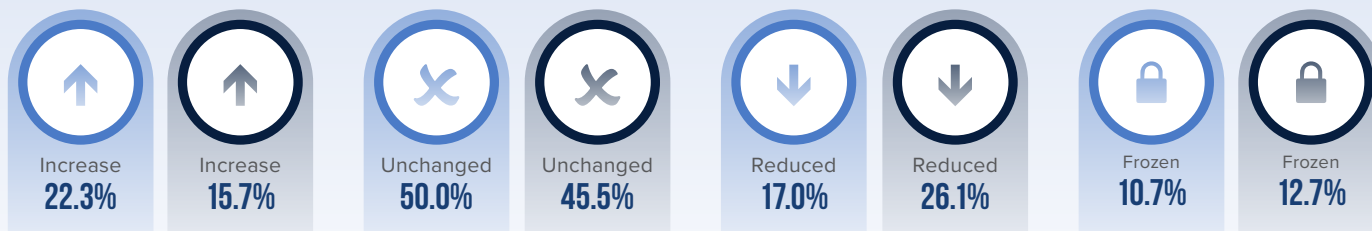


INVESTORS EXPECT NO RATE HIKES IN 2024

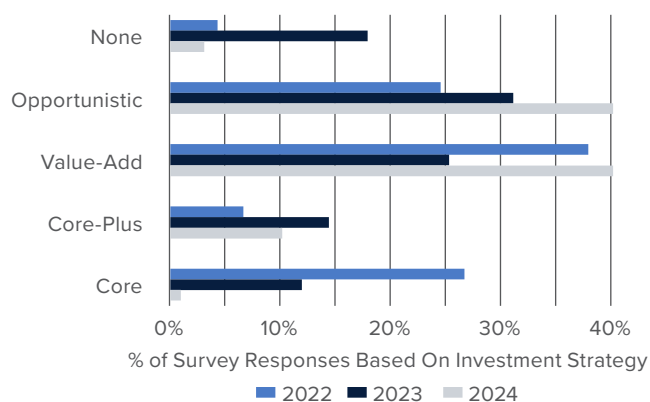
COMMERCIAL REAL ESTATE FUNDAMENTALS

% SHIFT IN INVESTMENT PRIORITIES LAST 12 MONTHS

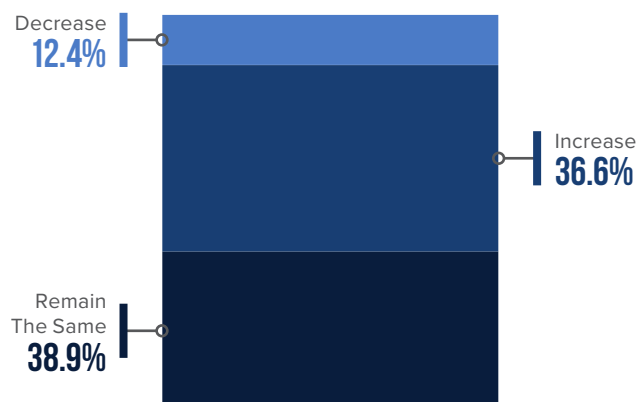
■ End of Year 2023 ■ Mid-Year 2023



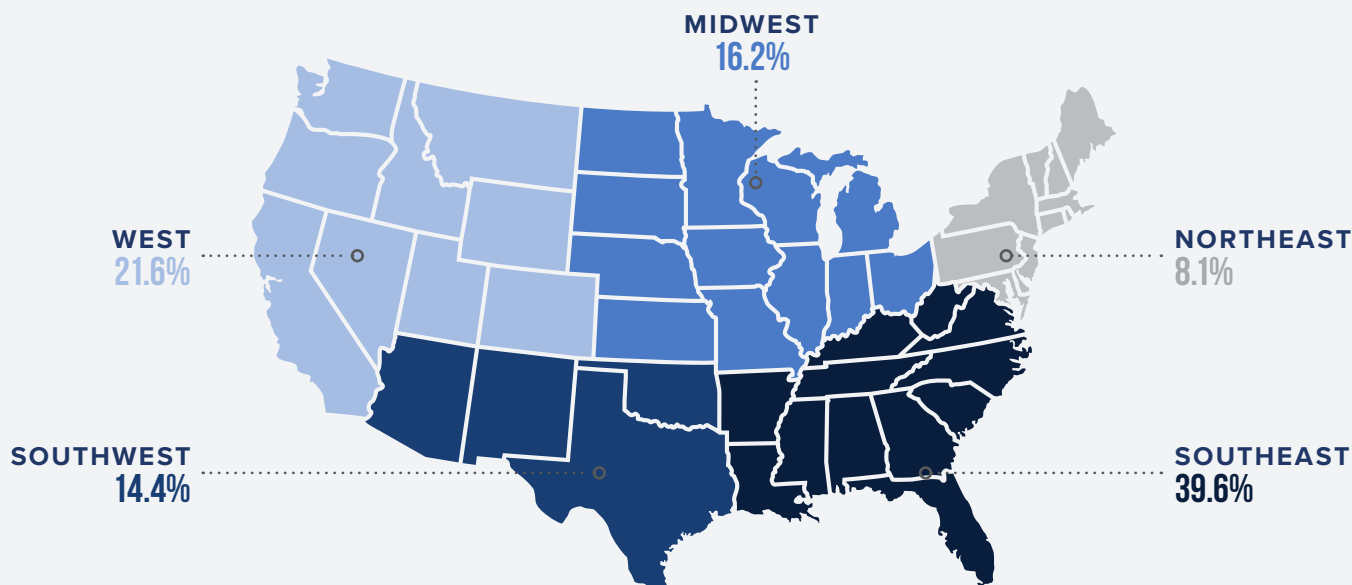
INVESTORS INCREASE FOCUS ON OPPORTUNISTIC STRATEGIES IN 2024



CAP RATES ARE ANTICIPATED TO INCREASE IN THE NEXT 6 MONTHS

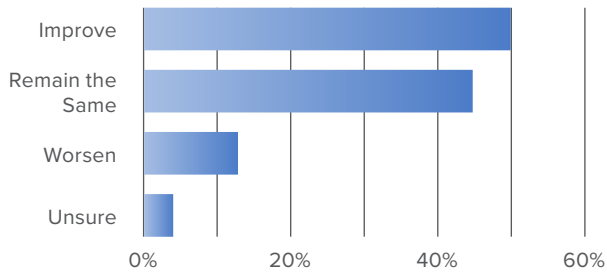


REGIONS INVESTORS ARE TARGETING

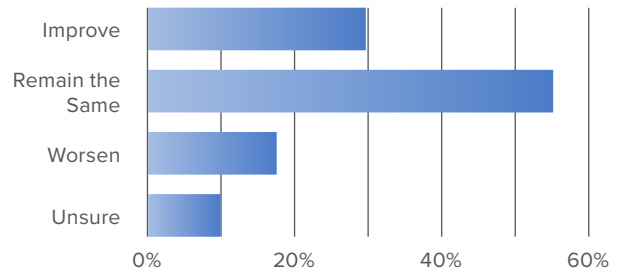


IN 2024, CRE SALES ACTIVITY IS EXPECTED TO IMPROVE WHILE LEASING ACTIVITY WILL REMAIN THE SAME AS 2023

SALES ACTIVITY

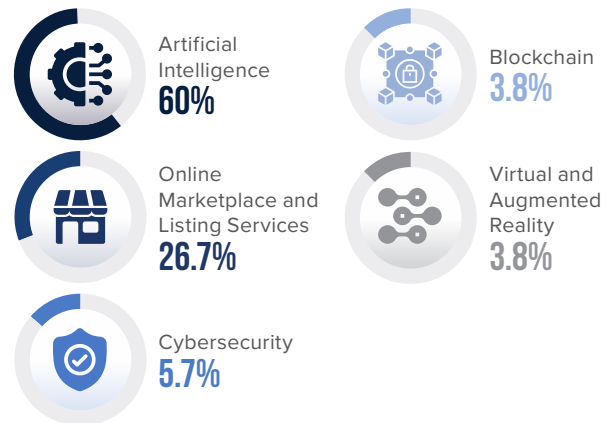


LEASING ACTIVITY



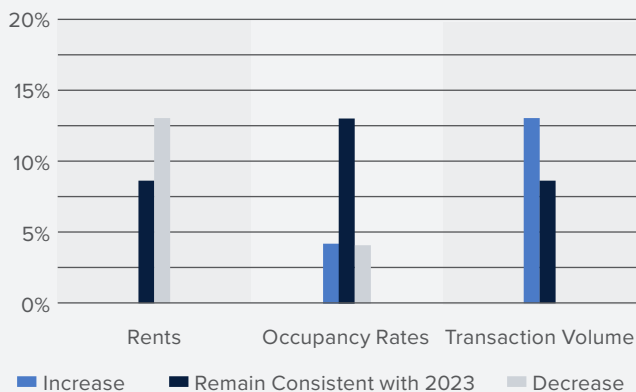
IMPACTFUL TECHNOLOGY WITHIN THE NEXT 5 YEARS

60% OF INVESTORS BELIEVE ARTIFICIAL INTELLIGENCE WILL MAKE A MAJOR IMPACT ON CRE OVER THE NEXT 5 YEARS.

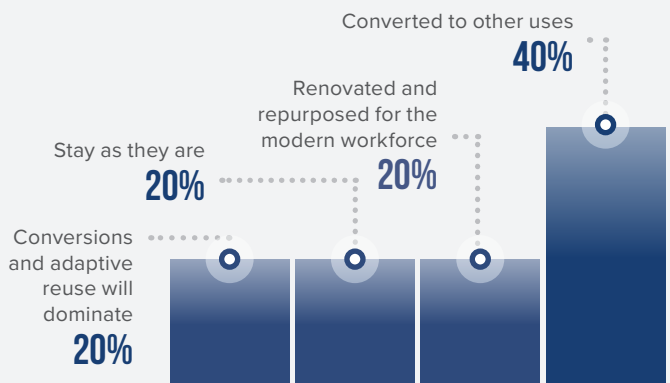


OFFICE

FUNDAMENTALS IN 2024

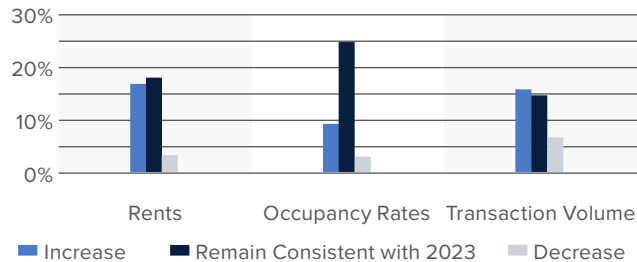


WHAT DO YOU BELIEVE WILL HAPPEN TO OUTDATED OFFICE BUILDINGS?



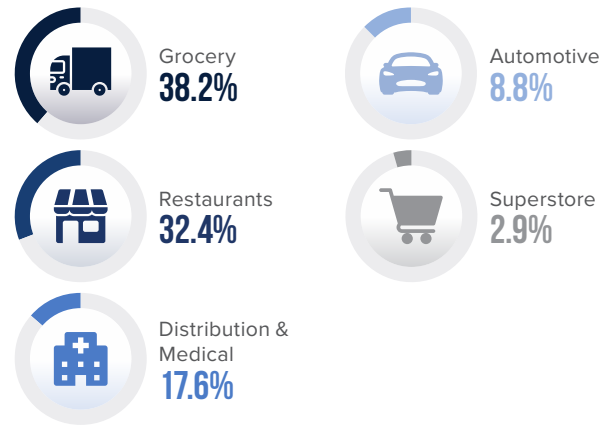
RETAIL

FUNDAMENTALS IN 2024



GROCERY WAS THE #1 SELECTED SUBSECTOR TO OUTPERFORM IN 2024.

OUTPERFORMING SUBSECTORS FOR 2024



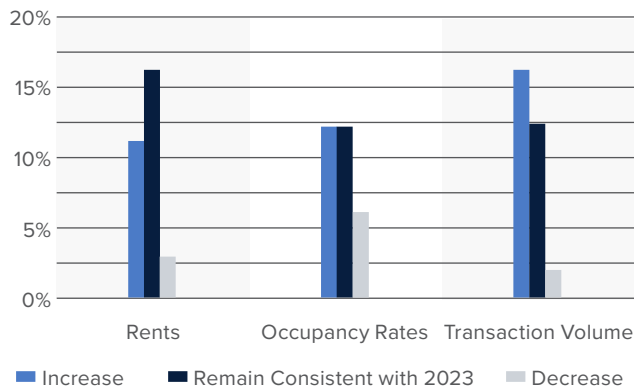
INVESTORS BELIEVE CONSUMER SPENDING WILL BE ONE OF THE MOST PREVALENT RETAIL TAILWINDS IN 2024, WHILE INFLATION WILL BE THE MOST PREVALENT HEADWIND.

OPTIMAL RETAIL LOCATION FOR THE NEXT 5 YEARS

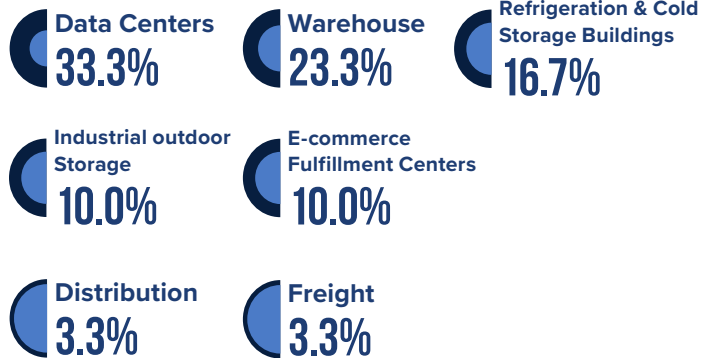
- 1 COMMUNITY SHOPPING CENTERS
- 2 RETAIL STRIP CENTERS
- 3 SUBURBAN CENTERS

INDUSTRIAL

FUNDAMENTALS IN 2024

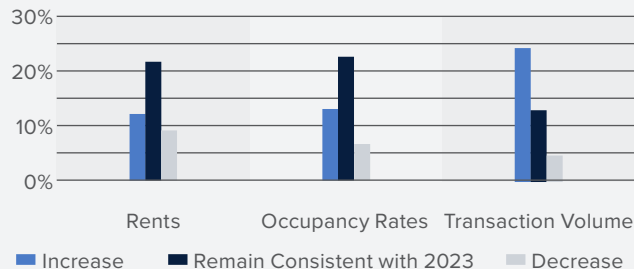


INDUSTRIAL SUBSECTORS TO OUTPERFORM IN 2024



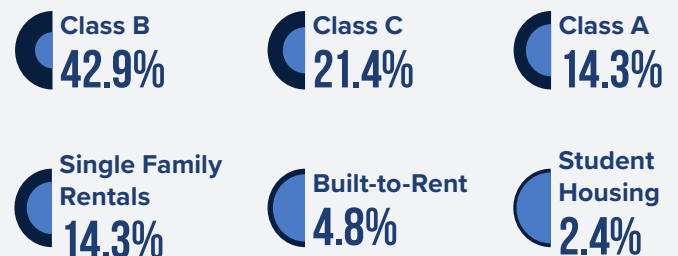
MULTIFAMILY

FUNDAMENTALS IN 2024



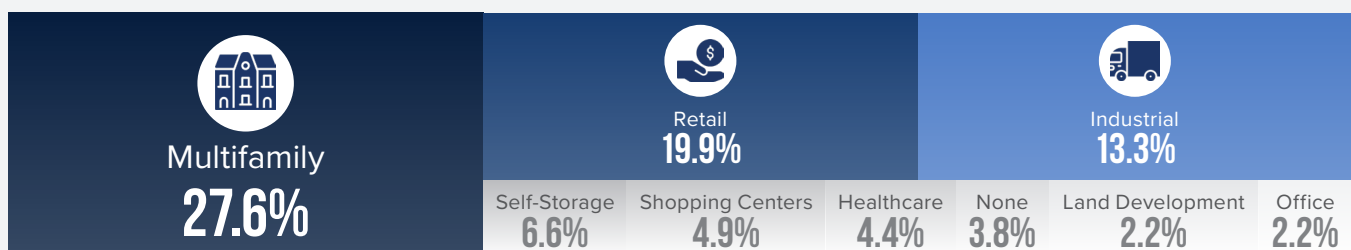
CLASS B WAS THE SELECTED SUBTYPE TO OUTPERFORM IN 2024.

SUBSECTORS TO OUTPERFORM IN 2024




INVESTORS BELIEVE THAT INTEREST RATES WILL BE THE MOST PREVALENT MULTIFAMILY HEADWIND IN 2024.

WHAT INTERESTED INVESTORS THE MOST IN 2023



Other answers included: SFR/BTR, flex, gas stations, grocery-anchored retail, trailer parks, mixed-use, mobile home parks.



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