

JUNE 2025

DLA Piper Annual State of the Market Real Estate Survey



A market of mixed sentiments: DLA Piper's two-part survey of commercial real estate leaders captures evolving views in 2025 shortly before and after the emergence of new US trade policies – offering a revealing snapshot of real estate market resilience amid external uncertainty.

Various factors intrinsic to the commercial real estate market provide reasons for measured optimism, while uncertainty and challenges created by evolving trade policies and other external forces create headwinds.

At a glance: Overview and key takeaways

DLA Piper's 2025 Global Real Estate Annual State of the Market Survey, conducted between February 19 and March 27, 2025 (Wave 1 Survey), measured the sentiment of commercial real estate leaders before the White House's trade policy announcement in early April. Given the potential impact of this new trade policy on market sentiment, DLA Piper conducted a second survey between May 14 and 28, 2025 (Wave 2 Survey), offering key insights into how new trade policies are affecting commercial real estate leaders' outlook.

The Wave 1 Survey revealed a near equilibrium between the bulls and the bears, with 52 percent of respondents expressing bullishness and 48 percent expressing bearishness about the commercial real estate market – a notable recovery from 2023's pessimism, when 86 percent reported a bearish outlook.

Respondents to the Wave 1 Survey cited several key factors driving optimism, led by the 31 percent who cited strong fundamentals in certain asset classes – up from just 9 percent who said the same in 2024. The asset classes that respondents identified as the most attractive were multifamily (51 percent); data centers (44 percent); logistics, warehousing, and cold storage (38 percent); and Class A/Trophy office space (27 percent).

As workers increasingly return to the office, 60 percent of first-wave respondents expected that shift to have a material impact on the industry, also citing improved expectations for returning to pre-pandemic vacancy rates and more workers in the office with greater frequency. This optimism is particularly focused on Class A/Trophy office assets.

The Wave 1 Survey results aligned with reports at the time that suggested a return to a more stable, higher-transaction-volume real estate landscape. For example, in January 2025, CBRE reported that 70 percent of the investors it surveyed intended to buy more real estate in 2025 than in 2024, and close to half planned to sell more property. In early 2025, Private Equity Real Estate¹ (PERE) reported similar feedback from

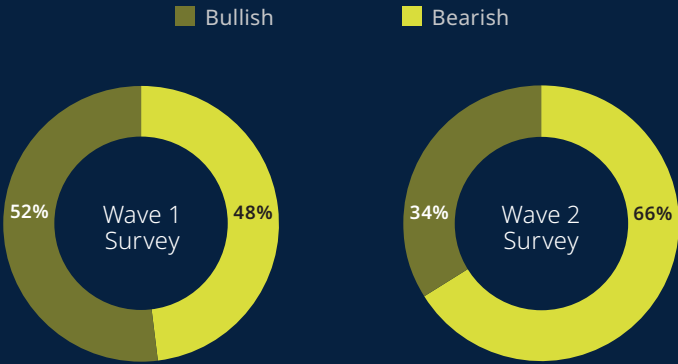
institutional investors, noting that the proportion of their investor respondents seeking to reduce capital commitments to real estate markets declined to the lowest level since 2022.

Turning to the Wave 2 Survey, the favored asset classes were consistent with the Wave 1 Survey results. Multifamily remained at the top of the list in the second wave, and Wave 2 respondents also indicated continued confidence in data centers. In both waves of the survey, more than 20 percent listed affordable and senior housing as attractive.

However, in the Wave 2 Survey, respondents' sentiment became more bearish (66 percent), a significant increase from the 48-percent bearish sentiment in the Wave 1 Survey. This bearishness was driven by concern about a recession (30 percent in Wave 2 compared to 15 percent in Wave 1) and the impact of tariffs (26 percent in Wave 2). Meanwhile, in the Wave 2 Survey, concern about high interest rates fell 8 percentage points to just 12 percent.

In the Wave 2 Survey, when asked specifically about the impact of current and proposed tariffs on the US commercial real estate market over the next year, 54 percent of respondents expected them to have a negative impact – including 16 percent who anticipated a “very negative” impact. Just 5 percent expected them to have a positive impact. Interestingly, a significant 41 percent of respondents expected no impact from the tariffs.

Because it was conducted both shortly before and shortly after the announcement of the new trade policies, the DLA Piper 2025 State of the Market Survey provides key perspectives on the impact that external events like tariffs can have on market sentiment:



Despite the uptick in bearishness in the Wave 2 Survey, the majority bullish sentiment in the Wave 1 Survey indicates a growing confidence that, with an appropriate focus on fundamentals and secular trends, commercial real estate offers attractive risk adjusted investment opportunities even amidst external forces such as tariffs and geopolitical conflict.

The backdrop: From peaks and valleys to level ground – and back again

The mood within the commercial real estate sector has evolved significantly over the past three years, shaped by shifting macroeconomic conditions, regulatory changes, and political developments.

In 2022, commercial real estate leaders were buoyed by the momentum of the post-pandemic recovery. Abundant capital, low interest rates, and other key factors supported bullishness among 75 percent of survey respondents. By 2023, sentiment had shifted; aggressive interest rate hikes implemented by the Federal Reserve, intended to curb inflation, led to a sharp contraction in transaction volume and a significant decline in optimism, as 86 percent of respondents expressed a bearish outlook. In 2024, cautious optimism emerged, as expectations for moderating inflation, potential interest rate cuts, and a soft economic landing contributed to improved outlooks, though the majority of respondents (62 percent) remained bearish. Persistent challenges, such as refinancing difficulties, ongoing struggles in the office sector, inflation, and macroeconomic uncertainty, continued to temper sentiment.

Overall sentiment this year can be viewed as an arc between bullish and bearish sentiment, from peak optimism to deep pessimism, with 2025 bringing the sector near equilibrium. The near-even split between the bulls and the bears in the Wave 1 Survey indicated that the extremes of optimism and pessimism observed over the past few years had given way to a more measured industry mindset.

Drivers of concern: External forces

Macroeconomic, regulatory, tax, and geopolitical forces inevitably impact markets. Respondents to the Wave 1 Survey cited interest rates, the US and global economic outlook, a new federal administration, political instability, and inflation as the top ranked factors likely to impact the market, with loan maturities, return to office, and other real estate-specific factors having a lesser influence. Chief among the Wave 2 reasons for bearishness were recession risk and the impact of tariffs, which have caused some economists to increase their forecast of the odds of a recession – a concern reflected in the opinions of about one-third of the second-wave respondents.

Interest Rates: Because interest rates play a critical role in the health of the real estate market, it is not surprising that a majority of respondents cited the Federal Reserve's interest rate decisions as the factor having the greatest impact on the global commercial real estate market. However, perhaps as a result of a perceived stabilization of interest rates after the highs of the last few years, the percentage of respondents citing interest rates as being impactful in this year's survey was 60 percent, a decrease from 72 percent in 2024 and 83 percent in 2023. In the Wave 2 Survey, 66 percent of respondents cited interest rate increases as likely having a negative impact on commercial real estate investment – up from just 32 percent in the Wave 1 Survey. This increase is likely attributable to a belief that rates will not decline as significantly as previously thought. Expectations for rate cuts declined to just 30 percent in the Wave 2 Survey – in line with the latest guidance from the Federal Reserve and down from 55 percent who believed the same in Wave 1. Notably, 41 percent of respondents in the Wave 2 Survey predicted that interest rates could increase – a significant change from the 17 percent who predicted the same in the Wave 1 Survey. In its meeting on June 18, 2025, the Federal Reserve held rates steady, with Chair Powell citing inflation concerns and stating that the Federal Reserve remains well-positioned to respond to any need for interest rate changes.

Inflation: Although inflation has moderated, with the US Consumer Price Index rising just 2.3 percent year over year by April 2025 ([Bureau of Labor Statistics](#)²), opinions about inflation continue to fluctuate. The Wave 1 Survey showed a decline since 2023 in the number of respondents citing inflation as the most impactful factor on the global commercial real estate market, down to 25 percent from 45 percent. As tariffs and global trade policy put eyes back on prices – and with many [companies indicating that consumers will feel the brunt of the impact](#)³ – concern about inflation climbed in the Wave 2 Survey, as 65 percent believed inflation will have a negative impact on commercial real estate investment in 2025 – a significantly higher percentage than in each of the last three years, and up from just 16 percent who said the same in the Wave 1 Survey. Multiple respondents' comments express concerns about potential inflation and a resulting increase in construction costs.

Tariffs: Consumer spending, cross-border capital flows, and the cost of goods and building materials significantly impact the commercial real estate market. The recently announced tariffs have the potential to negatively impact these factors, which would in turn have a negative impact on the commercial real estate market. As noted above, 54 percent of respondents

to the Wave 2 Survey expected tariffs to have a negative impact on the CRE market, with 16 percent anticipating a “very negative” impact.

Geopolitical tensions; Cross-border investment: Geopolitical tensions, including ongoing conflicts in Eastern Europe and the Middle East and instability in key Asian markets, add another layer of complexity, and 63 percent of survey respondents expect them to be impactful. Heightened global instability could curb cross-border investment flows into the US⁴, a trend that was beneficial to the US real estate sector growth over the past decade. At the time of the Wave 1 Survey, respondents were evenly split on the outlook for foreign investments in US real estate over the next 12 months, with viewpoints spread among those who believed it will be strong (31 percent), those who disagreed (30 percent), and those who remained neutral (39 percent). Following the April announcement of new trade policies, Wave 2 sentiment pivoted to a more cautious outlook, with just 12 percent indicating that foreign investment will be strong and fewer respondents (17 percent) in the neutral camp. In addition, there are provisions in currently proposed US tax legislation that, if passed, would increase taxes on certain foreign investors in US real estate, which could create a further headwind for inbound investment.

Supply Chain; Labor Constraints: More than half (55 percent) of respondents noted that supply chain issues will be impactful for the industry in the year ahead, but no one cited it as a primary reason for their bearishness – indicating that, while there may be challenges, they are unlikely to materially change the industry’s outlook for 2025. The same was true for labor constraints, which 58 percent identified as impactful in the initial survey.

Drivers of optimism: Internal forces

Attractive asset classes: Despite external forces and sector-specific challenges, commercial real estate leaders see reasons for cautious optimism in the year ahead. Asset classes such as housing and data centers continue to be perceived as healthy parts of the industry and as attractive investment opportunities. In the Wave 1 Survey, respondents highlighted multifamily as the top asset class, likely due in part to the growing housing shortage⁵, which 73 percent cited as something that will have a material impact on the commercial real estate market in 2025. They cited data centers as the second-best asset class for risk-adjusted investment opportunities in the next 12 months. Wave 2 data supports these trends, with multifamily and data centers continuing as particularly attractive asset classes.

Improving office outlook: Sentiment about the office sector shifted; 32 percent anticipated US office building vacancy rates would return to pre-pandemic levels in under three years, up

from just 16 percent who felt the same in 2024. This is driven by the expectation among two-thirds of survey respondents that 75 percent or more of workers in urban areas will consistently be in the office at least three times per week within the next year, up significantly from 35 percent in 2024. As use of office space increases, respondents also signaled a drop in the expected impact of redesigning and reimagining of office and commercial spaces for residential buildings, falling from 65 percent to 43 percent year over year (though this may also be driven in part by inherent cost challenges and other barriers to successful repurposing of office space for residential use).

Attractive pricing: Many investors believe that, in certain asset classes and markets, prices have decreased to a level that offers compelling buying opportunities. In its 2025 midyear report, PwC notes that mega-transactions like Blackstone’s US\$4 billion acquisition of Retail Opportunity Investments and Apollo’s \$1.5 billion acquisition of Bridge Investment Group “reflect unwavering sector confidence and the view that repriced assets offer long-term value. Private equity firms, sovereign wealth funds and insurance companies alike are ramping up their activity, particularly in sectors like hospitality and privately held office portfolios.”

Increased transaction volume: Survey responses collectively forecast a general increase in real estate transaction volume. Transaction pipelines are showing signs of renewed activity⁶, particularly in prime locations. CBRE forecasted a 15- to 20-percent year-over-year increase in transaction volume in 2025, led by multifamily and industrial assets. A small majority of 2025 survey respondents (53 percent) also believe that more equity will be available for investment in the next 12 months. Availability of equity capital, cited by just 5 percent of Wave 1 respondents as a reason for their confidence, jumped to 15 percent in Wave 2, as did the availability of debt – a positive sign for investment activity.

Conclusion: Eyes on fundamentals, ears to the ground

Commercial real estate leaders entered 2025 with a sense of cautious optimism, but certain governmental policies, market volatility, and geopolitical tensions have led to increased (although still somewhat modest) bearishness. Survey respondents overwhelmingly agreed that the market’s improving health – characterized by attractive opportunities in certain asset classes – provides a buffer against macroeconomic and geopolitical headwinds.

The 2025 DLA Piper State of the Market Survey indicates that, as fundamentals show resilience across certain asset classes, commercial real estate leaders are poised to capitalize on selective opportunities while navigating external risks.



Survey data highlights

- In the 2025 Wave 1 Survey, sentiment around the US commercial real estate market reflected a shift toward cautious optimism. While 48 percent of respondents fell into the bearish range (ratings 1 to 5), this was a notable improvement from 63 percent and 86 percent in 2024 and 2023, respectively. Most responses clustered in the mid-range of the scale, with 20 percent selecting a “5,” 21 percent a “6,” and 18 percent a “7.” In fact, 86 percent of respondents rated their sentiment between 4 and 8, suggesting a broad move away from extremes and toward a more middle-ground outlook prior to the impact of tariffs. In the Wave 2 Survey, taken after the US tariff announcements, respondents were more bearish, with about two-thirds (66 percent) of respondents indicating pessimism. This was an uptick from the Wave 1 Survey and the 2024 survey results, though most respondents still fell toward the middle of the sentiment spectrum.
- Compared to the prior two years, the share of respondents selecting the most bearish options (1 to 3) dropped significantly, with just 11 percent doing so in 2025's first wave, compared to 22 percent in 2024 and 40 percent in 2023. Meanwhile, bullish sentiment – reflected in scores 6 through 10 – has rebounded, totaling 52 percent of responses in 2025's first-wave results. Though only 3 percent selected the most bullish scores of 9 or 10, the proportion of moderately bullish responses (scores 6 to 8) rose, indicating growing optimism. The 2025 outlook showed a market still in transition, but one recovering from the sharp downturn in sentiment seen in the last few years. That shifted slightly in Wave 2, when bullishness fell to just 34 percent – a score more consistent with 2024 sentiment.
- In the first wave, strong fundamentals in specific asset classes were the leading driver of bullish sentiment, cited by 31 percent of respondents – up significantly from 9 percent in 2024. This is nearly on par with 2023, when strong fundamentals were cited by 37 percent of respondents. Confidence in distressed asset opportunities also rose to 12 percent, up from 9 percent the previous year, suggesting a greater focus on opportunistic investment strategies. While interest rates remained a key factor, the share of respondents in Wave 1 pointing to stabilization (11 percent) or lowering (8 percent) of rates for their optimism dropped notably from 2024 levels (when those reasons accounted for 28 percent and 20 percent, respectively). Before tariffs were formally announced, 9 percent cited the new federal administration and Congress as their top reason for market optimism. Other drivers of optimism included a modest uptick in confidence around the availability of capital and debt, the US economic outlook, and easing inflation – all of which contributed to a more diversified base of bullish sentiment than in prior years. In Wave 2, fundamentals remained the top reason for confidence, but fell 10 percentage points. Other reasons for confidence in Wave 2 were the availability of equity capital and the availability of debt (15 percent each).
- In 2025, political change emerged as the most significant driver of bearish sentiment in the commercial real estate market, with 38 percent of respondents citing the new presidential administration and Congress as their primary concern. Although still a major factor, concern about high interest rates declined to 20 percent, down from 31 percent in 2024, reflecting a broader perception

that the rate environment may be stabilizing – though that, too, shifted following the announcement of tariffs and new guidance from the Federal Reserve. Recession risk remained a consistent worry, holding steady at 15 percent in both 2023 and 2025, though markedly up from just 4 percent in 2024. Meanwhile, fewer respondents cited remote work (5 percent, down from 11 percent) and inflation (2 percent, down from 4 percent) as key issues, while reduced debt availability (7 percent), lack of consumer confidence (5 percent), and reduced equity capital (5 percent) rounded out the list of financial headwinds. Wave 2 showed recession risk (27 percent) and the impact of tariffs (17 percent) emerge as key drivers of bearishness, in line with broader economic sentiment.

- In Wave 2, when asked about expected impact of current and proposed tariffs on the US commercial real estate market over the next year, 54 percent expected them to have a negative impact – including 16 percent who anticipated a “very negative” impact – and just 5 percent expected them to have a positive impact. But a significant 41 percent of respondents expected no impact from the tariffs. Possibly also a result of evolving US trade policy, just 12 percent of Wave 2 respondents believed foreign investment in the US will be strong during the next 12 months, compared to 31 percent who said the same in Wave 1.
- In 2025, interest rates remain among the most critical issues for commercial real estate professionals, with 87 percent of respondents rating them as impactful (24 percent) or very impactful (63 percent). Their impact is surpassed only by political developments, as 91 percent view the new administration and Congress as significant market influences. Inflation (80 percent), debt refinancing challenges (79 percent), and the return to office (60 percent) also rank high among concerns. In contrast, environmental, social, and governance (ESG) and sustainability are seen as the least impactful, with nearly half of respondents dismissing them entirely. Barriers to entry, including labor constraints and water/power availability, were considered moderately important by most, but not overwhelmingly urgent. Broader issues such as AI, immigration, and demographic shifts are largely viewed as secondary, highlighting a real estate market still primarily driven by fundamentals and economic and political policies that materially impact the commercial real estate market.
- Looking more closely at sentiment around interest rates, first-wave respondents’ expectations for 2025 reveal a strong majority (83 percent) expecting no change or a decrease

in rates in the next 12 months. In Wave 2, 41 percent expect interest rates to increase, while 30 percent expect them to decrease and 28 percent believe the Federal Reserve will hold them steady; also in Wave 2, 66 percent of respondents anticipate that interest rate increases will have a negative impact on the real estate sector. Sixty-nine percent of respondents in Wave 1 anticipated rates will bottom out a year from now or later, with the largest groups projecting that the lowest rates will come in 18 to 24 months (25 percent) or more than two years out (28 percent). Meanwhile, when asked about rate cut expectations for 2025, most first-wave respondents predicted minimal movement: 62 percent expected none or only one cut, while just 38 percent anticipate two to four cuts. These figures suggest tempered expectations for near-term easing.

- When asked about the most attractive, risk-adjusted investment opportunities, multifamily housing remains the top asset class; it was cited by 51 percent of respondents, sustaining its lead from 2024 and marking a continued rebound from just 32 percent in 2023. Data centers (44 percent) and logistics/warehousing (38 percent) also rank high, though both have declined from earlier peaks – particularly logistics, which dropped from 66 percent in 2022. Compared to last year, perceived opportunity in Class A/Trophy office space increased substantially – up 17 percentage points from 2024. Interest in affordable and workforce housing held steady, and senior housing, single-family rentals, and grocery-anchored retail maintained investor appeal. Meanwhile, enthusiasm for life sciences has cooled significantly, falling from 56 percent in 2022 to just 7 percent in 2025.
- There continues to be a divergence of views among commercial real estate leaders about the future of office spaces. While 60 percent of respondents consider return-to-office (RTO) trends impactful, up significantly from 2024, only 46 percent agree that office occupancy will remain stagnant – down from 72 percent in both 2023 and 2024. The urgency to reimagine and repurpose office and commercial spaces has also softened; just 43 percent now consider it impactful, a sharp decline from 65 percent the previous year. However, belief in the ongoing need for repurposing space remains strong, with 77 percent agreeing it will continue to be necessary in 2025, nearly unchanged from 2024 and 2023. Expectations for office use have shifted as well; 67 percent of respondents now anticipate that at least 75 percent of urban workers will be back in the office at least 3 days per week within the next 12 months – almost doubling the proportion

from 2024. At the same time, fewer respondents expect structural industry changes involving remote work: Only 45 percent foresee a future in which workers spend less than half their time in office buildings, down from 63 percent last year. Finally, long-term views on office vacancy have become slightly more optimistic. While 40 percent still believe vacancy rates may never return to pre-pandemic levels, that figure is down from 48 percent in 2024, suggesting that some industry leaders believe that the long-term impact of the pandemic-era disruption to office occupancy may not be as dramatic or prolonged as originally anticipated.

- Investor interest has become more evenly distributed across US markets, with 42 percent of respondents identifying opportunity in top-ranked Dallas–Fort Worth, up significantly from just 29 percent last year. Meanwhile, New York (30 percent), Miami (29 percent), and Chicago (28 percent) grew more attractive and round out the list of top investment cities. Locations such as Atlanta (21 percent), Boston (20 percent), and Central Florida (20 percent) saw moderate interest, alongside Raleigh–Durham (24 percent) and Denver (19 percent). On a regional level, Southern cities dominate, with 80 percent of respondents identifying them as targets for investment. Midwestern cities also saw a significant jump in interest, rising to 66 percent from just 25 percent in 2024. The data reflects a diversification of investment strategies, with attention shifting away from a predominant focus on pandemic-era favorites toward a broader mix of metro areas.
- In 2025, London once again tops the list of most attractive international cities for real estate investment, cited by 34 percent of respondents – maintaining its lead from prior years, though slightly down from 43 percent in 2024 and 47 percent in 2023. Tokyo gained notable traction, rising to 19 percent from just 11 percent in 2023, while Dubai continues to be a strong contender at 13 percent, though down from its 21 percent peak in 2024. Mexico City rounded out the top international cities for investment at 15 percent, a slight tick downward from 18 percent in 2024. Meanwhile, traditional financial hubs like Frankfurt, Berlin, and Paris saw their popularity wane in recent years, and other European cities like Amsterdam registered significant year-over-year declines (9 percent in 2025 compared to 18 percent in 2024). Notably, 16 percent selected “other,” highlighting a growing investor appetite for emerging global markets beyond the usual metro centers.



Verbatims:

What are you most **excited / apprehensive** about in the next 12 months when it comes to the commercial real estate market? Open-ended responses.

Excited:

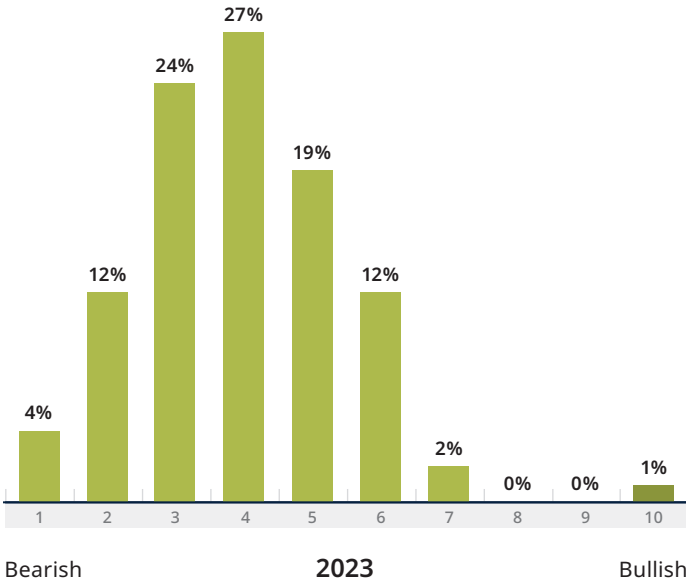
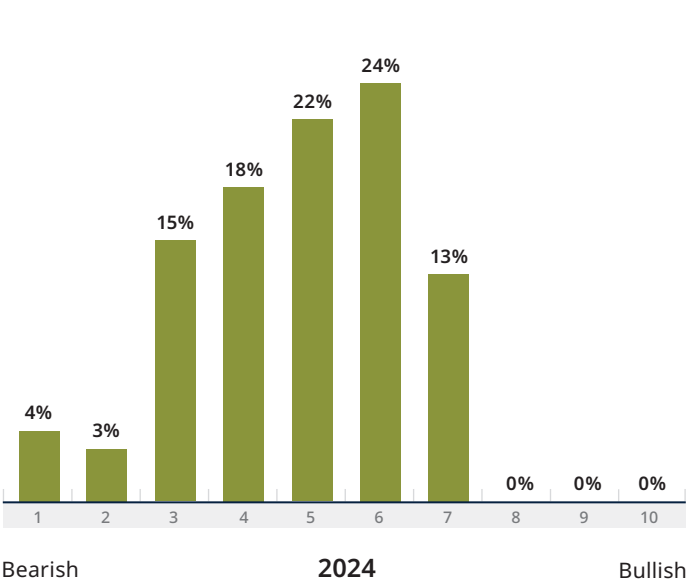
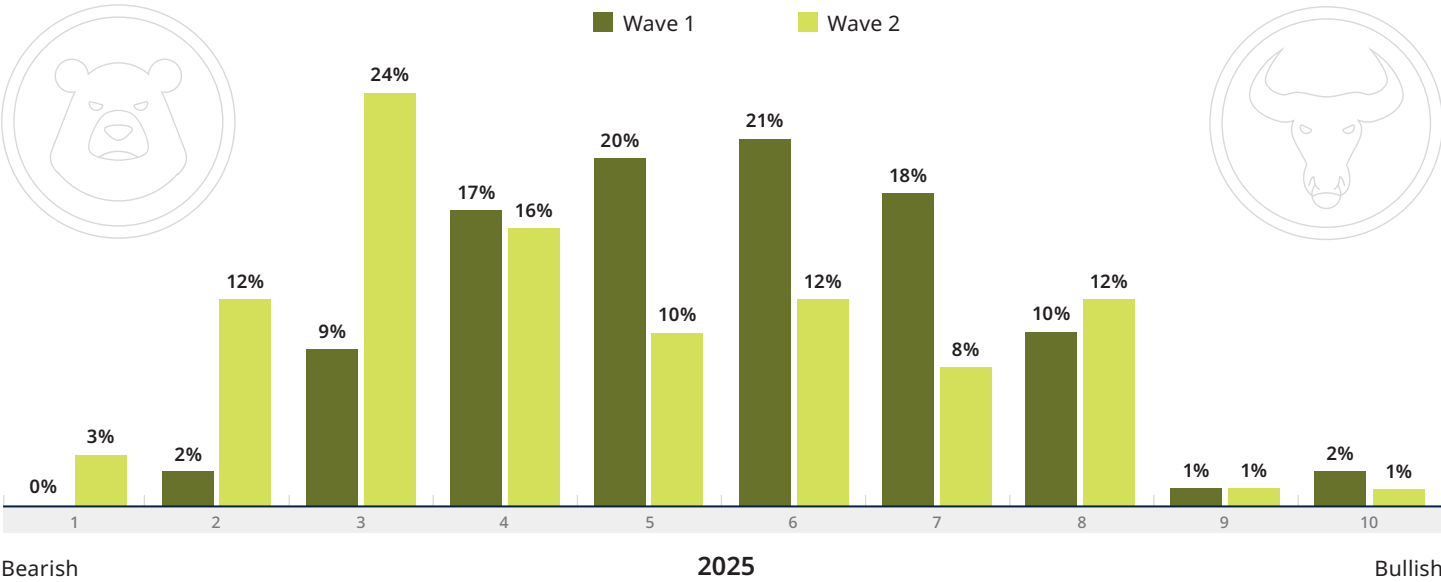
- Ability to acquire some of the best office properties at 50 to 60 percent of replacement costs.
- Troubled times yield new opportunities. We just need to be sharp enough to sift through what we have and polish the stones that are most valuable.
- The lack of new multifamily starts presents a great opportunity for experienced multifamily developers.
- Demand for multifamily housing in many markets remains high.
- Demand for senior housing.
- Data centers, quantum computing, and AI-related technologies and their impact on real estate needs.
- Continued data center growth.
- Data centers should continue to prosper.
- Asset price discovery to continue and free up frozen equity.
- We sense that we have reached the bottom on real estate valuations and most owners have taken their medicine at this point, which sets the stage for more deal flow and liquidity as it will be easier for a meeting of the minds on pricing.
- Debt capital markets appear to have strengthened considerably.
- Signs of improving capital availability along with the decline in supply levels that support stronger rent growth prospects.
- Resurgence in the office sector with major companies implementing return-to-office policies.
- There is broad-based pent-up demand in the real estate sector. Debt capital markets and interest rates seem to have stabilized. Pricing has corrected and buyer interest has increased in several asset classes.

Apprehensive:

- Macro-economic risks, especially domestically. Concerns around consumer debt, inflation, and the impact tariffs will have on those factors.
- Economic disruptions from tariffs causing the Fed to hold the rate stagnant all year.
- General uncertainty as it applies to interest rates, tariffs, and consumer confidence, all leading to fears of recession.
- Tariffs and cost increases on both foreign and domestic products.
- Uncertainty.
- Geopolitical volatility seems to be increasing.
- Building costs and material inflation, tariffs, and labor for construction.
- The potential negative impacts of tariffs/trade tensions and global conflicts.
- Political uncertainties causing trepidation among buyers and sellers as well as developers.
- Increasing uncertainty and foreign investors are more reluctant to invest in the US.
- Interest rates will continue to stay generally in the same area, which will slow the resurgence in the capital markets.
- Capital markets are still very tight and money is expensive.
- Economic conditions and construction costs due to tariffs.

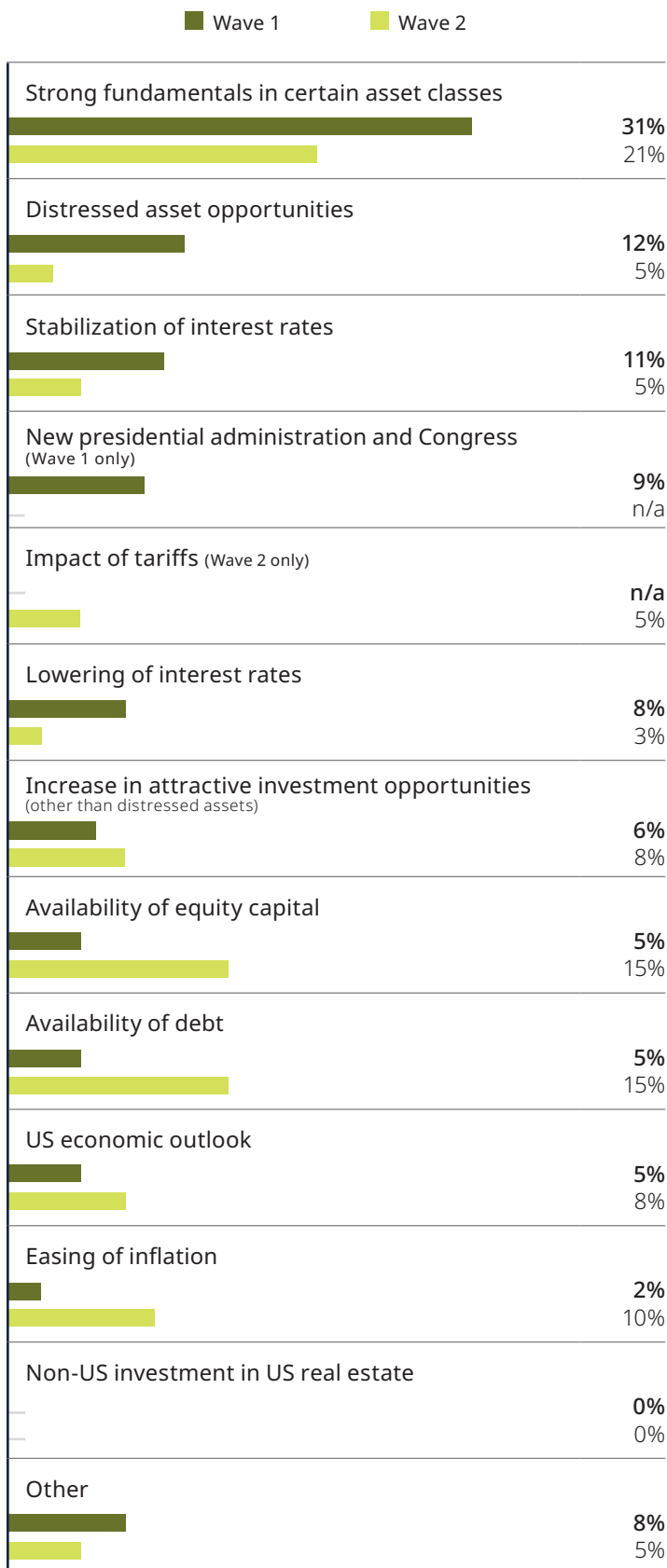
Note: The Wave 2 Survey polled respondents on a smaller sampling of questions. Any charts or insights in the below section that do not refer to “Wave 2” were only fielded in the initial, broader survey (Wave 1).

1. How would you describe your outlook for the US commercial real estate market over the next 12 months, with 1-5 being bearish and 1 being the most bearish, and 6-10 being bullish and 10 being the most bullish?



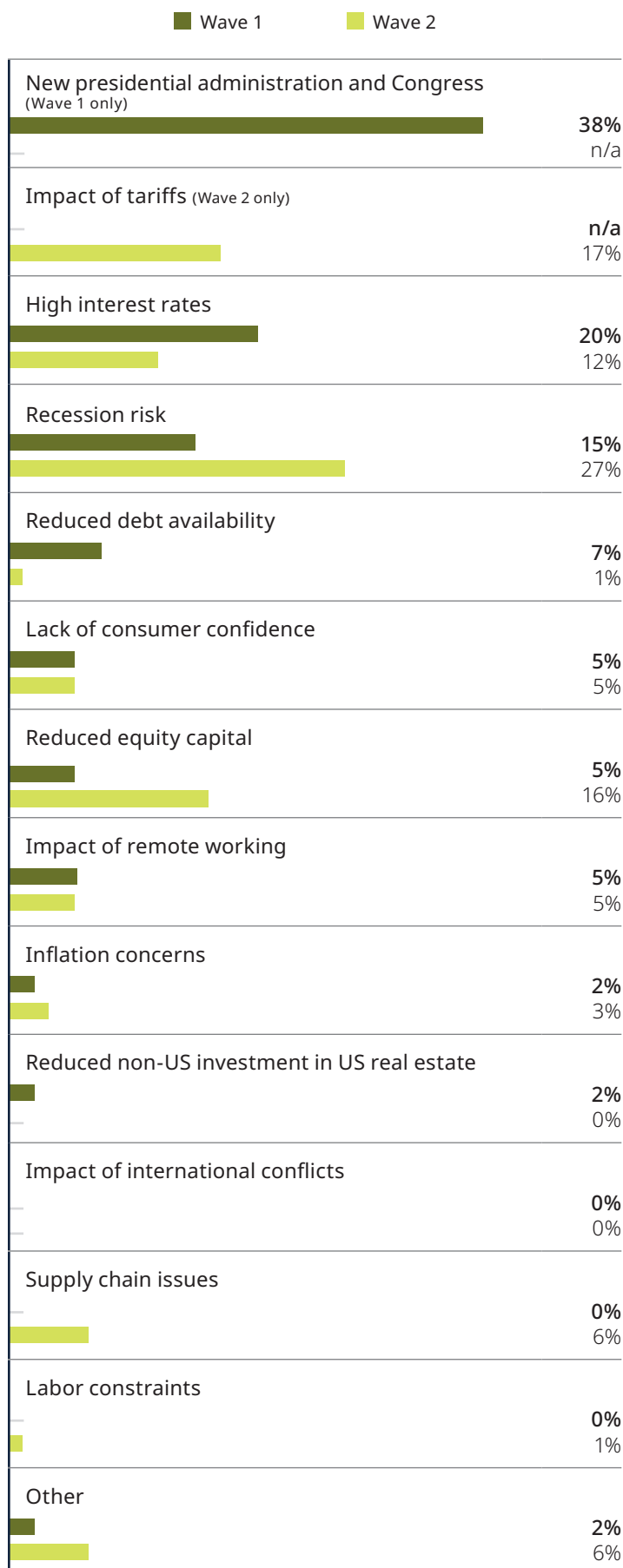
- Confidence rose in the Wave 1 Survey, reaching 52 percent bullishness, up 15 percentage points from 2024 and a whopping 37 percentage points from 2023.
- Forty-eight percent of respondents indicated bearishness, notably down from 63 percent in 2024 and 86 percent in 2023.
- Most respondents fell in the mid-range of the scale, with 86 percent of respondents rating their sentiment between 4 and 8, feeling neither extremely bullish nor bearish.
- In the Wave 2 Survey (*i.e.*, the survey fielded after the April 2025 tariff announcements), sentiment shifted toward bearishness (66 percent), up notably from the Wave 1 Survey and even higher than in DLA Piper’s 2024 survey.
- Still, most respondents remained near the middle, with only 4 percent ranking their sentiment at the extreme ends of the bearish-to-bullish scale.

2. What is the primary reason for your confidence?



- In the Wave 1 Survey (*i.e.*, the survey fielded prior to the April tariff announcement), the top reason for confidence among 31 percent of respondents was strong fundamentals in certain asset classes.
- This number is up significantly from just 9 percent who selected the same reason in 2024, but fundamentals were also the most popular response in 2023. Strong fundamentals remained the top reason for optimism in the Wave 2 Survey, cited by 21 percent, though down 10 percentage points from the Wave 1 Survey.
- Other reasons for bullishness include distressed asset opportunities (12 percent), stabilization of interest rates (11 percent), and the new presidential administration and Congress (9 percent).
- In the Wave 2 Survey, other top reasons for bullishness were the availability of equity capital and the availability of debt (15 percent each), while the stabilization of interest rates fell to just 5 percent.

3. What is the primary reason for your lack of confidence?



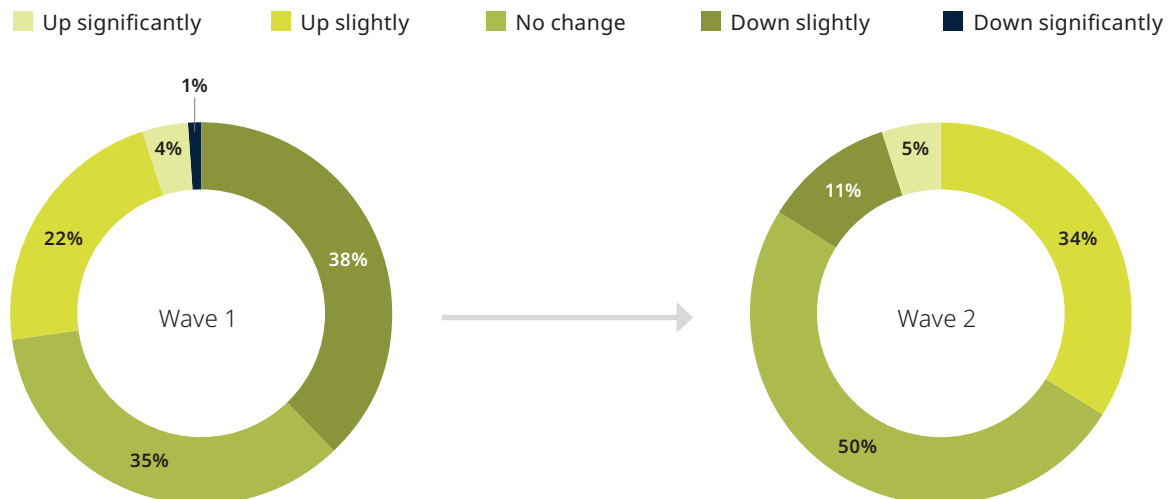
- The top driver of bearishness in the Wave 1 Survey was the new presidential administration and Congress, noted by 38 percent of respondents.
- High interest rates were the second-most cited factor for bearishness (20 percent) in the Wave 1 Survey, though down notably from 31 percent in 2024.
- This sentiment followed indications from the Federal Reserve that rates were stabilizing – even as expectations for rate cuts in 2025 diminish from where they were last fall⁷.
- Other reasons for bearishness included recession risk (cited by 15 percent) and reduced debt availability (7 percent). This was further supported by the Wave 2 Survey, which suggested that recession risk jumped significantly, accounting for 27 percent of respondents and topping the list of concerns. As trade talks continue, JP Morgan⁸ has revised the risk of recession back below 50 percent, though concerns persist.
- The impact of tariffs (17 percent) moved into the number two slot in the Wave 2 Survey, reflecting the uncertainty and potential impact of evolving trade policies.
- In the Wave 2 Survey, high interest rates were a lower-priority concern than recession risk and tariffs, though they were still cited by 12 percent of respondents.

4. Please rank each of these topics on a scale of 1 to 4, where 1 means they will be “not impactful” and 4 means they will be “very impactful” on the commercial real estate market over the next 12 months.

	1 Not impactful	2 Somewhat impactful	3 Impactful	4 Very impactful
Interest rates	1%	13%	24%	63%
New presidential administration and Congress	1%	8%	37%	55%
Challenges in refinancing existing debt	6%	16%	41%	37%
Inflation	1%	19%	49%	31%
The return to office (RTO)	9%	31%	33%	28%
The housing shortage	7%	20%	45%	28%
Geopolitical conflicts	6%	31%	40%	22%
Supply chain issues	10%	36%	35%	20%
Availability of water and power	21%	33%	32%	15%
Entitlements challenges/barriers to entry	12%	40%	34%	14%
Labor constraints	8%	34%	44%	14%
Redesign/reimagining office and commercial spaces for residential and other uses	19%	38%	31%	12%
Demographic/populations shifts among regions	13%	43%	35%	10%
Immigration	17%	47%	27%	10%
AI	12%	48%	32%	9%
Increased wealth gap	21%	45%	25%	8%
ESG and sustainability	45%	39%	13%	3%

- Sixty-three percent of respondents identified interest rates as “very impactful,” with 87 percent of commercial real estate professionals calling it “generally impactful” – signaling continued concern about [financing costs](#)⁹.
- In the Wave 1 Survey, the new presidential administration and Congress were rated by 55 percent of respondents as “very impactful.” Those factors had the greatest perceived impact overall, with 91 percent of respondents citing them as impactful.
- Other factors expected to impact the industry in 2025 include inflation (80 percent), debt refinancing challenges (79 percent), and the return to office (60 percent), while environmental, social, and governance (ESG) and sustainability were rated among the least impactful.
- Certain factors like the housing shortage (73 percent), geopolitical conflicts (62 percent), supply chain issues (55 percent, prior to tariffs) are expected to shape the year ahead, while concern around things like water and power availability for the development of data centers and other properties were cited by 47 percent of respondents.
- Apart from ESG, other minimally impactful factors included immigration (37 percent) and the increased wealth gap (33 percent).

5. Where are capitalization rates headed in the next 12 months?



- Respondents to the Wave 1 Survey expected capitalization rates to remain the same (35 percent) or decline slightly (38 percent) in the next 12 months, compared to just 26 percent who expected an increase.
- Aligned with respondent comments, capitalization rates will continue to be impacted by the Fed's decisions around interest rates¹⁰, with fewer rate cuts now expected in 2025¹¹.

- If capitalization rates do compress, the industry can expect to see investments increase in 2025¹².
- In the Wave 2 Survey, respondents shifted even further toward neutrality, with half of respondents expecting capitalization rates to hold steady. Four in 10 (39 percent) expect them to go up, while just 11 percent believe they will decline.

Open-ended responses:

Why respondents thought capitalization rates would increase this year:

- Higher borrowing costs put upward pressure on cap rates, as investors demand a higher risk premium to compensate for the increased cost of capital.
- While the Fed has paused rate hikes, it has signaled that rates will remain higher for longer to combat inflation.
- As transaction volume picks up, newer deals may start closing at slightly higher cap rates as buyers adjust pricing expectations to reflect today's cost of capital.
- Lenders remain conservative, requiring more equity and higher spreads on loans.
- Political uncertainties, rising inflation and flat or rising interest rates.
- Investors may demand a wider spread if economic uncertainty persists.
- Uncertainty.

Why respondents thought that there would be no change in capitalization rates this year:

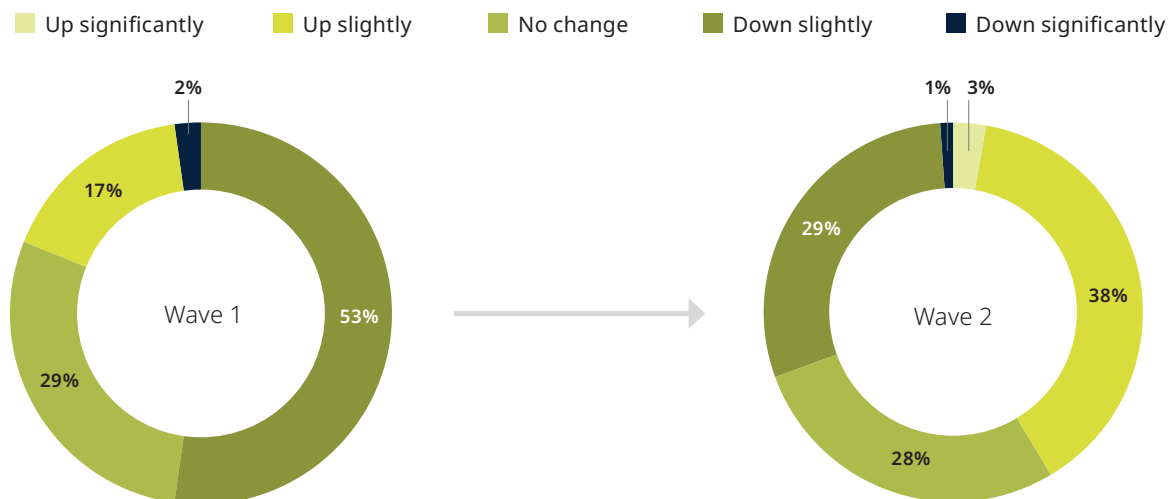
- Continued uncertainty of interest rates.
- Feels like 2025 is a tread water year.
- Wait-and-see attitude.

- Valuations aren't ready to move a great deal in one direction or another due to uncertainty in the markets.
- Little if no change in interest rates would tend to indicate that there will be little, if any, change in cap rates.
- Interest rates expected to remain constant.

Why respondents thought capitalization rates would decrease this year:

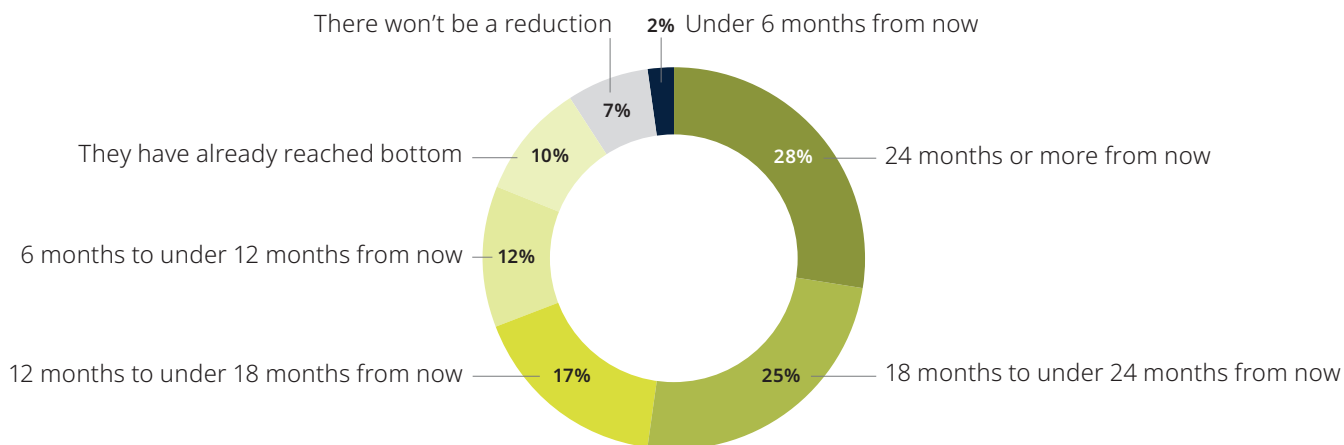
- Increased investment and transactions in the market along with capital deployment will naturally reduce cap rates given competitiveness for transactions.
- Rates are most likely staying flat, if not going down slightly which should help with Cap Rate compression.
- Cap rates track interest rates, which should continue to head downward.
- Potential interest rate compression.
- Dry powder desperate to be deployed.
- Pent up demand and billions of dry powder on the sidelines. Eventually this money will need to be put to work. Lenders and private capital have gotten extremely aggressive over the last several months leading to compressed spreads and cheaper financing options.

6. Where do you think interest rates are headed during the next 12 months?



- When the Wave 1 Survey was fielded, the majority of respondents (55 percent) expected interest rates to decrease in 2025. At the same time, 29 percent anticipated that the Fed would hold rates steady, and just 17 percent believed rates would go up.
- In the Wave 2 Survey, as guidance from the Fed shifted, expectations became more dispersed, though the largest group of respondents (41 percent) reported that they expect interest rates to go up in 2025. In the Wave 2 Survey, 28 percent of respondents reported that they expect rates to hold steady, and 30 percent predicted that rates will decrease in the next 12 months.

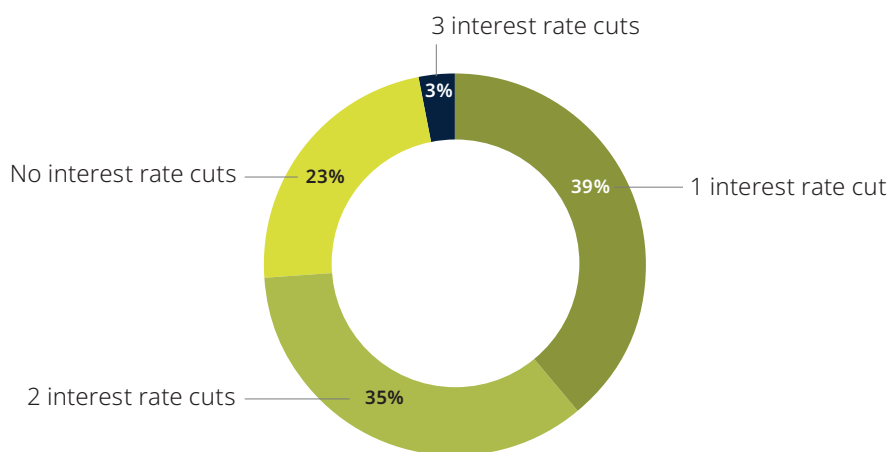
7. When do you think interest rates will reach bottom?



- Respondents were somewhat split on when interest rates would reach their lowest, with 28 percent expecting that rates will not bottom out for at least 24 months, 25 percent expecting it to take between 18 and 24 months, and 17 percent expecting rates to reach bottom in the next 12 to 18 months.
- Just 10 percent believed that rates have already reached bottom, and 7 percent predicted that there will not be a rate reduction.
- In 2024, when asked when interest rates would peak, 74 percent said they believed they already had – which, so far, has remained true.

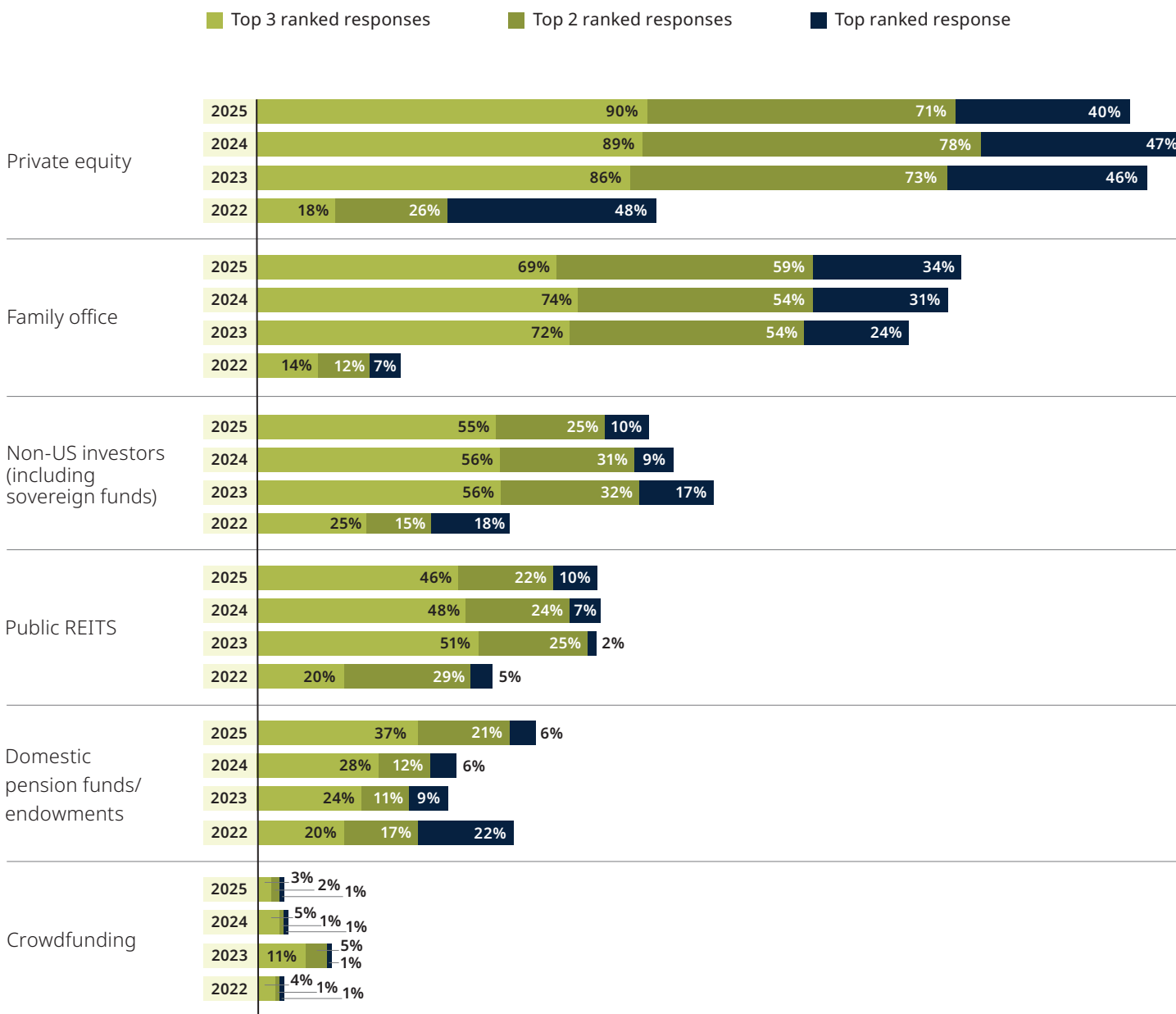


8. In December 2024, the Federal Reserve's Federal Open Market Committee indicated that it may make 2 interest rate cuts in 2025. Given the economic forecast today, how many interest rate cuts do you expect the Fed to implement in 2025?



- The survey showed that, before the April tariff announcement, most respondents believed there would be one (39 percent) or two (35 percent) rate cuts in 2025, and about one-quarter (23 percent) of respondents predicted that there would be no rate cuts in 2025.

9. What types of equity investors do you expect will be most active in the US during the next 12 months?



- Private equity remained the top response in 2025, though those who ranked it first did so by a slightly smaller margin than in 2024. Ninety percent of respondents had it in their top three ranked responses, including 40 percent who ranked it first – compared to 47 percent who ranked it first last year. According to CRE Daily, private equity is often used as a way to fill in the gaps¹³ while access to capital and a high cost of borrowing limit funding.
- Family office also accounted for a notable portion of anticipated equity investments in the US, ranked in the top three by 69 percent of respondents, including 34 percent

who ranked this source of capital first. This is generally consistent with 2024 and 2023 DLA Piper survey results, though it represents a significant jump from the 2022 survey, when just 14 percent ranked family office investors in their top three categories. CBRE noted that family offices are now known for their large pools of capital¹⁴ and are traditionally more relationship-oriented when it comes to deals.

- Other popular categories in respondents' top three were non-US investors, public real estate investment trusts (REITs) (37 percent), and domestic pension funds/endowments (46 percent).



10. What will happen to real estate equity commitments in the next 12 months?

Commitments will be up slightly	48%
No change in commitments	29%
Commitments will be down slightly	16%
Commitments will be up significantly	5%
Commitments will be down significantly	2%

- About half (48 percent) of respondents expect real estate equity commitments to increase slightly in the year ahead, a subtle backslide from 2024 when 54 percent said the same.
- Three in 10 (29 percent) expect there to be no change in commitments this year, while 16 percent anticipate they will decline slightly. Few people sit at the extremes on either side, with just 5 percent expecting they will go up significantly and 2 percent that expect a significant decline.

11A. Why do you think real estate equity commitments will be up? (multi-response)

Large amounts of available investment capital	63%
Anticipated stabilization of interest rates	48%
Increased availability of and quality of assets for investment	37%
Increased attractive deal terms for equity investors	34%
Anticipated decrease in interest rates	34%
Flight to US as a safe haven	34%
Increased investment in real estate as an inflation hedge	30%
US political, tax and / or regulatory environment favorable to real estate	27%
Positive US economic outlook	21%
New presidential administration and Congress	21%
Other	0%

- Among those who think commitments will be up, large amounts of available investment capital led the charge with 63 percent of responses.
- The anticipated stabilization of interest rates was cited by nearly half of respondents (48 percent), though uncertainty is still lingering around the future of interest rates.
- Other reasons include increased availability of and quality of assets for investment (37 percent), increased attractive deal terms for equity investors, anticipated decrease in interest rates, and flight to US as a safe haven (34 percent each).

11B. Why do you think real estate equity commitments will not change? (multi-response)

Owners / sellers will hold out for better pricing	50%
Decreases in commitments in some types of funds will be offset by increases in other types of funds	47%
New presidential administration and Congress	33%
Decreased amounts of available investment capital	14%
Other	8%

- The most common reason respondents expect commitments will hold steady is the idea that owners and sellers will hold out for better pricing (50 percent).
- Following closely behind is the belief that decreases in commitments in some types of funds will be offset by increases in other types of funds (47 percent).
- Less common reasons include the new presidential administration and Congress (33 percent) and decreased amounts of available investment capital (14 percent).

11C. Why do you think real estate equity commitments will be down? (multi-response)

Uncertain / negative economic outlook	78%
Inflation concerns	57%
New presidential administration and Congress	52%
Increase / uncertainty of interest rates	48%
US political, tax and / or regulatory environment unfavorable to real estate	35%
Decreased amounts of available investment capital	30%
Decreased attractive deal terms for equity investors	30%
Owners / sellers will hold out for better pricing	22%
Decreased availability of and quality of assets for investment	17%
Other	0%

- Of those who think commitments will decline, overwhelmingly the most popular reason was the uncertain and negative economic outlook, cited by 78 percent.
- Separately, inflation remains a concern for more than half (57 percent), followed closely by the new presidential administration and Congress (52 percent) and an increase or general uncertainty around interest rates (48 percent).
- Others – about one-third of respondents – expressed concern around the US political, tax, and regulatory environments, indicating they feel those indicators are becoming unfavorable to the real estate industry.

Open-ended responses:

What will be the impact on deal terms and hold periods if commitments are **up**?

- More competition for deals.
- More deals will get done. Slight increase in leverage, less need for preferred equity and/or mezz debt.
- There will be a slight reduction in the cost of capital as more groups reenter the market.
- Hold periods remain relatively prolonged until rates and/or cap rates are down.
- The general Real Estate market will show a gradual improvement after years of stagnation and poor performance. Major cities will also help incentivize real estate development.
- For well positioned properties, there will be a return of more competitive bidding processes, resulting in slight compression in returns and more favorable economics to sponsors.

What will be the impact on deal terms and hold periods if commitments are **down**?

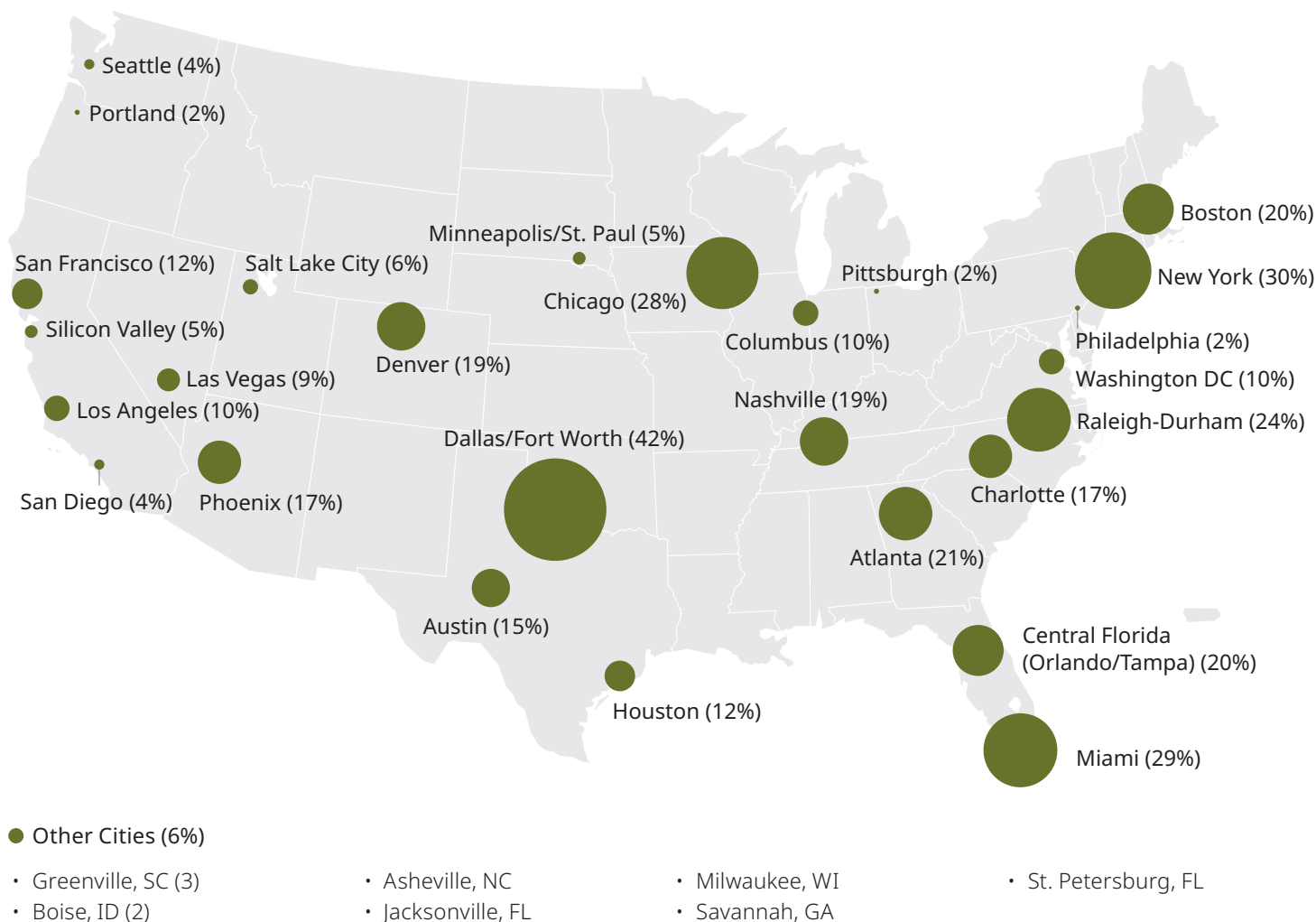
- Cap rates will remain substantially unchanged and hold periods may lengthen.
- Deal terms will remain in favor of those with liquidity and trophy-quality assets.
- Buyers will have some advantage over sellers whose exit strategies have been brought into question and who may want to harvest profits even though they missed the peak (now quite obvious in hindsight for many sectors).
- Buyer's market continues. Hold periods grow from 5 to 7 years.

12. Which asset classes present the most attractive, risk adjusted opportunities in the US for real estate investors during the next 12 months?

Multifamily	51%
Data centers	44%
Logistics, warehousing and cold storage	38%
Affordable / workforce housing	29%
Class A / Trophy office	27%
Repurposing of spaces (e.g. office / hotel to residential, retail to medical office to mixed-use)	27%
Senior housing	25%
Single-family rental housing / Build to rent	25%
Grocery anchored / outdoor shopping centers	24%
Industrial / manufacturing (excluding logistics, warehousing and cold storage)	24%
Neighborhood retail	22%
Mixed-use development (commercial / residential / retail)	21%
Manufactured housing / mobile homes	17%
Student housing	14%
Self-storage	10%
Medical offices	9%
Life science / biotech	7%
Luxury condominiums	6%
Other office (non-Class A / Trophy)	6%
Hotels / lodging	6%
Regional malls	2%
Studio / sound stages	1%
Other	2%

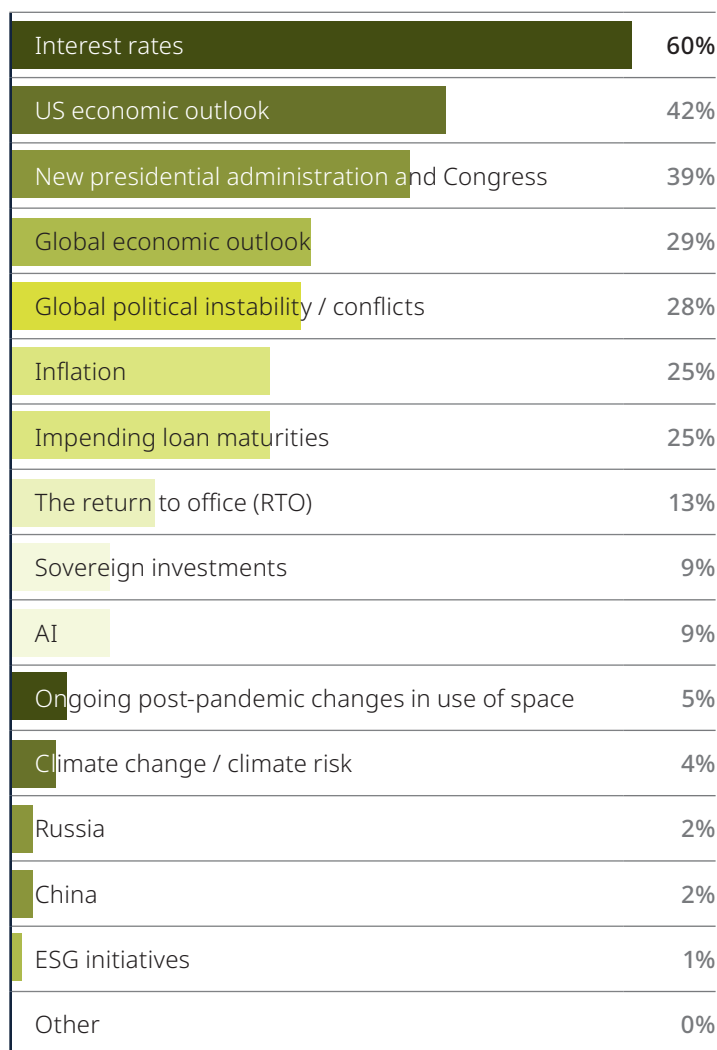
- Consistent with the 2024 DLA Piper State of the Market Survey, multifamily housing remained the asset class with the most attractive, risk-adjusted investment opportunities, according to 51 percent of respondents.
- Data centers (44 percent) and logistics/warehousing (38 percent) were second and third, respectively, though both have seen a decline over the last three years.
- Interest in Class A/Trophy office space increased to 27 percent from 10 percent in DLA Piper's 2024 survey, as the return-to-office movement picks up and sentiment around the sector improves, particularly for higher-end buildings. (Non-Class A office continues to lag at 6 percent.)

13. Where are the top US cities for investment during the next 12 months?



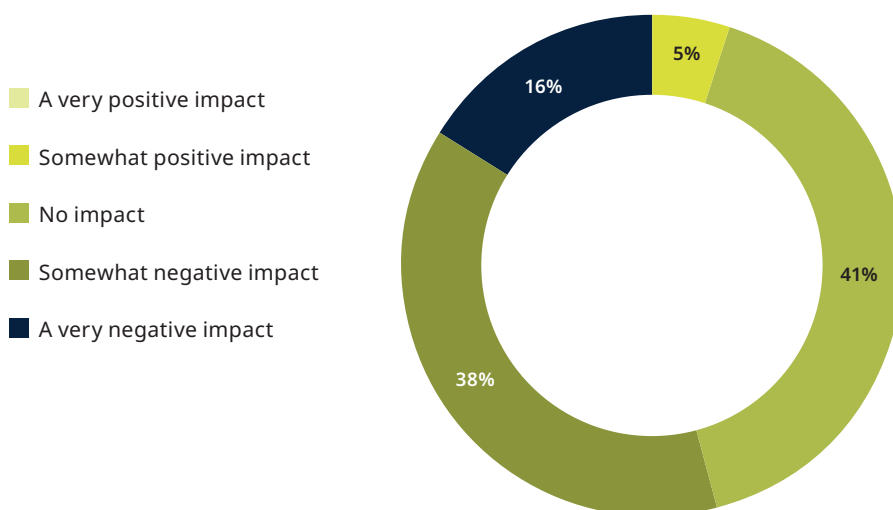
- Dallas–Fort Worth (42 percent) saw the biggest jump, up from 29 percent in the 2024 DLA Piper survey, while other southern cities like Miami (29 percent) and Raleigh–Durham (24 percent) also continued to be seen as top investment locations.
- Some cities in the south saw a decline, including Austin, which has dropped off sharply since peaking in 2022; it was cited by just 15 percent of respondents this year, compared to 60 percent three years ago.
- Major metropolitan areas like New York (30 percent), Chicago (28 percent), and Boston (20 percent) were also identified as markets that present strong investment opportunities.

14. Which of the following factors will have the greatest impact on the global commercial real estate market?



- When asked to single out one factor that would most impact the global commercial real estate market, 60 percent of respondents cited interest rates, an indicator that has remained top of mind for industry leaders in the years following the COVID-19 pandemic.
- The US economic outlook was the second-most cited consideration, accounting for 42 percent of respondents, followed closely by the new presidential administration and Congress at 39 percent.
- The global economic outlook and global instability were cited by 29 percent and 28 percent of respondents, respectively.

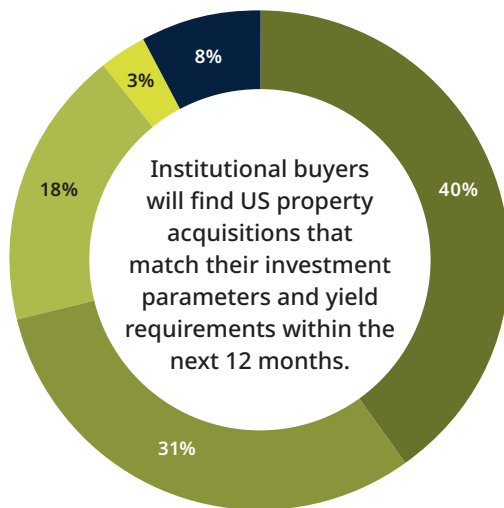
15. Asked only in the Wave 2 Survey: What impact do you expect the current and proposed tariffs will have on the US commercial real estate market over the next 12 months?



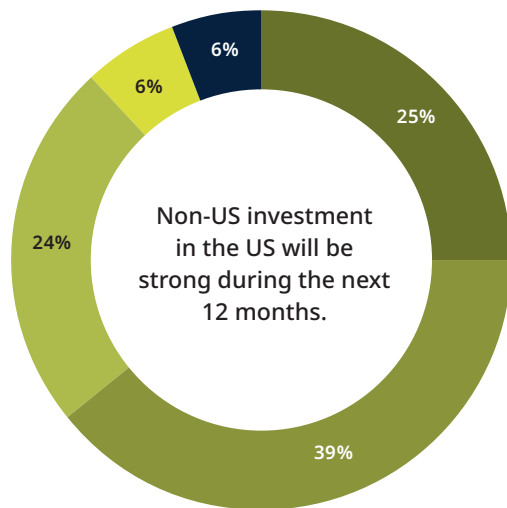
- Fifty-four percent of respondents said they expected that tariffs will have a somewhat or very negative impact.
- Only 5 percent expected tariffs to have a positive impact on the market.
- Respondents' predominant sentiment is in line with that of the World Bank, which recently said¹⁵ US economic growth may drop by half in 2025 and that the global economy will also slow as a direct result of tariffs.

16. Listed below are statements that express a range of attitudes and opinions people may have about the commercial real estate market.

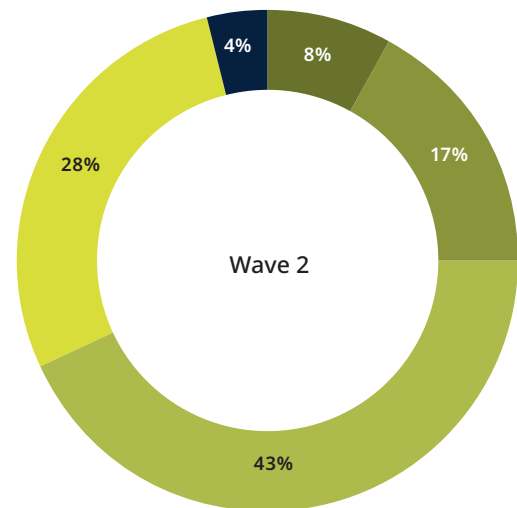
■ Completely agree ■ Agree ■ Neutral ■ Disagree ■ Completely disagree



- Forty-eight percent of respondents agreed that institutional buyers will find compatible US property acquisitions in 2025, while about one-third (31 percent) remained neutral.
- A relatively small cohort – about 21 percent of respondents – disagreed with the sentiment.



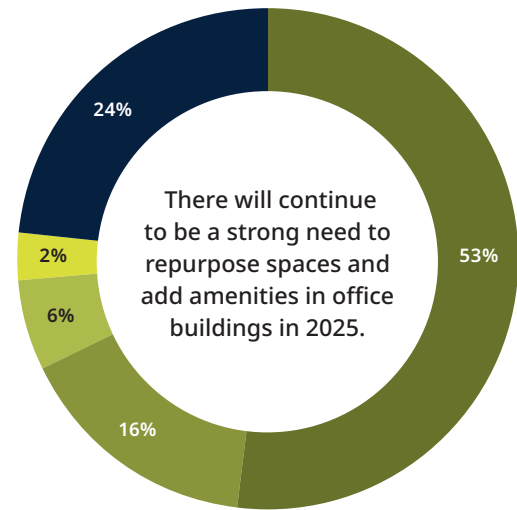
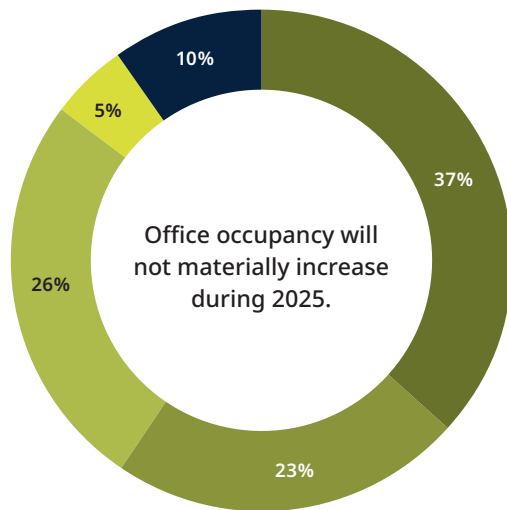
- In the Wave 1 Survey, roughly one-third of respondents agreed that international investment will be strong in the US, though the largest portion (39 percent) remained neutral, as uncertainty and volatility in the US market continue.



- The Wave 2 Survey showed that sentiment swung sharply, as just 12 percent agreed that non-US investment in the US will be strong in the year ahead, and far fewer (17 percent) remained neutral compared to Wave 1. The predominant sentiment in Wave 2 was negativity, as 71 percent expressed skepticism about international investment in the US following the introduction of new tariffs.

16. (continued) Listed below are statements that express a range of attitudes and opinions people may have about the commercial real estate market.

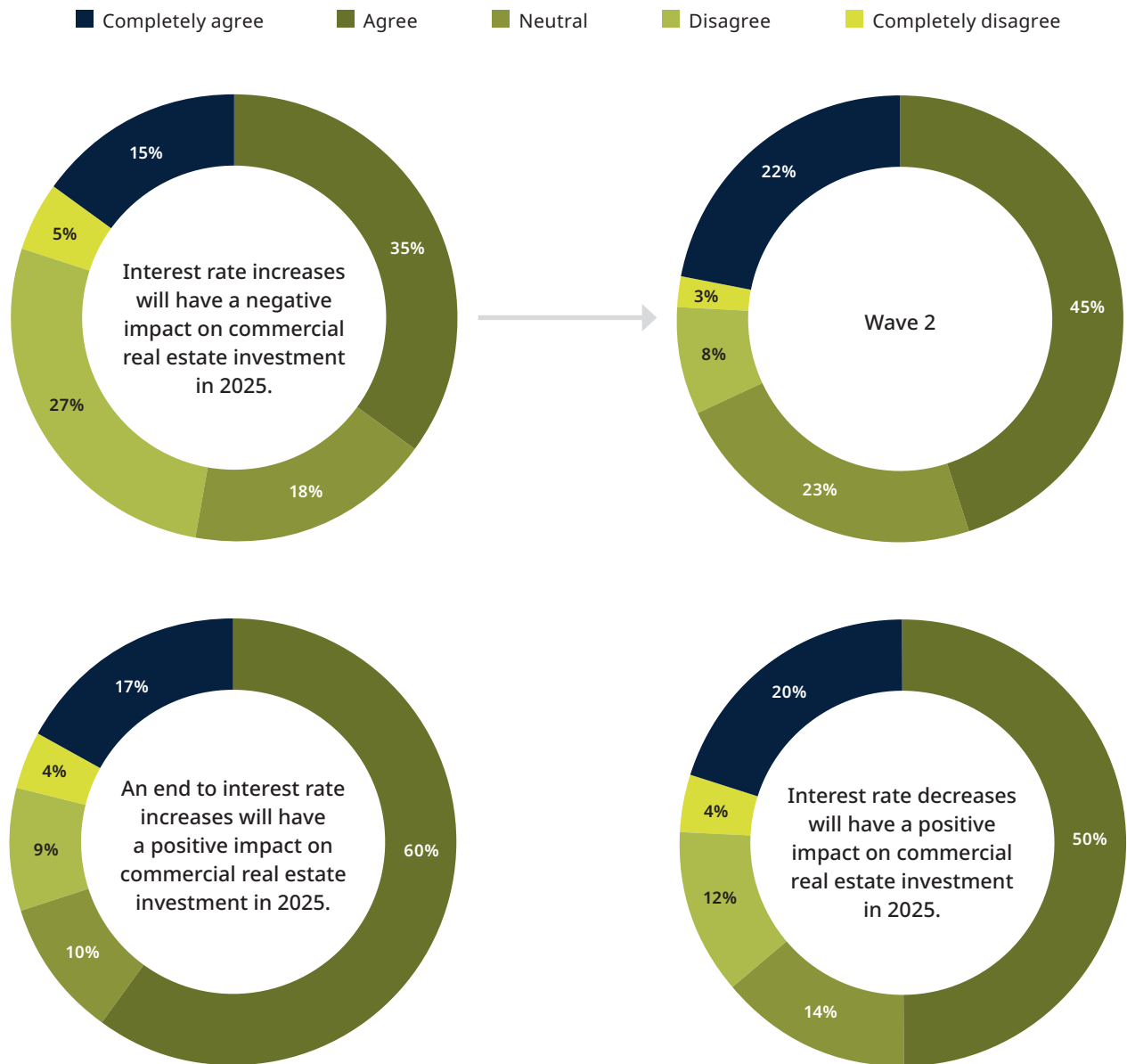
■ Completely agree ■ Agree ■ Neutral ■ Disagree ■ Completely disagree



- Sentiment around the office market has gradually improved; 46 percent agreed that office occupancy will not materially increase in 2025, compared to 72 percent who felt the same in both 2024 and 2023.

- Three-quarters of respondents agreed that office space will still see a need to be repurposed and upgraded in 2025, as the National Association for Industrial and Office Parks noted that demand for office space primarily exists in Class A/Trophy buildings¹⁶.
- This is in line with JLL research¹⁷, which showed that properties that “incorporate a diverse roster of amenities” would see 12-percent-higher demand than their counterparts, indicating the value of investing in improving office space.

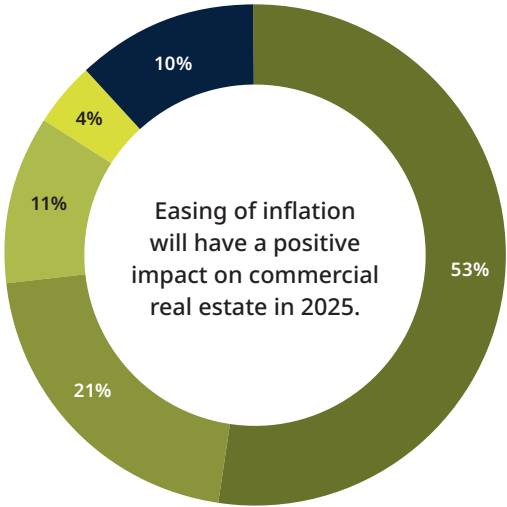
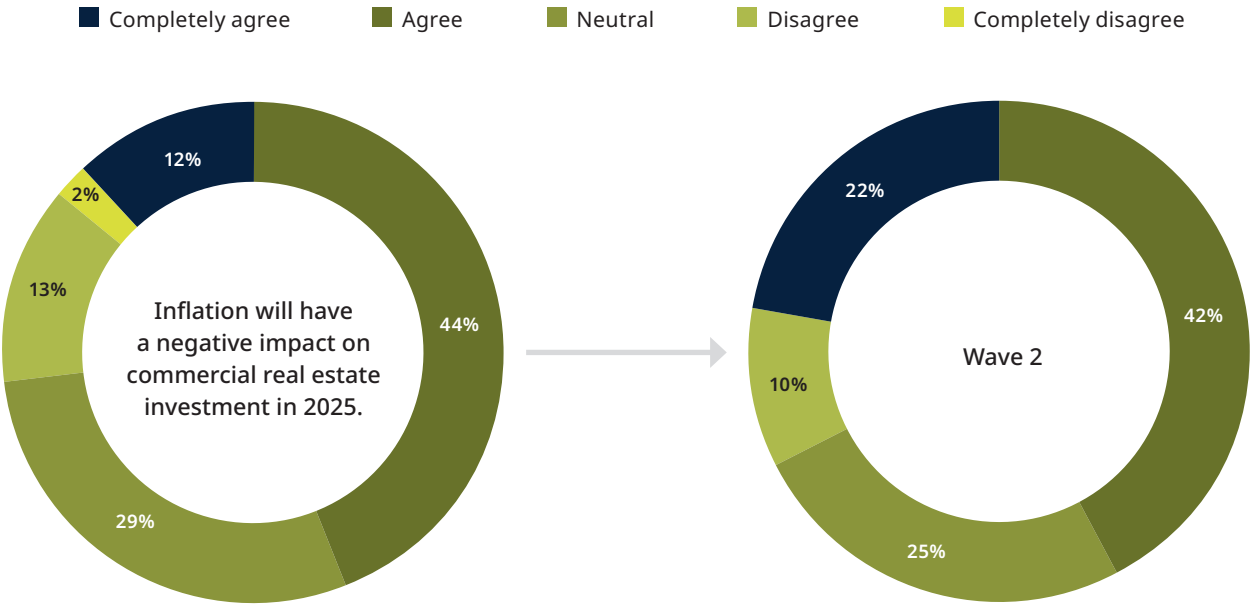
16. (continued) Listed below are statements that express a range of attitudes and opinions people may have about the commercial real estate market.



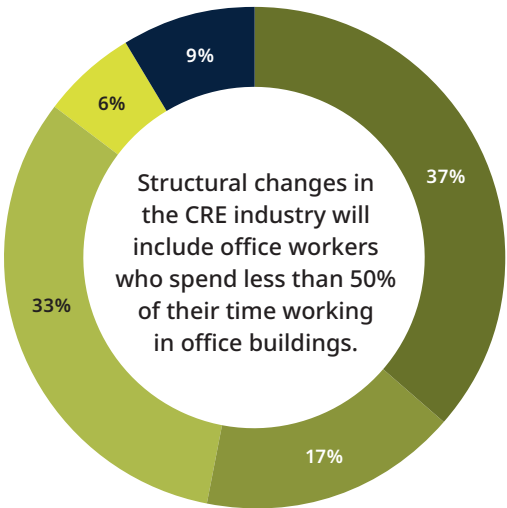
- In the Wave 1 Survey, half of respondents agreed that interest rate increases would negatively impact the industry, while 32 percent disagreed and just 18 percent remained neutral.
- The Wave 2 Survey showed that, as the possibility of rate increases went up, so too did expectations that interest rates would negatively impact the industry. Two-thirds of Wave 2 respondents (66 percent) agreed the industry would be negatively impacted by rate increases, while just 10 percent disagreed and 23 percent remained neutral.

- An overwhelming majority (77 percent) agreed that halting further rate increases would positively impact the industry, while just 13 percent disagreed.
- In the Wave 1 Survey, 70 percent of respondents agreed that decreasing interest rates would be a positive for the industry.

16. (continued) Listed below are statements that express a range of attitudes and opinions people may have about the commercial real estate market.



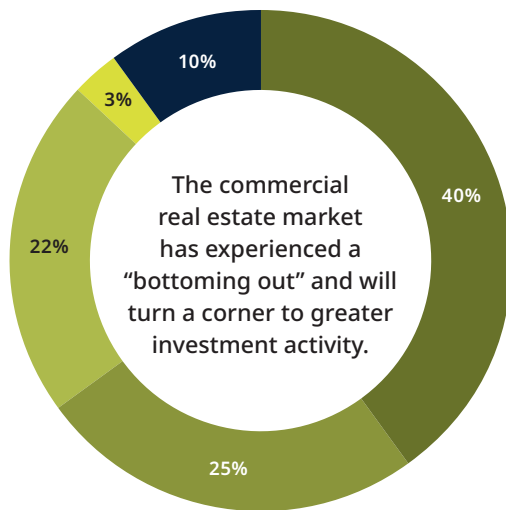
- In the Wave 1 Survey, more than half (56 percent) of the respondents agreed that inflation would negatively impact investment in the industry.
- The Wave 2 Survey saw an uptick in negativity, with 65 percent aligning with the idea that inflation would negatively impact the real estate market.
- Roughly two-thirds (63 percent) of respondents believed that a slowdown of inflation will benefit the industry in 2025, easing budget constraints for industry leaders and improving spending.



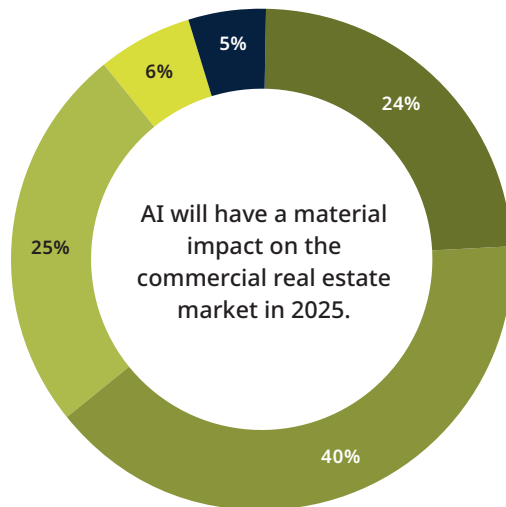
- As broader sentiment shifts around the office sector and the return-to-office movement continues to gain momentum, concern that office workers would spend less than 50 percent of their time in the office fell 18 percentage points year over year.
- Fewer than half (46 percent) of respondents believed that will be the case – though it's a moderate difference from the 39 percent who disagreed.

16. (continued) Listed below are statements that express a range of attitudes and opinions people may have about the commercial real estate market.

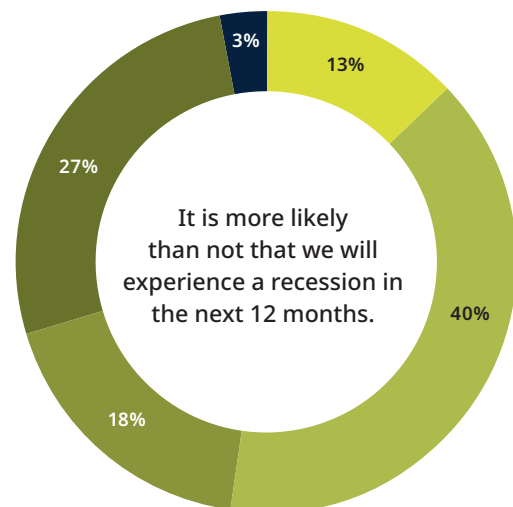
■ Completely agree ■ Agree ■ Neutral ■ Disagree ■ Completely disagree



- Only 1 in 4 respondents felt that there is further to fall for commercial real estate, with the majority agreeing or answering neutrally when asked whether investment activity would turn a corner in 2025 following 2024's slowdown.
- This is notable as confidence in strengthened investment activity was largely fueled by expectations for a "soft landing" for the economy and lower interest rates – both of which have since been called into question¹⁸ by the economic developments around tariffs.
- At the beginning of 2025, 70 percent of commercial real estate investors surveyed by CBRE¹⁹ planned to invest in more assets this year than last.



- The largest portion (40 percent) of respondents remained neutral on how AI will impact the market this year, while 29 percent agreed it will have a material impact and 32 percent disagreed.



- Asked only in the Wave 2 Survey, just 29 percent believe a recession is more likely than not, and more than half (53 percent) of respondents disagree that a recession is more likely than not. Eighteen percent remained neutral.

17. What percentage of workers in urban areas do you expect to be back in their offices consistently (at least three days per week) 12 months from now?

Roughly 75%	63%
Roughly 50%	29%
Roughly 100%	5%
Roughly 25%	4%
Less than 25%	0%

- About two-thirds of respondents believed that at least 75 percent of urban workers will be back in the office at least three days per week within the next year – up significantly from 2024.
- Just under one-third (29 percent) said that about 50 percent will return to the office consistently.
- These findings are consistent with [broader sentiment around office trends](#)¹⁶, as leaders recognize that disruptions over the last five years are beginning to return toward – though not all the way back to – the mean from 2019 and earlier.

18. When do you anticipate US office building vacancy returning to pre-pandemic levels?

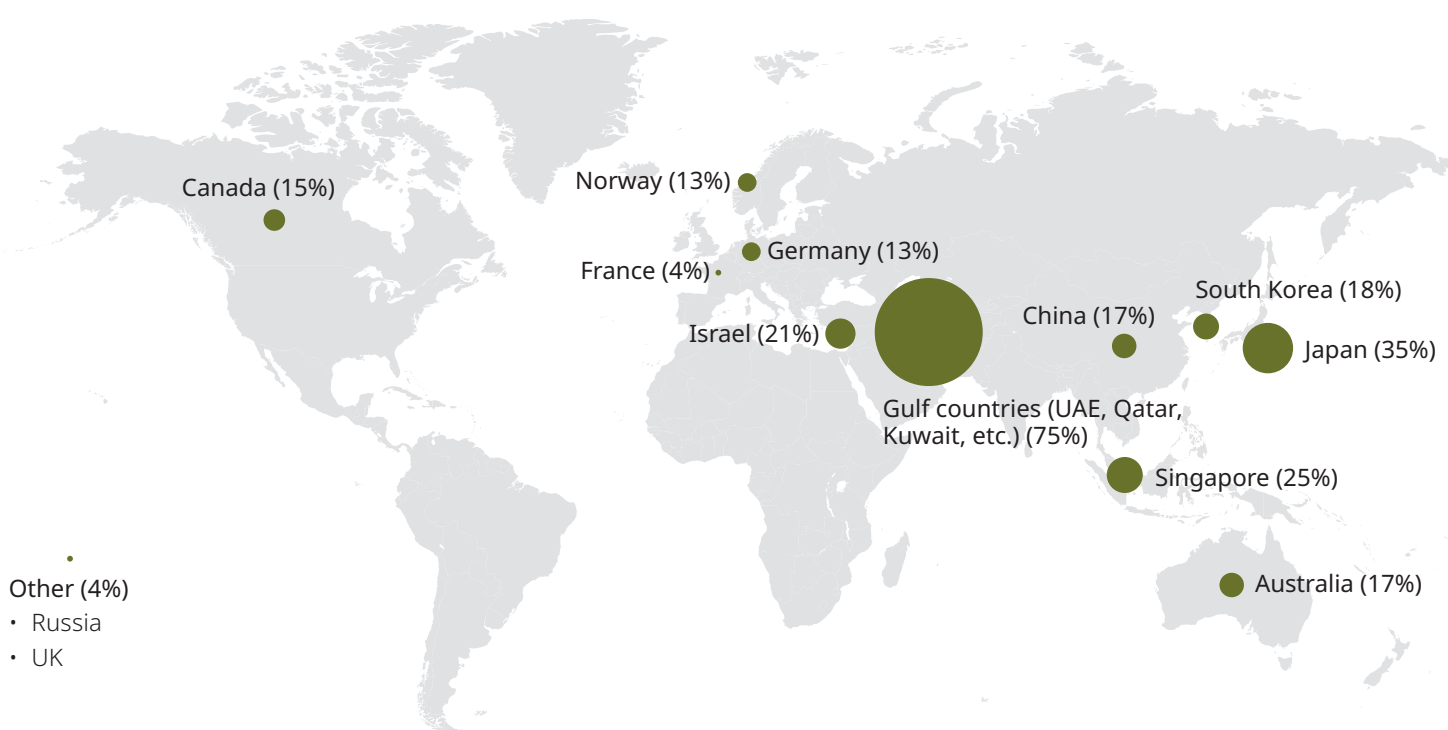
Never	40%
More than 3 years from now	29%
2 to 3 years from now	21%
1 to under 2 years from now	9%
Less than 1 year from now	2%

- Four in 10 respondents still predicted that vacancy rates may never return to pre-pandemic levels. While that does account for a significant portion of respondents, that figure has shrunk from 48 percent in 2024, signaling a gradual return to optimism in the office sector as demand improves – particularly for Class A space.
- Three in 10 predicted that office vacancy rates will reach pre-pandemic levels more than three years into the future, and one-fifth of respondents expected it to occur within the next two to three years.
- Few are optimistic about vacancy returning to pre-pandemic levels in the next two years or less, accounting for just 11 percent of respondents.





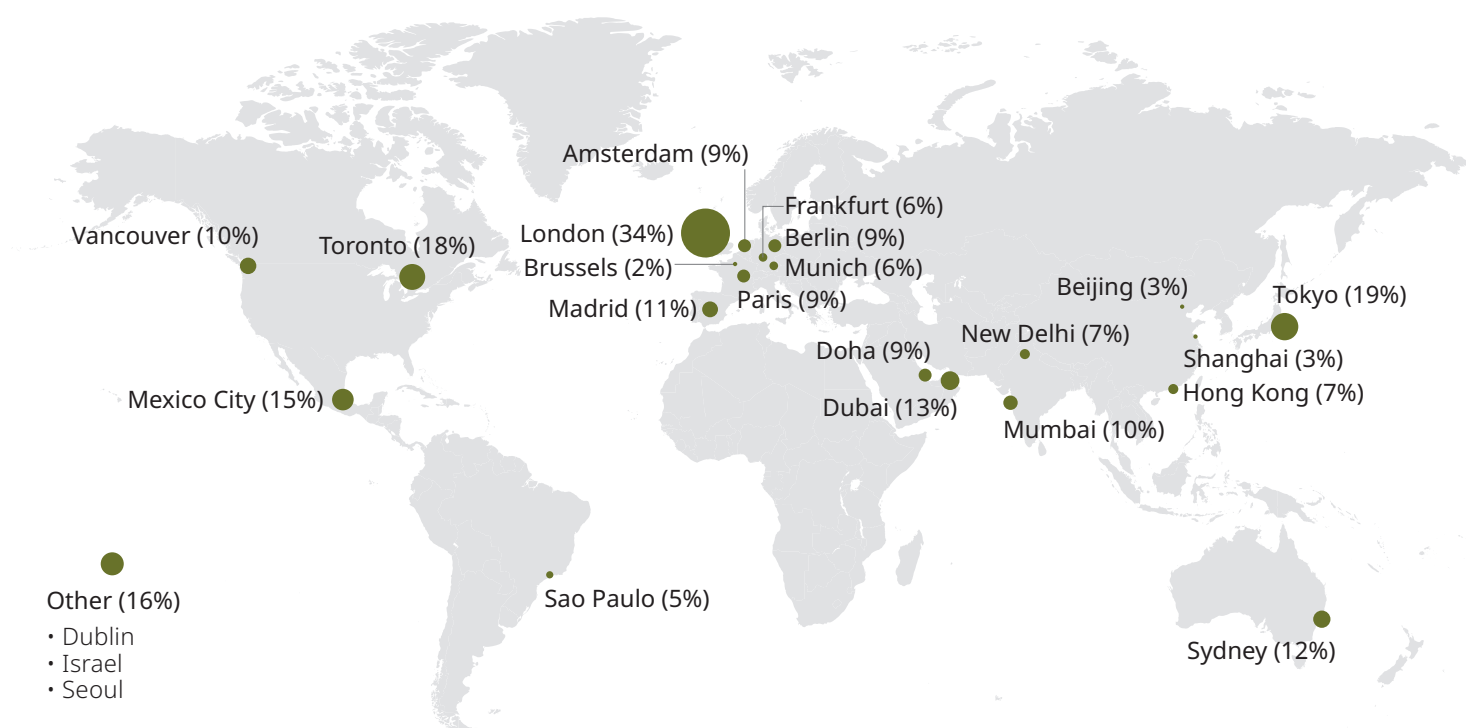
19. Investors from which of the following countries will be most active in the US commercial real estate market during the next 12 months?



- Gulf countries (e.g., the United Arab Emirates, Qatar, Kuwait) accounted for the largest cohort of respondents (75 percent).
- Other countries that respondents identified as likely to be active sources of investment in the US included Japan (35 percent), Singapore (25 percent), and Israel (21 percent).
- European countries on the list are expected to be less active, including Norway (13 percent), Germany (13 percent), and France (4 percent).



20. Which of the following international cities are most attractive for investment during the next 12 months?



- London dominated as the most attractive international city for investment, receiving 34 percent of responses. It also topped the list in 2024 (43 percent) and 2023 (47 percent). This aligns with broader trends showing sustained investor confidence in a rebounding UK market for 2025²⁰; CBRE²¹ also called London “the most attractive [city] for cross-border investment.”
- Tokyo (19 percent) and Toronto (18 percent) followed closely behind, against the backdrop of economic recovery²² and strong demand and transaction activity²³ in each region, respectively.
- Mexico City was also a popular choice among 15 percent of respondents, in line with CBRE’s recognition of its strength in the life sciences asset class²⁴.
- Cities like Paris, Berlin, Amsterdam, and Doha each garnered 9 percent, showing moderate but diversified interest in both mature and emerging markets across Europe and the Middle East.

Methodology:

Methodology for Wave 1:

Between February 19-March 27, 2025, DLA Piper distributed a survey, facilitated by [Wakefield Research](#), to experts within the commercial real estate industry via email lists. These experts include CEOs, COOs, CFOs, real estate developers, real estate debt providers, real estate investors, third-party brokerage, property and asset managers, and other real estate professionals. The survey was completed by 126 respondents in total.

Methodology for Wave 2:

The second survey was conducted by [Wakefield Research](#) between May 14-May 28, 2025, using an email invitation distributed by DLA Piper which was completed by 66 experts within the commercial real estate industry. These experts include CEOs, COOs, CFOs, real estate developers, real estate debt providers, real estate investors, third-party brokerage, property and asset managers, and other real estate professionals. In addition, Wakefield Research fielded the survey to 50 Executives in Commercial Real Estate during the same time period, using an email invitation and an online survey. The survey was completed by 116 respondents in total.

Due to rounding and multi-select questions, percentages used in some of the questions for Wave 1 & 2 may not equal 100 percent.

Endnotes

- ¹ "Perspectives 2025: What investors want from real estate is changing," Private Equity Real Estate, February 2025
- ² "Consumer prices up 2.3 percent from April 2024 to April 2025," US Bureau of Labor Statistics, May 19, 2025
- ³ "Walmart Becomes Biggest Retailer Yet to Pass Through Tariff Price Increases," The Wall Street Journal, May 15, 2025
- ⁴ "The world's hot new trade is 'sell America,'" Axios, April 11, 2025
- ⁵ "The State of Housing in America," US Chamber of Commerce, March 17, 2025
- ⁶ "CRE Transaction Volumes Should Pick Up in 2025. Here's Why," D Magazine, February 5, 2025
- ⁷ "Fed Chair Powell says the US economy is in 'solid shape' with gradual rate cuts coming," Associated Press, September 30, 2024
- ⁸ "The probability of a recession has fallen to 40%," J.P. Morgan, May 27, 2025
- ⁹ "How higher borrowing costs are affecting the commercial industry for buyers and developers," Matthews, February 28, 2025
- ¹⁰ "Impact of Interest Rate Cuts on Real Estate Cap Rates," CBRE, October 10, 2024
- ¹¹ "Fed signals smaller rate cuts in 2025 amid high inflation and trade risks," Deloitte, January 31, 2025
- ¹² "Cap Rate Compression Expected to Drive Investment Growth in 2025," GlobeSt., April 1, 2025
- ¹³ "Key Trends Shaping Commercial Real Estate in 2025," CRE Daily, December 23, 2024
- ¹⁴ "We Are Family: Private capital funding and family offices," CBRE, January 28, 2025
- ¹⁵ "World Bank Sees U.S. Growth Rate Halving as Tariffs Slow Global Economy," The Wall Street Journal, June 10, 2025
- ¹⁶ "The Office Market 2025: Turning the Corner," NAIOP, Spring 2025 Issue
- ¹⁷ "The ultimate guide to experience management," JLL
- ¹⁸ "Will Trump's tariffs threaten the Fed's soft landing? Experts weigh in," ABC News, March 19, 2025
- ¹⁹ "2025 U.S. Investor Intentions Survey: Investment Activity Poised for Growth," CBRE, January 23, 2025
- ²⁰ "UK Real Estate Market Outlook 2025," CBRE, December 5, 2024
- ²¹ "Living Takes Top Spot for Cross-Border Real Estate Investment Demand for the First Time," CBRE, January 20, 2025
- ²² "Japan's 2025 Real Estate Market Trends, Prices and Forecast," Tokyo Portfolio, May 14, 2025
- ²³ "Toronto commercial real estate market update – Q1 2025," Altus Group, May 13, 2025
- ²⁴ "Mexico City Market," CBRE, April 11, 2025

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— *Chambers USA 2025*

Notable recent matters

Our team represented:

- **Blackstone** in closing the second phase of its investment in Digital Realty's "Western Lands" data center campus adjacent to Dulles Airport in Virginia.
- **Brookfield** in connection with obtaining approval of zoning and public funding of approximately US\$100 million from the Village of Northbrook, Illinois to facilitate the redevelopment of approximately 110,000 square feet of luxury retail and new construction of 2,000 multifamily dwelling units along with civic, parks, open area and event space on the regional Northbrook Court mall property.
- **EDC Ventures** (a joint venture of Edged Energy and Koch Real Estate Investments) in a bespoke programmatic hybrid project finance/real estate borrowing base construction loan for US\$800 million covering initially 7 data center sites being developed in Atlanta, Dallas, Aurora, IL, Kansas City, MO, Salt Lake City, Phoenix and Columbus.
- **Major life insurance company** in a US\$720 million mortgage loan and US\$180 million mezzanine loan secured by a large portfolio of senior housing assets in Georgia, California, Arizona and Oregon.
- **Peakstone Realty Trust** in the US\$490 million acquisition of a 51-property, 14-state, industrial outdoor storage portfolio.
- **SL Green Realty Corp.** in the refinancing of a US\$125 million construction loan made by Bank of China to a joint venture between SL Green and a real estate fund managed by Meritz Alternative Investment Management for a project that includes a new 215,000 SF state of the art building that will be part of Pace University's Manhattan campus.
- **Tokyu Land US Corporation** in the US\$911 million mortgage, senior mezzanine and junior mezzanine refinancing of 425 Park Avenue in Manhattan from a consortium of Japanese lenders.
- **United Center** (home to the Bulls and Blackhawks) in obtaining zoning approvals for "The 1901 Project", the largest private development ever undertaken on Chicago's west side that will be developed in 6 phases over approximately 15 years and that consists of a new 6,000 seat music venue, 25 acres of public open space, 9,500 residential units, 1,300 hotel keys, 660,000 square feet of office space and 670,000 square feet of retail space.

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