



Fourth Quarter 2025

The Real Estate Roundtable Sentiment Index

The Real Estate Roundtable Sentiment Index¹

The Real Estate Roundtable is pleased to announce the results from the Q4 2025 Real Estate Roundtable Sentiment Survey. The quarterly survey is the commercial real estate industry's comprehensive measure of senior executives' confidence and expectations about the commercial real estate market environment. Conducted by Ferguson Partners on behalf of The Roundtable, it measures the views of CEOs, presidents, and other top commercial real estate industry executives regarding current conditions and the future outlook on three topics:

1. Overall real estate conditions
 2. Real estate asset values
 3. Access to capital markets
-

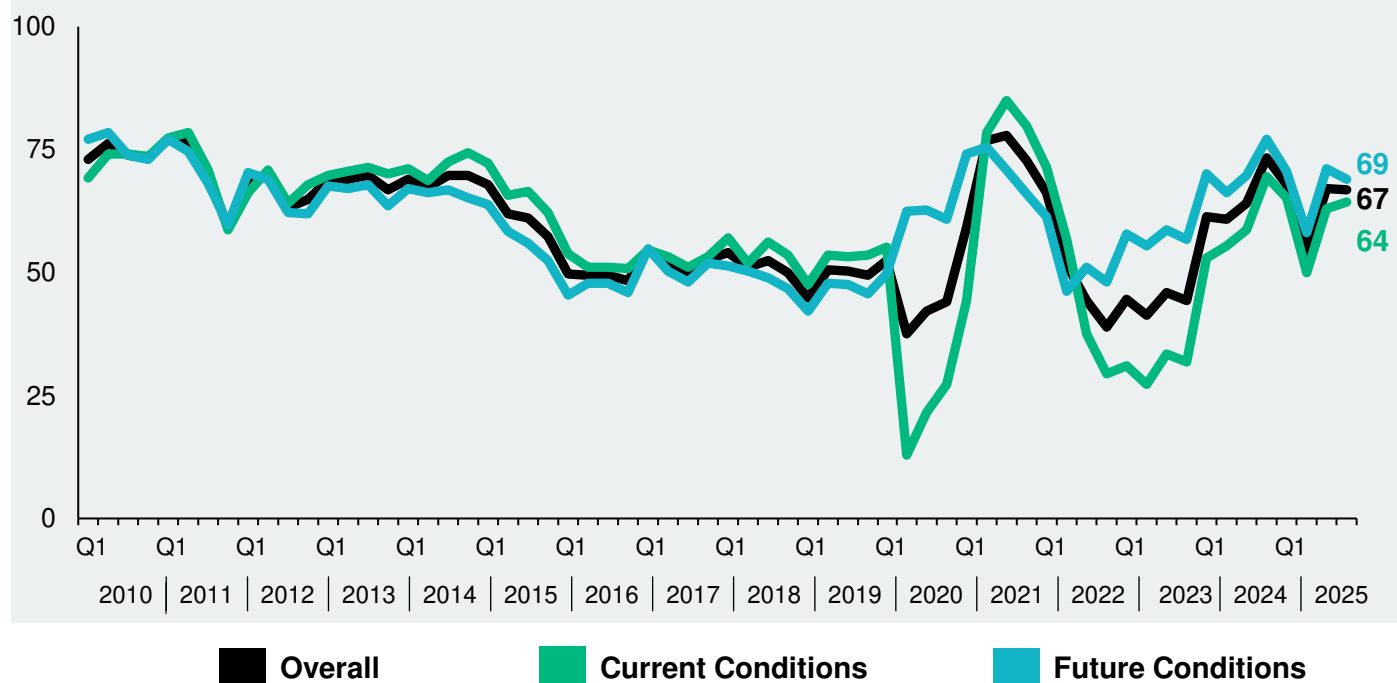
Topline Findings

- The Q4 2025 Real Estate Roundtable Sentiment Index registered **an overall score of 67**, equivalent to the previous quarter. The Current Index registered a score of 64, a 1-point increase over Q3 2025. The Future Index posted a score of 69 points, a decrease of 2 points from the previous quarter, reflecting sentiment that the market has largely stabilized and is now transitioning from caution to guarded optimism. Many participants anticipate stronger transaction activity in 2026 as interest rates ease and confidence builds, yet acknowledge that political and policy uncertainty continue to temper near-term enthusiasm.
- Although perspectives vary by asset class, overall market sentiment remains positive. **Only 13% of respondents believe that general market conditions are worse than this time last year, and 63% of respondents believe that general market conditions are better than this time last year.** More than two-thirds (70%) of Q4 survey participants expect general market conditions to show improvement one year from now. Leaders reported continued strength in residential sectors, alongside steady improvement in retail and hospitality. Office remains the most challenged asset class, though signs of stabilization are emerging in top-tier markets.
- **Forty-three percent (43%) of respondents believe asset values are roughly unchanged** compared to a year ago. A large minority of participants see green shoots, with 42% believing asset prices have increased and only 15% believing they have declined. Looking ahead, the outlook is optimistic: 72% expect asset prices to rise over the next year, 24% believe asset values will remain stable, and only 4% anticipate a slight decline.
- Perceptions on the availability of equity capital relative to last quarter are muted, although **nearly half (48%) of respondents still believe equity availability is better compared to a year ago.** On the other hand, sentiment around debt capital has risen significantly, as 78% said the availability of debt capital has improved from last year. Looking forward, 64% of respondents believe that equity capital availability will be better in one year and 56% believe debt capital availability will be better.

¹ The Real Estate Roundtable Sentiment Index is measured on a scale of 1–100. It is the average of The Real Estate Roundtable Future Index and The Real Estate Roundtable Current Index. To register an Index of 100, all respondents would have to answer that they believe conditions are “much better” today than one year ago and will be “much better” one year from now.

The Real Estate Roundtable Sentiment Index

Exhibit 1 – Sentiment Index (Aggregate)



- In the Q4 RER Sentiment Survey, participants rated the overall market conditions as a score of 67, current conditions as 64, and future conditions as 69
- Compared to one year ago, sentiments of current conditions are down by 5 points, perceptions of future conditions are down by 8 points, and overall conditions are down by 6 points
- In comparison to last quarter, sentiments on current conditions are up 1 point, perceptions of future conditions are down by 2 points, and overall conditions remain flat

The Real Estate Roundtable Sentiment Index is measured on a scale of 1–100. It is the average of The Real Estate Roundtable Future Index and The Real Estate Roundtable Current Index. To register an Index of 100, all respondents would have to answer that they believe conditions are “much better” today than one year ago and will be “much better” one year from now.

General Conditions

The Q4 2025 Real Estate Roundtable Sentiment Index registered an overall score of 67, equivalent to the previous quarter. The Current Index registered a score of 64, a 1-point increase over Q3 2025. The Future Index posted a score of 69 points, a decrease of 2 points from the previous quarter, reflecting sentiment that the market has largely stabilized and is now transitioning from caution to guarded optimism. Many participants anticipate stronger transaction activity in 2026 as interest rates ease and confidence builds, yet acknowledge that political and policy uncertainty continue to temper near-term enthusiasm.

“We’re coming out of the fog, with the worst behind us. The starting gun went off after Labor Day. There’s growth in the economy, growth in jobs, and growth in real estate across all sectors.”

“Market conditions have strengthened, and real estate has benefited from overall market optimism, driven by expectations of continued rate cuts on the short end of the curve and confidence that the economy will avoid a recession.”

“Global investors are eager to deploy capital into value-add strategies given current market fundamentals. The concern remains whether core buyers will be present at the exit, which is slowing the release of pent-up capital.”

“Tariffs have been a disaster for our industry, not only because the cost of materials is higher, but also because of the uncertainty they create which significantly hampers the ability to make decisions.”

“The market is still challenging, but the wind isn’t at your back or your face this time, it’s going sideways. There are constant twists and turns.”

“The policy environment worries me because here’s too much uncertainty to plan long-term. You never know what’s coming out of D.C., it’s like a game of Battleship.”

“It’s a tough period that is very market and sector dependent. However, with limited new supply, I’m more optimistic than I have been.”

General Conditions (continued)

Although perspectives vary by asset class, overall market sentiment remains positive. Only 13% of respondents believe that general market conditions are worse than this time last year, and 63% of respondents believe that general market conditions are better than this time last year. More than two-thirds (70%) of Q4 survey participants expect general market conditions to show improvement one year from now. Leaders reported continued strength in residential sectors, alongside steady improvement in retail and hospitality. Office remains the most challenged asset class, though signs of stabilization are emerging in top-tier markets.



Multifamily, student housing, and senior housing all show solid supply-demand visibility.”



Tenant demand is strong for community shopping centers. These properties are hyper-local and bring in anchor-driven business.”



Across all markets, the flight to quality in office space has never been more pronounced. With respect to office capital markets, the assets must be Class A, with significant WALT and in a prime location to be capitalized at any material value.”



Hotels are okay. There are very high cap rates now, but we expect them to come down as demand peaks.”



Sunbelt multifamily markets like Florida and Texas are overbuilt and facing downward rent pressure.”



Office in San Francisco is making a tiny recovery, with successful return to office policies and the rise of AI.”



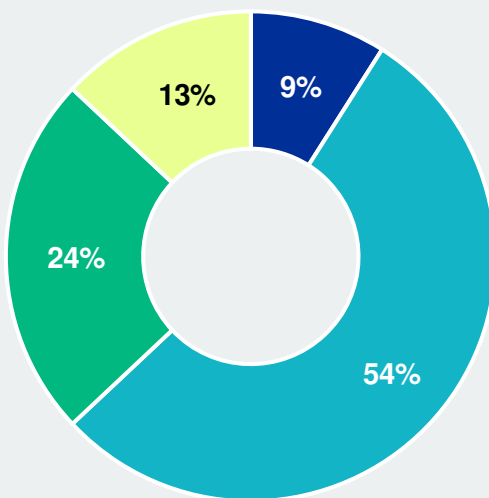
Industrial demand, after the uncertainty around tariffs, has come back strong. Although there are pockets of oversupply, it remains overall healthy.”

General Market Conditions

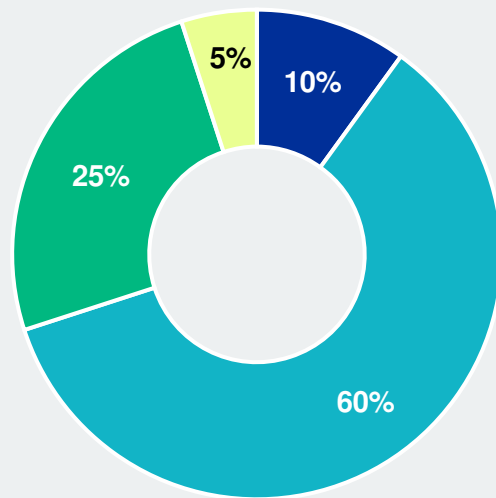
% of respondents

Exhibit 2 – Perceptions on General Market Conditions

Today vs.
One Year Ago



One Year From
Now vs. Today



■ Much
better

■ Somewhat
better

■ About the
same

■ Somewhat
worse

■ Much
worse

- Regarding sentiment on current market conditions, 13% believe it is a less favorable environment compared to one year ago, 63% feel it has improved, and 24% believe conditions remain the same
- Current perceptions fall short of the expectations outlined twelve months ago, where 88% of participants anticipated an improvement in general market conditions, whereas only 63% of Q4 2025 participants believe conditions have truly improved
- Looking towards the future, 70% of participants believe that a year from now will present more favorable market conditions

Asset Values

Forty-three percent (43%) of respondents believe asset values are roughly unchanged compared to a year ago. A large minority of participants see green shoots, with 42% believing asset prices have increased and only 15% believing they have declined. Looking ahead, the outlook is optimistic: 72% expect asset prices to rise over the next year, 24% believe asset values will remain stable, and only 4% anticipate a slight decline.



Broadly speaking, asset pricing is higher today than a year ago. Part of that is higher cap rates and part of that is less fearful capital.”



New York City asset values, whether that’s office, retail, or residential, are all up from a year ago as people are coming off the sidelines.”



Bid-ask spreads seem to be compressing a bit. Buyers and sellers are finally getting closer to clearing.”



A lot of what’s fueling this sentiment of asset appreciation in the real estate markets, in addition to the relative value of risk assets in other parts of the economy, is a high barrier to entry for new supply of product that is giving positive market sentiment to this supply-demand equation.”



In the shopping center sector, values have increased since the beginning of the year. It’s healthy asset pricing increases, nothing crazy.”

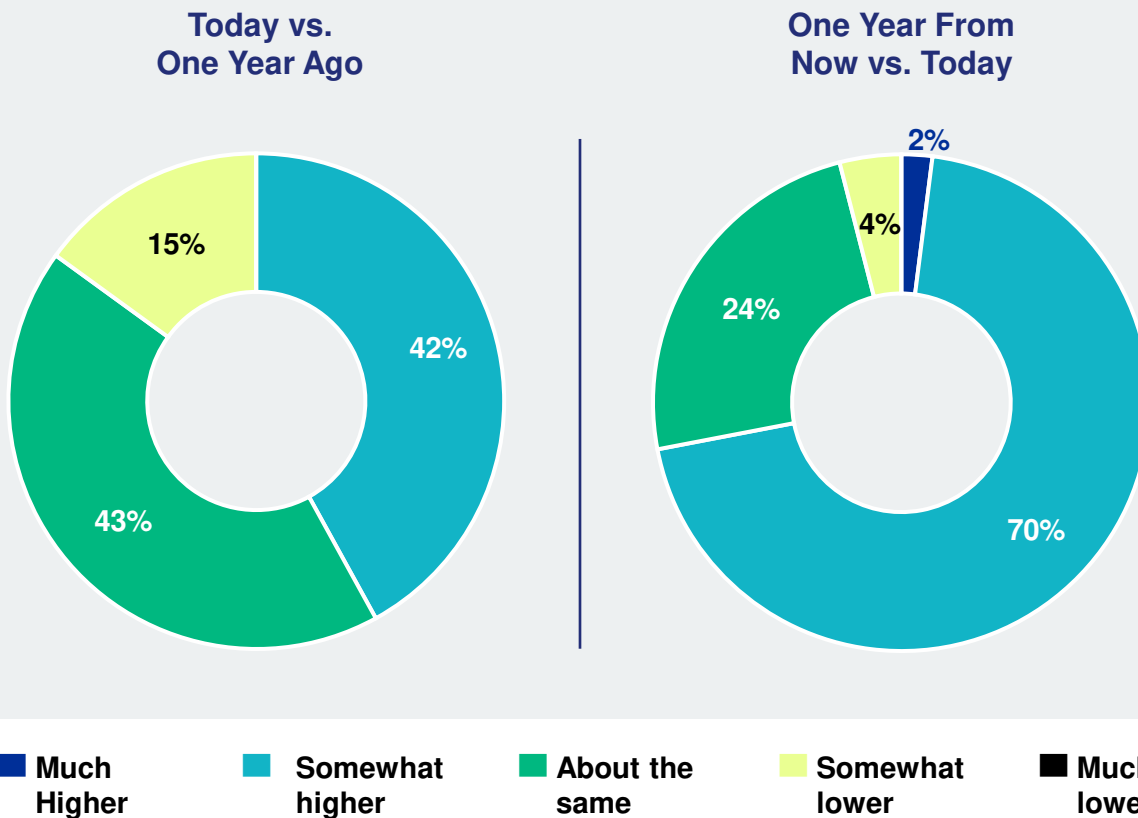


Amid positive potential as occupancy increases, we still see some areas where there is pricing uncertainty because no deals are being done.”

Real Estate Asset Values

% of respondents

Exhibit 3 – Perceptions on Asset Values



- Regarding sentiment on the state of current asset values, 15% believe they are lower than one year ago, 42% feel they are higher, and 43% believe asset values have remained the same compared to a year ago
- Looking at last year's Q4 Sentiment survey, 79% of participants expected asset values would be higher now, reflecting a drop in asset value expectations
- Looking towards the future, 72% of participants believe that a year from now will present more favorable asset values, 24% believe they will remain the same, and only 4% believe we will see lower asset values

Capital Markets

Perceptions on the availability of equity capital relative to last quarter are muted, although nearly half (48%) of respondents still believe equity availability is better compared to a year ago. On the other hand, sentiment around debt capital has risen significantly, as 78% said the availability of debt capital has improved from last year. Looking forward, 64% of respondents believe that equity capital availability will be better in one year and 56% believe debt capital availability will be better.

“Credit markets are wide open. Spreads have compressed, and we’re back to covenant-light loans. Banks are active again, insurance companies are expanding, and private debt funds continue to grow.”

“Equity is coming in, but real estate has lots of competition among infrastructure, private markets, etc.”

“We’re in the market fundraising every day, but the real estate equity markets haven’t reopened to historically exciting levels.”

“The availability of equity capital has not fully come back. There was a lot of dry powder to capitalize deals, but it does feel like there is going to be some thaw in the next few months. Of course, it’s always hard to raise capital if you don’t already have it committed.”

“There’s an explosion of private debt capital, although it can still be picky about unfavorable assets.”

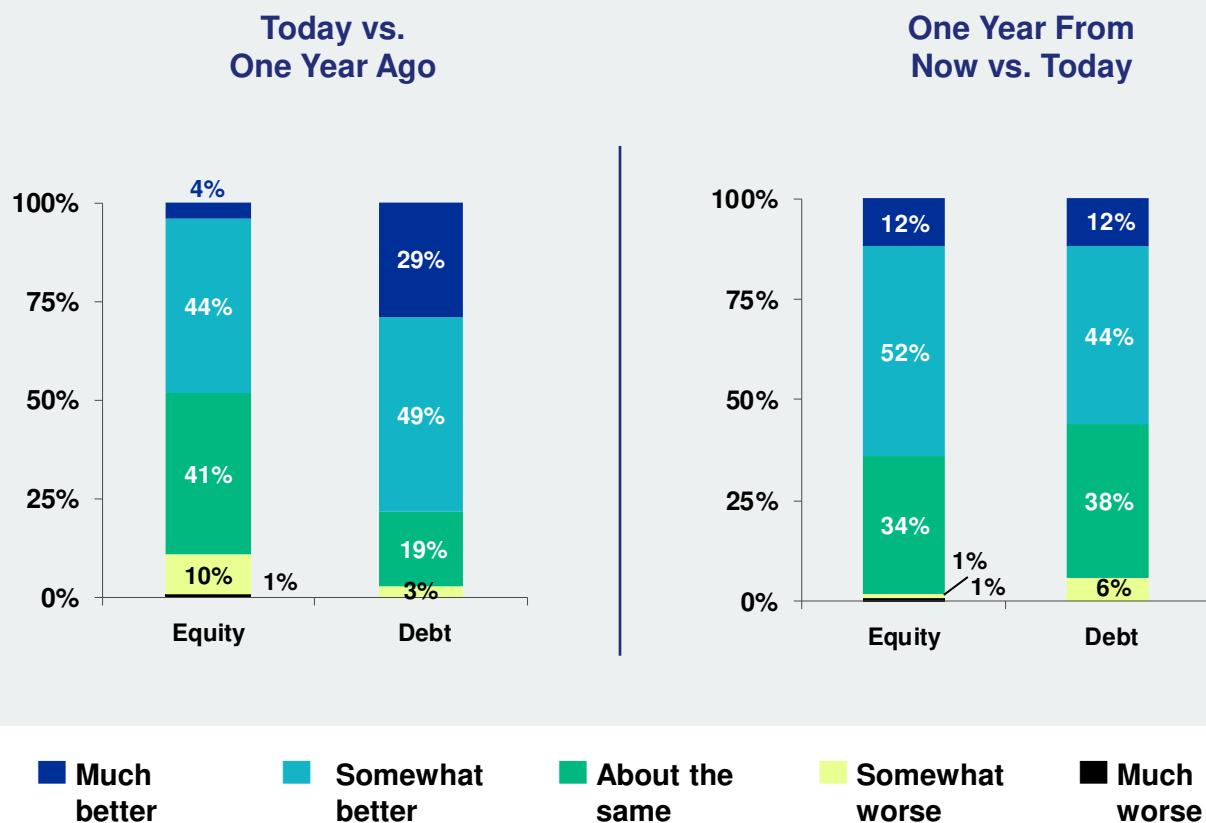
“Banks are open and CMBS is open to more property types, so we’re in a pretty good place overall.”

“For the public markets, one has to have a resoundingly successful-looking deal to get money. The money for buying below replacement cost seems to be closing, and there’s no money for ground-up development.”

Availability of Capital

% of respondents

Exhibit 4 – Perceptions on the Availability of Debt and Equity Capital



- Regarding sentiment on the availability of equity capital, 48% believe it is better compared to one year ago, 11% feel it has declined, and 41% believe the availability of equity remains the same
- In terms of the availability of debt capital, only 3% of participants believe it is worse compared to one year ago, 78% feel it has improved, and 19% believe the availability of credit remains the same
- Looking towards the future, 64% and 56% of participants believe that equity and debt availability, respectively, will be better one year from now, while 2% and 6% of participants believe that capital availability will be worse one year from now

Participants

(Please note that this is only a partial list. Not all survey participants elected to be listed.)

Joshua M. Parker
Ancora Group Capital

Steven Hason
APG Asset Management US, Inc.

Alexandra S. Glickman
Arthur J. Gallagher & Co.

Daryl J. Carter
Avanath Capital Management

Mark E. Rose
Avison Young

Joe Marconi
Bain Capital Real Estate

Rudy Prio Touzet
Banyan Street

Jackie Kremer
Sheridan Schechner
Barclays

Rachel Loeb
Benenson Capital Partners, LLC

Alan King
Berkshire Residential Investments

Jeffrey D. Horowitz
BofA Securities, Inc.

Michael W. Brennan
Brennan Investment Group

Raymond A. Ritchey
Owen D. Thomas
BXP

Douglas Pasquale
Capstone Enterprises Corp.

Robert Stern
Castle Hill Investors

Stephen Lebovitz
CBL & Associates Properties, Inc.

Christoph Donner
Cityview

Alan Gosule
Clifford Chance, LLP

David M. Brickman
D2 Asset Management

Kathleen S. Briscoe
Tyler Scheppmann
Dermody

Kevin Crummy
Douglas Emmett, Inc.

Mark Seelig
Eagle Rock Properties

Jodie W. McLean
EDENS

Christina Chiu
Anthony E. Malkin
Empire State Realty Trust, Inc.

Peter E. Baccile
First Industrial Realty Trust, Inc.

Alex Klatskin
Forsgate Industrial Partners

Jonathan J. Ofer
Global Holdings Management (US)

David Lentz
Randall K. Rowe
Green Courte Partners

Robert Ivanhoe
Greenberg Traurig, LLP

Theodore J. Klinck
Highwoods Properties, Inc.

Ross Perot, Jr.
Hillwood
Perot Companies, The

Ray Lawler
Hines

Dean Parker
Hinshaw & Culbertson, LLP

Clyde Holland
Holland Partner Group

Treon Glenn
IHG Hotels & Resorts

Diana Reid
Independent

Marty Burger
Infinite Global Real Estate Partners

Daniel Wagner
Inland Real Estate Group, The

Michael O'Brien
Investcorp

Dallas Tanner
Invitation Homes

Guy Johnson
Johnson Capital Group, Inc.

Geordy Johnson
Johnson Group, The

John Flynn
Kennedy Wilson

Angela M. Aman
Kilroy Realty Corp.

Conor Flynn
Kimco Realty Corp.

Ralph Rosenberg
Matt Salem
KKR

Peter McDermott
Eric C. Resnick
KSL Capital Partners, LLC

Gordon Repp
LaSalle Investment Management, Inc.

Matthew J. Lustig
Lazard

Harrison T. LeFrak, Esq.
LeFrak

Michael H. Lowe
Lowe

Participants (continued)

Hessam Nadji
Marcus & Millicap

Alexander S. Rubin
Moelis & Co.

Andy Newell
Monarch Investment & Management Group

Thomas F Moran
Moran & Co.

Seth Weintrob
Morgan Stanley

Chad Phillips
Nuveen Real Estate

Todd Liker
Oaktree Capital Management

Erik Horvat
Olayan Group, The

Taylor Pickett
Omega Healthcare Investors, Inc.

Rob Rain
OTO Development

William Lindsay
PCCP

Devin Murphy
Phillips Edison

Todd Everett
Principal Asset Management

Peter Fass
Proskauer Rose LLP

Jerry Starkey
RE Partners International

Martin E. Stein, Jr.
Regency Centers

Adam D. Portnoy
RMR Group, The

Scott Rechler
RXR

Geoffrey Stack
SARES/REGIS Group

Marc Holliday
SL Green Realty Corp.

John G. Murray
Sonesta International Hotels Corp.

Benjamin S. Macfarland, III
SROA Capital

Nick Dhimitri
Suffolk

Rick Buziak
Swift Real Estate Partners

Hugh W. Allen
TD Bank

Jeffrey B. Citrin
Temerity Strategic Partners

Mitchell Schear
Ten Square

Michael A. Covarrubias
TMG Partners

Mark Maduras
TPG Angelo Gordon

Jeffrey Zabel
Tufts University – Department of Economics

Thomas W. Toomey
UDR, Inc.

Damiano Buffa
Gary M. Tischler
Vanborton Group

Walker Noland
Virginia Retirement System

Kenneth J. Bacon
Welltower

Michael Menzer
White Oak Partners

Duncan Osborne
Willow Bridge Property Co.

Gilbert Winn
WinnCompanies

Contact

Please direct all inquiries regarding this study to:



Michelle Yelaska

Vice President, Management Consulting
Ferguson Partners
+1 (312) 893-2317
myelaska@fergusonpartners.com

About Ferguson Partners Consulting

We are problem solvers for the real assets industries helping our clients with the strategy, structure, and performance of their businesses, often at times of transition and transformation. Our service offerings include:

- Strategy & Market Positioning – Optimizing business strategy to compete in the market.
- Organizational Design – Getting the right structure, roles, and people in place to execute the business plan.
- Governance & Succession Planning – Planning around current and future leadership, ownership, governance, and decision making.
- Operational Efficiency – Ensuring the performance of the business is optimized through rigorous assessments and benchmarking of staffing and financial results.

About The Real Estate Roundtable

The Real Estate Roundtable brings together leaders of the nation's top publicly-held and privately-owned real estate ownership, development, lending and management firms with leaders of major [national real estate trade organizations](#) to jointly address key national policy issues relating to real estate and its important role in the global economy.

The collective value of assets held by Roundtable members exceeds \$4 trillion. The Roundtable's membership represents more than 3 million people working in real estate; 12 billion square feet of office, retail and industrial space; over 4 million apartments; and more than 5 million hotel rooms. It also includes the owners, managers, developers and financiers of senior, student, and manufactured housing—as well as medical offices, life science campuses, data centers, cell towers, and self-storage properties.

The Roundtable's policy news and more are [available on The Roundtable website](#).



123 North Wacker Drive
Suite 2500
Chicago, IL 60606

Fax: 312.368.5088

www.fergusonpartners.com



The Real Estate Roundtable

Market Square West
801 Pennsylvania Ave NW
Suite 720
Washington, D.C. 20004

Tel: 202.639.8400

Fax: 202.639.8442

www.rer.org

© 2025, Ferguson Partners. All rights reserved. No business or professional relationship is created in connection with any provision of the content of this document (the "Content"). The Content is provided exclusively with the understanding that Ferguson Partners is not engaged in rendering professional advice or services to you including, without limitation, tax, accounting, or legal advice. Nothing in the Content should be used in or construed as an offer to sell or solicitation of an offer to buy securities or other financial instruments or any advice or recommendation with respect to any securities or financial instruments. Any alteration, modification, reproduction, redistribution, retransmission, redisplay or other use of any portion of the Content constitutes an infringement of our intellectual property and other proprietary rights. However, permission is hereby granted to forward the Content in its entirety to a third party as long as full attribution is given to Ferguson Partners.

The views and opinions expressed by each participant are such individual's own views and are not necessarily the views of Ferguson Partners or such participant's employer.