Knight Frank

ACTIVE CAPITAL

IN 60 SECONDS

60 50 40 30 20 10

FORECASTS FOR 2024

The global commercial real estate market is poised for a dynamic shift, underscored by thinner competition and strategic opportunities across key sectors.

Key themes for 2024:

- Private capital
- Polarisation
- Beds, sheds, eds, meds & creds

CAPITAL GRAVITY MODEL

Our model forecasts global cross-border activity to recover close to the post-Global Financial Crisis average (c. 4% below).

Our 2024 capital flows forecasts are based on a bespoke, data-led capital gravity model that combines traditional and cutting-edge methods with the expertise of our global network to offer industry-leading market analysis.

TOP-5 GLOBAL CROSS-BORDER SECTORS IN 2024

- Logistics
- Residential
- Office
- Retail
- Hotel

We forecast the logistics sector and the living sectors to recover to levels similar to the post-2016 average.

TOP-5 GLOBAL CROSS-BORDER SOURCES OF CAPITAL IN 2024

1. United States
2. Singapore
3. Canada
4. Japan
5. United Kingdom

Japan could see a record year for outbound investment with the majority of capital targeting the US (35%), the UK (26%) and Australia (19%).

Forecasts for Singaporean outbound investment are better than the long-term average (LTA) and we expect investment out of the US and Canada to see recovery also, albeit slightly below LTA.

TOP-5 GLOBAL CROSS-BORDER DESTINATIONS OF CAPITAL IN 2024

1. United States
2. United Kingdom
3. Germany
4. Australia
5. Spain

Our forecasts cover cross-border commercial real estate flows between 19 key global locations.

MARKET DYNAMICS

Private capital will be a key source of capital over the year ahead as a result of relative agility and reduced reliance on upfront debt. Pricing opportunities and loan maturities will also be key in shaping market dynamics and opportunities in 2024.

We predict an uptick in global cross-border investment activity for this year, with a 6-9 month window for investors to capitalise on current pricing, before the anticipated recovery becomes a widely accepted view. This window could shorten as a result of dry powder, strength in some occupier markets and more dovish monetary policy.

You can read more at **knightfrank.com/active-capital**