

Q3 2025

# Savills Takes Stock: Global Capital Markets



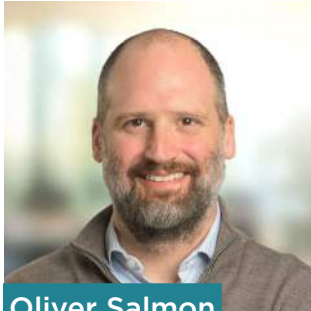
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Q3 2025

# Global outlook





Oliver Salmon

Director, World Research

# From pause to progress

**After a subdued second quarter, global real estate capital markets have shown clear signs of recovery in Q3 2025.** Total investment reached US\$225bn in the quarter, representing a near 13% increase year-on-year. While part of this uplift can be attributed to a weaker US dollar, the underlying momentum remains strong—up 11.4% when measured in fixed exchange rates.

**More importantly, forward-looking indicators suggest that the recovery has legs.** Data on pending deals—transactions that are in contract but yet to be completed—point to a strong pipeline of activity heading into the final quarter. This is a reliable leading indicator, and supports our expectation that total investment will grow by 8% in 2025, representing a relatively robust performance given the persistent macro headwinds.

**This positive third quarter outcome is particularly striking given the market's performance in Q2.** On a seasonally adjusted basis, total investment rose by more than 7% in Q3, more than reversing the 3% decline seen in the previous quarter. At mid-year, the narrative was one of a market trading water, with investors cautious amid heightened economic uncertainty. The disruption caused by the 'Liberation Day' tariff announcements in early April was the principal reason for concern. However, it now appears that this led to temporary delays rather than a fundamental retreat from the market.

What's notable is that this shift in momentum has occurred without a material change in the broader macroeconomic environment. The economic backdrop remains complex, with ongoing concerns around trade policy,

institutional instability in the US, and geopolitical tensions. Yet, the investment market has begun to move forward, suggesting a renewed confidence among investors. Notably, many of the deals completing in the third quarter will have been originated during the chaos that followed Liberation Day.

Beyond the headline figures, there are several underlying trends that are indicative of a recovery that can be sustained. One of the most telling is the rise in average deal size, which reflects improving liquidity in larger lot sizes. The number of individual properties transacting for US\$100m or more rose by 14% on the year, while the value of portfolio and entity-level deals was 17% higher, as signs of life return to global M&A activity more generally. This is a clear signal that institutional capital is re-engaging, a critical inflection point for the market.

**Moreover, many deals are attracting multiple competitive bids.** This would suggest that buyers and sellers are increasingly aligned on pricing, consistent with a growing body of evidence in support of the conclusion that we are now past the trough in values. Genuine competition, especially for good quality assets, reflects a market that is transitioning from one driven by speculative interest and opportunistic buyers, to something more sustainable.

Sentiment indicators reinforce this view. After a dip in the second quarter, investor confidence has rebounded globally. This has happened despite little change to the interest rate backdrop. Bond yields remain elevated and increasingly detached from central bank policy rates, reflecting a rising risk premium, amid concerns over fiscal sustainability in many major developed economies. Despite this, this pricing environment appears to be largely accepted by both buyers and sellers, enabling more transactions to proceed.

**All of this is happening despite continued macroeconomic uncertainty.** While some clarity has emerged around tariffs, broader concerns remain unresolved. The latest IMF World Economic Outlook, titled "Global Economy in Flux, Prospects Remain Dim," paints a forlorn picture, highlighting risks related to trade fragmentation, institutional degradation, and geopolitical instability.



**Nevertheless, the global economy continues to demonstrate remarkable resilience.** This has been a consistent theme in recent years—from the outbreak of war in Ukraine and the inflationary surge that followed, to a generational spike in interest rates and a US President who continues to upend the traditional norms. Despite these challenges, markets are adapted and investors are finding a way to transact.

Interestingly, tariffs have now faded as a top concern to investors, replaced by growing speculation around a potential AI-driven bubble in equity markets. While some analysts highlight the risk around inflated valuations and highly concentrated equity market returns, those within the tech industry argue that it could be a “good bubble”—one driven by genuine innovation and long-term productivity gains. Both can be true at the same time.

**Nevertheless, in the real estate sector, investors appear to have decided that now is the time to act.** With development activity still muted, the supply of high-quality assets remains constrained. For occupiers seeking the best buildings in prime locations, the message is clear: they will need to pay a premium. This supply-demand dynamic is now a fundamental driver of market behaviour, and it’s encouraging the highly researched investors to re-enter the fray. Absent external shocks, momentum should build in the coming quarters.



**Rasheed Hassan**

Head of Global Cross Border Investment  
*shares his view on the market*

It seems real estate capital markets have shaken off another economic shock, this time from the US tariff policies, and investment turnover is increasing again. The resilience of the real estate markets continues to play out and it shows us that there remains a steady flow of capital from existing and new sources for the sector.

As we approach the new year, there are reasons to be positive. From a macro perspective, interest rates are falling (save for Japan), inflation is largely under control, resolutions to the war in the Middle East are emerging, I could go on. In the real estate markets, as referenced in these reports, every sector is experiencing rental growth—at least in the majority of geographies—the volume of larger transactions is increasing, and we continue to see growing evidence of yield compression. We are even seeing more

positive than negative news about offices, including in the US...who knew?!

There are areas that remain challenging. We have highlighted logistics rents on the US West Coast, and continuing difficulties in the Greater China markets. In the round though, these are largely contained to specific markets, and in a general sense we can be positive.

More of a worry for me personally right now is the negativity emanating from the equity markets. There is a growing view that there is a bubble waiting to burst, driven by the AI sector, and that issues are emerging in the private credit space. These issues are causing the start of a sell-off and price falls in equities. Just when we thought we were through the extended period of major disruption, we could be at the start of something else.

#### **What does this mean for real estate?**

AI and the tech sector more broadly is clearly closely correlated with the data centre market, which is booming, so we could see a slow down here. If there really is an issue in the private credit space, then the lending environment more generally could tighten, albeit I feel that the sheer weight of capital will mean that overall the debt markets will remain very much open for business.



If there is broader contagion and we see a widespread decline in equity market pricing, then in the near term we could see a focus on certain parts of the real estate markets, as investors look to the security of real assets with predictable contractual income streams, which is clearly a positive. This could also lead to price appreciation for the most scarce / prime assets, as the focus moves (particularly from private investors) to safe haven items, which is when the flight to core real estate is akin to the flight to gold.

However, looking beyond the near term, a meaningful drop in the value of equity markets is not a positive, as we will start to see the denominator effect play out, where groups become 'over-allocated' to real estate simply because the values of their equity investments have fallen. This is a particular issue for the largest global institutional investors, who invest within relatively clear allocation parameters. These investors have a dramatic effect on global real estate markets, as they drive turnover both through their direct investing activity, as well as their investment into funds.

When the institutional investors pause, it gives room for private investors to be more active, which is a common trend we see during moments of challenge, as they are less accountable to investment committees, but the weight of this capital is not equal, particularly for larger transactions.

Fortunately, owing to the recent boom in equity markets, many institutions will be under-allocated to real estate going into the new year, which could represent a boon for fundraising. Let's hope this latest potential storm is contained to a teacup. This is what I will be asking Santa for anyway.

## PRIME LIVING YIELDS, Q3 2025 (AS AT END-SEPTEMBER)

City	Sub-sector	Prime net initial yield	Outlook for yields, next 12 months	Typical LTV	Total cost of debt	Cash-on-cash yield	Risk premium
Tokyo	Multifamily	3.40%	➔	60%	1.3%	6.6%	1.8%
Berlin	Multifamily	3.60%	➡	55%	3.7%	3.5%	0.9%
Copenhagen	Multifamily	3.85%	➡	63%	3.4%	4.6%	1.3%
Madrid	Multifamily	3.90%	➡	55%	4.1%	3.7%	0.7%
Sydney	Multifamily	4.13%	➔	55%	5.5%	2.4%	-0.2%
Melbourne	Multifamily	4.25%	➔	55%	5.5%	2.7%	0.0%
Paris	Multifamily	4.25%	➡	55%	3.7%	4.9%	0.7%
London	Multifamily	4.35%	➔	60%	5.3%	2.9%	-0.4%
Stockholm	Multifamily	4.50%	➔	60%	3.6%	5.9%	1.6%
Paris	Student	4.50%	➡	55%	3.7%	5.5%	1.0%
Madrid	Student	4.50%	➔	55%	4.1%	5.0%	1.3%
London	Student	4.50%	➔	60%	5.3%	3.3%	-0.3%
Berlin	Student	4.70%	➡	55%	3.7%	5.9%	2.0%
Sydney	Student	4.75%	➔	55%	5.5%	3.8%	0.5%
Melbourne	Student	5.25%	➔	55%	5.5%	4.9%	1.0%

**Source:** Savills Research and Macrobond. **Note:** Yields may be different to quoted values in markets where the convention is to use a gross rather than net value. Values based on end-of-quarter data. See methodology for details.

**Methodology:** Net initial yields are estimated by local Savills experts to represent the achievable yield, including transaction and non-recoverable costs, on a hypothetical grade A asset of institutional scale, in a prime location, fully let. The risk premium is calculated by subtracting the end-of-period domestic ten-year government bond yield (as a proxy for the relevant risk-free rate of return) from the net initial yield. Data is end-of-quarter values.

## PRIME LOGISTICS YIELDS, Q3 2025 (AS AT END-SEPTEMBER)

City	Prime net initial yield	Outlook for yields, next 12 months	Typical LTV	Total cost of debt	Cash-on-cash yield	Risk premium
Tokyo	3.30%	➔	60%	1.3%	6.3%	1.7%
Hong Kong	4.08%	➔	40%	3.5%	4.5%	1.2%
Cologne	4.40%	➔	55%	3.7%	5.3%	1.7%
Madrid	4.55%	➔	55%	4.1%	5.1%	1.3%
Île-de-France	4.75%	⬇️	55%	3.7%	6.0%	1.2%
Sydney	4.80%	➔	53%	5.3%	4.3%	0.5%
Amsterdam	5.00%	➔	55%	3.7%	6.6%	2.6%
London	5.00%	➔	60%	5.3%	4.6%	0.2%
Northern New Jersey	5.25%	⬇️	60%	5.8%	4.5%	1.1%
Los Angeles	5.25%	⬇️	60%	5.8%	4.5%	1.1%
Seoul Metropolitan Area	5.30%	➔	60%	5.0%	5.8%	2.3%
Chicago	5.50%	⬇️	60%	5.8%	5.1%	1.3%
Shanghai	5.50%	⬆️	50%	3.7%	7.3%	3.6%
Houston	5.75%	⬇️	60%	5.8%	5.8%	1.6%
Singapore	6.50%	➔	55%	2.6%	11.2%	4.6%
Dubai	7.50%	➔	50%	7.0%	8.0%	3.3%

**Source:** Savills Research and Macrobond. **Note:** Yields may be different to quoted values in markets where the convention is to use a gross rather than net value. Yields in Singapore reflect the domestic land tenure system, where the longest lease for new industrial properties is 30 years. Values based on end-of-quarter data. See methodology for details.

**Methodology:** Net initial yields are estimated by local Savills experts to represent the achievable yield, including transaction and non-recoverable costs, on a hypothetical grade A big-box logistics facility located in a prime location, fully let to a single good profile tenant on a 10-15 year open-market lease. The typical LTV and cost of debt represent the anticipated lending terms available in each market. Cash-on-cash returns illustrate the initial yield on equity, assuming the aforementioned LTV and debt costs. The risk premium is calculated by subtracting the end-of-period domestic 10-year government bond yield (as a proxy for the relevant risk-free rate of return) from the net initial yield. Data is end-of-quarter values.

## PRIME OFFICE YIELDS, Q3 2025 (AS AT END-SEPTEMBER)

City	Prime net initial yield	Outlook for yields, next 12 months	Typical LTV	Total cost of debt	Cash-on-cash yield	Risk premium
Hong Kong	2.04%	➔	40%	3.5%	1.1%	-1.0%
Tokyo	2.60%	➔	60%	1.3%	4.6%	1.0%
Singapore	3.88%	➔	55%	2.6%	5.4%	2.0%
Paris	4.00%	➔	55%	3.7%	4.4%	0.5%
Seoul	4.15%	⬇️	60%	4.0%	4.4%	1.2%
Milan	4.25%	➔	55%	4.3%	4.2%	0.7%
Berlin	4.40%	➔	55%	3.7%	4.5%	1.7%
Frankfurt	4.50%	➔	55%	3.7%	5.5%	1.8%
Madrid	4.65%	➔	55%	4.1%	5.3%	1.4%
Shanghai (Lujiazui)	5.00%	⬆️	50%	3.5%	6.5%	3.1%
London (City)	5.25%	⬇️	60%	5.3%	5.2%	0.5%
New York	5.50%	➔	55%	6.0%	4.9%	1.3%
Sydney	5.85%	⬇️	53%	5.4%	6.4%	1.6%
Dubai	6.75%	➔	50%	7.0%	6.5%	2.6%
Los Angeles	8.00%	➔	55%	6.0%	10.4%	3.8%
Mumbai	8.25%	⬆️	60%	9.5%	6.4%	1.7%

**Source:** Savills Research and Macrobond. **Note:** Yields may be different to quoted values in markets where the convention is to use a gross rather than net value. Values based on end-of-quarter data. See methodology for details.

**Methodology:** Net initial yields are estimated by local Savills experts to represent the achievable yield, including transaction and non-recoverable costs, on a hypothetical grade A building located in the CBD, over 50,000 sqft in size, fully let to a single good profile tenant on a long lease. The typical LTV and cost of debt represent the anticipated competitive lending terms available in each market. Cash-on-cash returns illustrate the initial yield on equity, assuming the aforementioned LTV and debt costs. The risk premium is calculated by subtracting the end-of-period domestic ten-year government bond yield (as a proxy for the relevant risk free rate of return) from the net initial yield. Data is end-of-quarter values.

Savills Takes Stock: Global Capital Markets

# Living



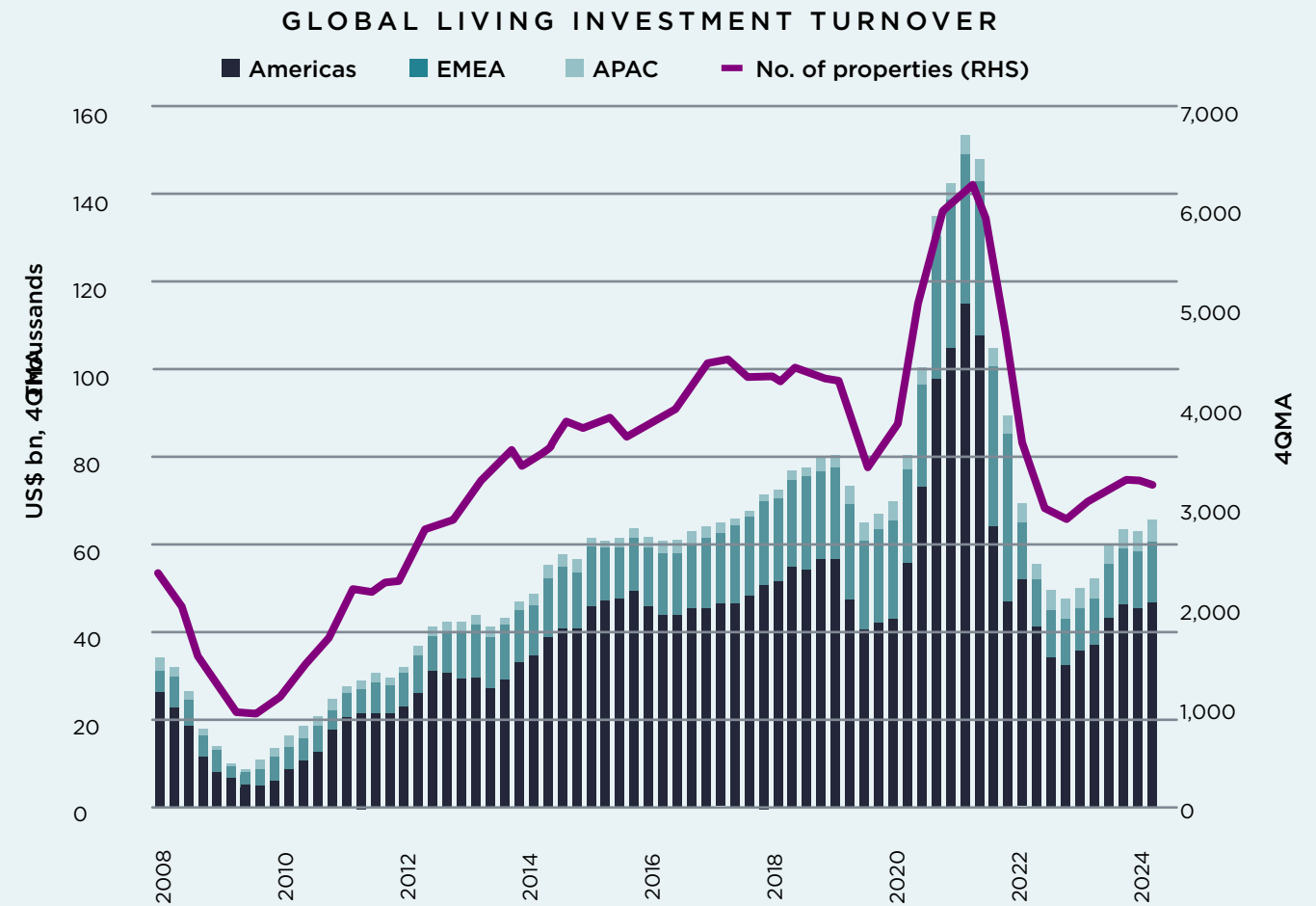
# Niche sectors lead the recovery

**Global investment in the living sector rebounded strongly in Q3 2025, reaching nearly US\$70bn.** This was a 19% increase on the year, and represented a solid recovery from the 5% decline recorded in Q2. The recovery was broad-based, with solid growth across all regions, although the EMEA and APAC regions stood out, driven by an increase in portfolio and M&A activity.

**Niche living sectors—particularly PBSA (Purpose Built Student Accommodation) and senior living—are outperforming multifamily in terms investor interest.** PBSA investment surged 68% year-on-year to US\$6.9bn, marking the strongest quarter since Q3 2022, when Blackstone acquired American Campus Communities for US\$12.8bn. Senior living investment rose 50% to approximately US\$9.3bn in the quarter, with the Welltower acquisition of the UK Barchester portfolio in Q4 expected to cap a strong year.

**Notably, the largest transactions occurred outside the US and outside the multifamily sector,** continuing a trend from the previous quarter. The standout deal was Australia’s largest-ever real estate transaction, where The Living Company—the country’s leading PBSA (Purpose Built Student Accommodation) operator—entered the senior living market by acquiring the Aveo platform from Brookfield.

Yields remained broadly stable on the quarter, though competitive bidding for high-quality, stabilised assets is leading to downward pressure in select markets. This is most apparent across the PBSA sector in Mainland Europe. Madrid’s prime yield was brought in by 25bps this quarter—with some investors looking to other Southern European markets like Italy amidst a highly competitive market in Spain—while cities like Paris and Berlin are both expected to see some inward movement over the next 12 months.



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Excluding development sites.



**The growth in these more niche living sectors was driven by larger portfolio transactions**, reflecting their nascent market status and the strategic push by global investors to scale quickly via local platforms and operators. Over one-third of investment in student and senior living came from cross-border investors, compared with a long-term average of around 25%. US and Canadian groups were particularly active, acquiring significantly more assets by value than in 2024.

Multifamily investment rose by a more modest 14% year-on-year to US\$54.3bn, reversing a Q2 decline. Growth was driven primarily by single asset sales. Multifamily's relative underperformance stems from limited opportunities in EMEA and APAC, where markets are still developing and reliant on new stock delivery, and from sector-specific headwinds in the US.

In the US, a North-South divide is emerging, with Sun Belt markets facing oversupply and signs of distress. Average rental growth turned negative across the whole of the US in Q3, driven by a weakening labour market, low consumer confidence, and excess supply. However, grade A assets and select Midwestern, Northeastern, and West Coast cities continue to perform well. Investor caution was evident in the absence of billion-dollar transactions in Q3, with activity dominated by smaller, single asset deals.



# EMEA (Europe, Middle East, Africa)

**Investment activity across EMEA saw a notable resurgence in Q3 2025, with total turnover reaching €12bn (US\$14.1bn), marking a 33% year-on-year increase.**

This rebound follows a subdued second quarter and was largely driven by a surge in PBSA, which accounted for nearly €4bn (US\$4.6bn)—the strongest quarterly performance since Q2 2022.

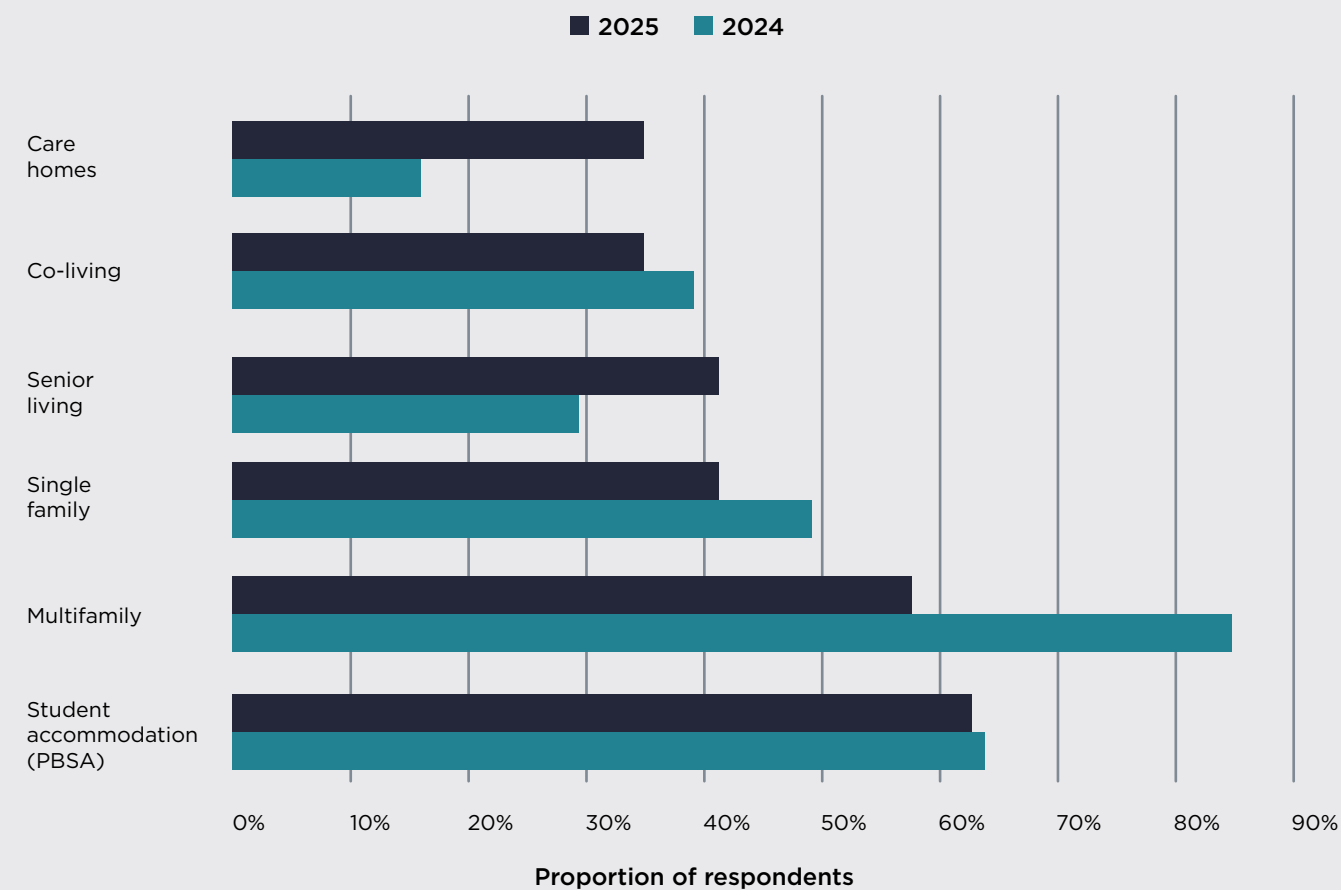
The standout transaction was the €1.9bn (US\$2.2bn) sale of Livensa Living, Brookfield’s Iberian student platform, to CPPIB, representing the largest deal in the EMEA living sector this year.

The momentum in student housing is expected to continue, with several major deals in the pipeline. Notably, Brookfield is reportedly preparing to sell its European student business, International Campus, for around €1.9bn (US\$2.2bn), encompassing over 7,000 beds across Germany, the Netherlands, Austria, and

the Czech Republic. The scale of this potential sale highlights the strength of investor demand and improving liquidity in the region.

In the UK, student housing also saw significant activity, with QuadReal acquiring Apollo’s 3,500-bed portfolio for £530m (US\$726m). Additional deals are anticipated to close before year-end, positioning 2025 to be the most active year for student investment since 2022. However, some caution is warranted. Unite’s trading update highlighted occupancy challenges in certain UK markets, reflecting the maturity and complexity of local supply-demand dynamics. While the UK favours specialist investors, mainland Europe continues to grow from a lower base, offering more straightforward opportunities.

EUROPE: TARGET OPERATIONAL REAL ESTATE SECTORS



Source: Savills Research in collaboration with Savills Investment Management.

France has emerged as a bright spot, with 2025 already the strongest year for student investment since 2019. Although much of the existing stock is older and publicly owned, this presents an opportunity for institutional investors to upgrade and deliver quality assets. Southern Europe remains a key focus however, with Spain becoming increasingly competitive. This is reflected in pricing, as prime PBSA yields in Madrid compressed by 25bps to 4.5% this quarter, aligning with more mature markets like France and the UK. Italy is also attracting attention as an alternative to Spain, particularly Milan, where a solid development pipeline is expected to drive future investment.

**Multifamily investment has seen positive growth across most major markets**, except the Netherlands. The recovery is more gradual and hasn't matched the strength of the student sector. This trend aligns with findings from our European Operational Real Estate Investor Survey, which revealed PBSA has overtaken multifamily as the most targeted sector by investors.

**Development remains challenging across the region, with limited transactional activity in both new builds and platform investments.** Growth in 2025 has been driven by single asset sales, up nearly 20% year-to-date, while portfolio deals declined by 7%. Nonetheless, confidence is returning, as evidenced by Blackstone's rumoured €1.2bn (US\$1.4bn) sale of its Spanish residential business.

Germany remains in a holding pattern, with tight yields slow to adjust to higher interest rates. Limited new stock and low levels of distress have constrained buyer activity and price recalibration. Meanwhile, emerging sectors like flex/co-living and senior living are gaining traction in the region. The latter saw a landmark deal with Welltower acquiring the Barchester portfolio in the UK for £5.2bn (US\$6.7bn), reportedly the largest care home transaction globally.



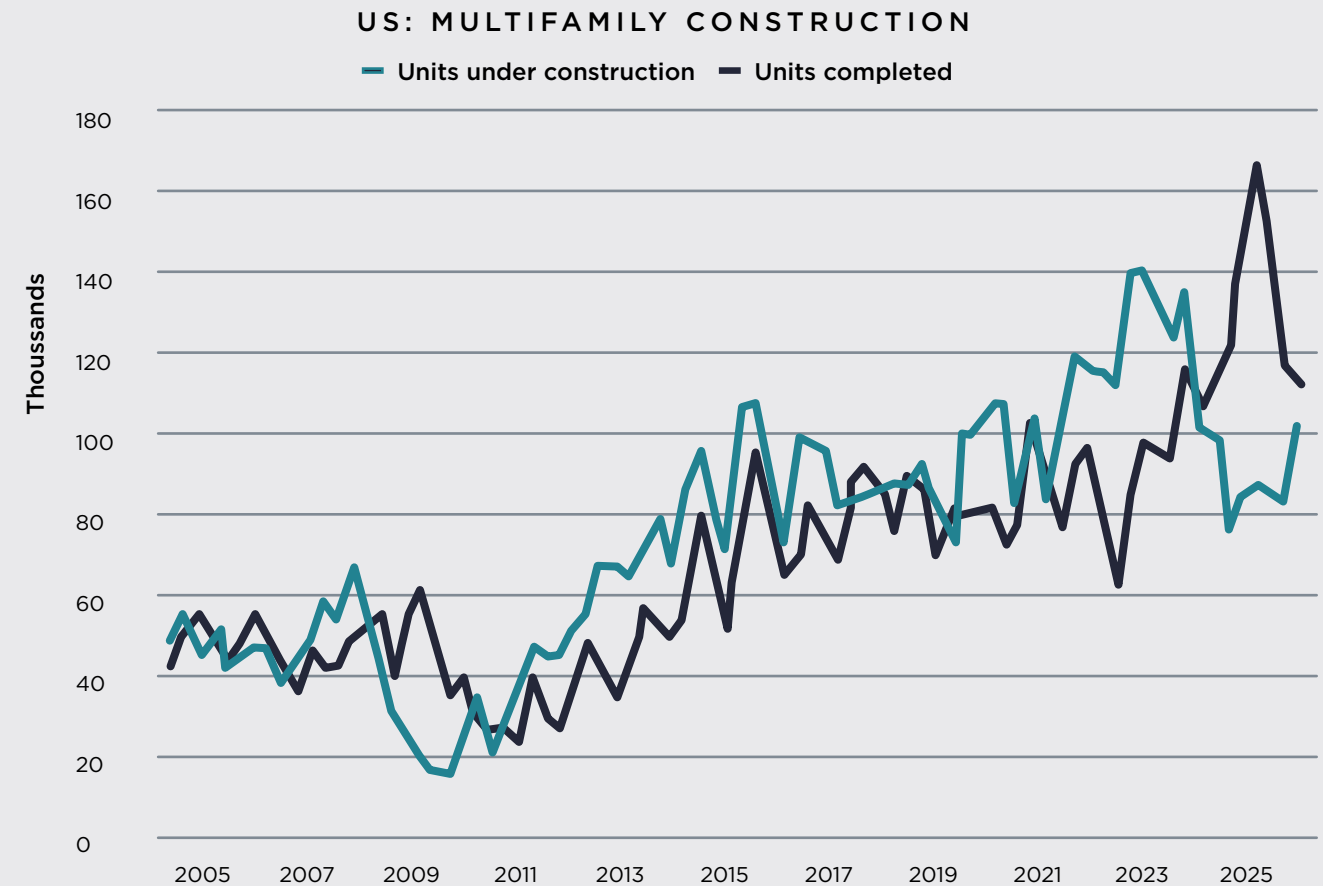
# North America

The US living sector saw a notable rebound in Q3 2025, with US\$47.5bn invested, marking an 11% year-on-year increase and the strongest third quarter since 2022. This resurgence follows a subdued Q2 and aligns with pre-pandemic investment averages. Institutional investors remained active net buyers, continuing a trend from late 2024, signalling growing confidence in sector dynamics. Cap rates have stabilised at around 5%.

Despite the uptick in investment, portfolio and entity-level transactions declined 19% year-on-year, with individual asset sales dominating. The largest deal was Naftali Group's US\$810m acquisition of a New York apartment building, reportedly backed by high-net-worth private investors from Japan, Mexico, and Israel, intended for redevelopment.

On the occupational side, demand softened in Q3. RealPage Analytics reported absorption of around 42,500 units in the quarter, a marked slowdown from the recent trend. Rental growth turned negative, although grade A properties showed more resilience. Tenant retention is high, with renewal rates above average, reducing turnover and limiting available stock. Landlords are responding with greater concessions, including rent-free periods, to maintain occupancy.

Macroeconomic headwinds—a soft labour market, declining consumer confidence, and broader instability—are weighing on the performance of the sector. However, wage growth remains firm, and the Federal Reserve's pivot toward a more accommodative policy stance may help stabilise market conditions.



Source: Savills Research using Macrobond. Based on units in privately-owned buildings with 2 or more units.

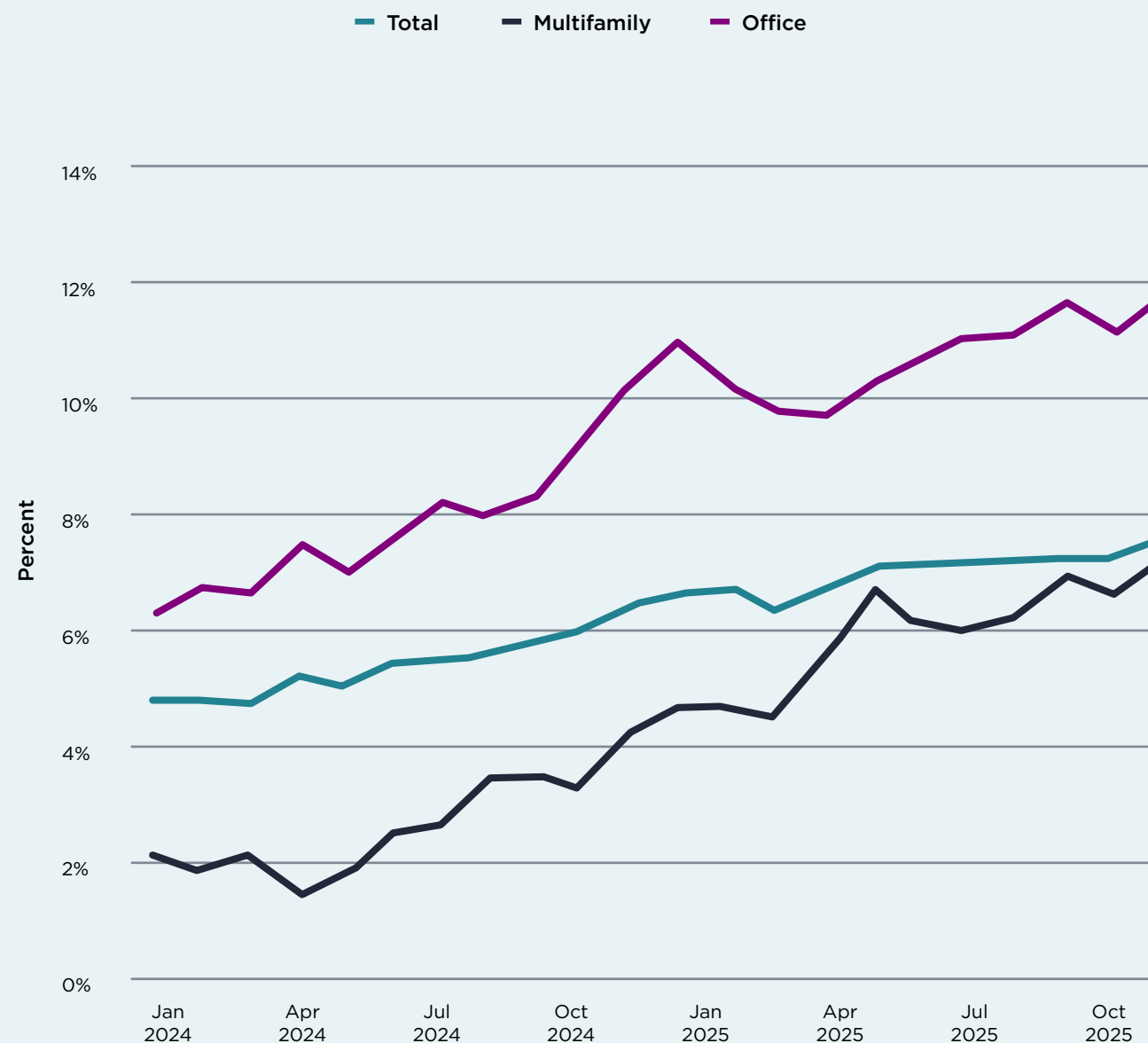
The slowing development pipeline also provides a strong anchor to the market. While supply outpaced demand in the quarter, year-to-date demand still exceeds total new deliveries. Looking ahead, supply is expected to fall below the long-term average in 2026, although a recent pick up in new starts will start coming through in around 18 months. The Sun Belt markets face the greatest pressure due to concentrated development activity, while the Midwest remains more stable, with resilient rental growth.

**Certain urban markets are benefiting from AI sector spillover**, particularly San Francisco, San Jose, and Seattle, which are seeing strong rental demand. Large cities like Chicago, New York, and Philadelphia are also performing well, supported by return-to-office trends, low vacancy, and positive domestic migration patterns. In contrast, tourism and trade-dependent Sun Belt cities—including Nashville, Las Vegas, Houston, and Phoenix—are experiencing slowing demand.

**Investment trends generally reflect these dynamics.** New York leads the nation, with Chicago, San Francisco, and Seattle also posting strong gains. Conversely, Atlanta and Denver saw weaker investment, mirroring the soft rental performance. Washington DC experienced a sharp 45% decline in transactional activity, likely tied to anticipated weaker demand in line with reductions in government employment. There are some exceptions, including Dallas and Phoenix, which continue to attract capital despite falling effective rents, as investors bet on long-term supply-demand rebalancing. Equally, Austin and Houston also saw positive investment growth.

**Signs of distress are emerging**, exemplified by the sale of the 948-unit Park Kiely in San Jose by Greystar and Goldman Sachs for US\$370m, which contributed to strong turnover in the Bay Area. The CMBS multifamily delinquency rate has more than doubled to 7.1% over the past year—according to data collected by Trepp—second only to the office sector. MSCI meanwhile has flagged a significant volume of potential distress, underpinned by the sheer number of deals transacted during 2021/22, when valuations peaked and interest rates were still at rock bottom.

US: CMBS DELIQUENCY RATES



Source: Savills Research using Trepp. Percentage of CMBS marked as 30+ days delinquent.

# APAC (Asia Pacific)

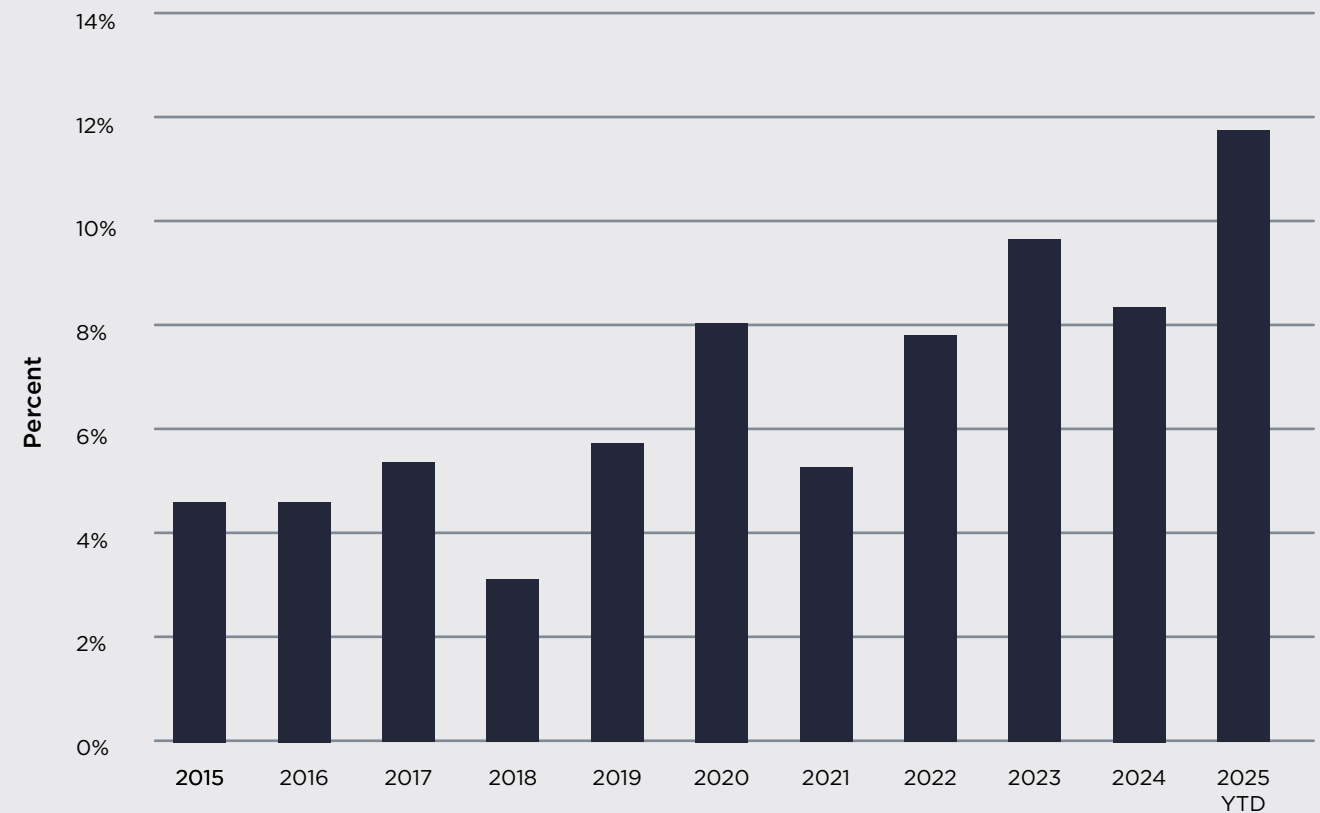
The Asia Pacific living sector recorded a landmark quarter in Q3 2025, with total investment reaching US\$6.0bn, more than double the amount seen in Q3 2024. Cumulative investment for the first three quarters of 2025 now stands at US\$15bn, already surpassing the full-year total for 2024. This marks the third strongest quarter on record and the best in five years, positioning 2025 to potentially become the strongest year ever for the sector. Notably, the living sector's share of total real estate investment has climbed to nearly 12%, the first time it has achieved a double-digit market share.

Australia was the standout performer, driving the regional surge with A\$4.4bn (US\$2.9bn) invested—nearly double its previous quarterly record and exceeding its entire 2024 total. The headline transaction was also Australia's largest-ever direct real estate deal: Brookfield's

sale of senior living operator Aveo to a joint venture between The Living Company and South Korea's National Pension Service (NPS) for A\$3.9bn (US\$2.5bn).

Excluding this deal, total investment for the quarter actually falls below the average of the last few years. However, investor sentiment for the living sector is improving, particularly for PBSA, where established performance benchmarks and greater certainty around student enrolment caps (post federal election) are supporting confidence. PBSA operational performance remains robust, underpinned by high occupancy levels and sustained rental growth. New entrants and investors are actively exploring the sector, though opportunities are limited, with the market largely controlled by a small number of existing owners and operators. Most opportunities are

APAC: SHARE OF LIVING SECTOR IN TOTAL INVESTMENT



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Excluding development sites.

development-led, meaning international investors typically need to partner with local managers or developers to gain access.

The residential market remains tight, with national vacancy at just 1.2% (SQM Research). Supply shortages continue to drive rental growth, with rents up 4.8% year-on-year, broadly in line with average earnings growth. This is unlikely to change soon, as high construction costs and labour shortages continue to constrain new supply. Investors are assessing the performance of early projects, in what is a nascent Build-To-Rent (BTR) sector, which will inform and shape the next wave of capital deployment. Meanwhile, the limited stock of stabilised assets is constraining transactional activity.

**In Japan, Q3 investment reached ¥305bn (US\$2.1bn), up nearly 10% year-on-year, driven by increased portfolio activity.** A notable deal was Weave Living's acquisition of 11 Tokyo assets comprising around 300 rental units for ¥20bn (US\$135m). Rental growth across Tokyo's 23 wards exceeded 8% year-on-year in Q3, supported by net inward migration and positive wage growth. While affordability pressures in central wards are tempering demand, peripheral areas are benefitting. A greater than 20% rental premium persists between the central five wards and the broader 23-ward area. As of August 2025, Tokyo recorded a net inflow of over 81,000 residents, with foreign nationals contributing significantly to apartment demand due to their higher propensity to rent.

**Outside of Australia and Japan, regional investment totalled around US\$800m.** Key sub-markets included Hong Kong, where TPG Angelo Gordon and Wang On Properties acquired a hotel for student housing conversion at a reported discount, and Singapore, where Centurion Accommodation REIT acquired a S\$600m (US\$470m) purpose-built worker housing asset in the same month as they successfully listed on the Singapore Stock Exchange.



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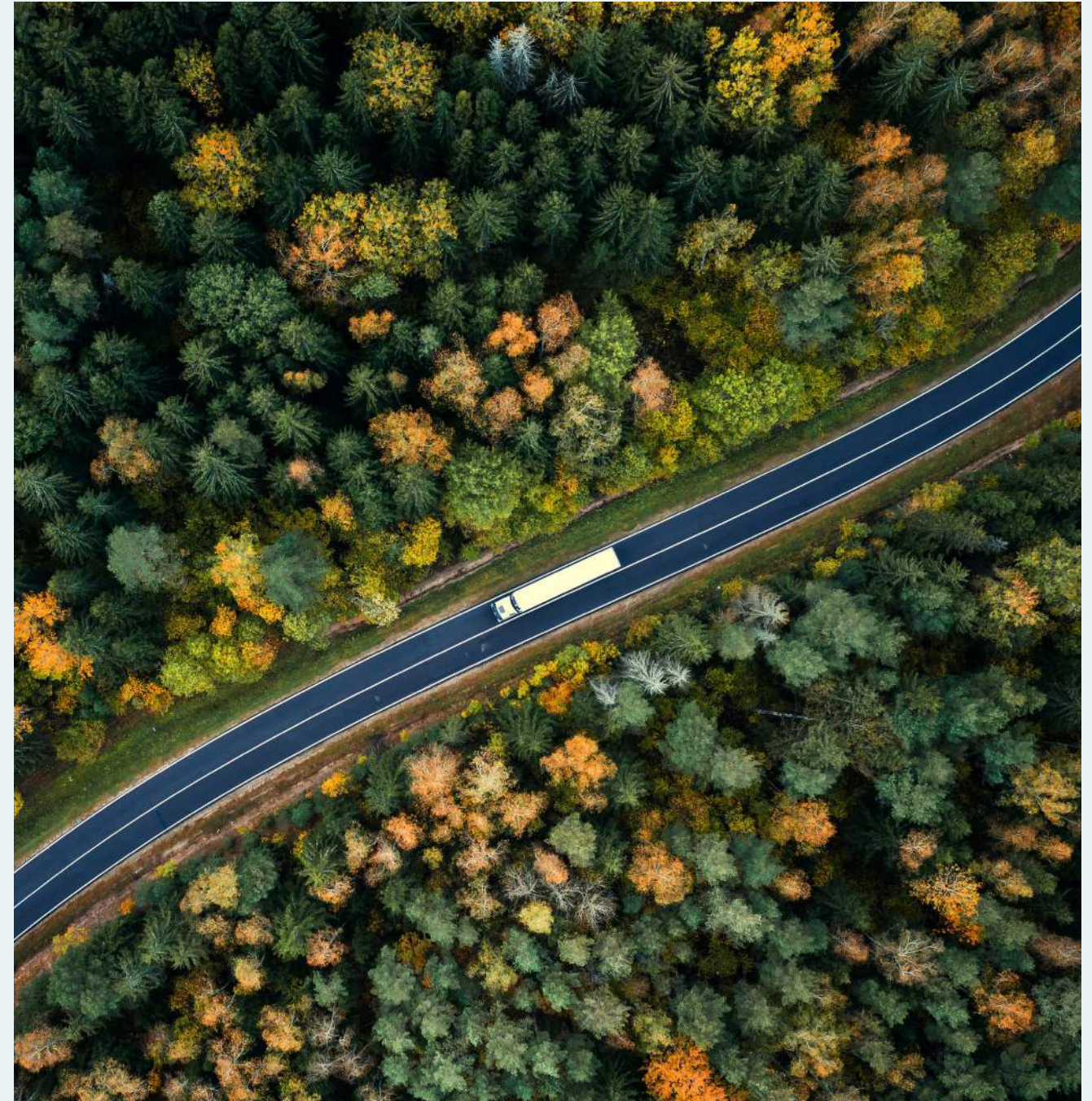
# Logistics



# Steady as she goes

**Global investment in industrial and logistics real estate totalled US\$51.3bn in the latest quarter, broadly unchanged compared to the previous year.** When adjusting for currency fluctuations caused by a weaker US dollar, investment was approximately 1.5% lower than last year, marking the second consecutive annual decline. Despite this, the market demonstrated resilience; on a seasonally adjusted basis, investment was 7% higher than Q2, signalling improvement after earlier disruptions linked to tariff announcements. Importantly, investment in Q3 remained above pre-Covid averages and represented only the third quarter since 2022 to surpass US\$50bn, reinforcing the narrative of a market that has largely normalised.

The year-on-year decline was primarily driven by weakness in Europe, particularly in core mainland markets such as France and Germany, which together accounted for a two-percentage-point drag on global growth. This weakness was partially offset by stronger performance in the US, UK, China, and Australia, where investment activity picked up. Portfolio and M&A deal values fell by 5% year-on-year, even after factoring in the ESR privatisation in APAC, while individual asset sales increased, further highlighting the resilience in investor demand.

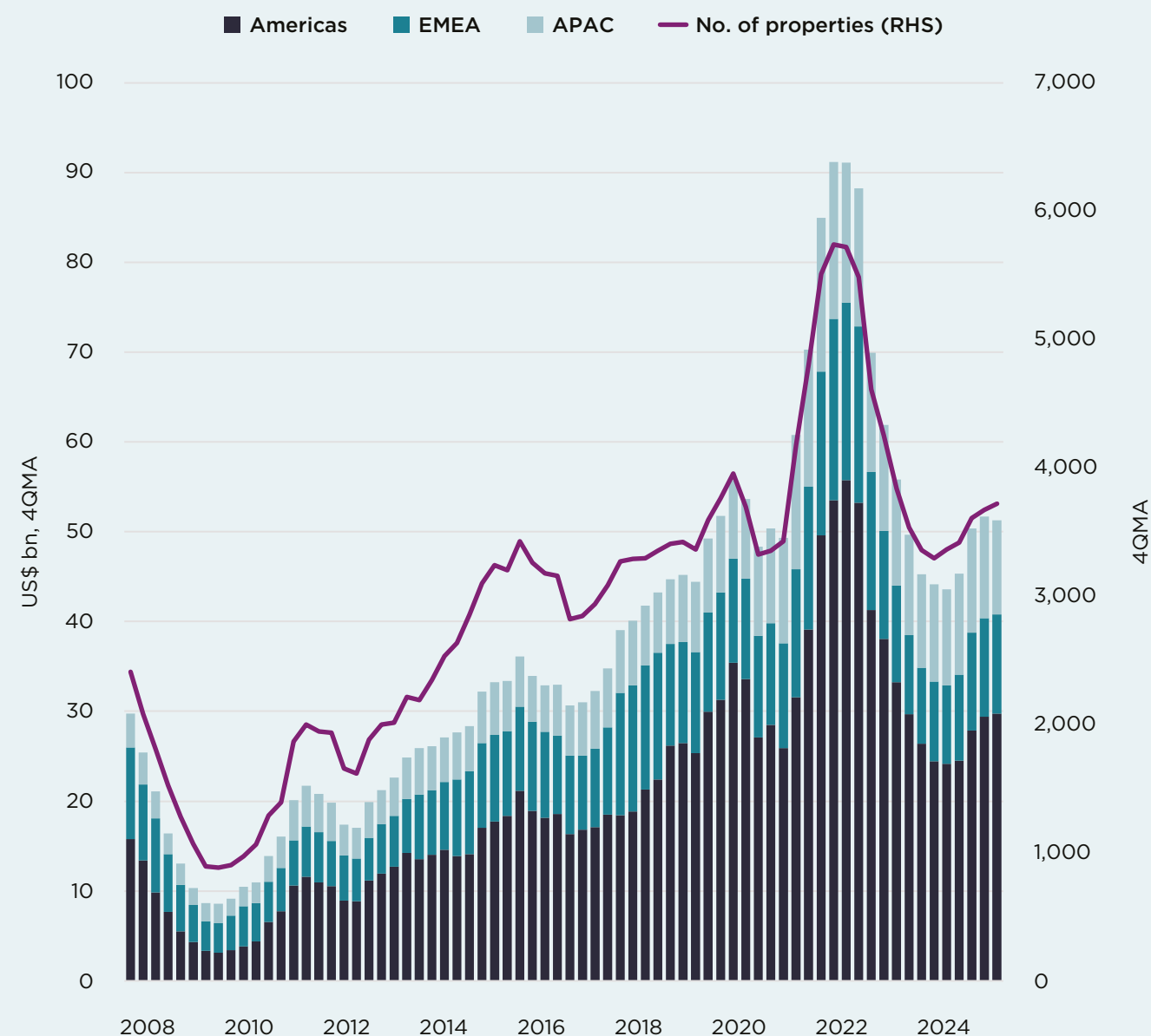


**Rental growth continues to slow across most major regions.** In the United States, asking rents declined in half of all markets despite improving leasing demand, as the sector absorbs the new supply that continues to hit the market following the 2021-22 construction boom. In Europe, rents were largely stable on a sequential basis, with annual growth falling back in line with the prevailing vacancy rate. There are however signs that the market is bottoming out, following a broad-based decline in vacancy across the region in Q3. Conditions in APAC remain mixed; Japan is experiencing a slowdown in rent growth, while the Australian market continues to favour landlords, maintaining relatively strong rental conditions.

**Macroeconomic risks have eased somewhat since Q2, supported by greater stability in trade policy.** The US administration has reached agreements with most major trade partners, reducing the severity of previously announced tariffs, though significant duties on imports remain in place, and the wider uncertainty in policy will remain indefinitely. While US import volumes have slowed in response to tariffs, global trade flows have proven more resilient than expected. Amid this volatility, some businesses have opted to outsource their logistics needs to third-party providers (3PLs), which has supported leasing activity during the quarter and provided a buffer against trade-related uncertainty.

**Despite improved trade stability, potential headwinds persist from weakening consumer demand, driven by softening labour markets and generally low levels of confidence.** Development activity remains subdued, acting as a stabilising force should demand soften further. However, a notable trend is the uptick in new project starts in the US, where most vacant space is already concentrated in class A facilities, reflecting the recent influx of high-quality stock. This dynamic will be important to monitor as the market works through elevated supply levels while balancing evolving demand conditions, albeit that there is significant differentiation across the country.

GLOBAL: INDUSTRIAL AND LOGISTICS INVESTMENT TURNOVER



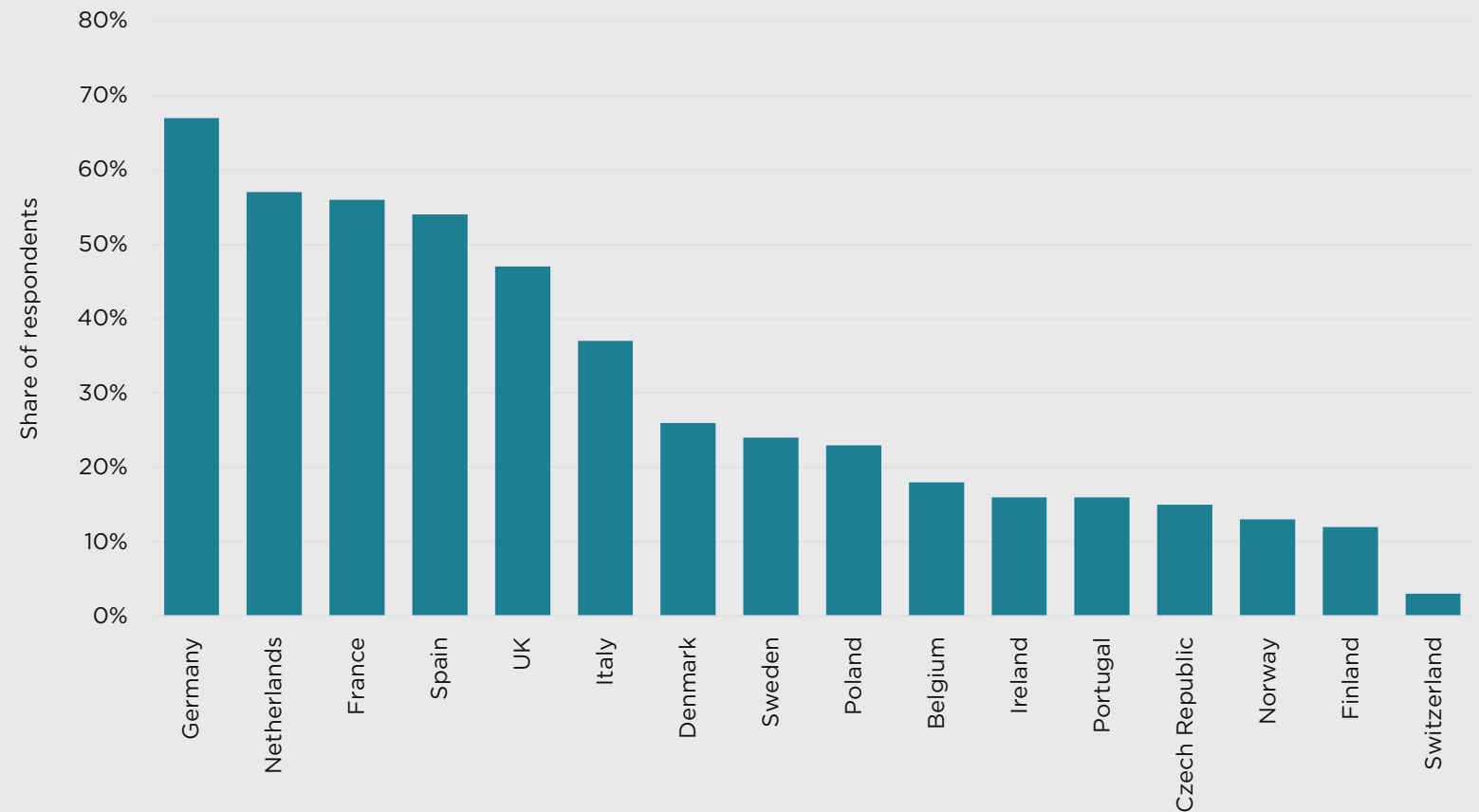
Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Excluding development sites.

# EMEA

The EMEA industrial and logistics investment market softened in Q3 2025, with investment totalling €8.3bn (US\$9.7bn)—a 24% decline year-on-year and the weakest quarterly outturn since Q3 2023. This marks a reversal after four consecutive quarters of growth, as both individual asset sales and portfolio transactions fell compared to last year. The slowdown was driven primarily by weakness in core mainland European markets, notably France and Germany, while the UK provided a partial offset, recording £2.9bn (US\$4.0bn) in investment, up nearly 13% year-on-year. UK activity was buoyed by Blackstone’s take-private acquisition of Warehouse REIT—their third major UK industrial and logistics REIT privatization since 2021—alongside healthy growth in single-asset transactions, signalling broader market resilience.

**Cross-border investors remain the dominant buyer group, with North American private equity continuing to play a leading role.** Demand is largely driven by strategies to aggregate and consolidate portfolios across the region. Other major investor groups have been net sellers this year. Portfolio and entity-level deals have outperformed single-asset transactions by value, underscoring the preference for scale. Despite the recent weakness in activity across Western Europe, investor focus remains firmly on these core markets, a trend that has persisted over recent years, according to our latest European Real Estate Logistics Census (conducted in the immediate aftermath of ‘Liberation Day’ in May-July).

EUROPE: PREFERRED DESTINATIONS TO INVEST



Source: Savills European Real Estate Logistics Census

**On the occupier side, Q3 brought a notable rebound in leasing activity following a subdued first half, which saw the weakest take-up in a decade.** The 81m sq ft of space leased across the region was up 20% year-on-year and nearly 25% quarter-on-quarter, suggesting the release of pent-up demand after the volatility surrounding ‘Liberation Day’. The recovery was led by Germany, where take-up surged 66% year-on-year, and the UK, which posted a 37% increase. However, the rebound was uneven, with France recording a particularly weak quarter, achieving only half its five-year average.

Improved demand helped push the European-wide vacancy rate down by 20bps to 6.8%, reinforcing the view that the market may have passed its trough. The trend appears broad-based, supported by slowing development activity; in the UK, which typically leads Europe, the pipeline of under-construction stock has fallen by almost 50% year-to-date.

**Despite this, conditions remain occupier-friendly in most locations.** Average rents are up 2% year-on-year, but sequential growth is limited, and landlords continue to offer generous incentives to maintain headline rates. Pockets of stronger rental growth persist in Southern Europe—such as Madrid, where vacancy has dropped to 9.7%, down 250bps from its peak—and in major Central and Eastern European markets.

Yields were stable across the region in Q3, and expectations point to continued stability over the next 12 months, supported by moderating supply and steady investor appetite for core assets. While short-term challenges remain, particularly in France and Germany, the combination of improving occupier demand, weaker development activity, and structural investor interest should anchor the market going forward.



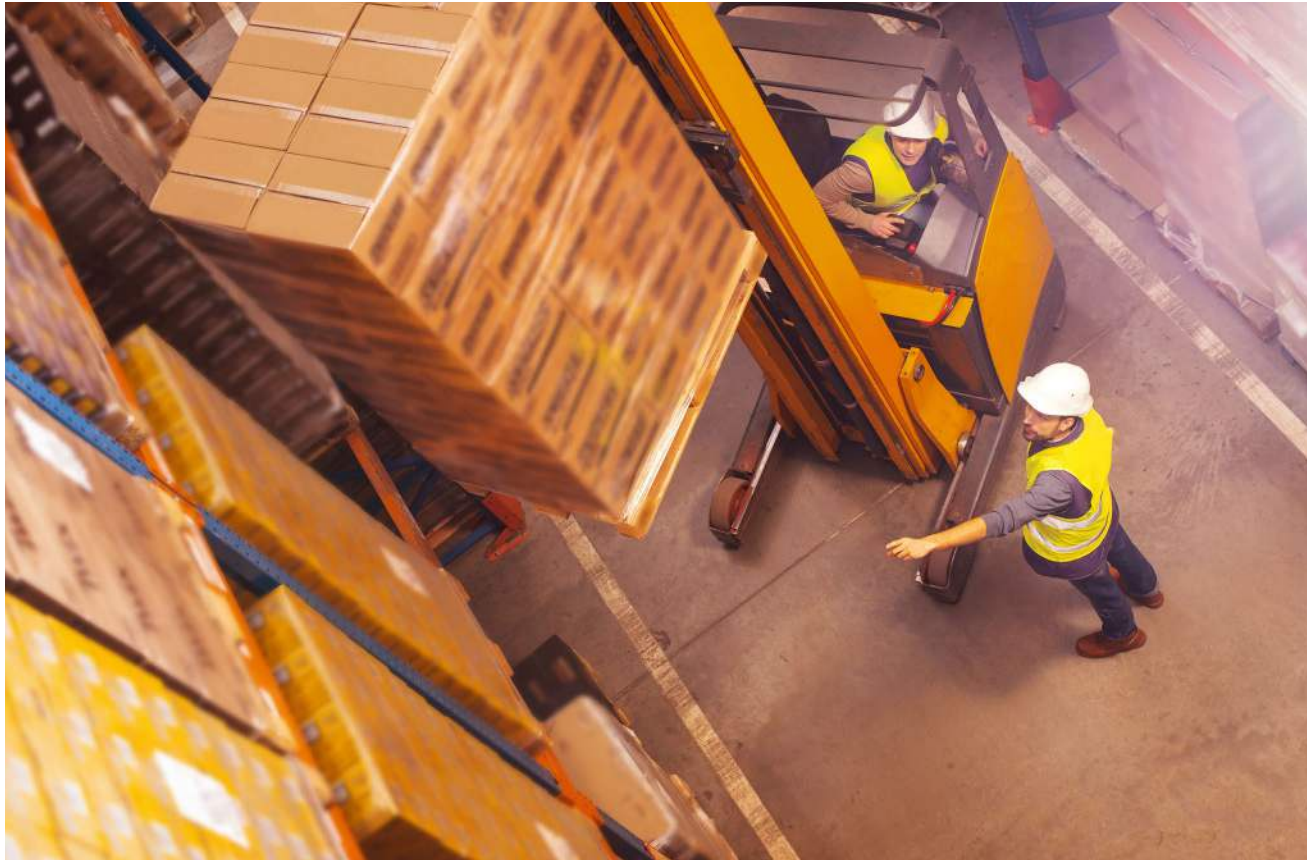


# North America

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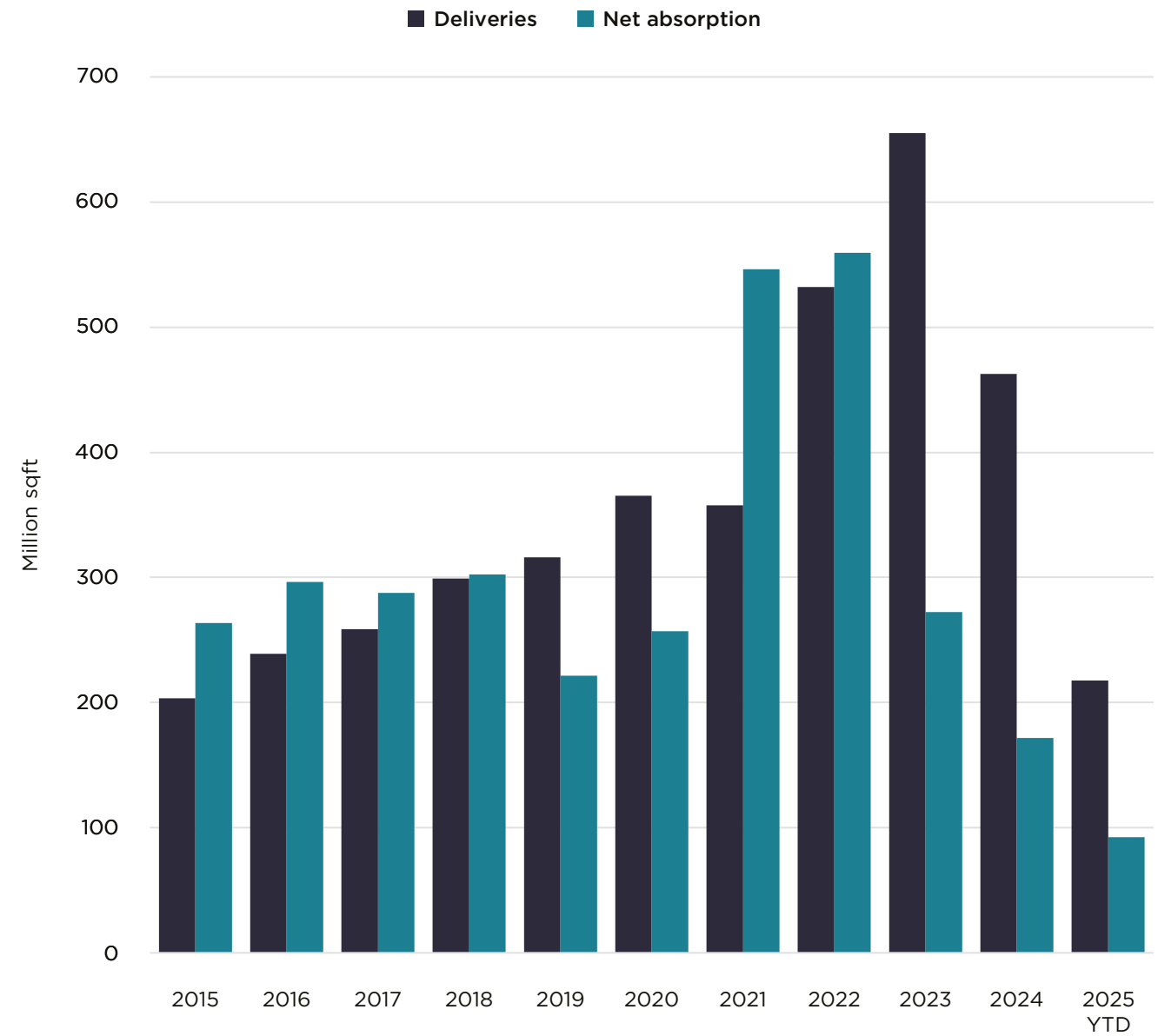
**The US industrial and logistics market continued to demonstrate resilience through Q3 2025, with investment turnover reaching US\$25.5bn, a modest 3.4% increase year-on-year.** This performance reinforces the sense of normalisation that has characterized the sector since early 2023, as quarterly deal activity has consistently hovered between US\$20–25bn, broadly in line with pre-Covid averages. However, the pace of growth slowed compared to the strong first half of the year, when investment surged by 23%, reflecting a degree of caution in the aftermath of ‘Liberation Day’. This was most evident in the sharp 40% decline in the value of portfolio and entity-level deals, leaving single-asset transactions to dominate transactional activity in the quarter. Cross-border capital inflows were particularly weak, totalling just US\$1.9bn, a two-thirds drop from last year.

**Pricing dynamics have remained stable, with prime yields unchanged since January despite initial uncertainty following ‘Liberation Day’.** The market has since settled, and the Federal Reserve’s recent policy shift toward accelerated rate cuts suggests potential downward pressure on yields over the next 12 months. Importantly, distress remains minimal; rents have climbed 65% over the past five years, offsetting any interest-rate-driven yield expansion and helping property values hold firm. CMBS delinquency rates remain exceptionally low at 0.6%, compared with 7.5% across all property types, underscoring the sector’s financial health.



**On the occupier side, leasing momentum has improved, with 2025 on track to surpass the previous two years.** Renewals and heightened demand from 3PLs have been key drivers, as companies increasingly outsource distribution amid macroeconomic and policy uncertainty. Yet, net absorption remains subdued, and the vacancy rate has risen to 8.2% nationally, up 90bps year-on-year, though sequential growth is flattening. Much of this vacancy is concentrated in class A space following a surge in construction, creating opportunities for tenants to upgrade in quality at competitive terms, given the more tenant favourable conditions.

## US: DEMAND AND SUPPLY OF INDUSTRIAL AND LOGISTICS SPACE



Source: Savills Research

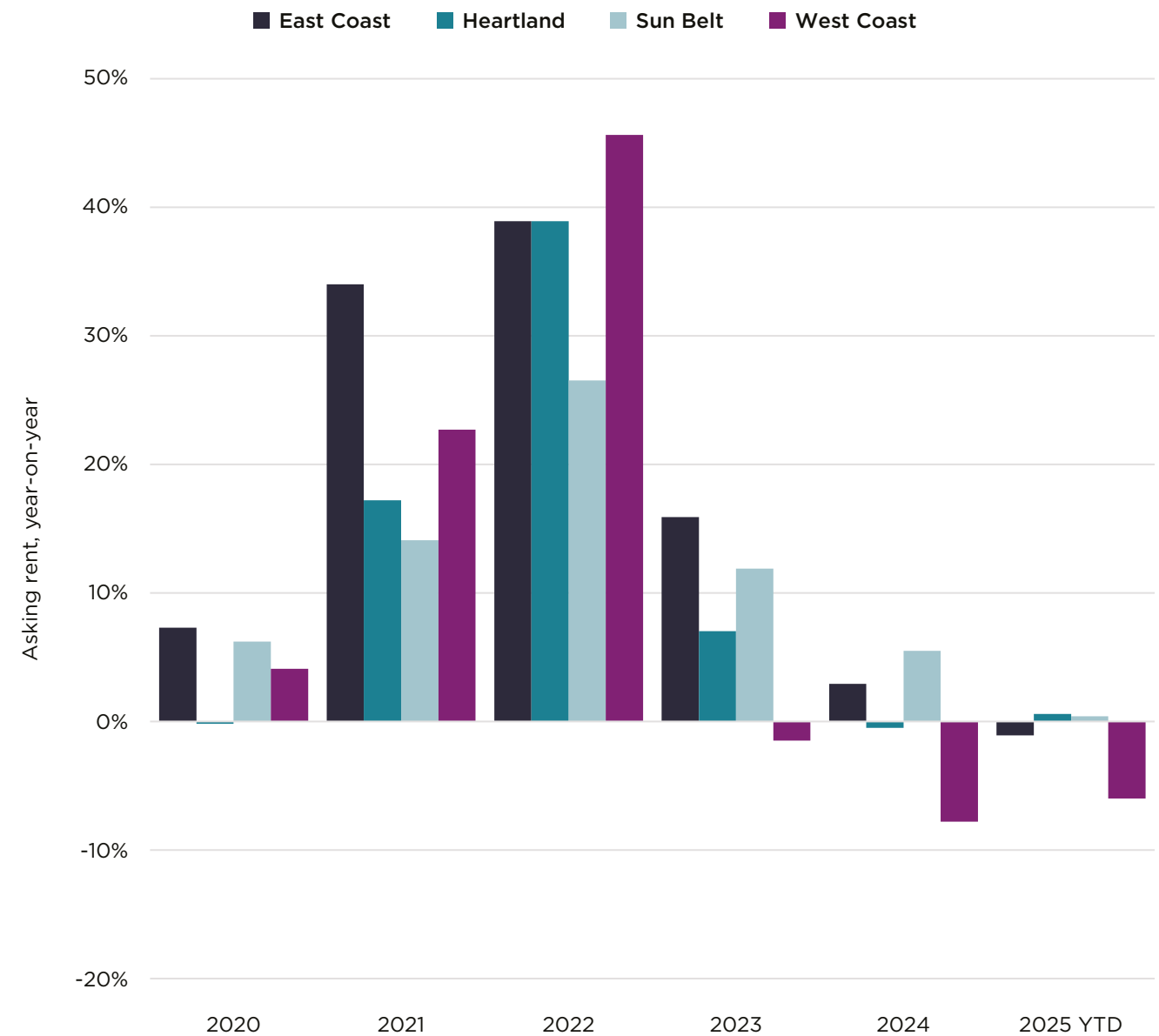
**Supply-side dynamics continue to weigh on the market.** While construction activity has stabilised and new starts ticked up in Q3, development remains well below the 2021-22 boom. The Sun Belt markets dominate the pipeline, led by Dallas-Fort Worth, followed by Phoenix, Houston, Austin, and Atlanta. Build-to-suit projects have grown since 2023, but speculative development still outpaces absorption, potentially delaying a full recovery.

**Rental growth has stalled at the national level, and half of all markets have seen asking rents decline.** The sharpest corrections are on the West Coast, where Los Angeles rents fell 6.4%, Inland Empire -9.1%, and Orange County -4.7%, underpinned by elevated vacancy and some correction from post-Covid exuberance. In contrast, Sun Belt markets remain resilient, with Dallas-Fort Worth even recording an 80bps drop in vacancy over the past year, despite elevated completions.

**Despite these occupier challenges, investor confidence remains firm.** Los Angeles leads investment activity with US\$8bn year-to-date, up 13% annually, signalling a long-term view beyond short-term headwinds. Sun Belt markets—Dallas, Houston, Phoenix—also rank among the top five markets for investment, all posting double-digit growth, alongside the New York/New Jersey corridor, which remains one of the nation’s most expensive rental markets.



US: REGIONAL RENTAL GROWTH



Source: Savills Research

# APAC

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**APAC industrial and logistics investment rose in Q3 2025, reaching US\$13.3bn, a 3% year-on-year increase and the strongest quarterly outturn since late 2022.** Growth was driven by robust activity in Australia, China, Hong Kong, and Japan, partially offset by a sharp decline in Singapore. However, Singapore's fall was largely a base-effect distortion, as Q3 2024 included a major SGD1.6bn portfolio acquisition. Even so, the US\$1bn turnover recorded in Singapore this quarter marked only the second time since early 2021 that the market crossed this threshold.

**The quarter's strength was underpinned by a surge in portfolio and entity-level transactions, which more than doubled in value compared to last year.** Some of these deals were delayed from Q2 amid turbulence following the imposition of 'Liberation Day' tariffs, which disproportionately impacted East Asian export economies due to their large trade surpluses with the US. The standout transaction globally was the US\$7bn privatisation of ESR Group, which delisted from the Hong Kong Stock Exchange after its acquisition by a consortium including Starwood, Warburg Pincus, and Qatar Investment Authority. This deal heavily skewed investment figures for Mainland China and Hong Kong; excluding entity-level transactions, individual asset sales in these markets fell by more than 50% in US\$ terms, reflecting subdued occupier fundamentals.

**In Shanghai, vacancy rates have edged down slightly, but a demand recovery remains incomplete amid weak consumer sentiment.** Prime yields moved 25bps outward this quarter, extending a 75bps shift since early 2023, with further upward pressure expected. Hong Kong faces similar challenges; leasing demand for modern warehouses remains muted, vacancy stands at 11.4%, and rents fell 1.5% on the year in Q3. While low funding costs and anticipated rate cuts may support selective trades, a lack of end-user demand will keep values under pressure.

**Australia delivered a standout performance,** with A\$4.2bn (US\$2.7bn) transacted—up nearly 30% year-on-year, driven by entity-level deals such as the seeding transaction of the GPT QuadReal Logistics Trust 2 joint venture. This reflects a broader trend of growing buyer diversity and new capital partnerships between domestic and offshore investors, particularly from North America. Pending deals suggest a strong finish to the year, supported by healthy institutional appetite. Sydney remains the prime focus, while Brisbane offers a competitive alternative given the limited opportunities in the former. Leasing activity dipped this quarter but remains 44% higher year-on-year, supporting rental growth despite a slight vacancy uptick from backfill space due to the completion of new speculative assets to the market.

**Japan also saw momentum build, with ¥293bn (US\$2bn) invested this quarter**—a near 50% annual increase—led by high-profile domestic transactions such as ESR's sale of a 50% stake in the Amagasaki Distribution Center for ¥140bn (US\$973m). Vacancy in Greater Tokyo rose to 9.6%, but the pace of increase is slowing, and rents, down 4.1% on the year, are expected to stabilise as supply moderates. Cold storage facilities are emerging as a niche growth segment.

**South Korea recorded KRW2.7tn (US\$2bn) in Q3 investment, down 6% year-on-year but more than double Q2's level, signalling renewed stability.** Large portfolio deals and strong cross-border participation—accounting for 60% of turnover, mostly US capital—drove activity. Limited new supply is pushing vacancy lower and supporting rental recovery, while competition has tightened yields, with Seoul prime yields moving 25bps inward.

Savills Takes Stock: Global Capital Markets

# Offices



# Back to the office

**Global office investment picked up sharply in Q3 2025, reflecting improved sentiment and a market that has now largely repriced and is again offering value to investors.** Transactions totalled US\$48bn for the quarter—a 26% increase on the year. The office sector’s nascent recovery seen earlier in the year has continued to gain momentum, showing that much of the stigma that previously clouded office investments may have fully dissipated; investment for the first three quarters of 2025 rose to US\$136bn, about 14% higher than the same period last year.

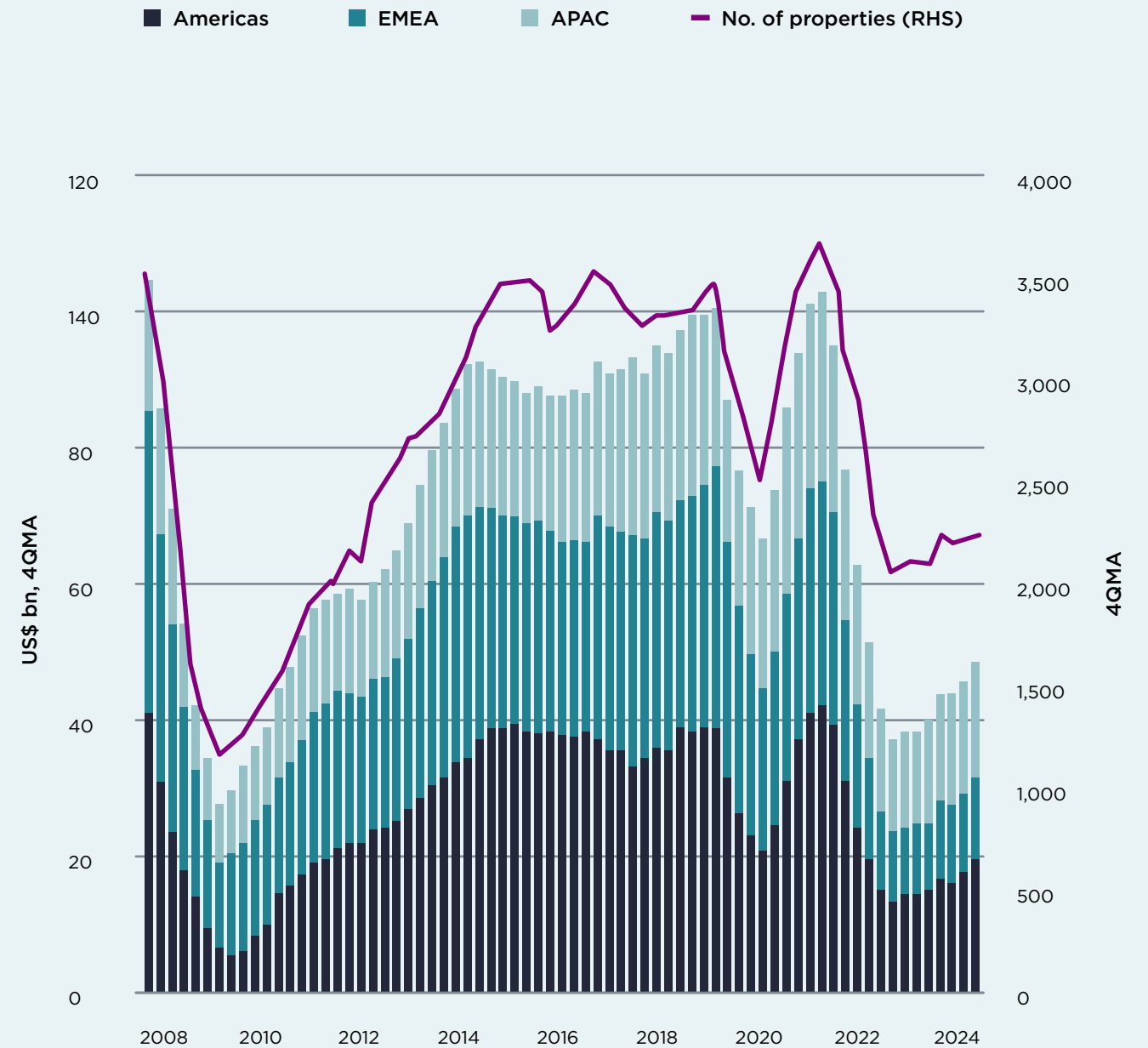
**Supply constraints continue to underpin the value proposition of prime offices.** New development pipelines remain historically low in many markets, a situation unlikely to change soon. At the same time, an increasing number of companies are mandating employees’ return to the office, which is gradually translating into higher occupancy and demand for workspace. In the first half of

this year, 52% of top office leasing deals globally were expansionary—up from 26% in H1 2024.

**Institutional capital has taken notice of the growing imbalance caused by the lack of supply of good quality space and the recovery of leasing demand.** Larger investors have notably re-entered the office market in 2025, targeting prime assets in global gateway cities. Major transactions this quarter include KKR and ViaNex GK’s purchase of a 44% stake in Shiodome Ciry Center in Tokyo for US\$885m, and BGO’s acquisition of Tower 730 in Seoul for US\$625m.

**The presence of institutional capital is evident in the return of the big-ticket trophy transactions.** Properties trading for a value in excess of US\$100m have made up 42% of all office deals this year—up from 39% in 2023-24. This quarter, nearly half of all deals were over this threshold, the highest share since Q3 2022.

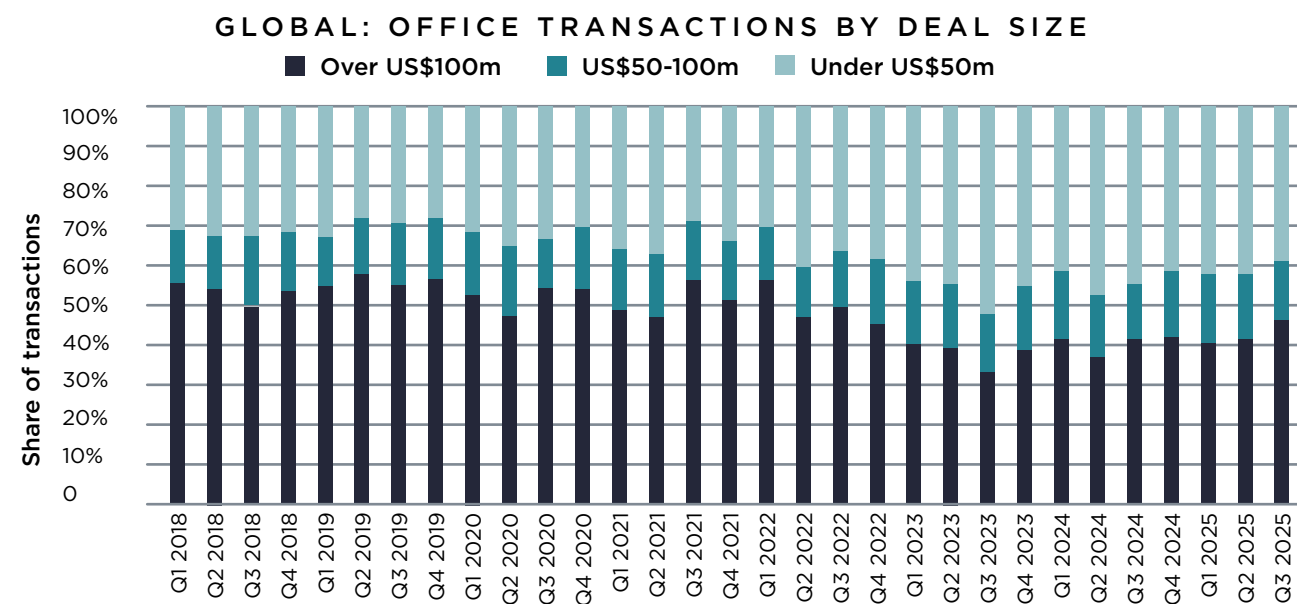
GLOBAL: OFFICE INVESTMENT TURNOVER



This trend is strongest in APAC, with deals over US\$100m making up a larger share this year than they did in the heyday of 2015-19. By contrast, deals under US\$50m continue to dominate the US office market, reflecting the still nascent state of the recovery there. In Europe, while big-ticket deals haven't yet completed to the same extent, large assets are on the market and deals are pending.

**The return of major single asset deals is likely to support growth in the global gateway cities, where a higher proportion of the stock is concentrated across these trophy-style assets.** In the City of London, for example, nine deals worth over US\$100m have completed YTD, up from just 3 in the whole of 2024. The positive trend has even been felt in San Francisco which has seen 18 large ticket deals complete this year, doubled the number last year.

**Despite these positive signs, the market remains highly bifurcated.** Investor optimism—and capital—is concentrated on prime offices in desirable locations. The definition of what qualifies as 'prime' remains narrow; assets with strong tenants, green credentials, and in central locations are in high demand, while older or secondary offices (especially in non-CBD areas) continue to struggle to attract interest unless priced appropriately to reflect the limited demand.



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Individual property transactions only.



# EMEA (Europe, Middle East, Africa)

**Office investment across EMEA showed tentative signs of revival in Q3 2025, amid improving sentiment and a gradual return of liquidity.** European office investment was around €8.7bn (US\$10bn) for the quarter—13% higher than Q3 2024—bringing investment across the first three quarters to €27bn (US\$30bn), up 7% y/y.

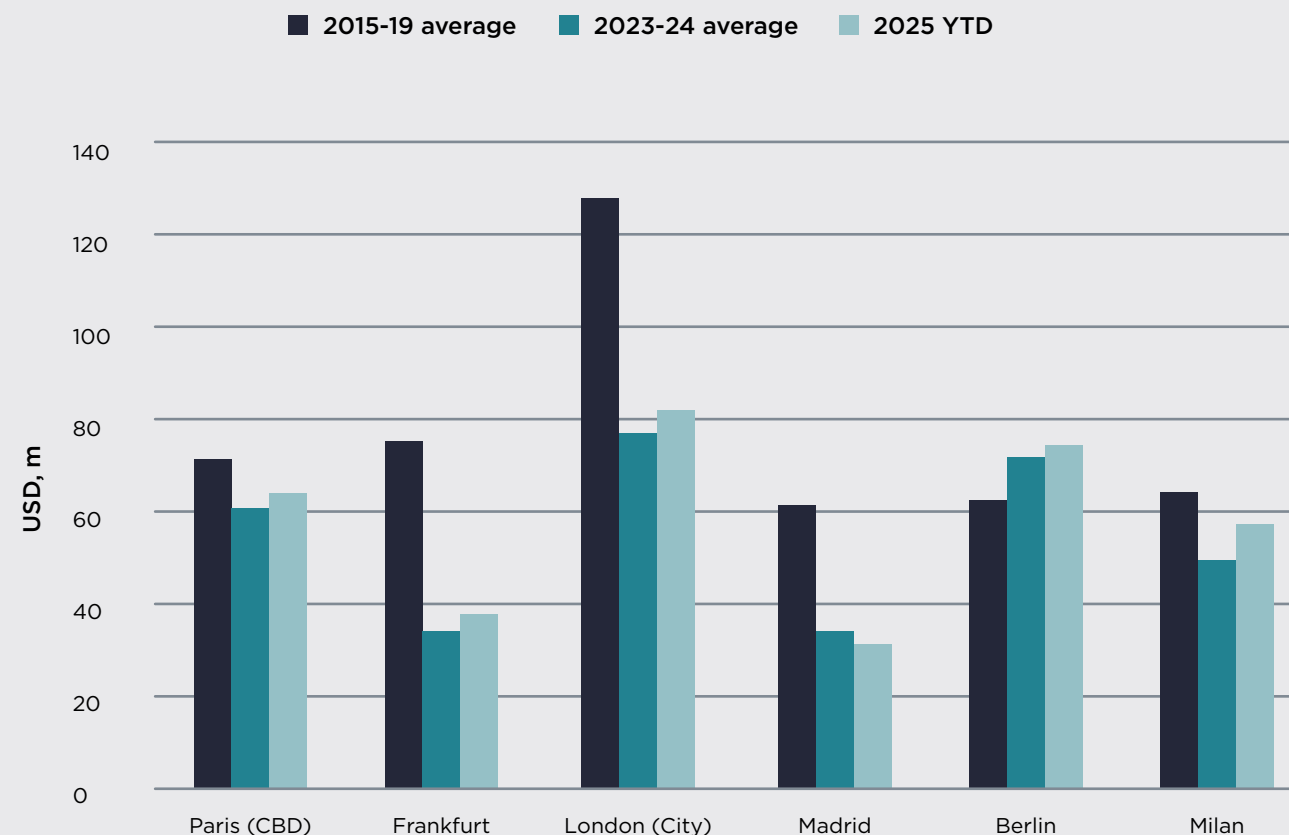
**Several trophy office assets have come to market in Q3, underscoring renewed interest for prime opportunities**—at the recent Expo Real conference in Munich, offices seemed to be welcomed into the spotlight once again. In Paris, Invesco launched the sale of the Capital 8 building with an asking price near €1bn (US\$1.2bn), while in Frankfurt the Opernturm tower is on the market for about €900m (US\$1.1bn). A strong vote of confidence for the region’s office market was Blackstone’s acquisition of the Trocadéro business centre in Paris for €705m (US\$825m), reportedly

backed by a €500m loan—the largest single-office financing in Europe since 2022.

**These deals indicate that buyers and sellers are converging on pricing,** thawing a market stalemate that had lasted nearly two years. The return of large transactions and ample debt for prime deals marks a turning point for European offices, even if the recovery is in its infancy.

This trend is most obvious in the City of London, where the average deal size has risen to £61m (US\$80m) in 2025, more than doubled the figure for last year which was £25m (US\$33m). This is underpinned by a strong occupational market; vacancy fell to 7.4%, with grade A assets significant lower at just 2.6%. The lack of supply is pushing rents up and a new record of £145 per sqft has been achieved, although it’s expected that this will be surpassed in the near future.

EUROPE: AVERAGE TRANSACTION SIZE OF OFFICES



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Individual property transactions only.

**Despite the positive headlines, Europe’s office sector remains highly bifurcated.** Investors and lenders continue to be highly selective based on asset quality and location. In France, for example, while prime Paris CBD office yields are around 4%, similar properties in La Défense might trade closer to 7.5%, a 350bps gap, which reflects the higher risk perception outside the core—pre-Covid-19, this gap was around 100bps. This yield spread mirrors fundamentals: prime CBD offices enjoy sub-4% vacancy (often effectively full), while outer districts struggle with oversupply and rising empty space.

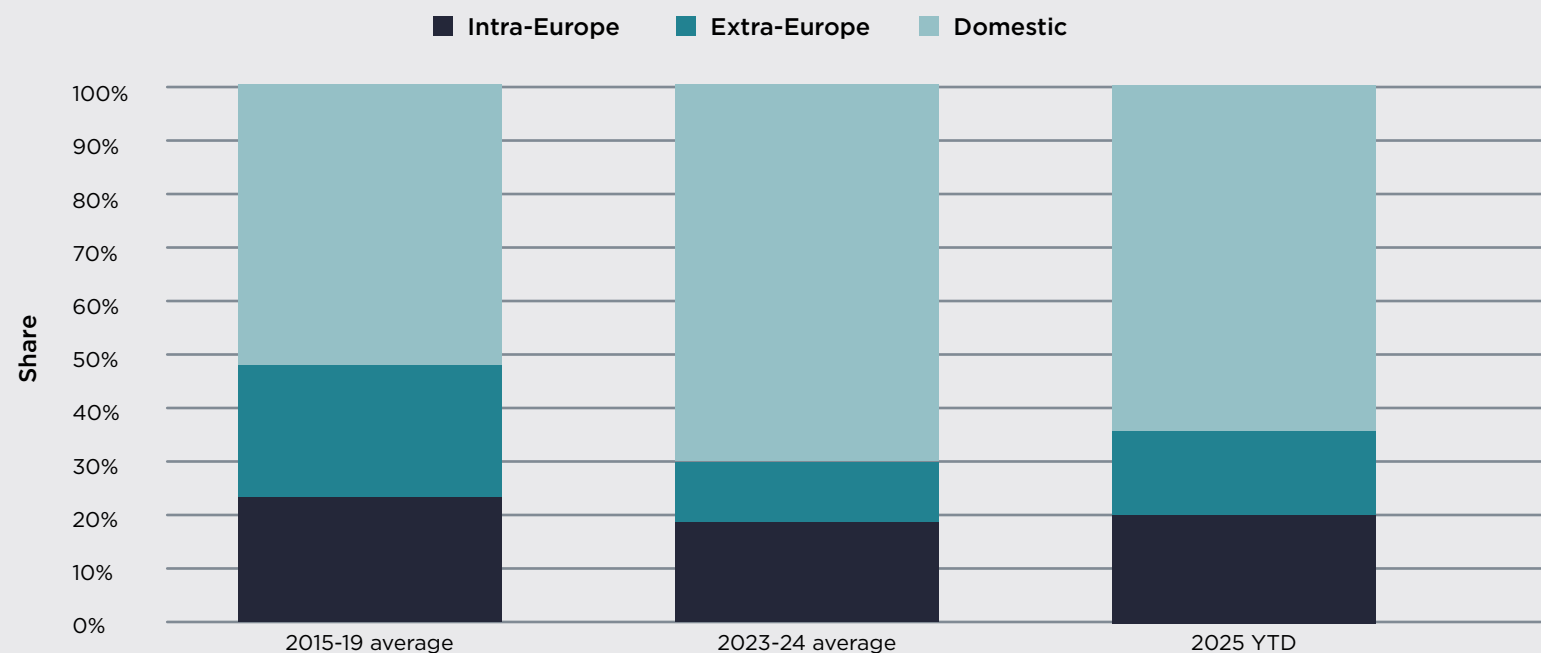
This trend is also evident in Dubai, with sustained tenant demand and minimal new supply continuing to underpin market strength. Average prime rents have risen by as much as 30-35% on the year as a consequence. The market is expected to remain landlord friendly, although the maturing strata office sector, combined with new grade A completions in 2026, will provide a greater pool of options and alleviate some existing supply constraints.

Germany is struggling to attract investors back to offices, with domestic institutions still preferring residential. However, with Opernturm and a number of other large office assets coming to market, sentiment going forward is more positive. Frankfurt’s occupier market has been a bright spot—office take-up has hit 4.9m sq ft in the first three quarters of 2025, setting a new record.

**Another positive sign for the European office sector is the return of cross border investors.** International buyers have made up one-third of all office deals YTD—the highest market share since 2022. The US continues to be the top cross border buyer in EMEA, but Norwegian and Japanese investors have also been increasingly active.



**EUROPE: SOURCE OF CAPITAL IN OFFICE TRANSACTIONS**



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios.

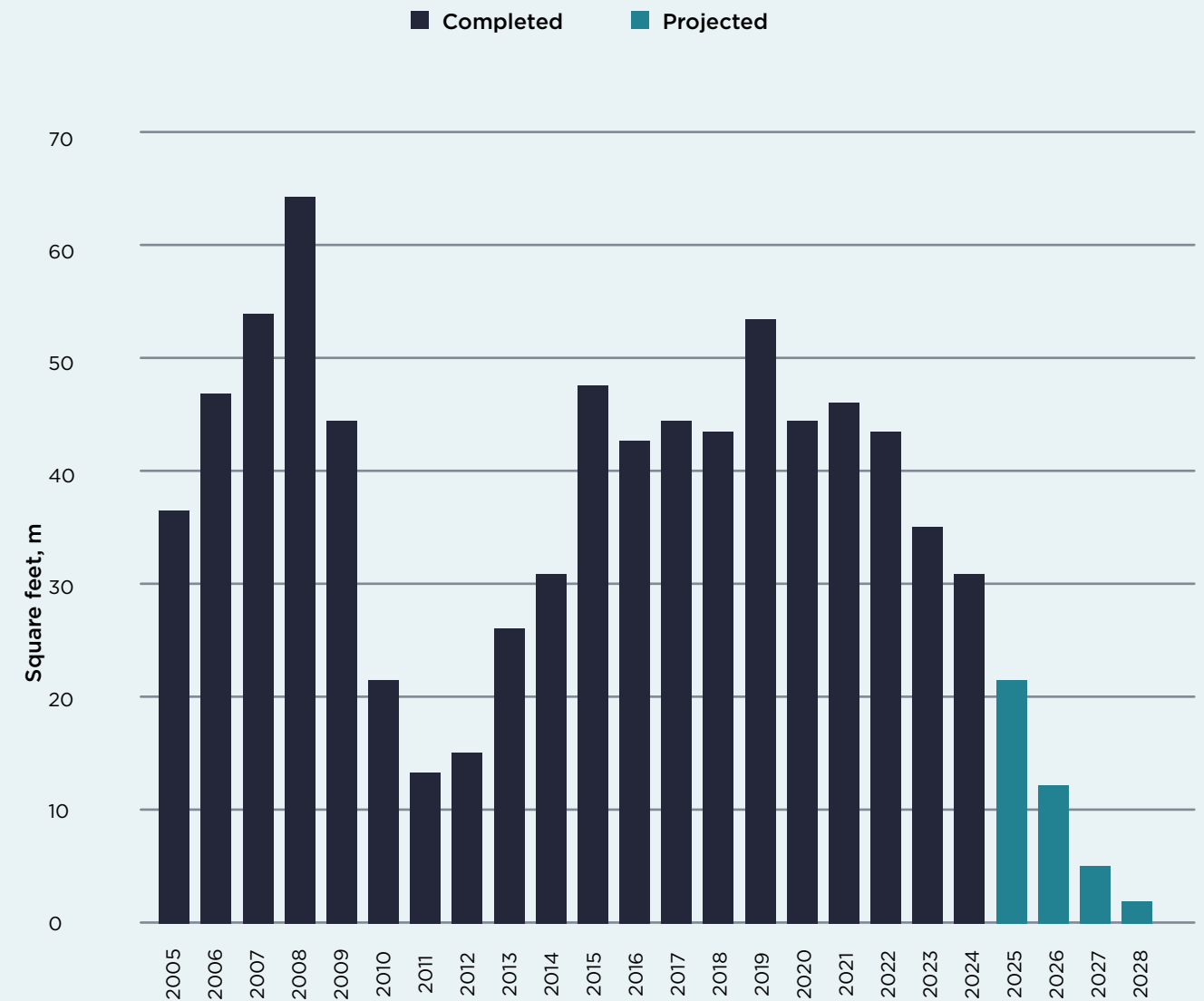
# North America

The US office market continued its sharp recovery in Q3, with investment of US\$19bn representing a 40% increase on the year, outperforming all other major sectors in terms of growth in the process. As a consequence, the office sector accounts for nearly 17% of total real estate investment so far this year, up from a low of 13.7% in 2023. Both individual asset sales and larger portfolio and M&A deals are significantly up on the year, highlighting the broad-based nature of the recovery. Deal size is also improving, with the number of trades over US\$100m up by 42% year-to-date, reflecting improved liquidity for larger trophy assets. This is supporting a stronger rebound for CBD offices, which have now outperformed suburban offices for the last 18 months.

## Distressed sales have been a catalyst for a recovery in capital markets.

According to Trepp, Commercial Mortgage-Backed Securities (CMBS) delinquency rates reached a new peak of 11.8% in October. At the end of Q3, MSCI estimated a value of US\$59bn of distressed offices in the US, an increase of roughly US\$9bn from a year earlier, while sales out of distressed situations rose by 80% over the same period. One of the largest deals announced this quarter was the acquisition of the Americas Tower in New York by Norges Bank Investment Management (NBIM) and Beacon Capital Partners—with the previous owners reportedly struggling to service the US\$450m loan on the property.

AMERICAS: US OFFICE SUPPLY PIPELINE



Source: Savills Research using CoStar Group.

**New York continues to lead the recovery.** In the Manhattan market, investment in the first three quarters of this year already exceeds the full year outturn in 2024. Included within this was the largest deal of the quarter, the acquisition of 590 Madison Avenue by the joint venture partnership of RXR Realty, Elliott Management and Baupost Group for \$1.1bn.

San Francisco, Los Angeles, Washington DC, and Dallas complete the top five markets for year-to-date investment. For San Francisco, there has been a marked improvement in its capital and occupational markets this year. Investment across the first three quarters totalled US\$6.5bn, a near 200% increase from the same period last year. One key deal in Q3 was a US\$365m acquisition by Apple of a four-building office campus in Silicon Valley—its third major deal in the area this year. On the occupational side, although San Francisco's availability remains high at 33.6%, this is a fall of 300bps from Q3 last year, underpinned by AI-driven sublease demand.

Although new construction remains active in some markets, including Miami and Dallas, this is largely driven by a specific need, with strong pre-leasing in the wellness and tech-oriented clusters. Nationwide, the development pipeline has shrunk significantly, with only 12.2m sq ft expected to be completed next year—the lowest level of delivery on record. This supply constraint is expected to support future rent growth and occupancy in premium assets. This lack of pipeline is a key reason for optimism in capital markets.



# APAC (Asia Pacific)

**Investment in APAC reached US\$18bn this quarter, 20% higher on the year.**

While the Chinese office market is sluggish, markets in Japan and Korea have remained as bright spots in the region, and Hong Kong had its best quarter since 2023.

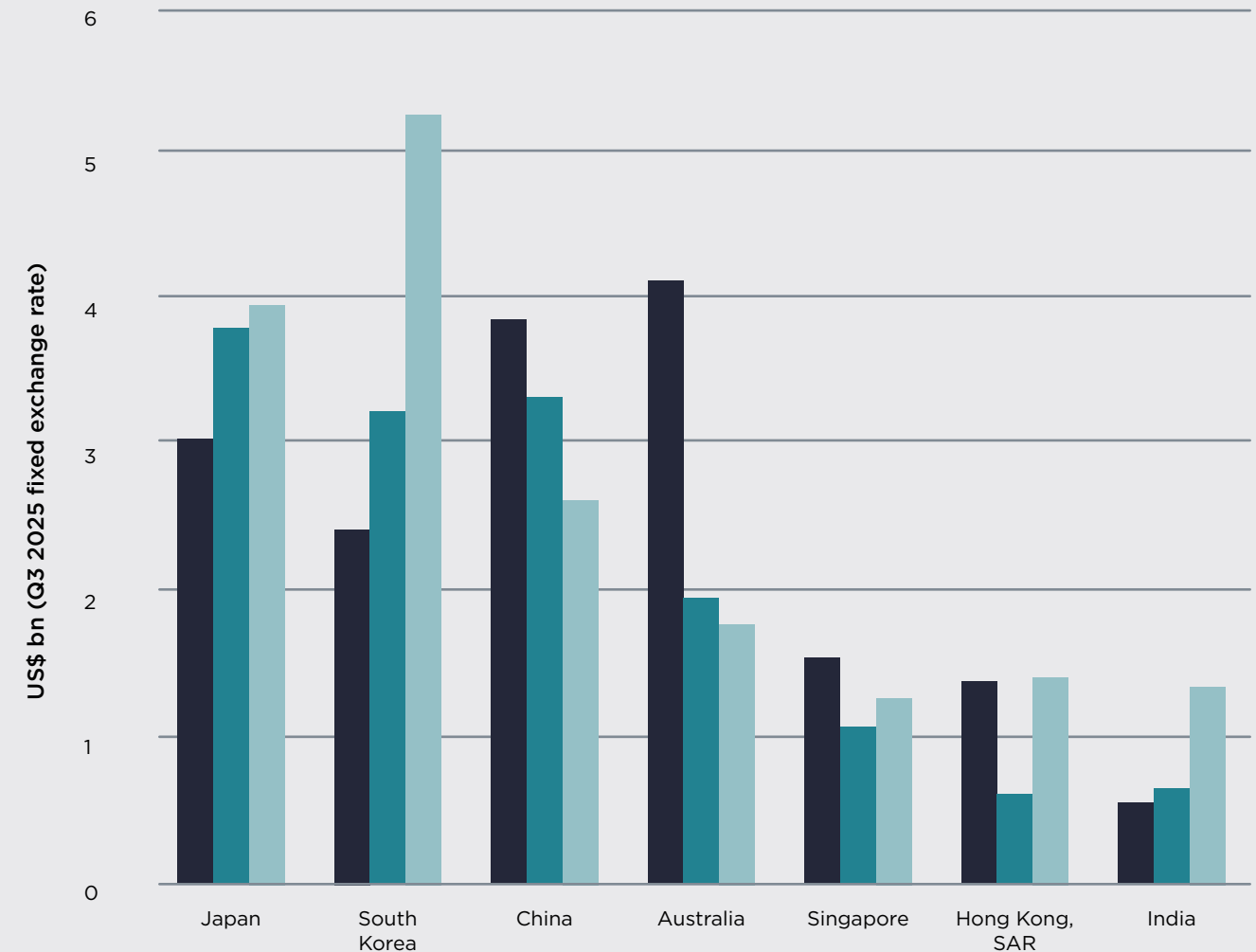
The leasing market in Hong Kong is showing tentative signs of stabilisation, underpinned by the financial services sector and IPO-related expansions; the city topped global IPO fundraising in H1, supported by new listings of mainland Chinese companies, and an increase in global appetite for regional assets. Prime grade A rents are starting to stabilise, but secondary offices continued to see declines. Investment in Q3 was HK\$11bn (US\$1.4bn), more than double the same figure in 2024, largely due to the Hong Kong Stock Exchange (HKEX), which acquired their own headquarters, consisting of nine floors of Exchange Square for HK\$6.3bn (US\$810m).

On the mainland, Shanghai's office market remains under pressure. Vacancy fell slightly in Lujiazui, but remains elevated citywide as new supply continues to outpace demand, with overall grade A vacancy at 23.5%. The third quarter marked the fourth consecutive quarter of falling investment turnover in Shanghai, with just CNY5.2bn (US\$721m) transacting, a near 50% fall on the year. Across the whole of China, the picture is similar, with investment down by more than 40% on the year. Cross border investors, while largely absent on the buy side, have been behind 45% of disposals year-to-date.

**After a subdued start to the year, Australia's office capital markets are turning a corner.** Although, the first three quarters of 2025 have seen AU\$5.5bn (US\$2.8bn) of office investment, 5% lower than the same period last year, several large transactions are pending suggesting a potential rebound in Q4.

## APAC: OFFICE INVESTMENT

■ 2017-19 Q3 average ■ Q3 2024 ■ Q3 2025



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios.

Investor sentiment is improving due to interest rate cuts and stabilising values—yields are unchanged, capital values are bottoming out, and total returns have turned positive. Sydney dominates the Australian office market, accounting for 70% of acquisitions, thanks to a strong leasing market where incentives tightened and rents rose.

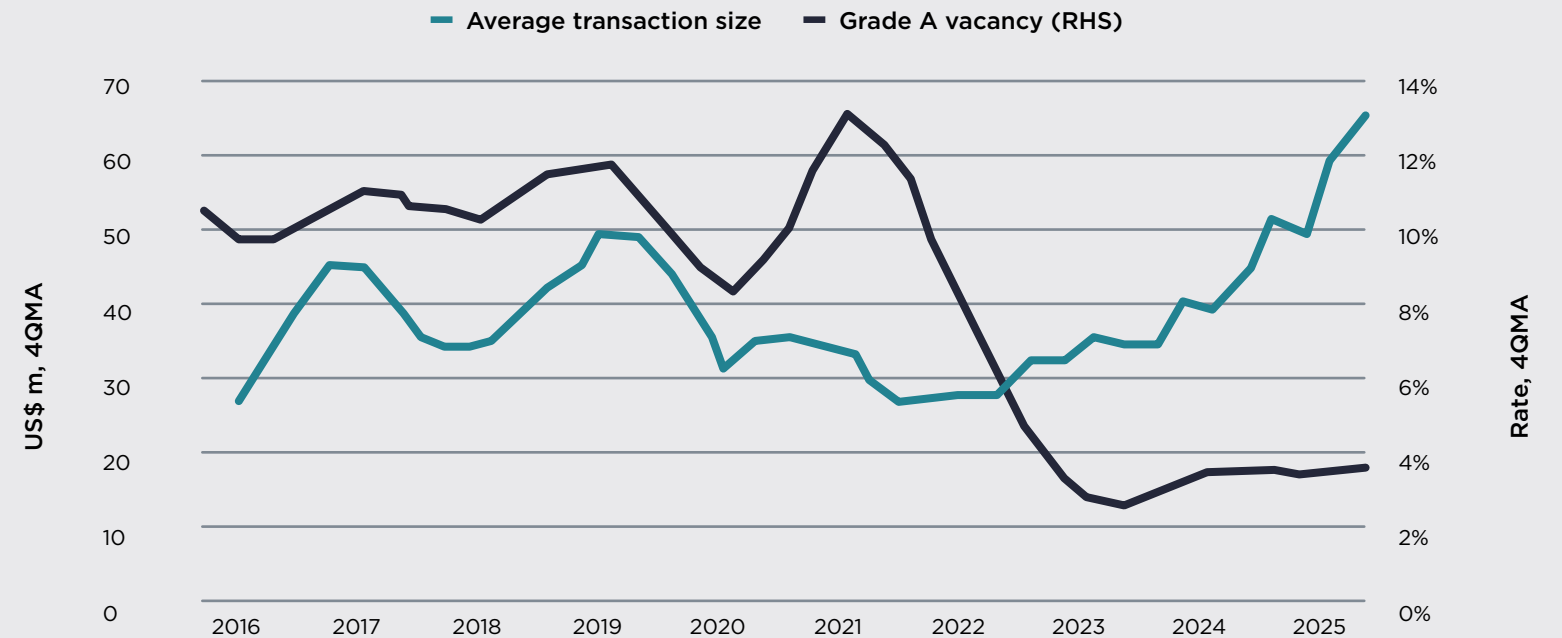
**Investment in Japanese offices totalled ¥566bn (US\$3.8bn) in Q3, broadly unchanged on the year. Investor sentiment remains robust, underpinned by intense competition for new opportunities, as leasing fundamentals continue to improve.** In Tokyo, despite high levels of new supply, grade A vacancy in the central five wards fell to just 0.7% in Q3, and rents rose over 10% on the year. Scarcity of prime space is accelerating relocation decisions and rental momentum. Investor demand almost certainly exceeds the available stock coming to market, and just two deals (the sales of Shiodome City Center and Shinjuku Maynds Tower) made up half of investment turnover this quarter.

**In South Korea, Seoul's prime office market also remains robust.**

Vacancy across major districts is low, and rental growth continues to outpace inflation. With no major new supply due to come onboard until 2026, rental momentum is expected to continue. Investment year-to-date in South Korea reached KRW 19 tn (US\$13 bn), on track to surpass the previous record set in 2021; in Q3 alone, 10 assets were recorded by MSCI having completed for over US\$100m. As a result, our benchmark yield has fallen by 10bps to 4.15%. Underpinning this is increased activity from cross border investors – overseas buyers currently make up 14% of market share, the highest since 2018.



**APAC: SEOUL OFFICE MARKET**



Source: Savills Research using MSCI RCA. Based on independent reports of properties and portfolios. Individual property transactions only.

Q3 2025

# Key transactions



# Living

## Aveo Senior Housing, Australia

<b>Sub-sector:</b>	Senior living
<b>Units:</b>	10,000
<b>Price/NIY:</b>	A\$3.85bn (US\$2.5bn) / Undisclosed
<b>Vendor:</b>	Brookfield Asset Management
<b>Vendor nationality:</b>	Canada
<b>Purchaser:</b>	The Living Company and South Korea's National Pension Service (NPS)
<b>Purchaser nationality:</b>	Australia and South Korea

**Other comments:** Reportedly the largest ever real estate transaction in Australia, The Living Company—Australia's largest PBSA operator via the operating platform Scape—has entered the senior living market by acquiring the Aveo platform, consisting of 65 retirement villages located across Queensland, New South Wales, Victoria, and Tasmania. Brookfield previously acquired Aveo in a take private deal in 2019 for A\$1.3bn.



## Livensa Living portfolio, Spain

<b>Sub-sector:</b>	PBSA
<b>Units:</b>	9,000
<b>Price/NIY:</b>	€1.2bn (US\$1.4bn) / Undisclosed
<b>Vendor:</b>	Brookfield Asset Management
<b>Vendor nationality:</b>	Canada
<b>Purchaser:</b>	Canada Pension Plan Investment Board (CPP Investments)
<b>Purchaser nationality:</b>	Canada

**Other comments:** Nido Living, the specialist student-led accommodation platform owned by CPP Investment, acquired Livensa Living portfolio, one of the largest PBSA platforms in Iberia, consisting of 9,000 beds across 22 operational properties, and two under development, located in 13 university cities across Spain and Portugal, including in Madrid, Barcelona, and Lisbon. Savills acted as advisor to the purchaser.



# Logistics

## ESR Privatisation, APAC

<b>Tenant:</b>	Multiple
<b>Lease length (WAULT):</b>	N/A
<b>Area:</b>	506m sq ft (GFA)
<b>Price / NIY:</b>	US\$7.1bn/undisclosed
<b>Vendor:</b>	N/A
<b>Vendor nationality:</b>	N/A
<b>Purchaser:</b>	Starwood Capital Group, SSW Partners, Sixth Street, Warburg Pincus, and Qatar Investment Authority
<b>Purchaser nationality:</b>	US and Qatar
<b>Other comments:</b>	ESR, one of the largest fund managers in APAC with over US\$70bn in fee-related assets under management, and a major owner of logistics and data centre assets across the region, was delisted from the Hong Kong Stock Exchange in July following the take private deal from a consortium of primarily US-based investors. The ESR founders, as well as existing shareholders including OMERS and Sumitomo Mitsui Banking Corporation, retained some or all of their equity holdings in the newly privatised business.



## Warehouse REIT Privatisation, UK

<b>Tenant:</b>	Multiple
<b>Lease length (WAULT):</b>	N/A
<b>Area:</b>	6.9m sqft
<b>Price / NIY:</b>	£489m (US\$533m)/undisclosed
<b>Vendor:</b>	N/A
<b>Vendor nationality:</b>	N/A
<b>Purchaser:</b>	Blackstone
<b>Purchaser nationality:</b>	United States
<b>Other comments:</b>	Blackstone outbid rivals in a competitive process to privatise Warehouse REIT, which focuses on UK multi-let warehouses, representing their third take private deal in the UK in recent years. The portfolio consists of 6.9m sqft across 60 locations focused around key industrial hubs, including the North West, Midlands, and the Oxford-Cambridge ARC, with an occupancy rate of nearly 94%.



# Offices

## Pangyo Tech One Tower, Seoul, South Korea

<b>Tenant:</b>	Hyundai Motor, Naver, Kakao
<b>Lease length (WAULT):</b>	Undisclosed
<b>Area:</b>	2.1 m sqft
<b>Price/NIY:</b>	KRW 2.0tn (US\$1.4bn) / 3.7%
<b>Vendor:</b>	Mirae Asset and GIC
<b>Vendor nationality:</b>	South Korea and Singapore
<b>Purchaser:</b>	Korea Investment Real Asset Management, Kakao Corporation, NH Prime REIT, and Samsung Securities
<b>Purchaser nationality:</b>	South Korea
<b>Other comments:</b>	The sale is reported to be the largest transaction in the history of the country's office market, attracting bids from major cross border investors.



## Americas Tower, New York, US

<b>Tenant:</b>	HSF Kramer, Practising Law Institute , Kramer Levin, Mill Point Capital, Starr
<b>Lease length (WAULT):</b>	Undisclosed
<b>Area:</b>	975,000 sqft
<b>Price/NIY:</b>	US\$543m / Undisclosed
<b>Vendor:</b>	CalSTRS JV Silverstein Properties
<b>Vendor nationality:</b>	US
<b>Purchaser:</b>	NBIM and Beacon Capital Partners
<b>Purchaser nationality:</b>	Norway and US
<b>Other comments:</b>	Despite being 100% occupied, the previous owners were reportedly struggling to service the US\$450m loan taken out against the office, which was also due for refinancing. CalSTRS and Silverstein Properties had originally bought the property for US\$1bn in 2007.





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