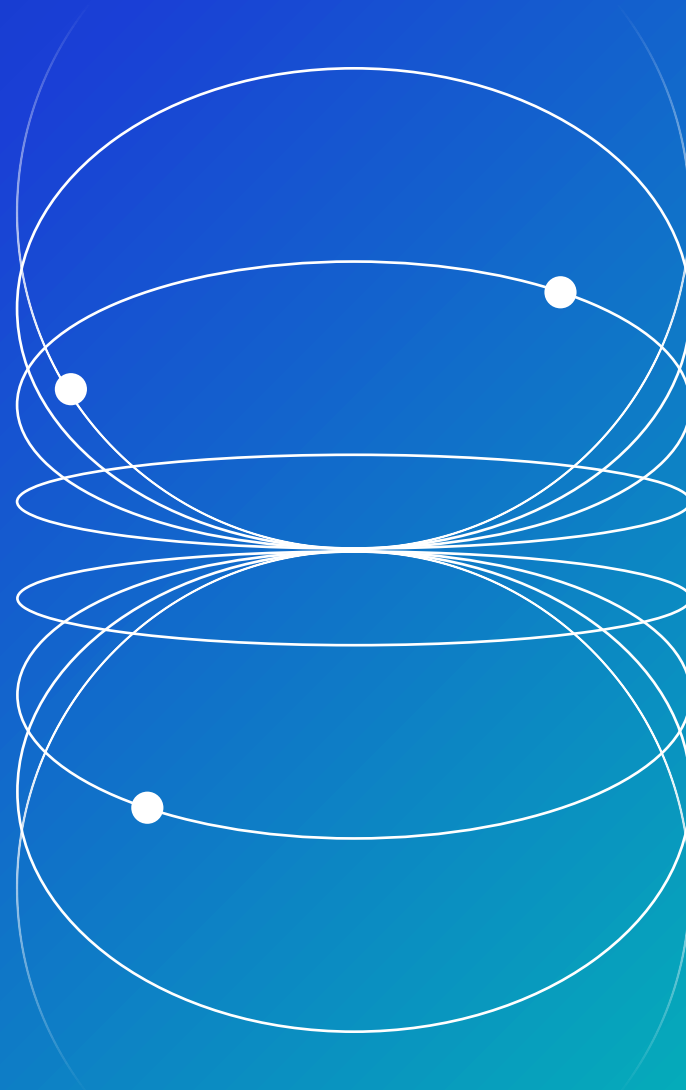




Defining and Benchmarking the Global RE Market

September 10, 2026

Bryan Reid



Global Private Real Estate Market Size 2026

Exploring the latest research on the size and composition of the global private real estate investable universe



Research paper link

Key takeaways

The global real-estate market grew 8.5% in 2025.

USD 12.4 trillion
in 2024

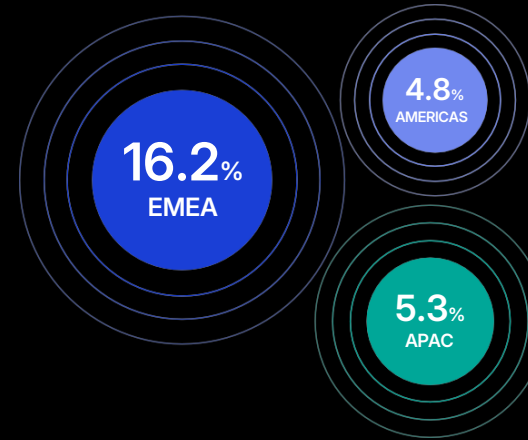
USD 13.5 trillion
in 2025



The size of the professionally managed market expanded to USD 13.5 trillion from USD 12.4 trillion in 2024, ending three consecutive years of contraction.

All three regions showed growth.

EMEA expanded 16.2% to USD 4.5 trillion, the Americas grew 4.8% to USD 5.6 trillion and APAC increased 5.3% to USD 3.4 trillion. EMEA's strong performance was driven primarily by the euro's appreciation against the U.S. dollar.



The size of United States increased while its overall weight declined.



USD 5.1 trillion
in 2025

The U.S. professionally managed market grew to USD 5.1 trillion in 2025, up from USD 4.8 trillion in 2024, but its share of the global market fell by more than a percentage point as EMEA markets expanded more.

Office remained the largest global sector, but its share continued to shrink.

Offices represented 26.8% of the global market in 2025, down from 27.2% the prior year. The sector remained the dominant property type in EMEA at 30.9% and APAC at 35.7%.



Industrial's growth continued in the Americas.

Industrial's share of the region rose to 24.3%, extending its lead over office, which was at 18.1% in 2025. Apartment was the largest sector in the Americas at 30.1%.

Comparing across regions

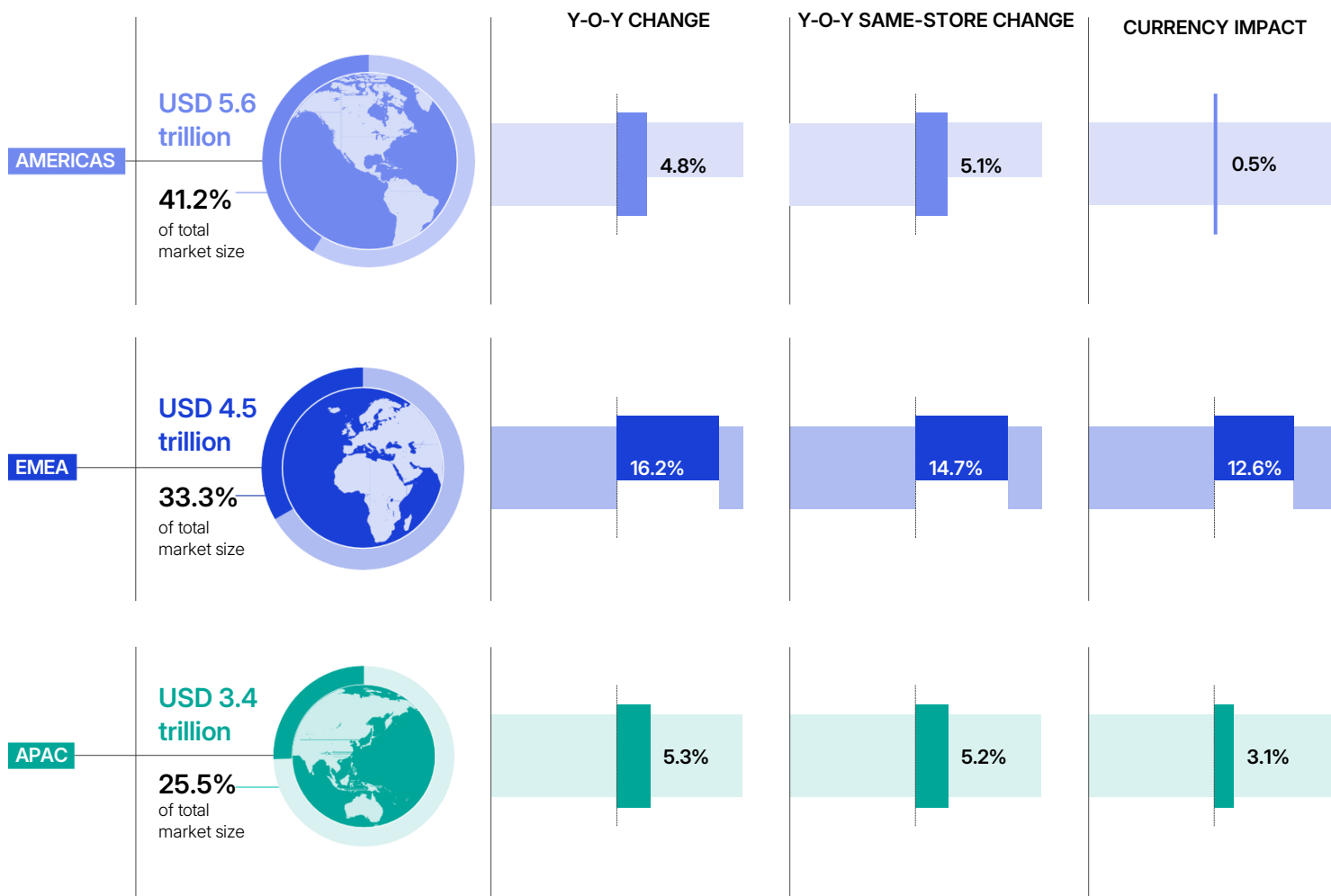
In 2025, the professionally managed global real-estate market expanded 8.5% to reach USD 13.5 trillion — its largest size since 2021, before interest-rate increases began across many global markets. The expansion ended three consecutive years of contraction.

Of the 38 markets in this study, 35 grew in 2025 while three contracted. This stands in sharp contrast to 2024, when 31 of the 38 markets declined. The three markets that contracted in 2025 were China, Hong Kong and Indonesia.

Currency movements reversed course in 2025. After the sharp depreciation of most non-U.S. currencies that dragged the 2024 market size lower, many currencies strengthened against the dollar in 2025. At the global level, the currency impact was +4.9%. Only a handful of currencies — notably the Indian rupee, the Indonesian rupiah and the Hong Kong dollar — weakened against the U.S. dollar.

Regional overview

Based on latest available data as of December 2025. Same store corresponds to the set of funds that contributed to the market-size analysis in both previous and current periods.
Source: KTI (Finland), MSCI



A recovery in the market size

The U.S. market, with a size of USD 5.1 trillion, was larger than the next four biggest markets combined in 2025. The U.K. size was estimated at USD 983 billion, followed by China at USD 938 billion, Japan at USD 829 billion and Germany at USD 733 billion.

The top five individual markets represented 63.4% of the global market in 2025, down from 65.3% in 2024. Sweden, Spain and Denmark posted some of the strongest growth rates among the larger markets, driven largely by currency appreciation.

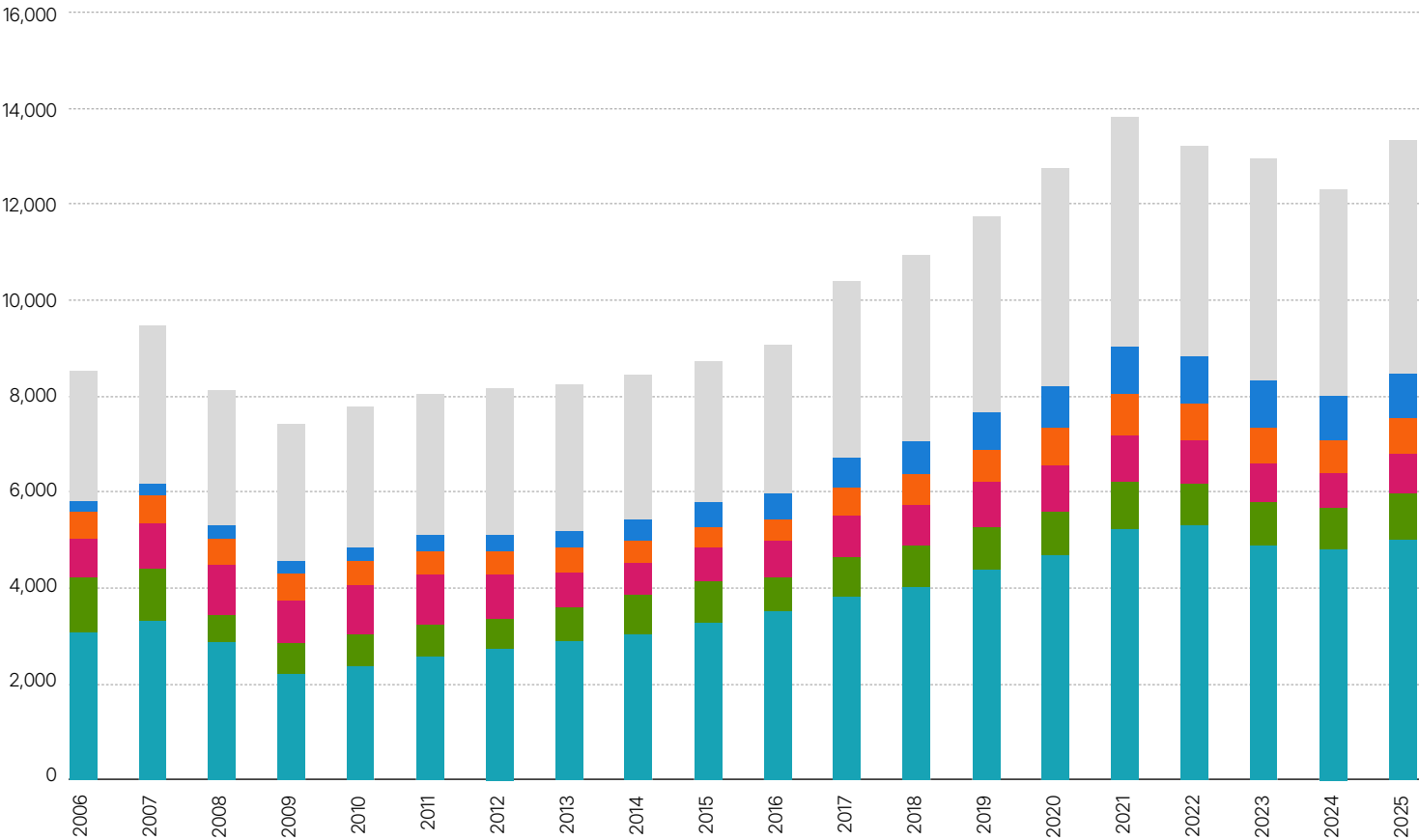
* This report covers 38 markets, of which 30 have been a part of the analysis since 2006. Indonesia and Malaysia were added in 2008, Brazil in 2020, Bulgaria, Luxembourg, Romania and Slovakia in 2021 and India in 2024.

Size of the professionally managed real-estate market since 2006

Based on latest available data as of December 2025. Source: KTI (Finland), MSCI

United States United Kingdom Japan Germany China Other markets

Market size (USD bn)



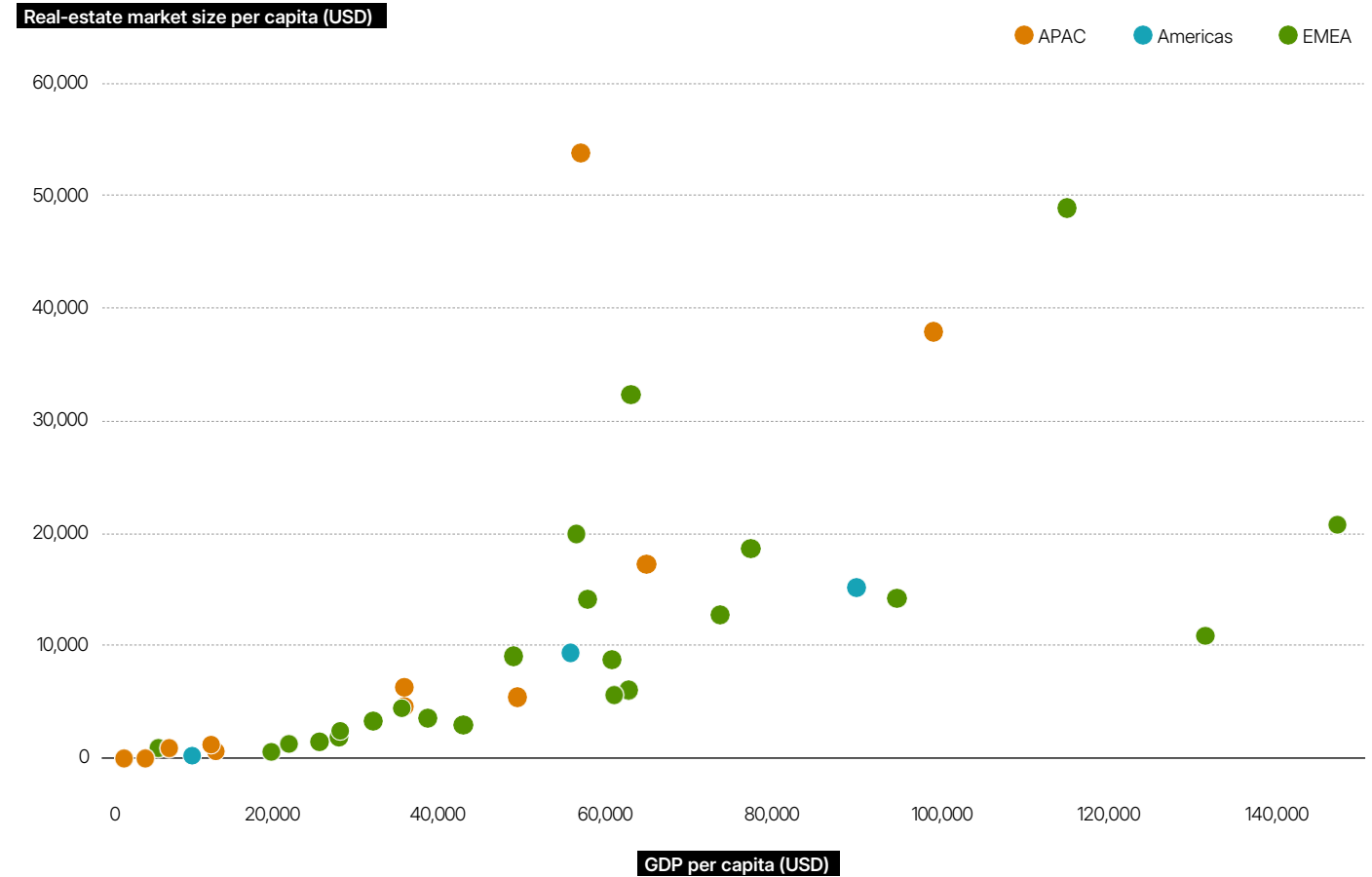
Why bottom-up matters

In this chart, we compare real-estate market size per capita with GDP per capita. The top five markets by real estate per capita are located in either EMEA or APAC. Hong Kong and Singapore have the highest and third-highest real estate per capita, respectively, with Switzerland, Sweden and Luxembourg rounding out the top five again in 2025. Emerging markets such as Brazil, India and Indonesia are at the lower end of the distribution.

* GDP and population data as of December 2025 from the World Bank.

Estimated market size per capita relative to GDP per capita, 2025

Based on latest available data as of December 2025. Source: World Bank, KTI (Finland), MSCI



Transparency in an opaque asset class

In this chart, we plot the weight of markets in the global market size against JLL's Global Real Estate Transparency Index. (The rank by weight and rank by transparency are shown along each axis.) Consistent with prior years, there is a positive relationship between market-size weight and transparency: The more-transparent markets are generally ranked higher in market-size weight.

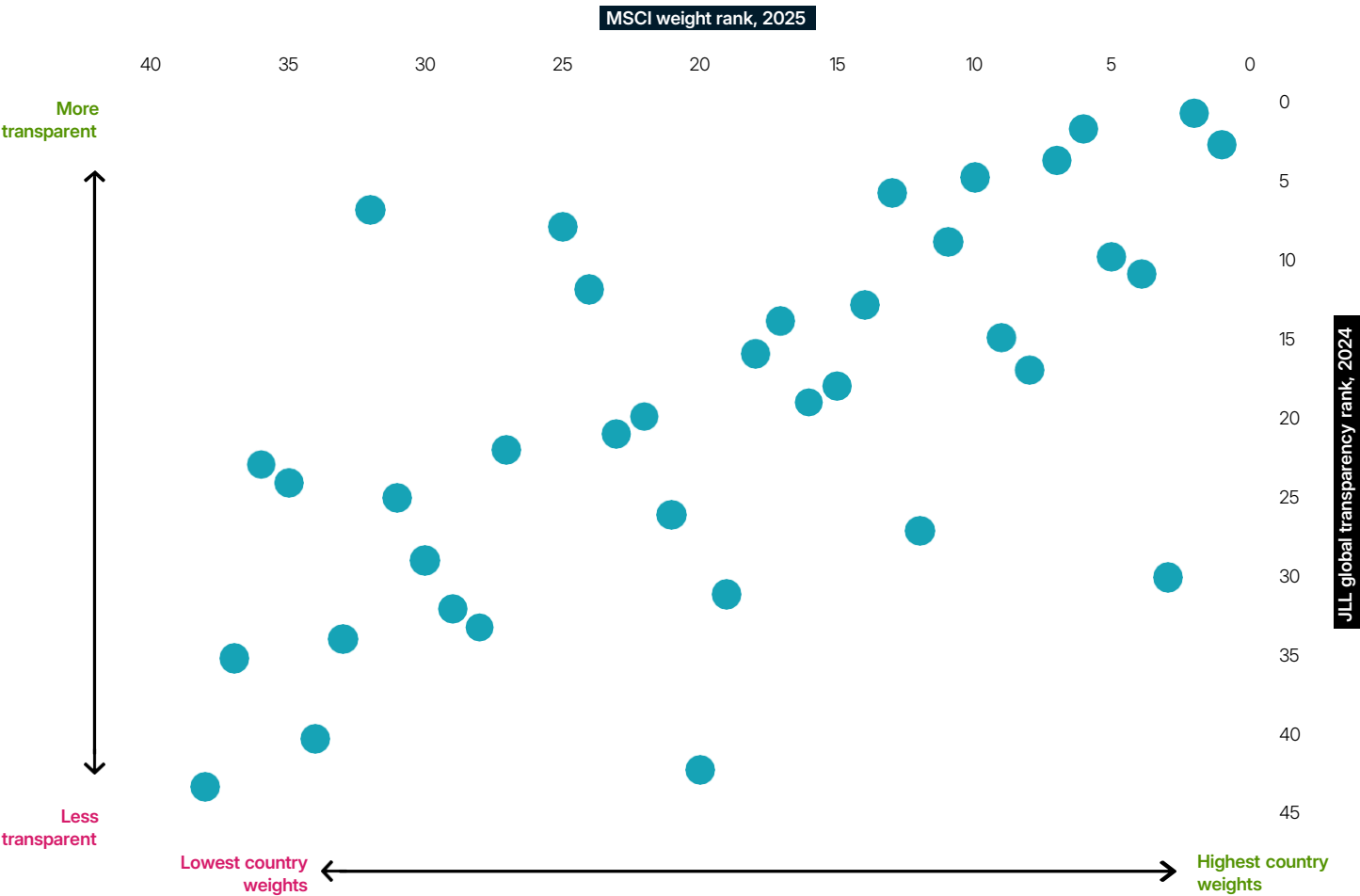
Thirteen markets were classified as "Highly Transparent" in JLL's study, accounting for around 75% of the global market-size weight, and 21 were "Transparent" markets, representing 24% of total market-size weight. The remaining three were "Semi-Transparent" markets.

* Latest Global Real Estate Transparency Index available for 2024. Austria excluded.



Country rankings — MSCI market-size weights and JLL Global Real Estate Transparency Index ranks

Based on latest available data as of December 2025. Source: JLL Global Real Estate Transparency Index 2024, KTI (Finland), MSCI



Shifting sector allocations

Our study breaks out the professionally managed market into seven sectors — retail, office, industrial, residential, hotel, health care and other.

Office was the largest sector globally in 2025, representing 26.8% of the market. That share was down from 27.2% in 2024 and from 28.9% in 2023 — a steady erosion that reflects both valuation pressure and shifts in investor allocation away from traditional office holdings.

Residential remained the second-largest sector at 22.7%, unchanged from 2024. Industrial grew to 20.5%, up from 18.9%, continuing its rise. Retail sector's share was 18.2%, while hotel and healthcare together accounted for 8.3%.

More sector findings:

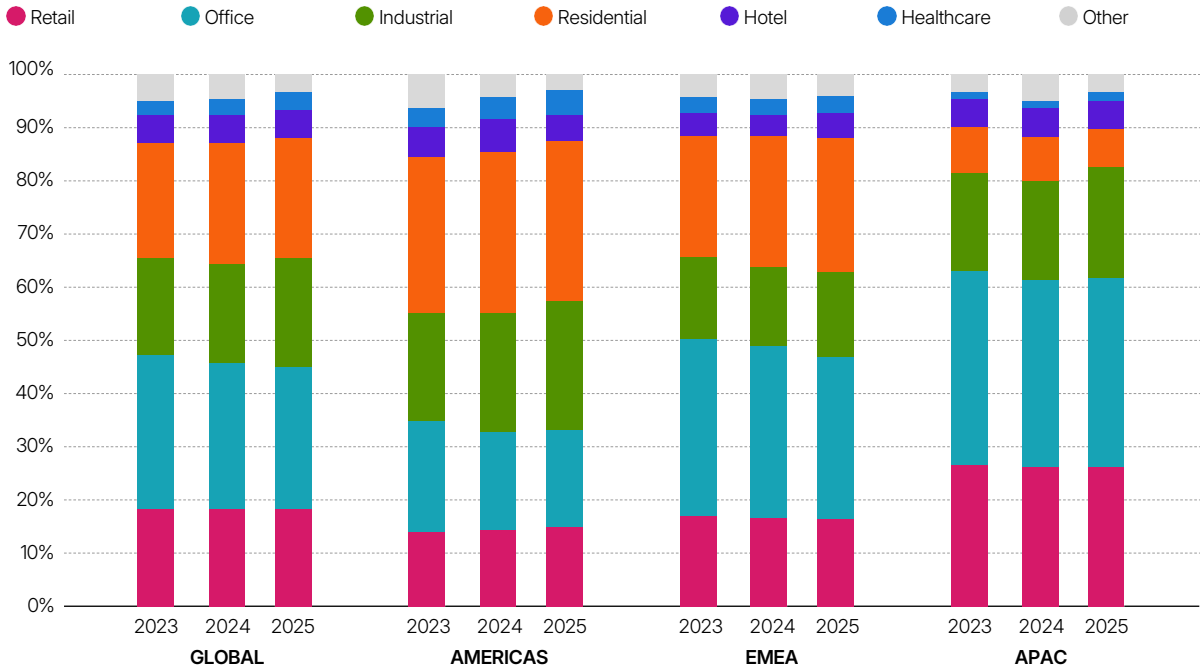
- Office remained the dominant sector in both EMEA (30.9%) and APAC (35.7%), though the share in EMEA was more than 1 percentage point lower than in 2024. In the Americas, residential led at 30.1%, with industrial at 24.3% and office at 18.1%.
- The U.S. was still the world's largest office market, representing around 25% of global office assets under management (AUM).

- Global allocation to the office sector decreased in both 2024 and 2025, although the 2025 decline of 0.5 percentage points was smaller than that of 2024.
- In the U.S., the industrial sector has gained a significant lead over offices over the last two years. In 2023, the office share of 20.8% had edged industrial at 20.3%.
- In Nordic markets, the residential sector represented more than 25% of market size in Denmark, Finland and Sweden. Norway was the notable exception in the region with a dominant office market.
- The size of the industrial sector grew in 28 of the 38 markets in 2025. The trend mirrors that in 2024, where the sector expanded in 29 of the markets studied.
- Looking at the concentration of the four largest sectors, office was the most geographically diversified. Office had 57.9% of AUM located in the top five office markets, followed by retail at 60.1%. Concentration in the top-five markets was higher for industrial and residential sectors at 72.8% and 77.0%, respectively.

* Undisclosed property types (representing 3.4% of the global professionally managed market size) are not included in the sector-composition analysis.

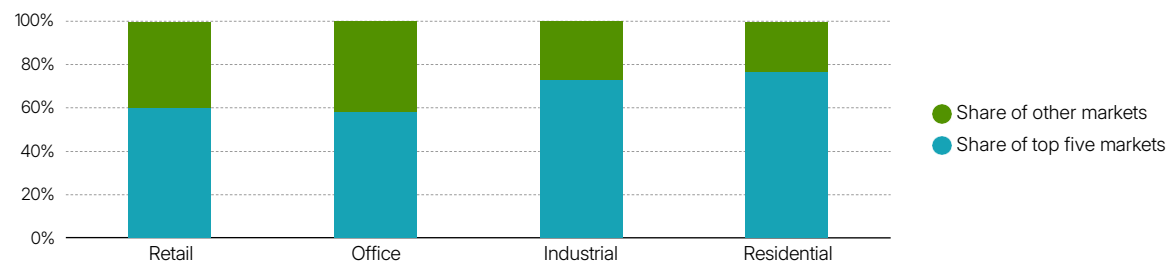
Property-sector composition of regions and global market

Based on latest available data as of December 2025. Undisclosed property types not included in the sector-composition analysis. Source: KTI (Finland), MSCI



Market concentration of largest property sectors

Based on latest available data as of December 2025. Source: KTI (Finland), MSCI



Diversity of access paths

The portfolios in the analysis are classified as either listed or unlisted real estate, and the split between the two categories remained largely stable in 2025. The market value of assets in the unlisted category was USD 8.2 trillion, or 60.8% of the total market size. The listed market was estimated at USD 5.3 trillion.

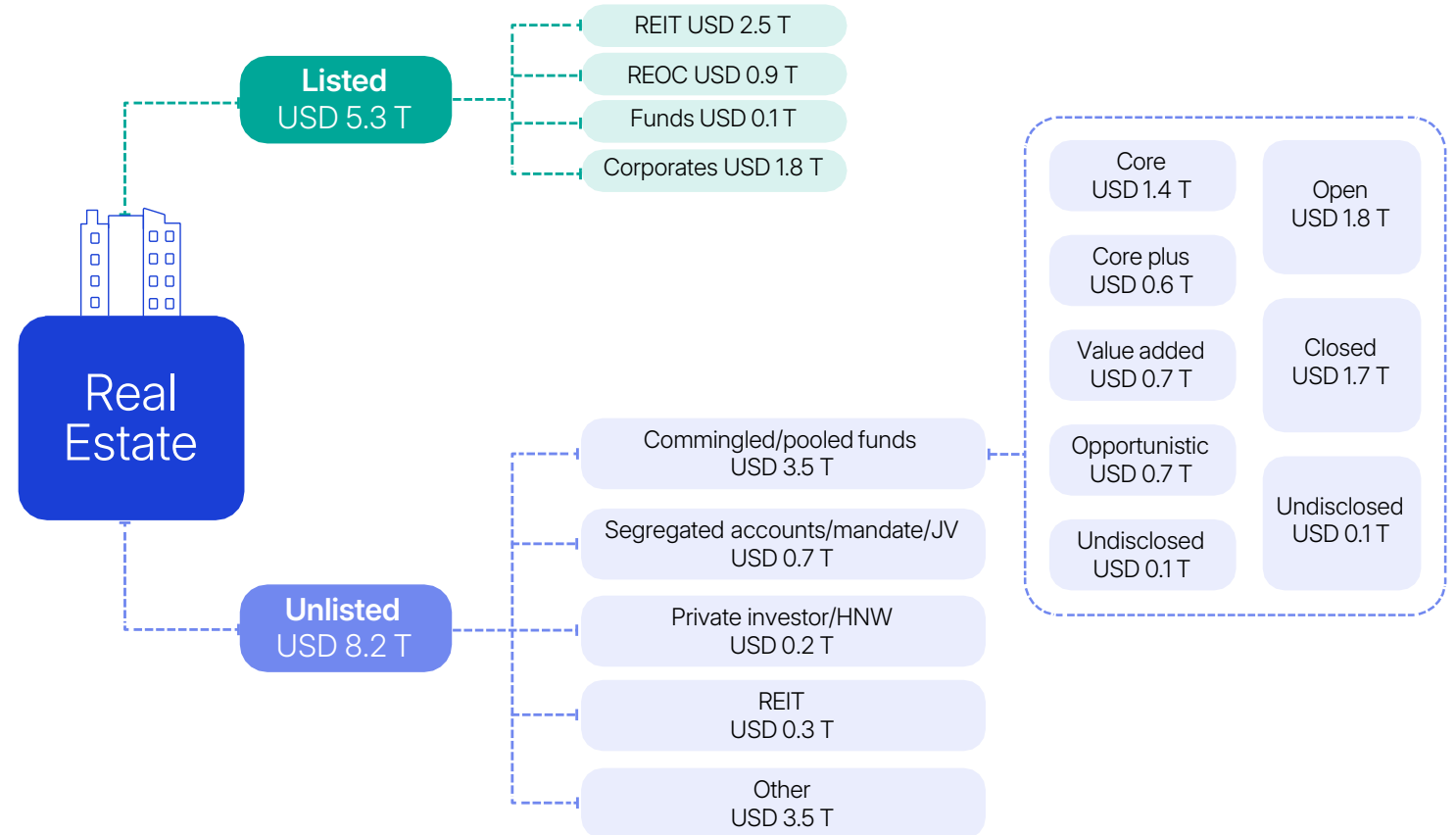
Listed and unlisted REITs represented 20.2% (USD 2.7 trillion) of the market in 2025. Listed REITs constituted 18.2% while unlisted REITs accounted for only 2.0%.

Commingled/pooled funds constituted 42.9% of the unlisted real estate market at USD 3.5 trillion. By strategy, core and core plus funds represented 56.4% of these commingled unlisted funds; the higher risk value-added and opportunistic commingled funds accounted for 40.1%, with the remainder undisclosed.

By vehicle type, open-end and closed-end funds accounted for 50.6% and 47.0% of the commingled/pooled market, respectively, with the remainder undisclosed.

Market size by portfolio type

Based on latest available data as of December 2025. Source: MSCI



The new MSCI All Private Real Estate Funds Index

A broader view of performance across the
global private real estate investable universe

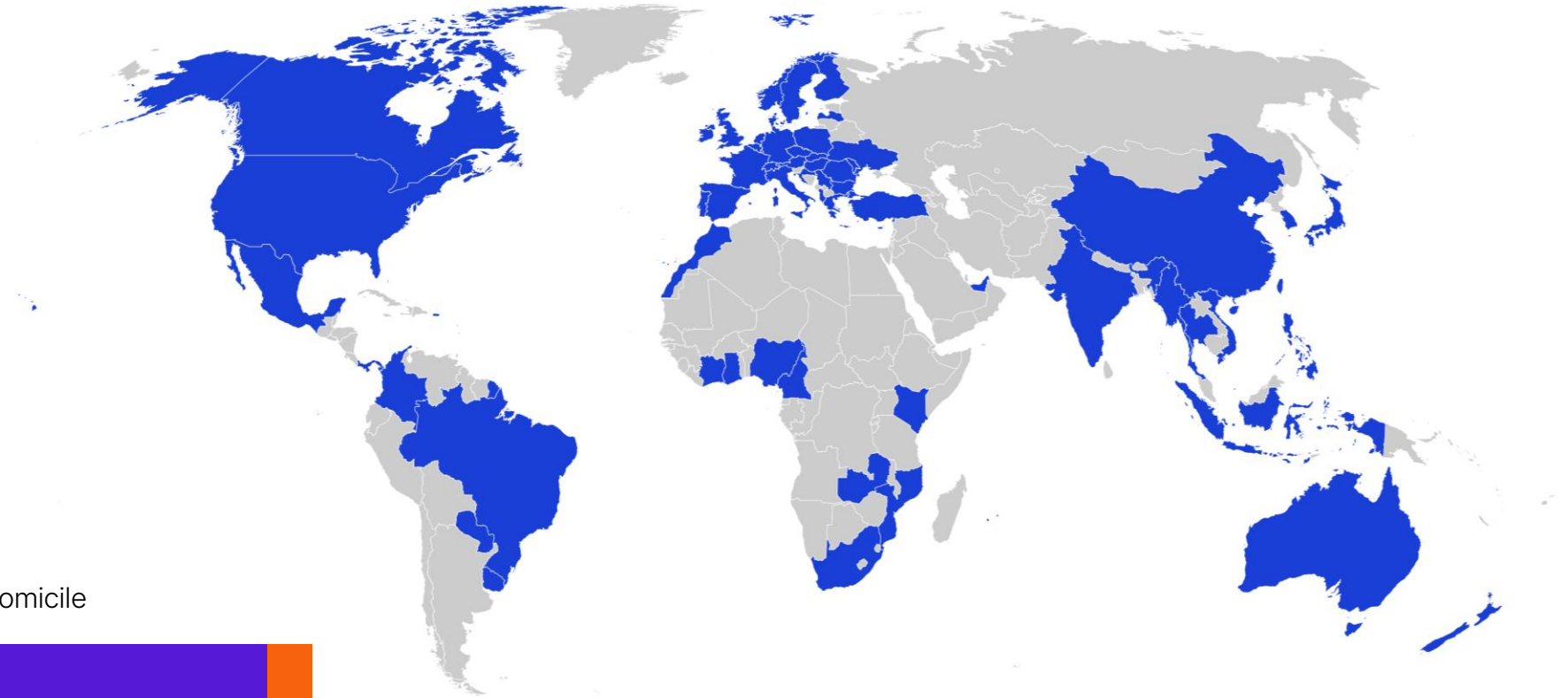


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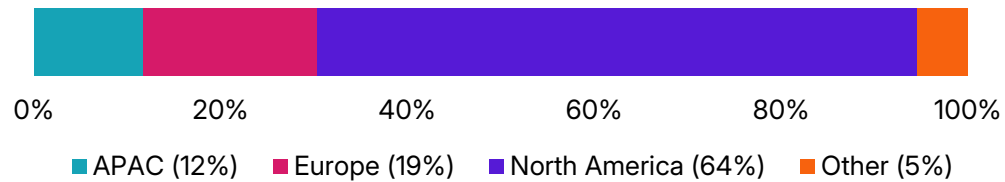
The “ACWI” of private real estate funds

→ The index tracks the performance of 1,357 global private real estate funds, with a Net Asset Value of USD 966 billion as at March 2026.

Holdings locations



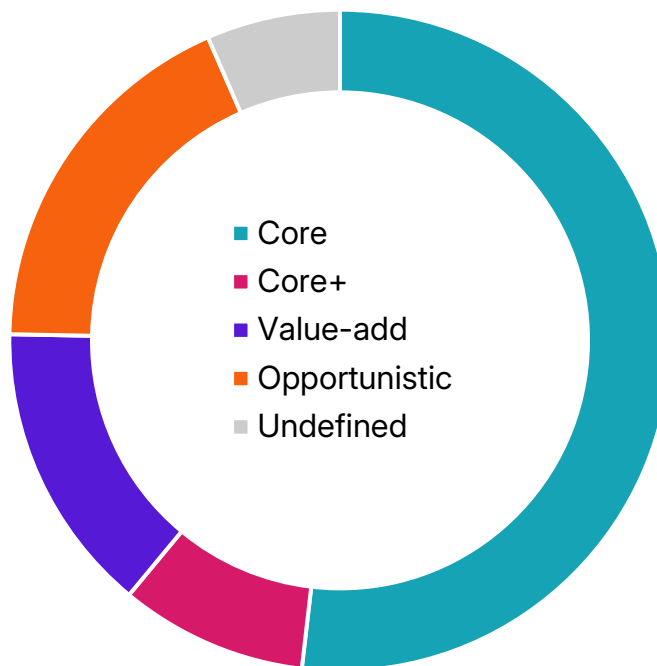
NAV weight by fund domicile



Full spectrum strategy coverage

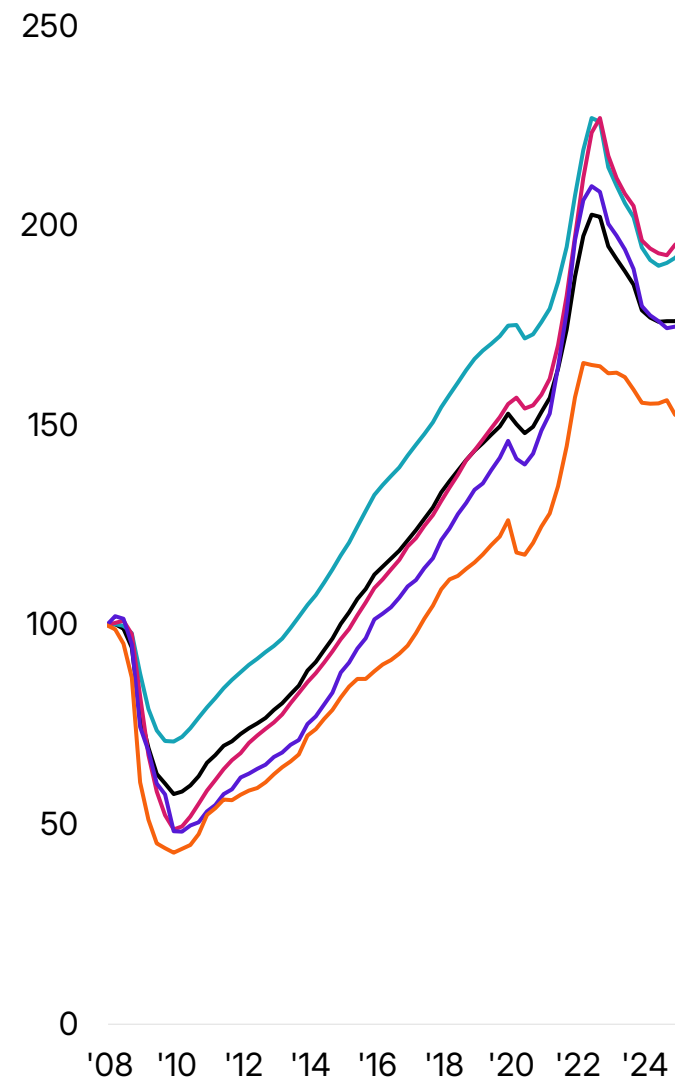
→ The MSCI All Private Real Estate Fund Index measures the total return performance of institutional private real estate funds across the full spectrum of investment styles. The index encompasses both open-end and closed-end fund structures and includes core, core+, value-add, and opportunistic strategies, providing a comprehensive view of the global private real estate fund universe.

Strategy breakdown



Cumulative index performance

Net total return (Dec 2007 = 100)



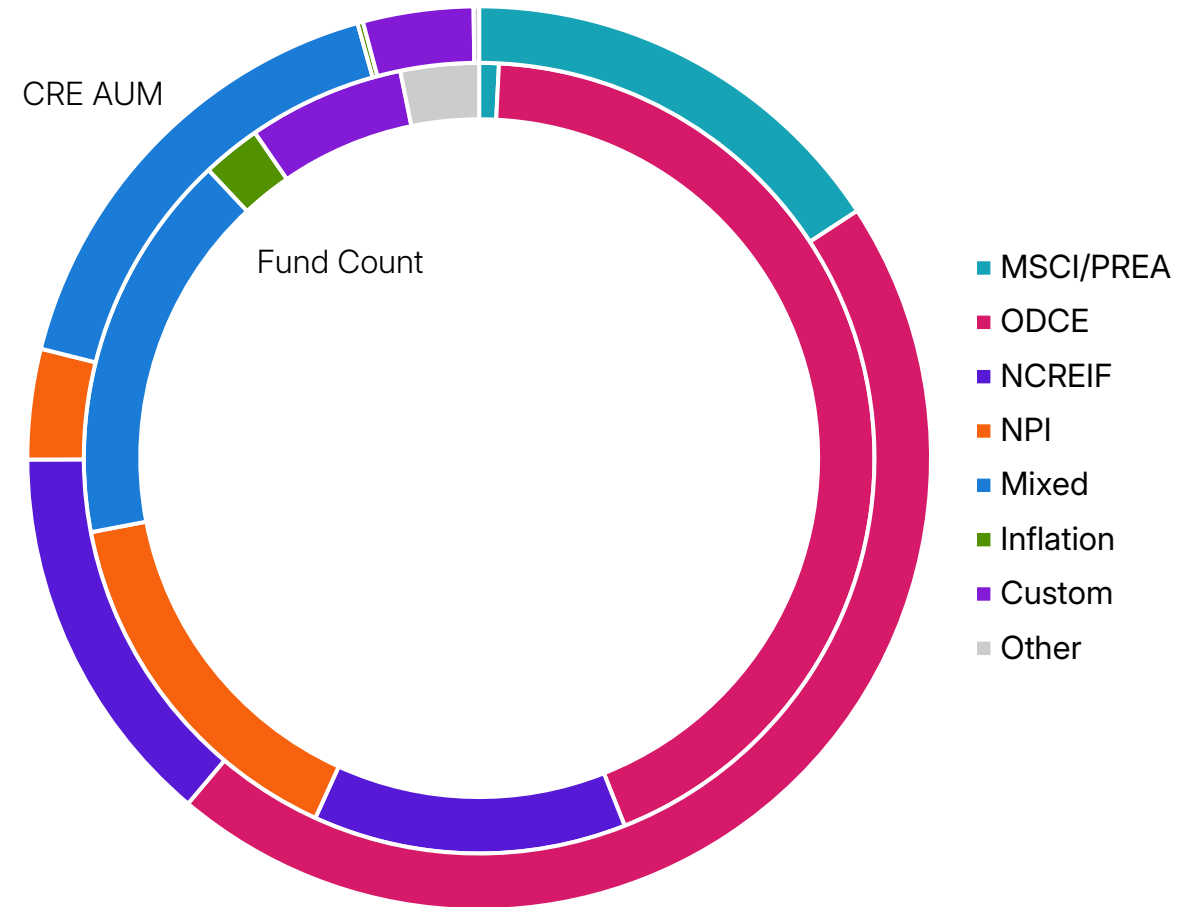
Why this index matters

"...benchmark selection in real asset markets is highly discretionary and often weakly connected to underlying portfolio risk, reducing transparency and complicating delegated performance evaluation."

Carlo, A., Eichholtz, P., Kok, N. et al. How High is the Bar? Pension Fund Benchmark Choices in Real Assets. *J Real Estate Finan Econ* (2026)

Most Common CRE Benchmarks for U.S. Public Pension Plans

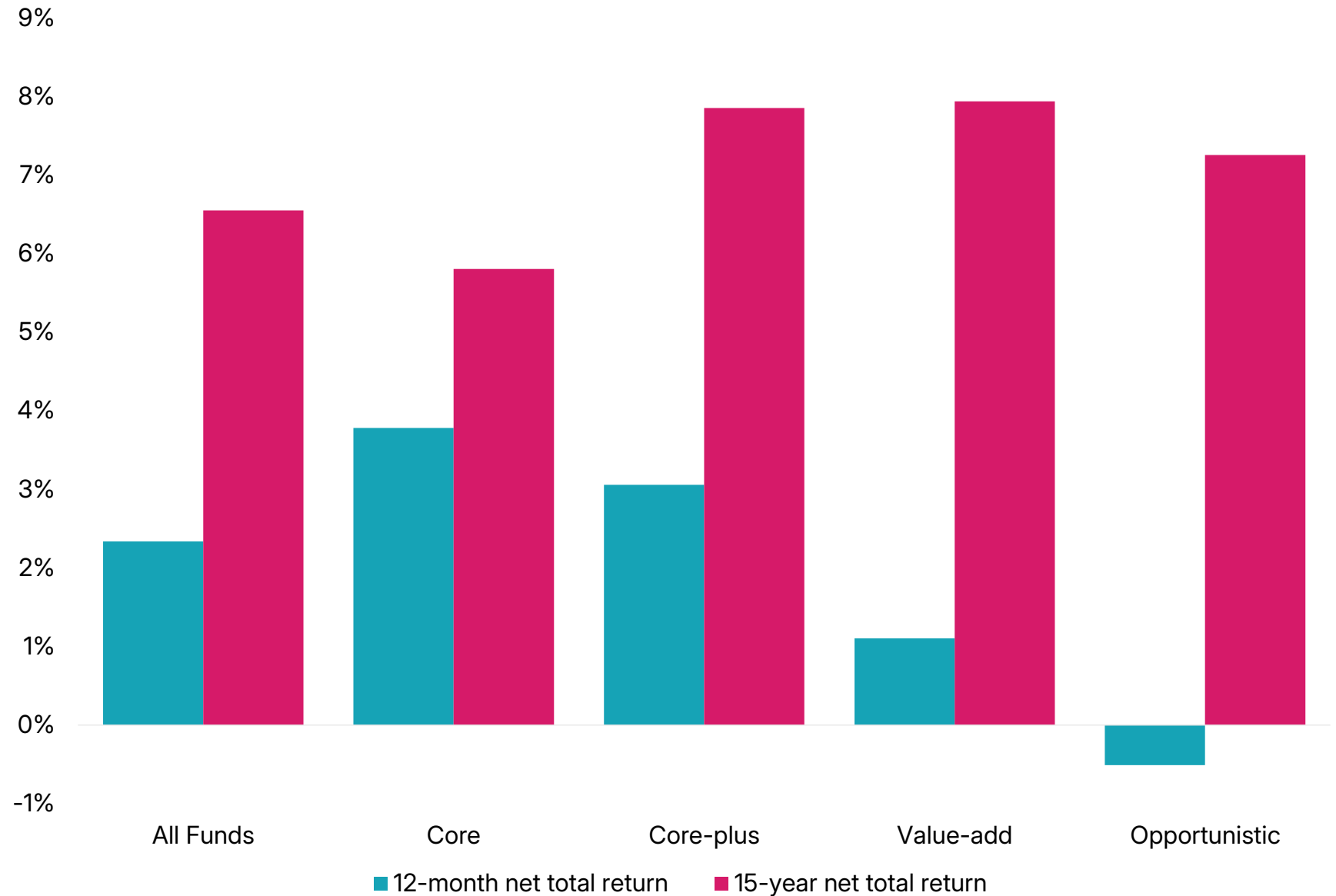
- Common benchmarks for U.S. plans include the MSCI/PREA U.S. ACOE Quarterly Property Fund Index, the NCREIF Open-end Diversified Diversified Core Equity (ODCE) fund index and the NCREIF Property Index (NPI).
- The actual exposure of many U.S. plans includes a significant allocation to non-core strategies not reflected in the benchmark indexes.
- Some funds also carry international exposure that is again not reflected in the benchmark indexes.



Source: PREA Research based on data from Public Plans Database. Based on 125 plans as of 2023.

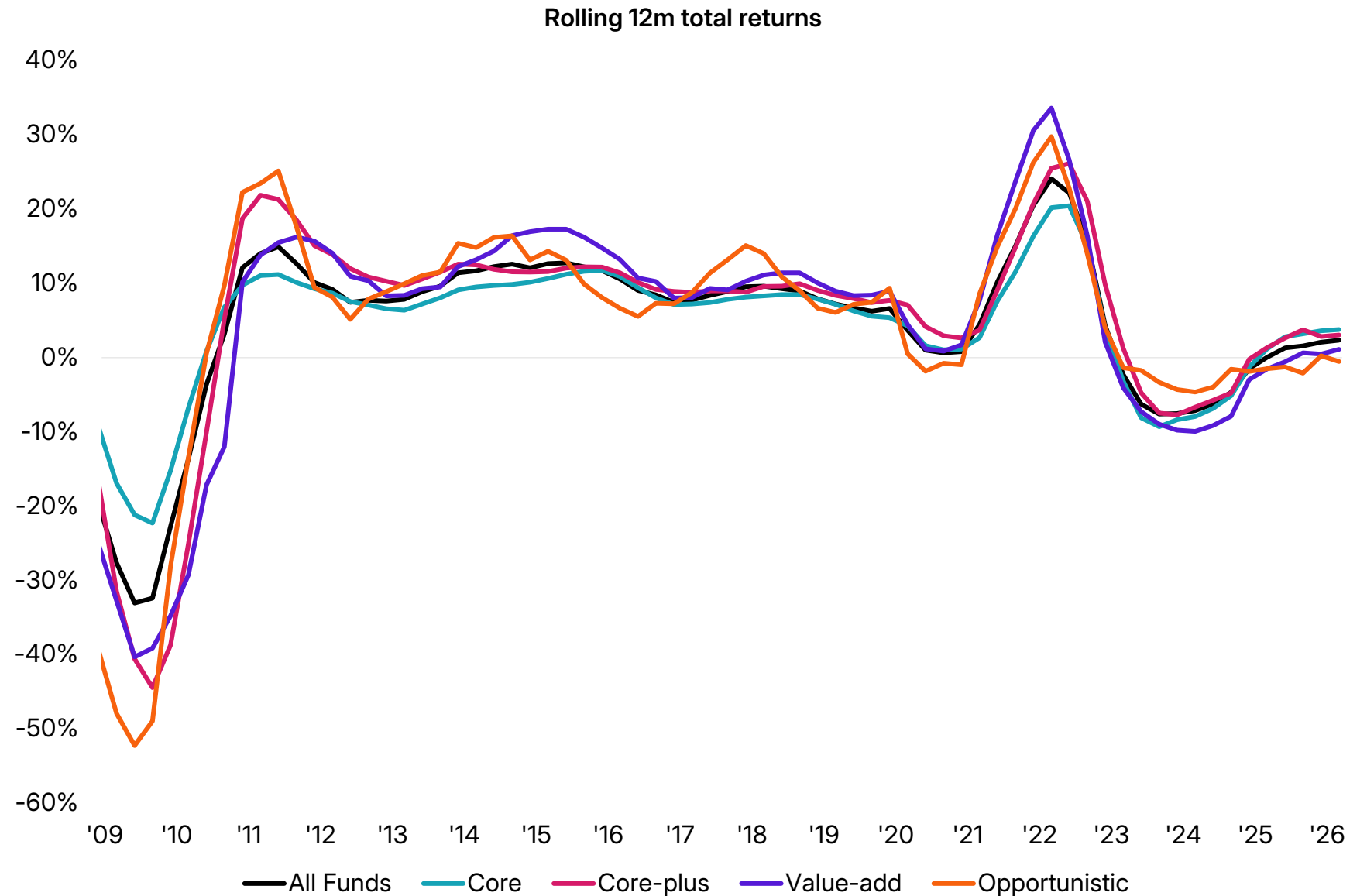
Near-term pain, long-run premium: The gap in strategy returns

- Not all strategies have felt the recent downturn equally. Lower-risk strategies have demonstrated relative resilience, delivering annualized total returns of 3.8% and 3.1%, respectively, in the year to March 2026.
- More-active strategies have fared worse in the near term. Value-added funds delivered 1.1% while opportunistic funds produced a return of -0.5%.



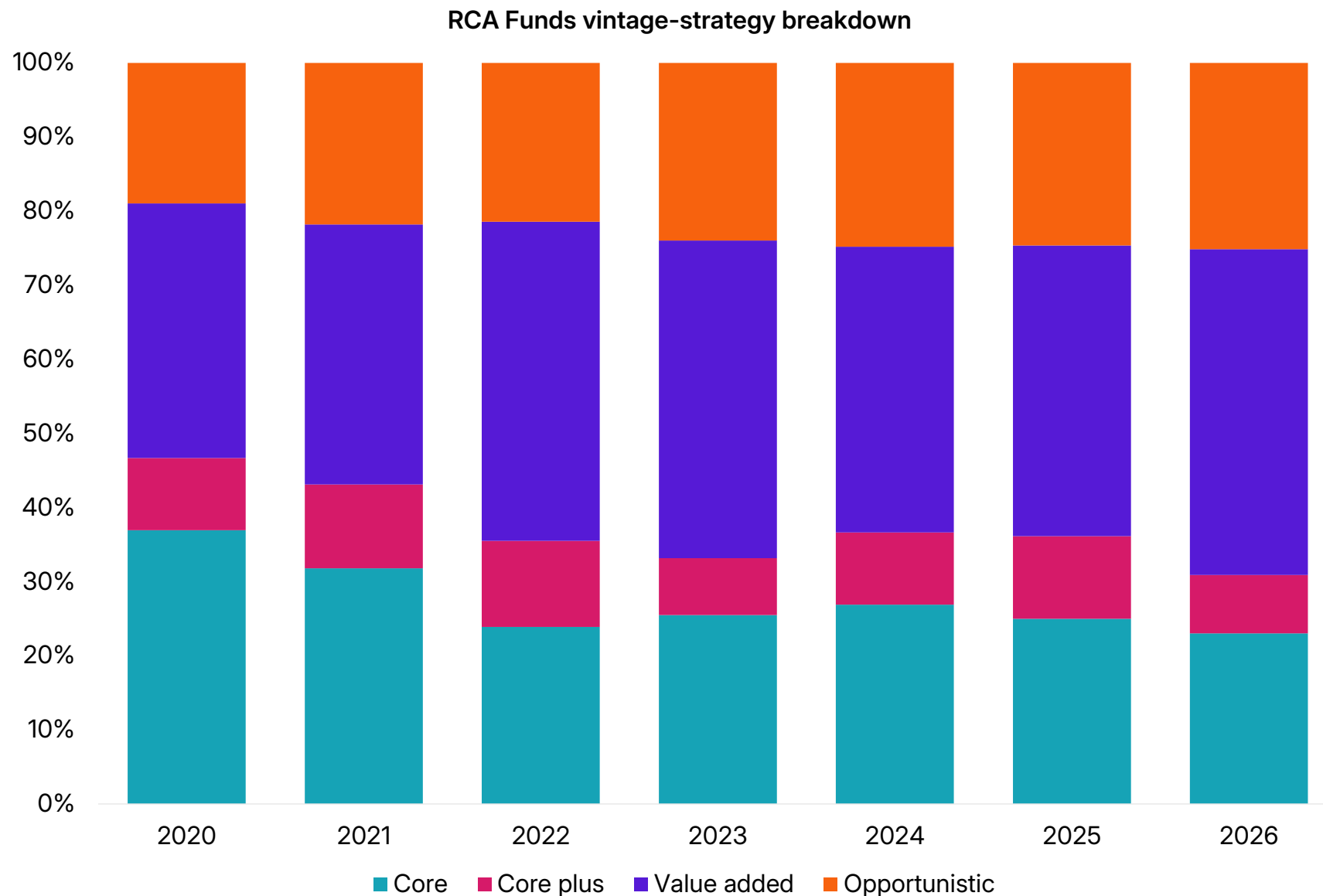
Timing matters in a cyclical asset class

→ Private real estate doesn't move in straight lines, and the same strategy can look very different depending on when capital was deployed, when assets were acquired and when funds were benchmarked.



Investor preferences appear to have been shifting

→ Data from RCA funds suggests that investors have been rotating away from core strategies towards non-core in recent years.





APRE blog



Market size paper

Q&A

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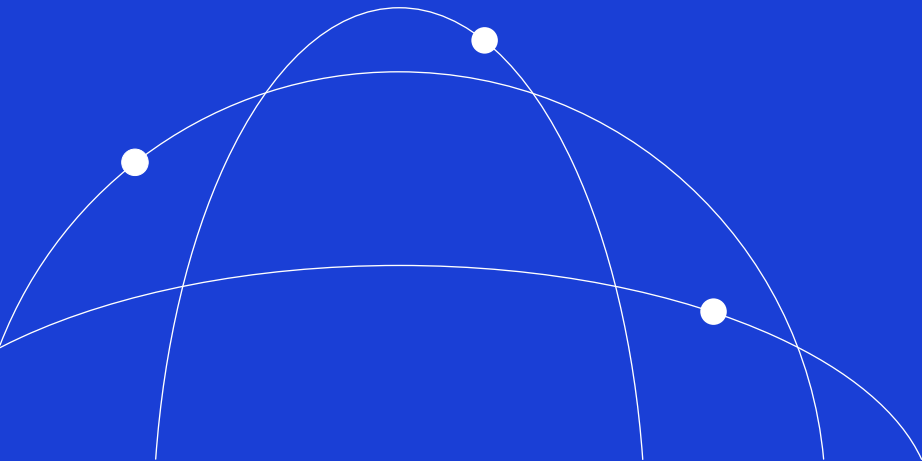
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