

# ULI Real Estate Economic Forecast

A SURVEY OF LEADING REAL ESTATE ECONOMISTS/ANALYSTS

OCTOBER 2024

ULI Center For Real Estate Economics And Capital Markets

# ULI Real Estate Economic Forecast

- Three-year forecast ('24 -'26) for 33 economic and real estate indicators.
- A consensus forecast based on the median of the forecasts from 36 economists/analysts at 28 leading real estate organizations.
- Respondents represent major real estate investment, advisory, and research firms and organizations.
- This is the 26<sup>th</sup> survey; completed September 18 – October 4, 2024.
- A semi-annual survey; next release planned for April 2025.

# Forecasts vs. Long-Term Averages

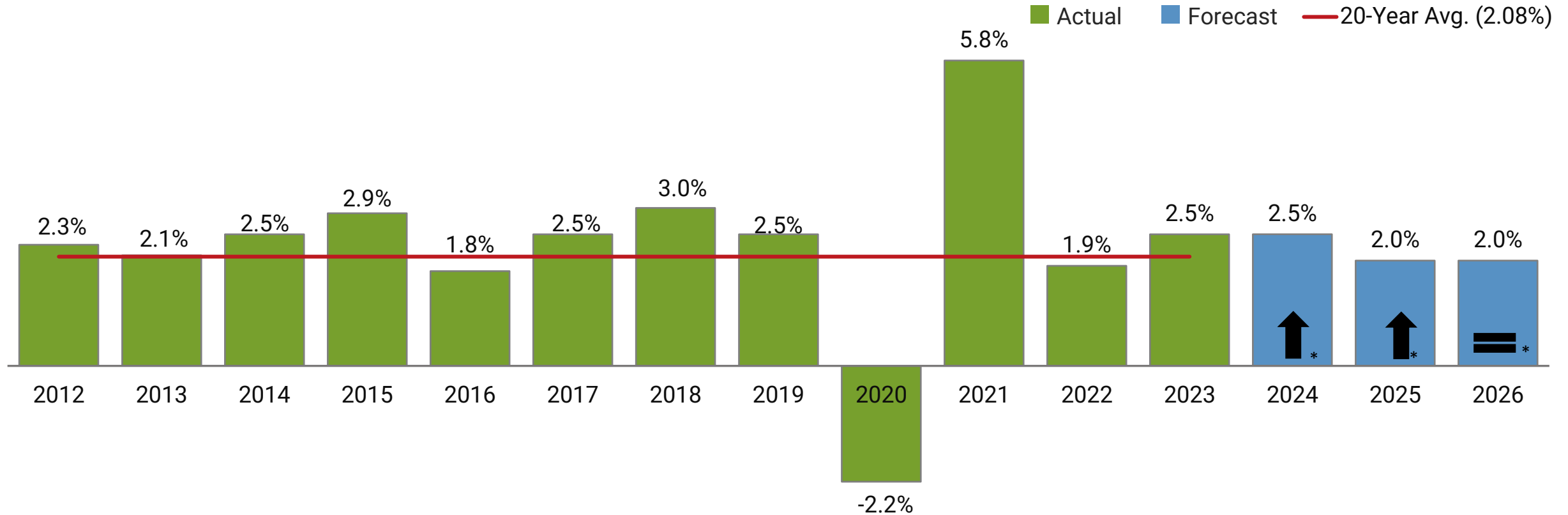
## 2024 Forecast

Better than long-term averages	Worse than long-term averages
GDP Growth	Transaction Volume
Employment Growth Unemployment Rate	CPPI Growth
CMBS Issuance Equity REIT returns	NCREIF Returns: All sectors
Vacancy/Availability/Occupancy rates: Industrial, Retail, Hotel	Vacancy/Availability/Occupancy rates: Apartment, Office, Seniors Housing, Single Family Rental
Rental Rate Change: Industrial, Retail, Senior Housing	Rental Rate Change: Apartment, Office, Single Family Rental
Single Family Starts	Hotel RevPAR Change

## 2026 Forecast

Better than long-term averages	Worse than long-term averages
Employment Growth Unemployment Rate	GDP Growth
Transaction Volume CMBS Issuance	NCREIF Returns: All sectors
CPPI Growth	Equity REIT Returns
Vacancy/Availability/Occupancy rates: Industrial, Retail, Senior Housing, Hotel	Vacancy/Availability/Occupancy rates: Apartment, Office, Single Family Rental
Rental Rate Change: Industrial, Apartment, Retail, Senior Housing	Rental Rate Change: Office, Single Family Rental
Single Family Starts	Hotel RevPAR Change

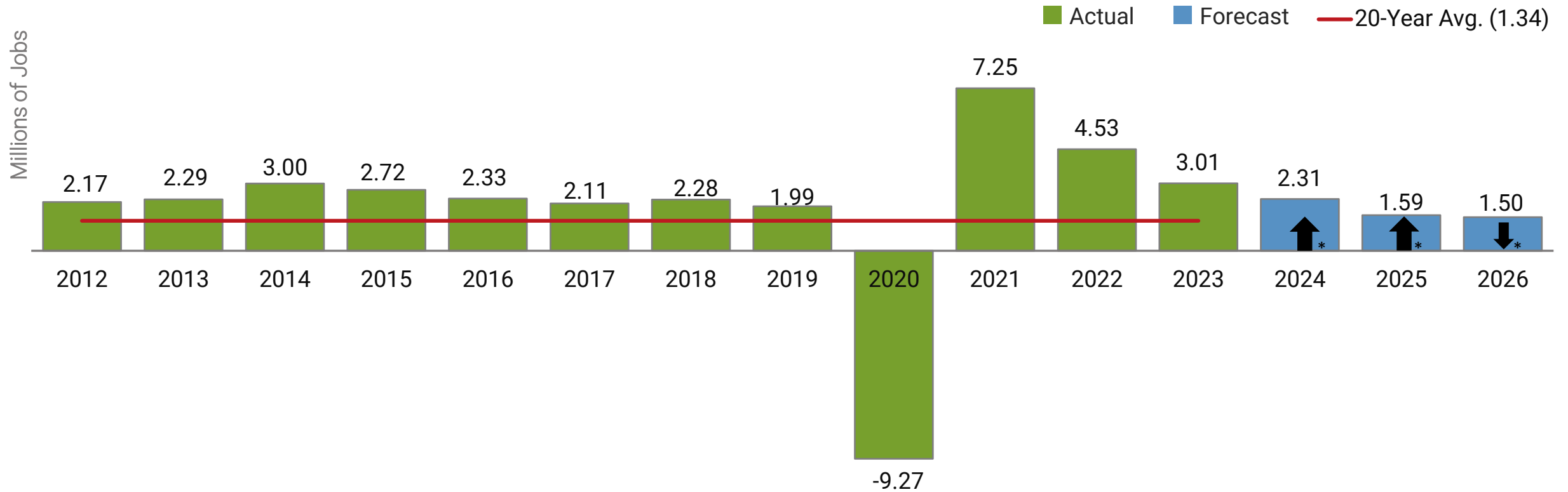
# » Real GDP Growth



Sources: 2004-2023, Bureau of Economic Analysis; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 2.2% for 2024, 1.7% for 2025, and 2.0% for 2026.

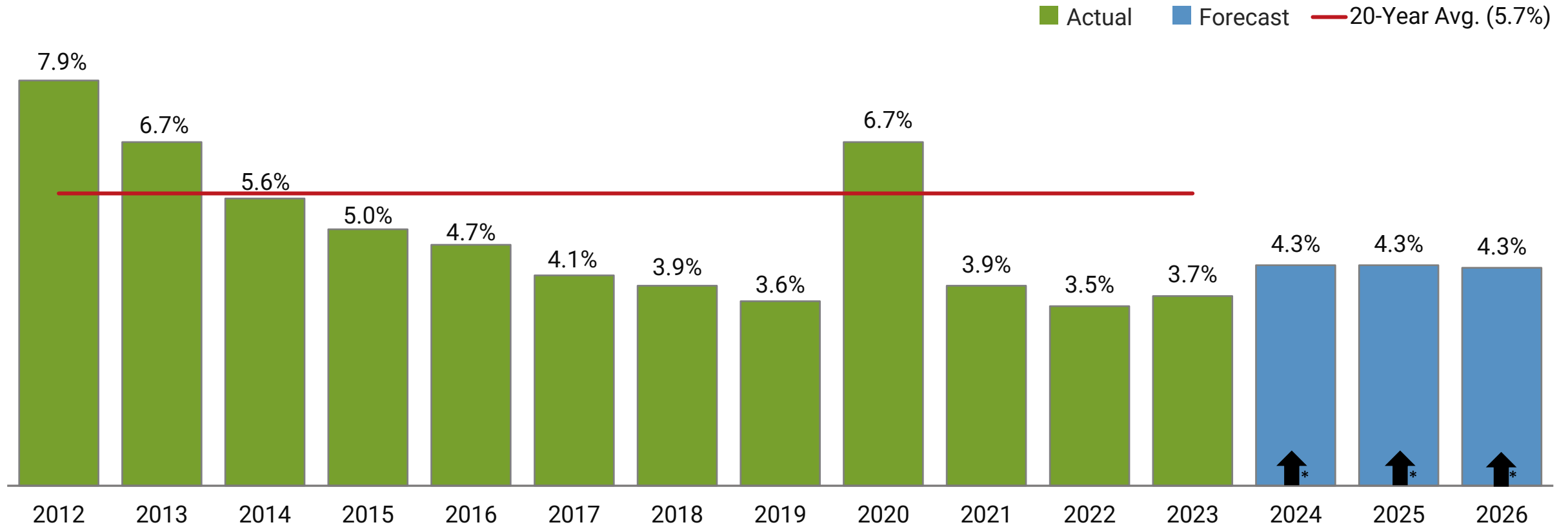
# » Employment Growth (Millions)



Sources: 2004-2023, Bureau of Labor Statistics; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 1.8M for 2024, 1.5M for 2025, and 1.75M for 2026.

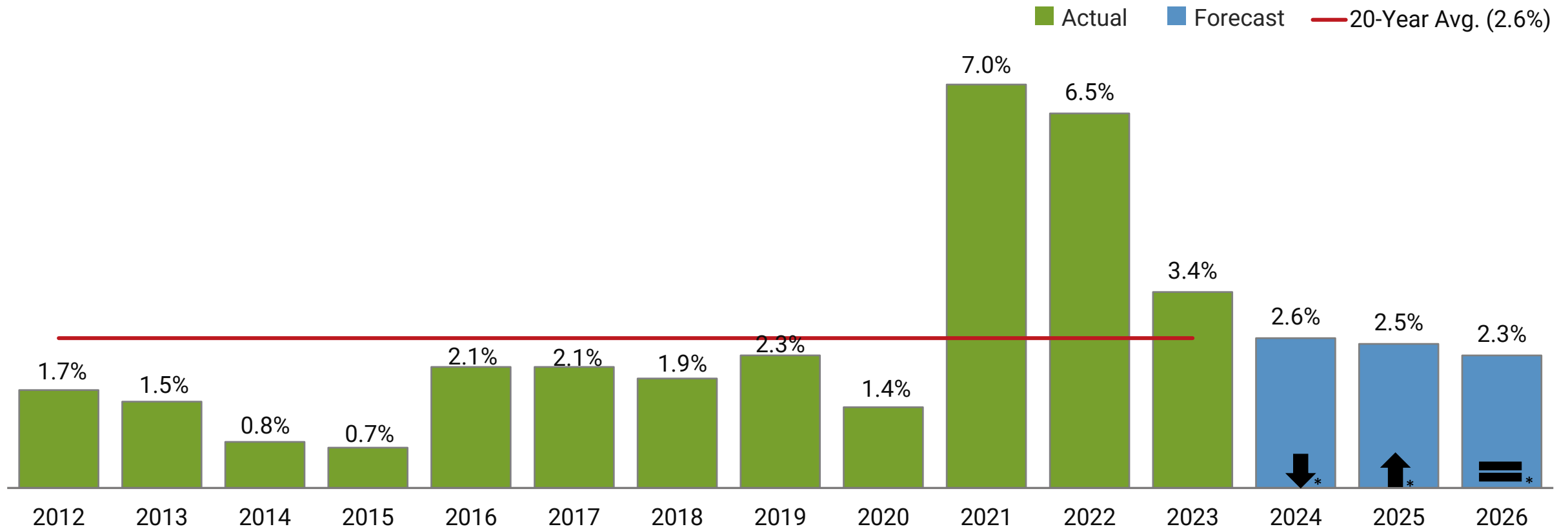
# >> Unemployment Rate



Sources: 2004-2023, (seasonally adjusted, as of December), Bureau of Labor Statistics; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 4.0% for 2024, 4.2% for 2025, and 4.1% for 2026.

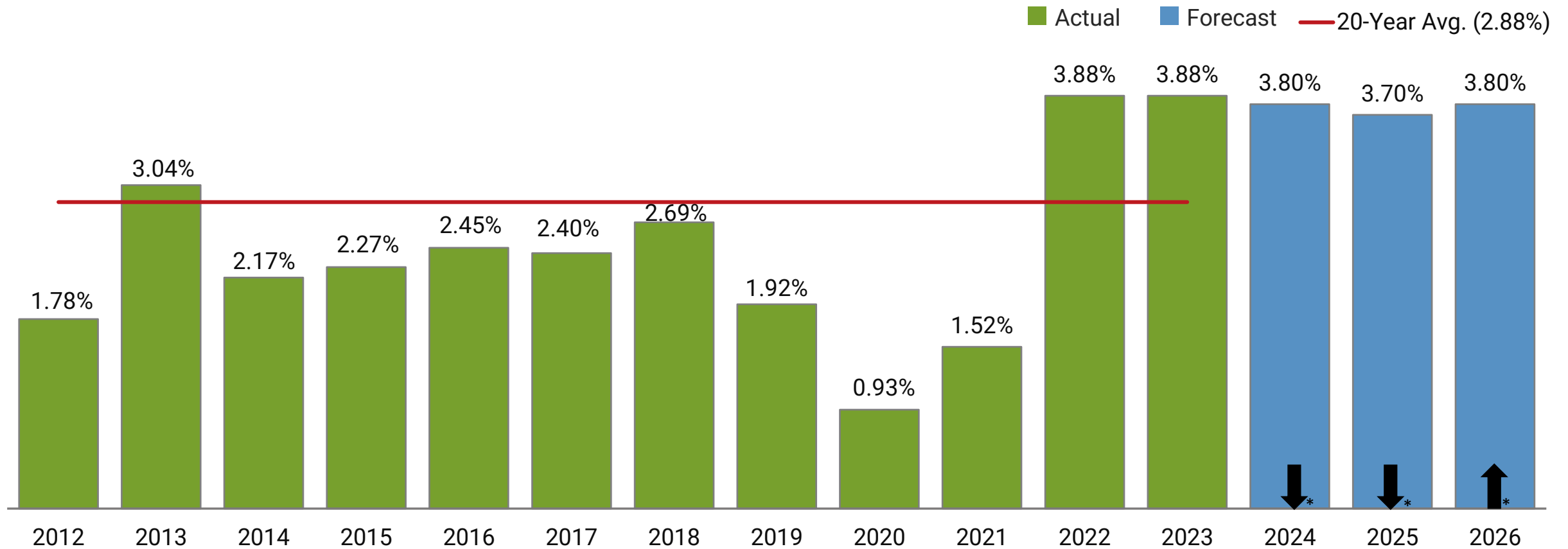
# » Consumer Price Index Inflation Rate



Sources: 2004-2023, (12-month change, as of December), Bureau of Labor Statistics; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 2.8% for 2024, 2.4% for 2025, and 2.3% for 2026.

# » Ten-Year Treasury Rate

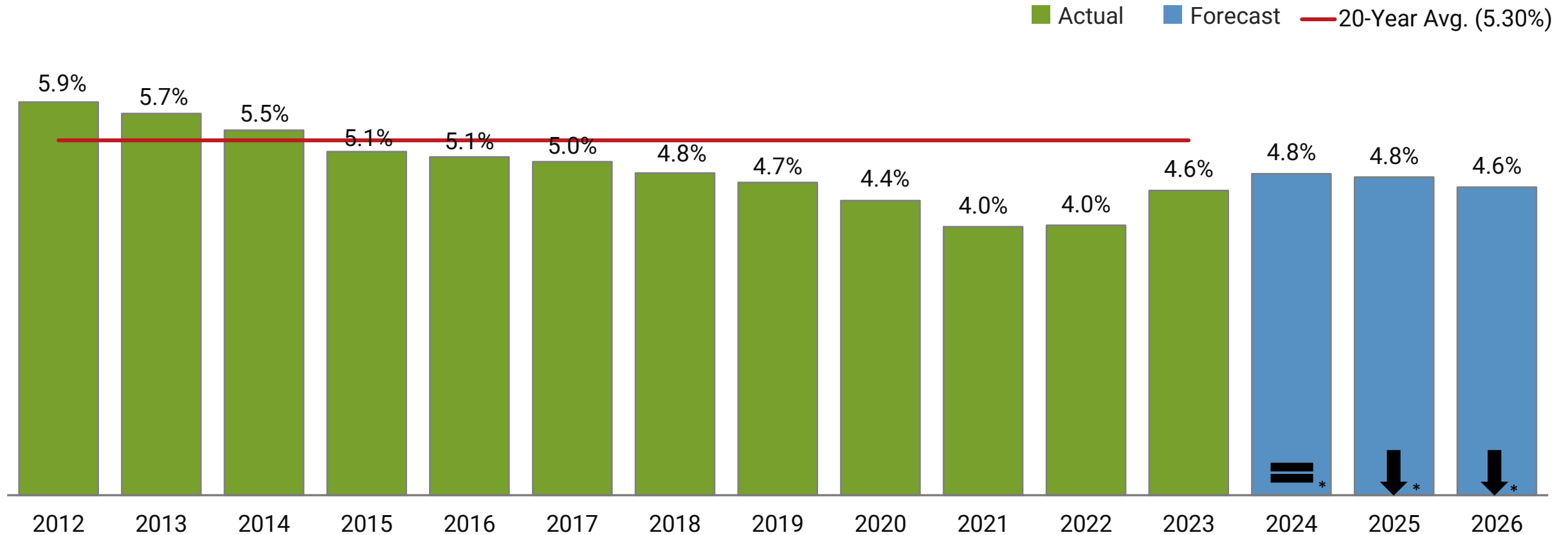


Sources: 2004-2023 (YE), U.S. Federal Reserve; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 4.00% for 2024, 3.75% in 2025, and 3.63% for 2025.



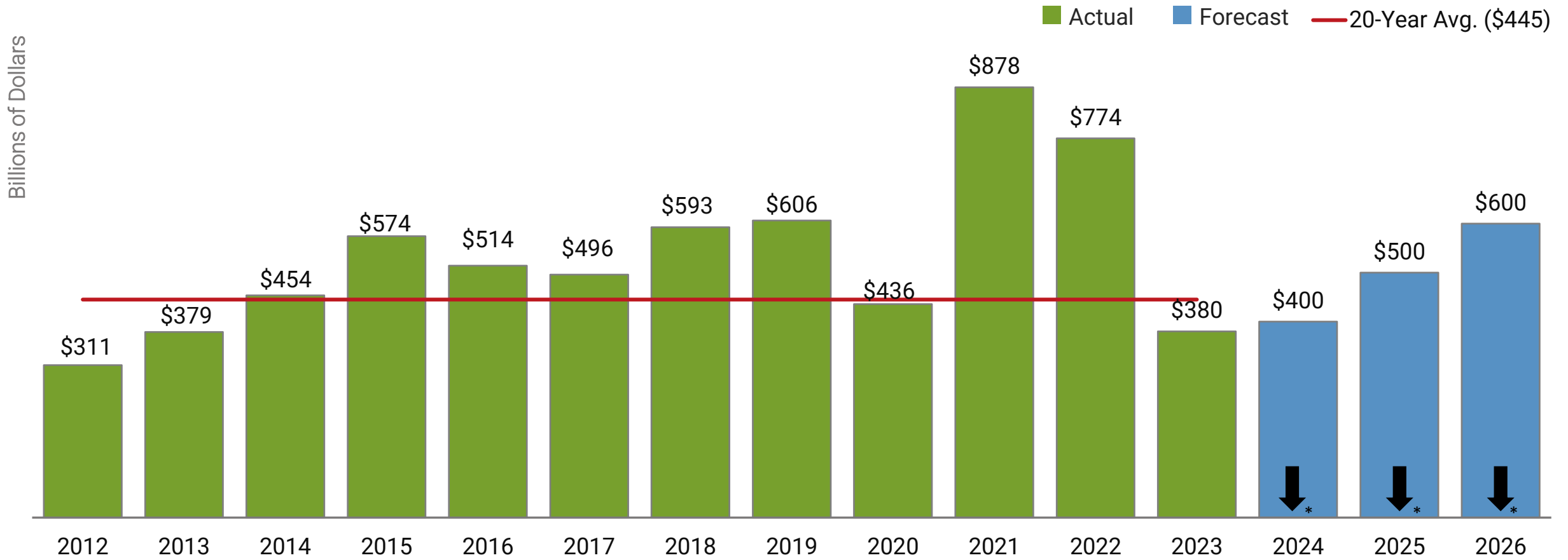
# » NCREIF Capitalization Rate



Sources: 2004-2023, Q4, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 4.8% for 2024, 5.0% for 2025, and 4.9% for 2026.

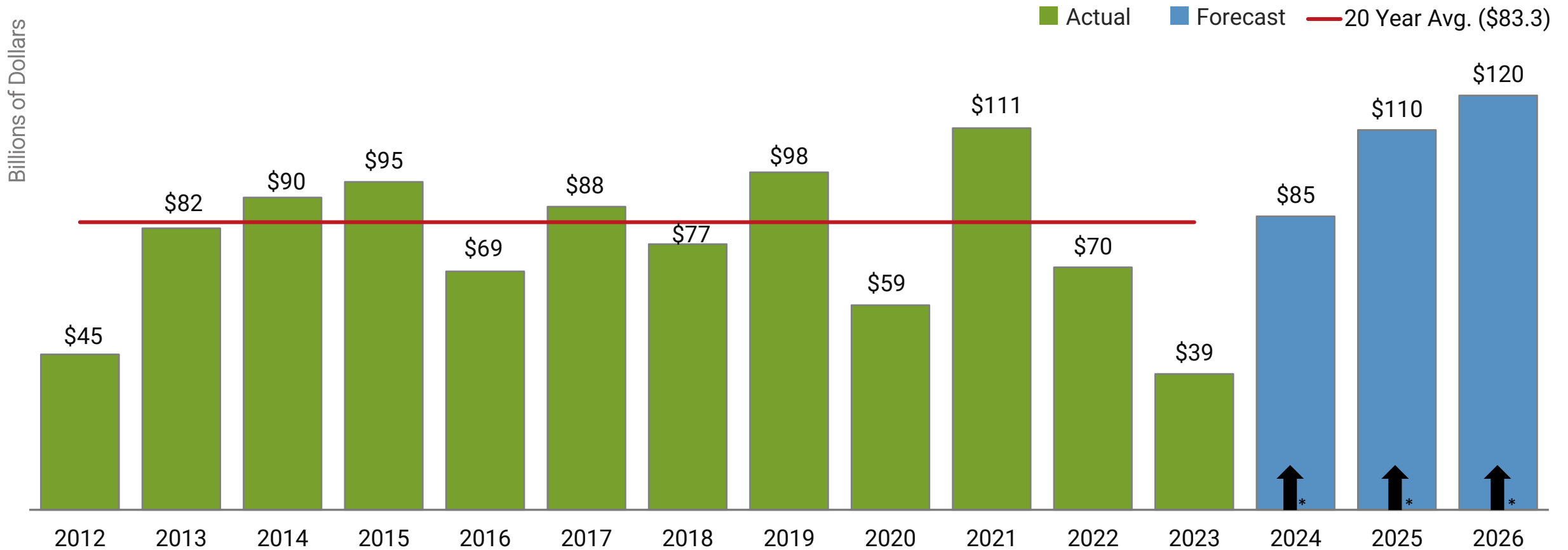
# » Commercial Real Estate Transaction Volume



Sources: 2004-2023, MSCI Real Assets; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected \$413B for 2024, \$550B for 2025, and \$610B for 2026.

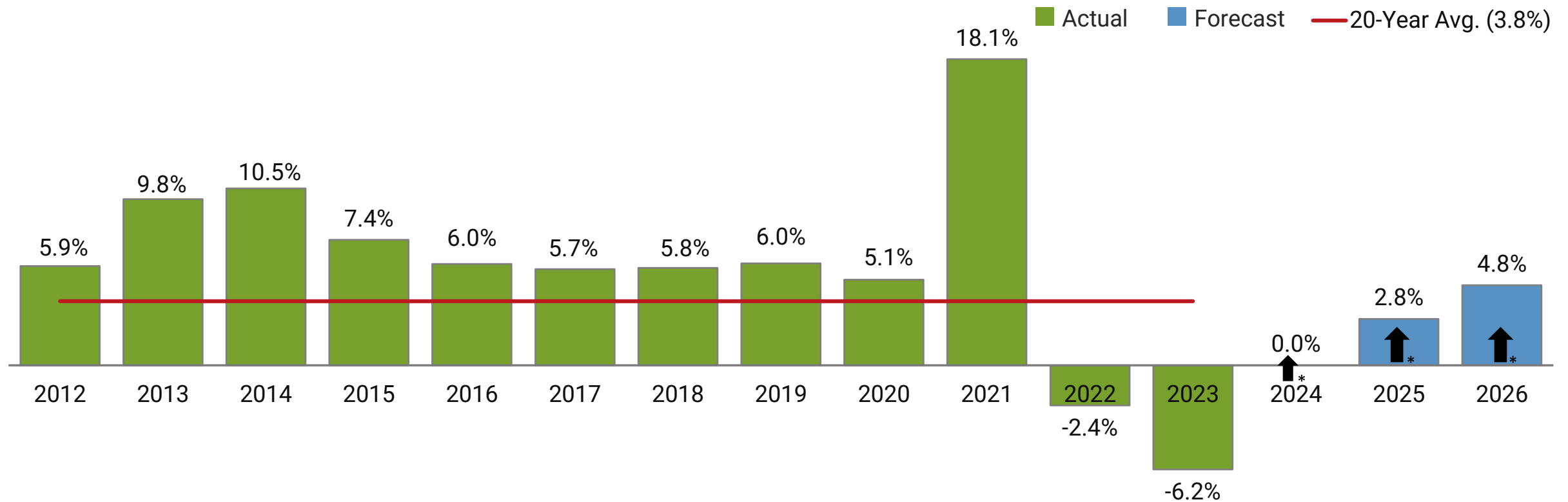
# » Commercial Mortgage-Backed Securities (CMBS) Issuance



Sources: 2004-2023, Green Street, Commercial Mortgage Alert; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected \$45B for 2024, \$68B for 2025, and \$88B for 2026.

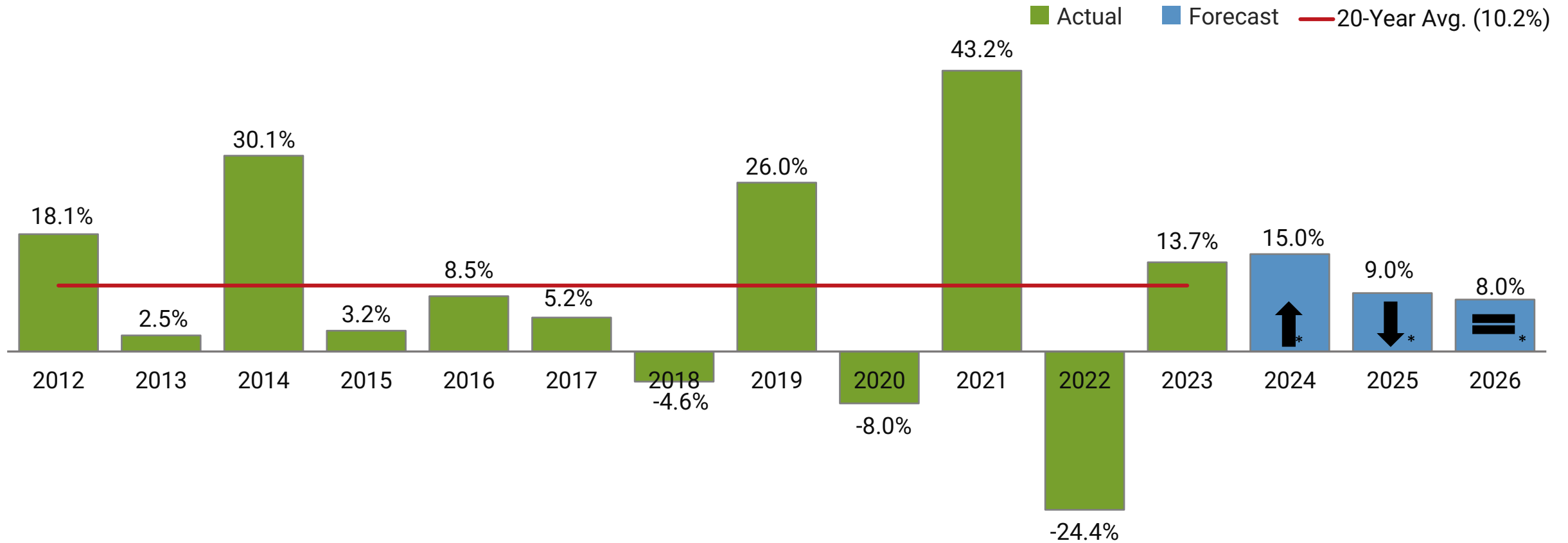
# » MSCI Real Assets Commercial Property Price Index (annual change)



Sources: 2004-2023, MSCI Real Assets; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -5.0% for 2024, 2.0% for 2025, and 4.0% for 2026.

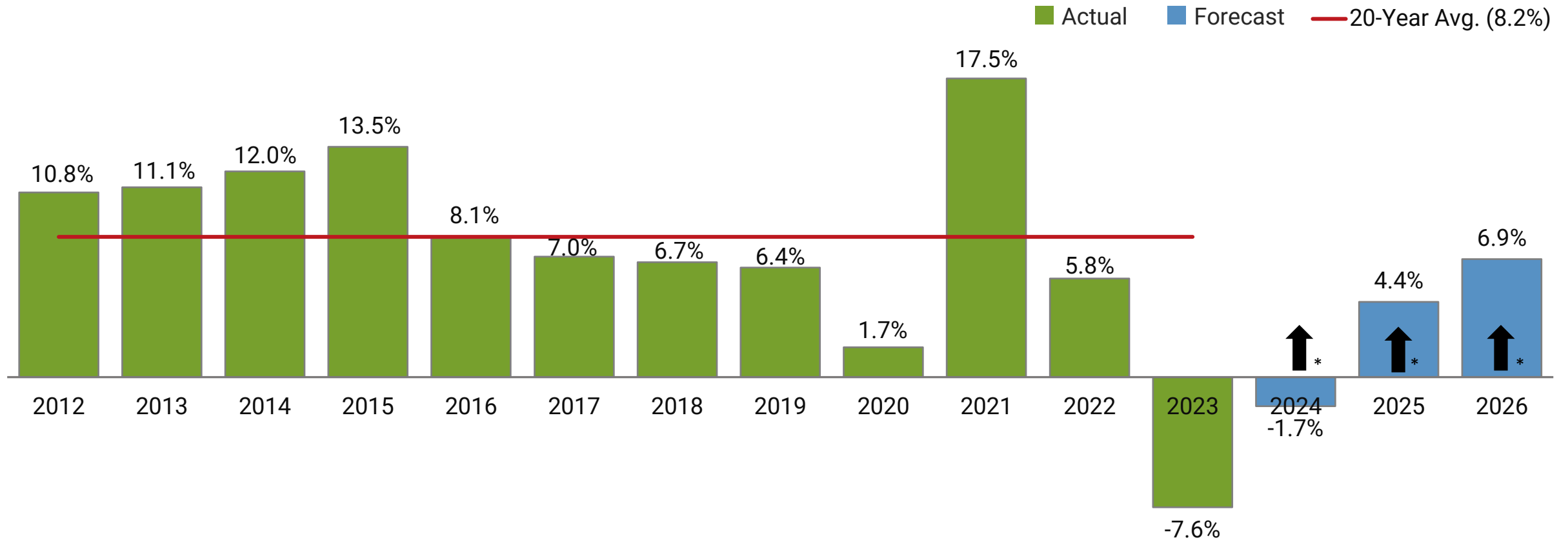
# » Equity REIT Total Annual Returns



Sources: 2004-2023, National Association of Real Estate Investment Trusts; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 9.3% for 2024, 10.0% for 2025, and 8.0% for 2026.

# » NCREIF Total Annual Returns

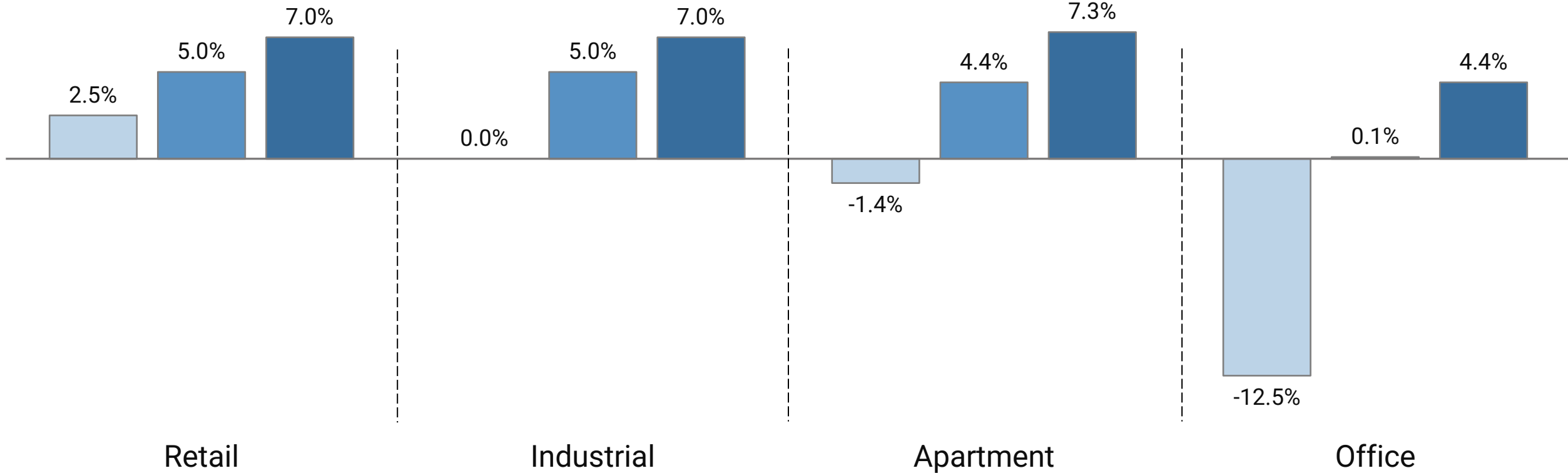


Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -3.8% for 2024, 4.1% for 2025, and 7.6% for 2026.

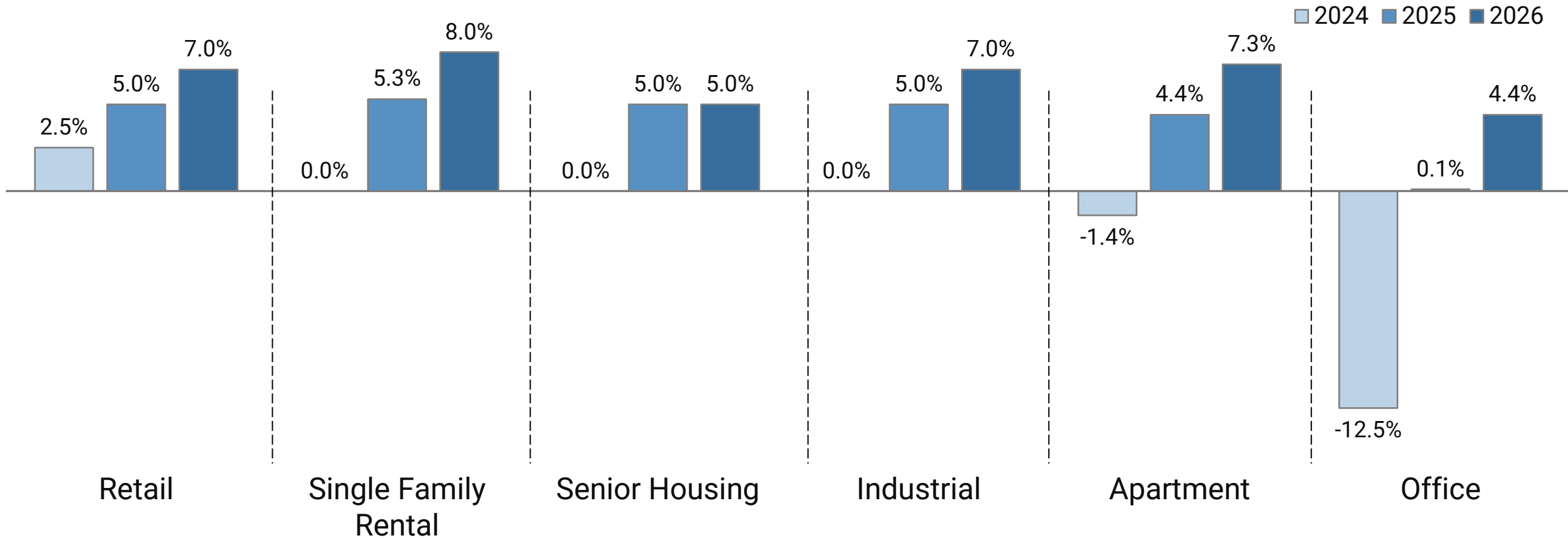
# >> NCREIF Property Types Total Returns

2024 2025 2026



Source: 2024-2026, ULI Real Estate Economic Forecast.

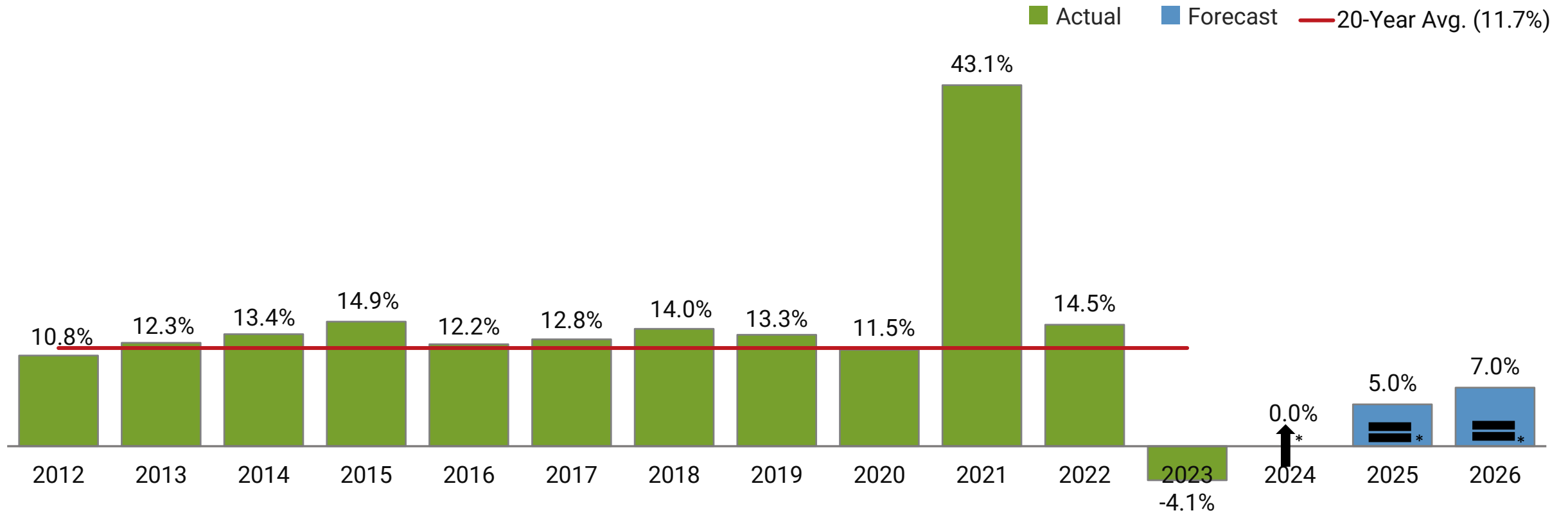
# >> NCREIF Property Types Total Returns



Source: 2024-2026, ULI Real Estate Economic Forecast.



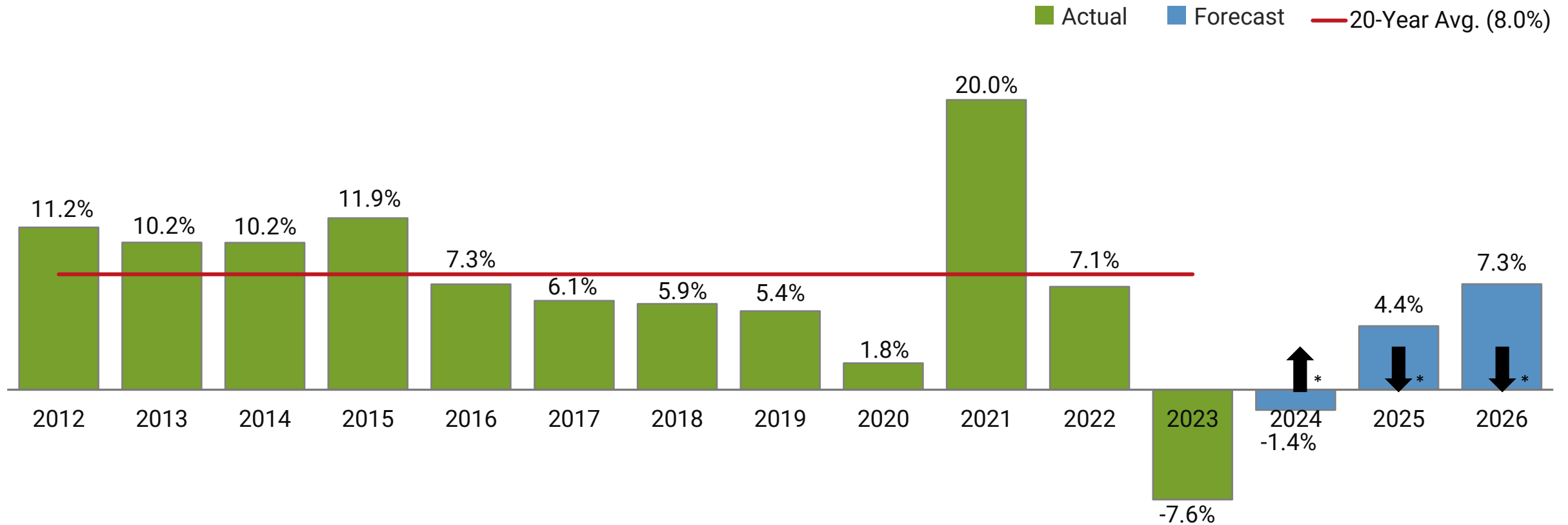
# >> NCREIF Industrial Total Annual Returns



Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -2.0% for 2024, 5.0% for 2025, and 7.0% for 2026.

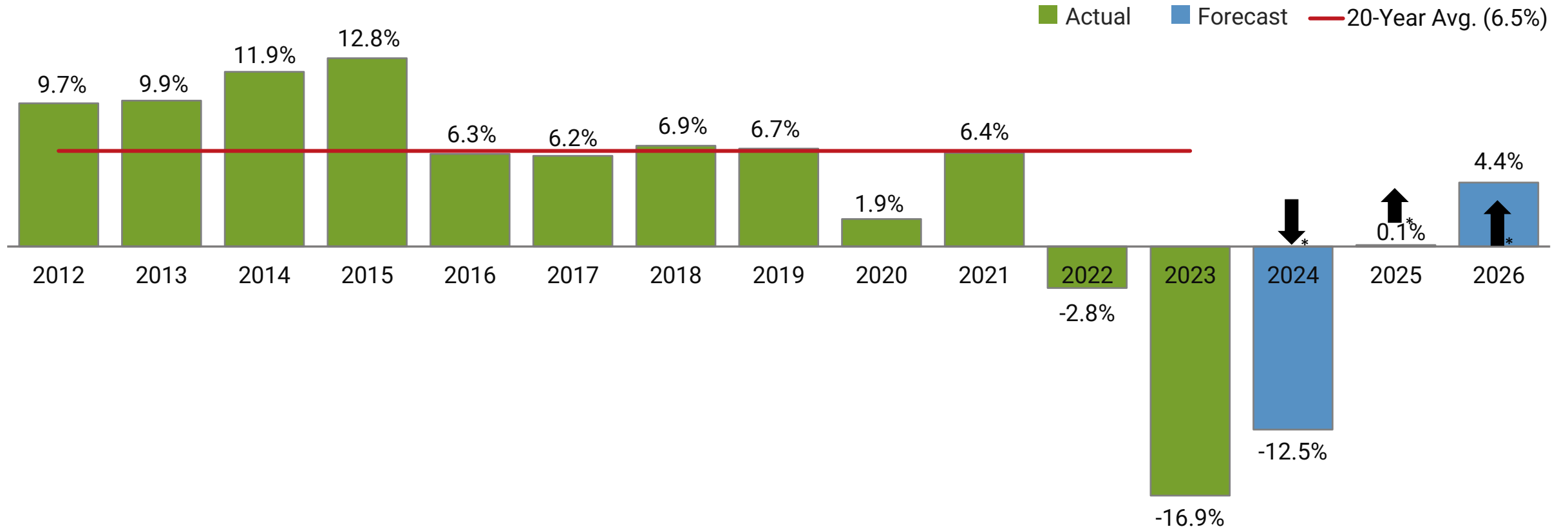
# » NCREIF Apartment Total Annual Returns



Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -3.0% for 2024, 5.0% for 2025, and 7.7% for 2026.

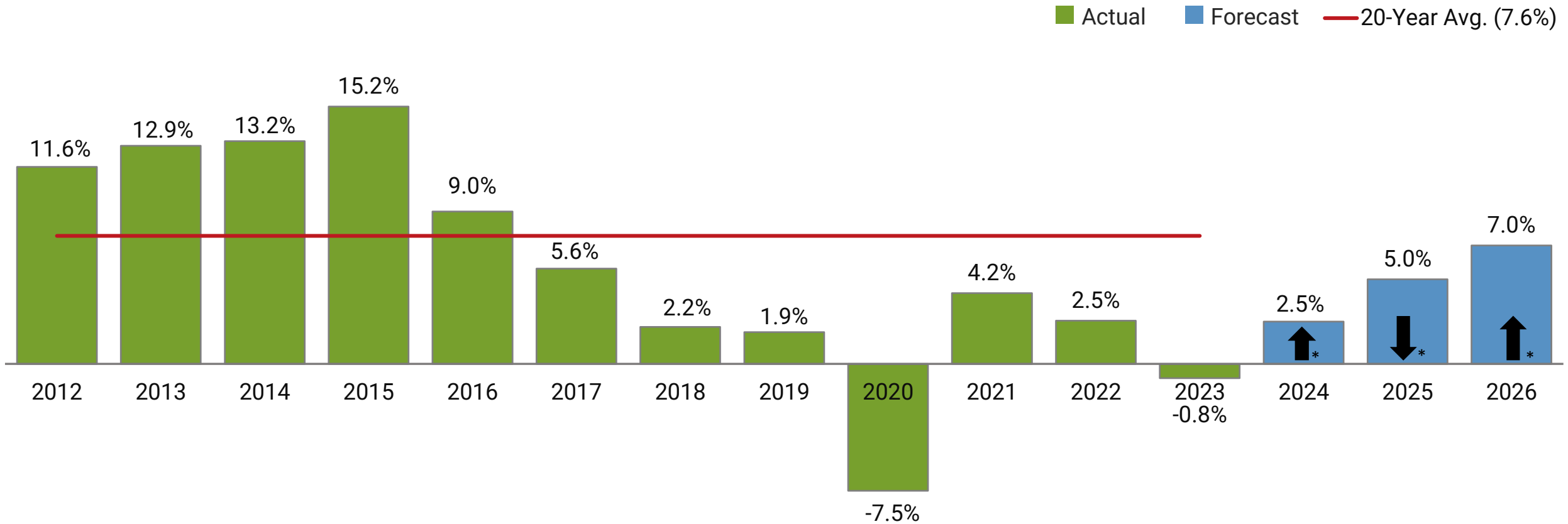
# >> NCREIF Office Total Annual Returns



Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -10.0% for 2024, 0.0% for 2025, and 4.3% for 2026.

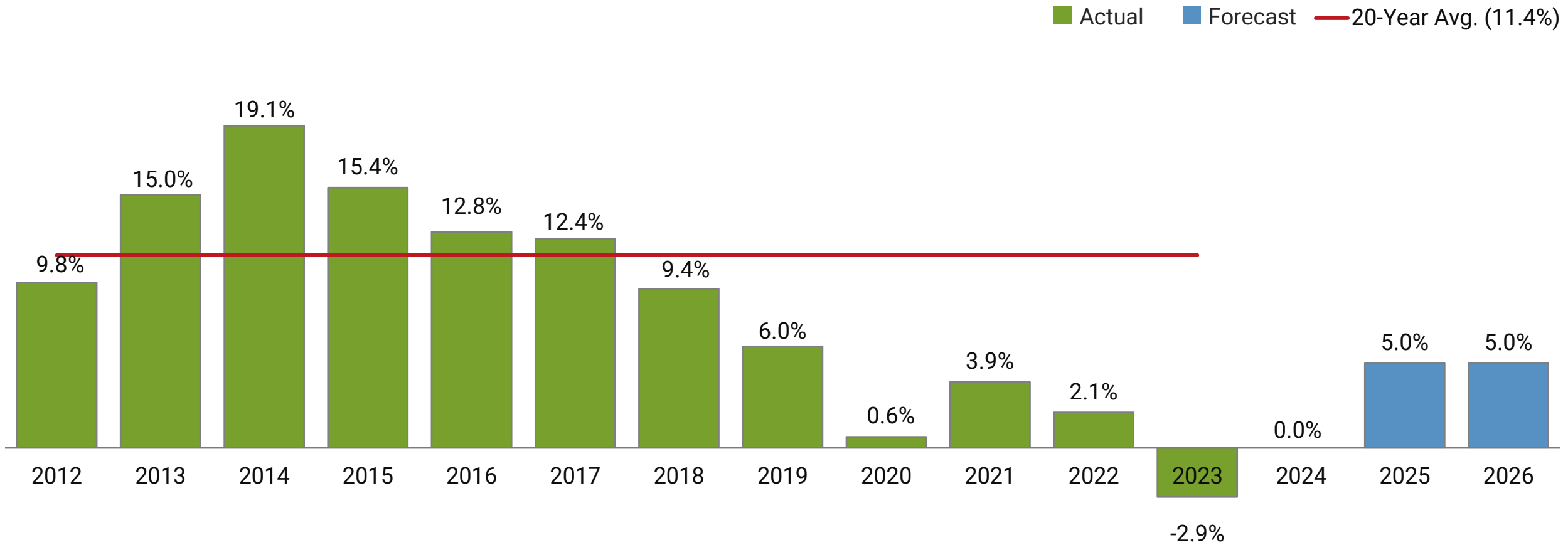
# » NCREIF Retail Total Annual Returns



Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

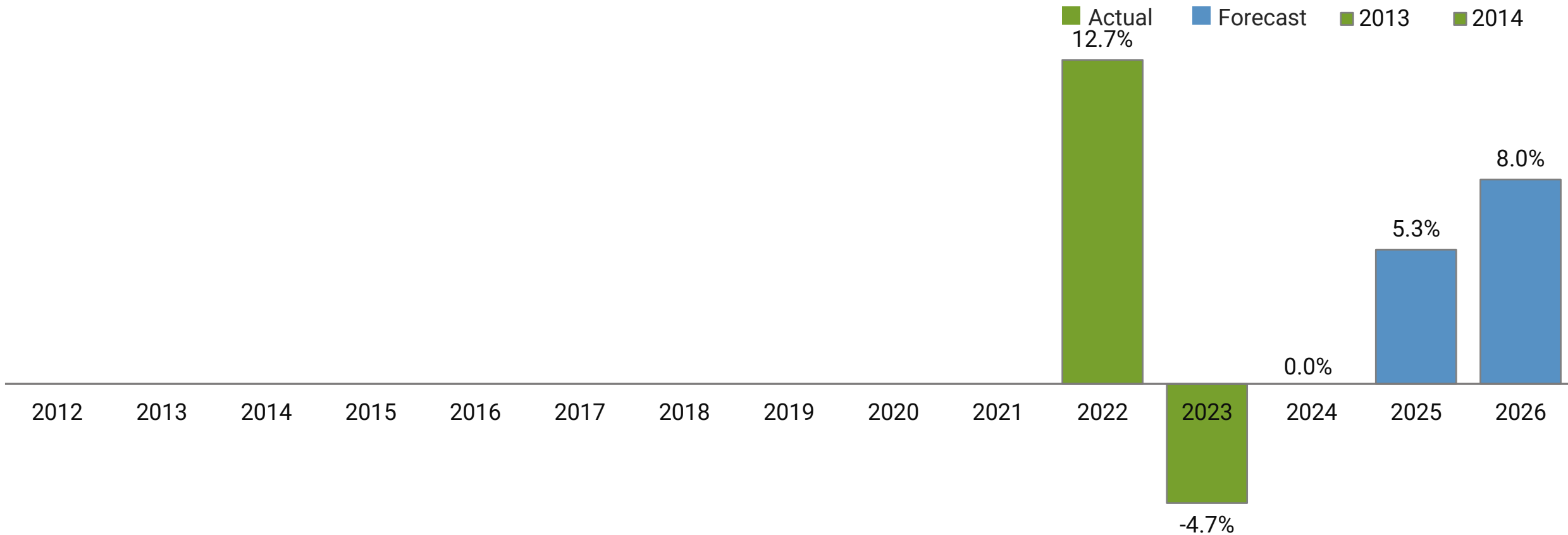
\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 2.4% for 2024, 5.1% for 2025, and 6.2% for 2026.

# >> NCREIF Senior Housing Total Annual Returns



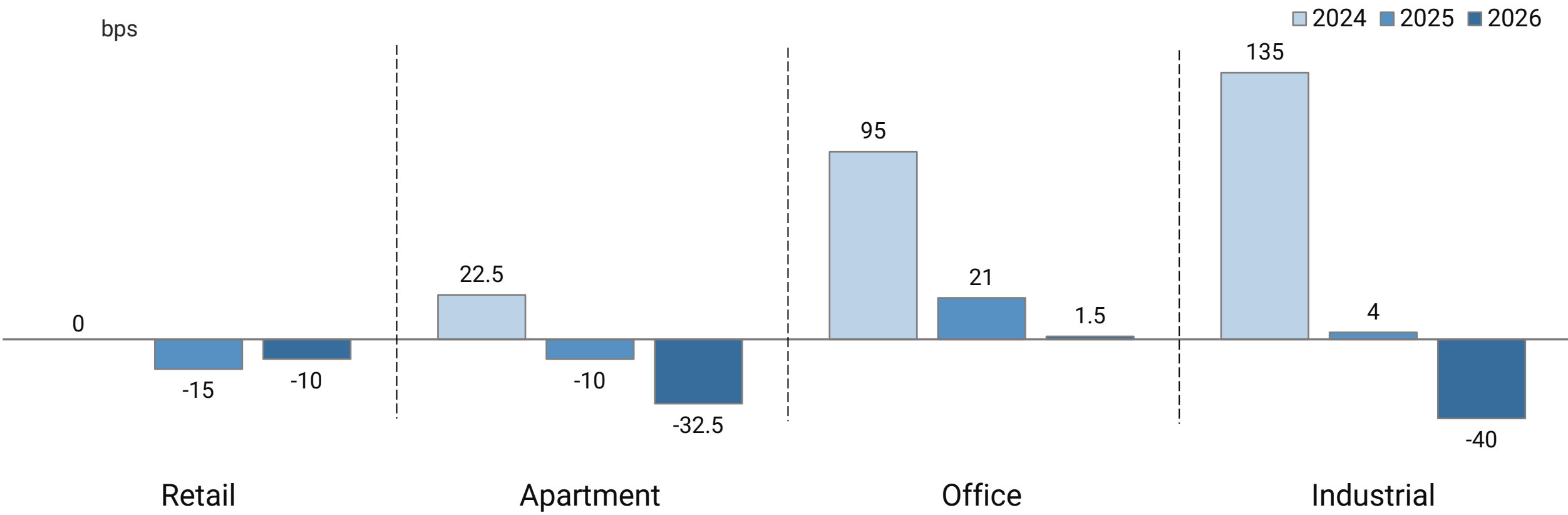
Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

# » NCREIF Single Family Rental Total Annual Returns



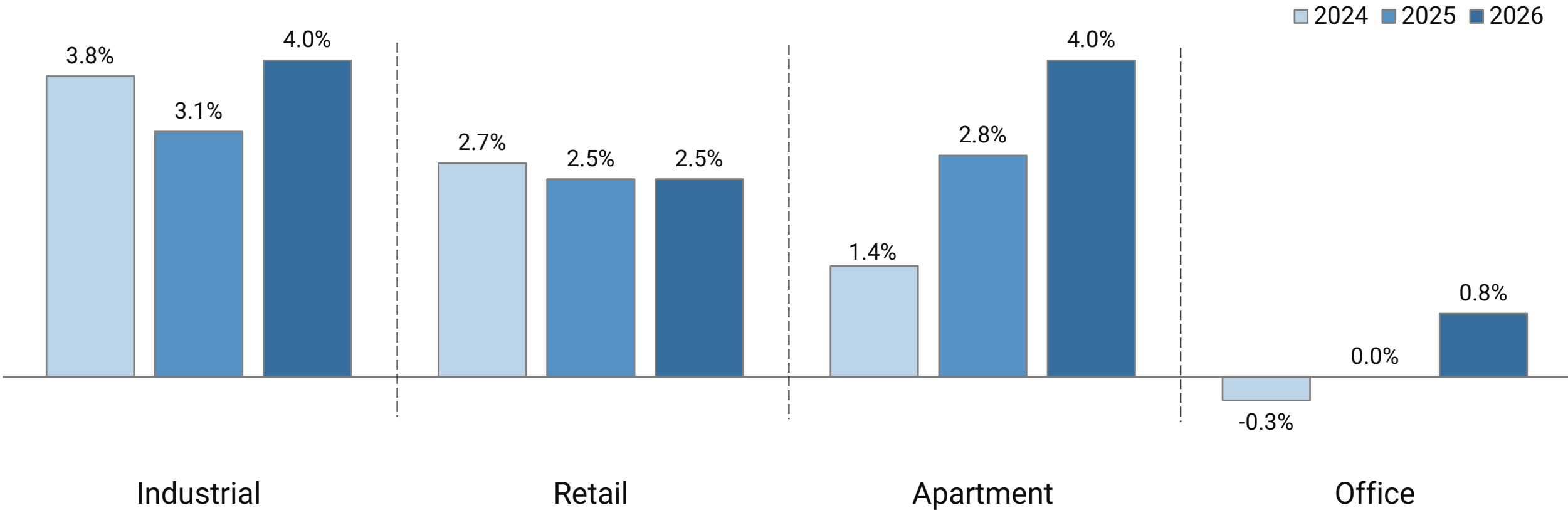
Sources: 2004-2023, National Council of Real Estate Investment Fiduciaries (NCREIF); 2024-2026, ULI Real Estate Economic Forecast.

# >> Vacancy Rate Change (bps)



Source: 2024-2026, ULI Real Estate Economic Forecast.

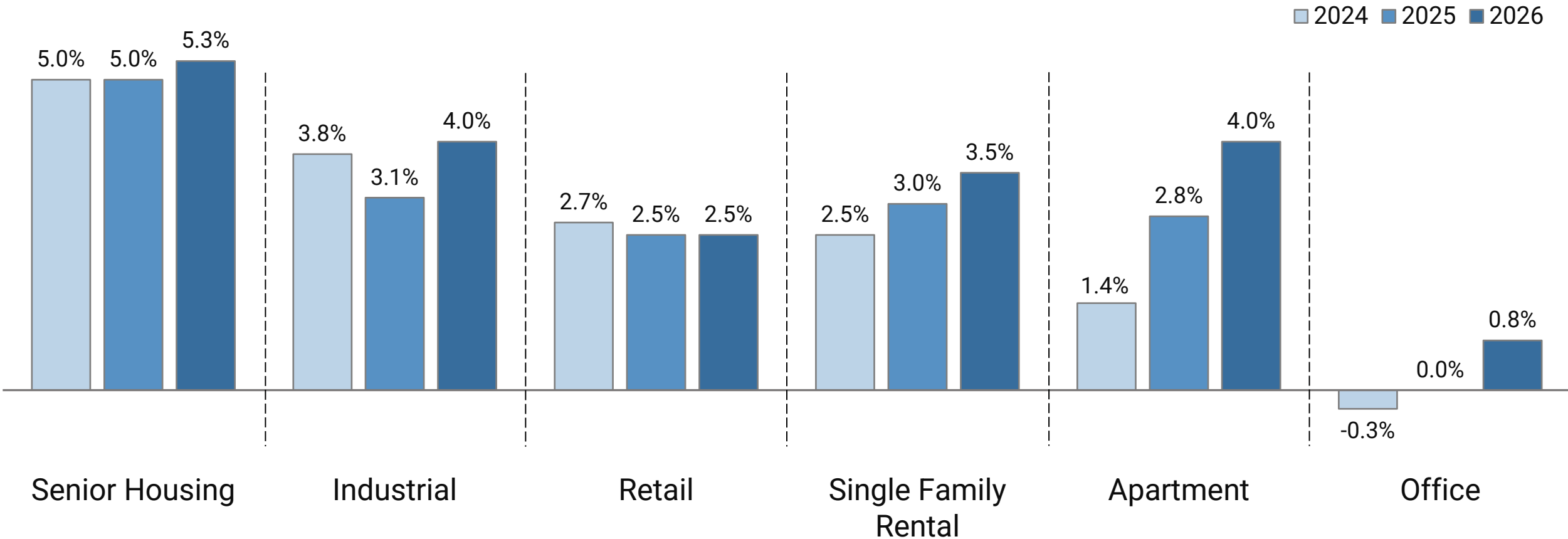
# >> Rental Rate Growth



Source: 2024-2026, ULI Real Estate Economic Forecast.

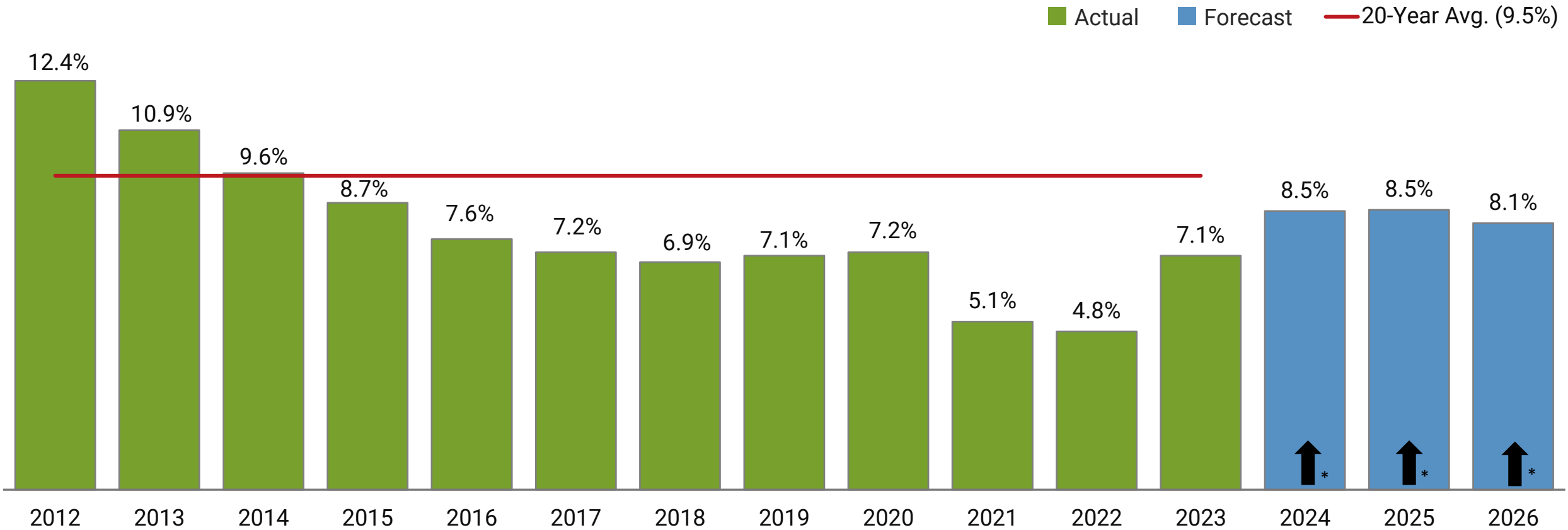


# >> Rental Rate Growth



Source: 2024-2026, ULI Real Estate Economic Forecast.

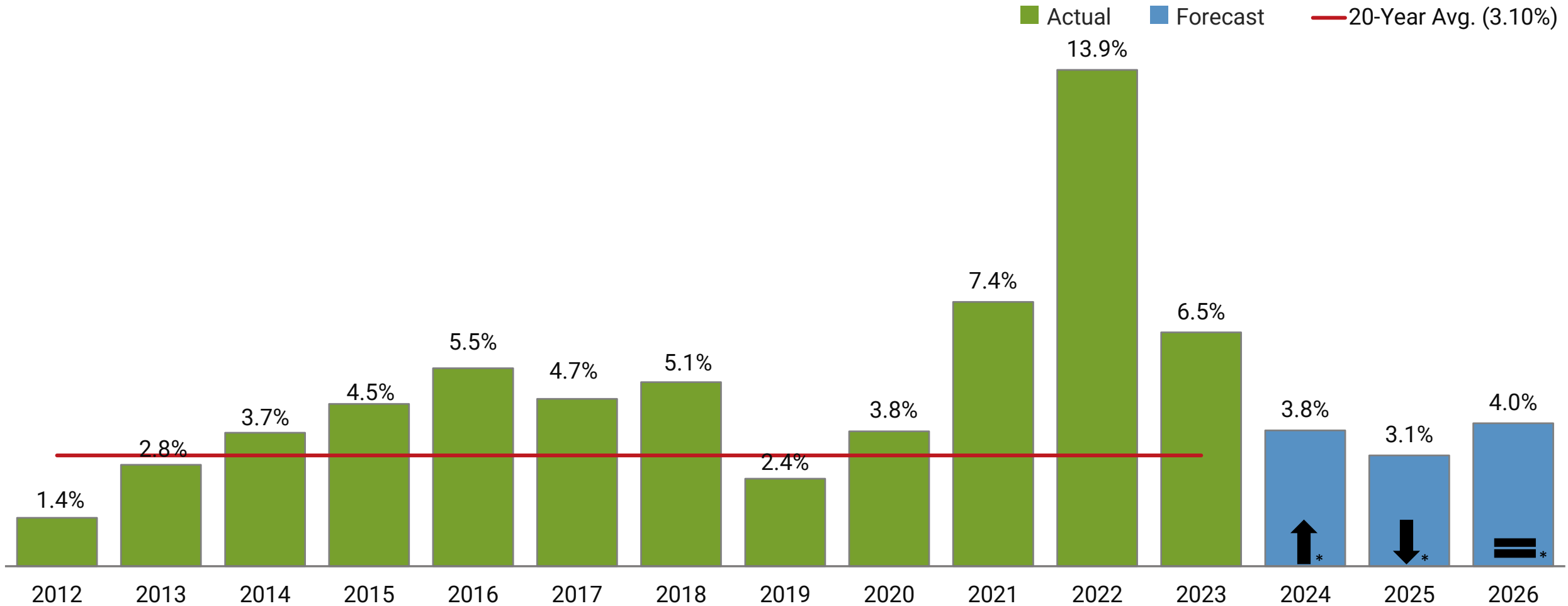
# >> Industrial/Warehouse Availability Rates



Sources: 2004-2023 (Q4), CBRE; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 7.6% for 2024, 7.6% for 2025, and 7.1% for 2026.

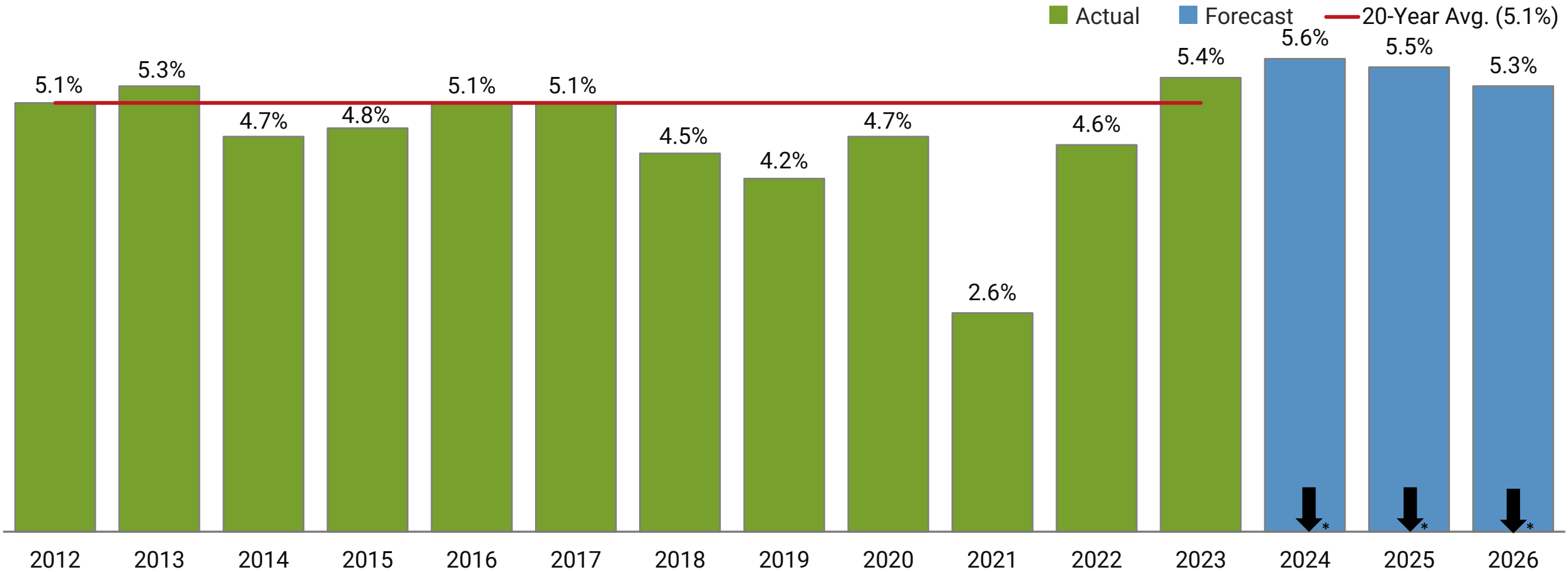
# >> Industrial/Warehouse Rental Rate Change



Sources: 2004-2023, CBRE; 2024-2026, ULI Real Estate Economic Forecast. Please note that the industrial historic forecast rent series has changed from TW Rents to EA Asking Rents.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 3.5% for 2024, 3.7% for 2025, and 4.0% for 2026.

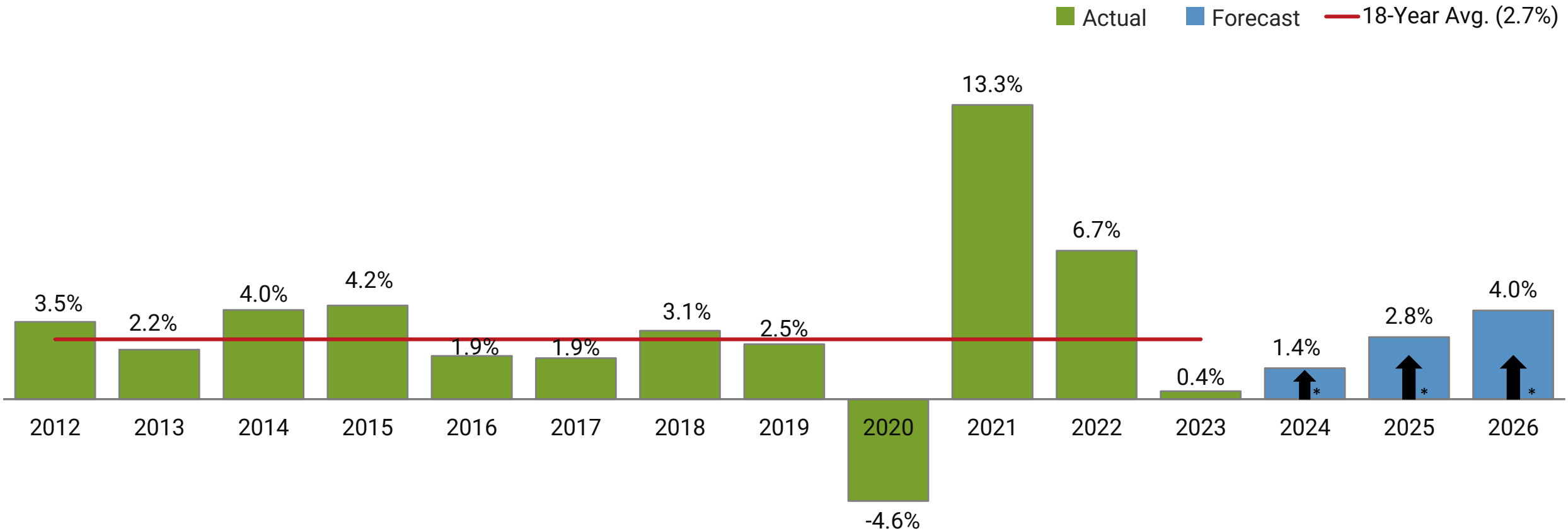
# >> Apartment Vacancy Rates



Sources: 2004-2023 (Q4), CBRE; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 5.9% for 2024, 5.8% for 2025, and 5.4% for 2026.

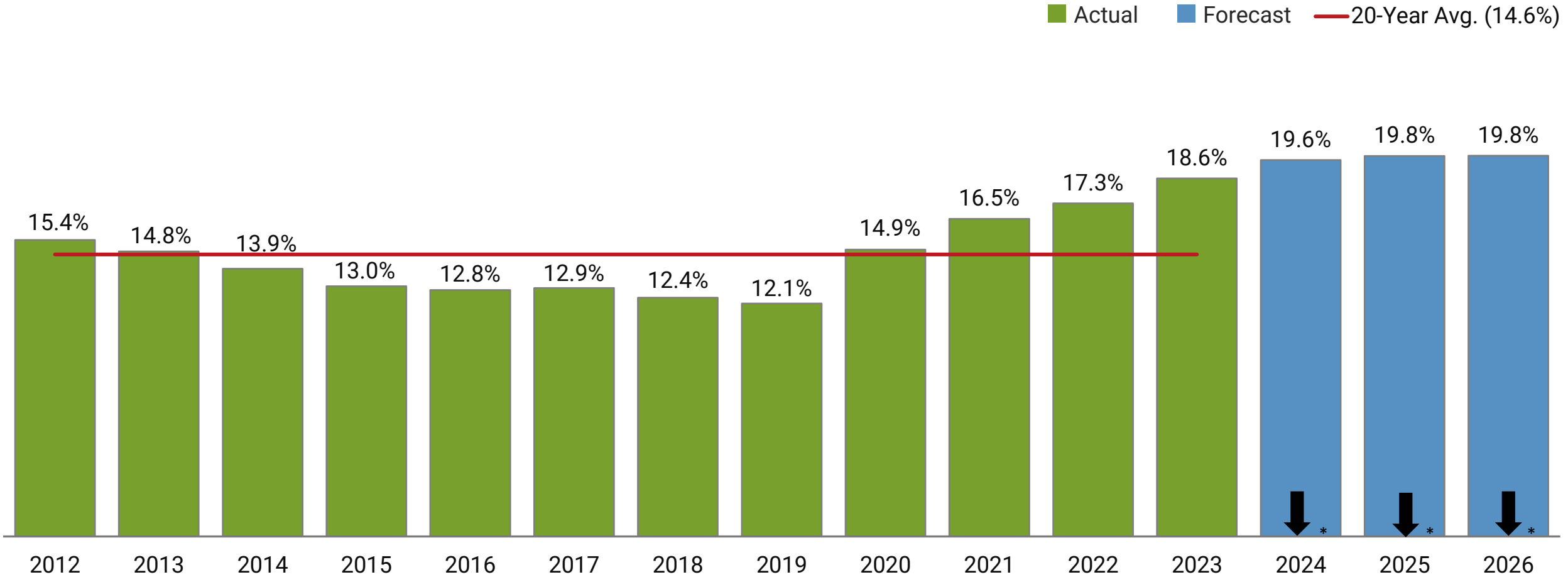
# » Apartment Rental Rate Change



Sources: 2004-2023, CBRE; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 0.5% for 2024, 2.4% for 2025, and 3.2% for 2026.

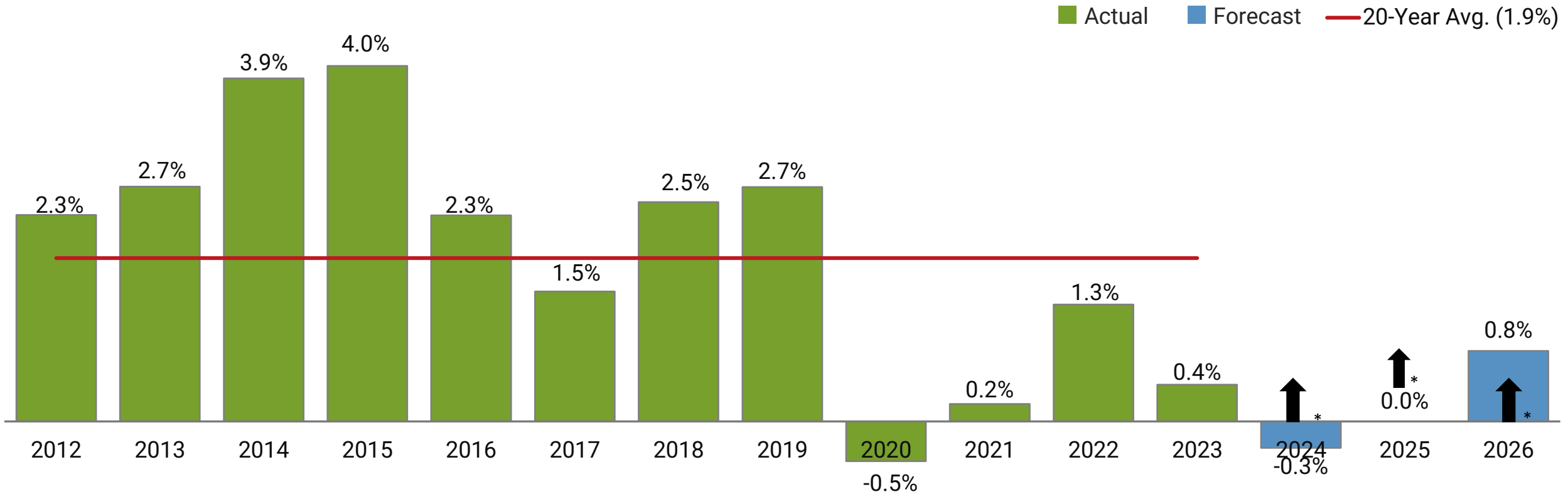
# » Office Vacancy Rates



Sources: 2004-2023 (Q4), CBRE; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 19.9% for 2024, 20.1% for 2025, and 20.0% for 2026.

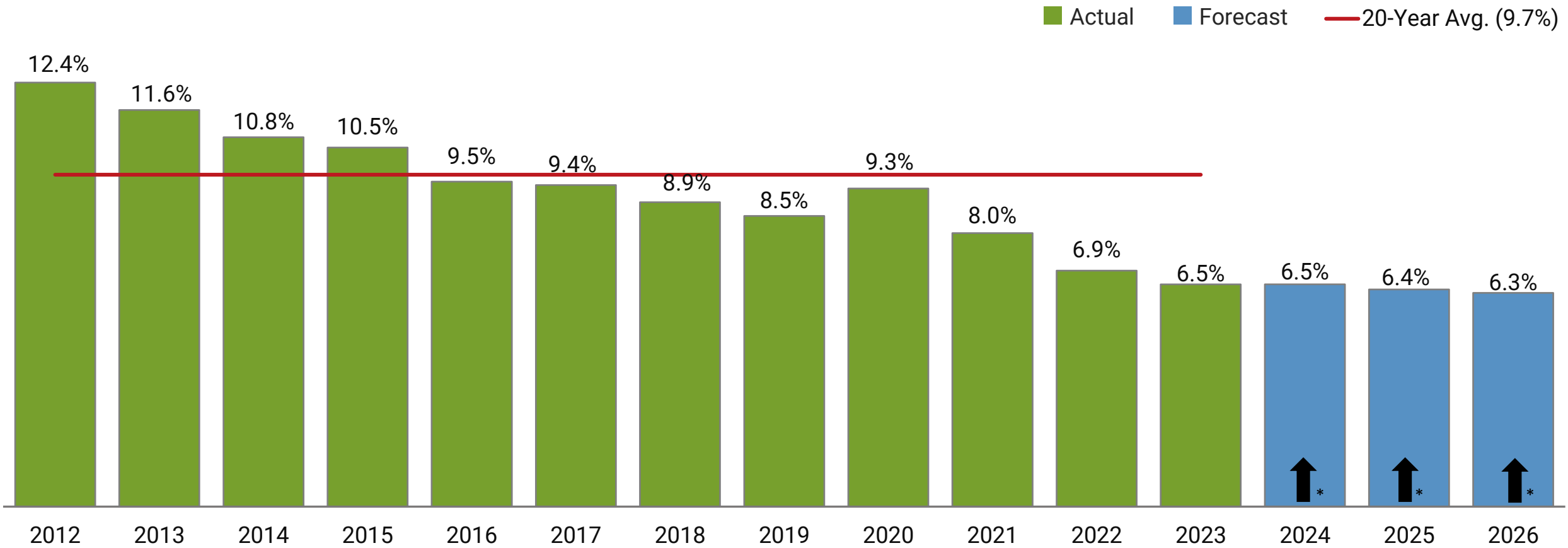
# >> Office Rental Rate Change



Sources: 2004-2023, CBRE; 2024-2026, ULI Real Estate Economic Forecast. Please note that the office historic forecast rent series has changed from TW Rents to EA Asking Rents.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected -2.6% for 2024, -0.7% for 2025, and 0.0% for 2026.

# » Retail Availability Rates

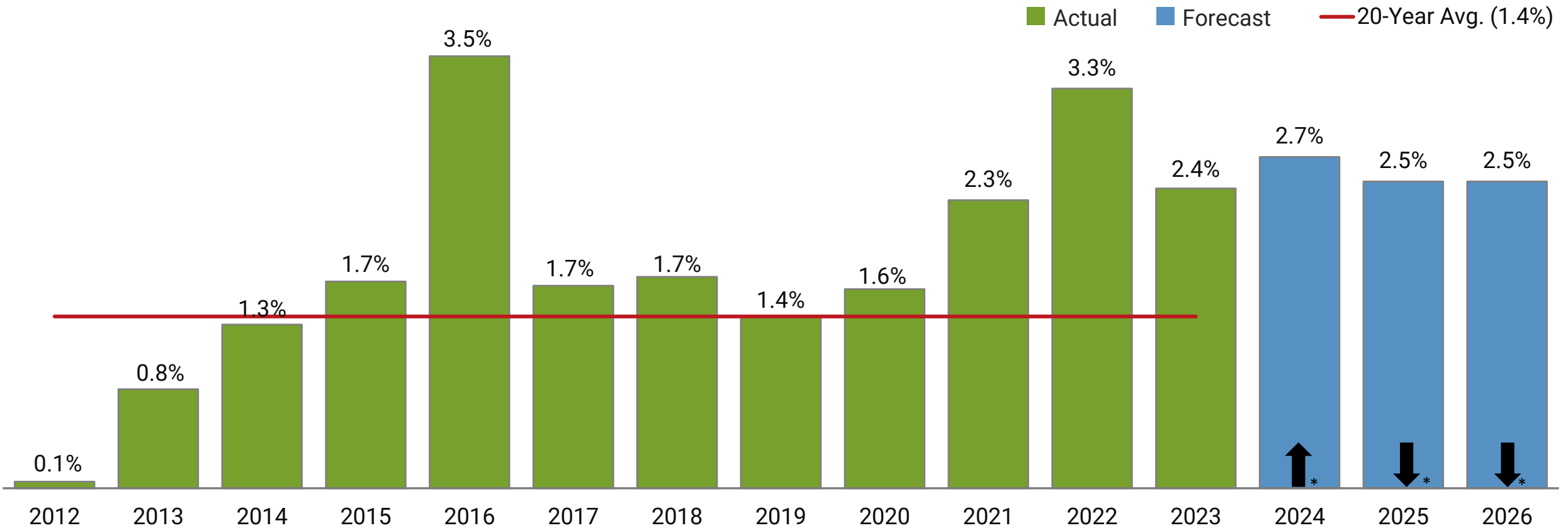


Sources: 2004-2023 (Q4), CBRE; 2024-2026 (YE), ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 6.3% for 2024, 6.2% for 2025, and 6.1% for 2026.



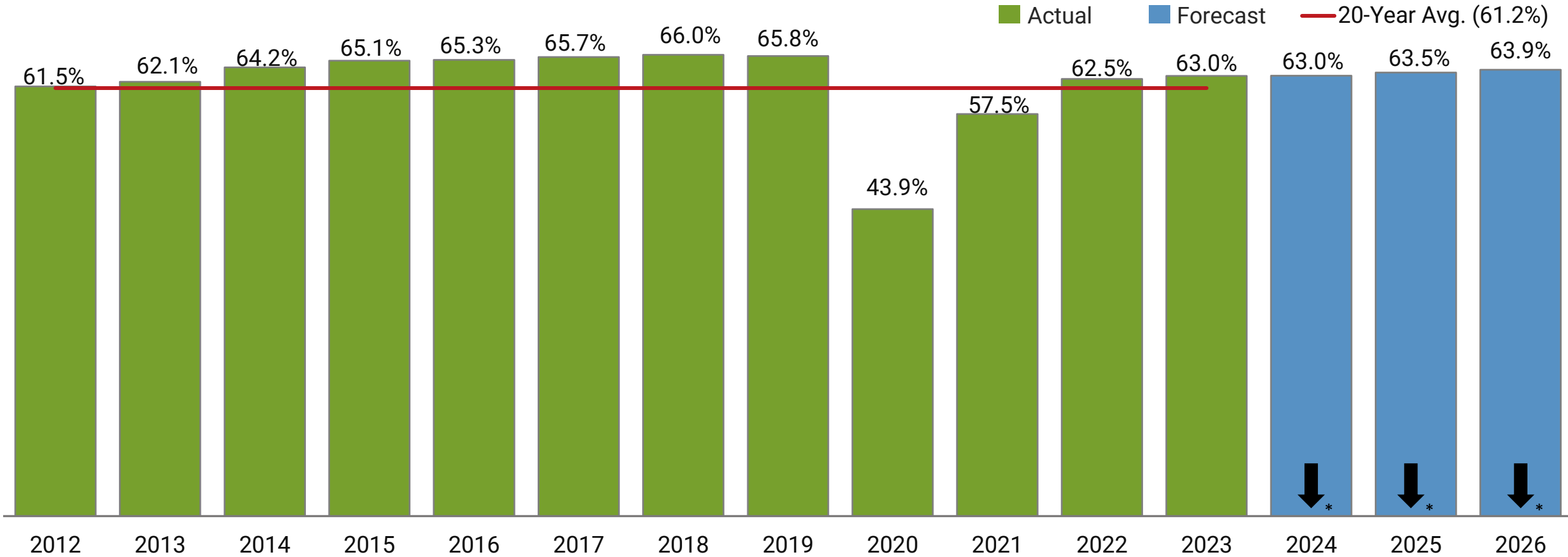
# » Retail Rental Rate Change



Sources: 2004-2023 (Q4), CBRE; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 2.5% for 2024, 2.7% for 2025, and 2.7% for 2026.

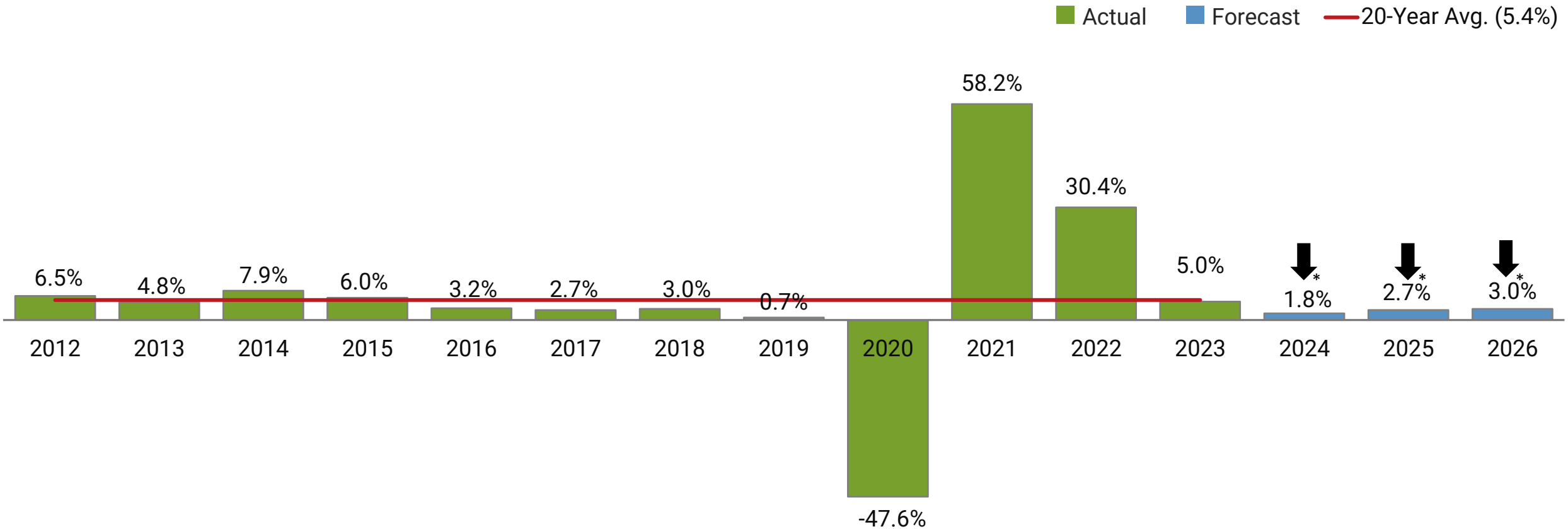
# >> Hotel Occupancy Rates



Sources: 2004-2023 (December, 12 month rolling average), STR; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 63.9% for 2024, 64.3% for 2025, and 64.5% for 2026.

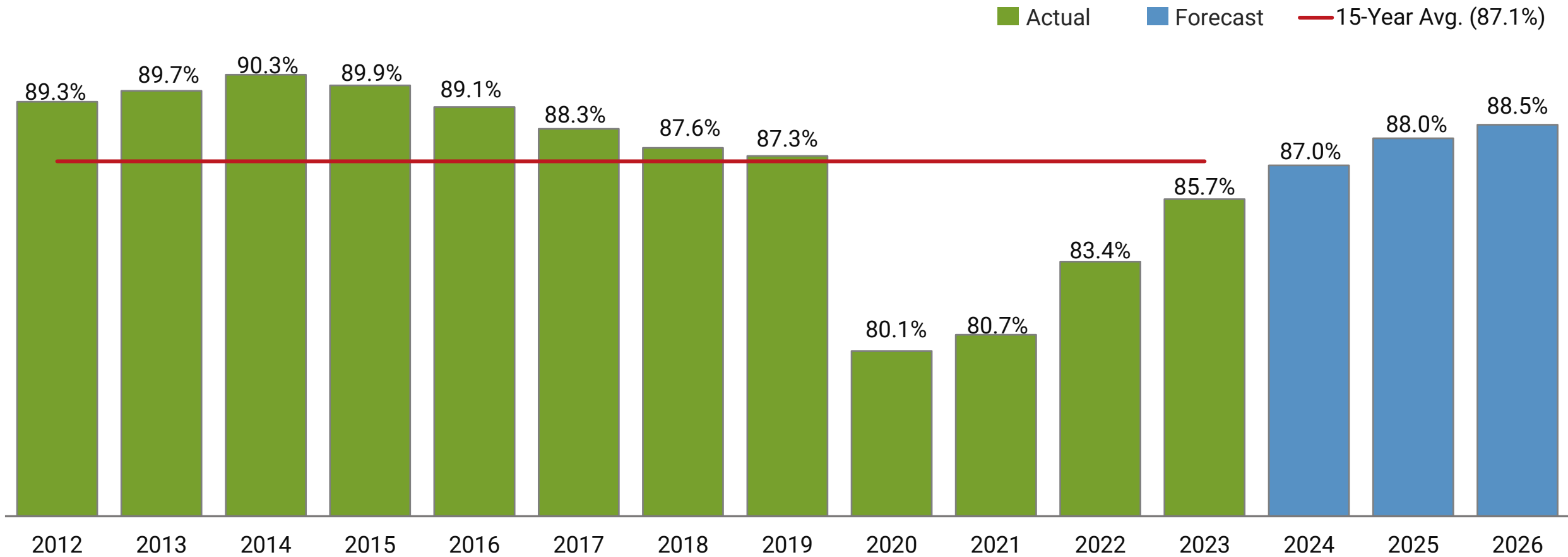
# » Hotel Revenue per Available Room (RevPAR) Change



Sources: 2004-2023 (December, 12-month rolling average) STR; 2024-2026, ULI Real Estate Economic Forecast.

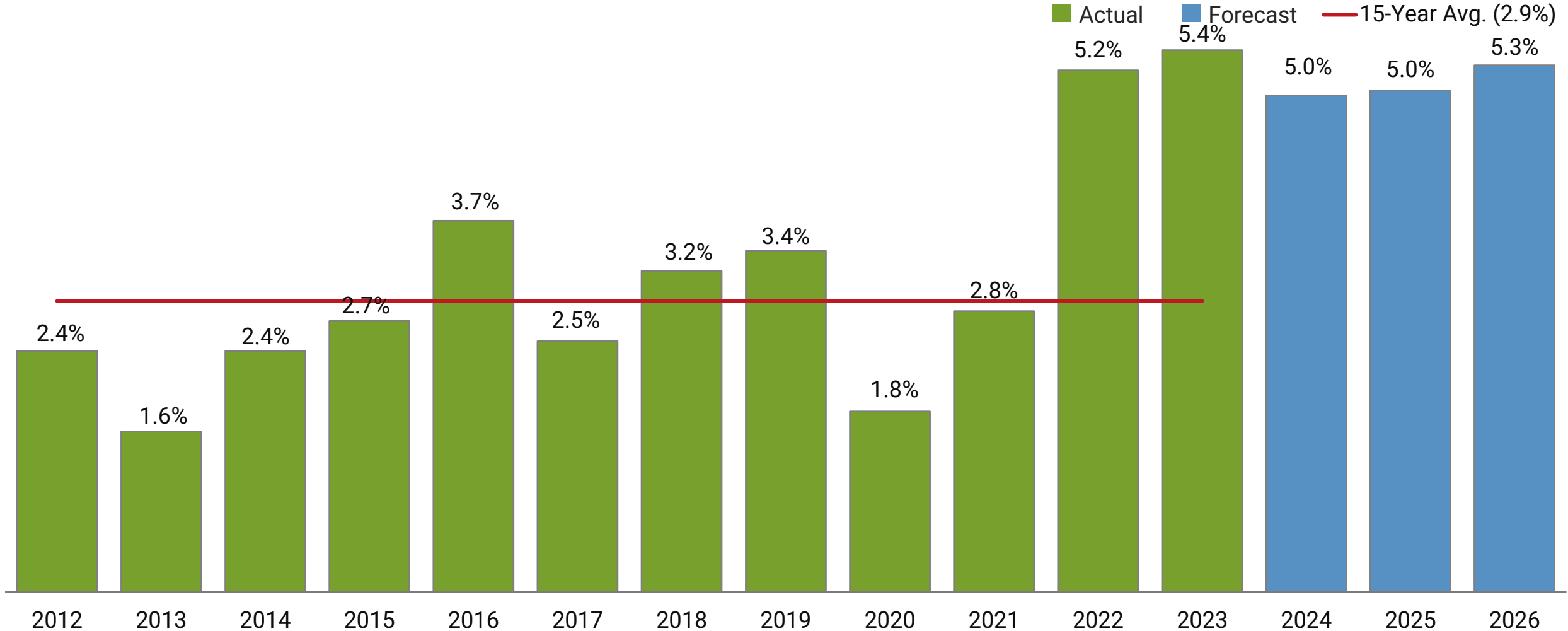
\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 3.7% for 2024, 3.6% in 2025, and 4.0% for 2026.

# » Senior Housing Occupancy Rates



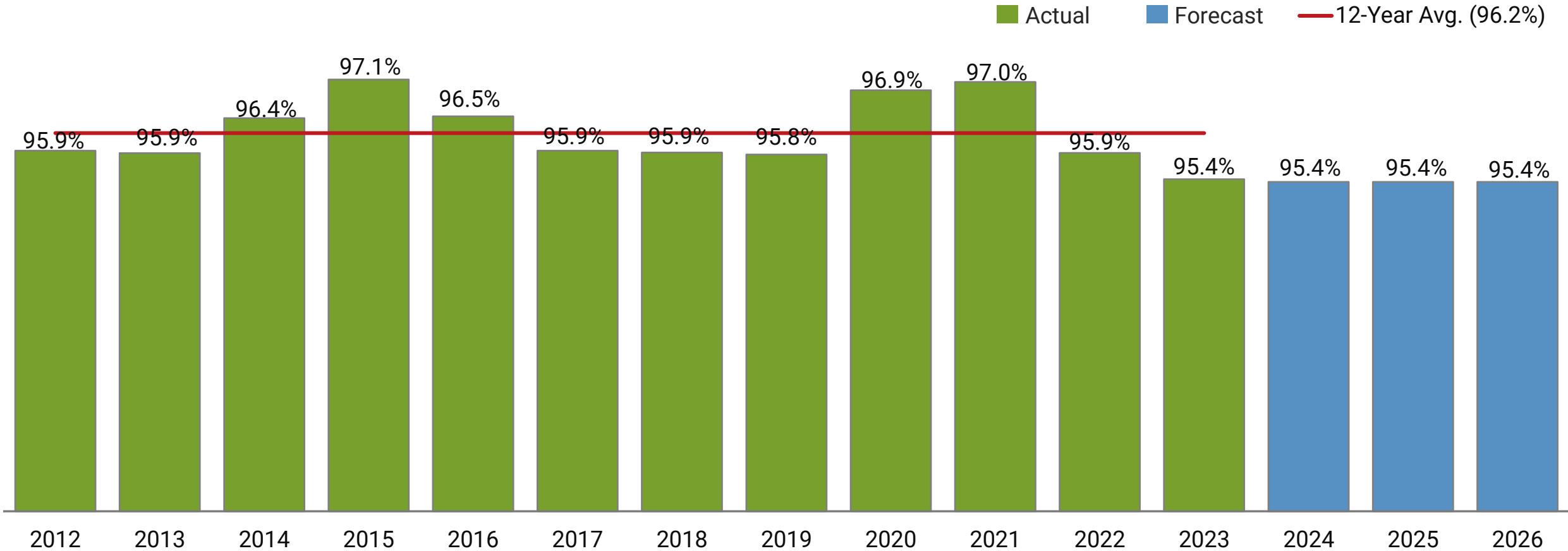
Sources: 2012-2023, Q4, NIC MAP® Data Service; 2024-2026, ULI Real Estate Economic Forecast.

# » Senior Housing Rental Rates Change



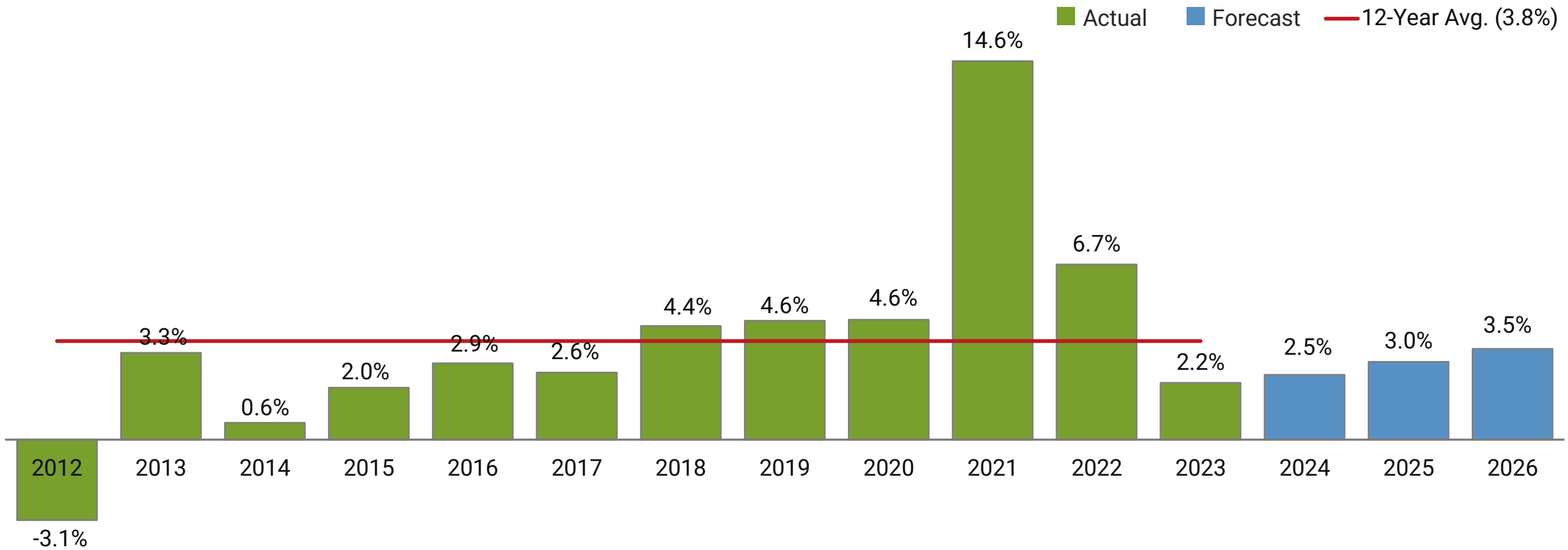
Sources: 2012-2023 , NIC MAP® Data Service; 2024-2026, ULI Real Estate Economic Forecast.

# » Single Family Rental Occupancy Rates



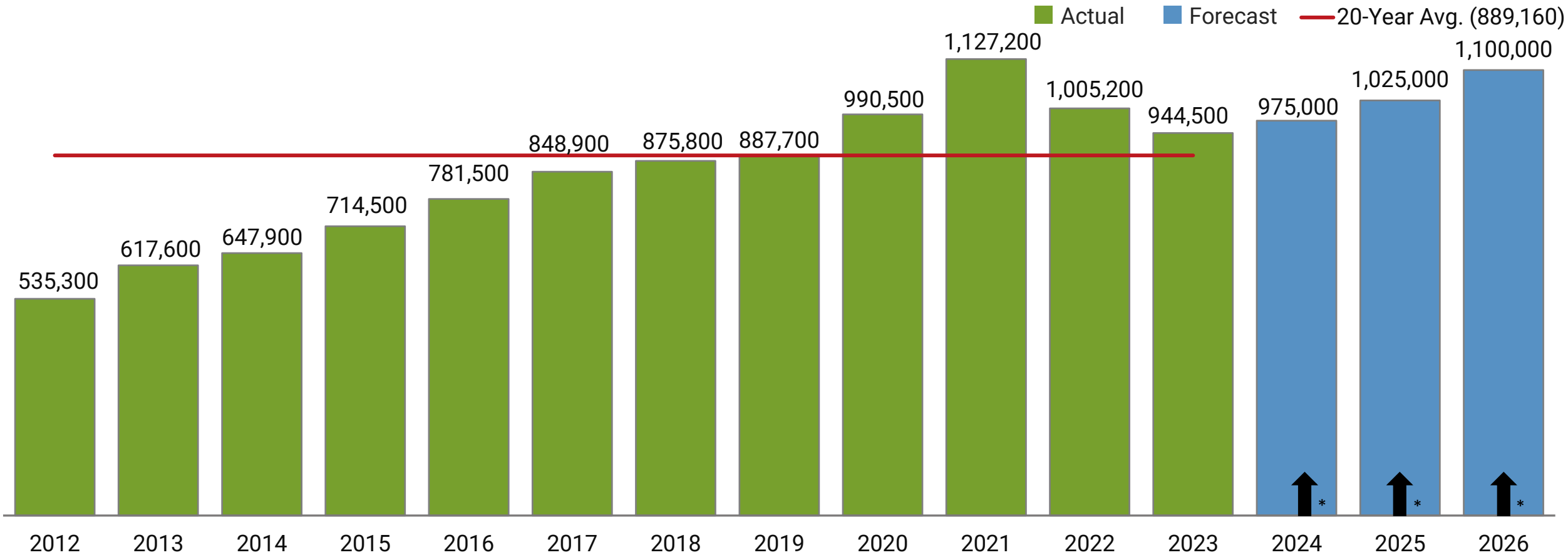
Sources: 2012-2023 Yardi Matrix; 2024-2026, ULI Real Estate Economic Forecast.

# >> Single Family Rental Rates Change



Sources: 2012-2023 Yardi Matrix 2024-2026, ULI Real Estate Economic Forecast.

# » Single-Family Housing Starts

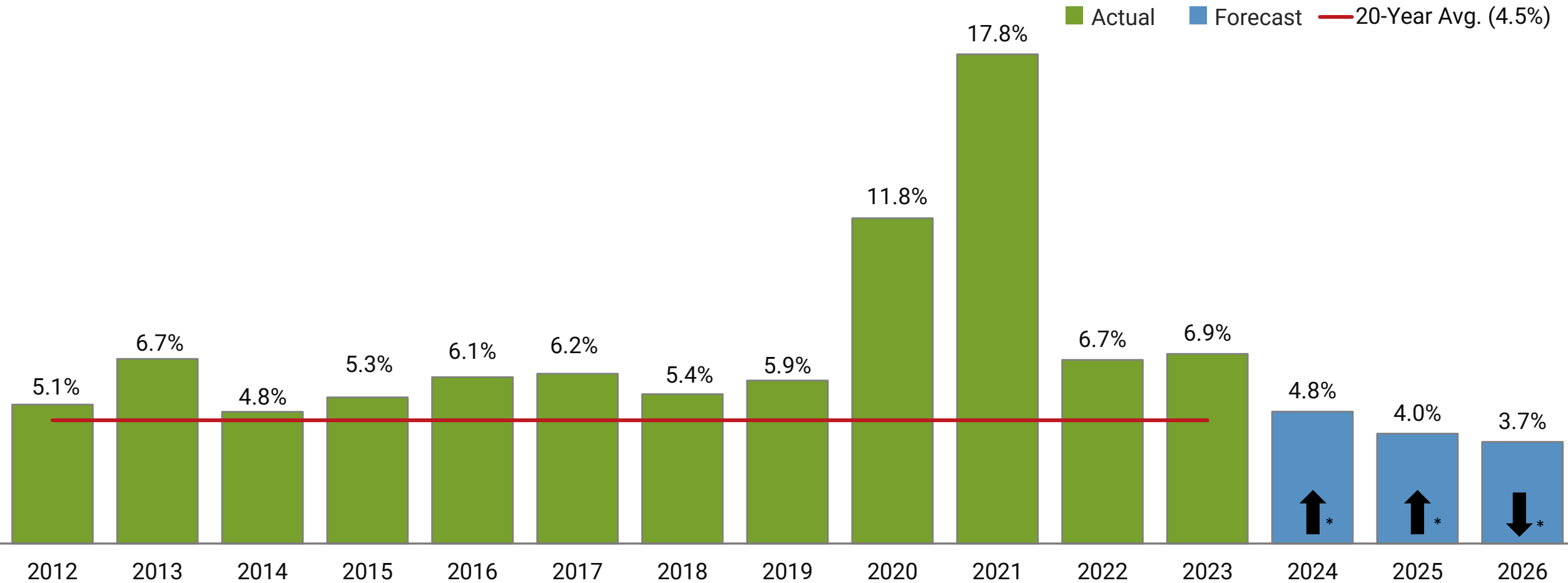


Sources: 2004-2023, (structures with 1 unit, as of December), U.S. Census; 2024-2026, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 970,000 for 2024, 1,010,000 for 2025, and 1,100,000 for 2026.



# >> Average Home Price Change



Sources: 2004-2023, (seasonally adjusted, as of December), Federal Housing Finance Agency; 2024-2026, ULI Real Estate Economic Forecast.  
 \*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous ULI Real Estate Economic Forecast (released in March, 2024) projected 4.0% for 2024, 3.8% for 2025, and 4.0% for 2026.

# Firms That Participated in the ULI Real Estate Economic Forecast

Organization	Lead Economist/Analyst	Title
American Realty Advisors	Sabrina Unger	Managing Director, Head of Research & Strategy
	Britteni Lupe	Assistant Vice President, Research and Strategy
Avalon Bay Communities	Craig Thomas	Senior Vice President Head of U.S. Real Estate Research and Strategy
Barings Real Estate	Dags Chen	Head of U.S. Real Estate Research and Strategy
Berkshire Residential Investments	Gleb Nechayev	Chief Economist and Head of Research
Capital Economics	Kiran Raichura	Chief Commercial Real Estate Economist
CBRE Econometric Advisors	Matt Mowell	Senior Managing Economist
Clarion Partners	Indraneel Karlekar	Managing Director, Global Head of Research & Strategy
Colliers International Ltd	Steig Seaward	Senior Director, National Research
Cushman & Wakefield	Rebecca Rockey	Deputy Chief Economist, Global Head of Forecasting
	Rob Miller	Senior Manager, Global Research
DWS	Kevin White	Head of Americas Real Estate Research
Grosvenor	Brian Biggs	Vice President, Research and Strategy

continued.....

# Firms That Participated in the ULI Real Estate Economic Forecast

Organization	Lead Economist/Analyst	Title
Harrison Street Real Estate Capital	Thomas Errath	Managing Director
Heitman	Maiko Adachi	Managing Director, Co-Head of Global Investment Research
	Jeffrey Bingham	Managing Director, Co-Head of Global Investment Research
	James Breen	Senior Associate, Investment Research
Laposa Realty Advisors, LLC	Steven Laposa	Principal
LaSalle Investment Management	Richard Kleinman	Americas Co-CIO and Head of Americas Research and Strategy
Linneman Associates	Peter Linneman	CEO
Marcus & Millichap	John Chang	Senior Vice President, National Director Research Services
MetLife Investment Management	William Pattison	Head of Real Estate Research & Strategy
Moody's Analytics	Jeffrey Havsy	Chief Economist; Commercial Real Estate Industry Practice Lead
	Tom LaSalvia	Senior Director, Head of CRE Economics
	Kevin Fagan	Senior Director, Head of CRE Economic Analysis

continued.....

# Firms That Participated in the ULI Real Estate Economic Forecast

Organization	Lead Economist/Analyst	Title
National Association of Realtors(r)	Lawrence Yun	Chief Economist
Oxford Economics	Aran Ryan	Tourism Economics, Director of Industry Studies
RCLCO Fund Advisors	William Maher	Director, Strategy & Research
Rosen Consulting Group	Ken Rosen	Chairman
	Randall Sakamoto	President
Situs AMC	Jodi Airhart	Senior Vice President
Stepstone	Elizabeth Ptacek	Principal, Global Real Estate Market Research & Analysis
Stockbridge Associates, LLC	George Casey	CEO
United Medical Properties	David James Lynn	CEO
Zelman & Associates	Mark Franceski	Managing Director

# Urban Land Institute

## **About the Urban Land Institute**

The Urban Land Institute is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide. For more information, please visit [www.uli.org](http://www.uli.org).

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# ULI Real Estate Economic Forecast

A SURVEY OF LEADING REAL ESTATE ECONOMISTS/ANALYSTS

OCTOBER 2024

ULI Center For Real Estate Economics And Capital Markets

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