

Global trends and tactics



Real estate opportunities and risks in the current environment

1Q26

MARKETING COMMUNICATION

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

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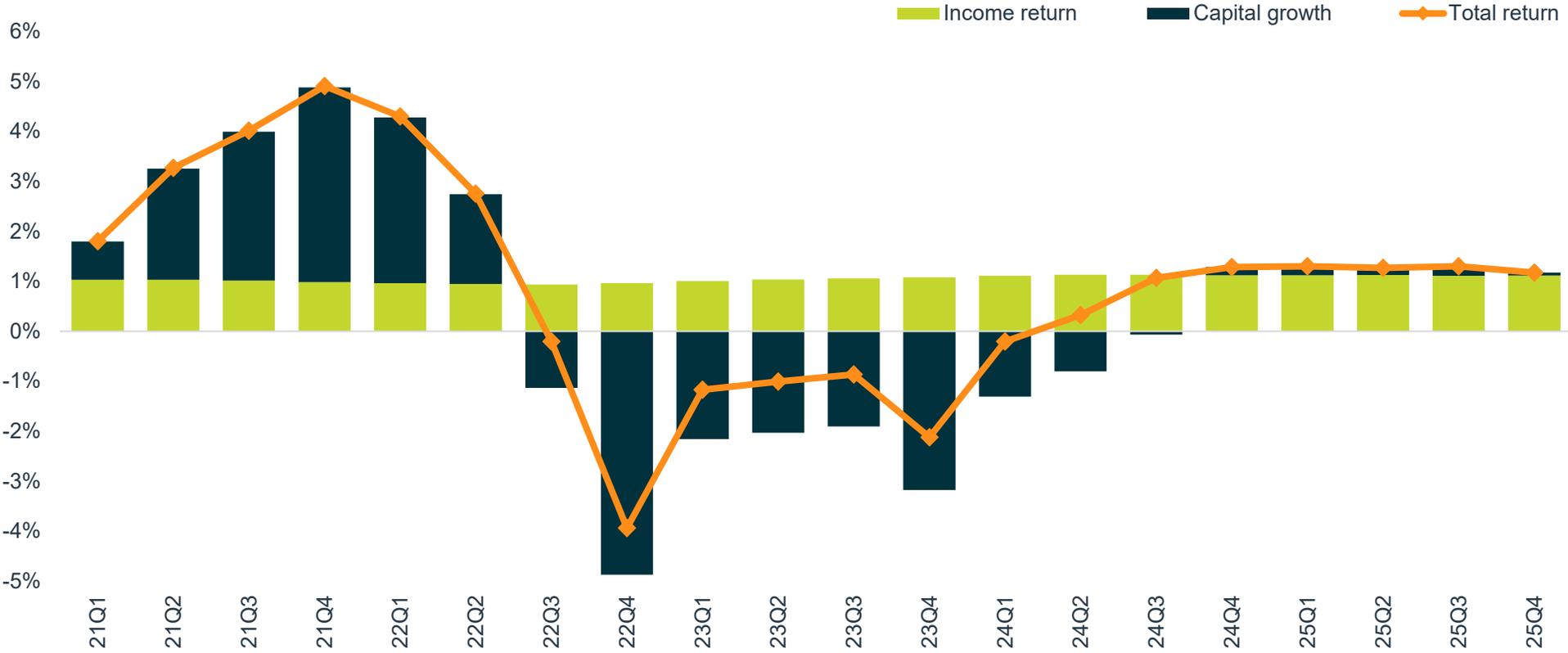
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1. Global overview

Global real estate returns positive last seven quarters

Following a two-year reset, global private real estate values have ticked up for five consecutive quarters. Due to real estate’s stable income return component, total returns have now been positive for seven consecutive quarters.

Global unlevered quarterly returns

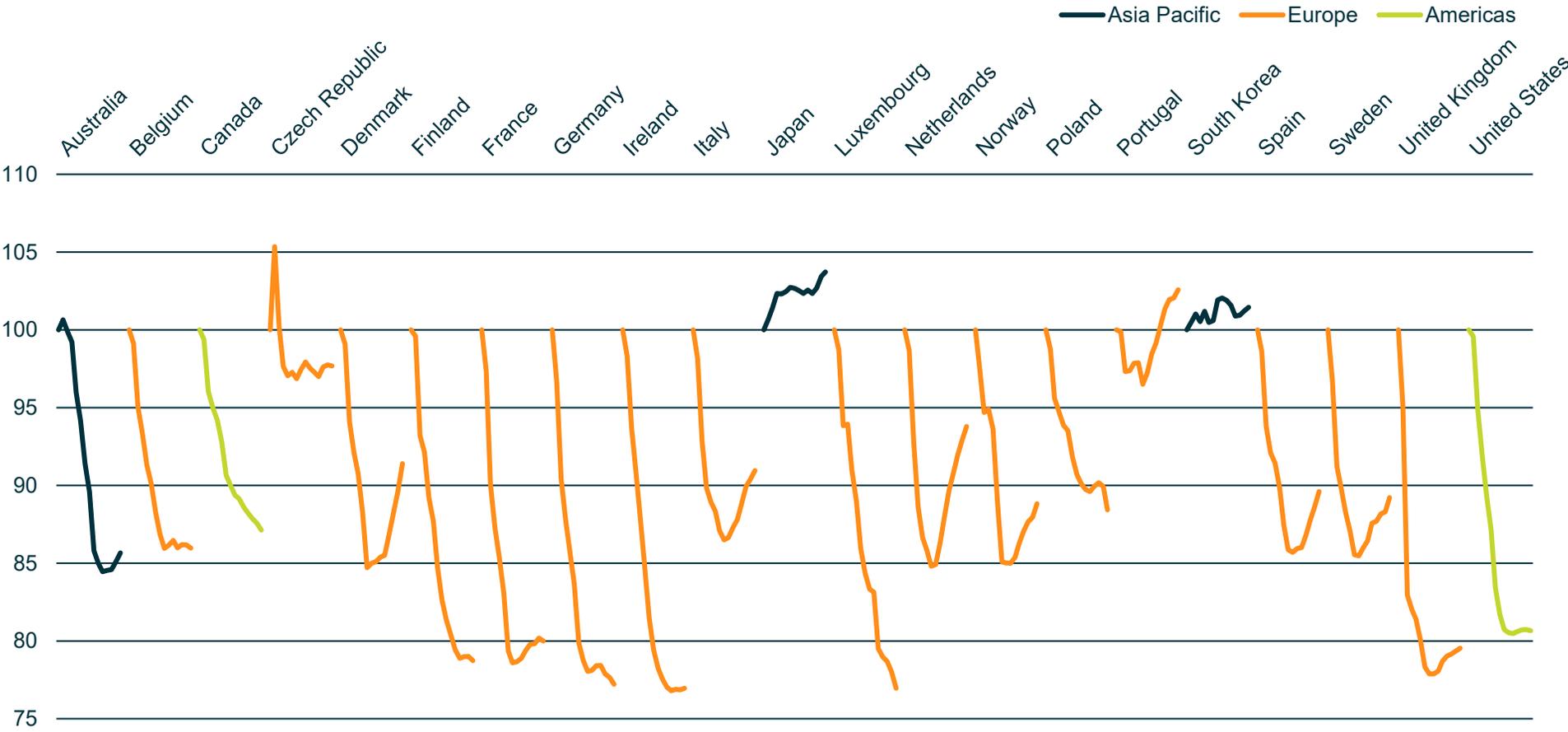


Source: MSCI Global Quarterly Property Index (Q4 2025 data as of 17 March 2026 data release); Nuveen Real Estate Research.

Values are rebounding in most markets

Most of the countries across Europe are now beginning to show meaningful value increases. In Asia Pacific, Australia has stabilized while Japan and Korea moderate. In the Americas, U.S. values are trending up but values in Canada are still adjusting downward.

Property value index, Q2 2022 – Q3 2025
(Q2 2022 = 100)

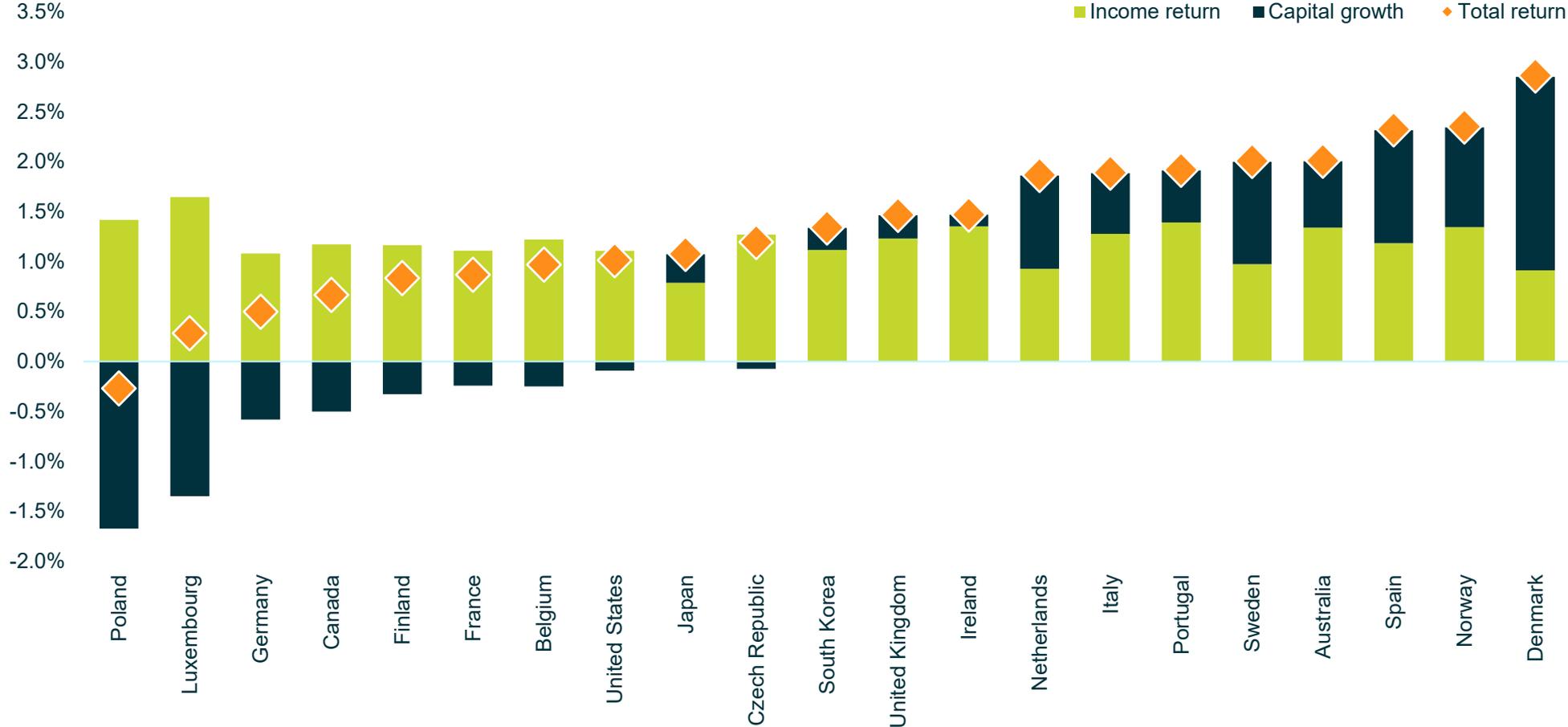


Source: MSCI Global Quarterly Property Index (Q4 2025 data as of 17 March 2026 data release); Nuveen Real Estate Research.

Returns almost all positive in Q3

In the fourth quarter, 20 of 21 countries in the MSCI Global Quarterly Property Index delivered positive total returns for investors. We are beginning to see consistency in this data – over each of the last six quarters, at least 19 countries have generated positive total returns. Values rose in 12 of 21 countries, and although values slipped in nine countries, all but one had income returns which more than offset the fall in value.

Quarterly returns across countries (Q4 2025)

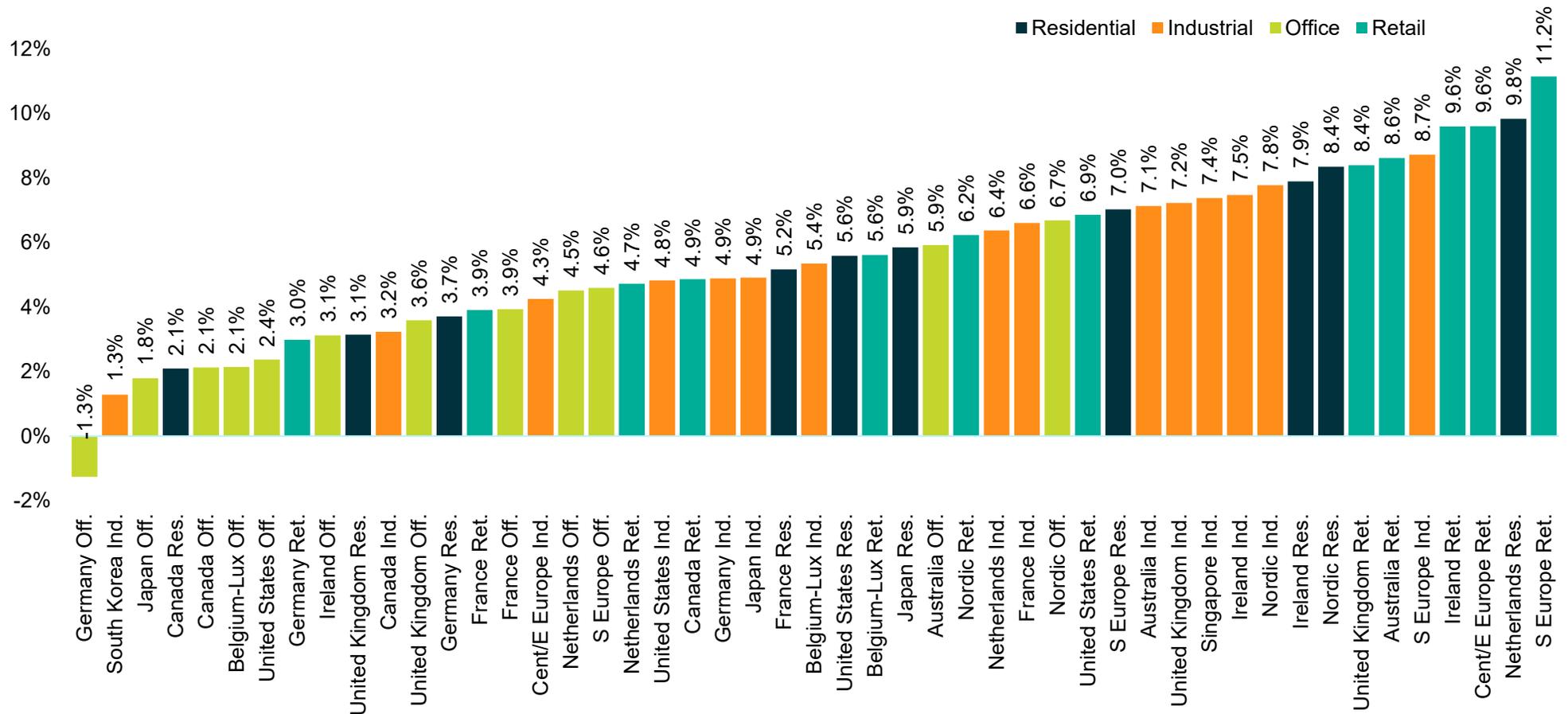


Source: MSCI Global Quarterly Property Index (Q4 2025 data as of 17 March 2026 data release); Nuveen Real Estate Research.

Returns positive in nearly all market segments

Over the last year, 48 of 49 available property type and country combinations produced positive total returns.

Annual returns across countries and property types (Q4 2025)



Source: MSCI Global Quarterly Property Index (Q4 2025 data as of 17 March 2026 data release); Nuveen Real Estate Research.

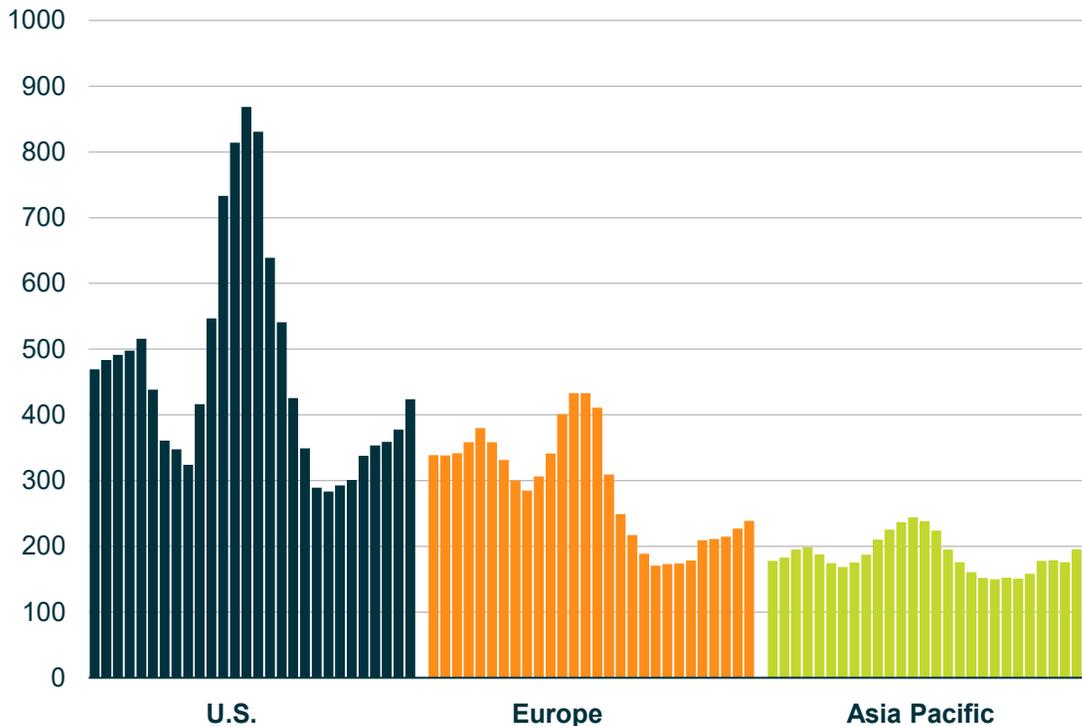
Note: Central / Eastern European and S. Korea office did not have data for 25Q3 and thus is not represented. Off = Office, Ind = Industrial, Res = Residential, Ret = Retail.

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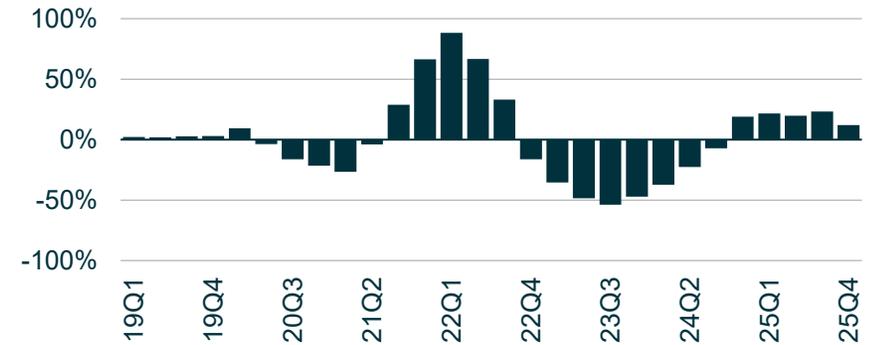
Transaction volumes are picking up

Over the trailing year, investment volumes for income-producing property totaled \$945 billion across the U.S., Europe and Asia Pacific, which was a 17% increase relative to the same period last year – up 25% in the U.S., 14% in Europe and 3% in Asia Pacific. Volumes have been growing on a year-over-year basis for five quarters. Pricing is below 2019 levels and has stabilized, marking an attractive entry point.

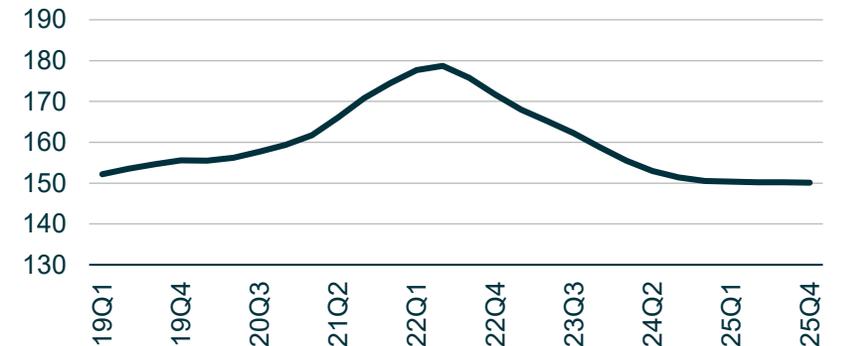
Investment volume (USD B, TTM), 19Q1 – 25Q4



Global volume (year-over-year)



Global Pricing Index (RCA CPPI)



Source: Real Capital Analytics; Nuveen Real Estate Research (Transactions data 25Q4 as 24 March 2026; Global CPPI data 25Q4 preliminary as of 2 February 2026).

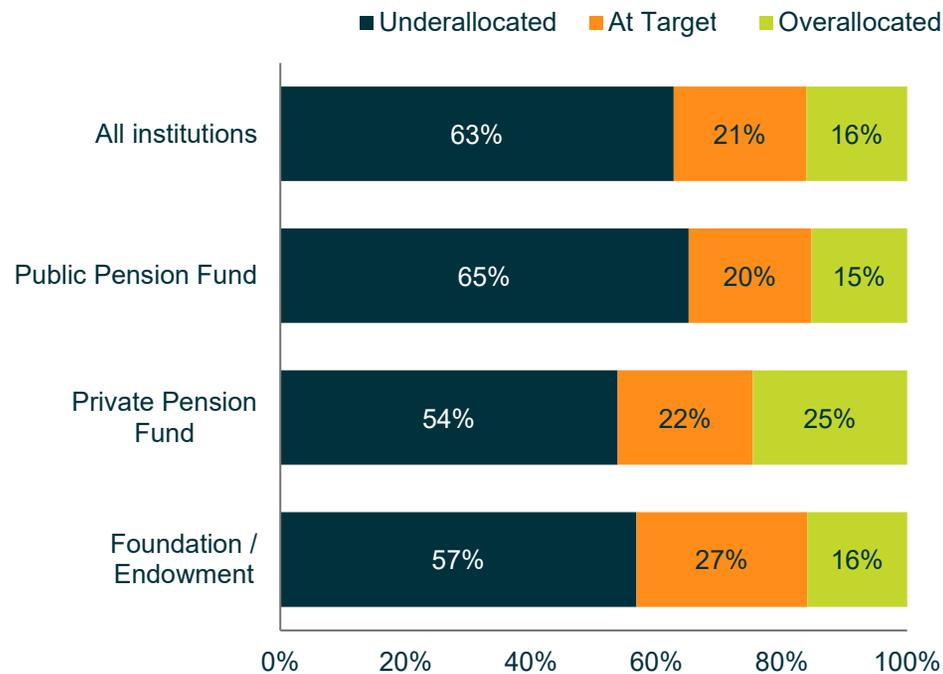
Note: Transaction volume includes all property types excluding development sites. A previous version of this slide included development sites which resulted in significantly higher transaction totals for Asia Pacific. Excluding non-income producing property provides a better like-for-like comparison.

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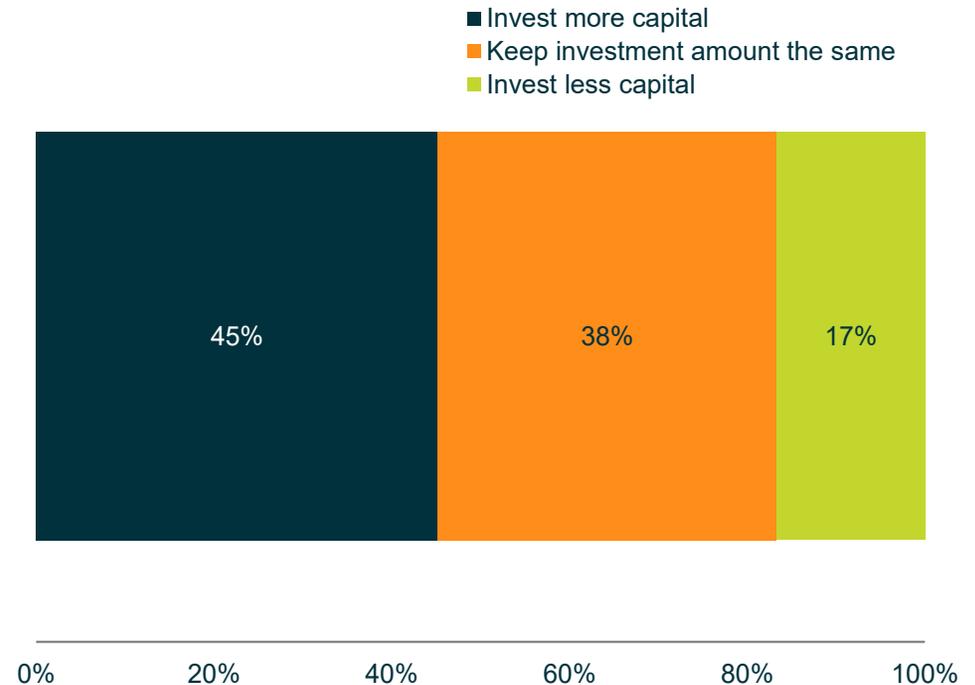
Investors are eyeing real estate in 2026

Global institutions are starting the year below their target allocation to real estate with nearly 3x as many investors planning to invest more capital in 2026 compared to those who intend to invest less

Proportion of LPs under-allocated/at allocation/over-allocated to private real estate as of 31 December 2025, by institution type



How much capital do you plan to invest in private real estate in the next 12 months compared to the previous 12 months?



Source: PERE's 2025 Investor Report (published Jan 2026).

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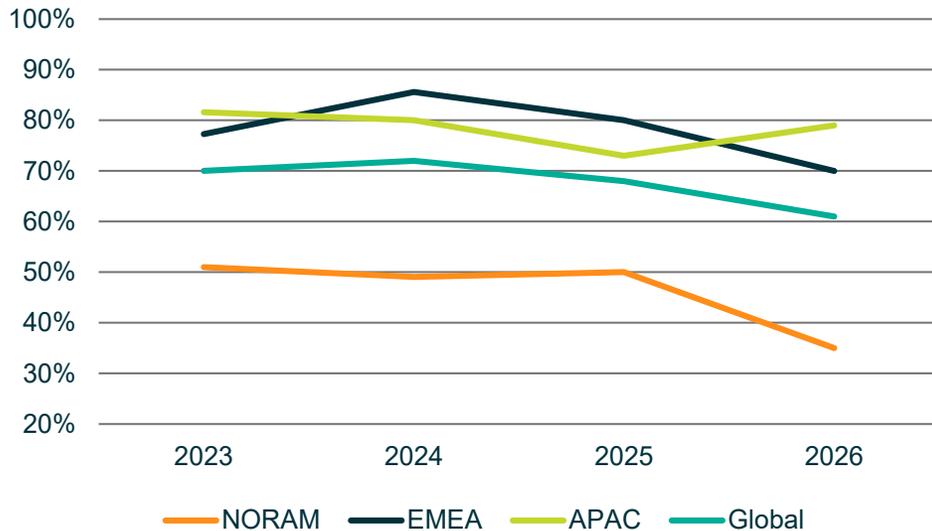
Sustainability: Global sentiment

Despite pushback in certain markets, the global trend for greater adoption and integration of sustainability in portfolios continue

Investors are continuing to allocate capital to low and zero carbon products, supporting the low carbon transition. Nuveen's recent survey of over 800 institutional investors representing \$19 trillion of assets under management, found that almost seven out of 10 investors have or are considering net zero commitments (NZC) and a significant number have set interim goals out to 2025/2030.

Corporate occupier commitment to decarbonization continues to grow, suggesting strong demand is built in for green buildings. In 2024, more than 7,300 companies representing over 40% of global market capitalization had an approved Science Based Target in place.

Investors considering or planning to consider net zero carbon in investment decision making¹



Annual cumulative number of companies with approved targets and commitments²



¹ 2026 Nuveen Global Institutional Investor Survey.

² Source: SBTi Trend Tracker, August 2025.

Note: NORAM = North America.

Commercial real estate debt markets

Significant demand from borrowers, coupled with banks' repositioning as providers of back leverage and new loans against repriced assets means the opportunity for debt funds to produce attractive risk/reward vintages is high

Borrowers

Significant demand from borrowers remains, with large volume of loans due to mature over the next three years.

Great vintage

Recovering capital values provide natural growth in equity cushion, de-risking loans over time. Elevated margins provide attractive opportunities to enter market before it is saturated with significant volume of lenders.

Market bifurcation

Banks have refocused on their core senior lending to prime assets, driving significant competition amongst lenders. The non-prime market continues to remain more balanced between demand and supply, offering attractive opportunities for non-bank lenders.

Significant demand from borrowers

Over a trillion USD of loans are due to mature between 2026 – 2028 in the U.S., and slightly lower for Europe and APAC. Only 21% of borrowers intend to fully repay these loans when they mature, leaving a significant pool of loans that will need refinancing or extending. Globally and across real estate strategies, circa \$400B of dry powder has been raised, but only 14% of this was for debt strategies pointing a significant gap between borrower demand and lender supply in the coming years.

Great loan vintage as capital values recover

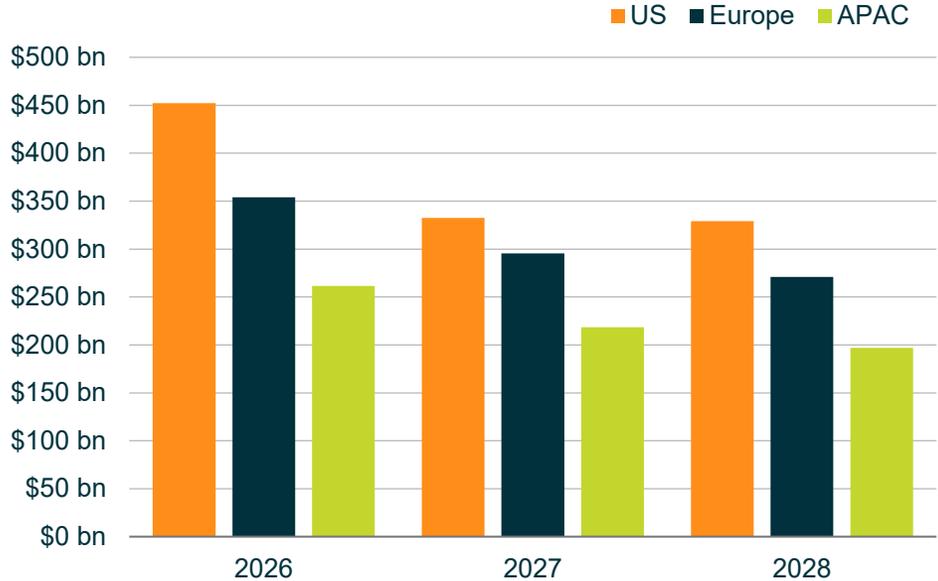
Investing at the bottom of the real estate cycle has historically been great vintage for loans as recovery in capital values have driven a proportionate increase in equity cushion on loans. For example, loans on rebased asset values at the end of 2013 at 70% LTV in Europe will have resulted in actual LTVs of circa 45% for the subsequent five years as capital values continued to grow. Further to this, margins at the bottom of the cycle also tend to be relatively elevated as the markets will be weary of potential further uncertainty. Therefore, locking in loans at these elevated margins typically provide enhanced returns relative to periods when the market is in growth and increased capital is chasing every deal opportunity.

Bifurcation in competition between prime and non-prime

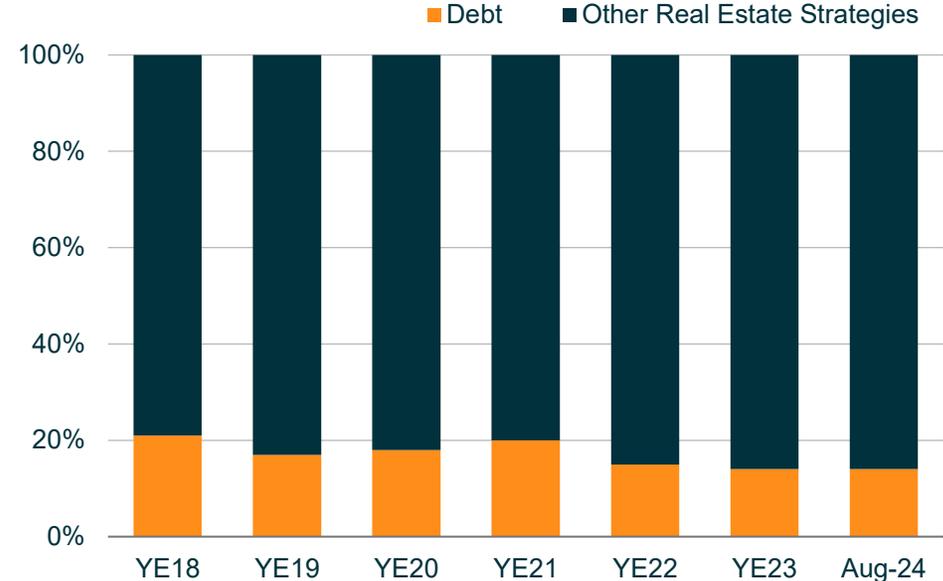
Recent market volatility has dampened the appetite of banks to lend to real estate directly. In Europe, the recently implemented Basel III Endgame is likely to have similar effect as the slotting regime has had in the U.K., with an increase in cost of capital for real estate lending. Ultimately, it is becoming less economically viable for banks to offer real estate loans outside their core senior lending focus. This has resulted in banks increasing their focus on lending to prime assets and locations, which has compressed margins as competition intensifies. This has largely left the non-core/prime segment of the market open for non-bank lenders to operate in with reduced competition. In this segment, the supply/demand balance between lenders and borrowers is more aligned and therefore margins continue to remain elevated relative to long term historic averages.

Demand from borrowers to persist

Estimated refinancing requirements (USD)



Global - \$394B of dry powder waiting to be deployed



Only 21% plan to repay their loan in full



Source: IMF, Prequin, Deloitte, Nuveen Real Estate Research. Data as of January 2026.

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2. United States

U.S. CRE is entering 2026 substantially de-risked

As a result of the 2022-2024 correction, two of the three primary risks for CRE have been substantially mitigated

Risk	Mitigating factor	Exhibit																																																
Values	U.S. core real estate fund values fell 21% from 22Q3-24Q4. Values found a floor and have shown modest appreciation over the past year.	<p>U.S. core real estate quarterly change in values</p> <table border="1"> <caption>U.S. core real estate quarterly change in values</caption> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>-0.5%</td> <td>1.5%</td> <td>3.5%</td> <td>4.5%</td> </tr> <tr> <td>2022</td> <td>4.5%</td> <td>4.0%</td> <td>2.0%</td> <td>2.0%</td> </tr> <tr> <td>2023</td> <td>-1.0%</td> <td>-4.0%</td> <td>-3.0%</td> <td>-3.0%</td> </tr> <tr> <td>2024</td> <td>-4.0%</td> <td>-2.0%</td> <td>-2.0%</td> <td>-1.0%</td> </tr> <tr> <td>2025</td> <td>-0.5%</td> <td>-0.5%</td> <td>-0.5%</td> <td>-0.5%</td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2021	-0.5%	1.5%	3.5%	4.5%	2022	4.5%	4.0%	2.0%	2.0%	2023	-1.0%	-4.0%	-3.0%	-3.0%	2024	-4.0%	-2.0%	-2.0%	-1.0%	2025	-0.5%	-0.5%	-0.5%	-0.5%																		
Year	Q1	Q2	Q3	Q4																																														
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2024	-4.0%	-2.0%	-2.0%	-1.0%																																														
2025	-0.5%	-0.5%	-0.5%	-0.5%																																														
Oversupply	Pressure on occupancies caused by new supply peaked in 23Q4 and has been decreasing ever since. Elevated construction costs have caused a fall-off in construction starts. Annual deliveries are set to be at the lowest level in over a decade, which bodes well for property fundamentals.	<p>U.S. CRE deliveries as a percent of existing stock</p> <table border="1"> <caption>U.S. CRE deliveries as a percent of existing stock</caption> <thead> <tr> <th>Year</th> <th>History</th> <th>Forecast</th> </tr> </thead> <tbody> <tr> <td>21</td> <td>0.29%</td> <td></td> </tr> <tr> <td>22</td> <td>0.34%</td> <td></td> </tr> <tr> <td>23</td> <td>0.41%</td> <td></td> </tr> <tr> <td>24</td> <td>0.44%</td> <td></td> </tr> <tr> <td>25</td> <td>0.25%</td> <td>0.18%</td> </tr> <tr> <td>26</td> <td></td> <td>0.16%</td> </tr> </tbody> </table>	Year	History	Forecast	21	0.29%		22	0.34%		23	0.41%		24	0.44%		25	0.25%	0.18%	26		0.16%																											
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Demand loss	Uncertainty caused by tariffs could slow leasing activity. This risk can be somewhat mitigated by focusing on property subtypes with demand underpinned by megatrends or structural imbalances such as medical office buildings, grocery-anchored retail and affordable housing.	<p>Inpatient vs. outpatient surgery index (1995=100)</p> <table border="1"> <caption>Inpatient vs. outpatient surgery index (1995=100)</caption> <thead> <tr> <th>Year</th> <th>Hospital surgeries</th> <th>Outpatient surgeries</th> </tr> </thead> <tbody> <tr> <td>1995</td> <td>100</td> <td>100</td> </tr> <tr> <td>1997</td> <td>100</td> <td>115</td> </tr> <tr> <td>1999</td> <td>100</td> <td>125</td> </tr> <tr> <td>2001</td> <td>100</td> <td>130</td> </tr> <tr> <td>2003</td> <td>100</td> <td>135</td> </tr> <tr> <td>2005</td> <td>100</td> <td>135</td> </tr> <tr> <td>2007</td> <td>100</td> <td>135</td> </tr> <tr> <td>2009</td> <td>100</td> <td>135</td> </tr> <tr> <td>2011</td> <td>100</td> <td>135</td> </tr> <tr> <td>2013</td> <td>100</td> <td>135</td> </tr> <tr> <td>2015</td> <td>100</td> <td>140</td> </tr> <tr> <td>2017</td> <td>100</td> <td>145</td> </tr> <tr> <td>2019</td> <td>100</td> <td>145</td> </tr> <tr> <td>2021</td> <td>80</td> <td>135</td> </tr> <tr> <td>2023</td> <td>80</td> <td>155</td> </tr> </tbody> </table>	Year	Hospital surgeries	Outpatient surgeries	1995	100	100	1997	100	115	1999	100	125	2001	100	130	2003	100	135	2005	100	135	2007	100	135	2009	100	135	2011	100	135	2013	100	135	2015	100	140	2017	100	145	2019	100	145	2021	80	135	2023	80	155
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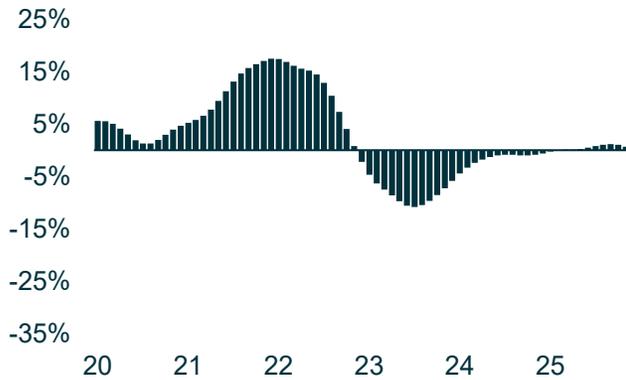
Source: Nuveen Real Estate Research; NCREIF ODCE; CoStar; American Hospital Association, January 2026.

U.S. transaction pricing is improving

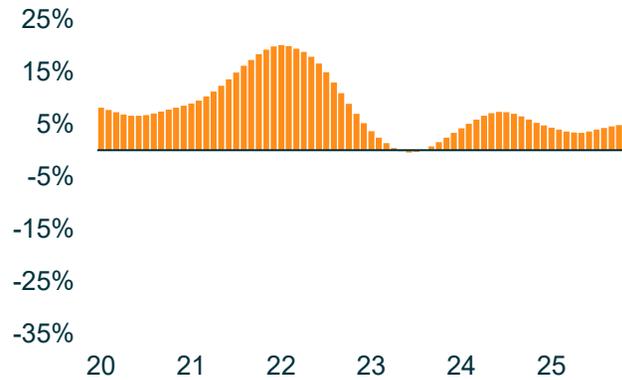
The National All-Property Index rose 24 basis points year-over-year in December, the eighth consecutive month of annual increases in transaction prices

Commercial property price indices (year-over-year change)

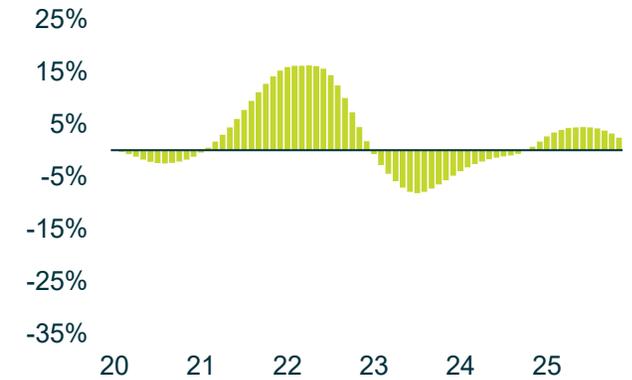
National



Industrial



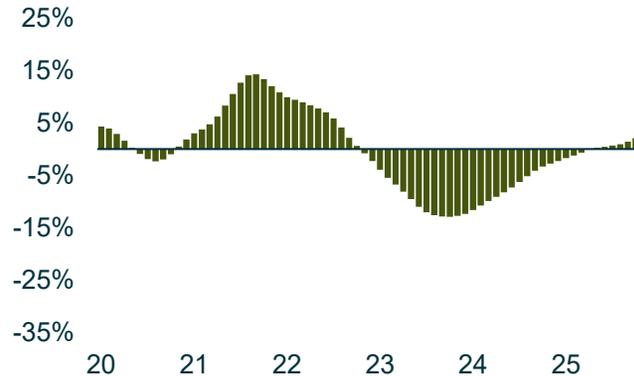
Retail



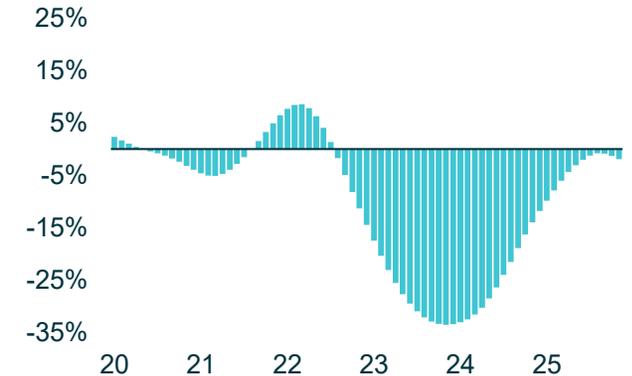
Apartment



Office - Suburban



Office - CBD

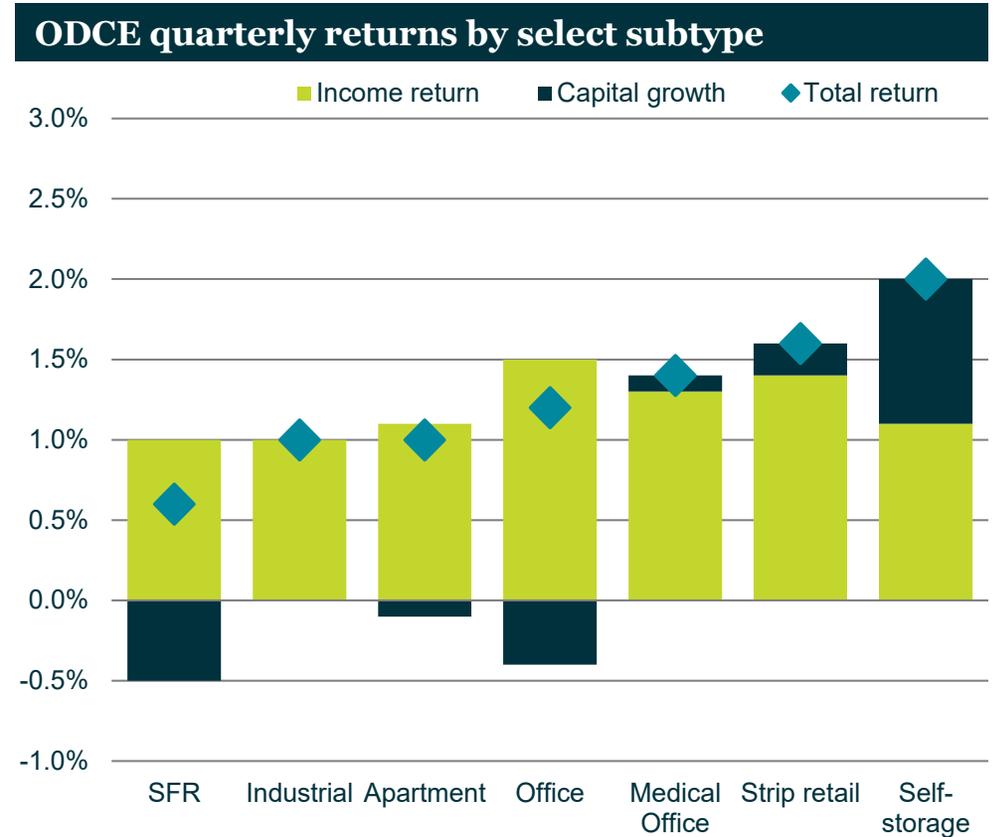
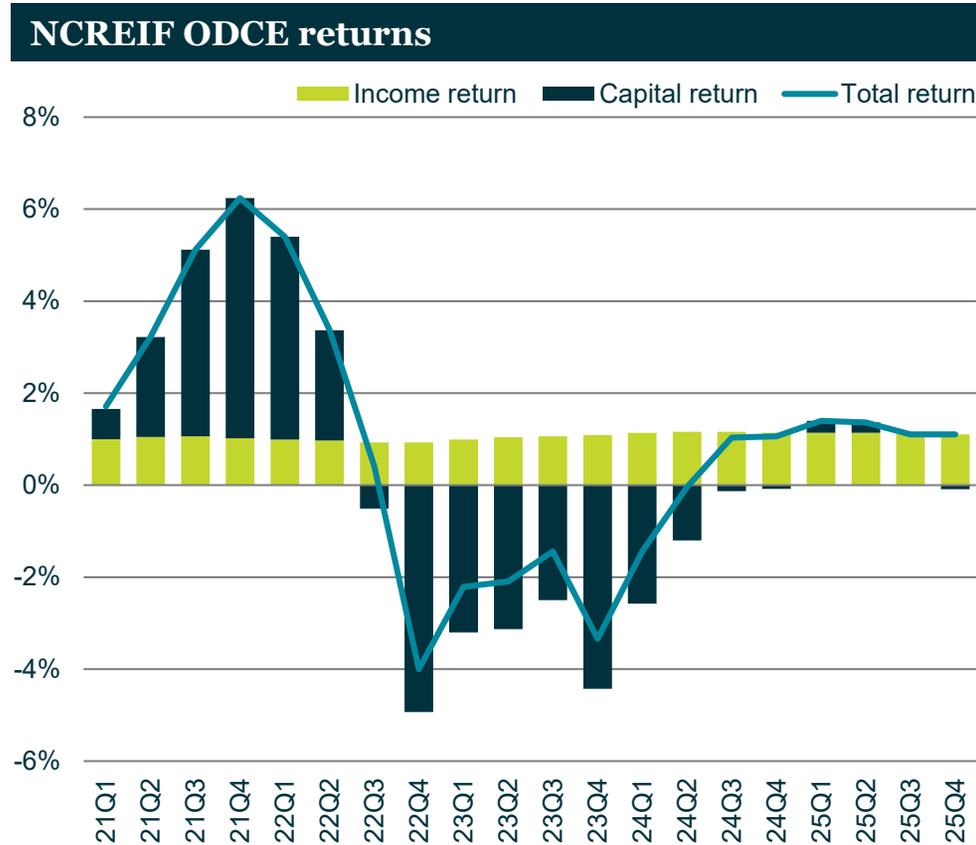


Source: Nuveen Real Estate Research; MSCI Real Capital Analytics, January 2026.

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U.S. returns positive for last six quarters

Valuations slipped slightly in recent quarters, but total benchmark returns have been positive for six consecutive quarters thanks to stable income returns. Overall, values are stable with many sectors now seeing gains.

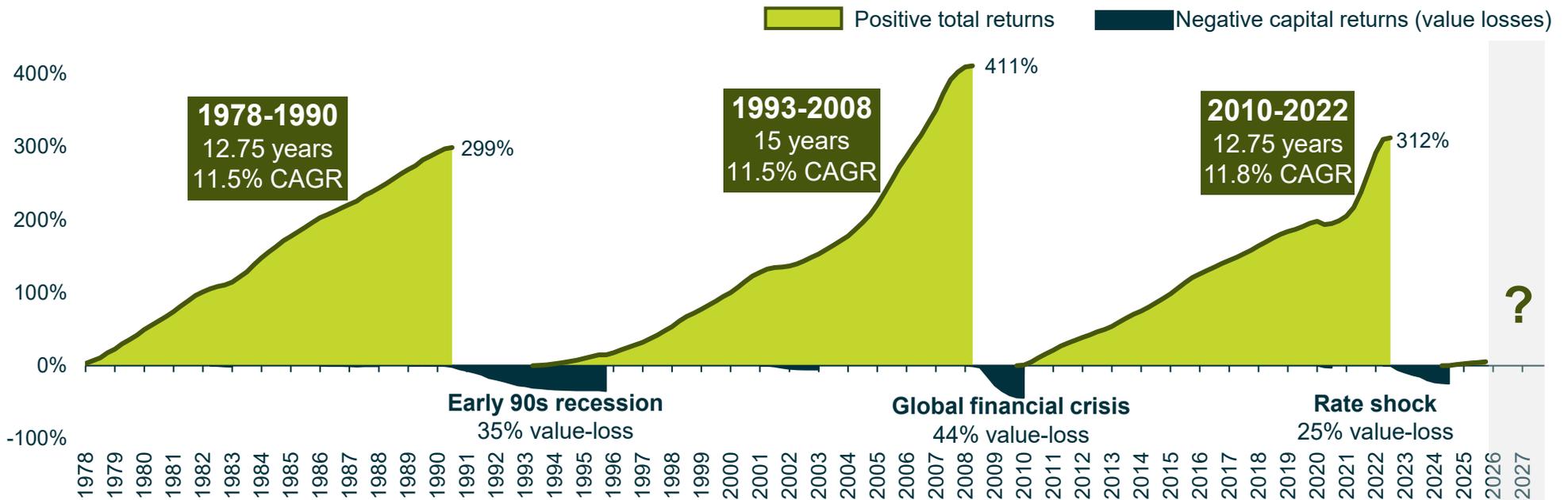


Source: NCREIF ODCE (25Q4); Nuveen Real Estate Research.

Next cycle has seemingly begun for U.S. real estate

There have been three major cycles since the formation of the U.S. core open-ended real estate fund industry, each of which was 12+ years in length and generated returns of 10%+ annually. Following a 25% loss over the last two years, values have stabilized. Core real estate has now produced six consecutive quarters of positive total returns. Historically, two consecutive quarters of positive total returns have reliably indicated the start of the next cycle.

Cumulative returns of U.S. core real estate funds (NFI-ODCE)



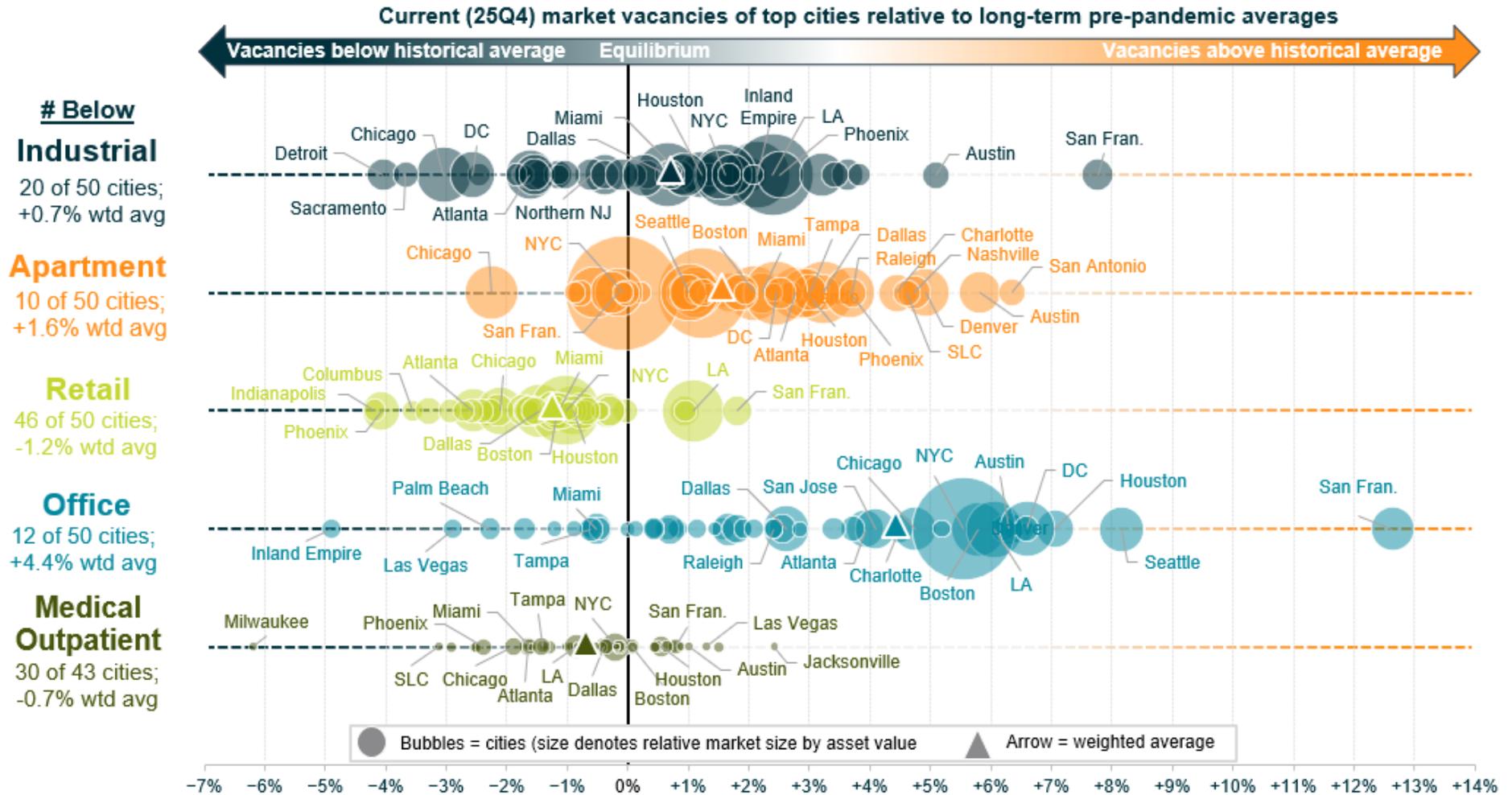
Source: NFI-ODCE (NCREIF Fund Index – Open-End Diversified Core Equity; Nuveen Real Estate Research (25Q4).

Notes: This chart shows cumulative positive total returns until each cycle ended, identified by at least two quarters of negative total returns (ex: the single-quarter of negative total return in Q2 2020 did not indicate the end of the cycle). Similarly, cumulative value-losses identify periods of sustained negative capital returns until values increased for at least two consecutive quarters. The most recent quarter of data (Q4 2024) was the first quarter of positive capital returns this cycle (following 9 quarters of value losses) and the second quarter of positive total returns. Total returns are comprised of capital returns (change in values) and income returns (i.e. rent and other income as a percent of asset value). Because income returns are generally positive and stable, total returns can be positive even in periods when values are moderately negative (ex: 1994-1995; "Tech-wreck" of 2001-2022; Q3 2024). An earlier version of this chart utilized NPI-ODCE, unlevered property-level returns. The above version utilizes NFI-ODCE, a fund-level capitalization weighted return index which includes property investments at effective ownership share, cash balances, leverage, and other fund level impacts.

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There are opportunities across all sectors

Most retail and medical outpatient markets have vacancies below long-term averages. The industrial market is near equilibrium with most vacancies concentrated in larger properties and with light industrial space particularly tight. The wide spread in vacancies across all property types highlights that there are opportunities in each sector.

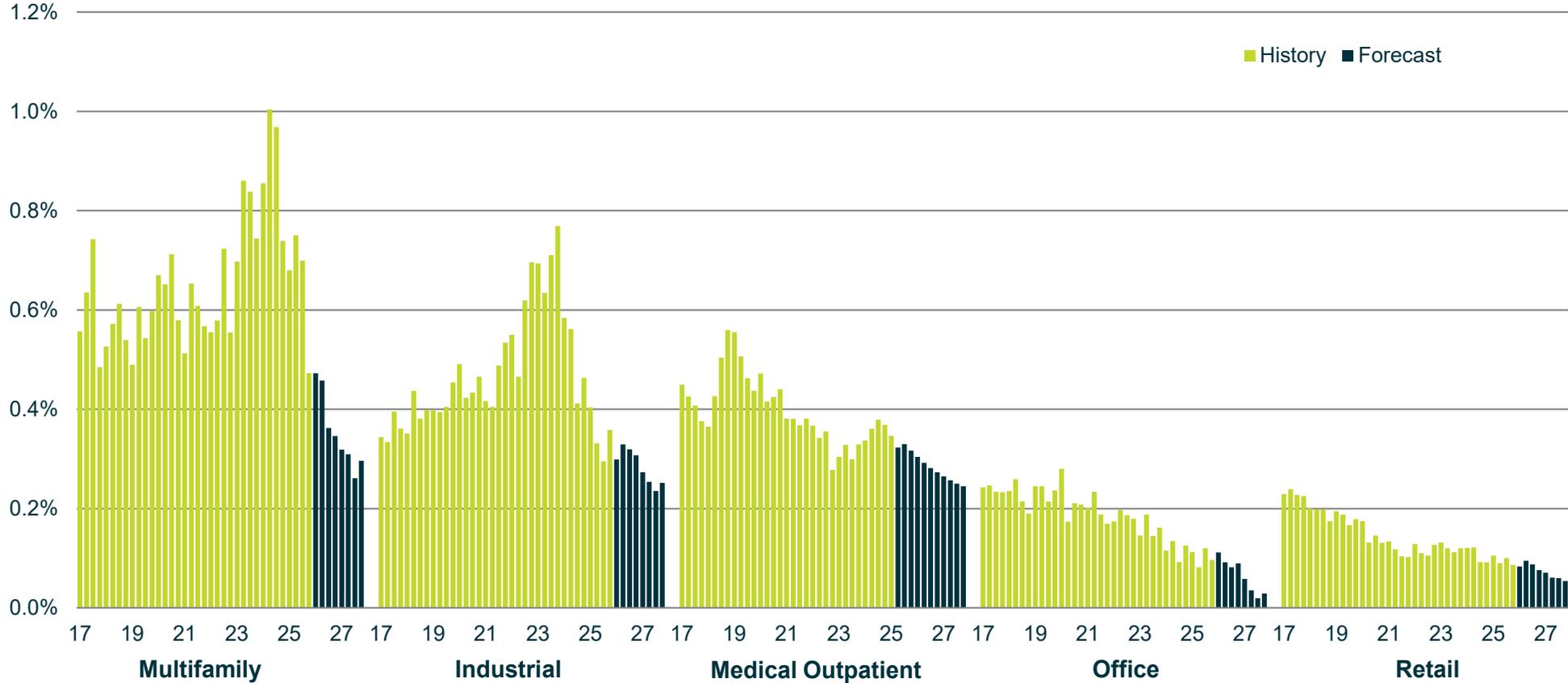


Sources: CoStar; Revista; Nuveen Real Estate Research (Q4 2025); Note: the length of the pre-pandemic average vacancy varies due to differences in data availability by market and sector.

Deliveries set for decade+ lows

The number of new projects getting started has dropped significantly across sectors, which will bode well for future fundamentals as new supply will become less of a headwind

Quarterly deliveries as a percent of existing stock (Q1 2017 – Q4 2027)



Source: CoStar (Q4 2025); Revista (Q4 2025), Nuveen Real Estate Research.

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U.S. sustainability

The march to a low carbon economy continues

Conviction remains, key drivers: policy, occupiers and global investors

Policy

- Largely driven at the state and local level
- US Climate Alliance, 24 states commit to Paris Agreement emission objectives, despite U.S. withdrawal
- 50+ jurisdictions require owners to disclose energy use to city
- 13 jurisdictions with Building Performance Standards, 40+ committed to passing, representing over 20% of building stock
- 75 jurisdictions with all-electric policies

Investors

- 2025 GRESB – another increase in net zero targets, now reaching 66.4%¹
- ~50% of North American investors consider/plan to consider net zero carbon in investment decisions²
- In 2024, global investments in energy transition technologies reached a record high, up 20% compared with the average annual levels of 2022/2023³

Occupiers/owners

- 52% of U.S. Forbes Global 2000 companies set net zero targets, up 9% over prior year⁴
- Total number of zero energy buildings in North America has grown by 42% since 2018⁵
- Global net zero energy buildings market is forecasted to grow 29% CAGR through 2027⁶
- 3 out of 4 new leases among the top 100 office occupiers in major U.S. markets will be tied to a carbon commitment between 2023 and 2030⁷

A strategic, long-term focus on net zero carbon responds to market trends anticipating value creation opportunities, given the continued global momentum to the low-carbon energy transition and investor preferences.

As of Jan 2026.

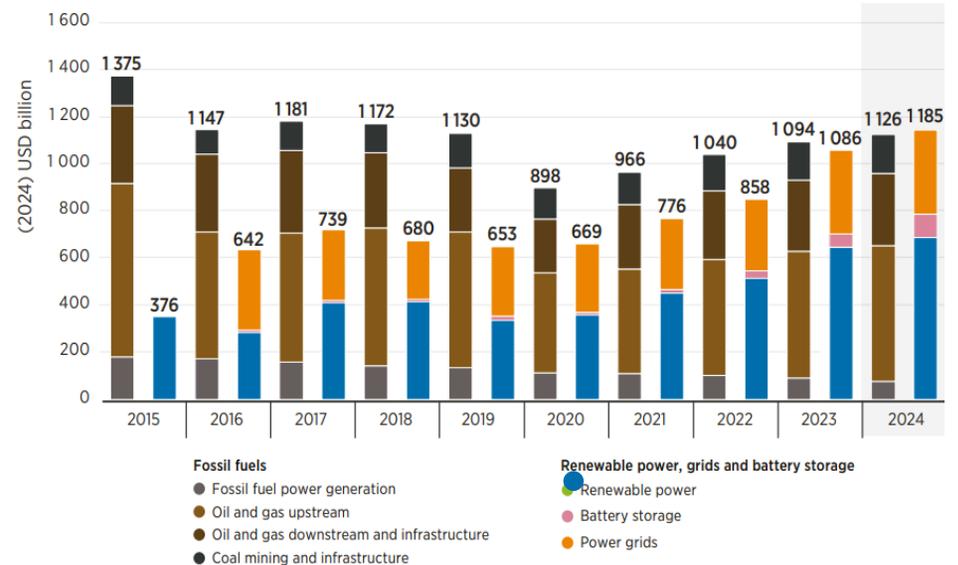
1 GRESB = Global Real Estate Sustainability Benchmark. 2 Nuveen Equilibrium Global Institutional Investor Survey, 2026. 3 IRENA Global Landscape Of Energy Transition Finance, 2025. 4 Net Zero Tracker. 5 New Buildings Institute. 6 ABI Research.

7 JLL. Soaring demand for low carbon offices will outstrip supply.

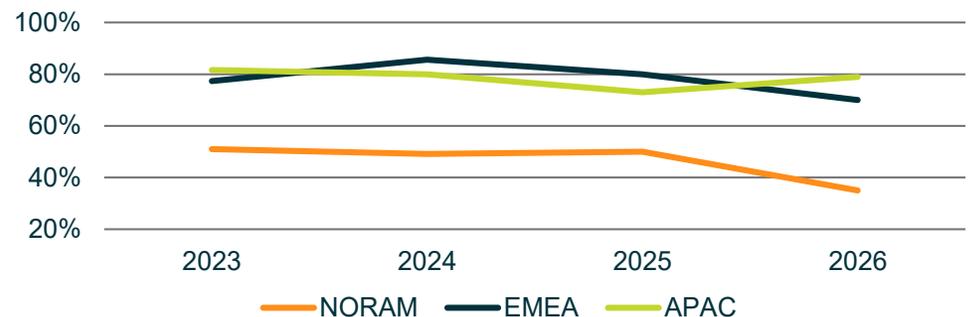
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Global annual investments in renewables, grids and storage versus fossil fuels, 2015-2024³



Investors considering/plan to consider NZC²

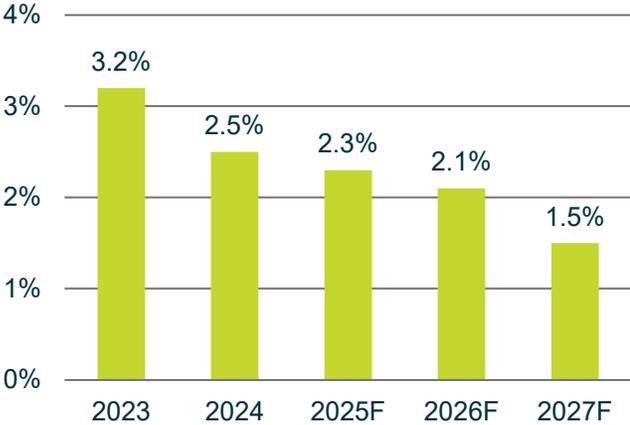


U.S. economics

Growth continued at a solid pace, but job growth has slowed and the economy is likely to moderate in coming quarters. The One Big Beautiful Bill Act introduces and renews tax cuts, which should help growth in 2026.

- Accelerated investment in A.I. infrastructure has stimulated growth in 2025, but the pace of employment growth has slowed noticeably
- The Federal Reserve responded to growth concerns by cutting interest rates throughout the 4th quarter. Rate cuts have paused again in early-2026 and long-term rates continue to hover above 4% amid lingering concerns over inflation.

U.S. real GDP growth



The U.S. economy continues to expand but the labor market remains a concern

In the U.S., President Trump’s policy agenda continues to shape the economic outlook for the coming year. The administration walked back many of the most damaging tariff measures towards the end of the year, but tariffs remain high relative to the start of 2025 and are likely to put upward pressure on prices in coming months. In addition, the administration’s border crackdown has already altered immigration trends and is likely to affect population and economic growth in the coming year. On the other hand, several tax provisions in the One Big Beautiful Bill Act went into effect at the start of 2026, which should provide some stimulus to U.S. businesses and households.

The U.S. economy slowed in the fourth quarter but remained generally solid, climbing at an estimated 1.7% annualized pace after robust growth in the second and third quarter. Consumer sentiment has slumped in recent months, but spending has held up well and business investment in expanding A.I. capacity continues to drive growth in the economy overall. The labor market has struggled in recent months however, driven by federal layoffs and reduced hiring from private employers. The economy shed 67,000 jobs in the fourth quarter, marking the first quarterly decline in the U.S. since the pandemic.

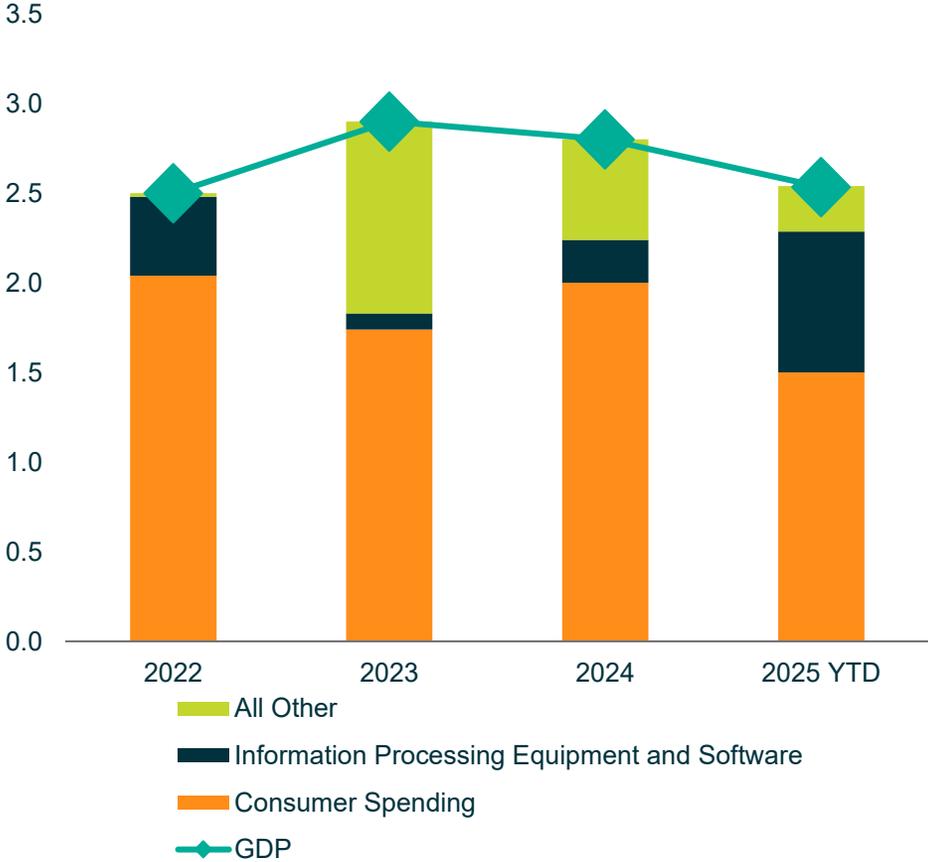
The Federal Reserve continued its rate cutting cycle in the fourth quarter, lowering the target federal funds rate by 25 basis points in both October and December to address weakening conditions in the labor market. Fed officials have signaled that future rate cuts are likely in 2026, but inflation remains stubbornly above the Federal Reserve’s target rate of 2% and tariff impacts are likely to put upward pressure on prices throughout the year. As a result, markets expect that the pace of rate cuts will slow, with 1-2 rates cuts anticipated in 2026. Yields on 10-year Treasuries were essentially unchanged in the fourth quarter, finishing the year at 4.18%.

Source: Moody’s Analytics, January 2026, Nuveen Real Estate Research.

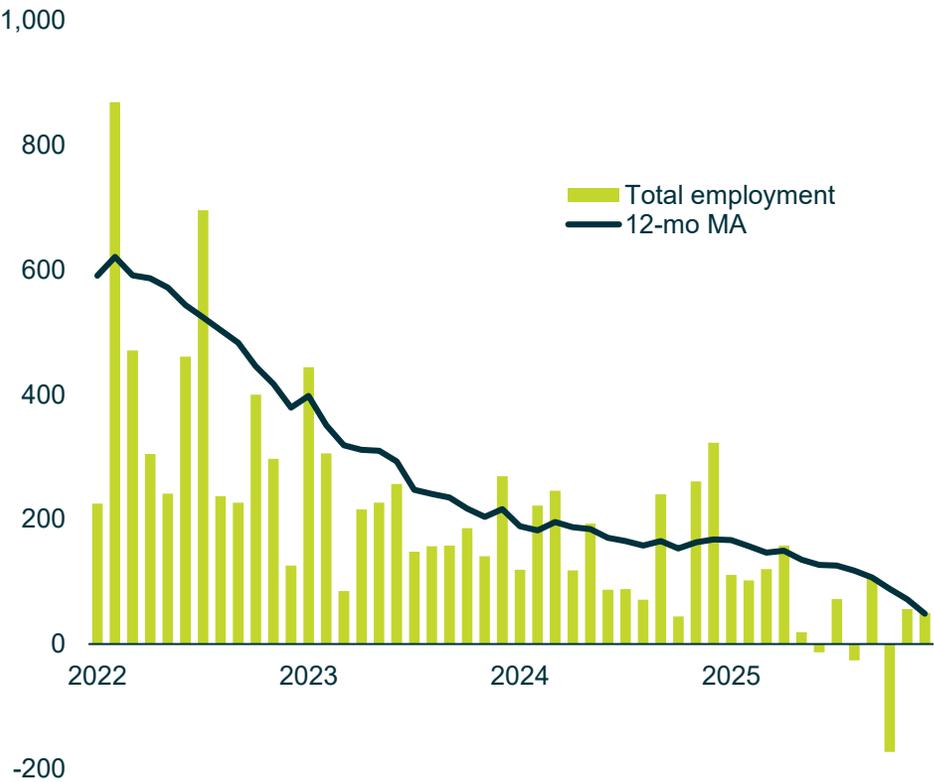
U.S. economics

Investment in A.I. related infrastructure and resilient consumer spending have kept economic growth strong in the recent quarter. Job growth has slowed however, raising concerns over the strength of the economy going forward.

Contributions to GDP growth



Employment growth, monthly change (thousands)

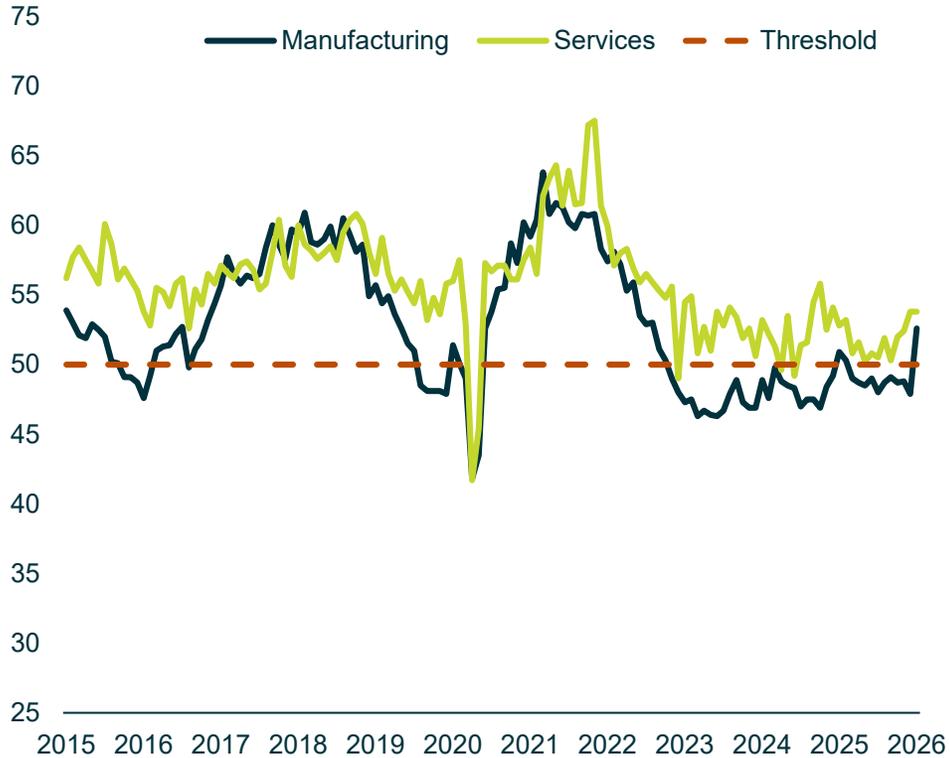


Source: Bureau of Economic Analysis, Bureau of Labor Statistics latest data though December 2025, most current as of 4 February 2026. Nuveen Real Estate Research.

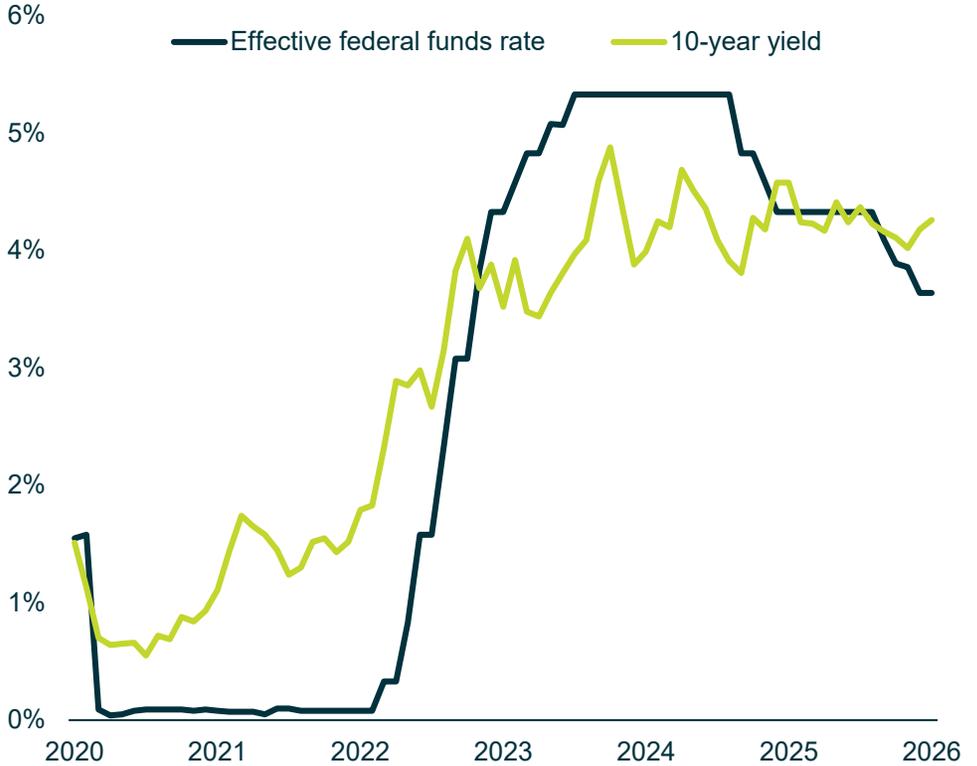
U.S. economics

Survey data shows some signs of life in the manufacturing sector and continued service growth at the start of 2026, prompting the Federal Reserve to pause rate cuts after reducing rates throughout the 4th quarter

ISM Purchasing Managers Index (>50 = expansion)



Interest rates, end of month



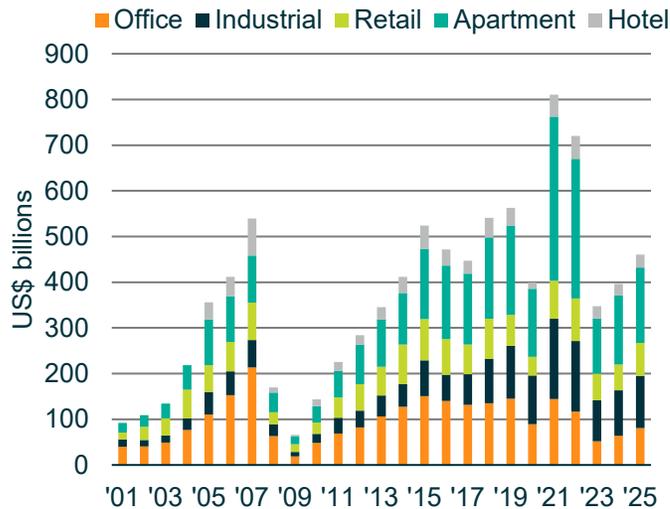
Source: Institute of Supply Management, Federal Reserve. Data through January 2026, most current as of 4 February 2026.

U.S. investment market

Sales volumes have likely reached its bottom as investors start to re-weight into the repriced asset class

- Momentum in deal activity continued through 2025, evidenced by a 23% increase year-over-year in 4Q25 and a 30% increase over 3Q25
- Institutional investors are under their target allocations for the asset class, which should support activity in 2025

U.S. real estate investment volume



Source: RCA, January 2026.

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Transaction volumes are increasing

The U.S. commercial real estate market continued its positive trend in 2025, with transaction volume rising 23% compared to a year earlier. Volume has increased for seven consecutive quarters, after nearly two years of annual declines in activity. All five property types recorded an increase in sales volume over 2024 levels.

An improving interest rate environment and increased availability of debt supports transaction activity

A major driver of the increase in transactions is the improved interest rate environment. The rate cut in October 2025 and the anticipation of additional easing will likely stimulate new deal and refinancing activity. With traditional real estate lenders more active, the increased availability of debt has caused spreads to tighten, helping to offset a higher rate environment to a degree.

Pricing has stabilized

Pricing trends across most of the major commercial property sectors eased in the fourth quarter of 2025. Pricing momentum expanded beyond the industrial and retail sectors in 2025 to include the office sector. Suburban office pricing has shown momentum, with prices up 2.7% from a year earlier. The industrial sector recorded a 2.0% year-over-year increase, and retail grew by 0.2%.

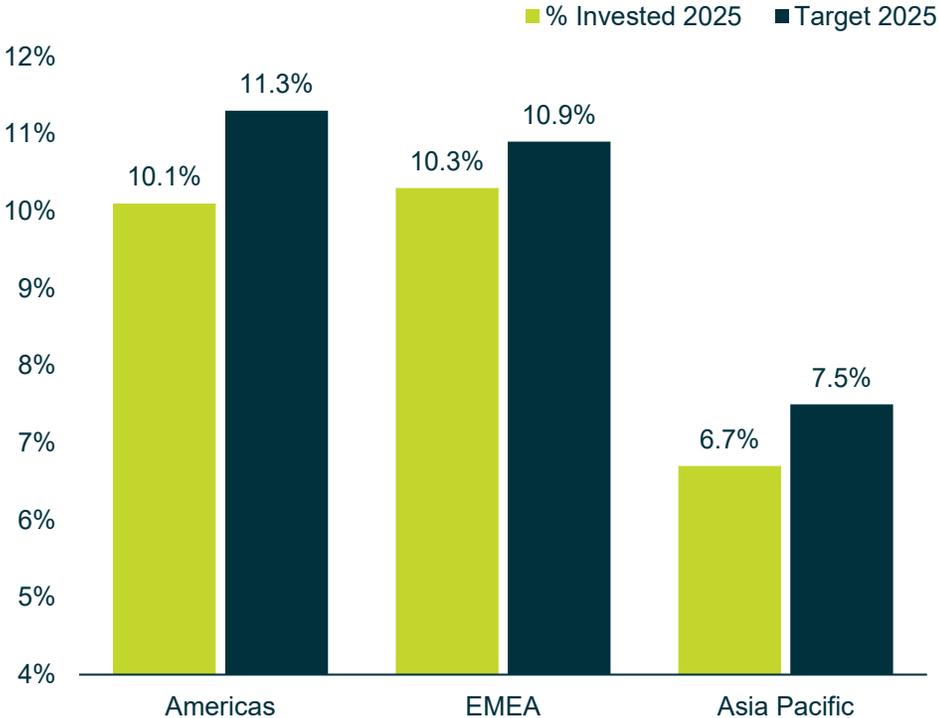
Global institutional investors are now below their target allocations

Globally, institutions are below their target to real estate, which should help support investment activity into 2026 as investors look to rebalance into a repriced asset class.

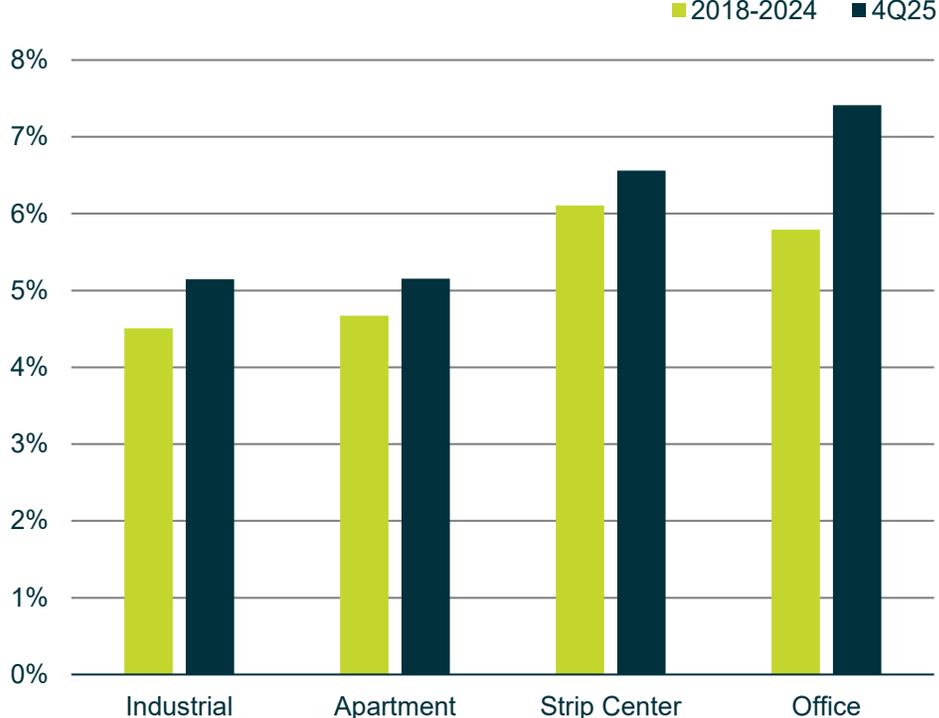
U.S. investment market

Global institutional investors remain under allocated to real estate with the gap between target and actual allocations widening year-over-year. This should support investment volumes in 2026. Meanwhile, repriced assets with higher entry yields makes for a compelling investment opportunity.

Current investor allocations to real estate are below target



Cap rate expansion creates opportunities for new investment



Source: Hodes Weill 2025 Allocations Monitor (October 2025); Green Street (January 2026); Nuveen Real Estate Research (January 2026).

U.S. office

The market is stabilizing with record low supply over the mid-term, setting up a potentially strong recovery for high-quality assets.

- A recovery is underway with two quarters of positive net absorption
- Construction starts remain near record low rates setting up a future shortage in high-quality options for tenants
- High-quality assets continue to gain market share as most tenants seek quality over value
- Tenants are generally spending more rent on a per square foot basis as they look to consolidate while increasing the quality of their space
- New York has been the top performing Gateway market thanks in part to a stronger return to office than other markets
- Sun Belt markets continue to perform well thanks to stronger job growth and weaker recent supply growth

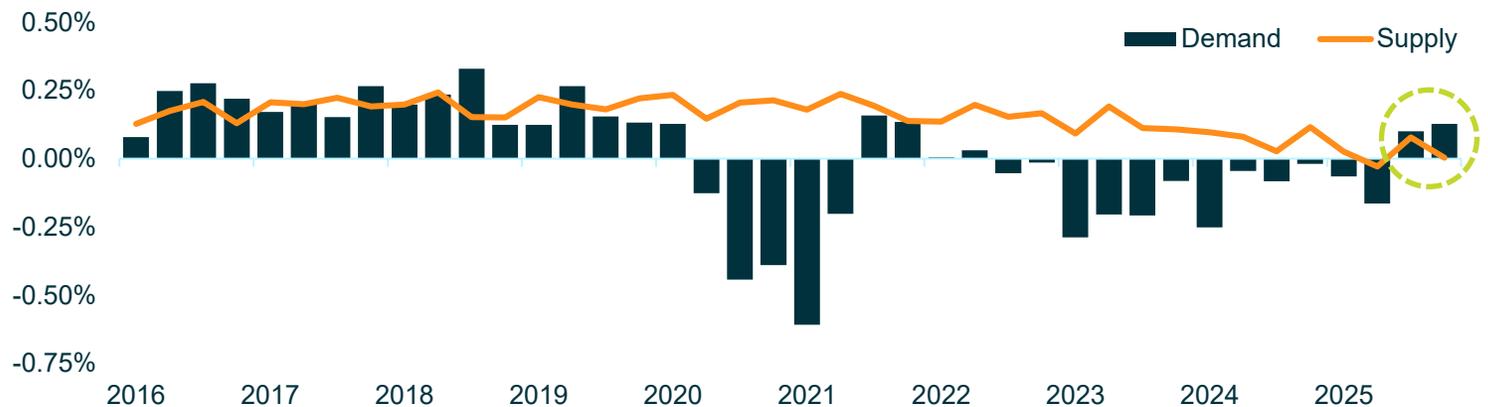
Net supply is hovering near zero as obsolete space is removed from the market

Fundamentals have stabilized but remain historically weak. Vacancies decreased in the fourth quarter to 14.8%, falling by 13 basis points over the quarter, but still up by 7 basis points over the year. Net absorption was positive during the fourth quarter for the second consecutive quarter, totaling +0.13% of the existing inventory. Over the full year, net absorption was essentially flat. Leasing activity continues to incrementally improve and is now back to 86% of the previous decade's annual average. Starts remain near an all-time low. An expected shortage in new inventory over the mid-term should be beneficial to existing Class A assets, as tenants will have limited options for newer space.

Cyclical weakness persists. Secular challenges normalizing

The focus has been on the secular challenges caused from remote working, but cyclical challenges are often ignored. Since the Fed first raised interest rates in 2022, office-using jobs remain 1.1% below the 2022 peak. Stricter return-to-office requirements and pre-pandemic lease expirations make this less of a drag on demand going forward.

Quarterly change in supply and demand as a % of inventory



Source: CoStar Group, Inc. (Q4 2025), Nuveen Real Estate Research (February 2026).

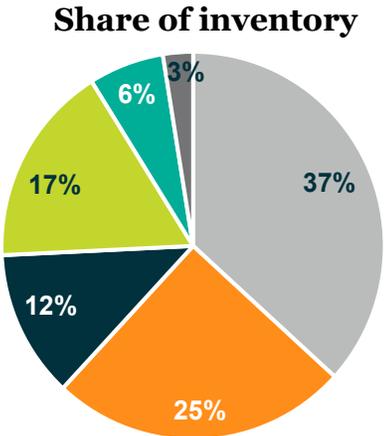
Note: Data based on Nuveen's 34 Resilient U.S. Cities.

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U.S. office

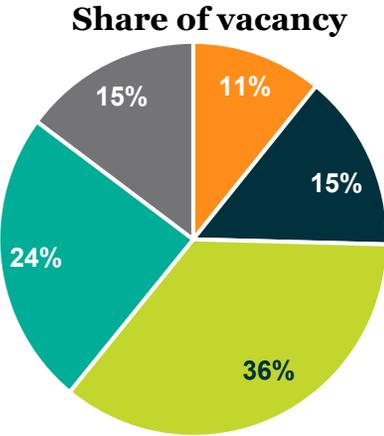
Nearly two-thirds of U.S. office buildings are more than 85% occupied

Vacancy is highly concentrated

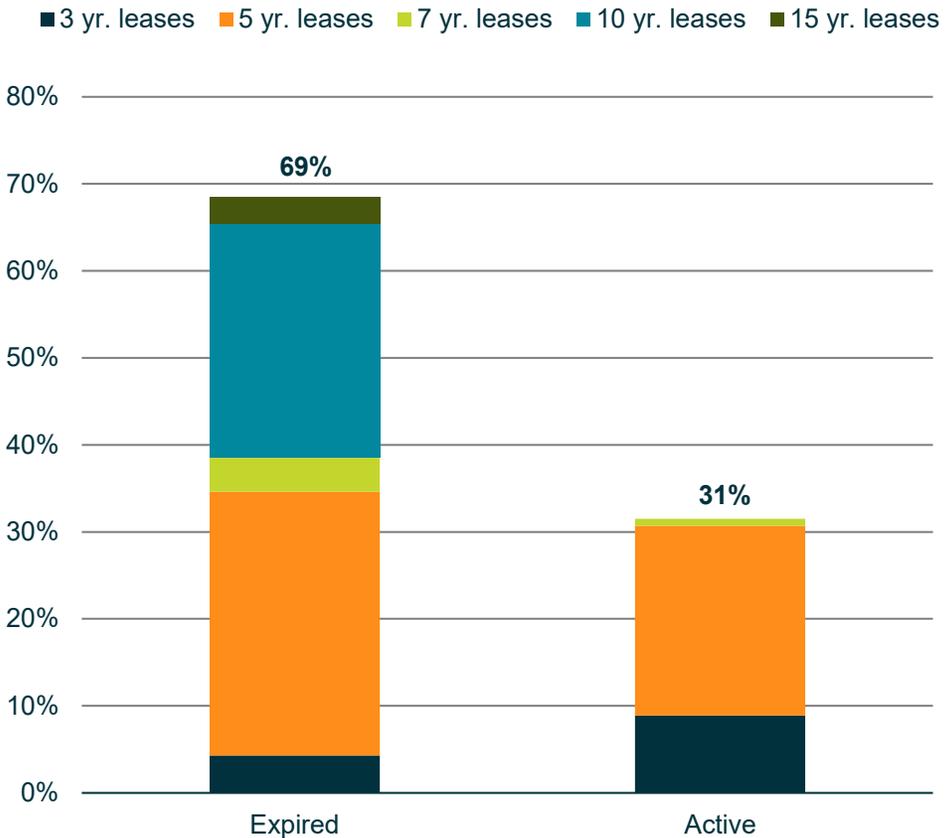


Property-level vacancy

- No vacancy
- Less than 15% vacant
- 15% to 25% vacant
- 25% to 50% vacant
- 50% to 90% vacant
- More than 90% vacant



Estimated pre-pandemic lease expirations by term



Source: CoStar Group, Inc. (Q4 2025), CompStak, Nuveen Real Estate Research (January 2026).
 Note: Data based on Nuveen's 34 Resilient U.S. Cities.

U.S. medical outpatient

Aging population and shift to outpatient care underpin strong demand

- A continuing shift to outpatient care and away from hospitals is driving MOB demand
- Aging demographics should continue to put downward pressure on vacancy. The 75+ population is expected to grow by 68% between now and 2040.
- Already tight fundamentals should only strengthen further as developers pull back. Existing landlords will gain enhanced pricing power.

Medical Outpatient Buildings (MOBs) deserve investors' attention now

MOBs presents a rare combination of strong fundamentals, demographic tailwinds and an attractive entry point. MOBs have delivered superior risk-adjusted returns while maintaining remarkable resilience through economic cycles.

Providers continue long-term shift to outpatient care

The ongoing secular shift in patient visits from hospitals to outpatient continues to benefit medical office buildings and ambulatory surgical centers. Outpatient visits reduce healthcare costs for both the patient and the provider. Over the past decade, hospital admissions declined 10% while outpatient visits increased 13%.

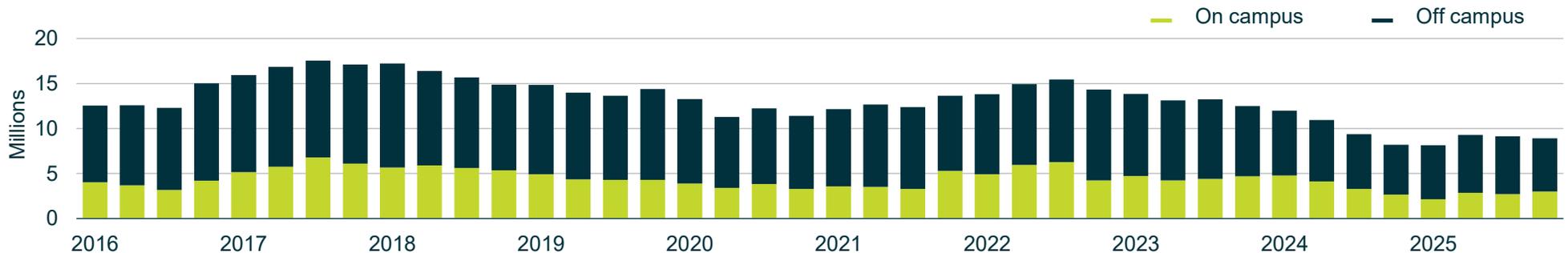
A demographic transformation is underway

Seniors spend three times more on healthcare than younger adults and are responsible for 37% of all healthcare spending despite being a much smaller, but rapidly growing segment of the population. Seniors, represented by those aged 75 and older, are expected to grow by 68% between now and 2040.

Slowing starts will lead to a supply shortage

Occupancy is at a cyclical high level of 93% with demand outpacing supply for 19 straight quarters. Construction starts remain well below typical levels, setting up a medical office shortage in the coming years.

Construction starts cut in half since early 2022 peak



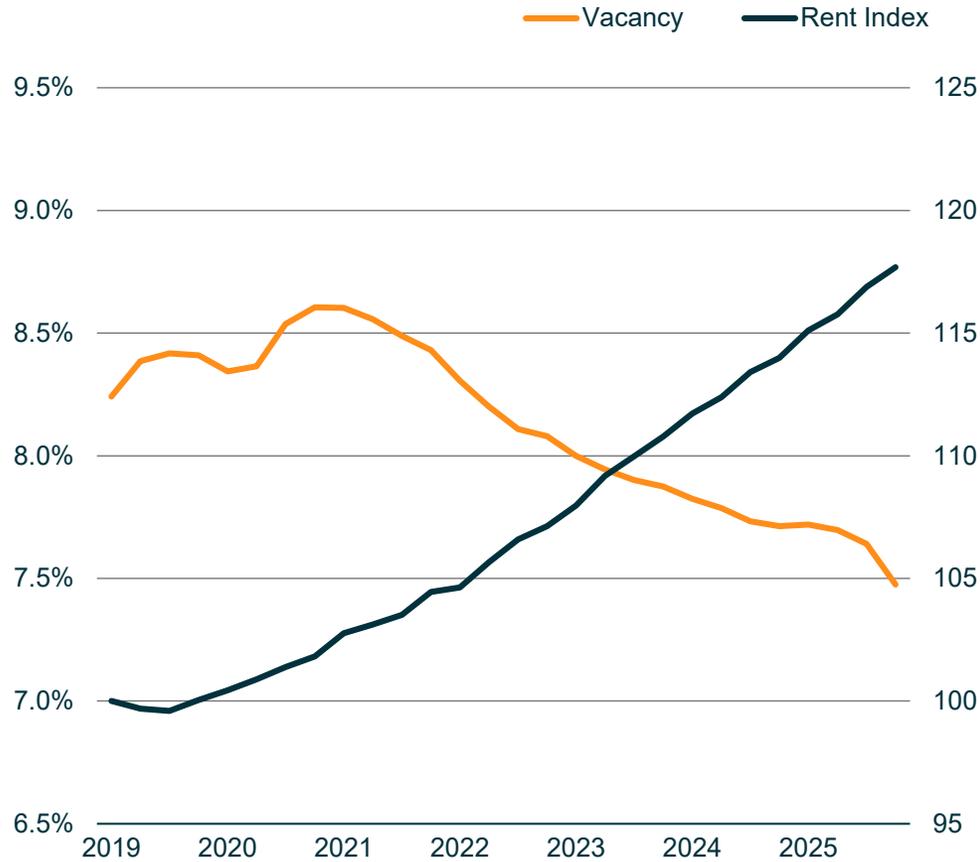
Source: Revista (Q4 2025), Nuveen Real Estate Research (January 2026).

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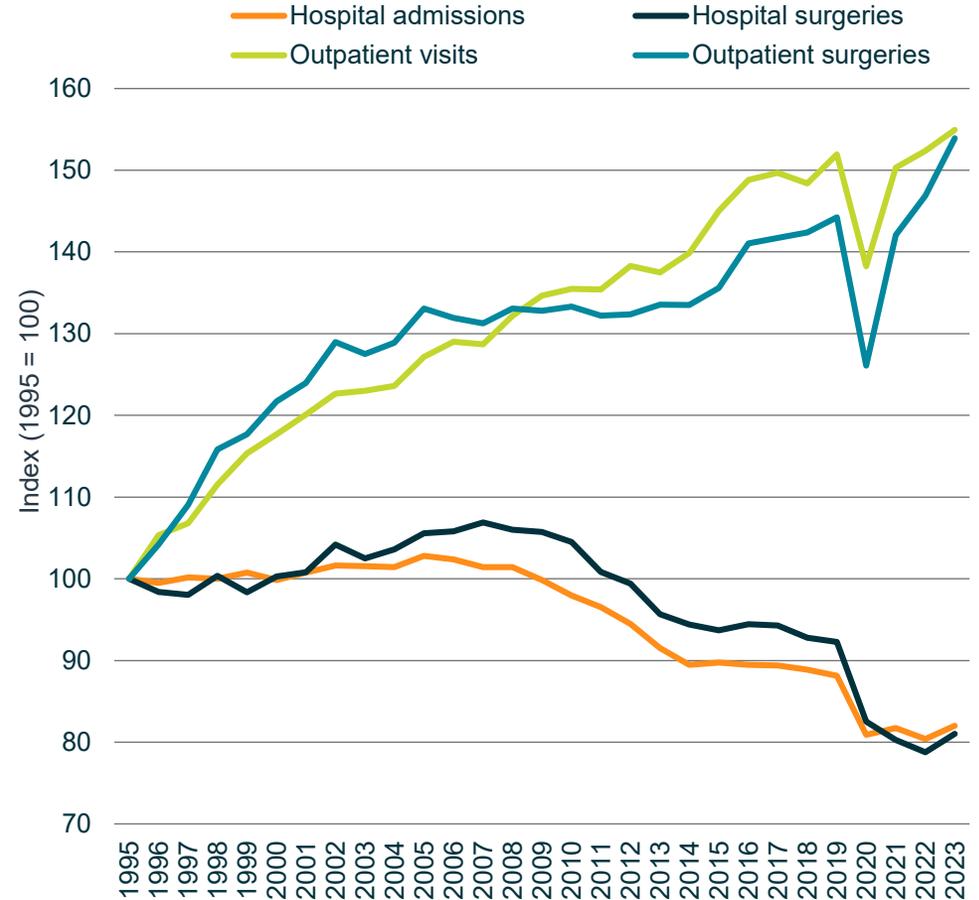
U.S. medical outpatient

Fundamentals have never been stronger

Vacancy and rent



Outpatient care continually gains market share



Source: Revista (Q4 2025), American Hospital Association (June 2025), Nuveen Real Estate Research (January 2026).

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U.S. retail

Strategic investment themes are aligned

- Property fundamentals are healthy, particularly across open-air and necessity segments with vacancy rates below their long-term average
- The best opportunities for investment are grocery-anchored and open-air centers that fulfil daily needs which consumers visit multiple times a week

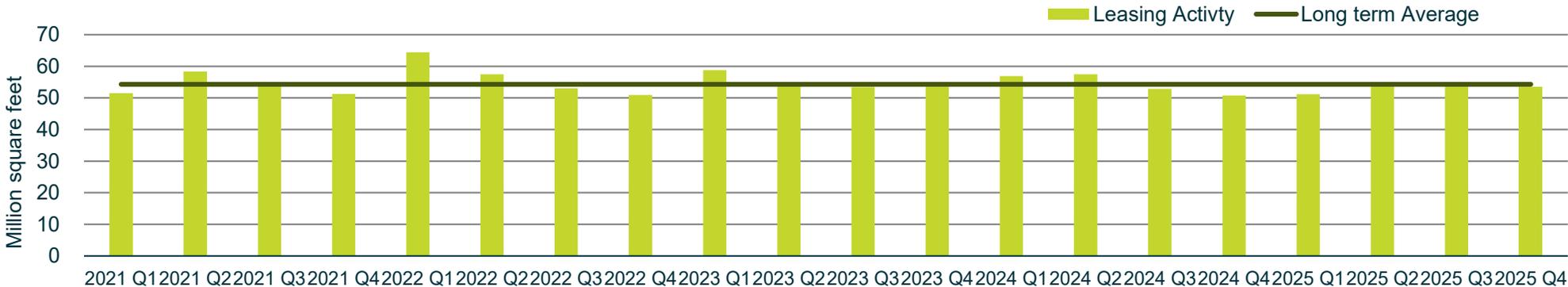
Necessity retail is positioned to outperform

We maintain high conviction in this segment of the retail market and believe the sector is poised to outperform given its healthy fundamentals. As consumers continue to require essential goods and services, trade down, seek convenience and stay local due to hybrid work, we remain focused on retail formats which will benefit.

Vacancy at open air-shopping centers remains tight on the back of steady tenant demand. Construction activity remains depressed, which will support occupancy in many markets. Leasing activity remained intact through tariff volatility and is projected at ~221 million sq ft during 2025, keeping inline with 2024 levels. At 6.3%, vacancy remains near historic lows. As a result, market rent growth remains healthy and reached 2.6% year-over-year. Prospects for future growth remain favorable and may surprise to the upside with vacancy remaining below its historical average.

We see several strategic investment themes and property attributes aligning which make for an attractive entry point in the coming year. Values for high-quality retail real estate have seen growth during 2025. The inefficiency of the capital markets and uncertainty around tariff policy are keeping investors on the sidelines. Investor sentiment is shifting towards what we expect to be a strong buying opportunity. In our view, these factors set the stage for compelling investment conditions and a better vintage year.

Retail leasing activity remains robust

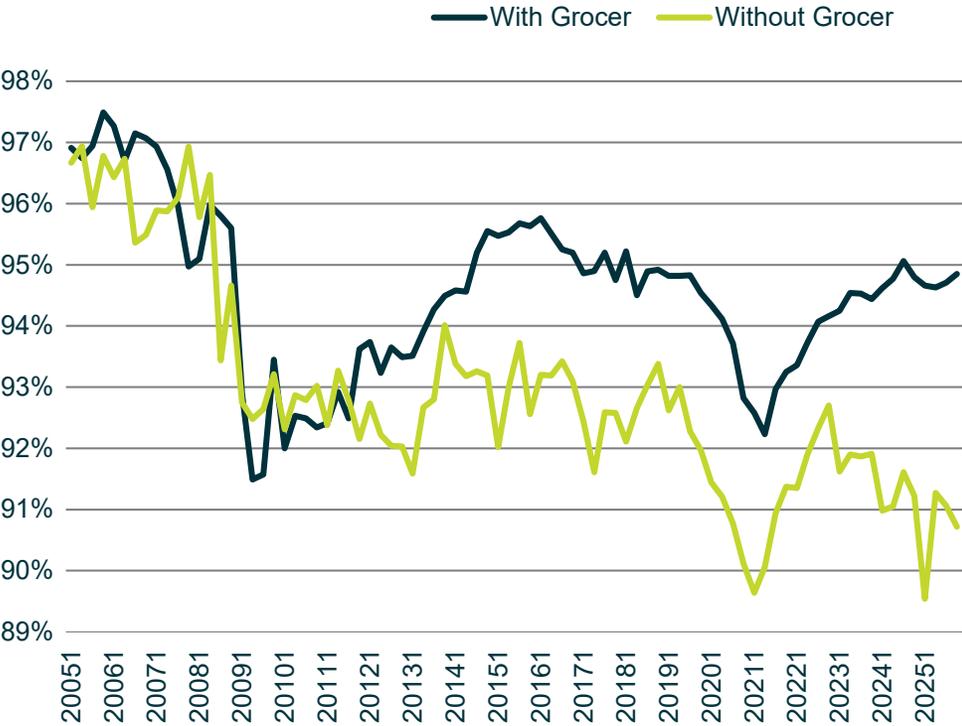


Source: Costar, data as of 4Q25.

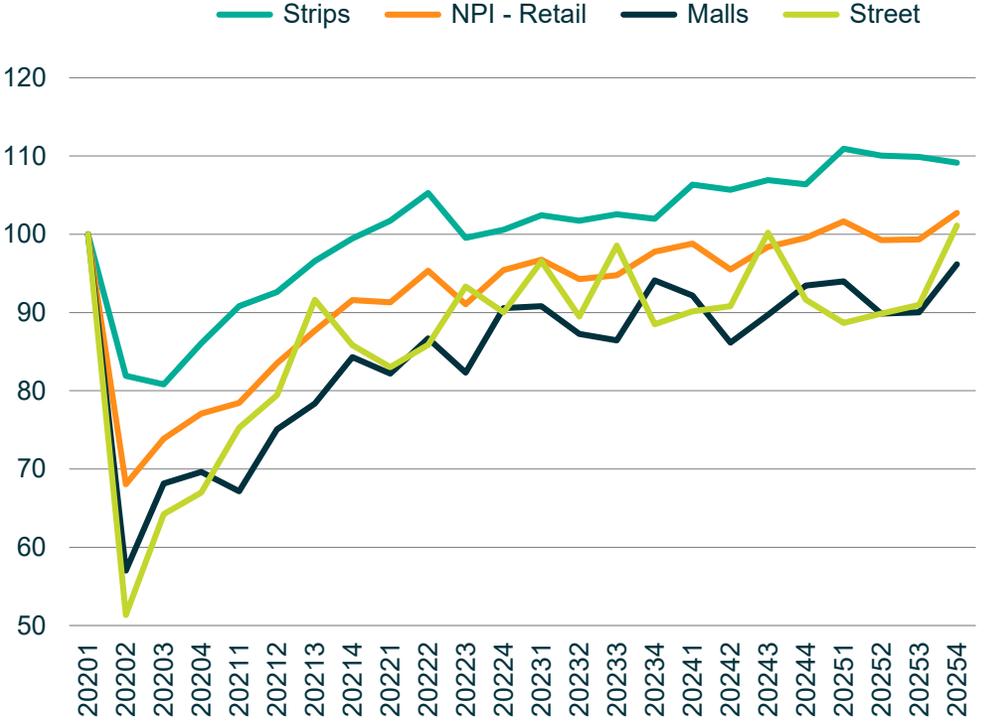
U.S. retail

Necessity retail fundamentals remain resilient

Strip center occupancy rates
Occupancy rates at grocery-anchored centers outperform



Strip centers lead NOI growth
Annualized NOI Growth, Index 100=1Q20

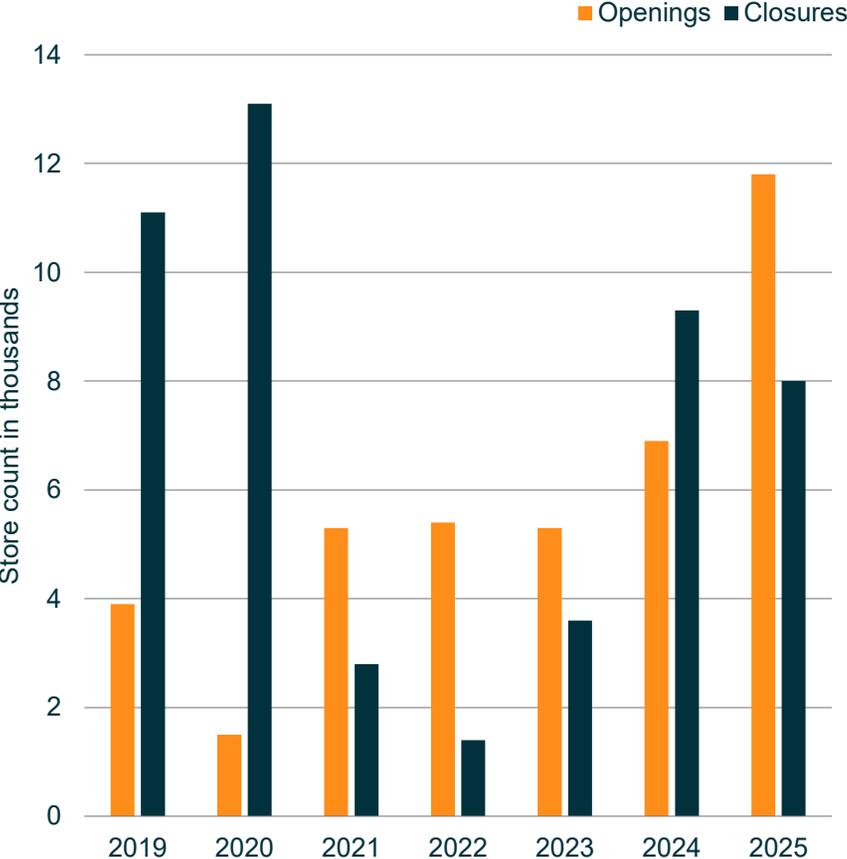


Source: NCREIP Property Index, data as of 4Q25.

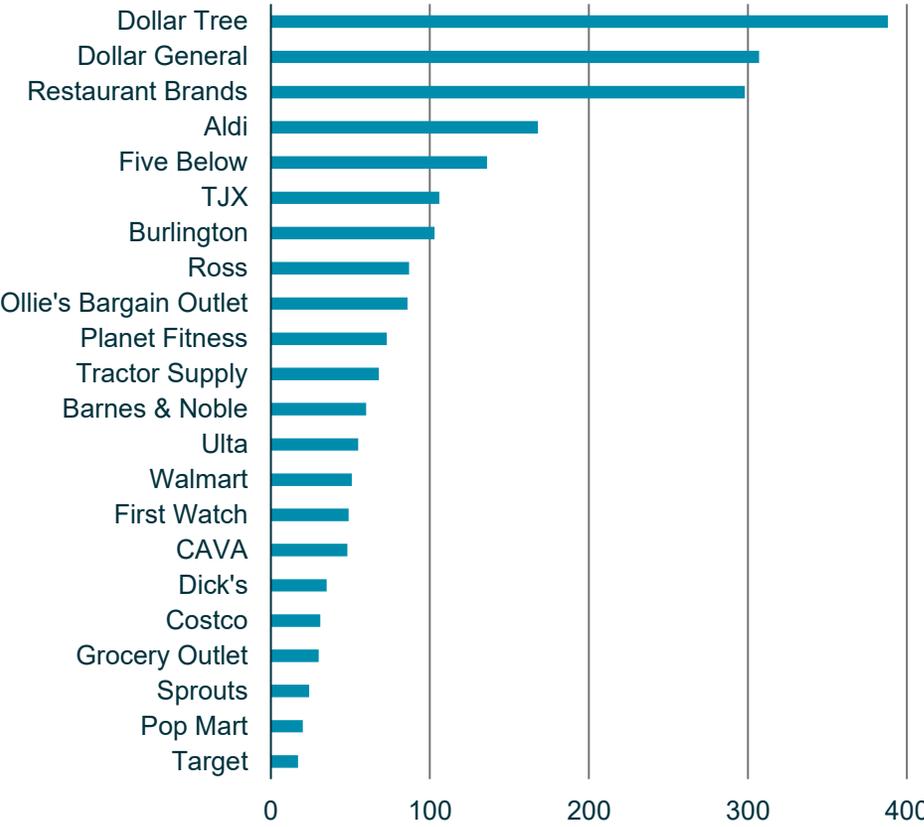
U.S. retail

Store openings outpaced closures in 2025. Discount dominates store growth.

2025 announced store openings & closures



Chains opening stores in 2025 & 2026



Source: PNC Market Research, ICSC Research, Green Street & NRE Research. Data as of 4Q25.

U.S. industrial

Demand improved significantly to end the year, and continued moderating supply should bring stability to industrial fundamentals

- Demand growth reached a three-year high in Q4, boosted by pent up demand
- Uncertainty surrounding trade policy remains a risk area, but demand is likely to be stronger in 2026
- Smaller spaces have consistently experienced lower vacancy over the last 20 years, as development is overwhelmingly concentrated in larger building sizes

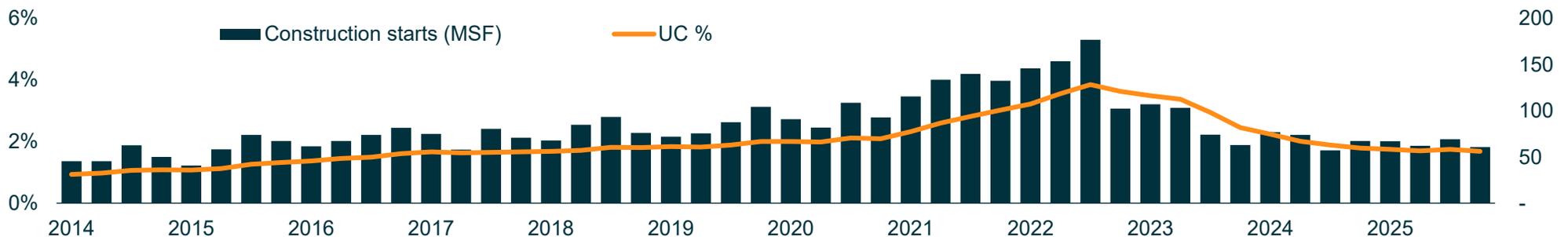
Industrial demand improved as tariff concerns eased in fourth quarter

Fundamentals in the industrial sector struggled though much of 2025, as a combination of subdued activity in the manufacturing and housing sectors and uncertainty surrounding tariff policy translated into occupiers delaying expansion plans, instead focusing on consolidating or optimizing their supply chains. The Trump administration has begun to walk back many of the most punitive tariffs, however, and data suggests that demand began to rebound at the end of 2025. Results from CoStar show the strongest quarter of demand growth in three years. Supply growth also picked up slightly in the fourth quarter but vacancy held steady at 7.4%.

On the supply side, the industrial construction pipeline has quickly normalized after a surge in development activity from mid-2022 through mid-2024. There was only 318.2M sq ft of industrial space representing 1.7% of existing inventory under construction at the end of 2025. This is the lowest the construction pipeline has been since the start of 2018 and is an encouraging sign that supply growth will remain constrained throughout 2026.

Vacancy conditions have consistently been lower for light industrial (<250k sq ft) properties over the last decade. While there are exceptions in certain markets, most of the recent supply growth has been concentrated in larger building sizes and light industrial properties face significantly less supply risk. Vacancy among these smaller buildings has also risen over the past two years, but preliminary results from Q4 show light industrial warehousing vacancy at 7.0%, well below the 10.7% vacancy in bulk warehouses according to CoStar.

Construction starts remain near decade-lows



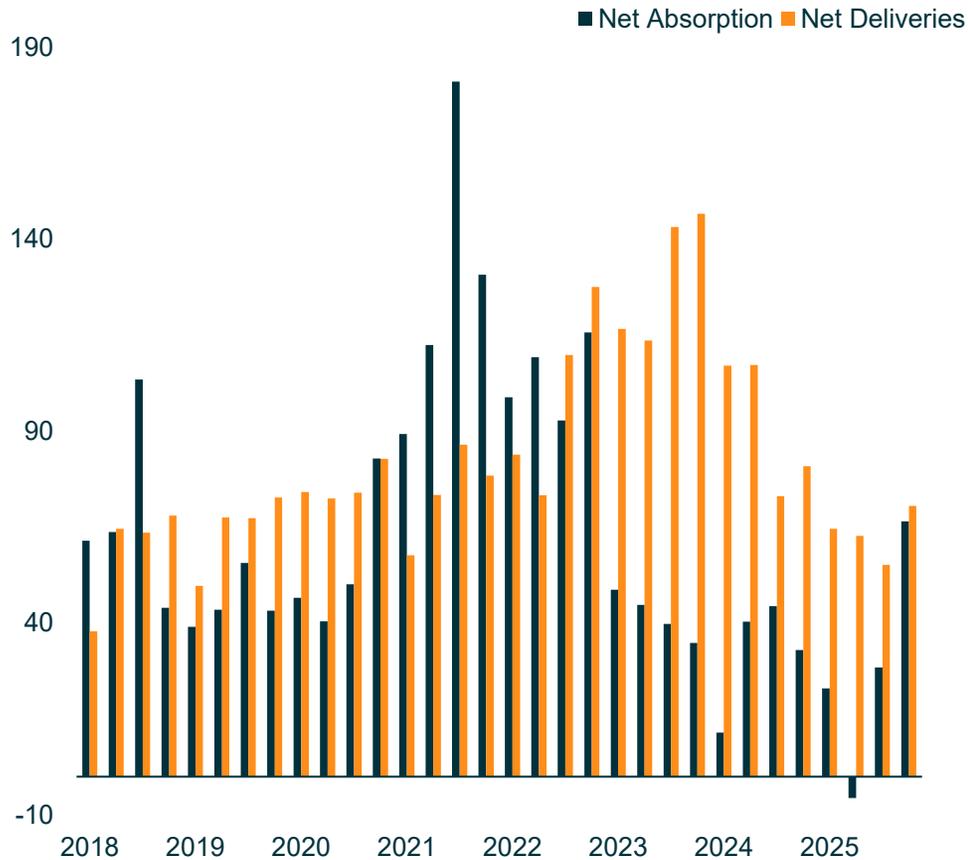
Source: CoStar as of February 2026, Nuveen Real Estate Research.

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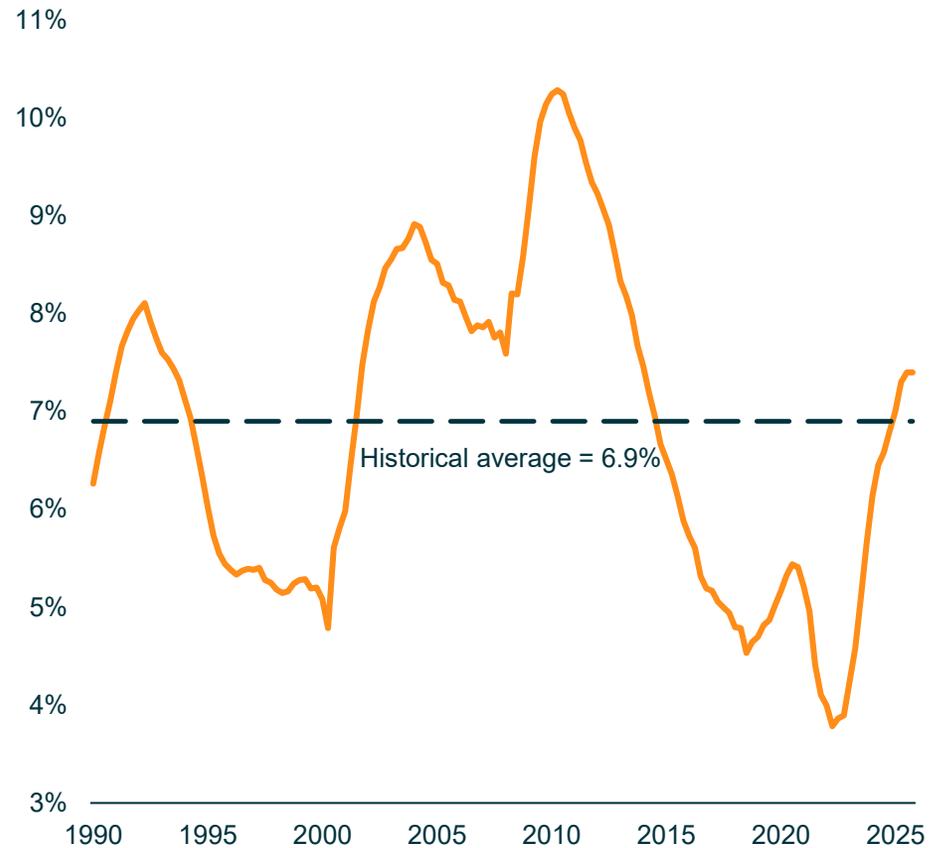
U.S. industrial

Net absorption hit the highest point in three years as industrial vacancy held constant, albeit above historic norms

Industrial net absorption and deliveries (MSF)



Industrial vacancy rate



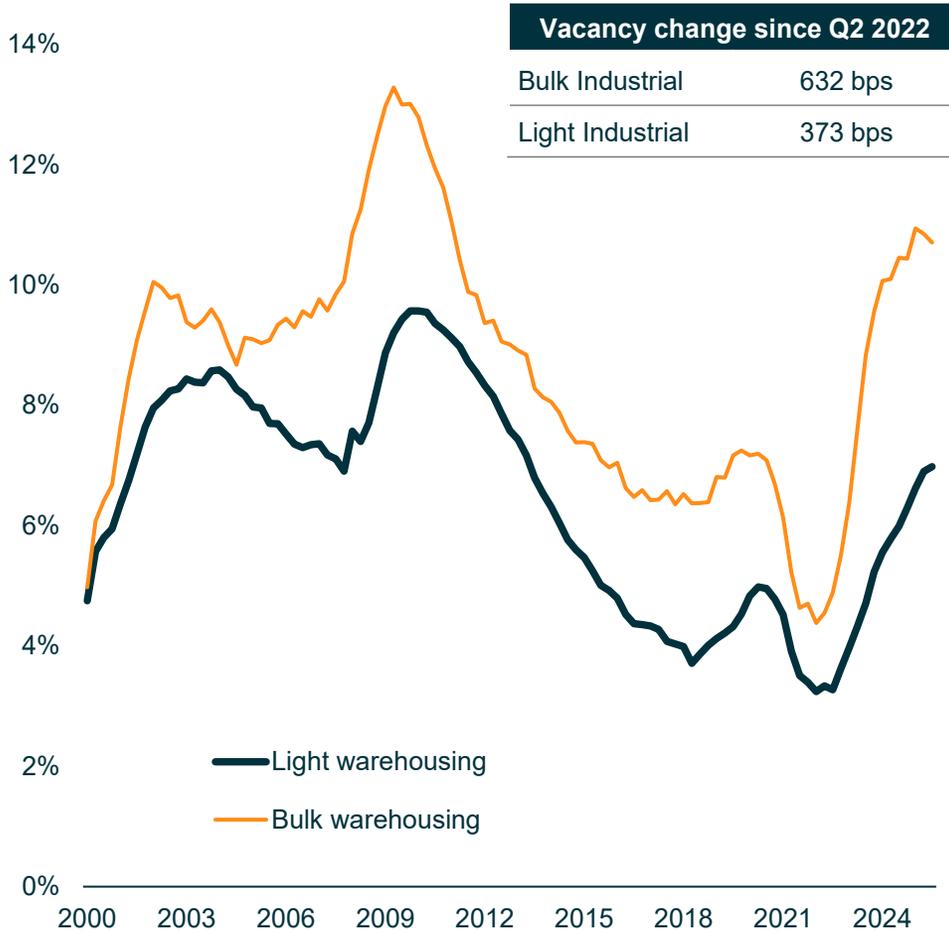
Source: CoStar as of February 2026/Nuveen Real Estate Research.

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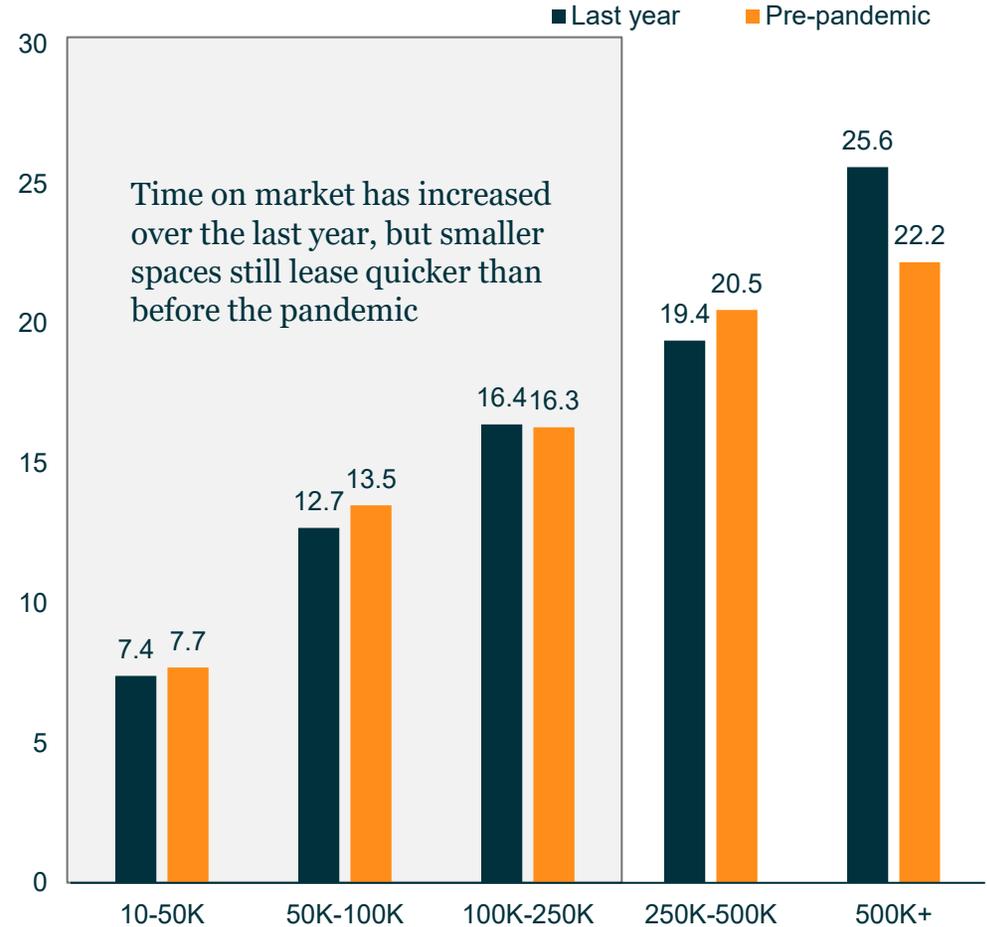
U.S. industrial

Vacancy has consistently been lower in buildings under 250,000 sq ft, and smaller building sizes typically spend less time leasing when vacant

Warehouse vacancy rate



Average industrial months on market



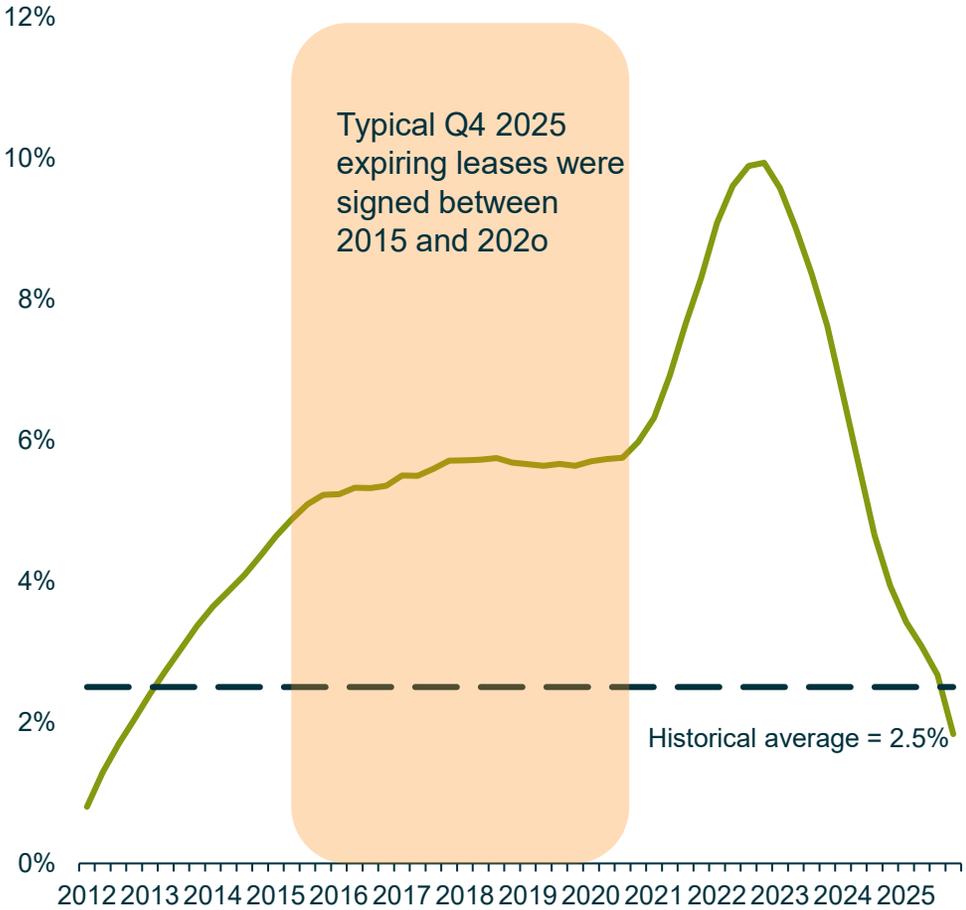
Source: CoStar as of February 2026/Nuveen Real Estate Research. Pre-pandemic trends refer to leases signed in 2018 and 2019.

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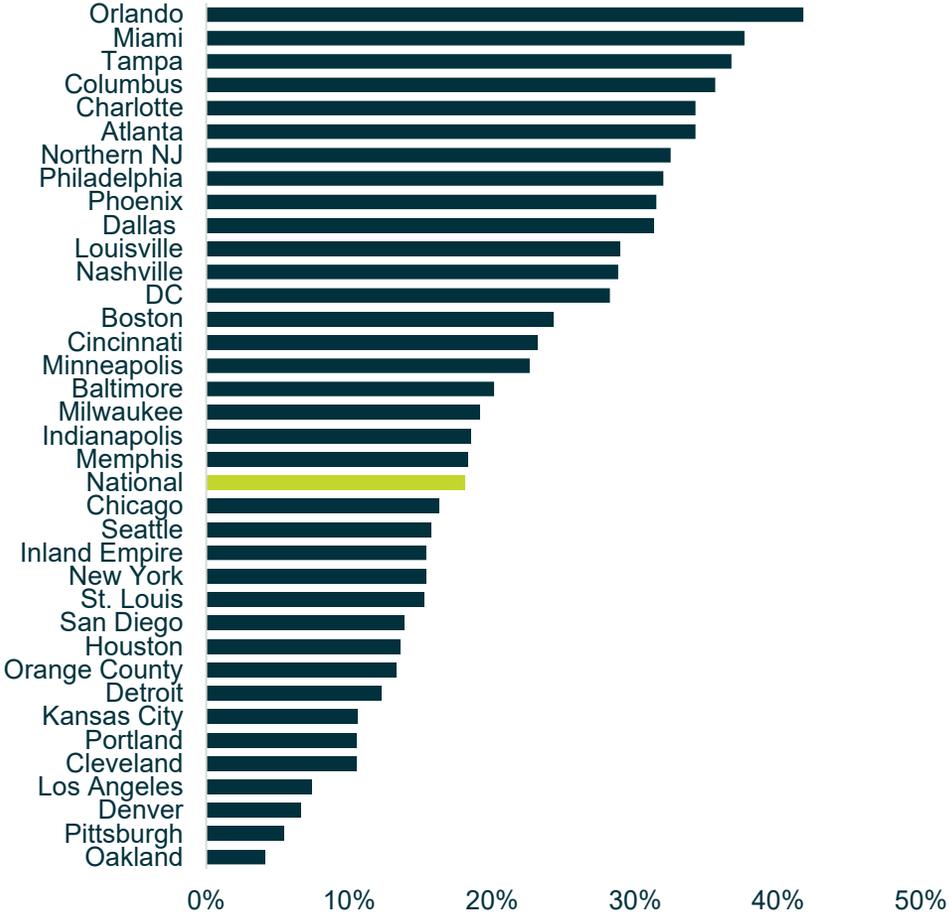
U.S. industrial

Rent growth has dipped below historical averages in the sector, but significant gaps exist between in-place rents and market rents in most markets as many expiring leases were signed before the surge in industrial rents

Market rent growth (year-over-year % growth)



Market rent gap



Source: CoStar as of February 2026/Nuveen Real Estate Research. Market rent gap is the percentage difference between market asking rents in Q4 2025 and an expiring five-year lease signed in Q4 2020 at market rents with 3% annual escalations.

U.S. housing

The pullback in construction will be a secular tailwind for the market’s recovery over the medium term

- Apartment occupancy stood at 93.7% in Q4 2025
- Apartment rents grew 0.1% year-over-year in Q4 2025
- Single-family rents grew 2.1% year-over-year in November 2025

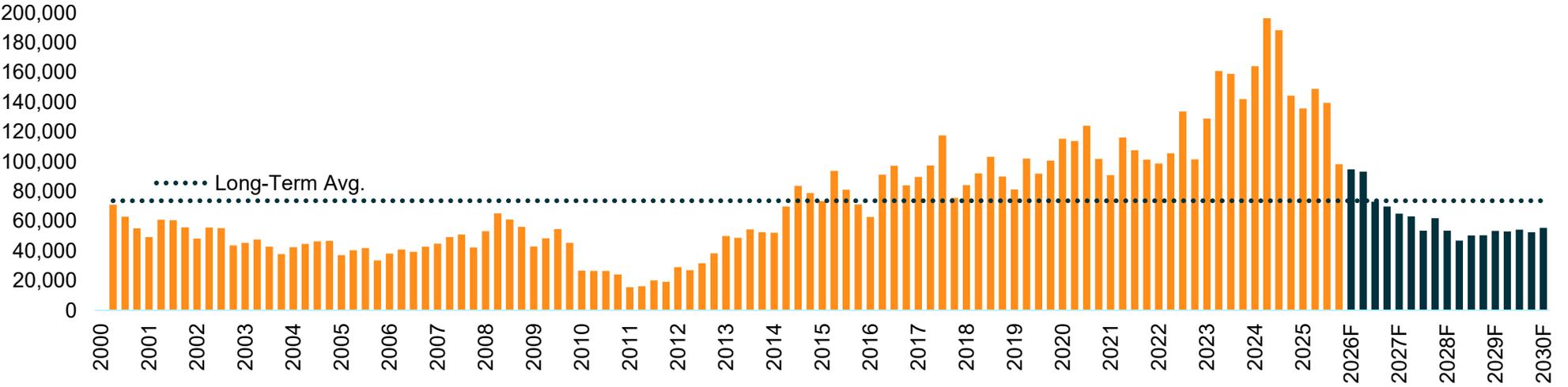
Apartment starts at lowest level since 2012

The U.S. apartment market is transitioning to a more balanced supply-demand dynamic after a historic wave of new deliveries and absorption. Markets that have experienced the greatest supply growth continue to exhibit challenged fundamentals including negative rent change. Nationally, peak supply has delivered and starts in Q4 2025 were at the lowest level since 2012, according to CoStar. As a result of relatively lower new supply in the years ahead, we expect apartment fundamentals to improve.

Single-family rental growth is decelerating due to increased supply

Single-family rental growth, while positive, is decelerating due to increased housing supply. Single-family rents grew 2.1% year-over-year in November 2025, according to John Burns Research & Consulting. Single-family rentals are favorably positioned to benefit from various demand drivers in the next several years including the demographic wave into the prime single-family rental age cohort, continued migration to suburbs and Sunbelt markets, millennials outgrowing apartments and millennials’ financial headwinds to homeownership.

Apartment quarterly deliveries

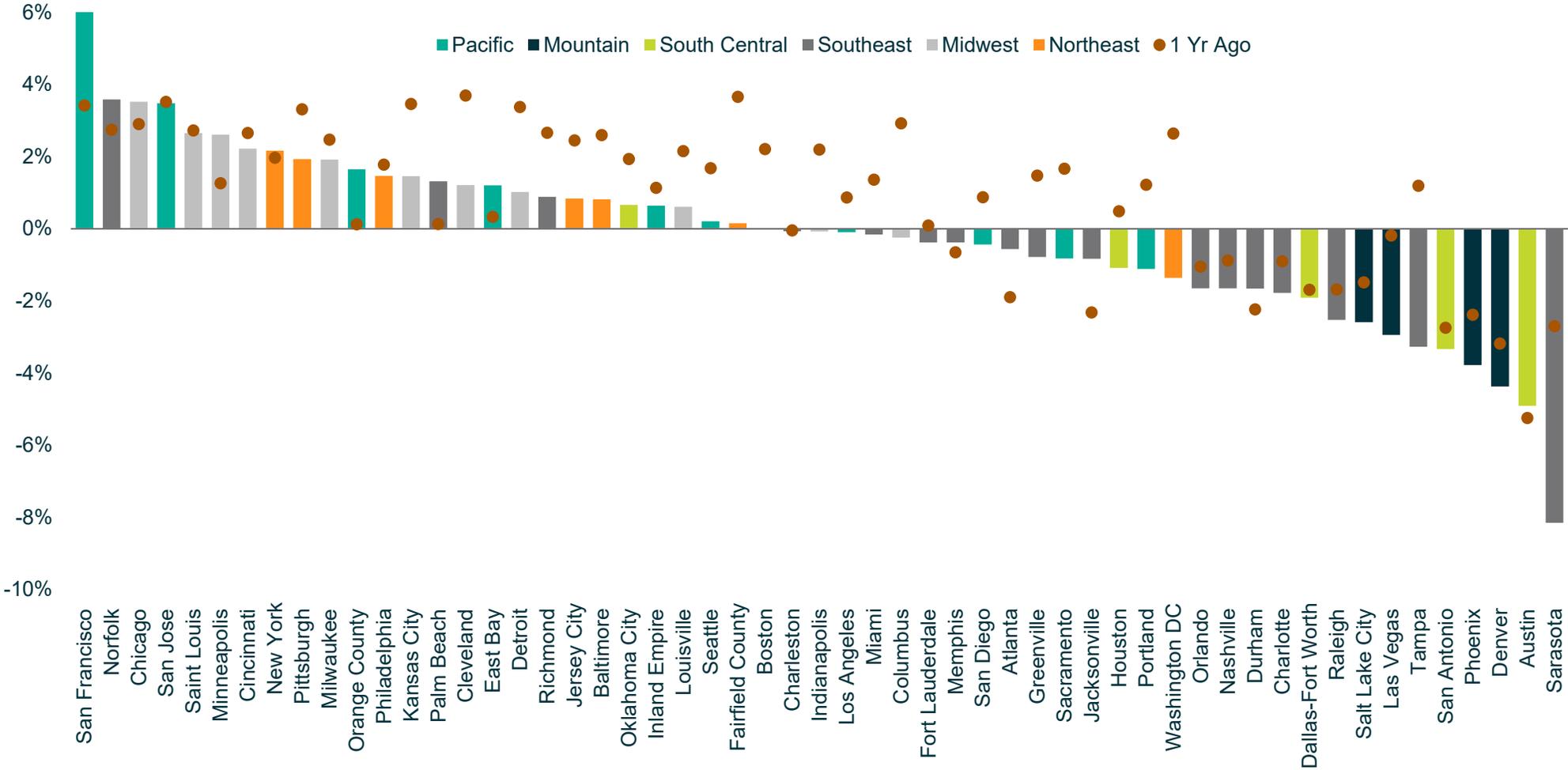


Source: Nuveen Real Estate Research; CoStar; John Burns Research & Consulting, as of February 2026.

U.S. housing

While demand remains strong, high supply growth markets are exhibiting rent growth pressure. However, many markets are past peak supply, boding well for future fundamentals.

Apartment rent change by market

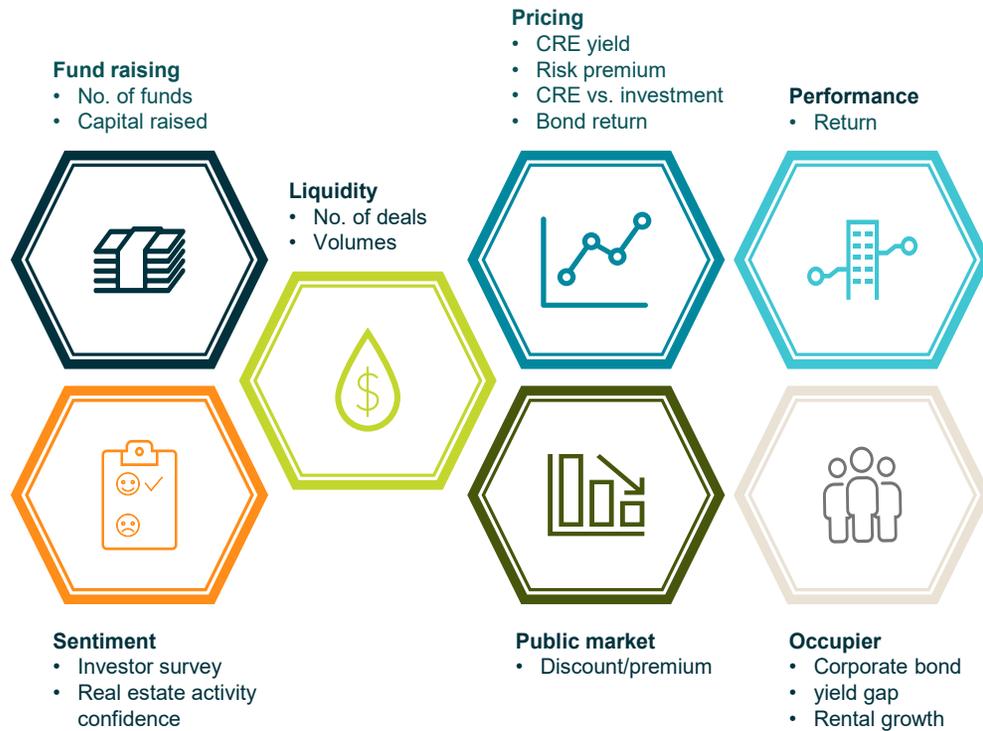


Source: Nuveen Real Estate Research; CoStar, as of February 2026.

3. Europe

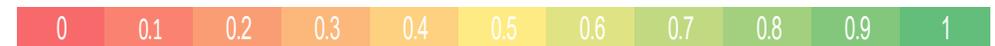
CRE health index: stuck in the cycle

The European Health Index aggregates a range of indicators to assess the condition of the private real estate market. Data since 2024 suggests the market has broadly moved sideways, with occupier fundamentals remaining a standout while fundraising has been volatile.



Period	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Fundraising	Yellow	Orange	Light Green	Yellow	Yellow	Green	Dark Red
Sentiment	Yellow	Green	Green	Green	Green	Green	Green
Liquidity	Orange	Orange	Light Green	Light Green	Orange	Orange	Orange
Pricing	Orange						
Public Market Signal	Light Green	Light Green	Light Green	Yellow	Orange	Orange	Orange
Performance	Orange	Yellow	Yellow	Light Green	Yellow	Yellow	Yellow
Occupier	Light Green						

Index illustration: sliding scale from dark red (worst) to dark green (best)



Source: Nuveen Real Estate 2025.

Europe: Top picks for 2026

Top picks for 2026

Debt

Whilst risk return profile has softened (for prime assets), the wider market stays elevated vs. historic long-term average

Neighborhood retail

Growing city suburbs and limited supply risk drive rental growth – opportunity for investors to move back into retail with strong income profiles and enhanced liquidity

PBSA

Follow the money: investor interest at all time high and supported by growing international students and limited stock

Logs

Broader leasing activity picking up but be more selective on asset pick. Focus on multi-let assets in Germany, The Netherlands, Spain & U.K.

Core market misprice

A German rebound? If we believe in the strong economic recovery forecast for Germany. Pricing looks attractive.

European economics

European momentum is firming, despite an uncertain global trade backdrop

- Eurozone GDP grew 0.3% q-o-q in 2025, with full-year growth at 1.5%, up from 0.9% in 2024, exceeding expectations
- Sentiment strengthened across countries and sectors, with early signs of industrial revival expected to gain momentum in 2026 from defence and German infrastructure spending
- EU-US trade tensions highlight that trade policy uncertainty is becoming structural, with episodic flare-ups continuing to pose downside risks to sentiment, trade and growth
- Disinflation is progressing and energy base effects should help further in 2026, yet sticky services inflation keeps the ECB on hold, while the U.K. is expected to see only gradual further rate cuts

GDP growth in the Eurozone held steady at 0.3% quarter-on-quarter (q-o-q) in Q4 2025, surpassing consensus expectations. On a full-year basis, GDP expanded by 1.5% in 2025, accelerating from 0.9% in 2024. Country-level figures painted a broadly constructive picture: Spain and Portugal led quarterly gains, both recording +0.8%, supported by strong consumer demand, rising exports and robust tourism activity. In contrast, Ireland was the only member state to contract (-0.6%), reflecting temporary disruptions in exports and softer business investment. Year-on-year (Y-o-Y) growth was positive across the vast majority of Eurozone countries, highlighting the resilience of the bloc despite ongoing and policy headwinds.

Early indicators suggest a constructive start to the year. The ZEW economic sentiment index climbed to its highest level since July 2024, while Sentix posted a sharp rebound. The improvement in sentiment has been broad-based, spanning across countries and major sectors. Meanwhile, the industry appears to be showing initial signs of a production revival at the end of last year, which is expected to gain momentum in 2026 as more defence investment and German infrastructure spending pick up.

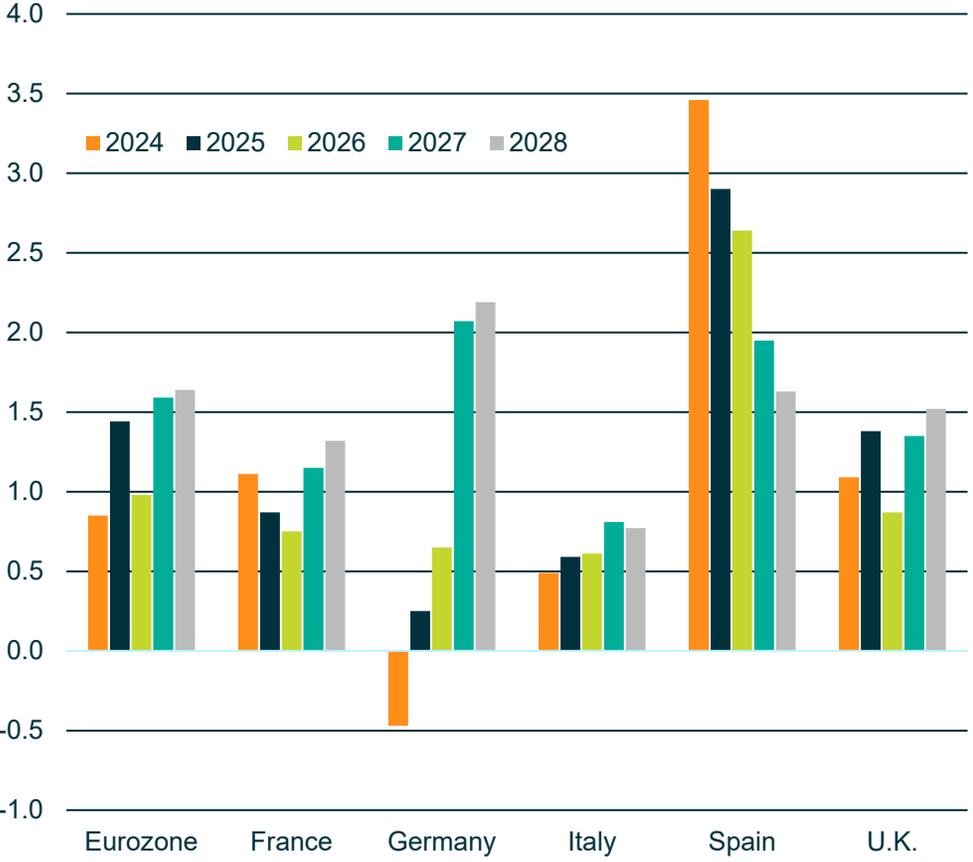
There are, however, risk factors that could dampen the outlook. Recent developments have underscored the fragility of the EU-US trade agreement reached last year and reinforced the view that trade policy uncertainty is now a structural feature of the global landscape. While some immediate risks have eased following the rollback of tariff measures and heightened geopolitical rhetoric, the episode highlights how quickly tensions can resurface, meaning future bouts of uncertainty cannot be ruled out, posing downside risks to sentiment, trade flows and the broader growth outlook. Positively, the signing of the EU-India Free Trade Agreement provides a counterbalance, opening new avenues for trade, strengthening investment ties, and enhancing long-term growth prospects.

Inflation dynamics across Europe have continued to improve, offering some relief on the macro backdrop. Eurozone headline inflation eased to 2.0% Y-o-Y in December, driven by softer services and non-energy industrial goods inflation, although food prices remained sticky. In the U.K., CPI inflation has moderated since peaking in September, reinforcing expectations that disinflation will extend into 2026, helped by favorable base effects in energy prices from Q1 onwards. Despite this progress, policy settings are likely to remain cautious. The European Central Bank (ECB) has signalled no near-term appetite to adjust rates, with core – particularly services – inflation still above target, implying further easing would require a clearer downside surprise to growth or inflation. In the U.K., markets continue to price in two additional 25bps cuts in 2026, taking the Bank Rate to 3.25%.

European economics

Europe growth is stabilizing, with improving sentiment amid trade uncertainty

GDP forecast year-over-year (%)



Eurozone Sentiment Index



Sources: Eurostat, Oxford Economics, Macrobond as of February 2026.

European investment

Resilience makes way for recovery

- The European real estate investment market enters 2026 with improving fundamentals, stabilizing values and broadening transaction activity
- Dry powder, pricing, returns and investment volumes largely moved sideways in the first three quarters of 2025
- European commercial real estate volumes are expected to total €215 billion in 2025, a 9% increase on volumes recorded the previous year
- We saw a cool off in Spanish investment volumes. Despite strong underlying fundamentals in logistics and residential sectors, overall transaction activity moderated from previous peaks

The European real estate investment market enters 2026 with improving fundamentals, stabilizing values and broadening transaction activity across property types and geographies. While selective caution remains warranted given geopolitical uncertainties and varied sector dynamics, the combination of favorable financing conditions (with policy rates expected to remain stable at current reduced levels), structural supply constraints across most sectors and positive economic growth creates an environment conducive to attractive risk-adjusted returns.

Investment volumes have begun to rebound with transactional activity expected to expand further through 2026 as debt markets remain active, lender appetite broadens across sectors and competitive bidding intensifies. Markets with deep product pools—including the U.K., Germany, Spain and France—continue to attract significant capital, while emerging markets across Central and Eastern Europe are gaining investor attention for higher-return opportunities.

According to Savills, European commercial real estate volumes are expected to total €215 billion in 2025, a 9% increase on volumes recorded the previous year and an expectation this will continue to strengthen into 2026 with transactions volumes increasing by c.18%.

RCA country perspective shows U.K. investment volumes reach €64.7 billion in 2025, representing a 7.2% increase from 2024's €60.4 billion. The U.K. continues to lead European markets in total transaction volume, benefiting from deep liquidity, transparent market structures and strong institutional demand. Germany saw investment volumes increase to €38 billion in 2025, up 8.9% from €34.9 billion in 2024. This recovery is particularly notable given Germany's economic challenges and represents a significant turnaround in investor confidence.

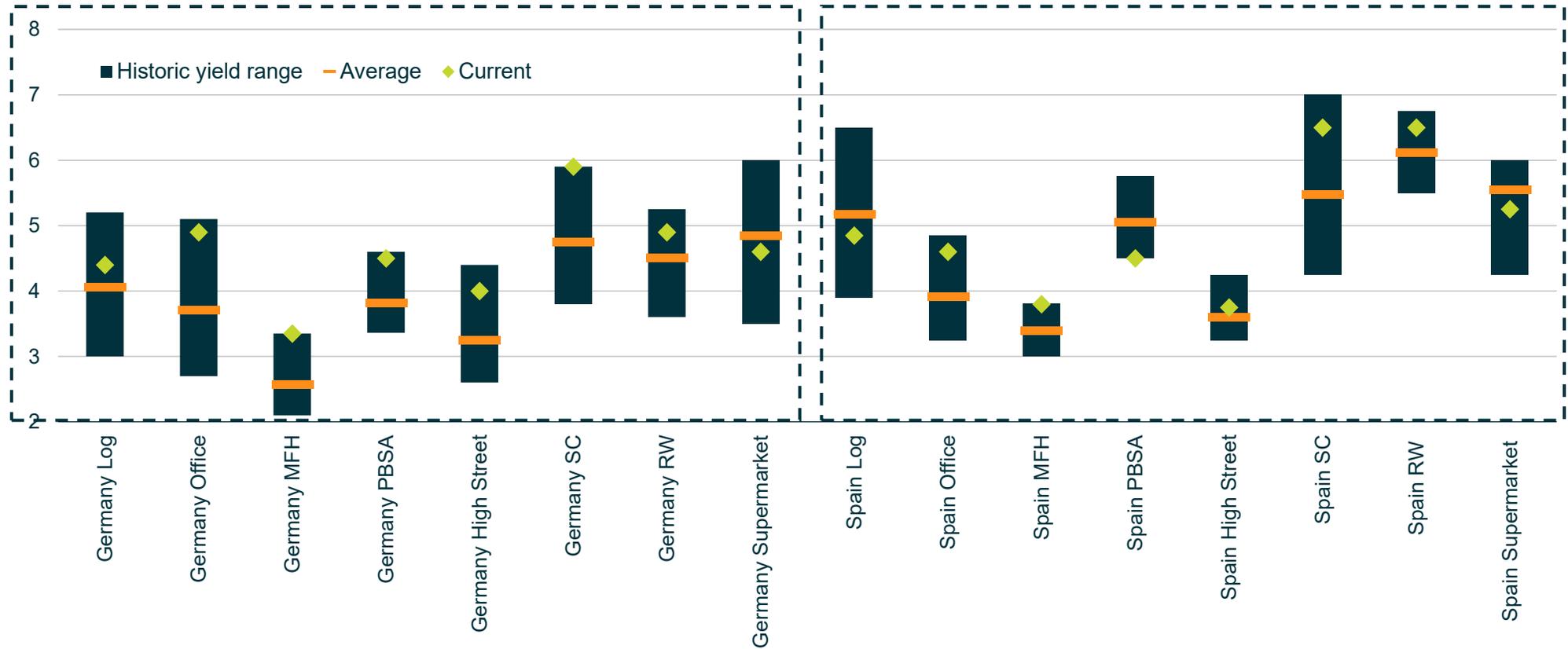
Surprisingly, we saw a cool off in Spanish investment volumes, a relatively hot market over the past 12 – 18 months with investors attracted by stronger economic momentum and stronger rental growth being achieved. RCA's most recent data release shows cities investment volumes declined to €13.8 billion in 2025, down 7.6% from €14.9 billion in 2024. Despite strong underlying fundamentals in logistics and residential sectors, overall transaction activity moderated from previous peaks.

Pricing remains attractive on a historic comparison with an expectation that prime yields are expected to edge lower over the next twelve months. As sector performance starts to converge the winning investment houses will drive outperformance via asset selection vs. sector pick.

Germany & Spain: Pricing country & sector view

Where is the opportunity? Comparing pricing on a historic, current and average price point

CBRE prime pricing: yields %

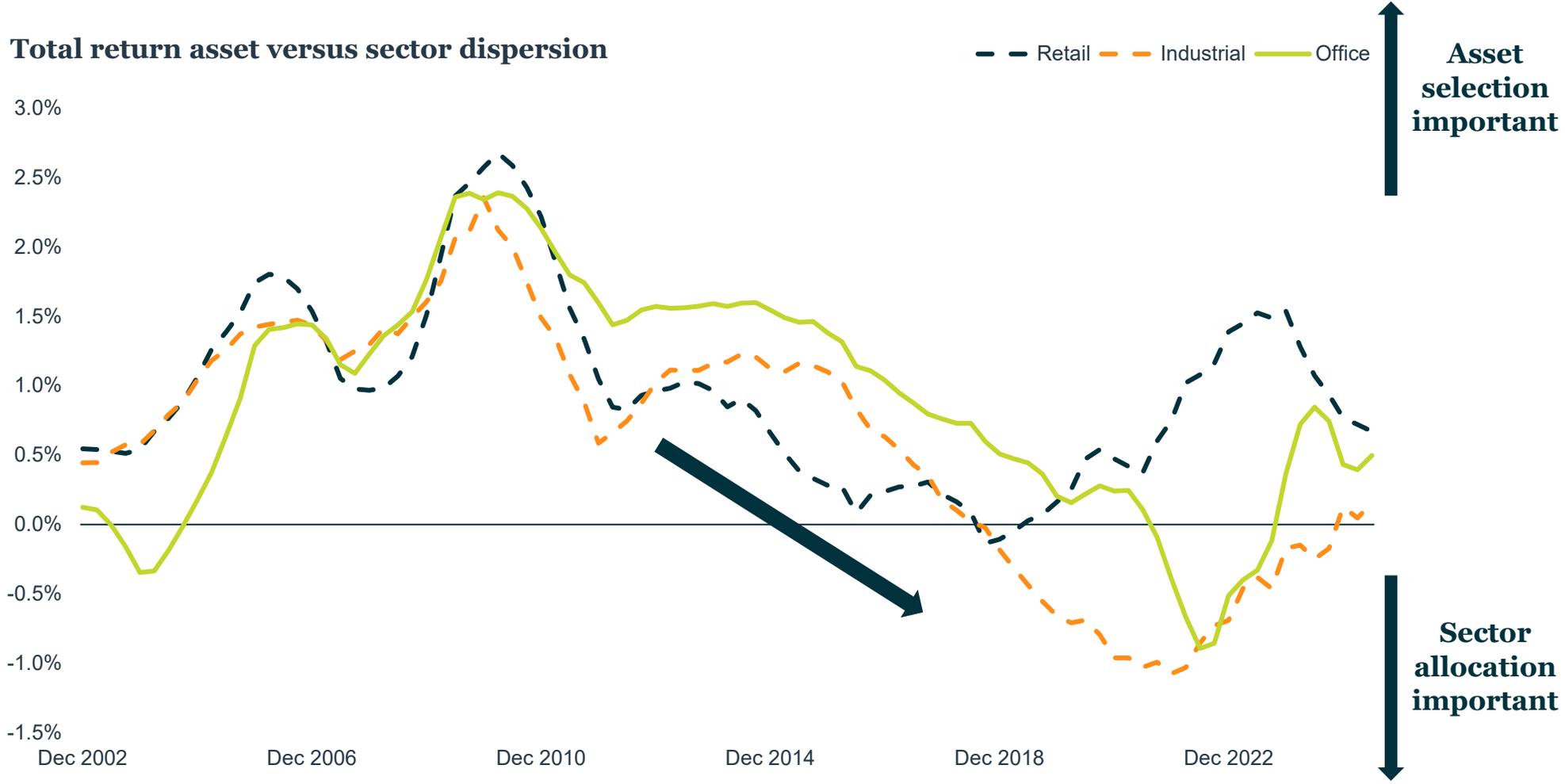


Past performance is no guarantee of future returns. Source: CBRE Yield December 2025.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Asset selection overtakes sector allocation

Sectors converge and the winning investment houses will drive outperformance via asset selection vs. sector pick
All sectors are now in positive (>0) asset total return dispersion, where asset selection dominates portfolio performance



Source: MSCI Europe Real Estate Index, January 2026.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

European investment

Buoyant rental markets support all sectors



Office

- Competition is intensifying in CBDs such as West End/City, so opportunities are likely to spill into fringe-CBD submarkets
- Target assets with reduced obsolescence risk with regards to ESG and location
- Avoid out of town, secondary and sustainability challenged buildings



Retail

- Retail assets benefit from higher yields and improving rental growth fundamentals
- Retail park's occupier focus on necessity spend provides resilient income stream
- Shopping centers remain an issue (in contrast to outlets)



Housing

- Supply shortages are chronic-to-acute
- Accessing returns is hampered by lack of product and regulation
- Rental growth remains positive but will cool from the high inflation era
- Focus on markets with growing household formation



Logistics

- Market has repriced substantially
- Outlook remains positive as near shoring, defense spending and e-commerce act as tailwinds
- Multi-let, light industrial units in prime locations to offer superior risk-adjusted returns



Alternatives

- Student housing remains our highest-conviction sectors, with Spain among the hottest markets, while Germany stands out on relative pricing
- Self-storage performance is set to improve after years of weakness, though confirmation is needed as key transactions and portfolios progress

European office

Investment sentiment for offices is improving as occupier markets benefit from falling completions

- Supply discipline remains a key feature of the occupier market in this cycle supporting overall balanced supply/demand dynamics
- Vacancy rates across top markets in Europe have remained remarkably stable and circa 10% lower than their 25-year average. This is forecast to reduce by a further 10% relative to 25-year average by 2030

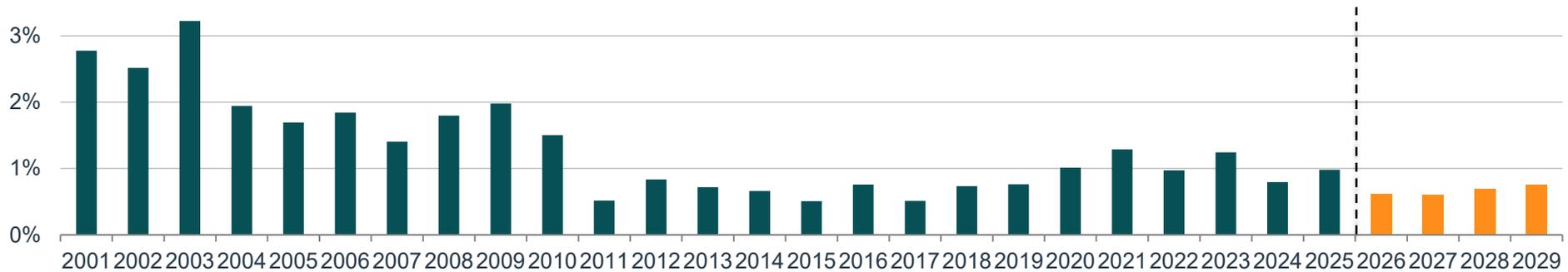
Supply discipline supporting balanced supply/demand dynamics

The most notable development in European office markets is the retreat in new supply delivery. According to GreenStreet data from October 2025, annual net new supply as a percentage of existing stock across the top 30 markets is declining significantly in 2026. This represents a marked departure from previous cycles and reflects multiple converging factors that have imposed discipline on new construction activity. Construction activity has shifted away from new-builds toward repositioning existing assets. This transformation stems from three primary drivers: mature economies experiencing changing space requirements, persistently high construction prices and increasingly stringent Environmental, Social, and Governance mandates that make new development economically challenging.

Vacancy rates have remained in check and likely to decline by 2030

Vacancy rates have remained remarkably contained throughout this cycle, particularly when compared to historical benchmarks. Analysis shows vacancies as a percentage of the 25-year average have stayed in check, defying earlier predictions of substantial deterioration. Current building and demand trends suggest minimal change in vacancy rates over the forecast period of five years, reflecting a market hovering around equilibrium rather than one facing structural oversupply.

Annual net new supply as a percentage of stock, top 30 markets



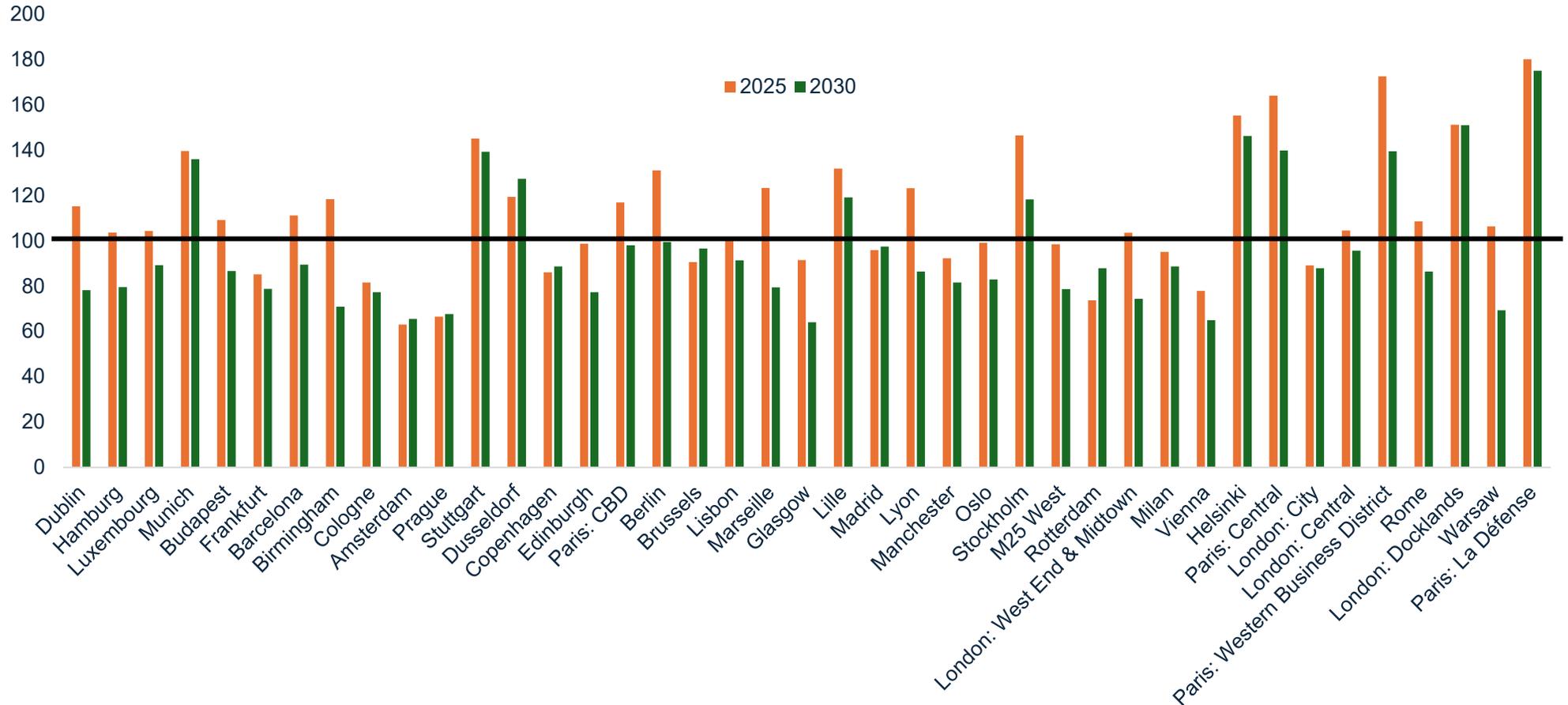
Source: GreenStreet, Nuveen Real Estate as of January 2026.

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Office vacancies have remained in check

Current building and demand trends point to little change over coming years

Vacancies as % of 25-year average



Source: PMA, Nuveen Real Estate, January 2026.

European retail

European consumers have healthy household balance sheets and large pools of savings

- European retail investment volumes reached €37.1 billion in 2025, representing a 5.9% increase from 2024
- Consumer confidence has improved, reflecting a more optimistic economic outlook, improved household finances and greater spending intentions
- Retail sales volumes saw a 2.3% increase for the Eurozone in 2025 whilst values increased 3.5%
- A critical factor supporting retail investment is the supply constraint in top-tier schemes and prime locations across all retail asset types

According to MSCI Real Capital Analytics data, European retail investment volumes reached €37.1 billion in 2025, representing a 5.9% increase from 2024's €35.1 billion. This growth marks a continuation of the sector's recovery, with retail now accounting for approximately 16% of total European investment volumes, up from 12% in 2021. The 2025 performance shows significant improvement from the 2023 trough of €29.8 billion, though volumes remain below the peaks seen in 2018-2019 when retail investment exceeded €50 billion annually. The sector has demonstrated resilience despite ongoing structural challenges, with investor confidence for European retail swinging positive for the first time in seven years.

From a demand perspective, consumer confidence stabilized following the inflationary pressures of 2022-2023, though it remains somewhat fragile. In January 2026, the European Commission survey data shows consumer confidence has increased by 0.8 points, driven by improvements across all its underlying components. This broad-based improvement is significant because it reflects a more optimistic economic outlook, improved household finances and greater spending intentions. Retailer confidence also improved supported by brighter business expectations and better inventory management indicating alignment between supply and demand. Many retailers are now in expansion mode, with exceptionally high levels of cross-border activity. Brands are strategically growing across Europe, but they will remain selective. Quality versus quantity will drive store openings and will benefit all retail types from high streets, retail parks to shopping centers.

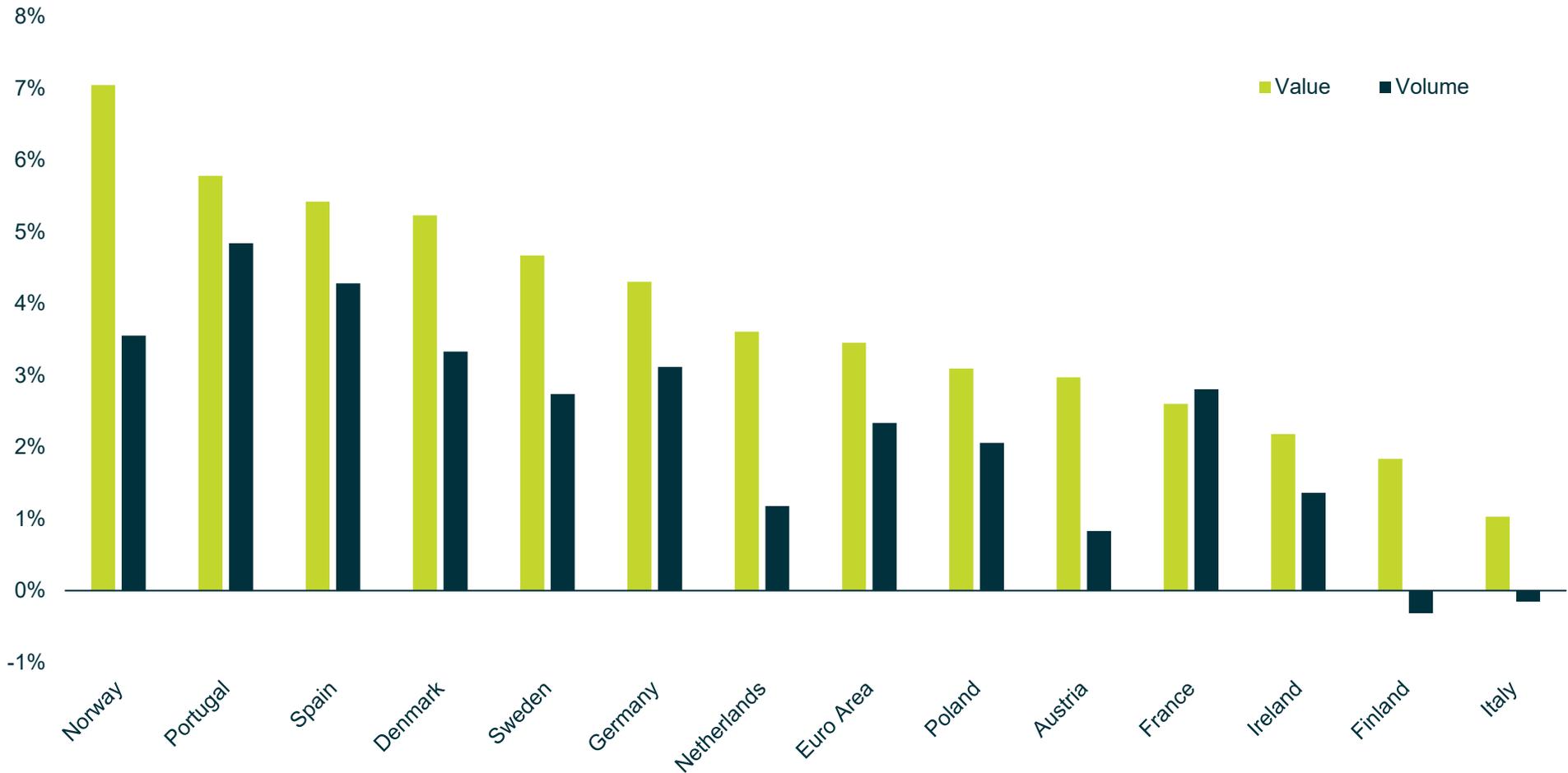
Retail sales volumes saw a 2.3% increase for the Eurozone in 2025, with Iberia outperforming and Spanish retail sales volumes increasing by 4.3% and Portugal at 4.8%. Germany also saw strong uplift at 3.1% for the year. Those countries which have underperformed include Italy at -0.8% and Finland at -0.2%.

A critical factor supporting retail investment is the supply constraint in top-tier schemes and prime locations across all retail asset types. This shortage is intensifying competition and driving up prices, creating favorable conditions for existing asset owners while challenging occupiers seeking prime space. Retail supply is near all-time lows in mature markets, with less speculative new construction and increased competition for land from alternative uses such as data centers, manufacturing facilities and residential development.

European retail

Retail sales demand driver variation across Europe. Southern Europe and the Nordics outperformed.

Retail sales growth % p.a. 2025 – Value & volume



Source: PMA Investor Sentiment Survey Q3 2025, CBRE Yield data Jan 2026.

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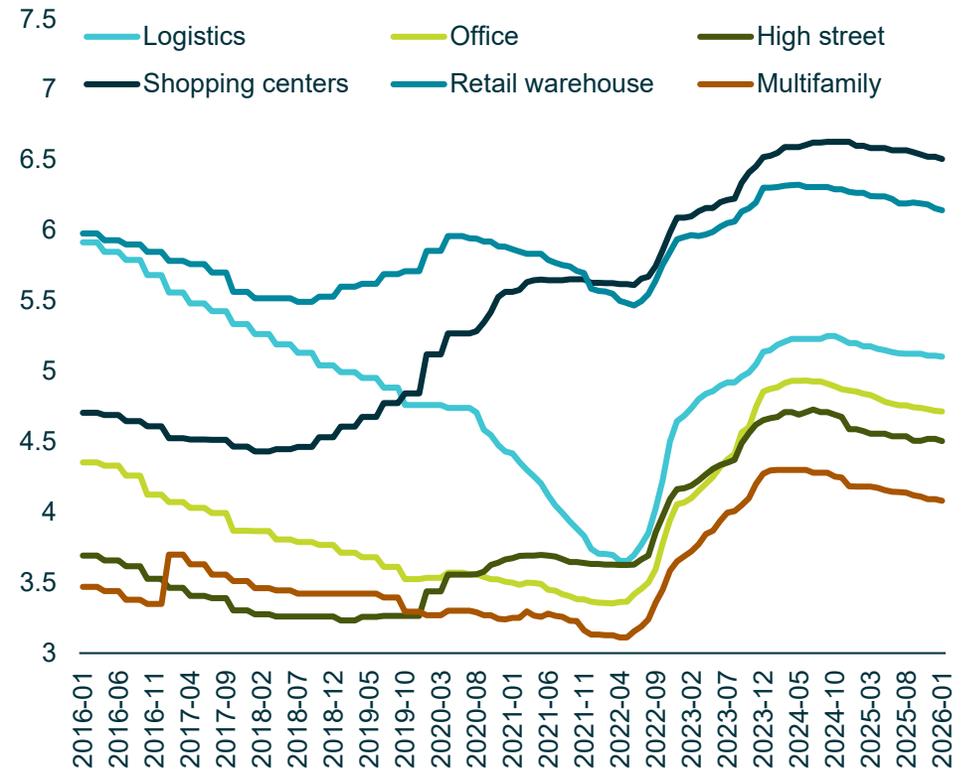
European retail

Retail sector moving back onto investors' agenda with expected downward pressure on yields as investors step back in

PMA balance of investment intentions – Q3 2025



CBRE prime yields – Europe

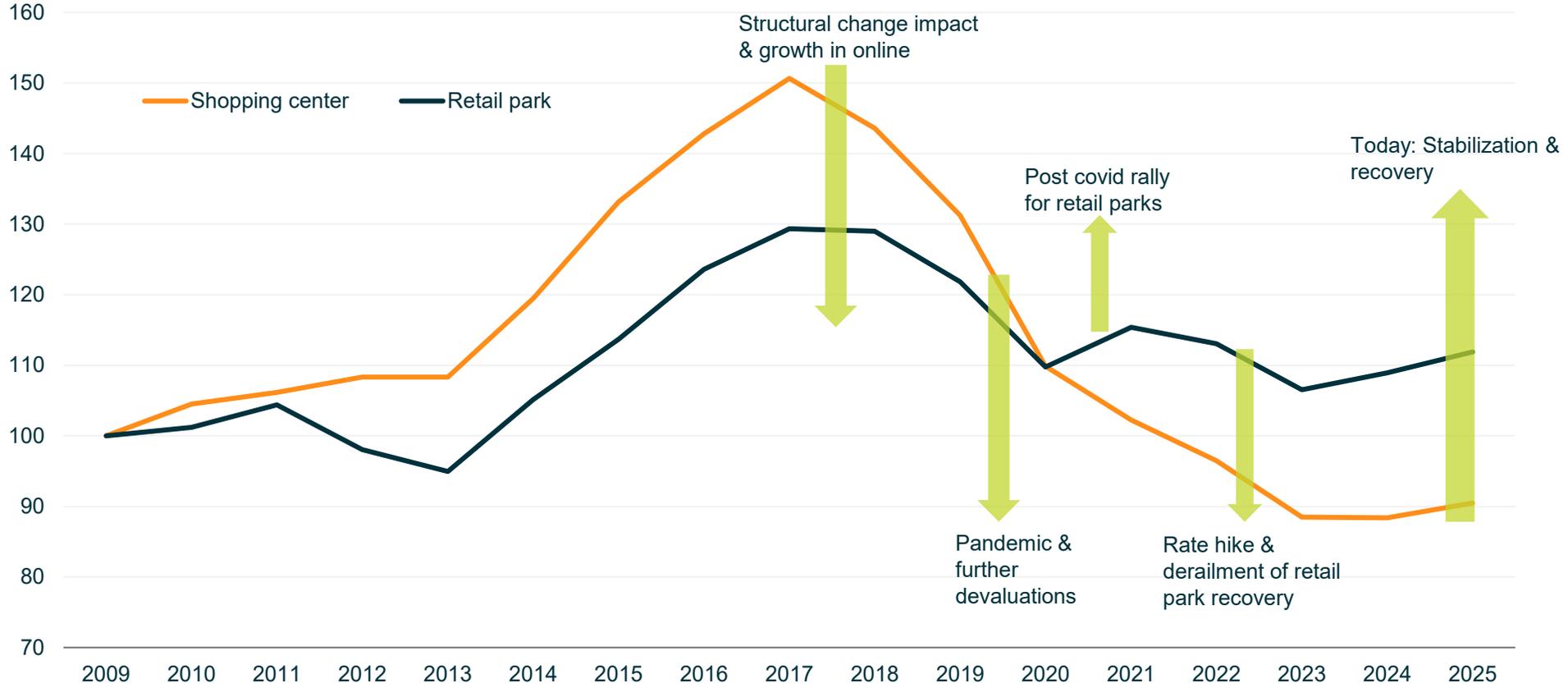


Source: PMA Investor Sentiment Survey Q3 2025, CBRE Yield data Jan 2026.

What happened to European retail?

Retail sector has undergone several challenges including the rise of ecommerce, the pandemic and the 2022 rate hike. Capital values have now stabilized and show growth momentum.

Europe: Retail sector capital value index
2009 = 100



Source: PMA, Nuveen 2025. Note: Please note European SC and RP index is an average of countries: France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, U.K.

European logistics

Confidence in European logistics markets improved slightly along with occupier and investment markets

- Confidence in the European industrial and logistics real estate markets improved slightly but remains in negative territory
- Average prime rents in Europe increased by just 0.5% in the fourth quarter of 2025 and 2.7% over the year to December 2025
- Lower take-up and high levels of completions have led to an increase in the vacancy rate
- Logistics transaction volumes amounted to €40.8 billion in 2025, with the U.K. accounting for 28% of total volumes
- Investor interest remains firm but has become increasingly selective and focused on core locations

Confidence in European industrial and logistics real estate markets improved slightly in December 2025. Compared to a year ago, Austria, Ireland, Finland, Germany and Sweden recorded noteworthy gains, while sentiment deteriorated considerably in Denmark. The remaining countries saw only minor changes. With the exception of Ireland and Sweden, all markets stayed in negative territory.

Rental growth continued to remain subdued in the fourth quarter of 2025. Prime rents rose by an average of just 0.5% across the 45 European markets monitored by JLL. Only five markets recorded further rent increases in the fourth quarter of 2025; the rest remained unchanged. Compared to the same quarter of the previous year, the increase was slightly higher at an average of 2.7% in December 2025 but still shows a downward trend. The vacancy rate continued to rise, from under 3% at the end of 2022 to the current 6.9%. The main reasons for this are lower take-up and increased construction activity, which peaked at the end of 2021 but has since declined.

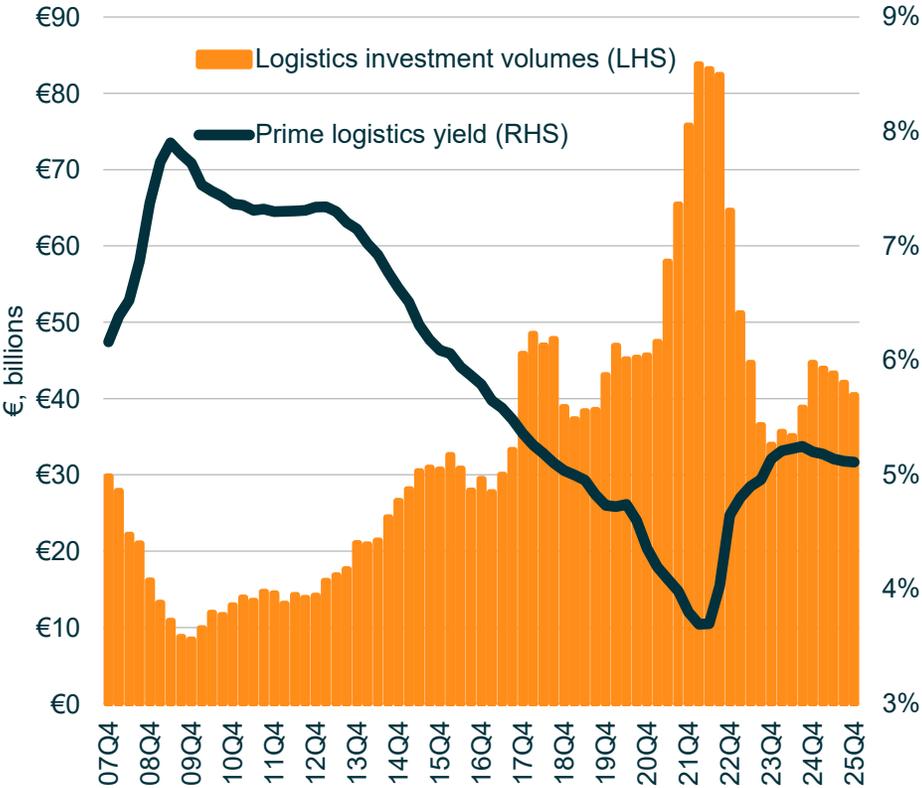
The European logistics investment market generated turnover of approximately €40.8 billion in 2025. This was roughly on par with 2024 (-2%) and with the 10-year average, while approximately 50% above the long-term average. Volumes in the fourth quarter of 2025 were slightly below those of the exceptionally strong Q4 2024 but still represent the second highest quarterly result since Q3 2022. In the entire 2025, the U.K. once again held the top position in the country ranking with turnover of €11.3 billion and a 28% share of the total European logistics market, followed by Germany with €6.6 billion (16% share), France with €4 billion (10% share) and Sweden with 8% share of the market. All other markets remained below the €4 billion mark, led by Sweden (with the third highest volume ever of €3.4 billion), the Netherlands (€2.9 billion), Italy (€2.1 billion), Denmark (€1.4 billion), Belgium and Spain with €1.3 billion each in sales. The Central and Eastern European markets also recorded strong turnover of around €3 billion in total. In a 12-month comparison with the previous year, some markets saw significant growth, such as Portugal (+230%), Sweden (+45%), Austria (+33%) and Italy (+30%). The sector successfully maintained its elevated sector share of currently 20% (compared to just 11% on average prior to 2022) despite the general market downturn.

In the fourth quarter of 2025, prime yields for logistics properties fell by 15 basis points in Spain and Finland to 4.85% and 5.25%, respectively, while remaining unchanged in other countries. They range from 4.00% in Switzerland to 4.40% in Germany, 4.75% in the Netherlands, 4.90% in France, and up to 7.50% in Central and Eastern Europe. Investor interest remains firm, but is becoming increasingly selective, focusing on prime locations with long-term leases and financially strong tenants. We expect to see higher investment volumes and potentially rising prices this year with an eventual reduction in perceived risk and uncertainty on the back of lower interest rates and improved financing conditions.

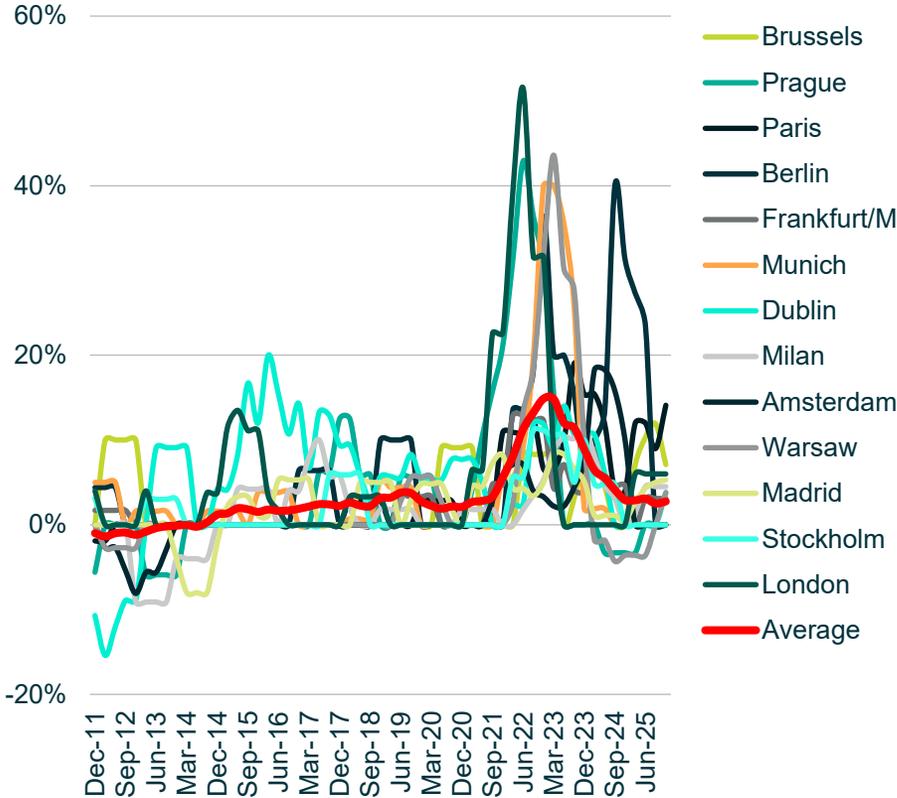
European logistics

Investment volumes and yields trending sideways – rental growth slowing but still positive

Investment volumes, 12 months rolling (LHS) and European prime logistics yield (RHS)



Prime rental growth in Europe, p.a.



Source: RCA, CBRE, JLL, Nuveen Real Estate, as of February 2026.

European residential

Strong growth but signs of moderation

- European household formation is expected to grow 2.1% annually through 2030—nearly fifteen times the population growth
- House Prices rose 5.1% Y-o-Y Across the Euro Area in Q3 2025, with Spain leading at 13.4% and Netherlands at 7.8%
- Structural undersupply persist as shrinking household size drive acute demand for smaller units
- Netherland's rental growth continues steady upward trajectory since July 2022, driven by undersupply and robust household formation

The European housing market faces a fundamental structural imbalance between available stock and evolving demographic demand patterns. As average household sizes continue to decline across the continent, demand has increasingly concentrated toward smaller residential units—a segment experiencing acute undersupply. This mismatch represents just one dimension of broader supply-side challenges confronting the region. European policymakers have acknowledged the severity of the housing crisis, implementing various measures aimed at addressing these systemic constraints. The persistent housing shortage continues to exert sustained upward pressure across both sales and rental markets. European residential property markets sustained their upward momentum through Q3 2025, with house prices across the euro area rising 5.1% year-on-year.

Eurostat Actual Rent Index for housing showed rental growth rates across Europe exhibited slower rate growth through late 2025. It should be noted that the Eurostat index incorporates a wide basket of housing stock with a much older stock profile versus institutional grade product. The Netherlands stands as a notable outlier among major European markets, where 12-month rolling year-over-year rental growth continues to steadily increase from July 2022. This sustained upward trajectory reflects exceptionally strong structural demand fundamentals—driven by persistent undersupply and robust household formation.

Spain emerged as one of the region's strongest housing markets, with Eurostat House price growth accelerating to 13.4% year-on-year in Q3, up from 12.9% in the previous quarter—a trajectory consistent with the country's robust household formation dynamics and elevated migration flows. The Netherlands similarly demonstrated robust house price appreciation at 7.8% annually. France, while registering one of the region's most modest appreciation rates at 0.7%, nonetheless showed sequential acceleration from Q2's 0.5% and Q1's 0.3% year-over-year. Significant house price growth creates further barriers to home ownership enhancing rental demand. House price growth has varied significantly across Europe, with Poland, Netherlands and Ireland seeing stellar growth whilst Finland and Italy remained more muted.

Whilst population growth across European markets remains modest, with Q1 2026 estimated to record a 0.11% year-on-year growth on average. Certain markets demonstrate stronger demographic expansion, particularly Ireland at 1.2% and Spain at 0.9%, both driven by elevated migration—Spain notably from Latin America. Household formation is significantly outpacing population growth across most markets, a structural divergence with important implications for housing demand. Looking forward average household formation is forecast to grow 2.1% annually through 2030—nearly fifteen times the population growth rate. Ireland leads with projected total household formation growth at 9.0%, followed by Spain at 5.2% and the Netherlands at 4.0% over the five-year outlook. Household formation will remain a driver for rental demand and a focus on potentially smaller units as previously highlighted.

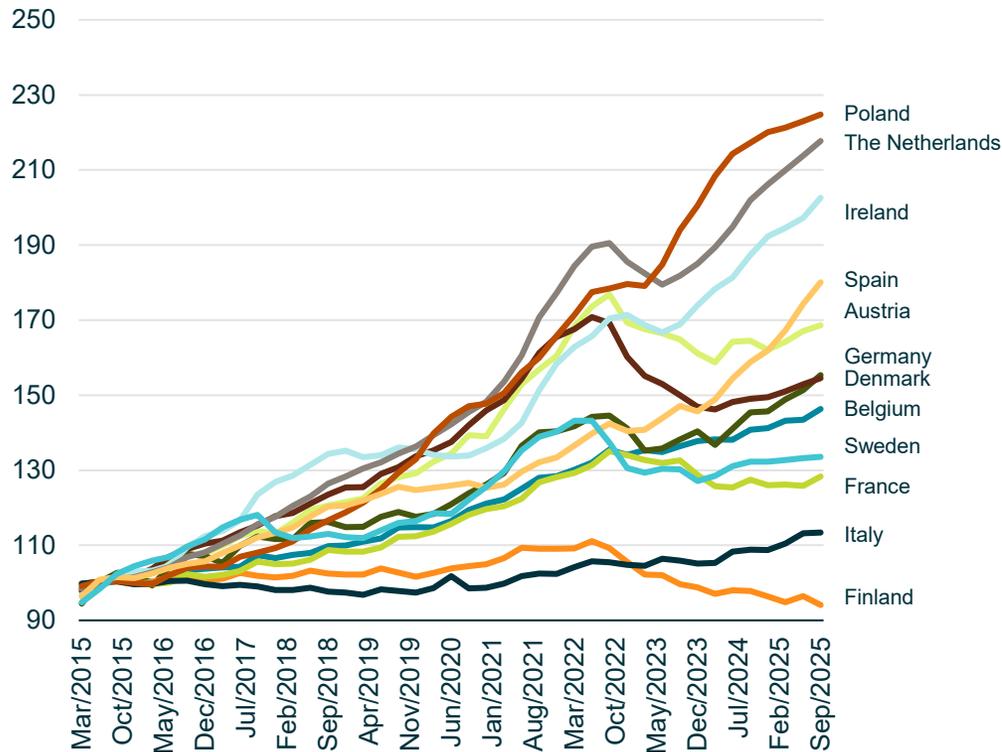
Source: Nuveen Real Estate, as of February 2026.

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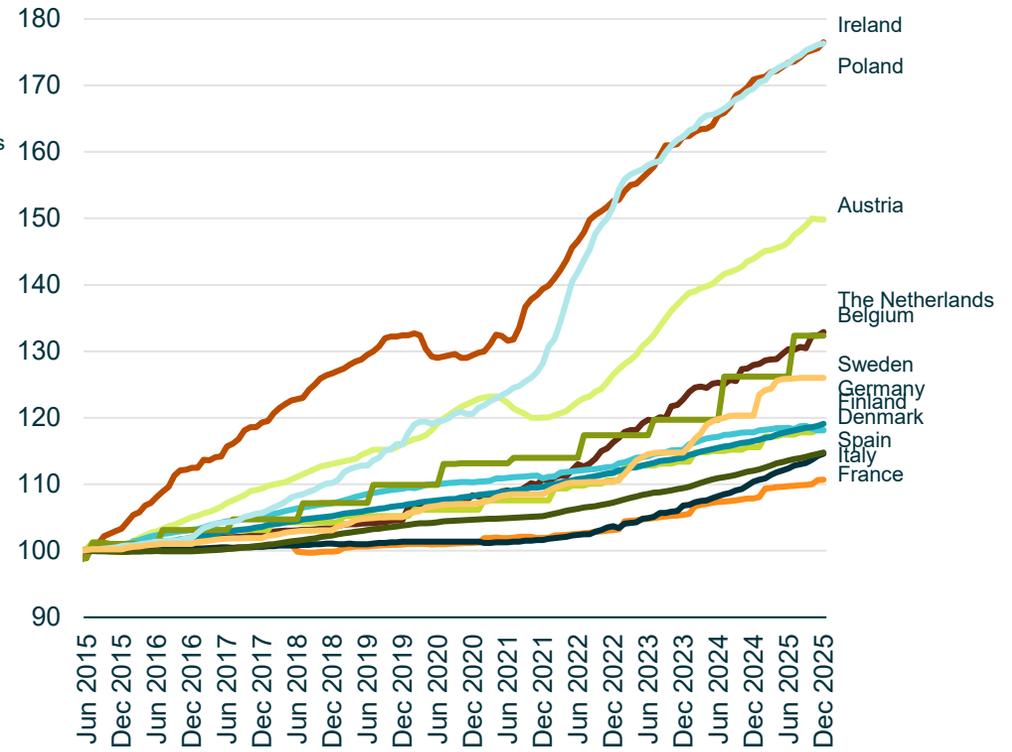
European residential

Residential rents on the rise in all markets

**Eurostat, House price index
2015 =100, index¹**



**Eurostat, HICP, Actual rentals index
2015=100, index²**



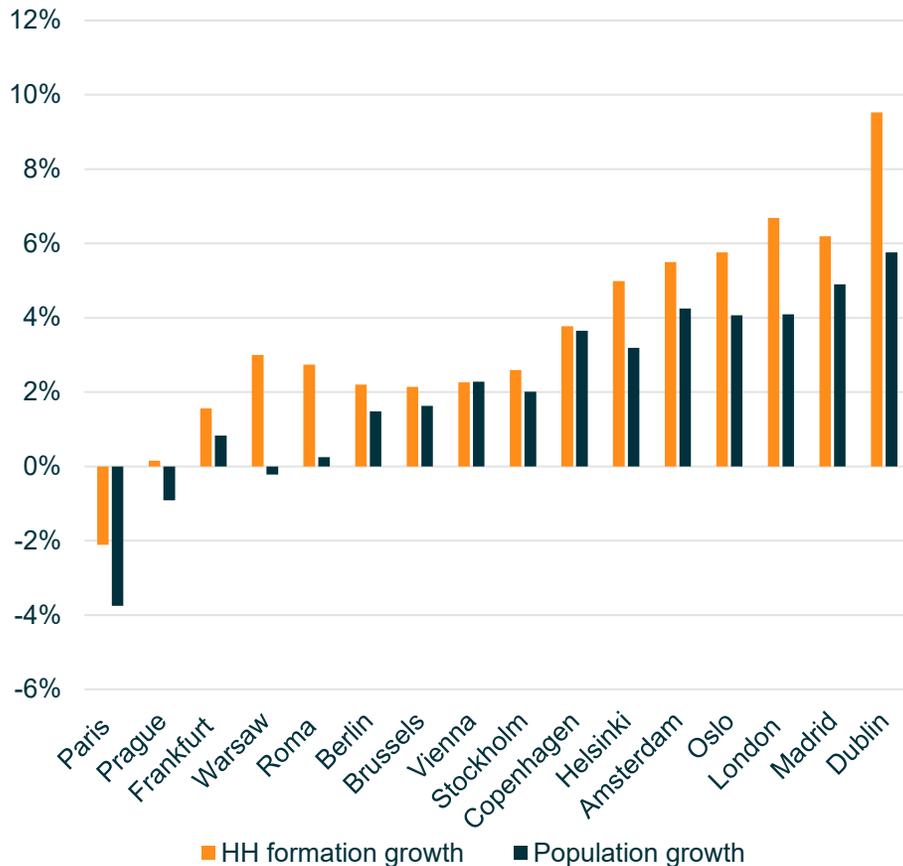
1 Nuveen Research, Macrobond Eurostat as at February 2026.

2 Nuveen Research, Macrobond, Eurostat HICP as at February 2026.

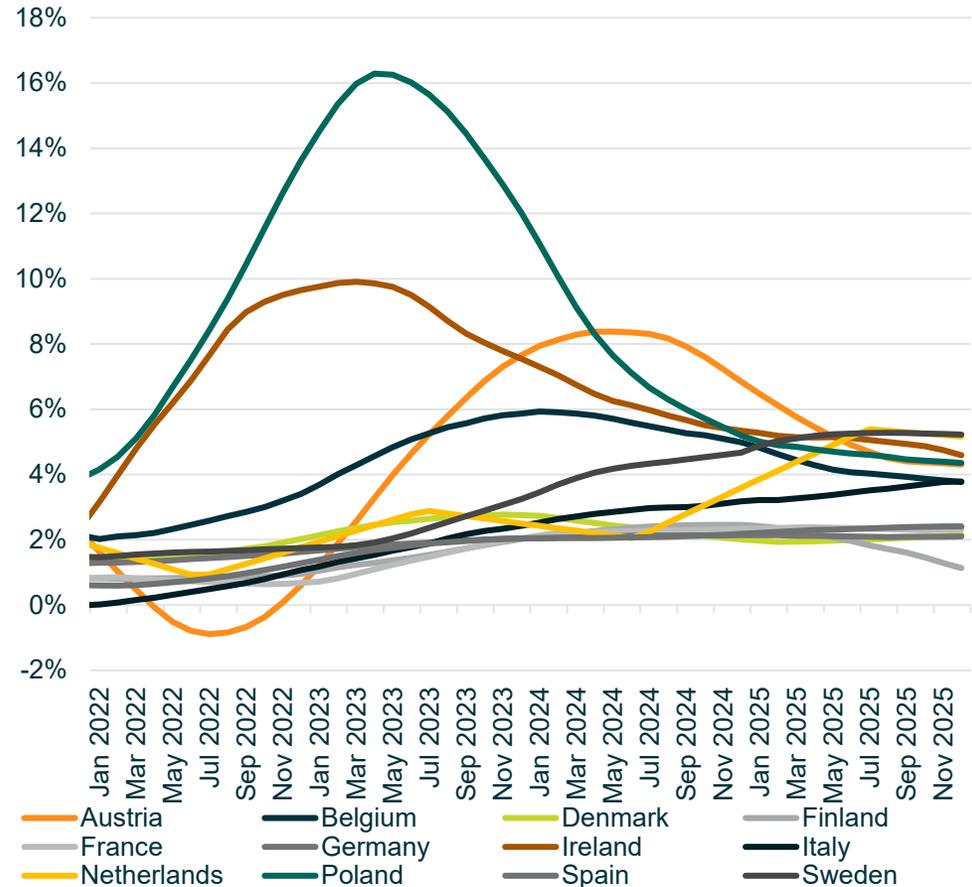
European residential

Positive household formation is across Europe is going to drive demand

Oxford Economics, Forecast (2025-2030) – Population growth vs Household (HH) formation²



Eurostat, HICP, Actual Rentals for Housing, 12M Rolling Y-o-Y¹



¹ Nuveen Research, Macrobond Eurostat as at February 2026.

² Nuveen Research, Oxford Economics, Population Growth and Household Formation forecast as forecasted at February 2026.

European alternatives

Easing cost pressures underpin a gradual recovery in storage performance, structural shifts in international student mobility support continental PBSA demand

Self-storage:

- Autumn Budget business rates outcomes were more manageable than feared, with modest liability increases expected to be absorbed by storage operators
- After several challenging years, storage fundamentals are forecast to improve, with NRI growth accelerating and occupancy stabilizing above pre-Covid levels

Student housing:

- International student flows continue to shift structurally away from the Big Four, with Europe benefiting from sustained enrolment growth, supporting PBSA demand
- Student housing has become a standalone capital markets theme, with investment volumes far outpacing broader CRE and Living sectors

Self-storage

A key overhang for the storage sector over the past quarter has been the outcome of the U.K. Autumn Budget's business rates announcement. Measures proved more favorable than initially feared, implying a relatively modest increase in liabilities, particularly as storage landlords bear the full cost of business rates unlike most other property sectors. The final outcome (8-14% increase in liabilities) is broadly in line with more optimistic industry expectations. While cost pressures remain, the changes appear manageable, and the sector is expected to absorb them more smoothly than previously anticipated.

After several challenging years, we expect the sector to enter a period of more sustained improvement. With cost pressures easing, NRI growth is forecast to strengthen from 0.9% year-over-year in 2025 to 2.1% in 2026, accelerating further to around 3.5% by 2029. Occupancy is expected to recover more gradually, stabilizing around 80-81% over the next few years, but notably above the pre-Covid 70% range.

Student housing

The shift in international student mobility has continued into the autumn term, reinforcing a clear rebalancing of global enrolment patterns. Policy constraints remain a headwind for North American destinations, with both Canada and U.S. – following sharp declines in the spring term – seeing further falls in enrollments at both bachelor's and master's levels. By contrast, Europe and Asia have recorded healthy growth, with bachelor enrolments rising fastest in Asia (up 8%) and master's enrolments accelerating most strongly in Europe (up 5%). This reflects a structural decline in the share of the traditional 'Big Four' study destinations, rather than a one-off adjustment. In 2024 alone, an estimated 285,000 students chose alternative destinations, with a further 450,000 expected to shift away in 2025. We expect this trend to continue supporting PBSA demand across continental Europe.

Student housing was under the spotlight in capital markets in 2025, increasingly standing on its own rather than being viewed as part of the broader living sector. While overall European CRE volumes rose by 4.9% Y-o-Y and all residential volumes increased by 4%, student housing investment surged by 48%. As a result, student housing's share of total residential investment climbed to 21%, up from 14% pre-Covid. Record activity has been driven largely by North American capital seeking first-mover advantages in structurally undersupplied markets, particularly Spain and France, where their share of investment tripled from 14% in 2020-22 to 48% in 2023-25. We expect this weight of capital to continue underpinning liquidity and pricing in the sector.

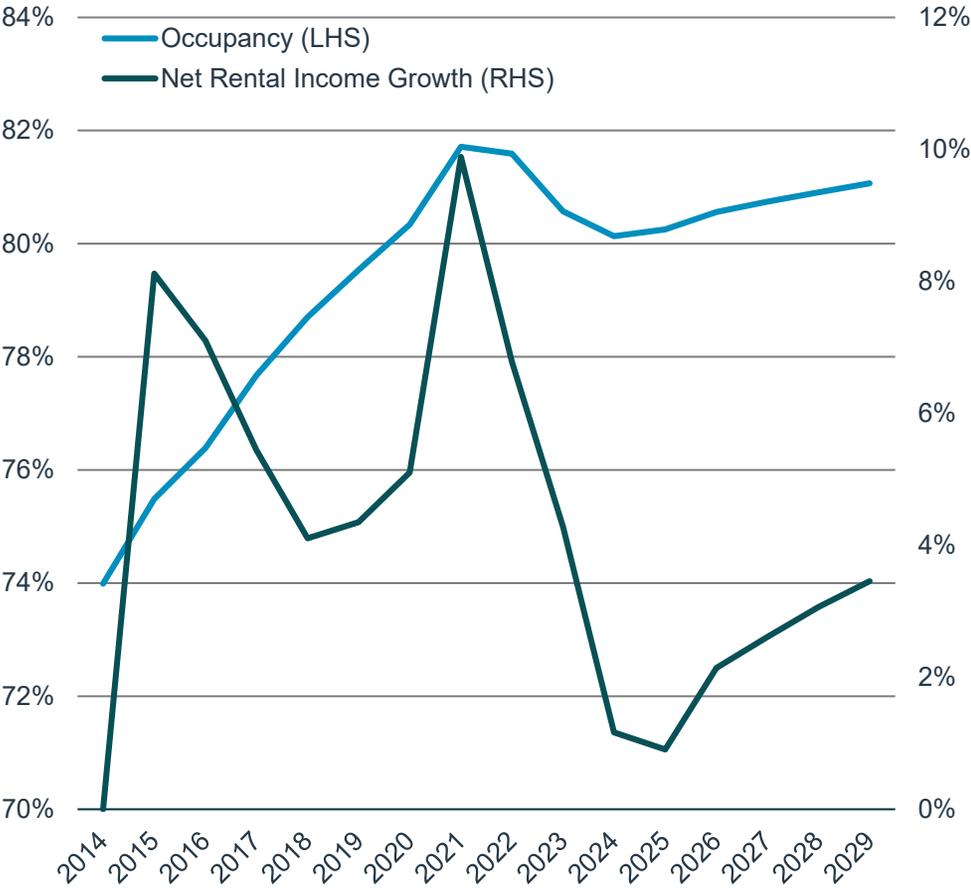
Source: Nuveen Real Estate Research, as of Feb 2026.

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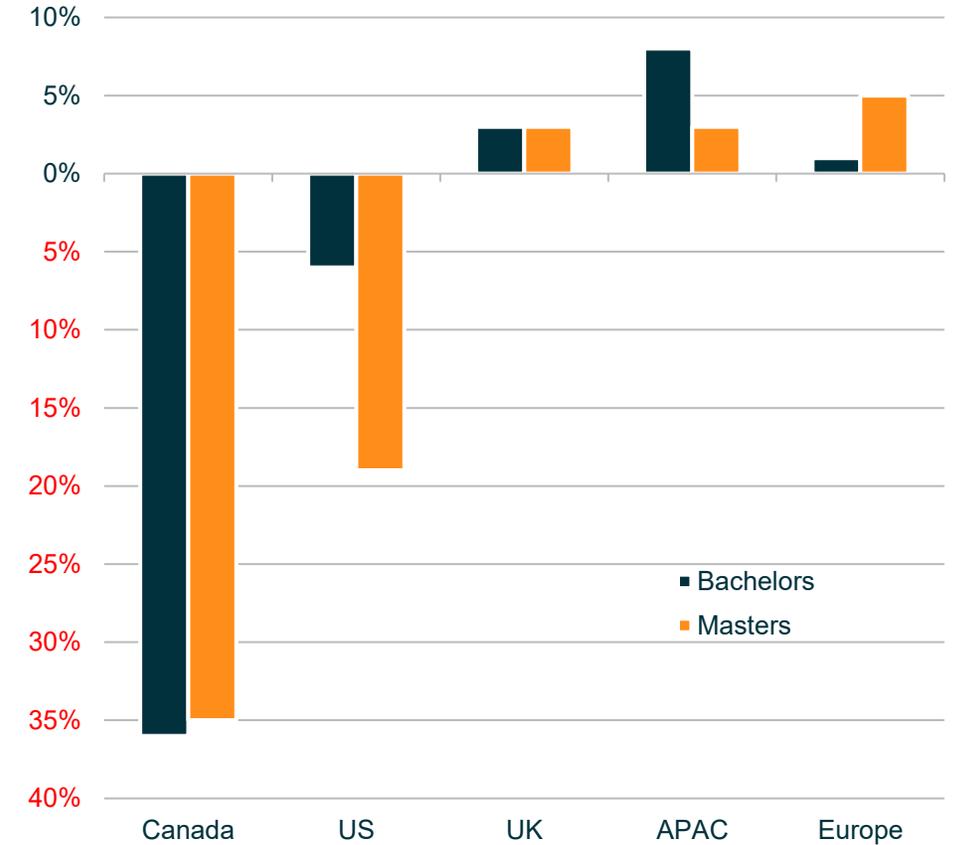
European alternatives

With cost pressures easing, net rental incomes growth is set to improve; structural shifts in international student mobility continue to favor PBSA demand across continental Europe

Storage performance¹



International student enrollment (Autumn 2025 vs. 2024)²



1. Green Street, as of Feb 2026.
2. Studyportals, as of Nov 2025.

European sustainability

Europe's position in the global transition: a view from the 2025 public GRESB results

The 2025 GRESB Real Estate Assessment results show how each region is progressing toward lower-carbon and more efficient buildings. Europe performs strongly across most sectors, with solid fundamentals and clear opportunities for further long-term improvement.

Carbon efficiency is a major strength for Europe. Living and industrial assets both rank first across all regions. Offices record emissions of 20 kgCO_{2e} per square metre, lower than the Americas and Asia. Retail also performs well at 27 kgCO_{2e} per square metre. This gives European portfolios a relative advantage as policy and disclosure requirements become more demanding.

Energy performance follows a similar pattern. Europe has the lowest energy use in retail and strong results in both office and living sectors. Industrial assets use more energy than their Asian peers but still outperform the regional ASHRAE 100 benchmark by 22 percent. ASHRAE 100 provides absolute energy performance targets based on building type and climate zone. These targets are widely used to guide energy efficiency improvements in buildings across the industry.

Europe also shows solid alignment with long-term climate pathways. CRREM data indicates that retail is aligned to 2030, office and industrial to the late-2020s, and residential into the early-2030s. These timelines highlight relatively strong resilience characteristics when viewed against wider global regions.

Industrial and living assets continue to attract attention due to earlier average misalignment dates. Strengthening energy efficiency and fabric performance will be key. Even so, Europe's position remains robust, with industrial assets achieving the top global ranking for carbon efficiency and outperforming the benchmark on energy performance.

Source: Analysis based on 2025 Public GRESB Real Estate Assessment Results.

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Regional and sectoral comparison

Carbon efficiency ranking (1 = most carbon efficient)

	Europe	Americas	Asia	Oceania
Retail	6	12	15	16
Office	3	10	14	13
Living	1	8	6	11
Industrial	1	5	3	9

Average energy efficiency against benchmark (ASHRAE 100) (%)

A negative percentage means energy efficiency is below (better than) the ASHRAE 100 benchmark. A positive percentage means energy efficiency is above (worse than) the ASHRAE 100 benchmark.

	Europe	Americas	Asia	Oceania
Retail	-31	0	-21	27
Office	11	53	33	0
Living	88	16	-25	-8
Industrial	-22	151	0	0

CRREM (GHG) misalignment date

	Europe	Americas	Asia	Oceania
Retail	2032	2029	2025	2029
Office	2033	2030	2025	2031
Living	2029	2025	2025	Not available
Industrial	2025	2025	2033	2031

4. Asia Pacific

Real estate fundamentals

Debt and equity

- Equity return forecasts show rising interests in selective markets ahead of anticipated policy-led fundamental recovery
- Banks' cautious lending stance, particularly for construction financing, continues to open up opportunities for non-bank lenders, though returns have softened amid lower interest rates

Public and private

- Public market discounts have narrowed, with several Australian REITs now trading above book value
- Higher interest rate pressure in Japan has kept J-REITs trading at a discount to NAV
- While investor sentiment continues to favor alternative sectors, appetite for office and retail is also growing in select regional markets

Macro and cycle

- Economic outlook is improving, driven by resilient domestic demand and monetary support
- Occupier markets holding firm, backed by persistent flight-to-quality demand
- More modest rate cuts expected as inflation proves stickier than anticipated

Real estate fundamentals

- Challenges in securing construction financing, combined with elevated development costs, have constricted supply across multiple markets
- Cap rates have steadily compressed due to falling interest rates, except in Greater China
- Investment outlook has improved, supported by the lower interest rate environment

Conclusions

- Short-term balance of risks is to the upside but overshadowed by geopolitical tensions and stickier inflation
- The foundation for recovery continues to take shape, supported by resilient labor markets and healthy business investment
- Refinancing pressure and corporate capital recycling initiatives present window of investment opportunity in selective markets
- Closely monitor markets and sectors approaching cyclical bottoms to capture the next upswing
- Continue to strategically allocate capital to alternative sectors to enhance portfolio diversification and resilience

Source: Nuveen Real Estate, February 2026.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Resilient growth despite external shocks

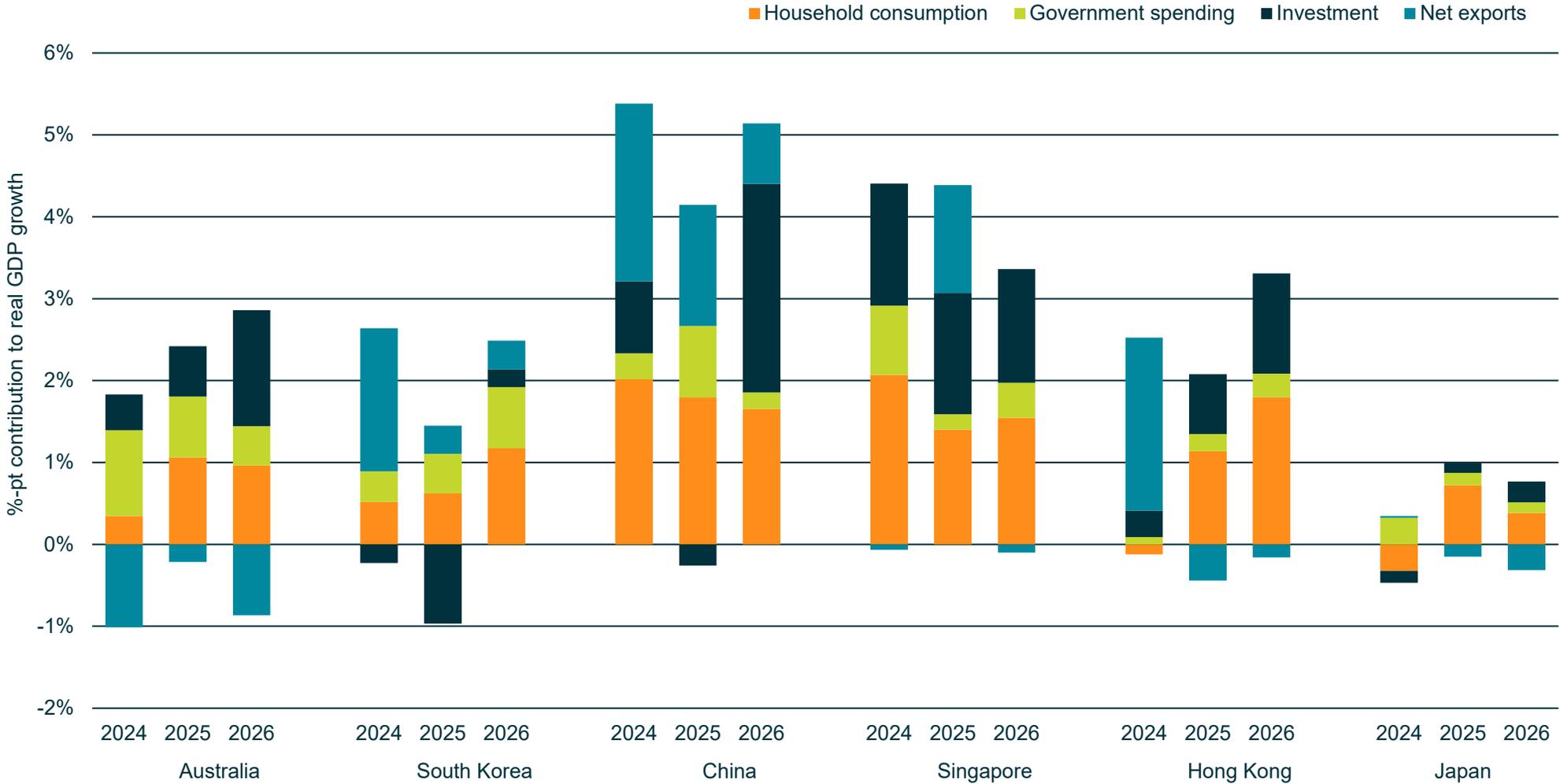
Real GDP growth forecasts for major Asia Pacific markets



Source: Oxford Economics, As of 19 March 2026.

Domestic demand broadly resilient

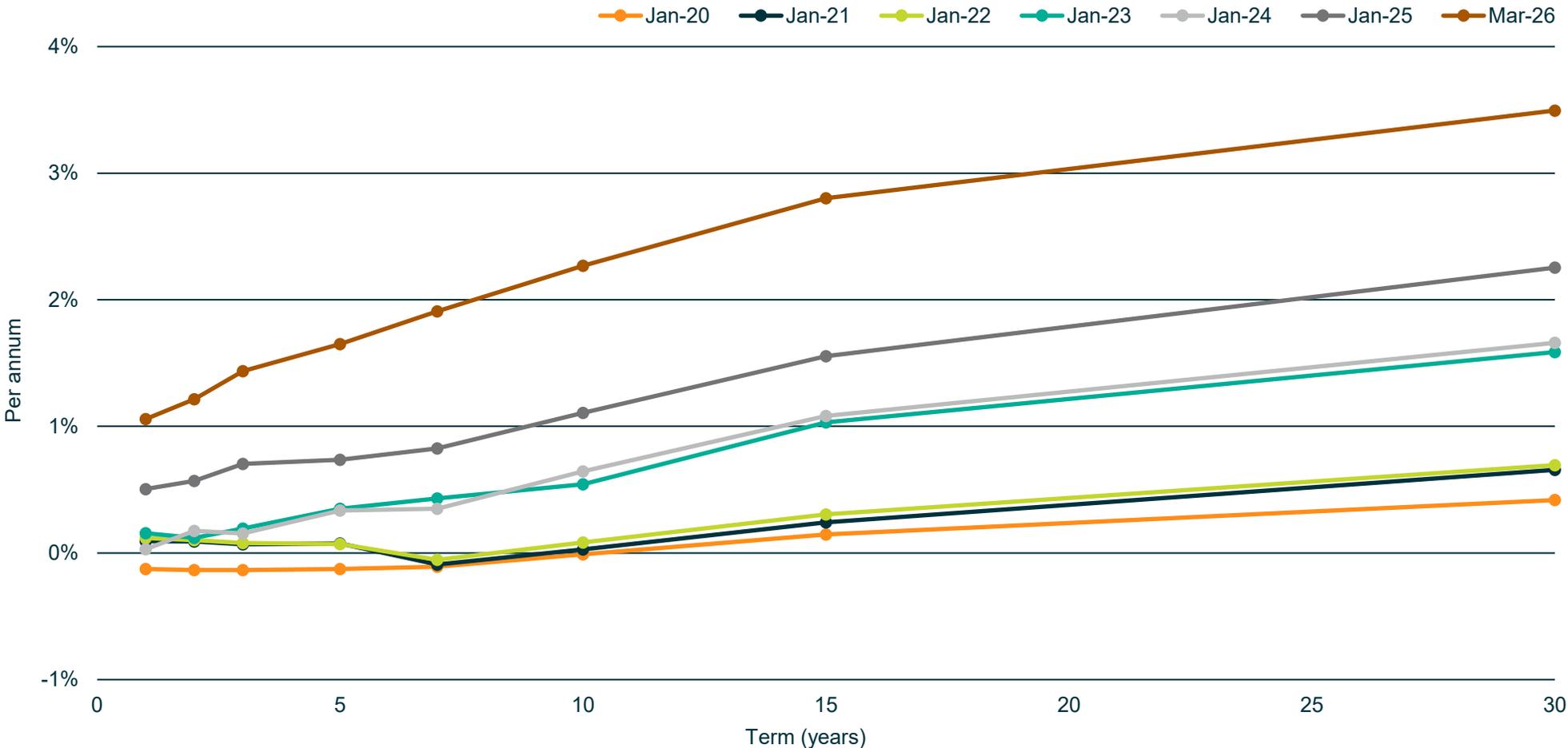
Contribution to GDP growth



Source: Oxford Economics, Nuveen Real Estate, As of 19 March 2026

Japanese yield curve continues to steepen

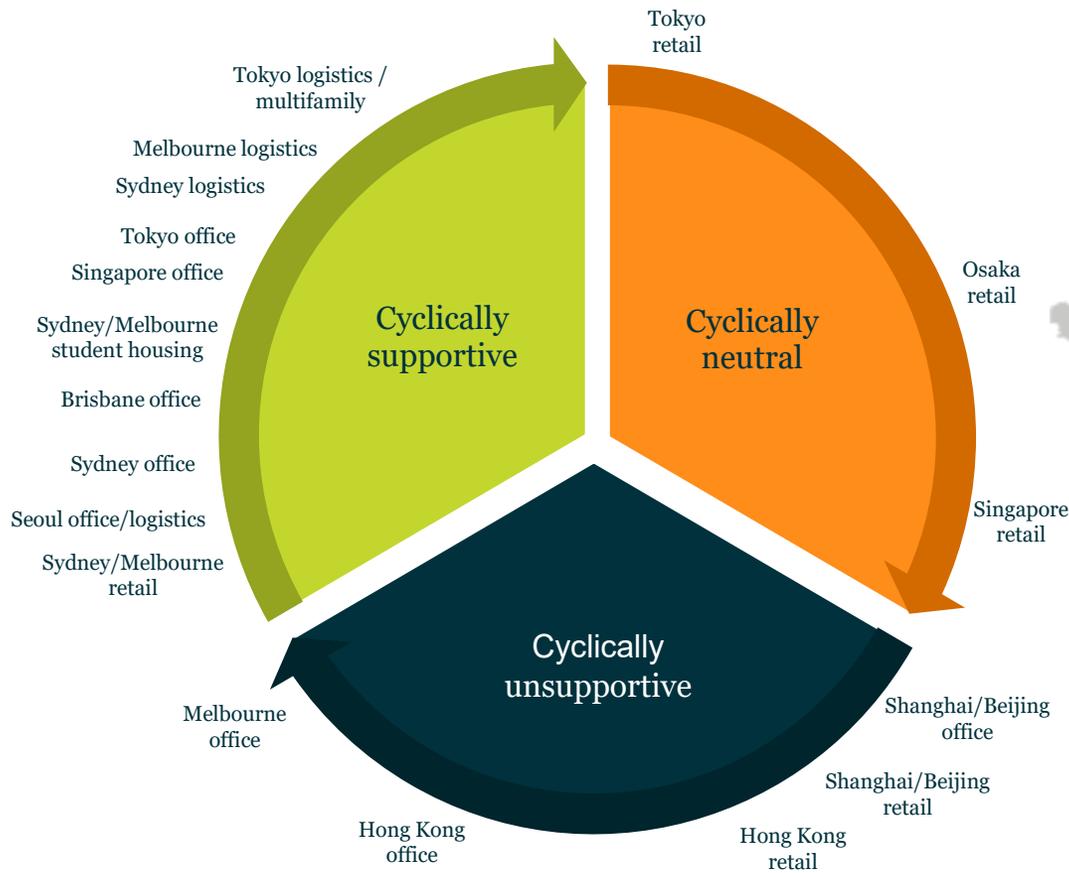
Japan government bond yield curve



Source: Japan bond trading company limited, Nuveen Real Estate, As of 19 March 2026.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Short-term city and sector selection



Key market theme



Source: Nuveen Real Estate, February 2026.

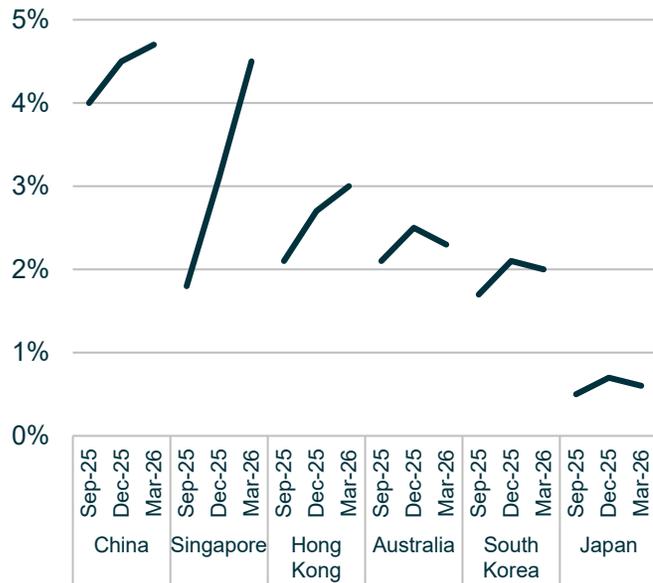
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Asia Pacific economics

Growth prospects are improving so far

- 2026 outlook still relatively resilient, underpinned by sturdy domestic demand and trade, with balance of risks to the downside due to recent geopolitical shocks
- A consistent theme across developed Asia Pacific economies is the resilient labor market, with unemployment rates generally below 10-year averages
- Stickier price pressures are keeping central banks in a wait-and-see stance

Real GDP growth forecast in 2026



Source: Oxford Economics, As of 19 March 2026.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Following uneven growth in 2025 due to tariffs, 2026 is off to a better start, underscored by better trade and domestic demand prospects, although recent geopolitical developments have led to a slight tempering in growth forecasts. On the external front, notable developments include India and the European Union concluding a landmark trade deal after nearly two decades of negotiations, South Korea and China resuming negotiations to extend their existing bilateral free trade agreement, and China establishing more specific cooperation frameworks with the U.K. and Canada.

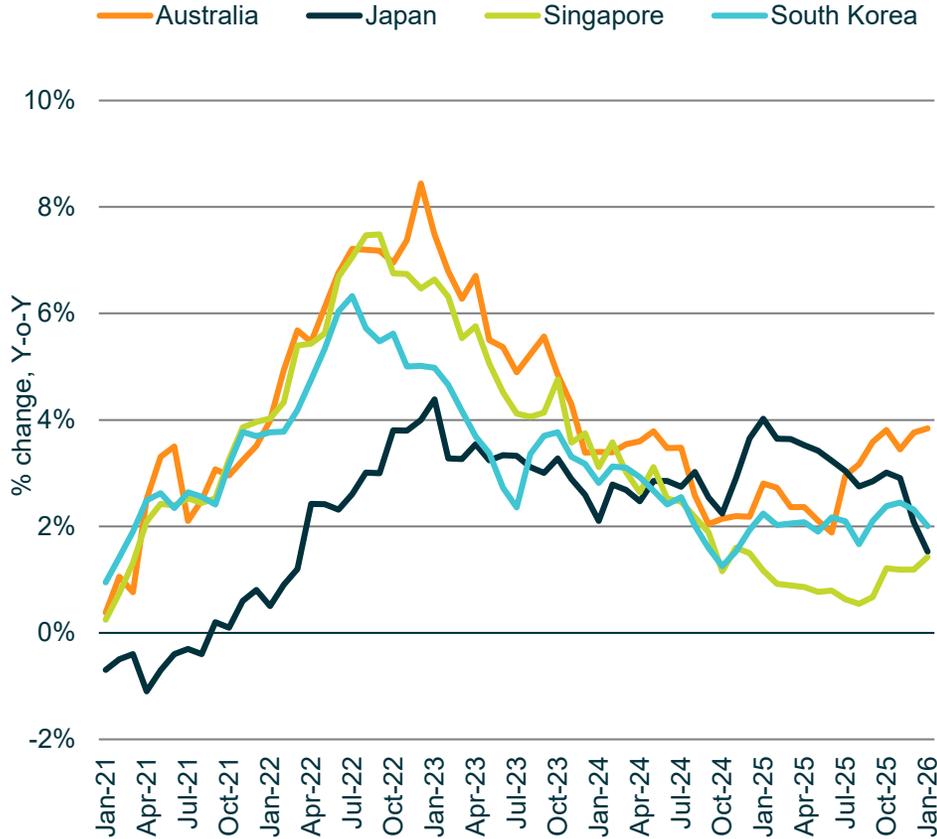
A consistent theme that has emerged across Asia Pacific is the resilient labor market, with unemployment rates generally remaining below 10-year averages. Labor market resilience helps support wage growth, which in turn underpins private consumption growth and providing firm foundation for domestic demand. Alongside that, the A.I. boom continues to drive corporate investment plans, with Japanese companies' increasing software investment serving as a notable example. Investment in machinery, equipment and semiconductor is expected to rise, as Asia Pacific has become the manufacturing hub for technology products.

That said, potential downside risks have intensified in recent weeks. Geopolitical tensions in the Middle East have worsened supply chain disruptions, while structural demand from A.I. and strategic inventory hoarding have driven commodity prices higher. This continues to translate into high production costs. Combined with tariff pass-throughs, producers are likely to transfer these increased costs to consumers, resulting in inflation that may prove stickier than expected. That has already encouraged central banks to shift from broad easing to a wait-and-see approach. Japan will continue to be an exception, with a high likelihood of further rate hikes over the course of 2026, as the Bank of Japan revises its full-year inflation forecast upward, indicating increased confidence in sustained price growth. Market consensus expects two rate hikes this year.

Asia Pacific economics

More modest rate cuts expected amid rising production costs from tariffs and commodity prices

Inflation



Policy interest rates forecast



Source: Oxford Economics, CEIC (March 2026); Nuveen Real Estate, As of 19 March 2026.

Note: Hong Kong's interest rate is the discount window rate, Australia's is the cash rate, South Korea's is the base rate, China's is the 1-year LPR, and Japan's is the overnight uncollateralized rate.

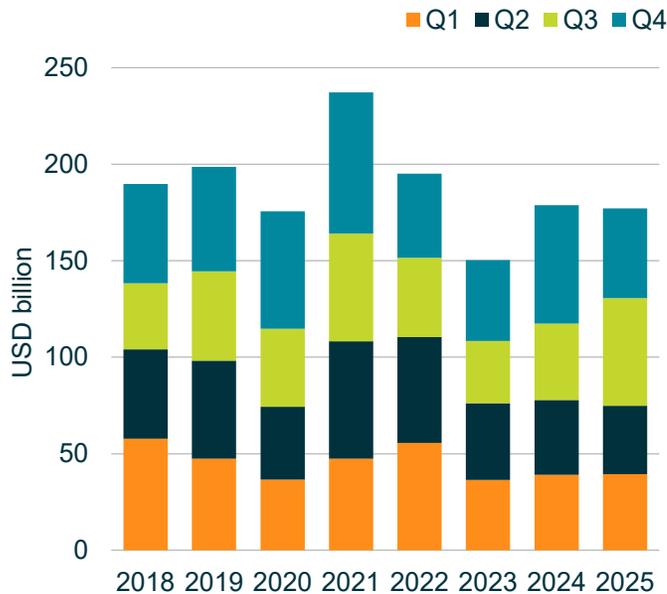
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Asia Pacific investment market

Navigating uneven fundamentals with tailored strategies

- Activity strengthened in nearly all markets, except for Japan, where rising financing costs have narrowed yield spreads and tempered investor sentiment
- The steepening yield curve, not only in Japan, suggests that forward returns will increasingly rely on income growth

Asia Pacific commercial real estate investment volume



Investment momentum in Asia Pacific improved in H2 2025, with total turnover increasing by 36% compared to H1. Activity strengthened in nearly all markets, except for Japan, where rising financing costs have narrowed yield spreads and tempered investor sentiment. Wider bid-ask spreads between buyers and seller has lengthened deal closures. In contrast, lower interest rates supported improved activity elsewhere. Both Australia and South Korea recorded turnover growth of 30% to 40% compared to H1 2025. Even Hong Kong saw an uptick of activity, led by the return of opportunistic capital seizing discounted opportunities and end-user demand from Chinese corporates.

While policy interest rates have declined, long-term interest rates remain elevated. The steepening yield curve suggests returns will increasingly rely on income growth. With uneven real estate fundamentals across sectors and markets, adopting tailored strategies based on market cycle positioning is essential. Early-cycle momentum is emerging in selected markets. For instance, Seoul dry logistics and prime office in Sydney's CBD have attracted higher investor interest, as both sectors are expected to benefit from improving vacancy rates amid resilient demand and construction delays. Japan presents a different opportunity profile. While compressed yield spreads have slowed investment activity, the market offers compelling value-add potential. With limited new supply and more than 60% of office and multifamily stock in Tokyo and Osaka over 20 years old, significant opportunities exist to capture rental upside through asset repositioning and upgrades, a strategy particularly attractive for investors with higher risk appetite.

Looking ahead, investment activity is expected to improve further. Strengthening market fundamentals, including economic growth across major markets and lower interest rates, will contribute to a more favorable investment environment. Investment sentiment has gradually improved, as reflected in various investment intention surveys. The benefits of portfolio diversification will help strengthen sentiment among cross-border investors looking to the region.

Note: Development site transaction is excluded.

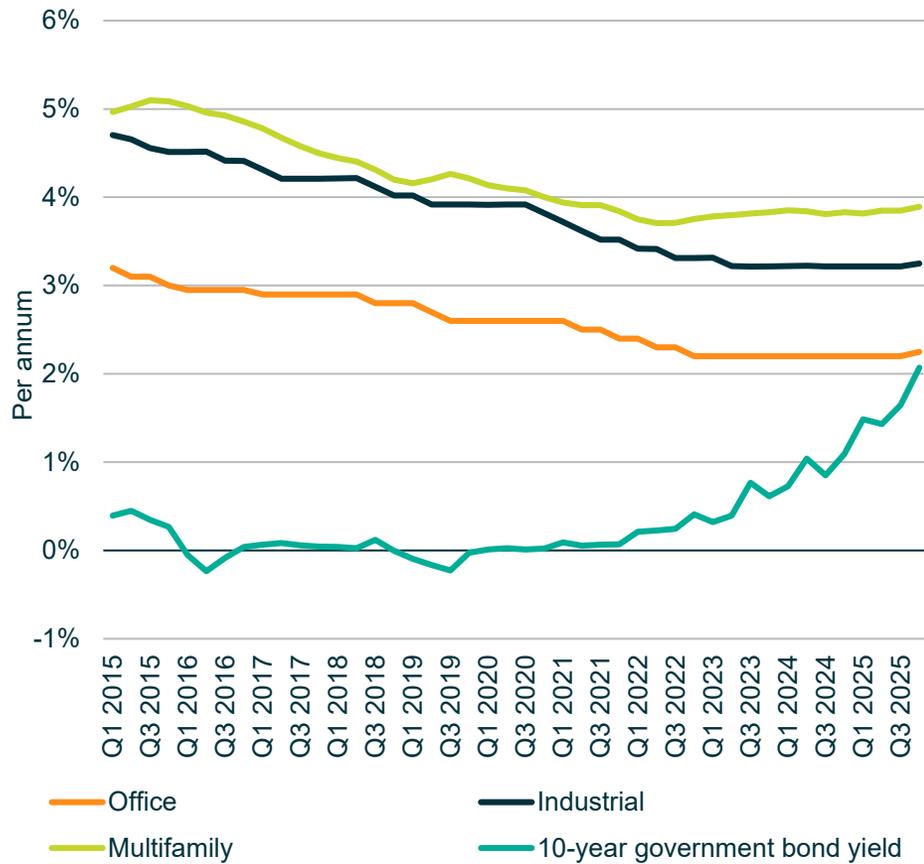
Source: RCA (Q4 2025); Nuveen Real Estate Research, February 2026.

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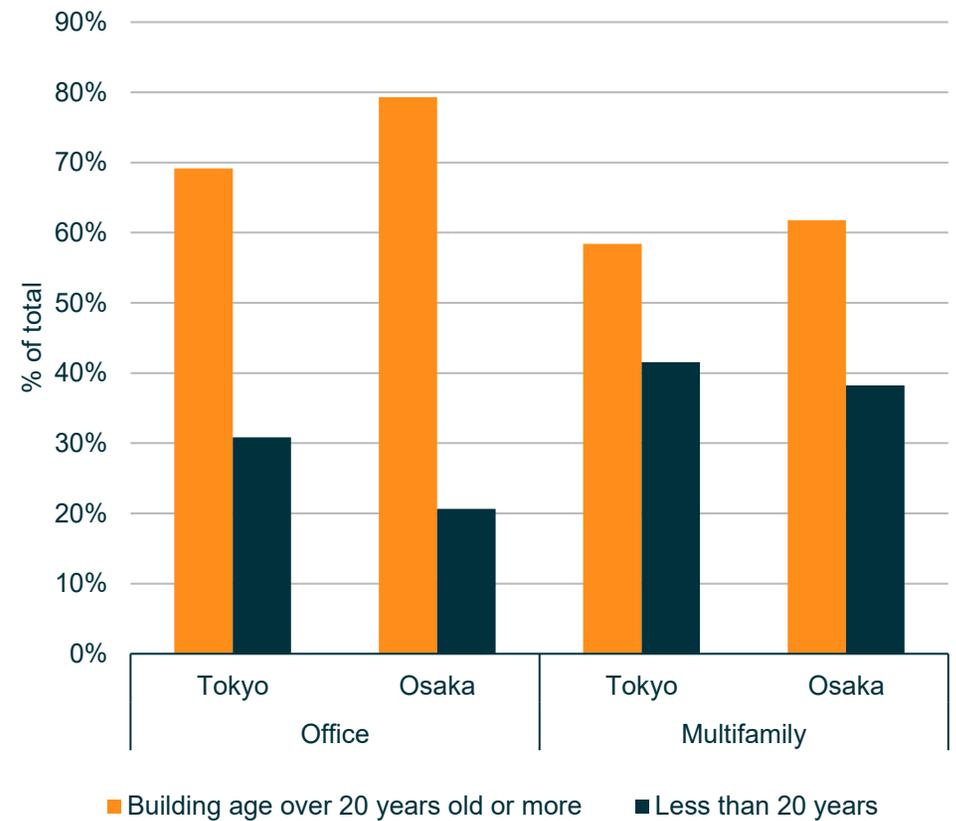
Asia Pacific investment market

Consider value-add opportunities in Japan

Tokyo real estate yields versus 10-year JGB



Portion of stock by age in Tokyo and Osaka



Source: JLL, RCA (Q4 2025); Xymax Real Estate Institute, Japan Statistics Bureau, Nuveen Real Estate, February 2026.

Asia Pacific office

Focus on laggard markets recovery

- Investors have displayed higher interest in the office sector, with transaction volumes rising by 10% Y-o-Y in the region last year
- Firmer interest emerging in prime Australian CBD offices due to recovery of office net absorption across east coast cities
- Market performance will remain uneven across the region: Tokyo continues positive momentum, while Singapore and Australia become more landlord-favourable

Overall, investors have displayed higher interest in the office sector, with transaction volumes rising by 10% Y-o-Y in the region last year. Activity was mainly concentrated in South Korea and Japan, supported by an active and strong domestic investor pool. Both Tokyo and Seoul remain landlord-favoured markets characterized by low vacancy rates, which has continued to support positive rental growth.

Investors have also displayed firmer interests in prime CBD offices in Australia as market fundamentals improve. Net absorption is recovering across east coast cities, while incentives show signs of stabilizing, and flight-to-quality trends drive down vacancy rates. The return of investor interest remains uneven within the country, with cross-border investors showing greater participation in Sydney, where they accounted for 50% of total office transactions last year. In contrast, Melbourne and Brisbane remain dominated by local investors due to higher foreign land tax surcharges.

Looking ahead, market performance will remain uneven across the region. Tokyo's office market will continue to show positive momentum, underpinned by historically low vacancy rates and resilient employment among domestic corporations - a real boost for office fundamentals. Seoul's office will also stay strong this year, despite likely moderation in rental growth following a strong growth period. Weakness in Seoul's CBD has become more evident, but we do not expect rental growth to shift materially downward. Furthermore, Singapore and Australian east coast cities will become more landlord-favored, supported by steady demand and limited new supply. The scarcity of contiguous floor plates in core CBD areas will continue to drive rental growth.

The laggard in the region will continue to be China, where structural oversupply weighs heavily on fundamentals. Vacancy remains above 20% in Beijing and Shanghai, exerting significant downward pressure on rents which have dropped roughly 60% from their previous peak in 2018.

Grade-A CBD office net effective rental growth



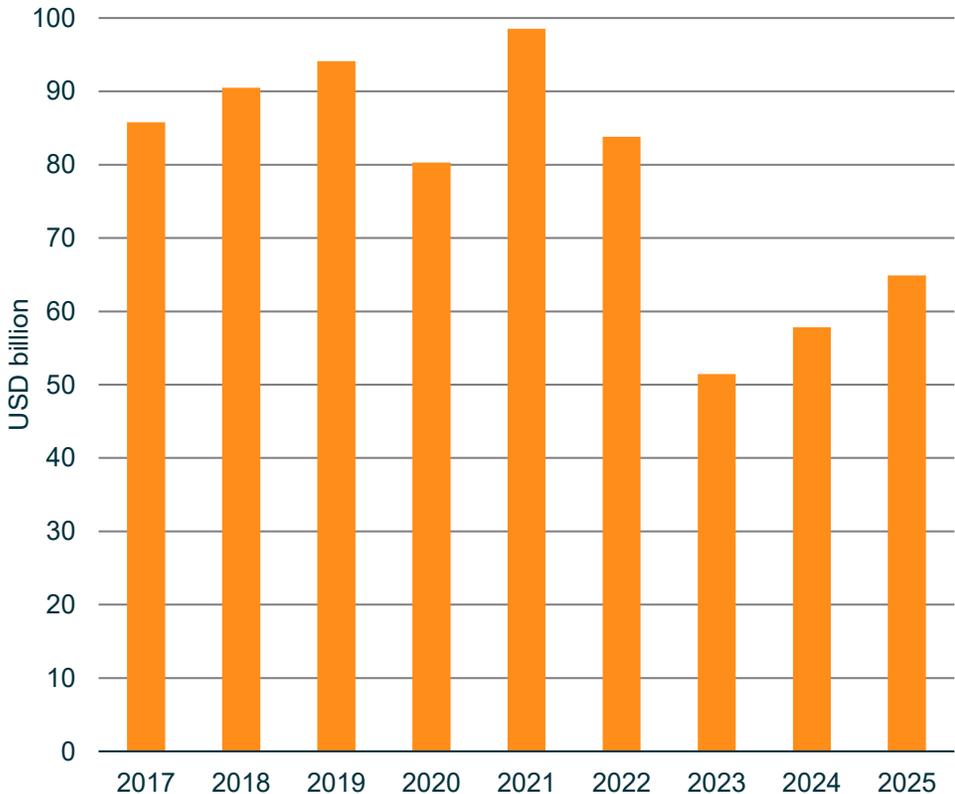
Source: JLL, CBRE, (Q4 2025); Nuveen Real Estate, February 2026.

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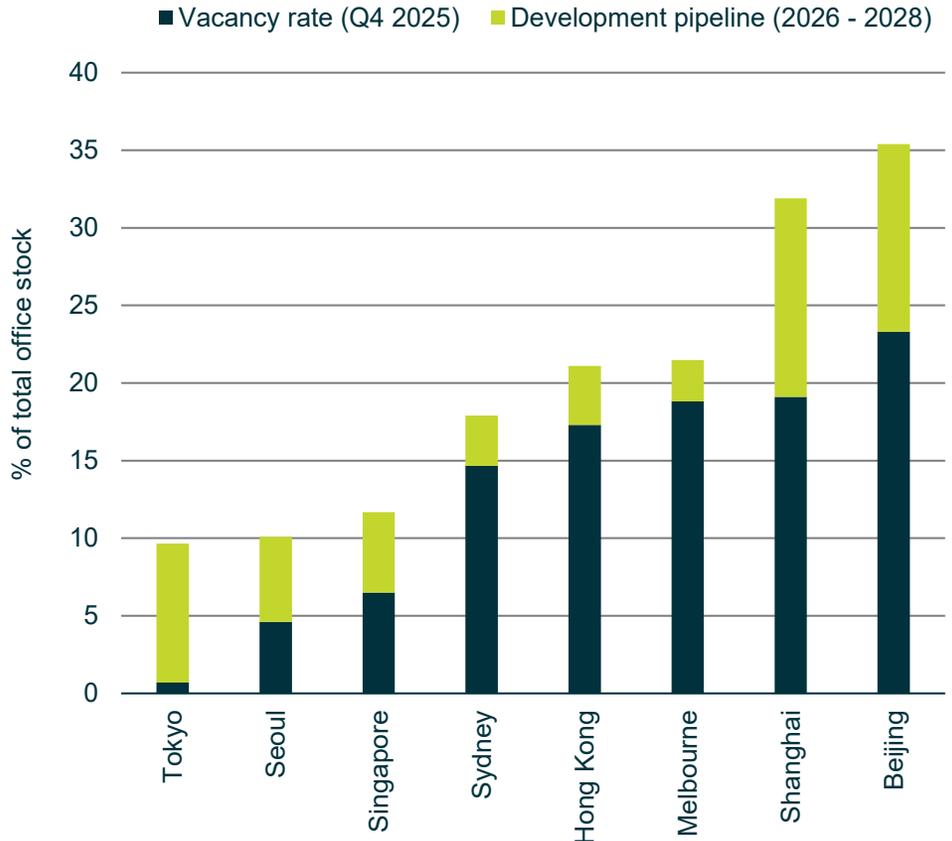
Asia Pacific office

Investors have displayed higher interest in the office sector

Asia Pacific office investment volume



Grade A office new supply and current vacancy rate



Source: RCA, JLL, CBRE (Q4 2025); Nuveen Real Estate Research (February 2026).

Asia Pacific retail

Revival of investor interest in selected markets

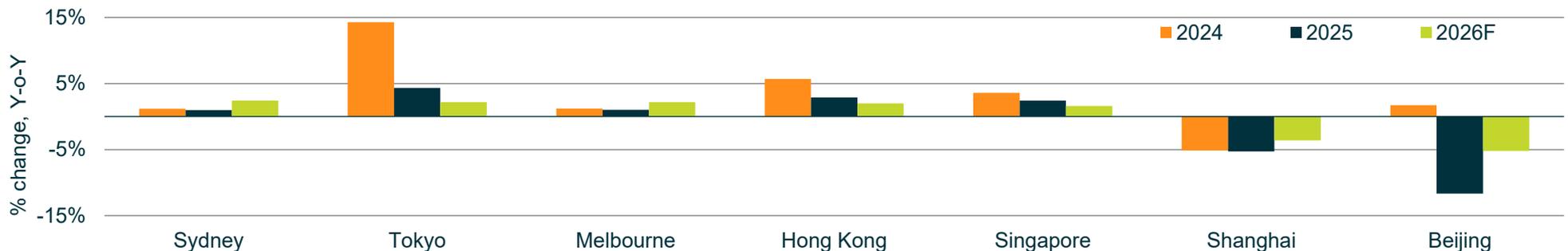
- Retail is regaining investor focus after being neglected for many years, with much of the interest concentrated in Australia
- Strong capital flows into Australia have compressed retail cap rates in Sydney, especially for well-located neighbourhood shopping malls serving large residential catchments
- Outside Australia, the investment landscape is mixed: investment activity in China and Hong Kong was largely limited to small-sized transactions, while Japan saw tempered investor interest due to compressed yield spreads

Retail is regaining investor focus after being neglected for many years. Much of this interest has been concentrated in Australia, where favorable population growth, attractive entry pricing, and limited new supply are expected to support retail rental growth. Overall retail spending in Australia has shown resilience, with a wide spectrum of sectors recording sales gains compared to 2024, demonstrating the enduring appeal of physical stores despite gradual e-commerce expansion. Against this backdrop, retail investment turnover in Australia increased 36% Y-o-Y in 2025, with the majority of transactions concluded by domestic REITs, pension funds and investment managers. Neighborhood centres and regional shopping malls were the major focus, capturing consumers' preference to shop close to home post-pandemic.

However, the investment landscape is mixed outside Australia. Investment activity in China and Hong Kong was largely limited to small-sized transactions as overall retail market fundamentals remain sluggish. High yields remain a key criterion for investors to compensate for potential negative rental reversions amid high vacancy rates. In Japan, the retail sector has shown resilient recovery throughout 2025, supported by increased inbound tourism. However, tighter yield spreads and challenging rent reversions for neighbourhood shopping centres due to traditional lease structure has tempered investor interest and slowed investment activity.

With strong capital flows into Australia, retail cap rates have started to compress in Sydney, especially well-located neighborhood shopping malls serving large residential catchments, while Melbourne remains largely stable. The return of investors seeking steady income streams is likely to drive further cap rate compression, as the sector appeals to long-term capital.

Retail rental growth



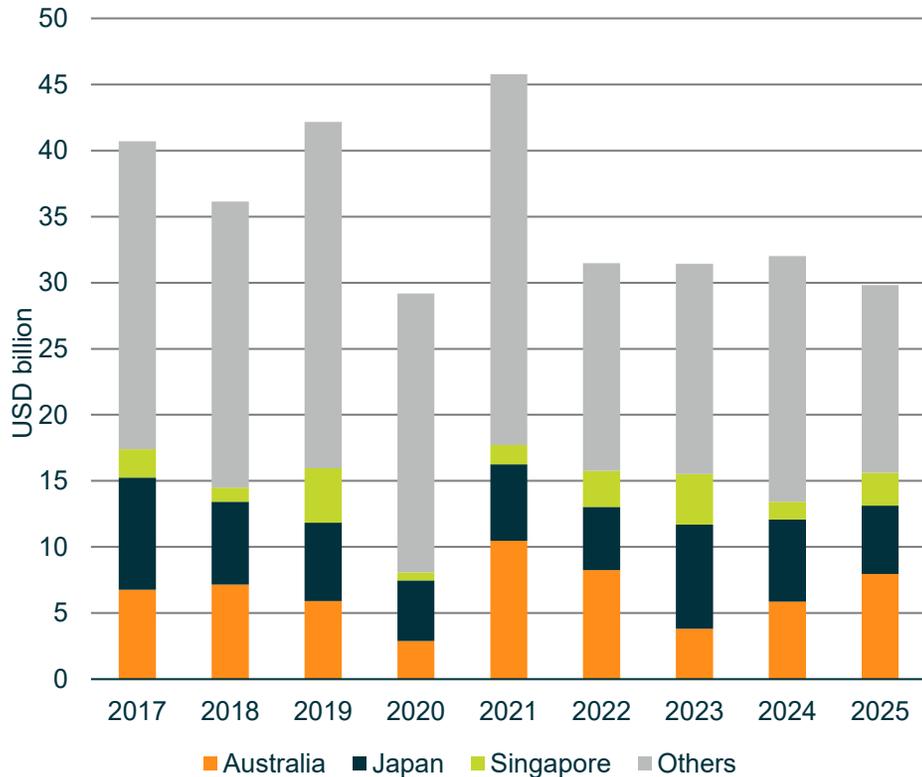
Source: JLL, CBRE (Q4 2025), Nuveen Real Estate Research (February 2026).

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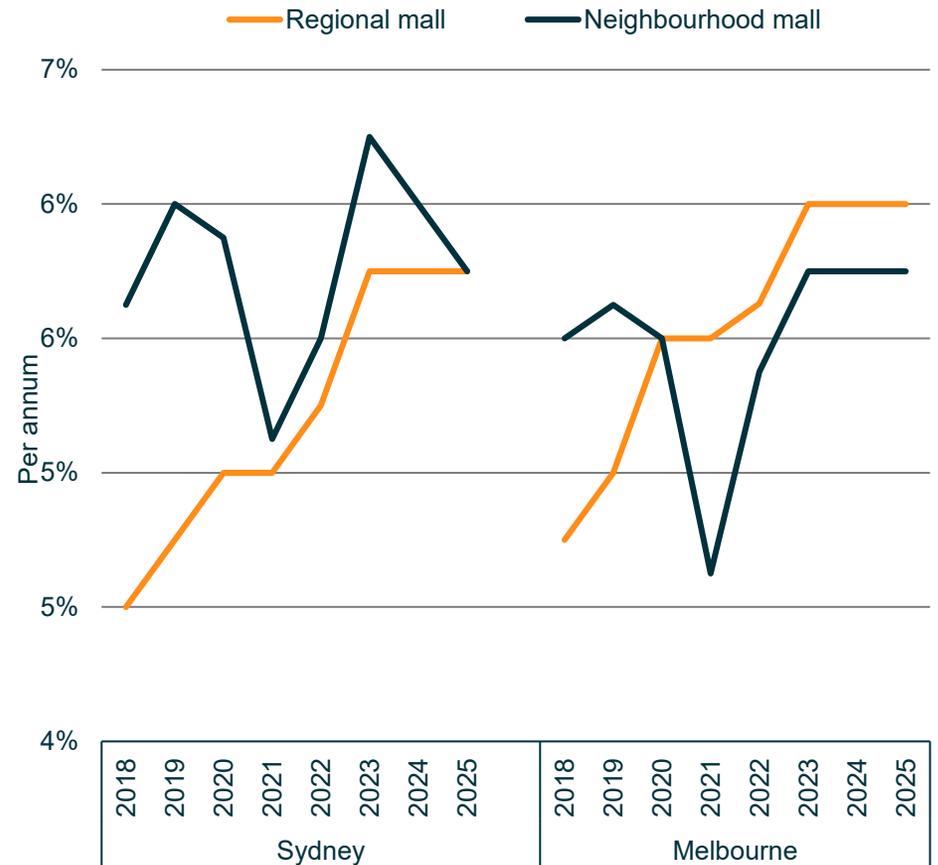
Asia Pacific retail

Australian retail regains investor attention

Asia Pacific retail investment volume by market



Retail cap rates in Australia



Source: RCA (Q4 2025), JLL, Nuveen Real Estate Research (February 2026).

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Asia Pacific logistics

Still favored by investors despite normalization in leasing conditions

- The logistics sector continues to be favored by investors, as long-term fundamentals remain intact with further growth in e-commerce penetration
- Shift in occupier preference toward logistics space near major infrastructure or population centres has led investors to focus on infill markets
- Soft rental growth expected across the region as landlords prioritize occupancy in weaker assets

The logistics sector continues to be favored by investors even though it has entered a normalization phase, with leasing activity and rental growth moderating. The sector's long-term fundamentals remain intact, supported by growth in e-commerce penetration. Cost pressures have also constrained the supply pipeline, forcing developers to delay projects or even cease development, limited the risk of oversupply.

The normalization of leasing demand is driven by occupiers prioritizing efficiency due to higher operating costs. Logistics facilities located near major infrastructure or population centre - which can reduce transportation cost and ease staff access - remain highly sought after by occupiers. This change in occupier preference has led investors to focus on infill markets closer to consumption centres. Sydney serves as a good example, with many transactions concluded in infill submarkets, benefiting from occupiers seeking submarkets that offer affordability and efficiencies. Tokyo is on a similar trajectory, with many transactions situated in the Tokyo Bay and Chiba Bay areas.

Cross-border investors have also regained interest in South Korea logistics, as sector fundamentals are improving with diminishing oversupply risk. Robust demand from 3PLs and e-commerce companies has pushed down vacancy rates over the past 12 months. This trend is expected to continue in 2026, maintaining net effective rental recovery. That said, understanding tenant composition by submarket, combined with supply pipeline analysis, is essential to identify the promising locations.

Looking ahead, overall rental growth will remain soft across the region, as assets in inferior locations will weigh on market averages when landlords prioritize occupancy over rent growth. Micro-market selection remains key, particularly in supply constrained markets with strong occupier demand, such as Sydney, Tokyo and Seoul. China and Hong Kong remain the laggards due to weak leasing demand and high vacancy pressure.

Prime logistics rental growth



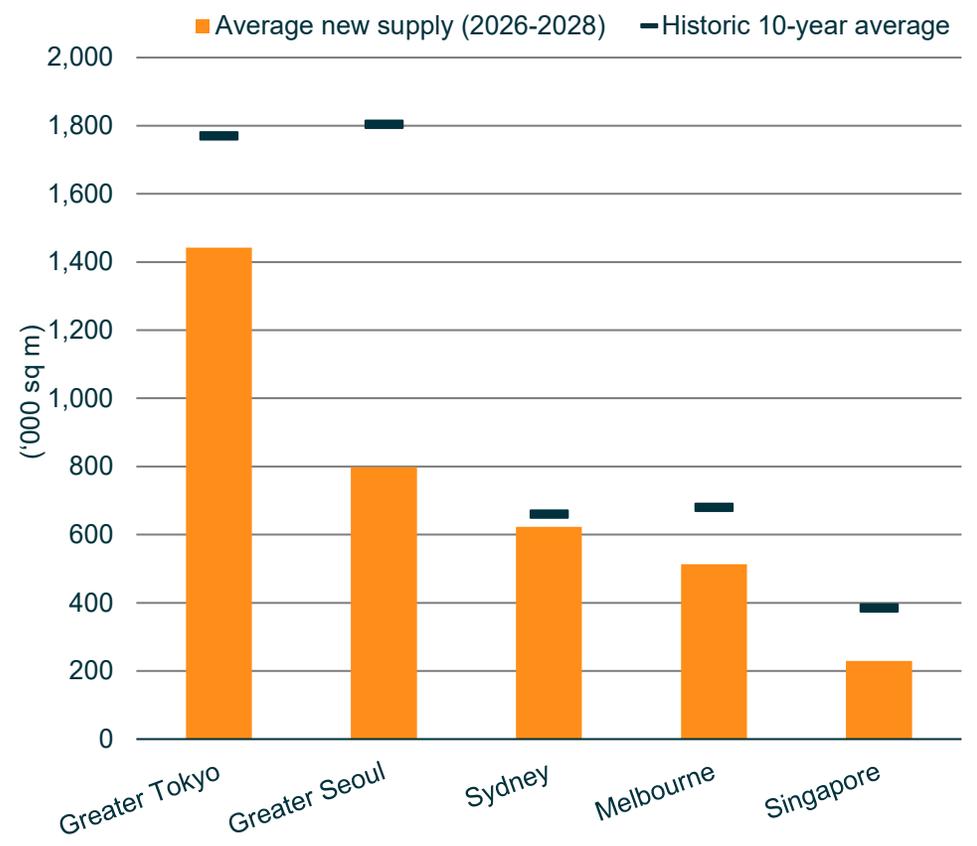
Source: CBRE, JLL, (Q4 2025); Nuveen Real Estate, February 2026.

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Asia Pacific logistics

Seoul logistics attracts renewed investment interest as oversupply risk diminishes

Logistics new supply in major markets



E-commerce penetration



Source: CBRE, JLL, (Q4 2025); Nuveen Real Estate, Korea Statistics Bureau, Singapore Statistics Bureau, CEIC, As of 19 March 2026.

Asia Pacific residential

Deepening liquidity in living sector

- Asia Pacific living sector investment share reached 9% of total commercial turnover, the highest in 10 years, reflecting growing investor interest
- South Korea's housing market stabilization plan, introduced in October 2025, has tempered investor demand, despite unchanged market fundamentals

The Asia Pacific living sector is gaining higher investor interest, as reflected by its increasing share of total commercial real estate investment turnover, reaching around 9% - the highest over the past 10 years. The sector's ability to maintain income durability across different economic cycles, as evidenced by persistent high occupancy rates, has made it an increasing part of investors' portfolios.

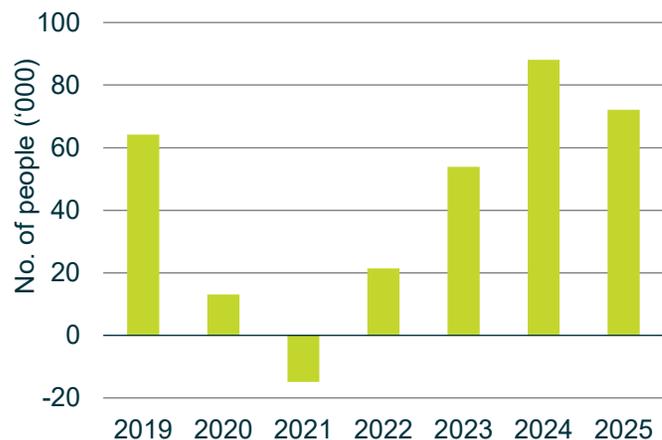
Historical trends show that rental growth for multifamily has consistently outpaced inflation. This trend is unlikely to change, supported by inelastic housing demand. This needs-based demand, coupled with solid demographic drivers such as population growth, household downsizing, urbanisation, and the forced-to-rent phenomenon arising from intensified affordability constrained, provides a solid foundation. The tight supply pipeline reinforced the sectors' fundamentals, allowing property income to rise.

Japan continues to be the major market for multifamily opportunities in the region. Even though yield spreads have narrowed, investors, especially value-add and opportunistic investors, remain keen to invest in the sector to capture the upward trend in rents. New demand sources from tourists, foreign workers and international students are driving demand for furnished units with flexible lease terms, attracting some investors to acquire residential assets and reposition them for short-term stays to capture shorter tenant turnover cycles.

Australia and South Korea have been emerging markets for rental housing opportunities. However, South Korean government's housing market stabilization plan, introduced in October 2025, has tempered investor demand. Officetel assets used for residential purpose will not be exempted from the Comprehensive Real Estate Tax, negatively impacting income returns despite unchanged market fundamentals. This regulatory risk has increased the difficulty of investing in the sector.

In contrast, Australia has seen new cross-border investors enter the sector, with Japanese capital being the most active group, attracted by strong rental demand. Australian superannuation funds have also increased allocations to the sector. The most recent transaction was the Australian Retirement Trust acquiring a 48.5% stake in the Mirvac Build-to-Rent (BTR) fund, gaining immediate access to five operational properties across the country. This marks the Australian Retirement Trust's first investment in the Australian BTR sector, signalling growing institutional acceptance of the asset class.

Net population inflow into Tokyo 23 wards



Source: Statistics of Tokyo (Q4 2025); Nuveen Real Estate February 2026.

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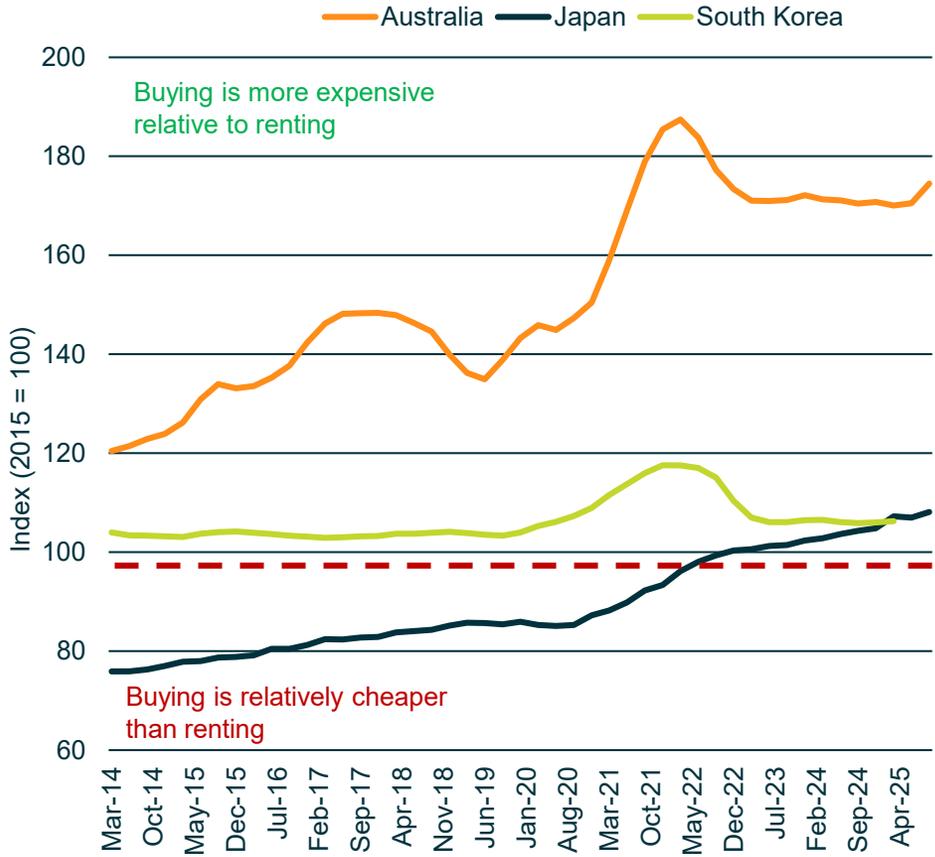
Asia Pacific residential

Accelerating shift toward monthly rental in South Korea

Total number of leasing transactions by type in South Korea



House price to rent ratio



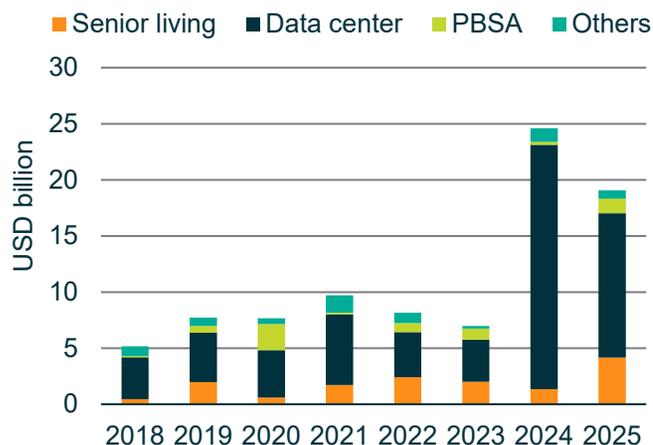
Source: Ministry of Land, Infrastructure and Transport, South Korea (Q4 2025), OECD, (Q3 2025); Nuveen Real Estate, February 2026.

Asia Pacific alternatives

Continue to be rising stars

- Total investment turnover into alternative sectors, including data centre, senior housing, self-storage and student housing, has far exceeded the long-term average
- Australian PBSA remains strongly supported by robust market fundamentals
- Senior living in Australia gaining investor attention, driven by aging demographic and rising wealth among elderly downsizers seeking better aged care and retirement solutions

Asia Pacific alternatives investment by sector



Source: RCA (Q4 2025); Nuveen Real Estate, February 2026.

The resilient demand profile for alternative sectors continues to drive capital inflows. Total investment turnover into alternative sectors, including data centre, senior housing, self-storage and student housing, has far exceeded the long-term average. Data centre remains highly sought after by investors due to ongoing digitalisation initiatives across the region and AI development. Australia, Japan and South Korea all recorded equity investors and data centre operators forming partnership to develop high power capacity data centres in Q4 2025. One potential big-ticket transaction is underway: KKR and Singtel intend to purchase the remaining 80% stake in ST Telemedia Global Data Centres for US\$3.9 billion, which would be the fifth-largest data centre transaction in Asia Pacific.

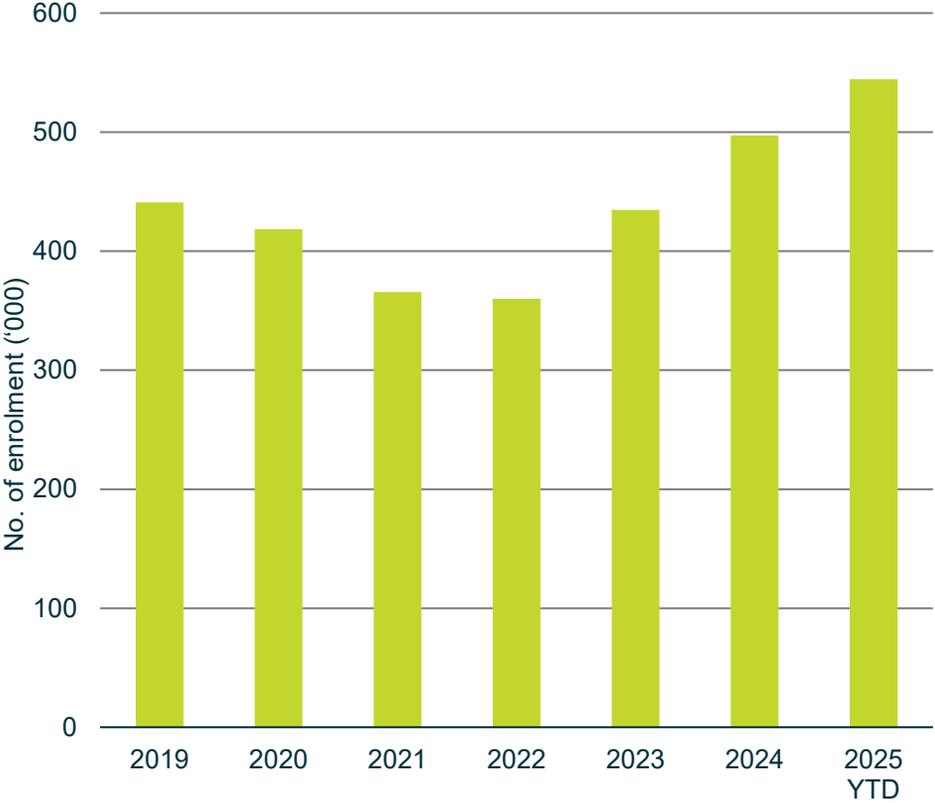
Australia PBSA remains strongly supported by robust market fundamentals, with high occupancy rates and solid rental growth. Rising international student enrolment in higher education and the government's commitment to the sector - with an increase of 25,000 in the 2026 intake of new international students (from 270,000 to 295,000) - continues to favour the sector and provides important certainty for growth. These factors continue to draw new investors into the market. A notable transaction was Samty, a Japanese investor, acquiring a majority stake in UniLodge, one of the major PBSA operators. Given that the sector remains undersupplied, investors are also seeking development opportunities. The most recent development was Point Capital Partners purchasing a site in Macquarie Park in Sydney for a 600+ room PBSA development.

Additionally, senior living in Australia is gaining investor attention, driven by the country's aging population and rising wealth among elderly downsizers seeking better aged care and retirement solutions. The new Aged Care Act 2024, which became effective on November 1, 2025, is fostering industry consolidation, as smaller operators face higher financial requirements and stricter operational requirements, including 24/7 registered nurse coverage. These factors increase operating costs for smaller operators, creating acquisition opportunities for larger, well-capitalized players. Recent activity reflects this trend: Invesco expanded its sector exposure by acquiring a senior living group operating 29 villages nationwide for A\$845 million, while multiple consolidation transactions have been completed as large operators absorb smaller ones to improve economics of scale and enhance sector efficiency.

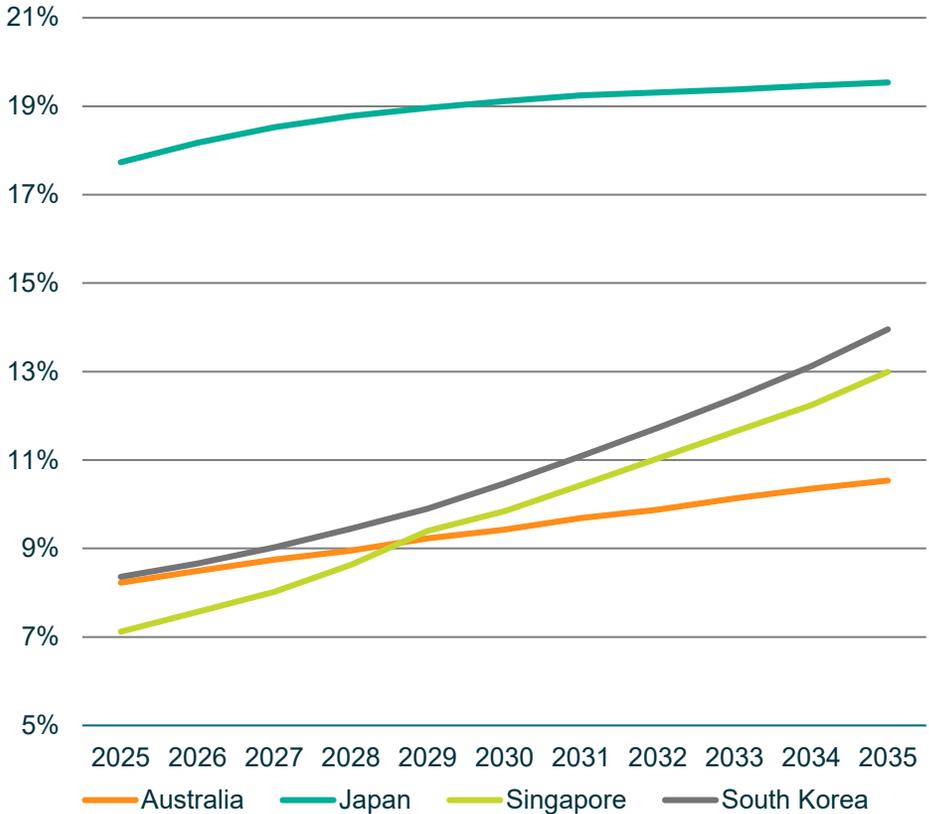
Asia Pacific alternatives

International student enrollment continues to grow in Australia, underpinning PBSA demand

International student enrolments in higher education in Australia (YTD to November)



Ratio of population over 75



Source: Australia Department of Education, Oxford Economics, Nuveen Real Estate, As of 19 March 2026.

Asia Pacific sustainability

Sustainability continues to develop at pace within the Asia Pacific region. The region continues to lead on GRESB*, with Oceania and Asia ahead of global peers once again indicating that the region delivers on sustainability implementation. Particular outperformance can be seen in performance scores indicating that Asian markets are prioritizing year on year efficiency improvements.

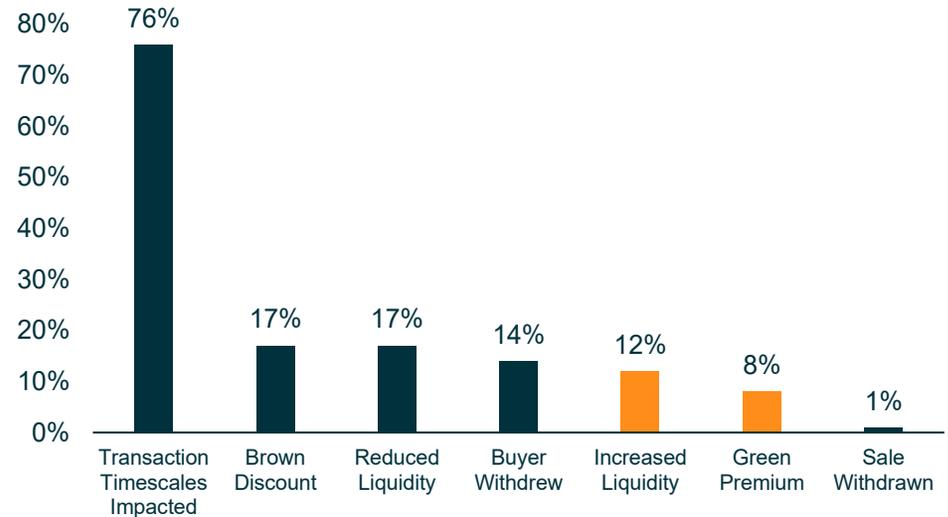
As focus on sustainability themes grows in Asia and Europe, signs of transactions being impacted by sustainability can be found. Recent data indicates that participants are increasingly seeing; transaction are taking longer to conclude with more complex DD, price chips (brown discounts) being expected and in certain cases are seeing buyers withdraw based on sustainability.

GRESB regional scores across management and performance, by region

Regional average



% of transactions tracked impacted by sustainability in terms of pricing, liquidity or execution timelines



*GRESB – Global Real Estate Sustainability Benchmark.

Sources: JLL Capital Markets Transaction Tracker – 2025. GRESB Real Estate Assessment Results 2025.

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