



GLOBAL CAPITAL MARKETS



Global Capital Flows
September 2025

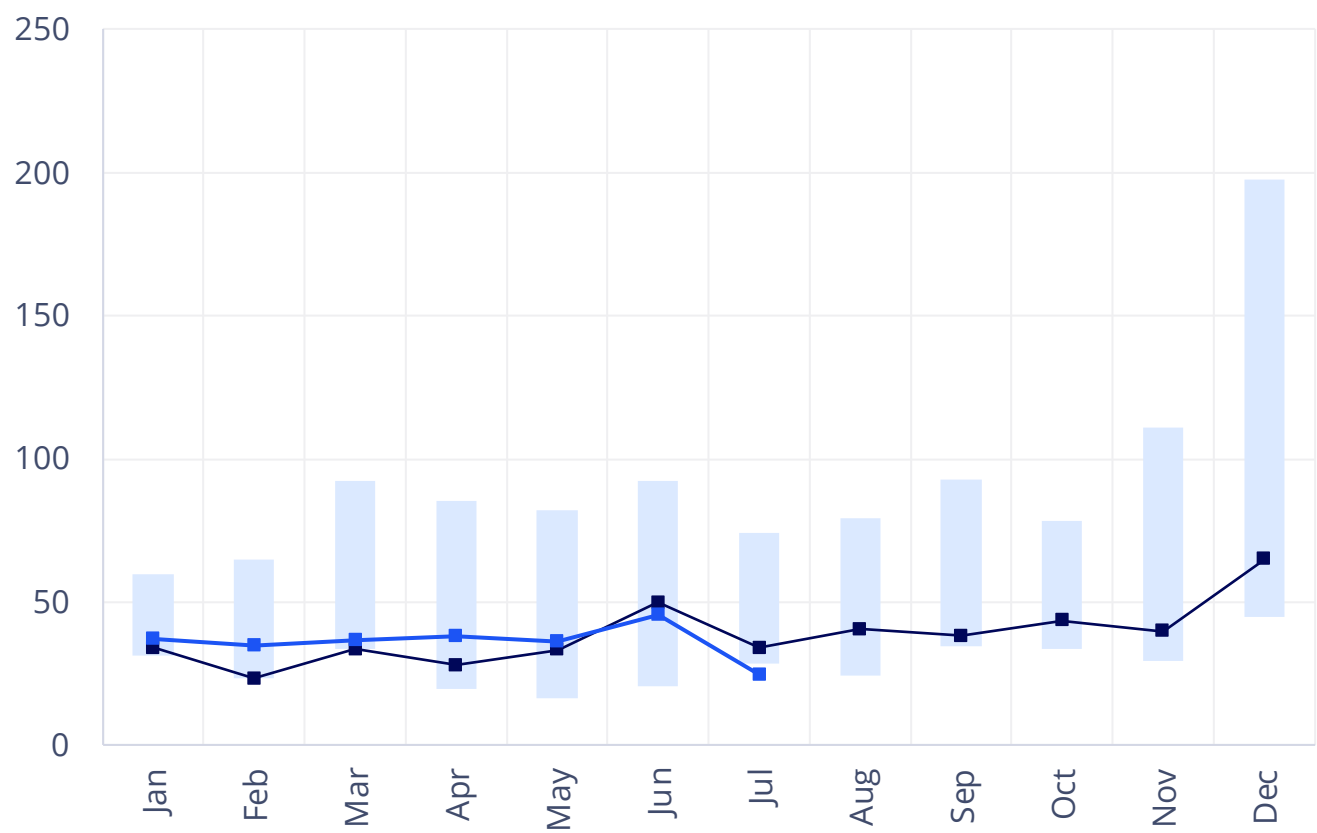
Investment volumes subdued in H1 2025, in line with 2024 activity.

As we get past the mid-point in 2025, it is clear that the initial pensive months of Q1 have continued into Q2. Despite evidence of an increase in market activity, this is yet to fully translate into transaction volumes across all regions - with activity very much on par with that of 2024. Although volumes continue to sit at the bottom of the five-year range in all regions, activity did pick up by 7% in North America year-to-date, relative to the same period in 2024.

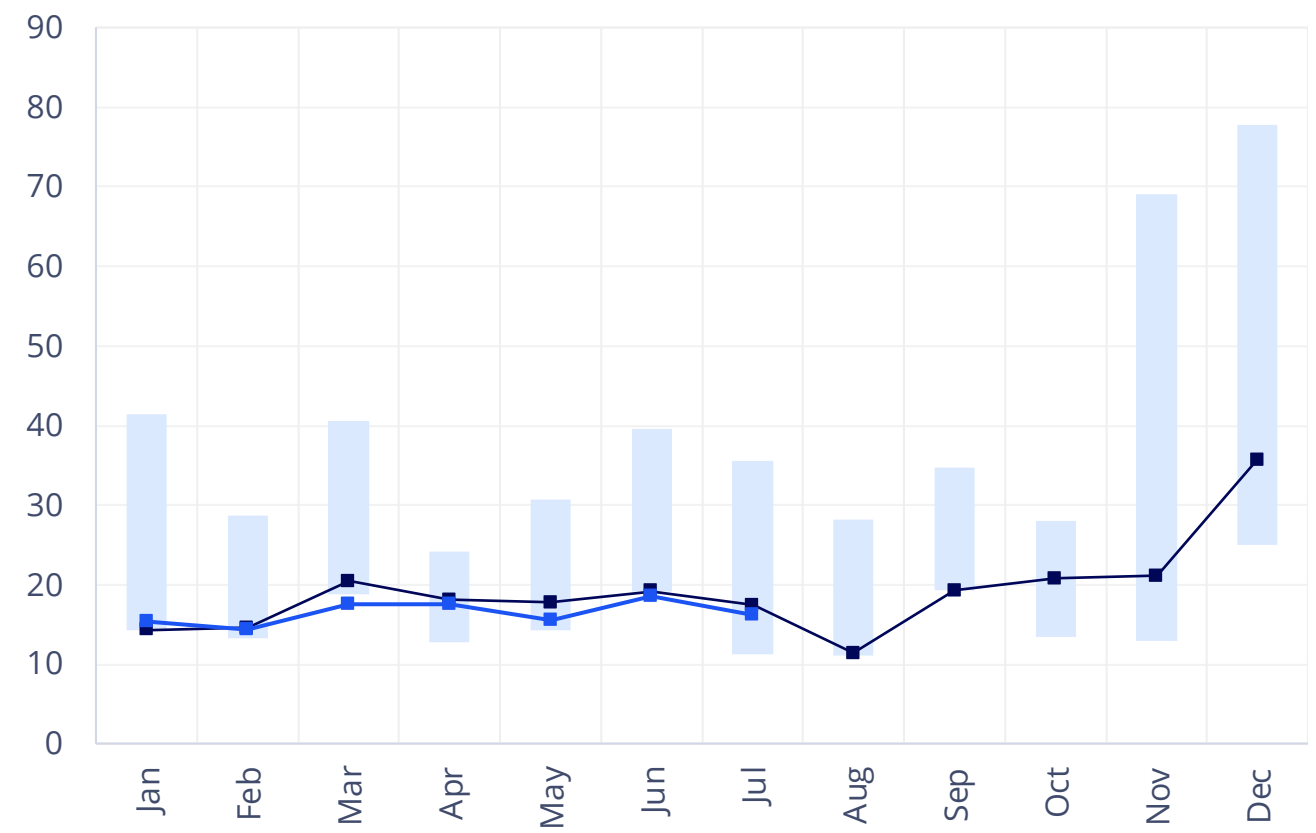
In APAC, there has been a slight increase in momentum through to the end of June, with activity surpassing 2024 levels by 5% year-to-date. Summer activity is typically slow in the EMEA region, so no significant changes to report.

Figure 1. Monthly Regional Investment Flows, US\$ bn, All Sectors

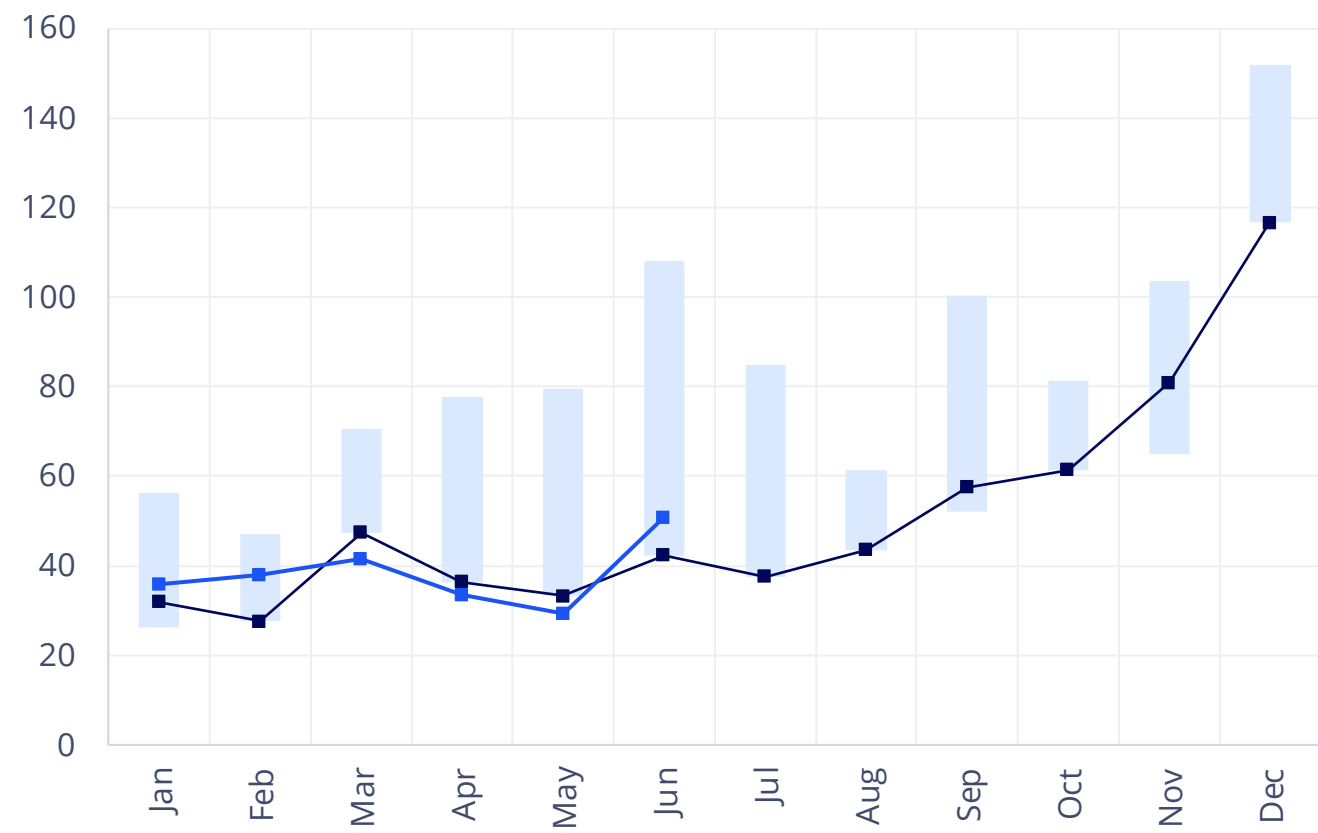
North America



EMEA



APAC



5yr high-low 2024 2025

Source: Colliers, MSCI Real Capital Analytics

EMEA, led by the UK, retains the largest share of cross-border investment. Spain and Italy exceeded their five-year average, while the Netherlands has declined. The U.S. and Japan have improved, with Japan well above its five-year average.

Figure 2. Top 10 Global Cross-Border Capital Destinations – Standing Assets: 12 Month Rolling, US\$ mn

COUNTRY		CROSS-BORDER TOTAL	CROSS-BORDER GLOBAL	CROSS-BORDER REGIONAL	% OF TOTAL H1 2025	5-YEAR AVERAGE
1.	 United Kingdom	24,338	18,029	6,309	▲ 17.0%	16.0%
2.	 United States	22,065	15,061	7,004	▲ 15.4%	17.7%
3.	 Germany	13,864	4,977	8,887	▲ 9.7%	9.9%
4.	 Japan	10,976	5,790	5,186	▲ 7.7%	5.7%
5.	 France	7,723	2,950	4,773	▲ 5.4%	5.4%
6.	 Spain	7,201	3,898	3,303	▲ 5.0%	3.9%
7.	 Italy	7,142	3,157	3,986	▲ 5.0%	3.1%
8.	 Australia	6,607	3,566	3,041	▼ 4.6%	4.8%
9.	 Netherlands	4,342	1,660	2,682	▼ 3.0%	4.2%
10.	 Poland	4,070	1,889	2,181	▲ 2.8%	2.5%

Source: Colliers, MSCI Real Capital Analytics

▲ ▼ Change in % share over the past 12 months

APAC continues to dominate the land-led market. The U.S., Germany and the UK are the only non-APAC markets, where lower land sales reflect slowing construction and development pipelines.

Figure 3. Top 10 Global Cross-Border Capital Destinations – Land/Development Sites: 12 Month Rolling, US\$ mn

COUNTRY		CROSS-BORDER TOTAL	CROSS-BORDER GLOBAL	CROSS-BORDER REGIONAL	% OF TOTAL H1 2025	5-YEAR AVERAGE
1.	 China	41,158	126	41,033	▲ 82.1%	79.6%
2.	 Australia	1,022	305	717	▲ 2.0%	1.8%
3.	 Singapore	981	0	981	▼ 2.0%	1.6%
4.	 India	808	490	318	▼ 1.6%	1.4%
5.	 United States	733	582	150	▼ 1.5%	1.7%
6.	 Germany	705	193	512	▼ 1.4%	1.9%
7.	 Malaysia	606	158	448	▲ 1.2%	0.8%
8.	 United Kingdom	600	532	68	▼ 1.2%	2.2%
9.	 Hong Kong	500	0	500	▲ 1.0%	1.0%
10.	 Japan	404	258	146	▲ 0.8%	1.3%

Source: Colliers, MSCI Real Capital Analytics

▲▼ Change in % share over the past 12 months

Multifamily remains the most active sector globally.

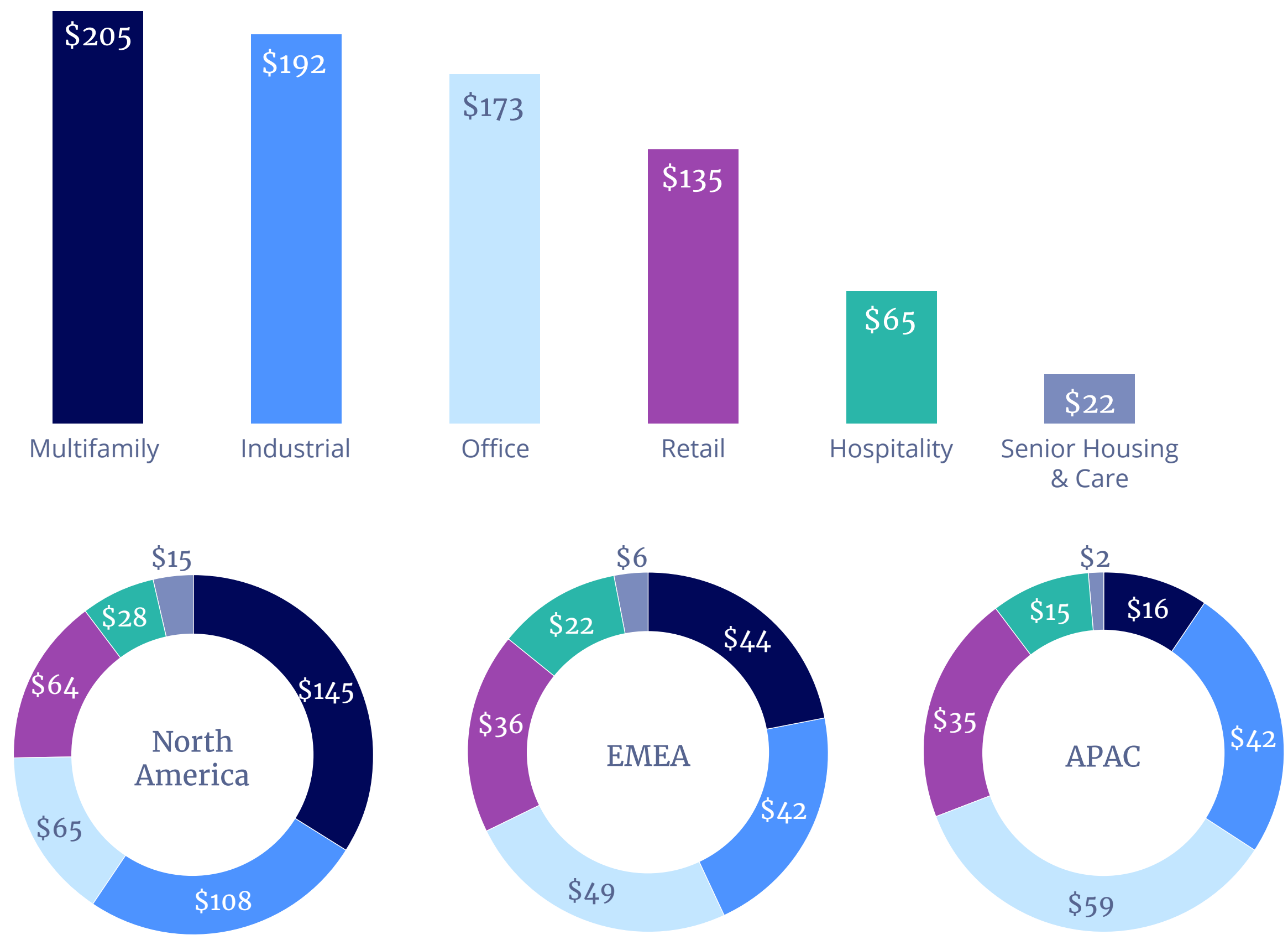
Globally, multifamily has maintained its active presence ahead of all other sectors, seeing a slight increase in activity on a 24-month rolling basis, as of the end of Q2 2025. The living sector continues to dominate activity in North America, but is less prevalent in EMEA and even less so in APAC.

Industrial has remained stagnant on a global basis, but remains the second most active investment sector - both globally, and per region.

Office investment activity has picked up on a global basis. It has seen much stronger levels of activity in APAC and EMEA, where it has resumed the number one position on a rolling 24-month basis.

Retail continues to trade strongly, with hospitality further back on a relative (%) basis. Both sectors have maintained similar levels of activity to Q1 2025.

Figure 4. Global Investment by Sector, Standing Assets, Two Year Average, US\$ bn



Source: Colliers, MSCI Real Capital Analytics

The U.S. remains the number one source of global capital, exceeding the five-year average. Japan and Norway have increased their activity on a relative basis, compared to the five-year average.

Figure 5. Top 10 Global Cross-Border Capital Sources: 12 Month Rolling, US\$ mn

	COUNTRY	CROSS-BORDER TOTAL	CROSS-BORDER GLOBAL	CROSS-BORDER REGIONAL	% OF TOTAL H1 2025	5-YEAR AVERAGE
1.	 United States	40,728	37,686	3,042	▲ 28.5%	24.8%
2.	 Canada	11,869	5,073	6,782	▲ 8.3%	10.9%
3.	 United Kingdom	10,878	2,680	8,198	▲ 7.6%	6.8%
4.	 Singapore	7,904	2,968	4,936	▼ 5.5%	9.5%
5.	 France	6,520	365	6,207	▼ 4.6%	4.8%
6.	 Sweden	5,617	86	5,532	▲ 3.9%	4.3%
7.	 Japan	5,175	3,215	1,960	▲ 3.6%	2.0%
8.	 Norway	4,985	2,644	2,341	▲ 3.5%	1.1%
9.	 Germany	4,801	1,633	3,169	▼ 3.4%	6.7%
10.	 Hong Kong	4,360	283	4,077	▼ 3.0%	4.6%

Source: Colliers, MSCI Real Capital Analytics

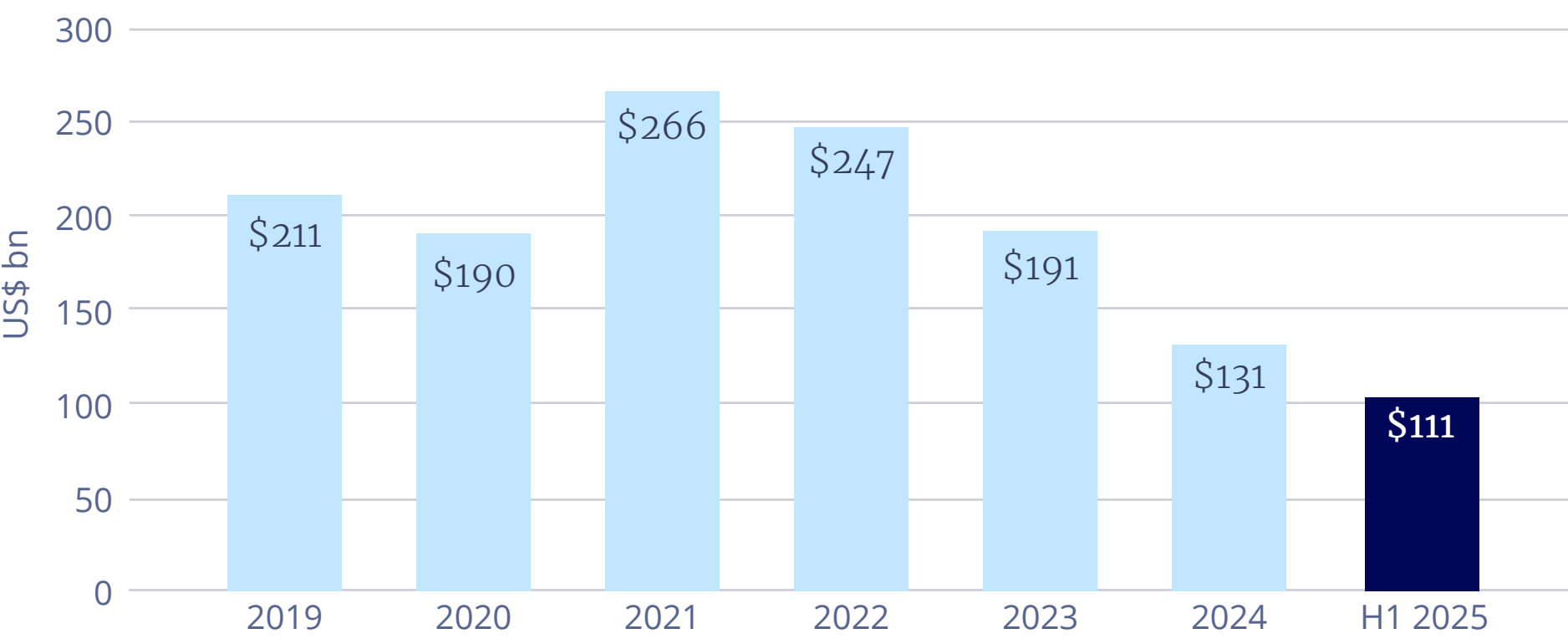
▲ ▼ Change in % share over the past 12 months

Global CRE fundraising momentum continues in Q2.

Global real estate fundraising continued to rebound during Q2 2025, taking the H1 total to \$111 billion - this puts it at 85% of the total for 2024. The addition of new funds in Q2 has seen the dominance of opportunistic funds reduce from 44% of all funds raised in Q1, to 30% by end H1. It remains the dominant strategy, but only marginally ahead of value-add and debt. Debt fundraising continues to grow strongly, while core strategies remain subdued.

By sector, multifamily leads, in-line with it’s position as number one for investment transactions. Data centres continue to go from strength to strength, with Q2 fundraising adding to that of Q1 - it is now significantly ahead of industrial, reflecting the huge appetite of investors to capture AI and digital-led commercial growth.

Figure 6. Global CRE Fundraising, 2019 – H1 2025



Source: Colliers, PERE

Figure 7. Global Fundraising by Strategy, %, 2019 to H1 2025

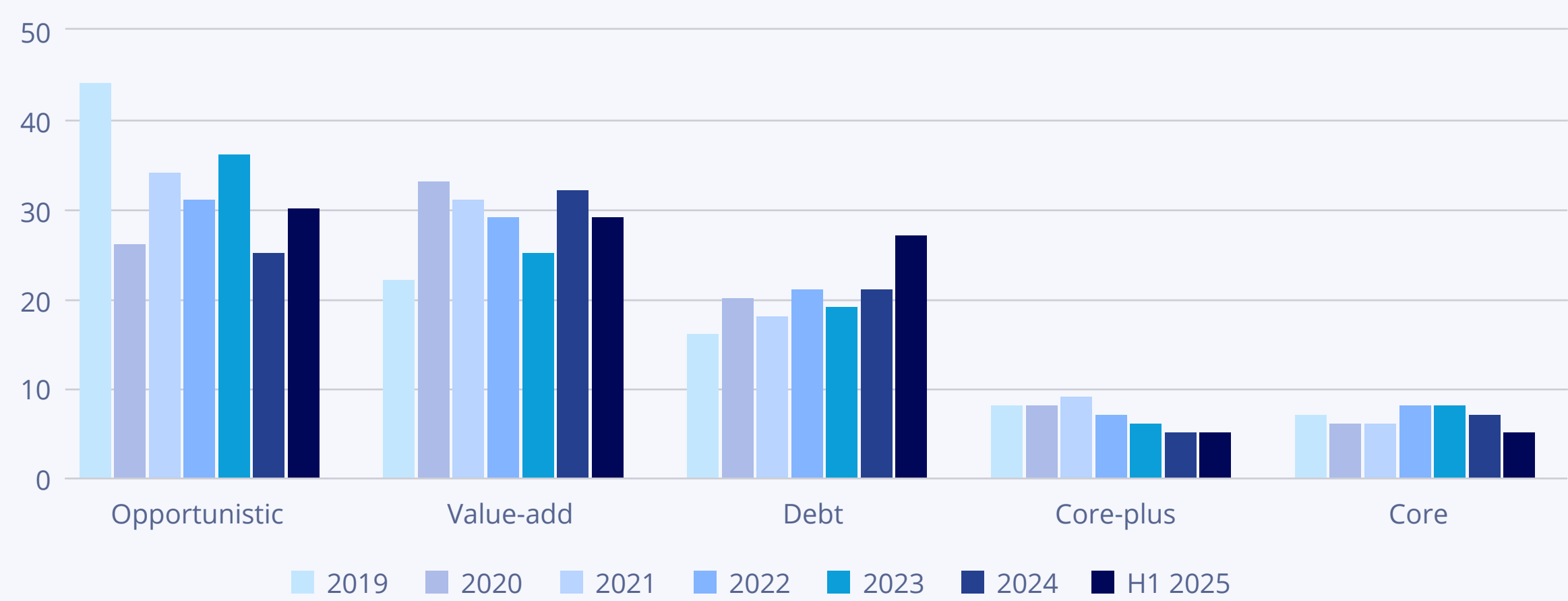
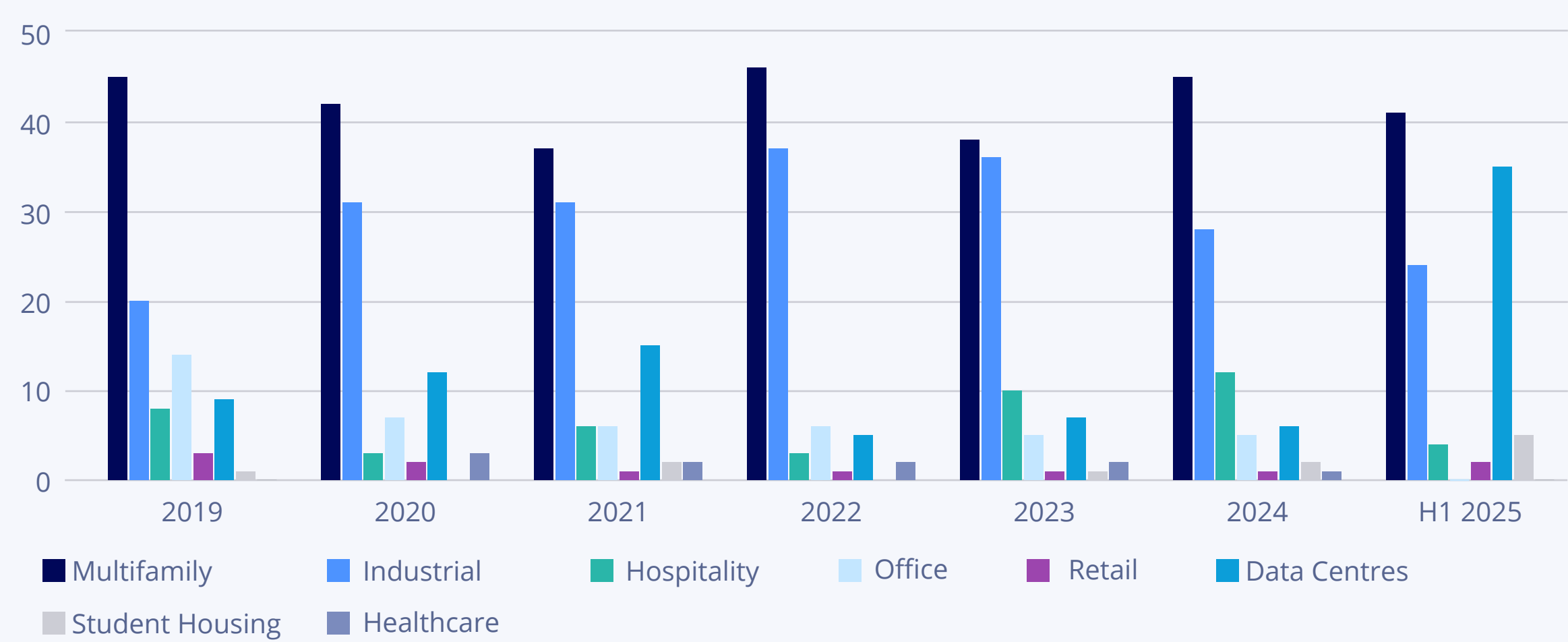


Figure 8. Global Fundraising by Sector, %, 2019 to H1 2025



Source: Colliers, PERE

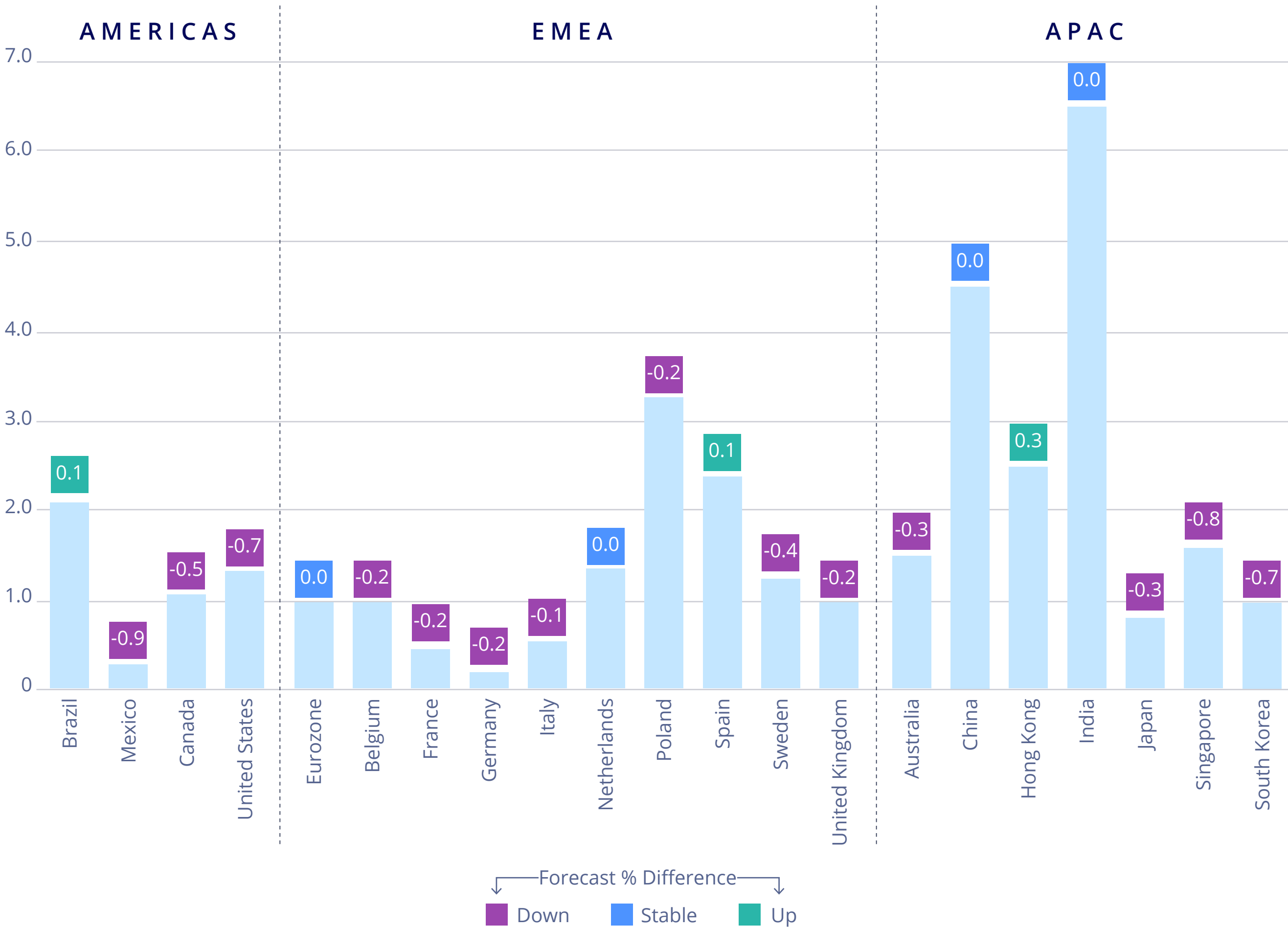
OUTLOOK:

Economic growth forecasts positive, but below earlier expectations.

The geopolitical climate continues to make the headlines, with global tariffs coming back to the forefront this summer. A number of major global trading bodies have agreed trade frameworks with the U.S., at the time of writing: the UK, European Union, Japan, South Korea, Vietnam, Philippines and Indonesia. A truce with China was extended 90 days to November 10th, bringing more certainty to major global economies.

There has been a knock-on impact in terms of cuts to GDP forecasts for 2025, with the biggest negative impacts felt in APAC and the Americas. India and China's forecasts remain strong, with no impact yet visible. Hong Kong and Spain have seen forecast growth rates improve since year-end.

Figure 9. Real GDP Outlook 2025: Forecasts as of Aug 2025 (% difference vs Dec 2024)



Source: Colliers, Oxford Economics, Macrobond, Factset

OUTLOOK: Inflation and interest rates – a mixed picture.

Global inflation trends remain mixed, adding uncertainty to monetary policy and interest rate outlooks.

EMEA: The Eurozone remains stable, and the CPI held steady at 2% year-on-year in July for the second month running, aligning with the ECB target. Interest rates have eased to 2.15%. UK inflation remains stubborn and rose to 3.8% in July. The MPC cut rates by 25 bps in August to 4%, with further September cuts uncertain.

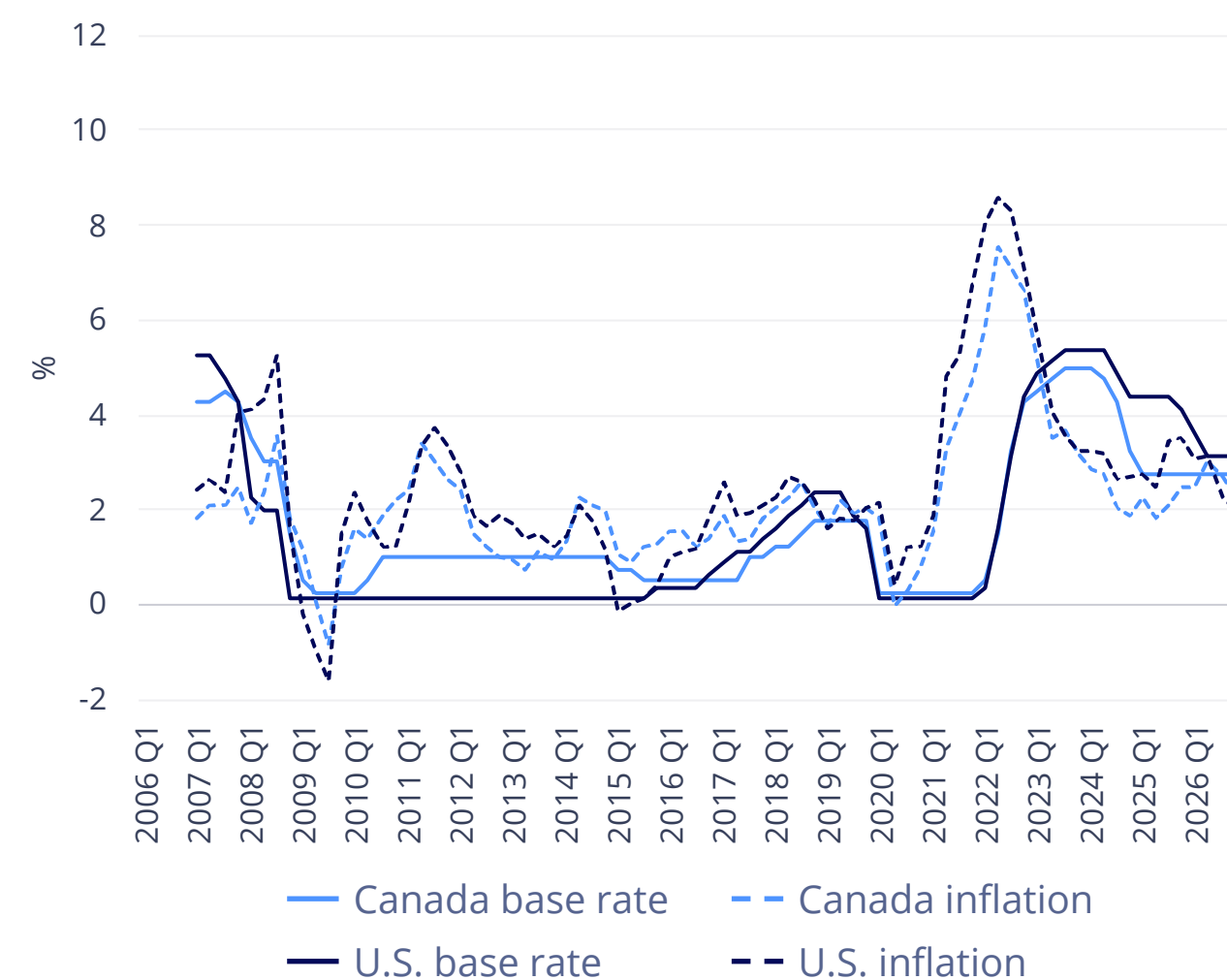
The U.S.: Disagreements over interest rate policy decisions between the Fed and the Trump administration have been well publicised, with rates kept at 4.25% to 4.5% since December. Inflation rose to 3.1% in July and

economic data continues to fuel debate on what will happen to rates in September. There is an increasing likelihood that weaker jobs and economic data will help drive a rate cut.

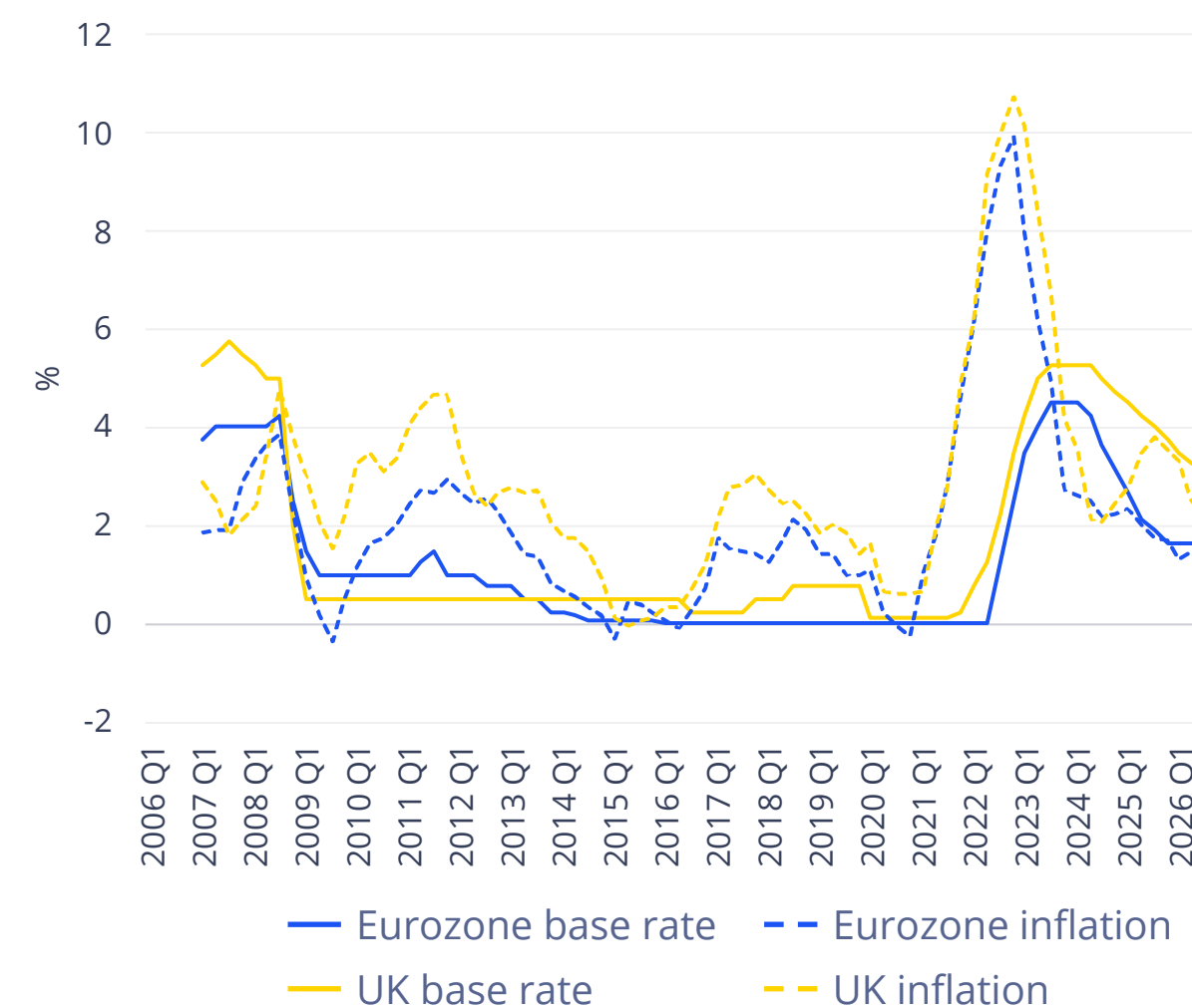
APAC: Japan's inflation hit a two-year high of 3.7% in June, prompting expectations that the BoJ is likely to increase interest rates short term. In Australia, falling inflation led to a third rate cut, to 3.6% as of August. India's inflation is easing mainly due to easing of supply side constraints, timely monetary policy interventions, and lower base effect, keeping growth outlook intact. Singapore and South Korea are also seeing lower inflation, with rate reductions expected later in the year.

Figure 10. Inflation and Interest Rates (as of August 2025)

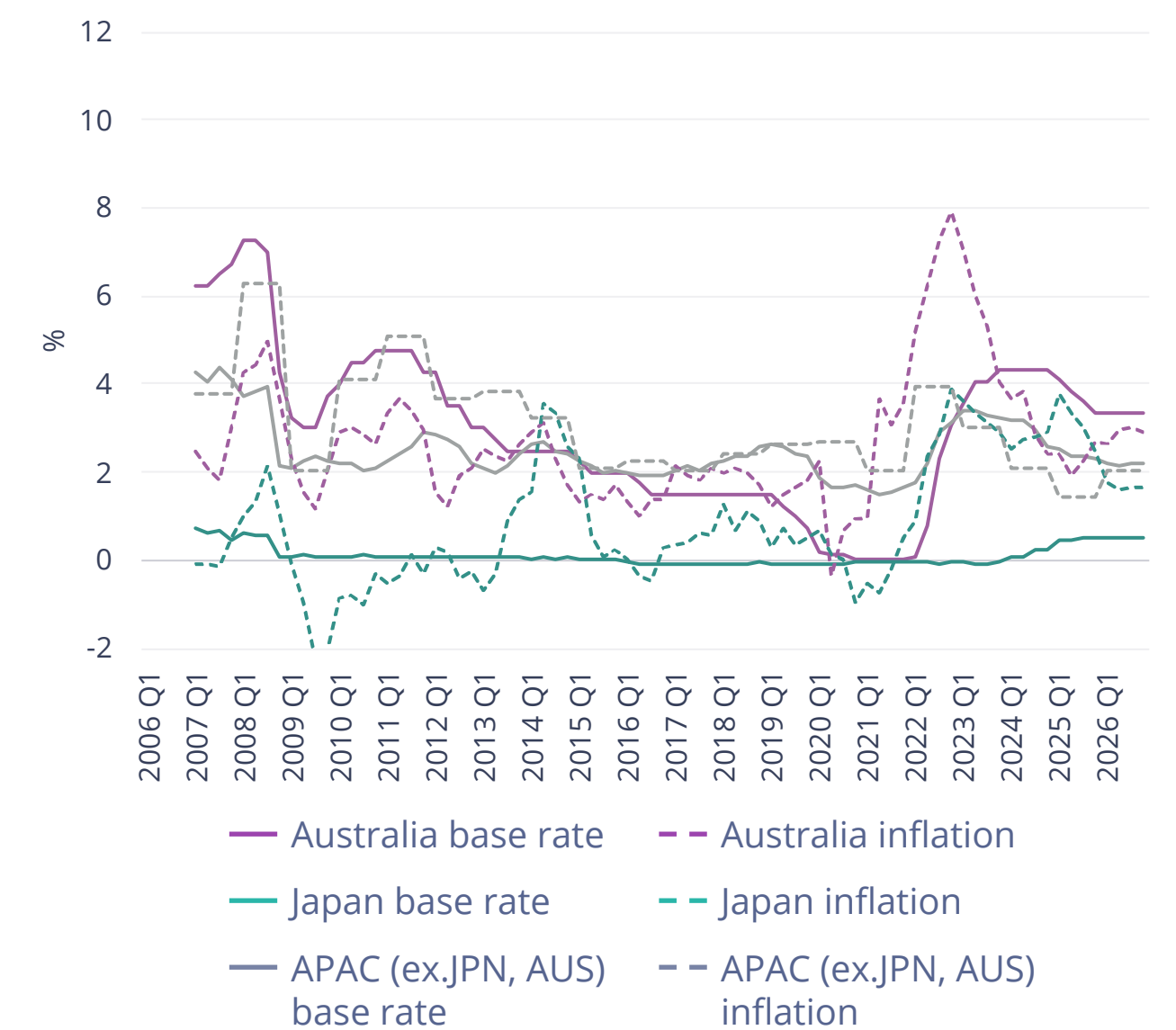
North America



EMEA



APAC



Source: Colliers, Oxford Economics

OUTLOOK: Spreads stable or improving across markets.

Rate cuts in Europe are clearly supporting yield spreads to central bank policy rates in 2025, although a slower rate cutting cycle across the Eurozone will see spreads stabilise at around 250 bps by year-end. Lower UK rates will support this trend, but we may start to see yields firm up and compress if activity picks up.

This puts European spreads ahead of North America where the rate cutting cycle has been slower, although net initial yield blends are higher.

Yield spreads in APAC remain robust, with the majority of major markets set to see further rate cuts. The importance of the Japanese market will counterbalance this, given the likelihood of further rate increases to counter high inflation.

Figure 11. Yield/Cap Rate Spreads, % (All Sector Average)



Source: Colliers, Oxford Economics, Macrobond, Factset



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