

Drivers of success

Factors fuelling demand for the
world's most ambitious Real Estate
& Construction companies

Tokenisation takes hold

Moore Global was among the first to highlight the rise in tokenisation in real estate.

We explained how property specialists increasingly look to 'tokenise' assets so they can improve liquidity in the world's most valuable asset class and make real estate investment easier, cheaper and more efficient.

Since our first report almost two years ago, interest in tokenisation has increased significantly among real estate investment companies and individuals looking for blockchain-related opportunities.

From a market dominated by cyber-savvy technologists, real estate tokenisation is becoming more widely adopted.

No panic on prices

After a price boom, we are now in a period of taking stock for real estate investors.

The NCREIF Property Index (NPI), which reflects the changes in prices of commercial real estate for investment purposes in the United States, increased by more than 20% in the four quarters through mid 2022.

Returns for 2023 and 2024 are

expected to be less than half those previously experienced as market fundamentals are normalising.

Activity levels are expected to fall, cap rates are forecast to rise and new construction is predicted to drop off.

After a heady few years this year's expected slowdown constitutes a reversion to the mean rather than a major upset.

Investors will be patient

Demand for commercial property remains high but developers and funders must remain patient as rising interest rates will reduce the number of transactions.

There will likely be fewer investors competing for product, while price uncertainty will curtail investor appetite

for getting deals done.

Investors will be looking for higher quality assets and may show more interest in niche property types than in previous years. Senior housing, student housing, data centres, self storage, medical offices and life sciences look set to receive attention.

Relying on strong foundations

Overall, 2023 will be a reset year.

The unwinding of Covid stimulus programmes, the return to a more normal interest rate environment, the impact of recession on labour supply and inflation will impact all real estate classes in various ways.

Sophisticated investors have been anticipating these events and many will be waiting on the sidelines for

investment opportunities to present themselves.

Continued inflationary pressure and high interest rates have had a clear impact on the global economy and led to a flurry of predictions about the likely depth and length of a downturn.

However, most real estate professionals remain reasonably positive about the longer-term prospects.



**Dan Natale, Global Leader,
Real Estate & Construction**

DNatale@segalgcse.com

CONTACT US

For more information visit www.moore-global.com

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