



2026 INSIDE REAL ESTATE OUTLOOK

A cycle for selectivity

| January 2026

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 **Principal**
Asset ManagementSM

A market defined by divergence is ripe for alpha

Source: Principal Real Estate, December 2025

Policy shocks, persistent growth. While 2025 is a year that tested the resilience of the global economy; it should be remembered as one of unmatched resilience in the face of headwinds and uncertainty. Trade tensions deepened, inflationary pressures lingered, and geopolitical fractures widened. Yet, against this backdrop of uncertainty, growth endured—powered by strong balance sheets, agile policy responses, and the accelerating march of artificial intelligence. These forces not only defined 2025 but they will also shape the contours of 2026. The United States sits at the epicentre of both global growth hopes and concerns.

The commercial real estate (CRE) cycle has moved into recovery by nearly all traditional measures. REIT valuations—often a bellwether for cyclical turning points—have risen broadly since their 2023 trough. Valuations across most major indices have stabilized, and credit markets are functioning again, helping bolster transaction activity. At the same time, distress—a classic lagging indicator—continues to edge higher, reflecting the long tail of the downturn.

A rising tide will no longer lift all boats. Returns are diverging sharply across sectors, regions, and fund strategies. This unevenness isn't a flaw in the cycle - it is the cycle. Investors are no longer confronting a broad-based downturn; they are navigating widening dispersion. We believe the cycle ahead will be alpha-driven and real estate investors will increasingly need to take a page from equity markets, where asset and market selection drive performance.

Income will be the dominant driver of returns over the next 12 to 18 months. Unlike the post global financial crisis (GFC) period - when returns were amplified by accommodative policy and financial engineering - the next phase of performance will hinge on property fundamentals and effective asset management. Net operating income will likely drive both income returns and capital returns in a higher for longer rate backdrop where cap rate compression is limited. Structural themes will remain important, but clearing return hurdles requires sharper focus and execution.

Portfolios will become more globally diversified. Heightened geopolitical uncertainty and a broader push for global diversity are prompting investors to rethink geographic concentration. While the U.S. remains too large and too deep to overlook, investors are becoming more selective. Europe benefits from improving economic conditions, wider cap rates, and lower sovereign debt yields, making leverage more accretive. And Asia is drawing growing attention as investors recognize how under-allocated they are relative to the region's share of the global investable CRE universe.

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Macroeconomic overview

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The only thing
we know about
the future is
that it will be
surprising.”

PETER BERNSTEIN

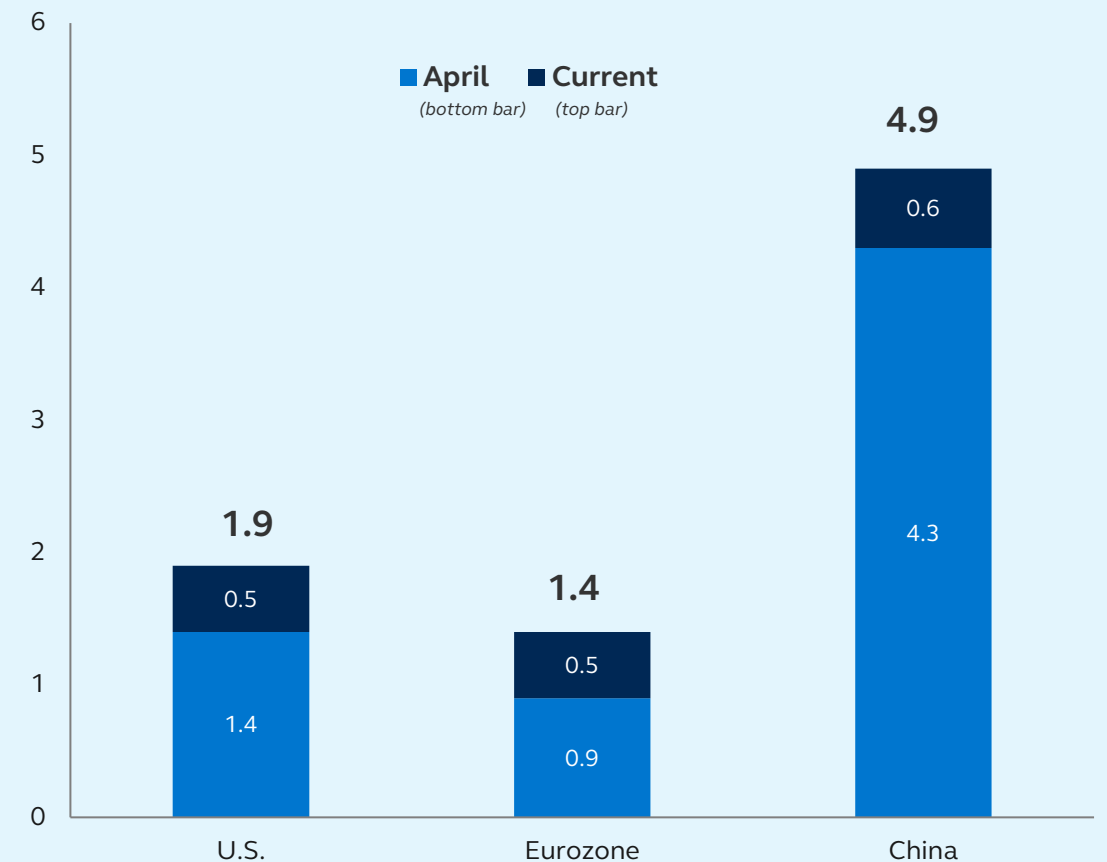
01

Global growth resilience amid political upheaval

- Despite notable policy and geopolitical shocks this year, the global economy has proven resilient. Policy volatility has eased, uncertainty has receded, and AI-driven capex has accelerated—supporting a more constructive outlook. As a result, as shown in the chart on the right, consensus GDP forecasts for 2025 have been revised higher across the U.S., Euro area, and China, reversing the downgrades seen around “Liberation Day.”
- U.S. projections for 2026 have also been revised upward to 1.9%, likely reflecting anticipated Fed rate cuts and the impact of the One Big Beautiful Bill Act (OBBBA). By comparison, the Eurozone stands at 1.1% vs 1.4% in 2025 and China is at 4.4% vs 4.9% in 2025.
- Still, early-2025 policy disruptions have left lasting marks. Tariffs are reshaping global trade dynamics, likely keeping inflation elevated and persistent. Meanwhile, lingering concerns around U.S. institutional stability and its geopolitical posture may have structurally weakened the U.S. dollar.
- These pressures are compounded by rising global fiscal concerns, which threaten to keep long-term government borrowing costs elevated, limiting the scope for future fiscal stimulus, and potentially undermining the effectiveness of monetary policy. The near-term picture is robust, but underlying vulnerabilities are forming.

Change in consensus 2025 real GDP growth forecasts

Percentage point change in consensus between April 2025-current



Economic stability could be on the horizon for many nations

Outlook			GDP growth, %			
		Investors are positioning for sustained growth in 2026	Market	2024	2025-E	2026-F
N. America		The U.S. economy has proven more resilient than expected in 2025 and is entering 2026 on solid footing. Despite higher tariffs, uneven policy implementation, and early signs of labor-market softening, growth continues to be underpinned by strong consumer spending and sustained productivity gains. More accommodative monetary policy is also providing support, bolstering revenue growth for businesses and real estate investors alike. While risks to our expansion-based outlook remain, the economy appears well-positioned to navigate foreseeable challenges in 2026.		2.8	1.9	1.9
				2.1	1.2	1.2
Europe		The European economy enters 2026 in a better position, supported by contained inflation, easier monetary policy, and the prospect of fiscal stimulus. The continent’s fundamentals are now on firmer ground, although growth prospects remain modest. The ECB has broadly completed its easing cycle; lower borrowing costs should feed through to households and businesses next year. Fiscal policy should add momentum, with governments across Europe planning to release hundreds of billions of euros for infrastructure and defence investment from 2026 onwards. Peripheral economies are expected to lead (Spain, Portugal, Ireland, Poland), Germany shows signs of recovery, while France and the UK contend with political instability and weak business sentiment.		0.9	1.4	1.1
				1.1	1.4	1.1
Asia Pacific		Asia-Pacific economies are expected to maintain their relative growth advantage in 2026. Export activity will stabilize and potentially expand as developed economies continue to shift their supply chain exposure due to potential geopolitical obstacles in U.S. trade. While China continues to face internal headwinds including real estate, soft private investment, and demographics, the balance of the region will pick up any slack. Overall, the region enters the next 12 months on stable footing but the potential for a slower growth profile than experienced during prior cycles.		-0.2	1.3	0.7
				1.1	1.8	2.2
				5.0	4.9	4.4

Tariffs better than feared...

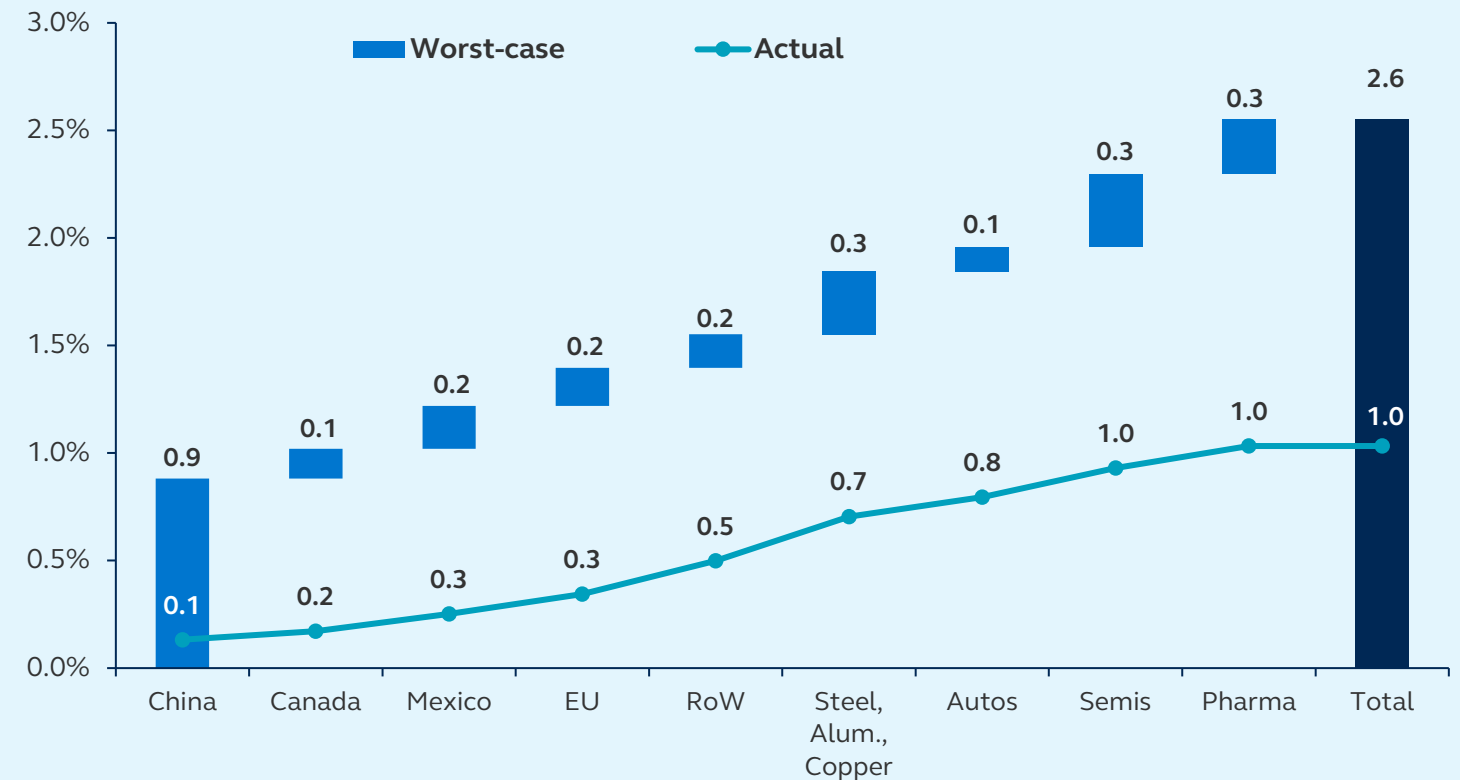
The U.S. average effective tariff rate has declined to roughly 17%. Although this is the highest level since the 1940s, it remains well below the 25–30% range feared immediately after Liberation Day in April 2025. As a result, the estimated drag on U.S. GDP is about 1%, compared with worst-case projections earlier this year of roughly 2.6%.

Pass-through to inflation has been muted, as firms have absorbed much of the cost through margin compression, supply-chain adjustments, and strategic sourcing. Even so, lower-income households are bearing a disproportionate share of the remaining price pressures.

That said, It's still too early to dismiss the longer-term effects of tariffs, corporate margins are near all-time highs accommodating lower pass throughs today, and the Fed will need to stay vigilant to evolving inflation risks.

Negative impact of tariff increases on U.S. GDP

Worst-case versus actual



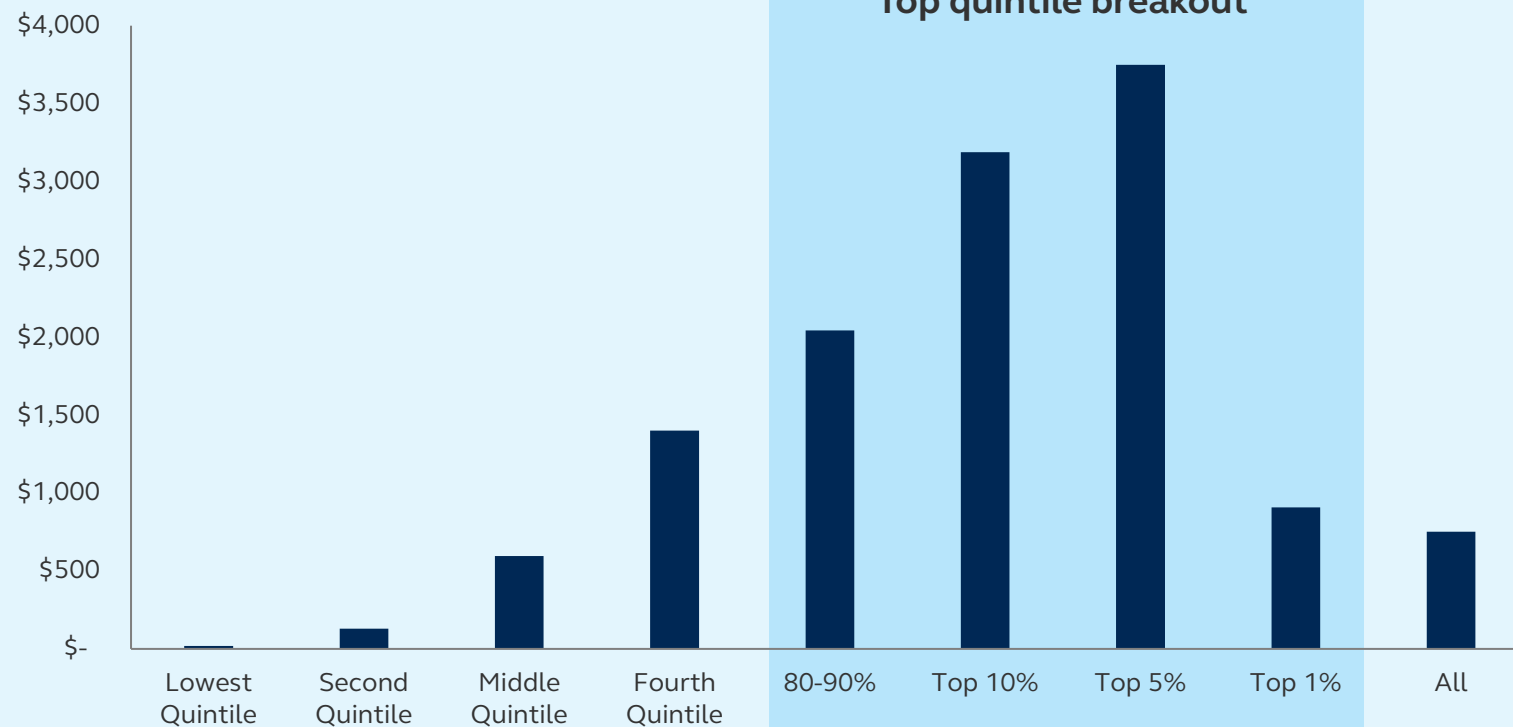
...The U.S. Tax Bill ('OBBBA') provides a boost to growth

The passage of the “One Big Beautiful Bill Act” OBBBA, which cuts taxes for many businesses and consumers, meaningfully offsets the contractionary effects of trade tariffs, which are effectively a tax increase on consumers. Personal income tax refunds could even deliver another round of stimulus in 2026, boosting demand, although benefits will be concentrated among higher earners.

The second-round effects of the OBBBA remain underappreciated: if business tax cuts lead to productivity-enhancing corporate capex and concomitant wage increases, they could generate significant multiplier effects for the broader economy, potentially shifting the net fiscal impact into stimulative territory.

Net impact of OBBBA beyond Tax Cuts & Jobs Act (TCJA) extension on 2026 income by income group

USD change in after-tax income



Note: Shaded area represents the breakout of the fifth income quintile.
Source: Yale Budget Lab, Tax Policy Center, Principal Asset Management, 30 July 2025.

AI is an additional growth engine, but downside risks should be monitored

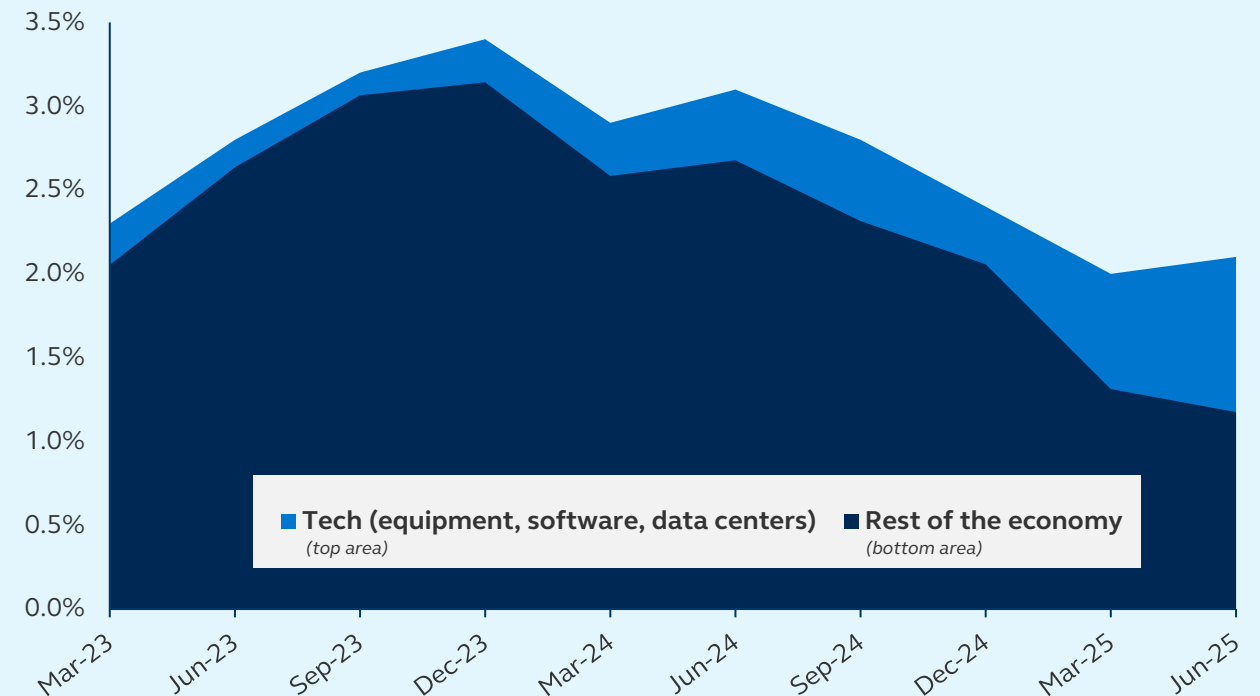
“When people get very excited, as they are today about artificial intelligence... every experiment gets funded. Every company gets funded. The good ideas and the bad ideas, and investors have a hard time in the middle of this excitement distinguishing between the good ideas and the bad ideas. And so that’s also probably happening today. But it doesn’t mean that anything that’s happening isn’t real.” **Jeff Bezos, Founder, Amazon, 2025**

In the first half of 2025, Artificial Intelligence (AI)-related capital expenditure accounted for nearly half of GDP growth, a significant figure that underscores the scale of this structural shift. With technology firms showing no appetite to rein in spending, AI will remain a dominant force in the year ahead.

AI bubble concerns are likely overdone, but questions around valuations, return on investment, and productivity payoffs will persist. The narrative is shifting. A decline in AI-related spending is a risk to the U.S. economy given its recent contributions to GDP.

Tech capex contribution to U.S. real GDP growth

Contributions to y/y % change in real GDP, Q1 2023-Q2 2025



Overall resilience conceals a K-shaped economy

U.S. economy is not without fault lines

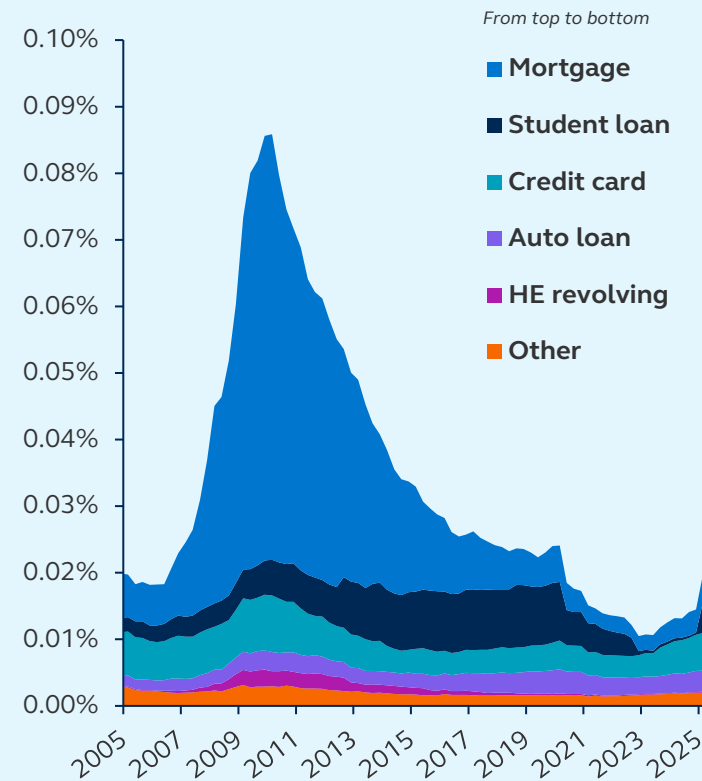
Its K-shaped nature—where affluent households drive consumption while lower-income cohorts struggle—poses a structural challenge even if the aggregate impact remains muted.

As the mid-term election year approaches, the Trump administration is paying closer attention to these lower income segments, seeking to ease affordability pressures through potential cash transfers and more lenient tariff policies in select sectors.

While fiscal constraints may limit full implementation, the government's focus on households at the lower rungs of the income and wealth distributions is likely to remain a central element of policy.

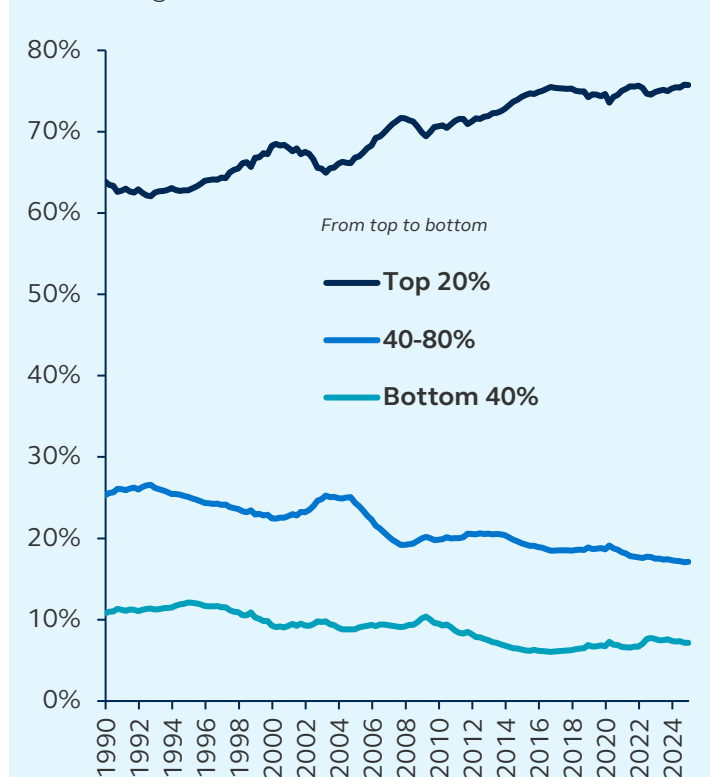
Consumer delinquencies

Delinquency by lending type as a % of disposable income



Share of household net worth excluding real estate by income

Percentage



Labor market steady in a low turnover environment

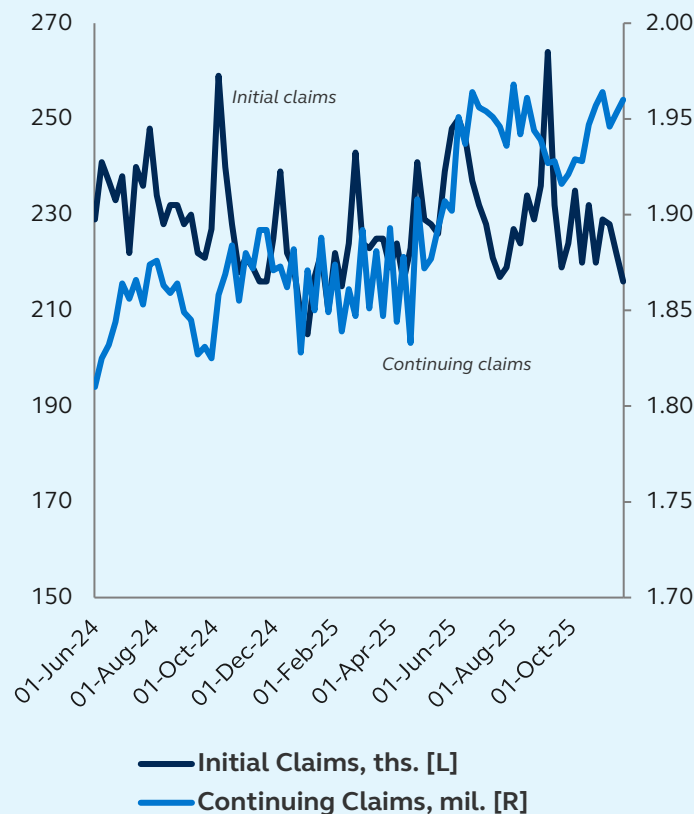
The job market remains steady for now, but its dynamics will also warrant close attention.

Hiring has slowed, but layoffs remain contained—although announced firings have increased—and unemployment remains near historic lows. Labor demand is slowing but shifting labor supply dynamics, such as tighter immigration policies, are also a significant factor in lower net payroll creation.

While we believe that reduced hiring signals a cooling in labor market activity, we are not on the brink of a job's recession or unravelling.

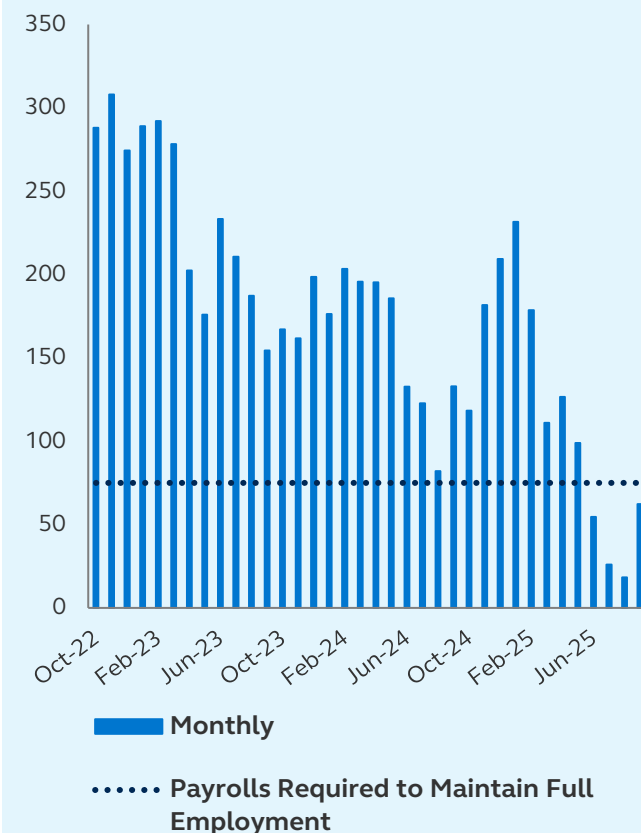
AI adoption could also reshape employment over time, but in the near-term, firms view it as a growth catalyst rather than a threat. The longer-term implications for labor displacement and wage dynamics, however, remain an open question.

Jobless claims for unemployment insurance



Payroll employment

3-month moving average of monthly changes



Rate cuts: Insurance, not recession

For the U.S. Federal Reserve, the interplay of AI-driven investment, fiscal stimulus, and labor supply dynamics point to a more moderate interest rate easing cycle.

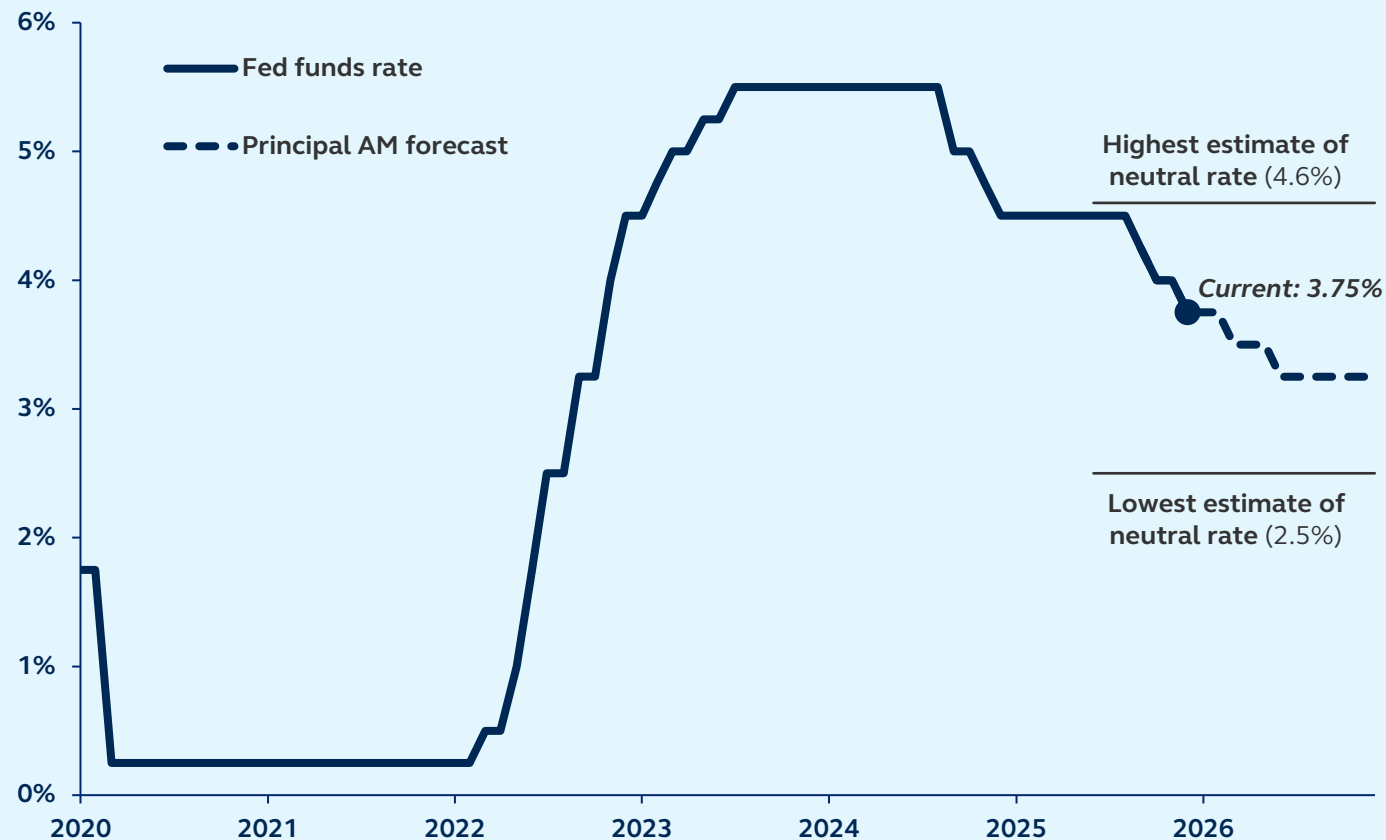
Price stability remains in range, but inflation continues to run hot, and the full impact of tariffs on price pressures is still unfolding – warranting a more measured approach.

In 2026, the Fed's key challenge will be calibrating policy in an environment where structural, rather than cyclical, forces increasingly shape growth and inflation dynamics.

That said, for CRE, long-term interest rates are the key driver, not the Fed funds rate. We see limited potential for a significant drop in 10-year Treasury yields, and a fall below 4% may not spark the relief rally some anticipate, as it could signal a weaker economic environment. What matters most is stability in 10-year yields. A range of 4.0% to 4.25%, with inflation around 3%, would provide a highly supportive backdrop for CRE.

Federal Reserve policy rate path

Fed funds rate and projections, 2020-present



Key themes shaping the markets

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It is the ability to
make
predictions that
is the basis of
intelligence.”

JEFF HAWKINS

02

A complex macro backdrop requires a back-to-basics investment approach

If the global macro landscape feels unusually complex and disorderly, that's because it is. We're not imagining the heightened uncertainty—we're witnessing multiple structural transformations colliding and interacting in real-time, creating a genuinely more complex and volatile environment than we've seen in recent decades. Over the next few pages, we discuss some of the key themes we believe will have the most significant impact on investor strategies in 2026.

In this environment, we believe real estate investors should focus on what they can control: driving net operating income growth. Achieving this will require disciplined property, market, and fund selection, as return dispersion across real estate continues to widen—the central theme for 2026 and beyond.

Structural themes impacting real estate

World, 2026

KEY THEMES

Macroeconomics



- Sovereign debt
- Currency uncertainty
- Inflation

Geopolitics



- Spheres of influence
- Collective insecurity
- Trade optionality

Deglobalization



- Energy security
- Defense
- Industrial capacity

Technology



- Artificial intelligence (AI)
- Internet of Things (IoT)
- Remote working

Demographics



- Migration
- Tourism
- Aging

A rising tide lifts boats unevenly

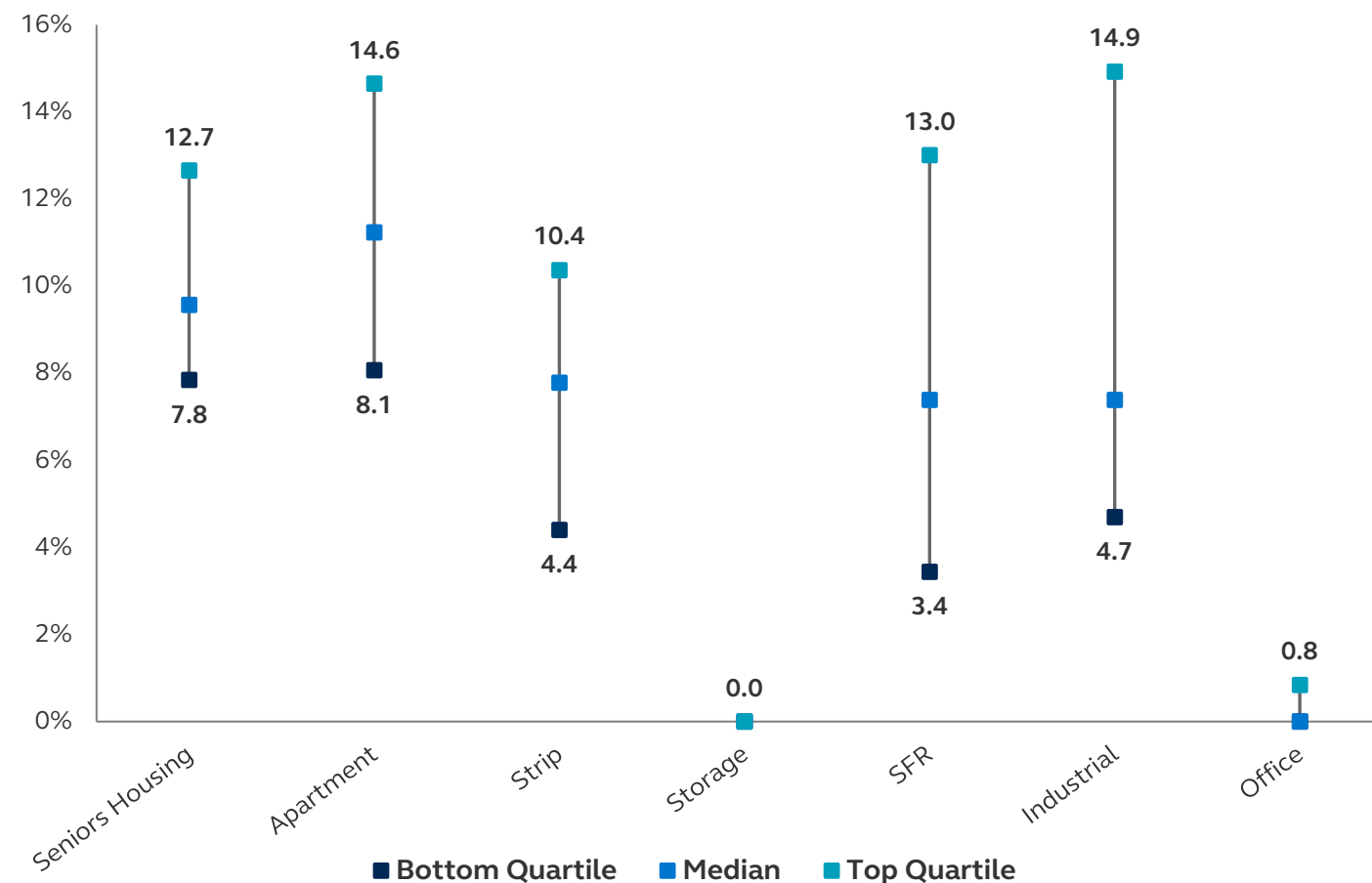
Dispersion in returns is widening as structural shifts in demand drivers, capital flows, and local fundamentals reshape markets. Demographics, regulation, and infrastructure investment are further amplifying gaps between markets that once moved in tandem. In this environment, informed selection is essential to outperform.

We analyzed prices using Green Street data for each property sector across the top 50 U.S. markets. Our analysis shows that, for every sector except office and self-storage, prices in the top-quartile markets have increased more than 10% since their respective troughs.

The NCREIF ODCE Index, a benchmark tracking 25 core open-end funds invested in U.S. real estate, reveals the top quartile funds have generated nearly 6% total returns over the prior year versus just under half a percent for the bottom quartile.

And in Europe, single sector funds are outperforming their multi-sector peers reflecting that selectivity is driving performance.

Unlevered price returns since market bottom





Dollar weakness: Cyclical pressures, structural concerns

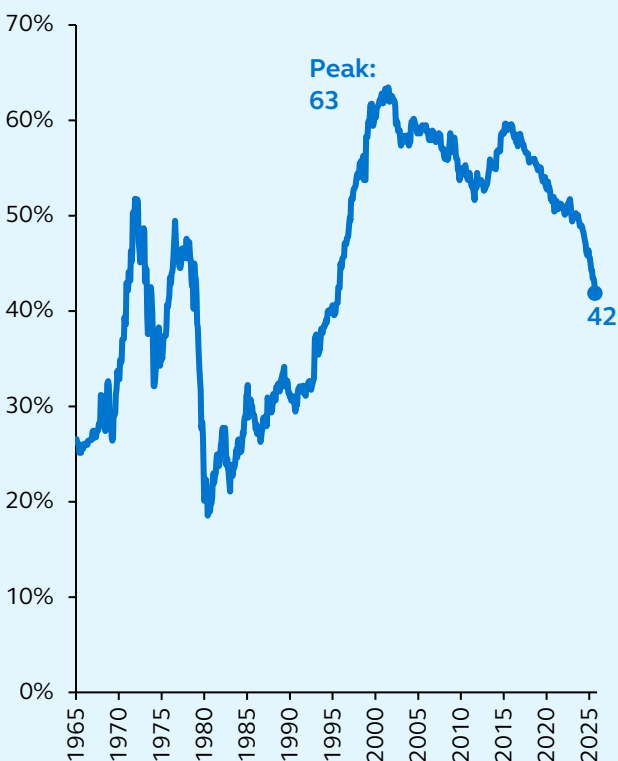
Fears of a U.S. recession earlier this year, driven by policy uncertainty and volatility, had weighed on the U.S. dollar. Although these fears proved unfounded, persistent hedging against the greenback suggests lingering aversion to dollar exposure.

Indeed, concerns over the credibility and independence of U.S. institutions, including the Federal Reserve, have persisted, contributing to the U.S. dollar's sharp slide this year. In conjunction with these cyclical and structural dynamics, gold's surge reflects its appeal as a hedge against both U.S. policy uncertainty and upside inflation risks.

While the U.S. dollar's demise should not be exaggerated—after all, it remains the world's reserve currency given the unmatched depth and liquidity of U.S. capital markets—its share of global reserves continues to erode amid rising institutional concerns.

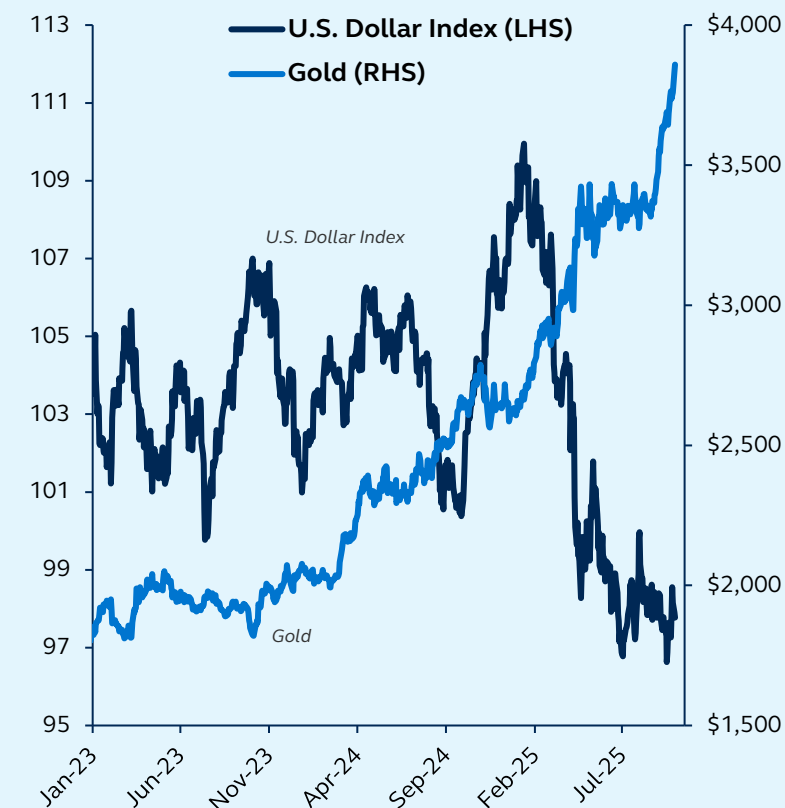
U.S. dollar share of global FX reserves

Percentage of total



U.S. dollar vs. Gold

X = 100, USD



Left chart source: Bloomberg, Principal Asset Allocation, 30 September 2025.

Right chart source: Bloomberg, Principal Asset Management, 30 September 2025. Gold spot price quoted as U.S. dollars per troy ounce.

From partnership to regional spheres of influence

Geopolitical competition between regional powers is deepening across strategic technologies, energy, supply chains, and legislations. These shifts are reshaping global trade flows and investment priorities, creating ripple effects across real estate markets.

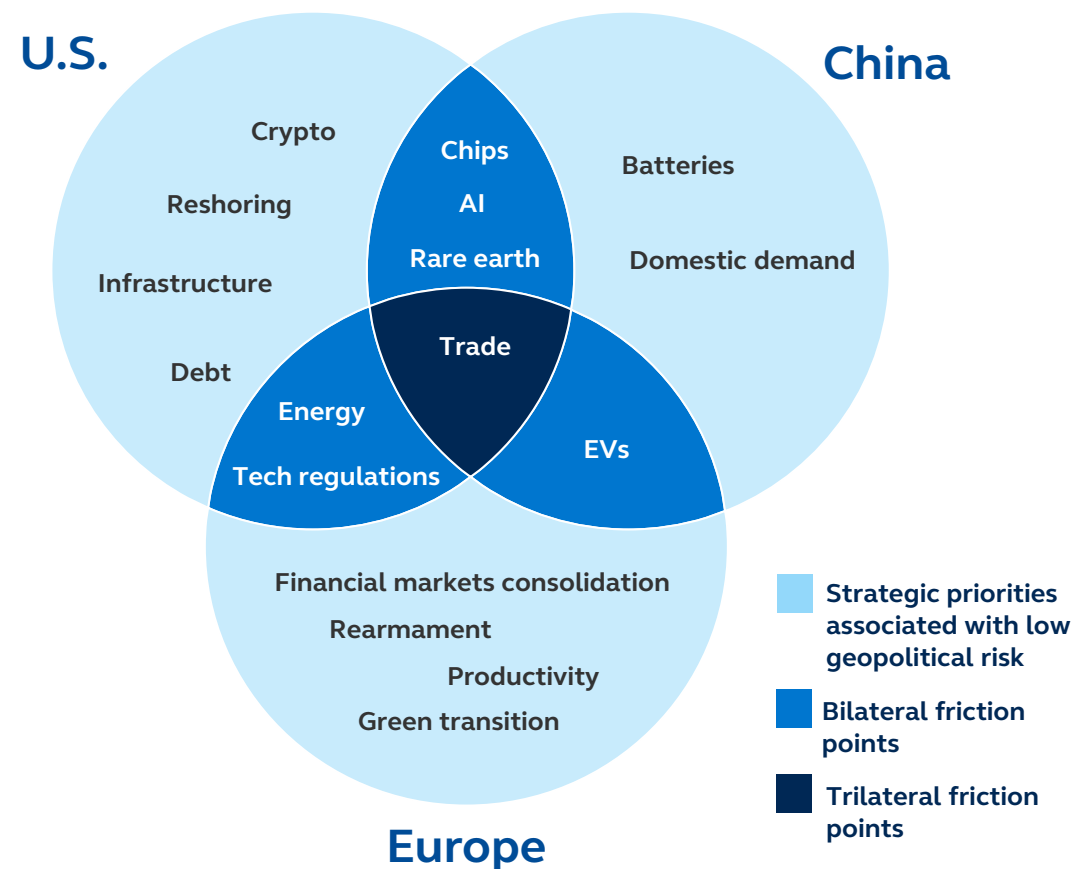
As trade realigns along spheres of influence, cross-border capital flows may favor markets with resilient infrastructure and energy security. Investors should monitor how regional trade blocs influence sector performance and pricing.

Property type implications:

- **Industrial & logistics:** Trade flows are increasingly strained by volatile policy and shifting alliances, creating uncertainty for global supply chains. This unpredictability is influencing industrial and logistics demand patterns, with investors prioritizing markets that offer regulatory stability and resilient infrastructure.
- **Data centers:** Strategic technology rivalry and AI adoption are accelerating demand for hyperscale and cloud infrastructure, particularly in regions with secure energy access.
- **Office & life sciences:** Nations prioritizing tech innovation and research ecosystems will see stronger fundamentals for high-quality office and lab space, while weaker regions risk prolonged vacancy.

Strategic priorities and friction points

2026



In the age of AI, the biggest barrier to progress is energy

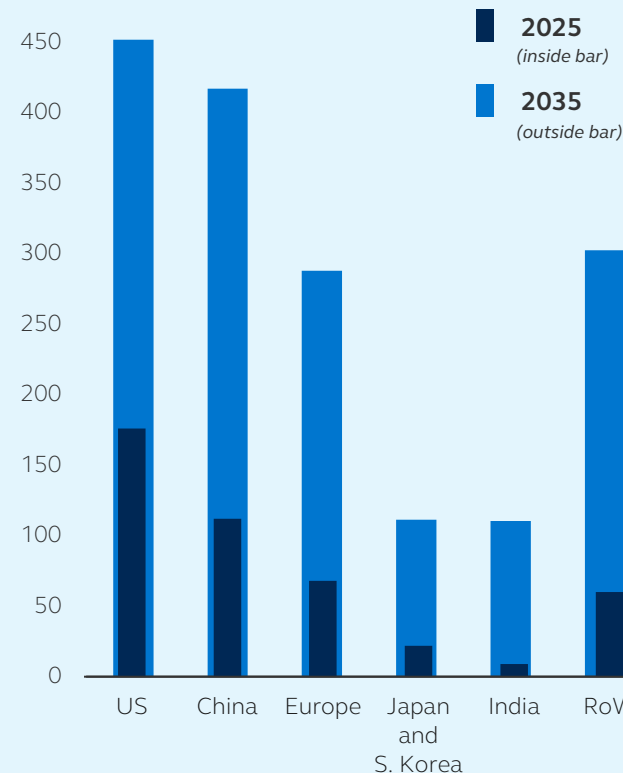
The rapid rise of AI has fueled extraordinary investment and valuations, but history suggests early phases of transformative technologies often experience bubbles. If earnings fail to meet lofty expectations, credit ratings could deteriorate—raising financing costs and pressuring exit cap rates. Public equity markets are likely to feel this impact more acutely than private real estate, but CRE is not immune, especially for assets tied to tech-driven demand.

Volatility in capital markets can spill into real estate pricing, particularly for sectors dependent on technology tenants or specialized infrastructure.

An AI bubble would not signal the end of the trend—it's part of the maturation process. Investors who remain disciplined and selective can benefit from market inefficiencies and position for long-term growth as the industry stabilizes.

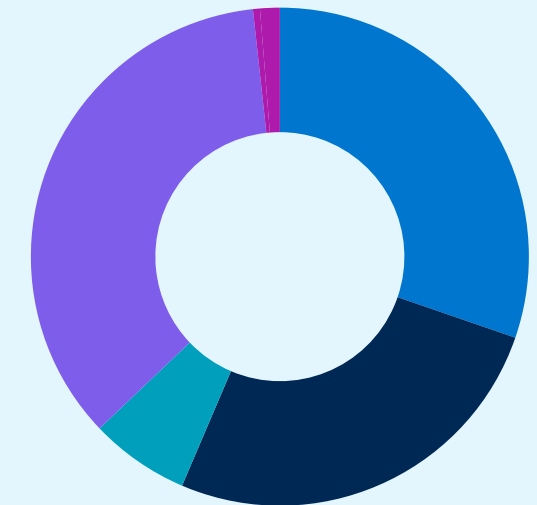
Data centers power demand outlook by market

TWH



U.S. new power needed to meet AI demand by source in 2035

Percentage



Clockwise

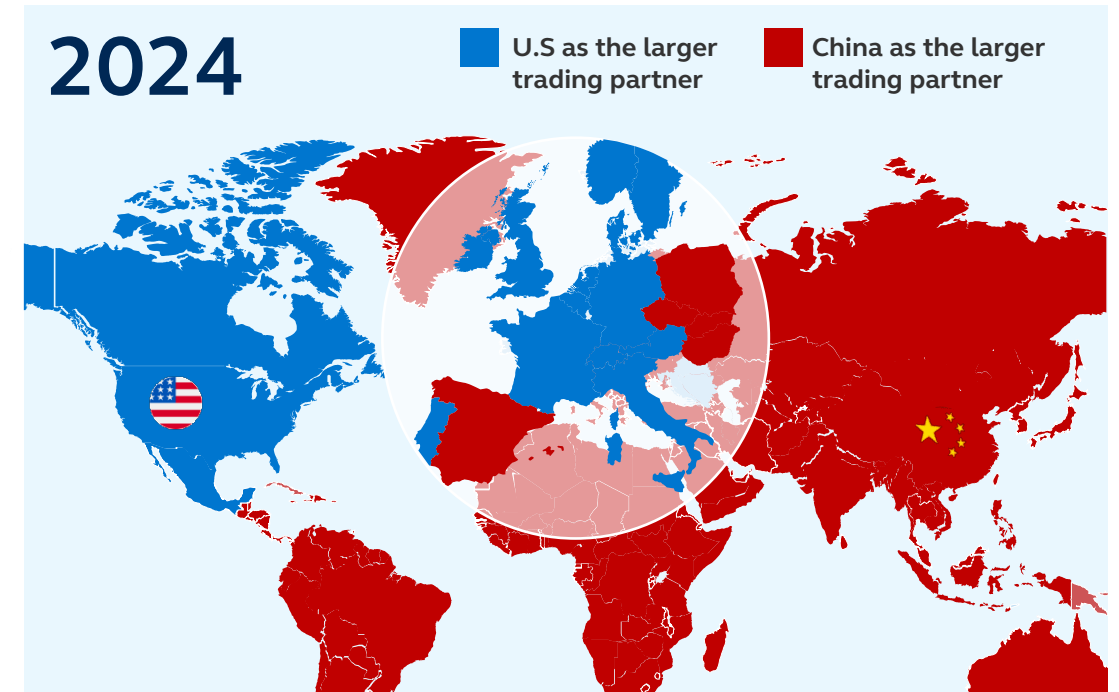
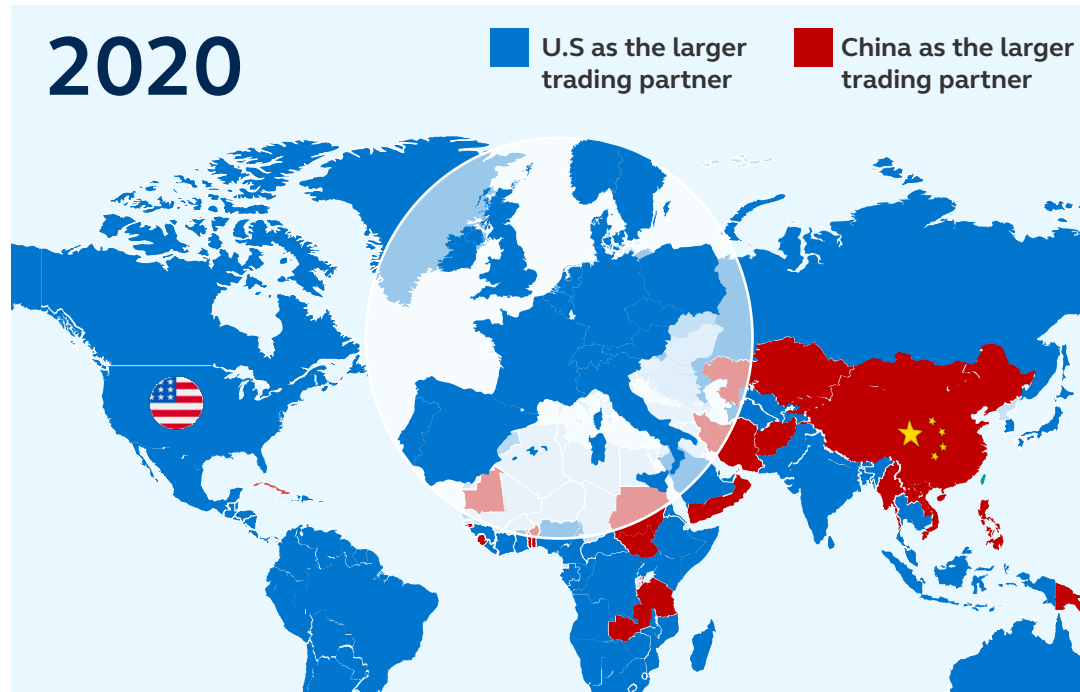
Combined cycle gas turbine
Coal
Gas
Renewable
Nuclear

¹EU includes 27 countries as of 2023

Source: World Energy 2025, Principal Real Estate, December 2025

New trading paradigm provides optionality

Global trade affects more than just imports and exports—it also drives capital flows in commercial real estate. Overall transaction volumes in 2025 are up across most regions, though activity varies by country. The U.S., Germany, and Australia are experiencing strong markets, while Canada, the UK, and China are softer, reflecting a mix of domestic and foreign investment. On the cross-border front, the UK has emerged as the top destination for overseas investors, with foreign investment totaling over \$22 billion in the first nine months of 2025, an increase of more than 12% over last year. The U.S. has remained resilient, seeing continued growth in foreign capital at 6%, while Hong Kong, Australia, Germany, and Japan have recorded some of the largest percentage gains globally. Earlier in 2025, some speculated that European real estate could attract North American capital amid rising geopolitical uncertainty, but that shift has yet to materialize.



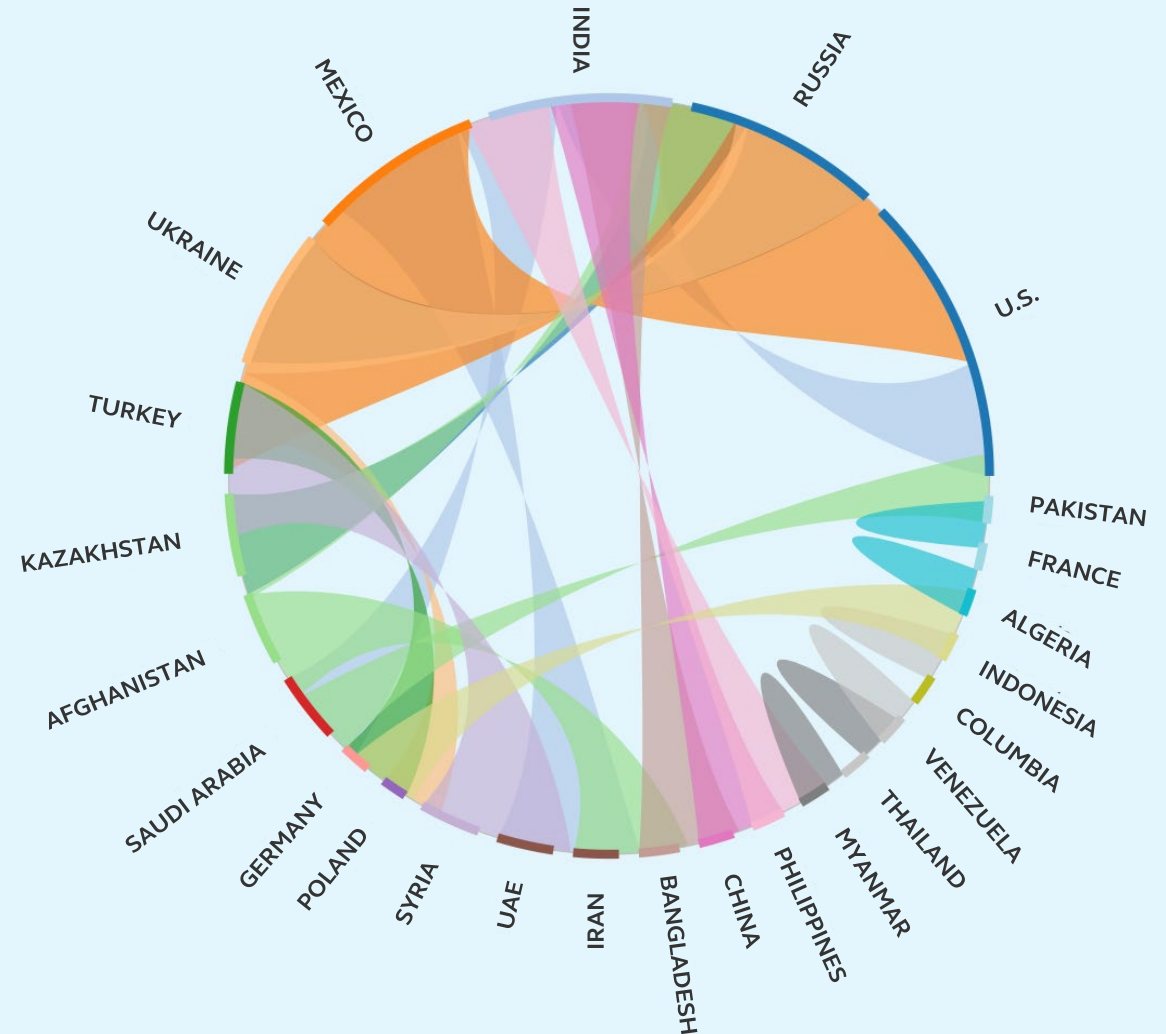
Global migration fuels CRE—but policies are tightening

Global Gateway markets have historically thrived on international migration because it fuels labor supply, consumer demand, and cultural diversity, all of which underpin commercial real estate growth. Migrants often cluster in urban hubs with strong economic ecosystems, driving absorption in multifamily housing, retail, and hospitality sectors. Skilled migration corridors from India, China, and the Philippines to the U.S. and Europe also reinforce demand for office space in technology and healthcare clusters, while displaced populations create urgent needs for flexible housing and community infrastructure. For investors, these flows translate into higher occupancy rates, resilient retail sales, and logistics demand tied to growing consumption.

However, the rise of nationalism and tightening immigration policies in several advanced economies pose a structural risk to these dynamics. Political pressure to restrict inflows, whether through visa caps, stricter asylum rules, or labor market protectionism, could slow population growth in gateway cities. This will have a dampening effect on demand for housing and reducing the talent pipeline that supports office and innovation hubs. In markets like the U.S. and parts of Europe, uncertainty around immigration reform may delay development projects or shift capital toward domestic migration-driven regions.

World's busiest migration corridors as of 2024

Each corridor represents the number of migrants born in the first country and residing in the second



State of CRE cycle

“

Uncertainty is the only certainty there is and knowing how to live with insecurity is the only security.”

JOHN ALLEN PAULOS

03

A top-down view of the forces shaping CRE

After two years of price resets, the recovery is now underway

- REITs have rallied from their 2023 lows, and valuations across major global indices appear to have troughed. Yet distress, a lagging indicator, continues to edge higher. Measures of sentiment in both the U.S. and Europe shows confidence is on the upswing.
- The debt markets are open and liquid. U.S. CRE originations volumes are 47% higher year-to-date compared with the same period in 2024; every lender type increased originations. And in Europe, financing has emerged as the lead sub-indicator of the INREV Consensus Indicator.
- Transaction volumes in the U.S. were 17% higher in 2025 compared to the same period in 2024. European volumes are still finding their footing as green shoots emerge.
- Private equity CRE returns in both the U.S. and Europe are expected to normalize higher, but, beneath the surface, returns are diverging sharply across property types, geographies, and funds.

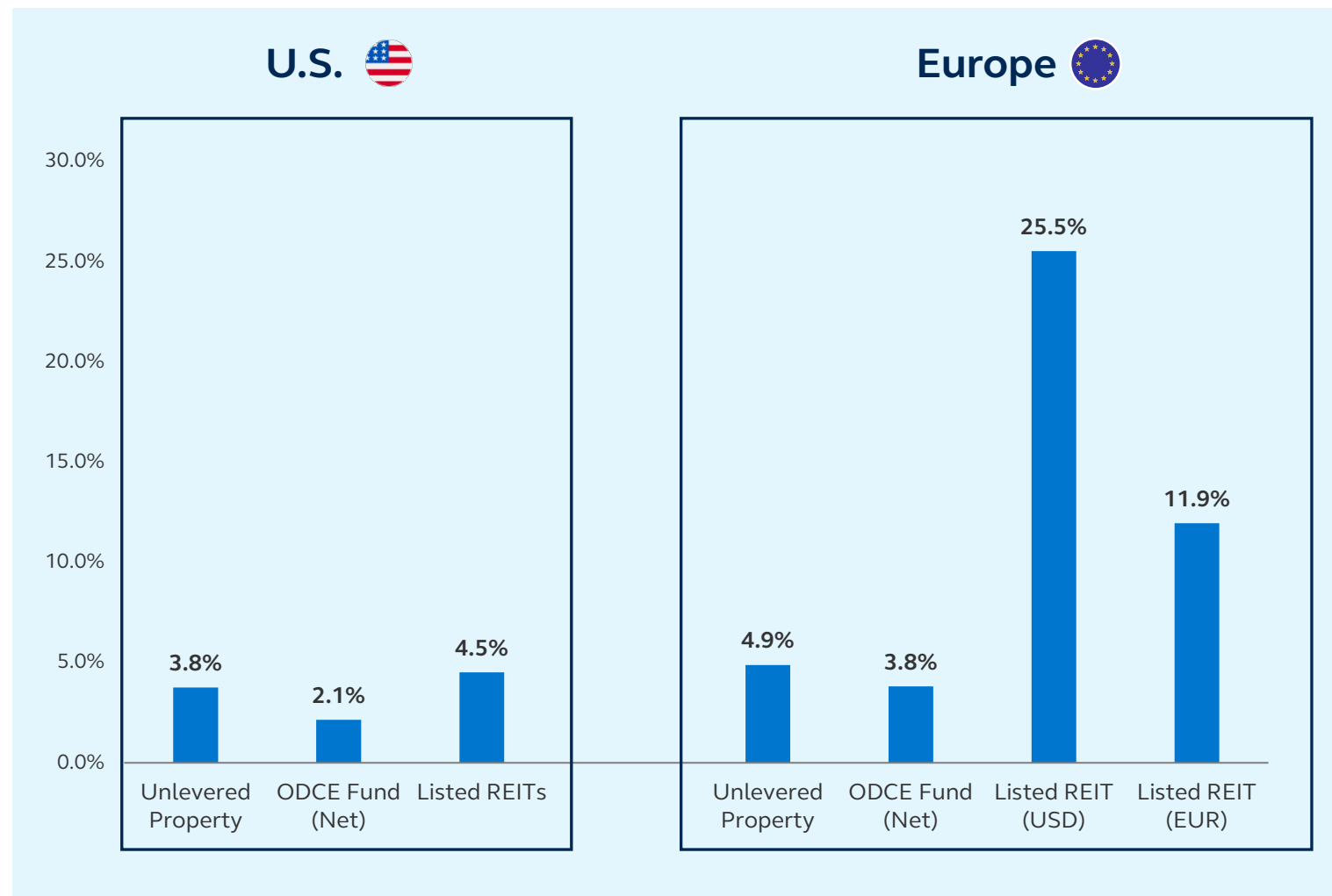


Global real estate valuations are rising

U.S. listed returned 4.5% year-to-date as of the end of November. Dispersion is pronounced as there's a nearly 55-percentage point spread between the best and worst performing property types reinforcing that property selection matters.

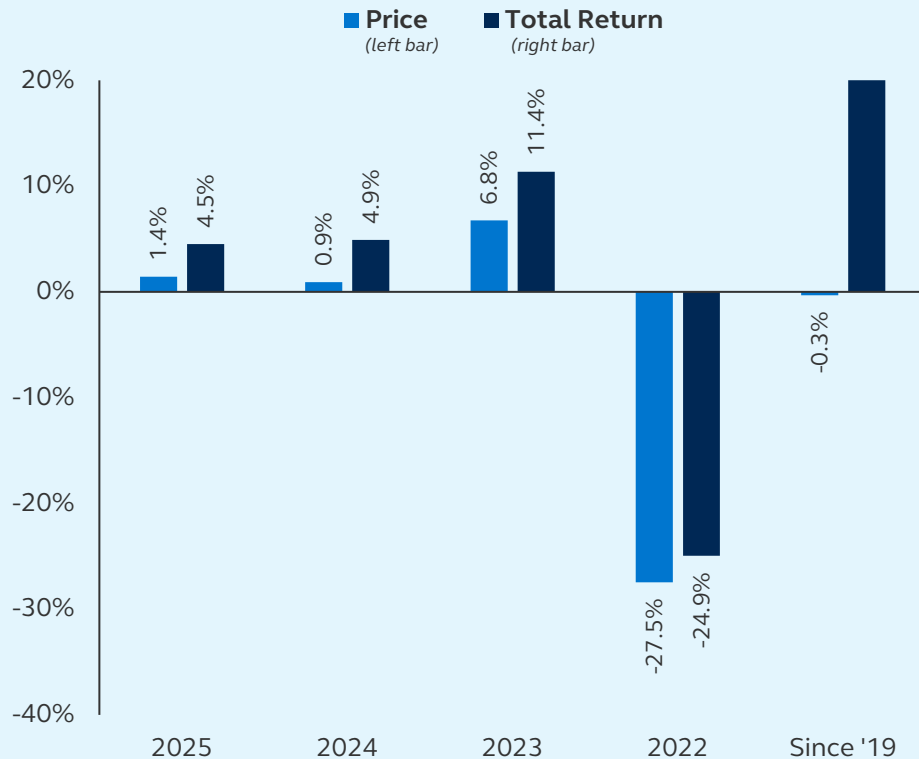
European REITs produced solid returns of 25.5% on a USD basis and 12% on a EUR basis. This may reflect rising demand for European real estate against a stronger economic backdrop.

Unlevered property returns in the U.S. stood at 3.8% YTD as of 3Q25 vs 4.9% in Europe. This is consistent with our original projections of 5% unlevered total returns in the U.S., driven primarily by income returns. We have argued Europe may be close to 6% to 7% given a combination of an improving economic outlook, wider cap rates, and declining interest rates.

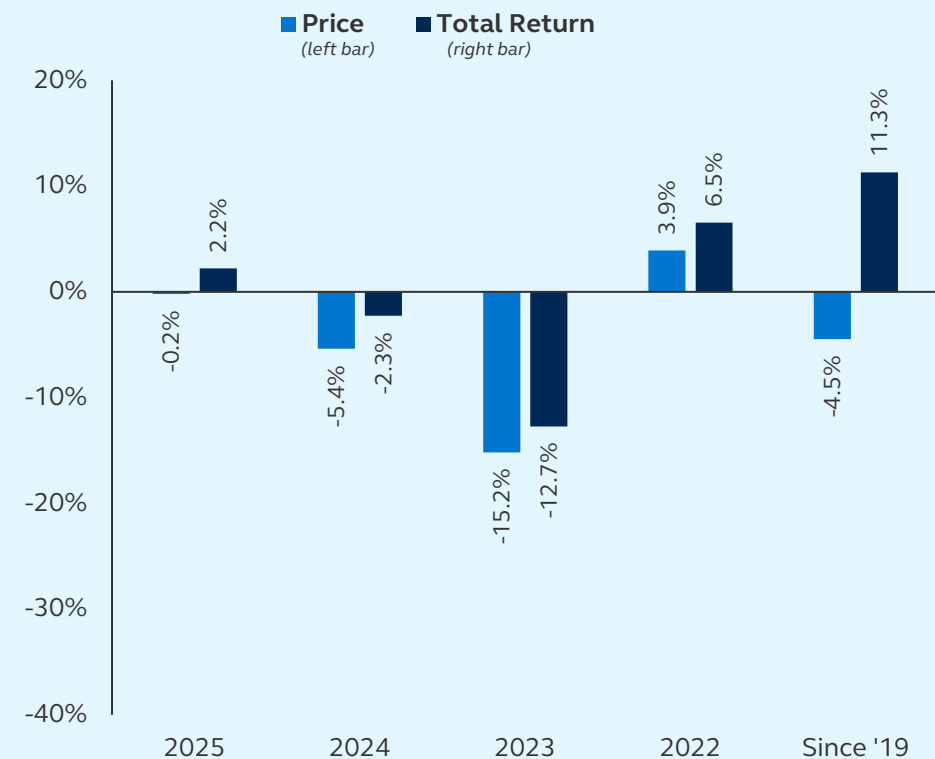


The CRE market appears to be progressing through a typical reset

U.S. listed REITs troughed first...



...Private CRE valuations followed

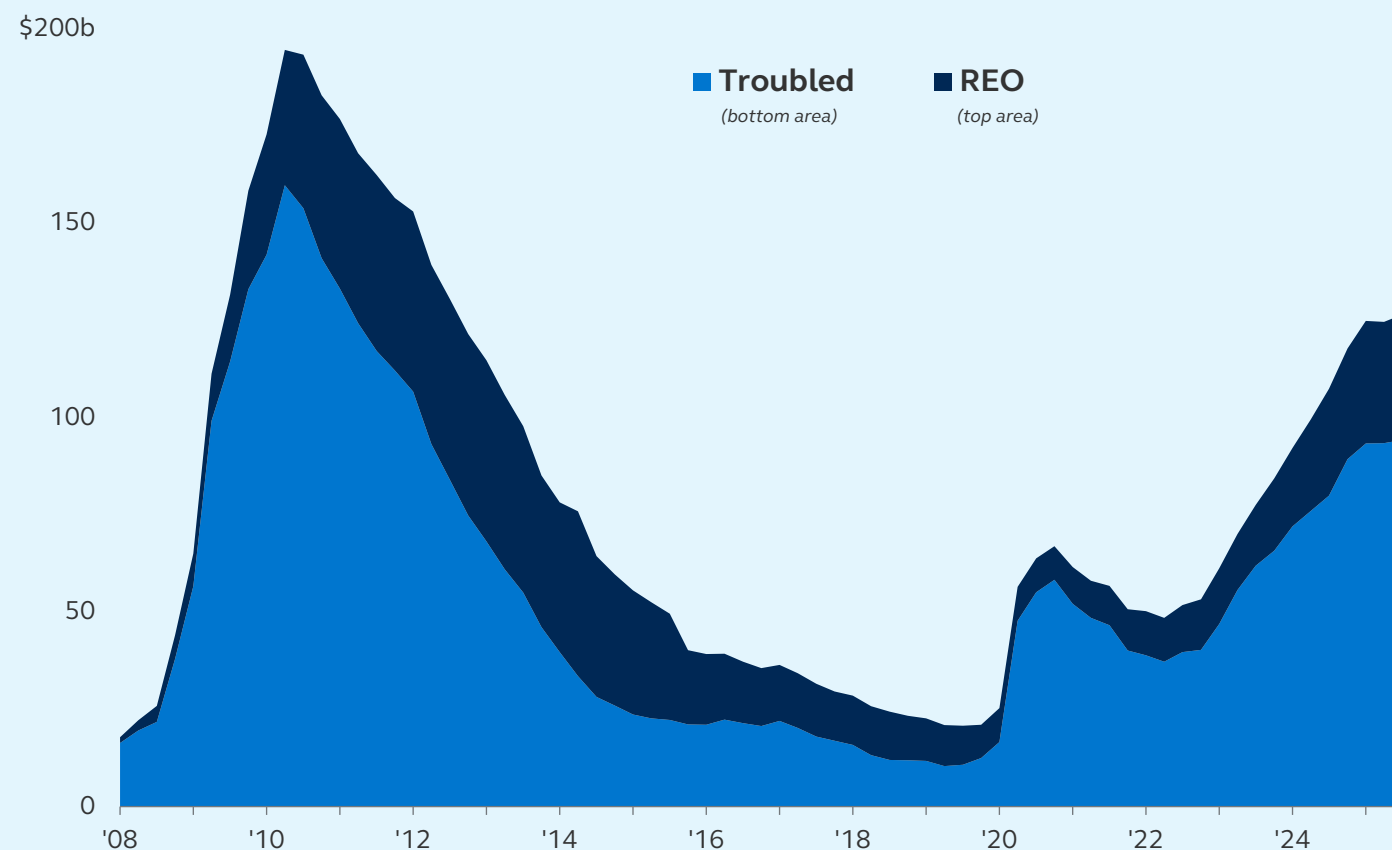


CRE credit distress: More cycle than crisis

While concerns around commercial real estate (CRE) credit are growing, the data suggests a market that is adjusting, not breaking down. Loan modifications have increased, but remain modest relative to total exposure, and the share of maturing CMBS loans being paid off remains close to long-term historical averages.

Although delinquency rates and distress are likely to rise, CRE debt distress is typically a lagging indicator. Historically, REITs hit bottom first, followed by private CRE valuations 12 to 18 months later, and delinquencies 12 to 24 months after that. This cycle seems no different. REITs are up roughly 35% from their 2023 lows, valuations are recovering, yet distress is still rising — a sign the market is working through its reset, not breaking down.

Historical cumulative distress



Easing lending standards is a tailwind

CRE lending markets are open and liquid

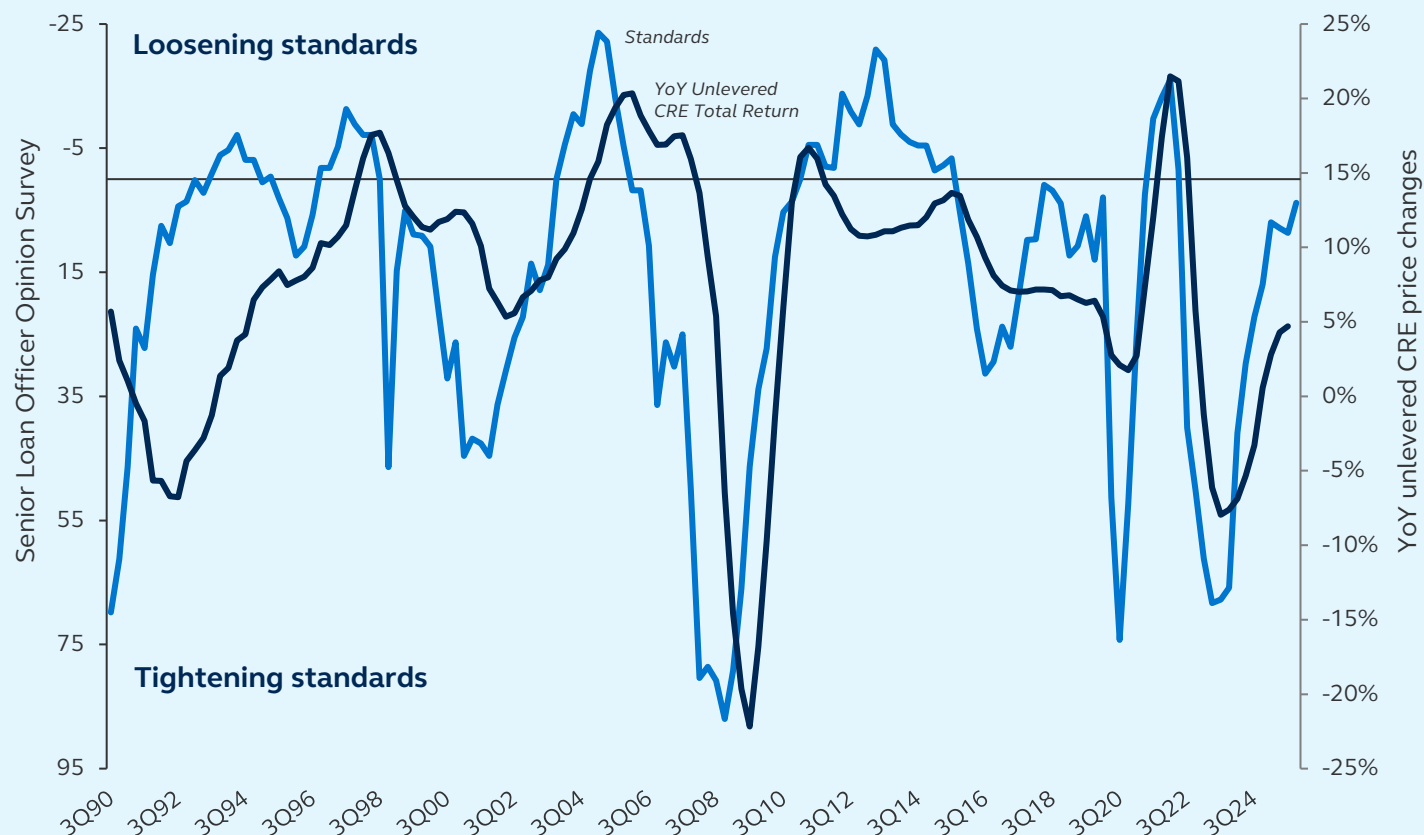
The volume of U.S. CRE loan originations is up 47% year-to-date in 3Q25 compared with the same period in 2024; every lender type increased originations. The index stands at 354, which is 75% higher than its historical average since 1Q 2002. There have only been four other times that the index has stood at a higher level.

At the same time, the Federal Reserve's 3Q25 Senior Loan Officer Opinion Survey showed unchanged lending standards for banks and the first increase in CRE loan demand since 1Q22. This marks a notable shift in the CRE market after several years of tightening standards and declining loan demand. It suggests potential for accelerating price increases ahead.

In Europe, financing is the lead sub indicator of the INREV Consensus Indicator. At a reading of 67.3 it represents the strongest level recorded across sub indicator since inception in March 2023.

Senior Loan Office Opinion Survey

— Standards — YoY Unlevered CRE Total Return (RHS)



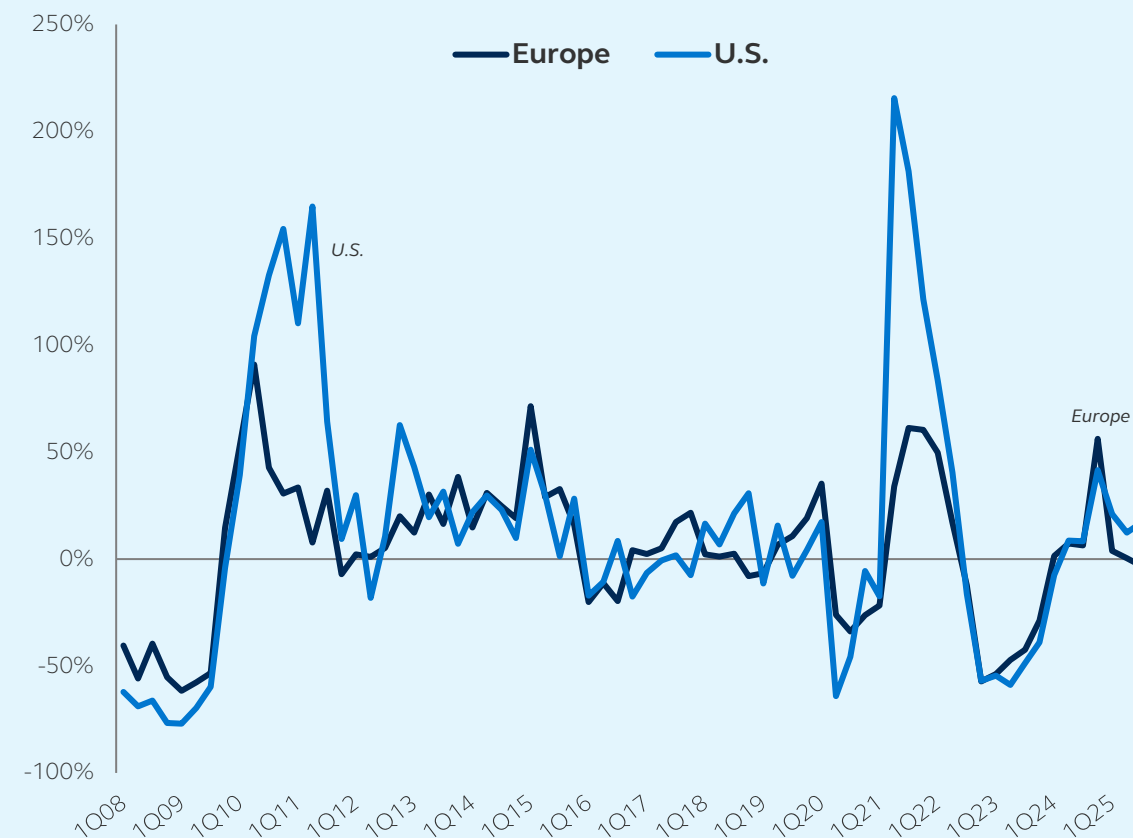
U.S. transactions rise; green shoots emerge in Europe

U.S. CRE transactions for the first nine months of 2025 were 17% higher than during the same period in 2024. Transaction volumes often serve as a barometer of market sentiment: accelerating volumes signal growing demand and confidence, while slowing volumes suggest increasing caution. Today's market still faces notable risks and uncertainties, yet the recent pickup in transaction activity, reminiscent of 2014, is particularly noteworthy.

European CRE volumes show that the market is still finding its footing. Transaction activity fell -3% year-over-year in Q3 2025 and, year-to-date, volumes were flat. The disconnect versus the U.S. is unusual, as historically CRE transaction volumes in the U.S. and Europe have moved in tandem, and when gaps emerge, they tend to normalize quickly.

Signs are now emerging that Europe may be on the cusp of doing just that. The number of European transactions under contract in October reached its highest level since 2022, and the Q3 2025 INREV Consensus Survey showed a meaningful rebound in investor sentiment, driven by improved financing conditions and increasing market liquidity.

Quarterly transaction volume change



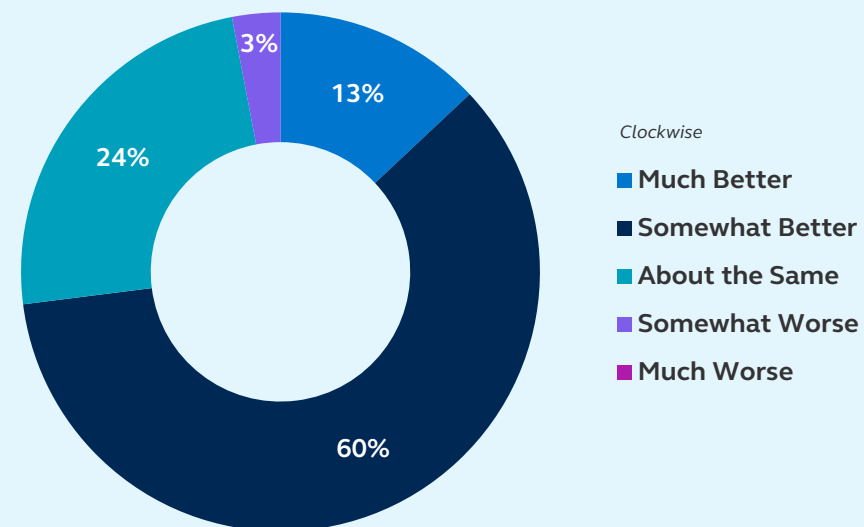
Sentiment meaningfully improves

The *Real Estate Roundtable's* 3Q25 Sentiment Index shows that 56% believe it is a more favorable environment than a year ago and 34% believe conditions remain the same. Looking towards the future, 73% of participants express confidence in more favorable market conditions emerging a year from now.

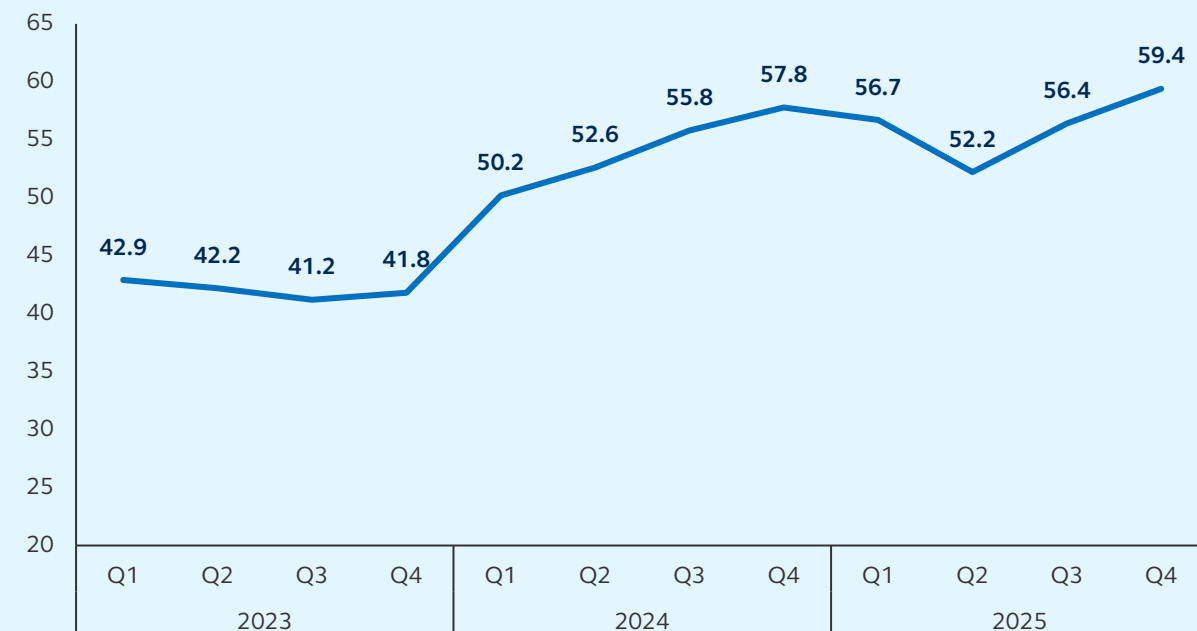
Europe is also seeing a meaningful shift in sentiment. Momentum was broad-based across the index, but financing conditions led the way, with the sub-indicator reaching 70.1, the highest reading ever recorded by the index. Investment liquidity also showed a sharp rebound while leasing and operations remain on solid footing.

Real Estate Roundtable Perception on market conditions

1-year from now vs today



INREV Consensus Indicator



U.S. CRE private equity returns are normalizing higher

Annual unlevered 10-year total return

By decade



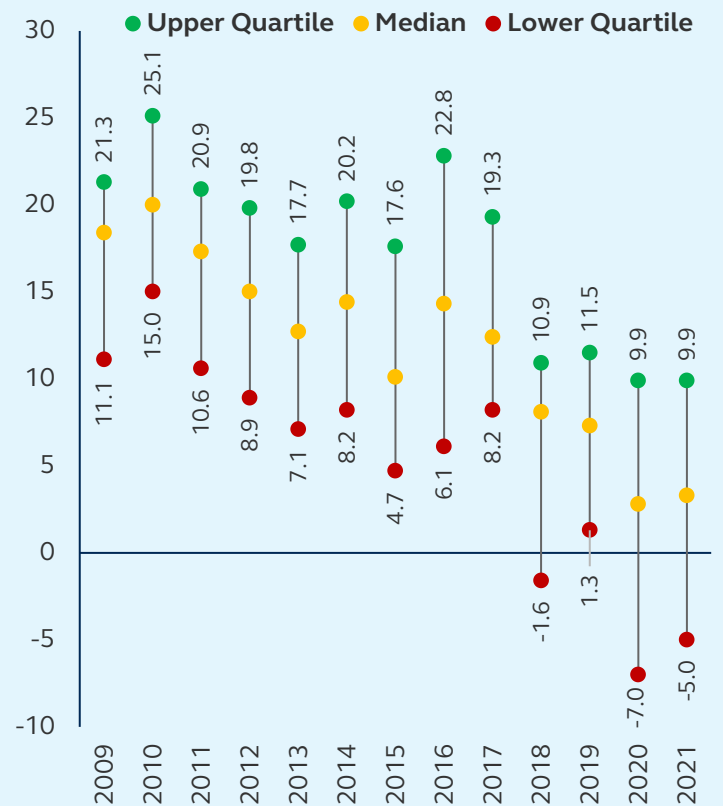
North American Opportunistic Funds

IRR Percent



North American Value-Add Funds

IRR Percent



Dispersion in core fund returns likely to persist in U.S. and Europe

NCREIF ODCE Fund total returns

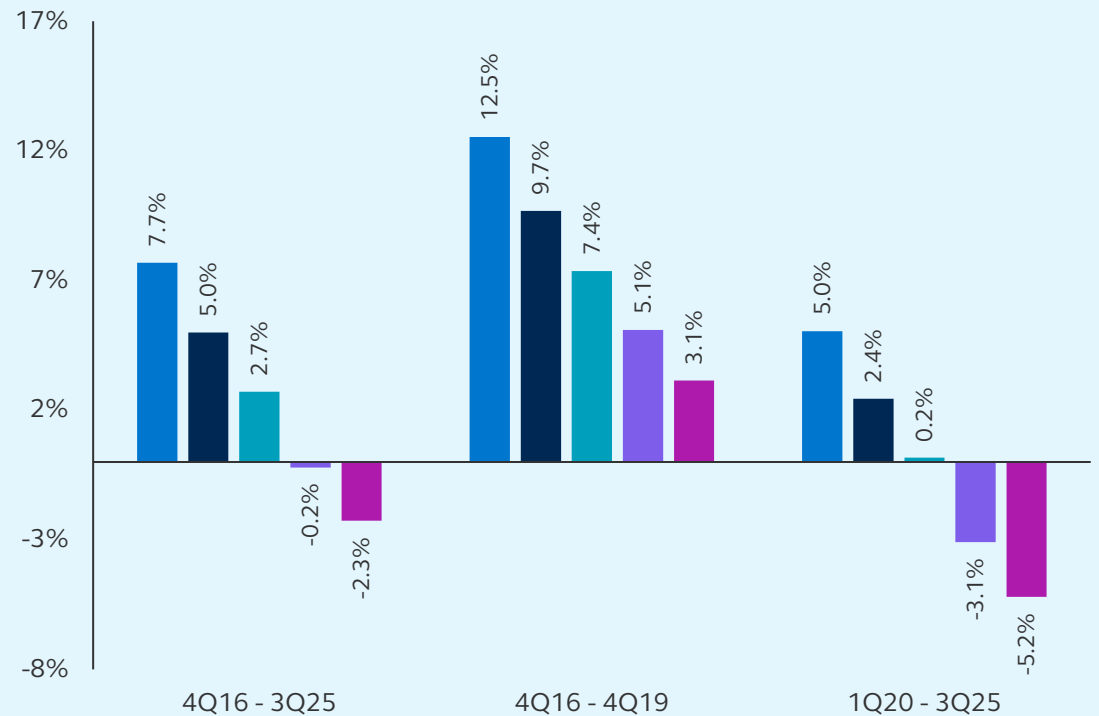
Annualized returns by quartile



INREV ODCE net total returns

Annualized returns by quartile

From left to right: ■ 90th percentile (%) ■ Upper quartile (%) ■ Median (%)
■ Lower quartile (%) ■ 10th percentile (%)



European single sector funds outperform

Focused strategies in Europe are pulling ahead of diversified funds

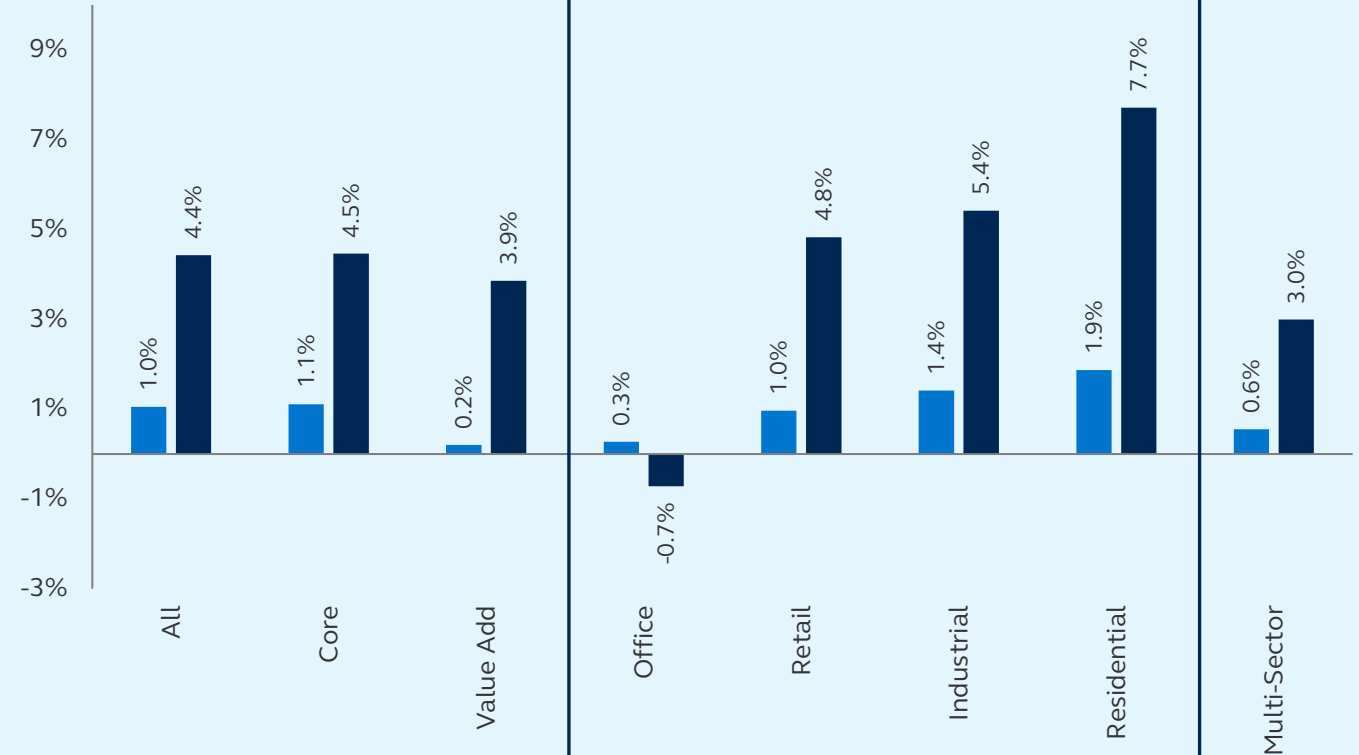
The broader INREV All-Fund Index has delivered trailing 4-quarter total returns of 4.4% so far in 2025 across all strategies.

This is driven in large part by single sector funds that are outperforming their multi-sector peers. For instance, residential has generated trailing 4-quarter returns of 7.7% followed by industrial at 5.4% and retail at 4.8%. By comparison, multi-sector funds have risen by a more modest 3.0%.

Single sector office funds are the notable laggard, declining nearly 1%, owing largely to a structural shift that has yet to fully normalize following the pandemic.

Total returns as of 3Q25 By Strategy

■ 3Q25 (first bar) ■ Trailing 4-Quarter (second bar)



Strategic outlook

“

Strategy is about making choices; it's about deliberately choosing to be different”

MICHAEL PORTER

04

Insights from our quadrant leaders

Our comprehensive capabilities across all four real estate quadrants provide a holistic and actionable strategy for 2026



DEVIN CHEN

Head of Private Equity
Portfolio Management

“The nascent CRE recovery presents a unique window of opportunity, where astute investors can achieve potential outperformance through selective positioning across assets, sectors, and markets.”

Private equity insights →



KELLY RUSH, CFA

CIO, Real Estate Securities &
CEO, Public Real Assets

“REITs provide a compelling alternative with low correlations to AI-linked mega-cap tech names, offering a differentiated return profile. This makes REITs an attractive option for investors...”

Public equity insights →



CHRIS DUEY

Head of Private Debt
Portfolio Management

“Steep remaining maturity schedule and ongoing momentum in sales transactions will continue to generate more attractive lending opportunities.”

Private debt insights →



LAURA RANK, CFA

Head of Structured Credit,
Portfolio Manager

“... CMBS continues to offer competitive yield, and the SASB market remains an appealing alternative and complement to private real estate debt given its liquidity.”

Public debt insights →

Debt still dominates, but Equity begins to return

Four quadrant outlook

Upgrading our outlook for CRE Equity

↑ Attractive ↗ Improving → Stable ↘ Deteriorating ↓ Challenged

Private Equity

Core, Value-add,
Opportunistic



The recovery is taking hold, though it is likely to be more measured than in past cycles driven by greater dispersion. We continue to view 2026 as an attractive vintage for several emerging investment strategies, with performance increasingly tied to disciplined asset and market selection supported by durable secular drivers.

Public Equity

REITs



REITs underperformed in 2025 but remain well-positioned to capitalize on pricing dislocations across broader CRE markets in 2026. Public real estate continues to trade at more attractive levels than private equity and offers valuable diversification—particularly as equity market performance becomes increasingly concentrated in a small group of AI-driven corporates.

Private Debt

Senior, Subordinate



The lending environment has improved significantly heading into 2026, with credit markets fully open and commercial banks back in the market. A heavy maturity schedule and rising sales volumes are providing broad support to the recovery across strategies.

Public Debt

CMBS



Resilience has been the hallmark of the CMBS market through the correction and into the early stages of recovery. Issuance is expected to post another increase in 2026, building on a strong 2025. As in the private markets, activity will be supported by elevated maturities and resurgent investment demand. Despite tighter spreads, CMBS continues to offer competitive yields.

Active selection can add alpha within real estate

Performance among sectors in a given year can vary widely. Dynamic allocation may provide investors the best possible outcomes by maximizing the opportunity set in any given environment

Average performance spread across quadrants since 2007: 18.8%

Performance gross total return

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
16.0%	-4.1%	28.1%	20.8%	16.0%	19.7%	13.9%	28.0%	15.0%	8.8%	8.7%	8.3%	28.7%	7.6%	41.3%	7.5%	11.4%	5.0%	7.0%
15.7%	-10.0%	28.0%	27.9%	8.3%	10.9%	2.9%	12.5%	2.8%	8.6%	7.6%	2.6%	8.3%	6.3%	22.2%	-9.0%	5.6%	5.0%	6.3%
5.7%	-22.7%	14.7%	16.4%	6.9%	10.0%	2.9%	7.4%	2.7%	3.5%	5.7%	1.0%	8.1%	1.2%	1.9%	-10.9%	5.3%	4.9%	4.5%
4.6%	-37.7%	-29.8%	10.2%	6.5%	4.7%	0.2%	4.2%	0.9%	2.9%	3.5%	-4.0%	5.3%	-5.1%	-0.9%	-24.9%	-12.0%	-1.4%	2.8%

Percentages shown in last row is the difference between the highest performing sub-asset class and the lowest for the relevant year.

Key



REITs

Investment-grade CMBS



Private real estate debt

Private real estate equity

Source: Principal Real Estate, 3Q 2025. Indices: US REITs: FTSE NAREIT All Equity REIT Index; IG CMBS: Bloomberg US CMBS Investment Grade Index; Private RE Debt: Giliberto-Levy Index; Private RE Equity: ODCE variable-weight index. Past performance is not indicative of future performance. Indices are unmanaged and do not take into account fees, expenses, and transaction costs and it is not possible to invest in an index. See important information for index descriptions.

Early-cycle strength meets K-shaped selectivity

The private real estate market entered a recovery phase in 2025 as pricing firmed, and liquidity returned. That upswing continues in 2026, fueled by attractive below-replacement-cost valuations, resilient NOI growth, and lending markets that are once again open for business.

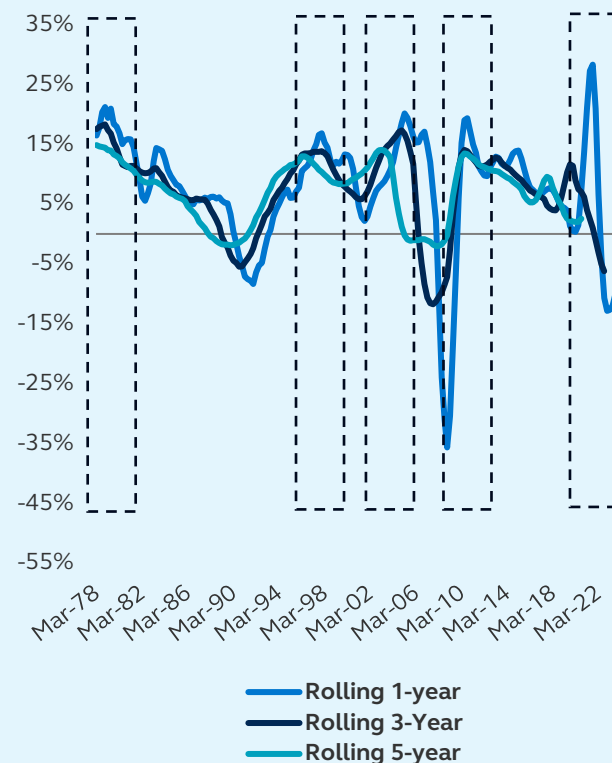
Long-dated Treasury yields, however, suggest private equity real estate is unlikely to see the classic post-GFC V-shaped recovery. Instead, this cycle will be marked by sharper dispersion across markets and sectors—driven by asset quality rather than financial engineering—requiring investors to sharpen their focus.

We expect manager differentiation to widen as improving price discovery flows through to performance and liquidity generation. Depth of knowledge and experience across sectors and geographies will increasingly define outperformance.

Preferred sectors remain those benefiting from long-term secular trends, including technology and demographics. Key examples are data centers, diverse rental housing formats, and modern logistics facilities. We also favor open-air retail centers anchored by non-discretionary retailers, which have shown resilient cash flows throughout the downturn.

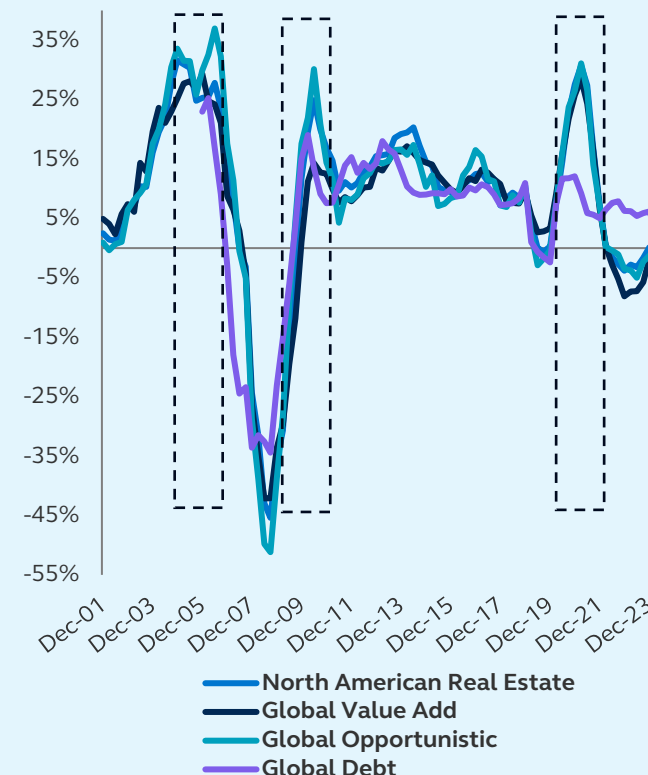
Rolling total return CAGRs

U.S. ODCE Funds



Rolling 1-year returns

Closed-end strategies



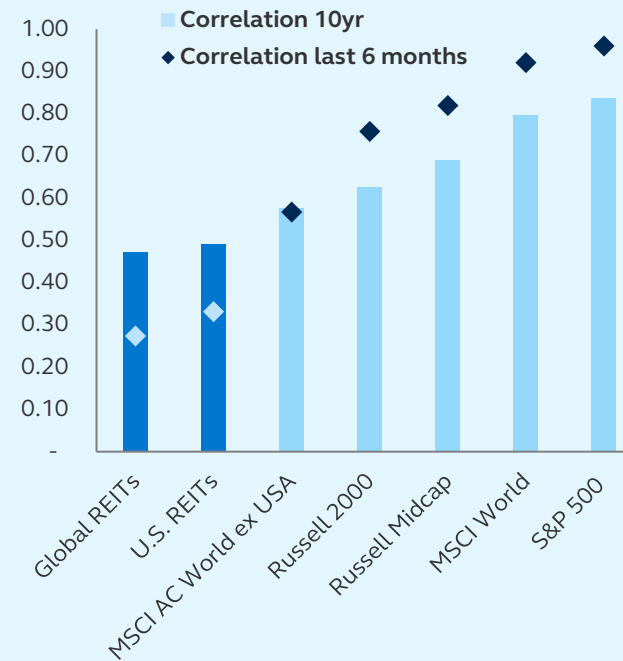
Diversification with REITs has rarely looked so attractive

The Magnificent Seven now account for more than 30% of the S&P 500's market capitalization—and an even larger share of the tech-heavy NASDAQ. While AI may reshape the future, many investors already carry significant exposure to AI-linked megacaps through broad index holdings. In our view, diversification remains essential for long-term success, especially as market leadership continues to rotate over time.

REITs provide a compelling alternative with low correlations to these mega-cap tech names, offering a differentiated return profile. This makes REITs an attractive option for investors seeking both liquidity and the stability of real assets in a portfolio. Importantly, this diversification comes at a historical discount today, with the earnings multiple spread between REITs and equities at record lows compared to the last 20 years.

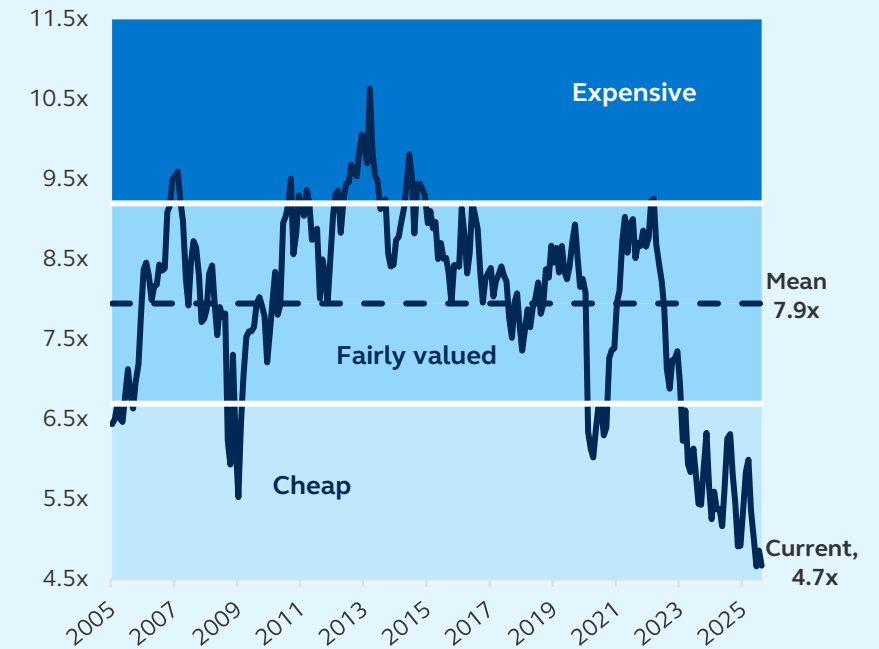
Real estate stocks have lower correlations to the Mag 7 stocks than other equity indices

Correlations vs. Mag 7 composite



Listed global REITs are trading near historically cheap relative valuations to equities

EV/EBITDA multiple spreads relative to equities



Left chart: As of 30 September 2025. Source: FactSet. Right chart: As of 31 October 2025. Source: FactSet. Enterprise Value (EV) to EBITDA price multiples are used to measure valuations. The spread plotted is the EV/EBITDA of the FTSE EPRA/NAREIT Developed index minus the EV/EBITDA of the MSCI World index. Expensive and cheap valuations are represented by spreads higher or lower than one standard deviation from the mean, respectively. Fair value is represented by valuations between one standard deviation from the mean. The average is since 28 February 2005. Indices are unmanaged and do not take into account fees, expenses, and transaction costs and it is not possible to invest in an index.

CRE debt offers compelling risk-adjusted returns

Lending strength improved measurably in 2025, with originations through 3Q25 up 47% from the same period in 2024. Credit markets are fully open, and with banks re-entering the market, all lending cohorts are deploying capital. Notably spreads have compressed, especially in construction and bridge lending.

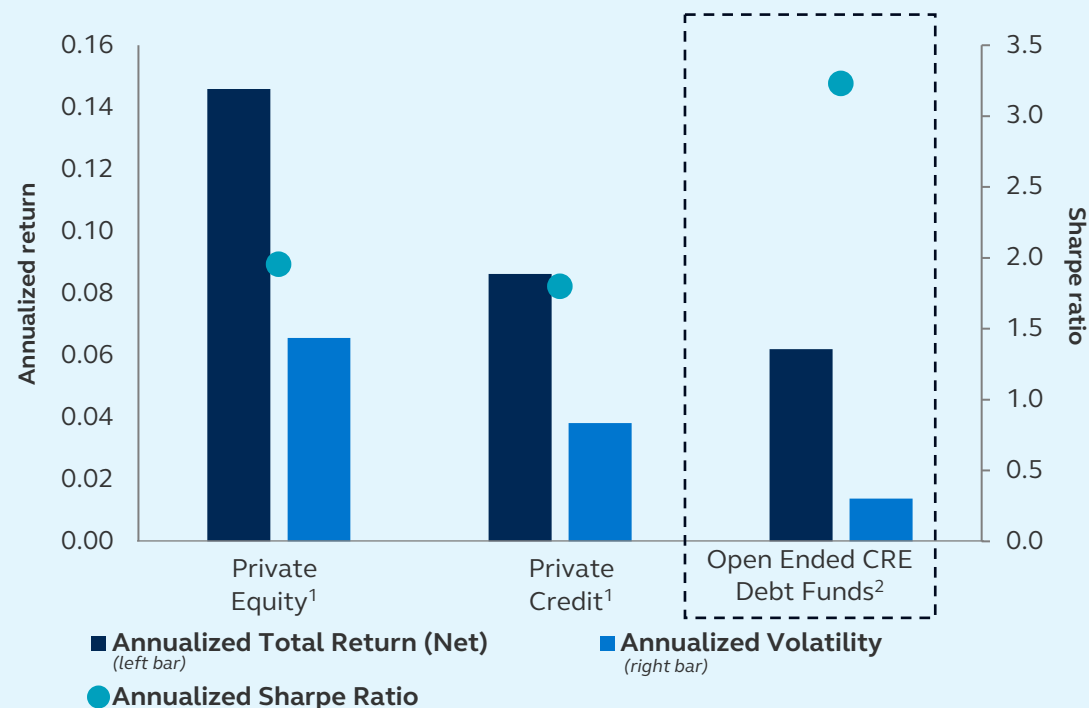
A steep remaining maturity schedule and ongoing momentum in sales transactions will continue to generate more attractive lending opportunities over the next 12 months. These dynamics, however, depend on continued stability in 10-year Treasury yields and an accommodative Federal Reserve providing some relief to the SOFR rate.

The office sector, while still cautionary, is showing meaningful improvement in both fundamentals and liquidity, albeit from a low base. Yet, the office sector remains one asset where quality is paramount, making selectivity critical. Retail and alternative sectors are poised to maintain strong lender interest as investors seek diversification after years of heavy allocations to multifamily and industrial assets.

Conservative LTVs on property prices that have already reset help to mitigate against further declines in property prices. It is important to note, however, that CRE mortgages are secured by income-producing real estate. We believe CRE debt plays a key role in portfolio optimization for investors seeking to reduce volatility and drawdown risk.

Comparison of annualized total return, volatility, and Sharpe ratio for open-ended CRE debt funds and private corporate credit and equity

2014-3Q 2025



Stronger issuance; greater credit dispersion and tighter spreads

The CMBS market has proved resilient, and we anticipate another productive year in 2026. Issuance is projected to increase another 18% over the next twelve months, extending 2025's record private-label volumes. Growth in SASB* issuance—including more fixed-rate deals—and a recovering CRE CLO market are expected to remain key themes.

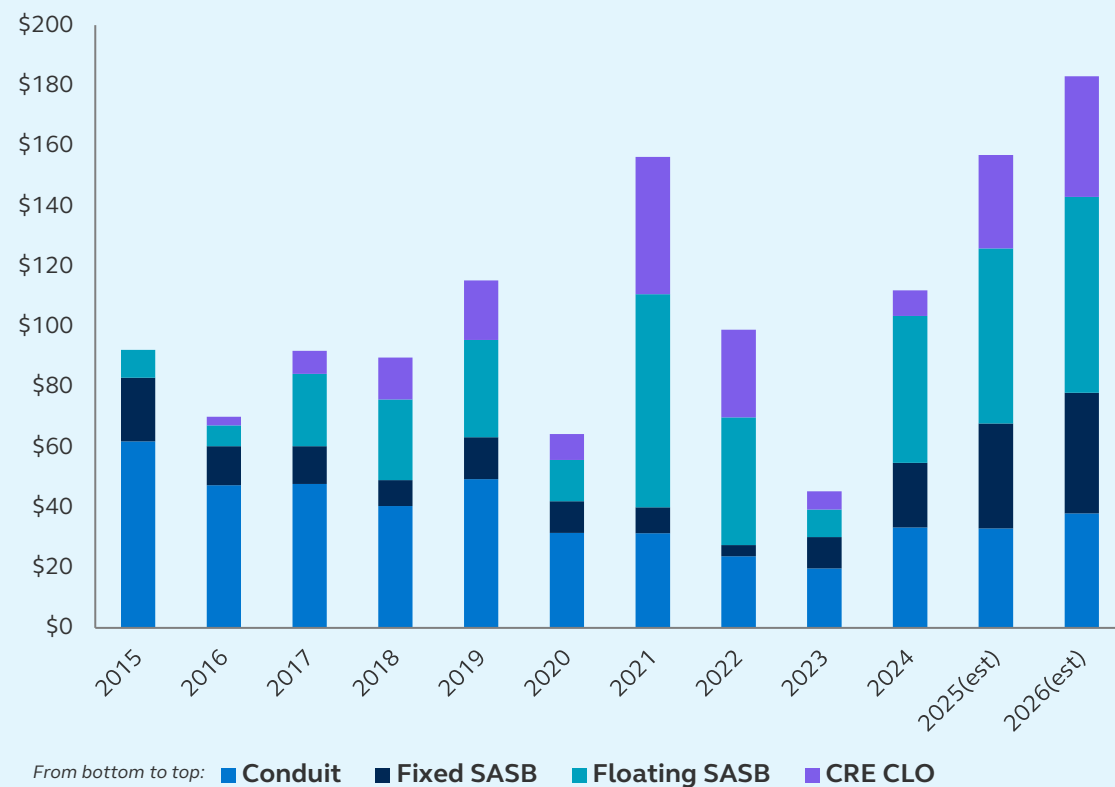
Demand will be reinforced by approximately \$93 billion in 2026 maturities, including the first five-year conduit and floating-rate SASB loans from 2021. Still, credit performance will stay uneven: conduit delinquencies, elevated in 2025 due to office and multifamily, are likely to rise further as office maturities pressure refinancing and multifamily fundamentals normalize.

Conduit loan maturity payoff rates trended higher in 2025 overall, but it remains property-type specific. Industrial and retail payoff rates remained strong in 2025, while less than half of office loans refinanced. Lower expected rates and stronger lending and transaction activity should lift overall payoff rates in 2026, even as office stress keeps headline delinquencies high.

Despite tighter spreads versus corporate bonds, CMBS continues to offer competitive yield, and the SASB market remains an appealing alternative and complement to private real estate debt given its liquidity.

Private label CMBS issuance

Billions of USD



Sector opportunities

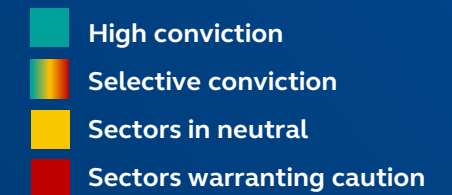
“

Price is what you
pay. Value is
what you get.”

WARREN BUFFETT

05

State of the commercial real estate sectors



United States



Data centers

Demand continues to outpace supply, driven by AI and cloud adoption, with power constraints shaping development timelines and regional growth.



Residential

Fundamentals are improving as new supply has fallen to trend and demand is accelerating. Performance remains bifurcated across regions and subtype.



Industrial

Trade policy uncertainty continues to weigh on leasing decisions, but tenant demand for newer, larger facilities remains strong. Supply pressures have receded.



Retail

Strong fundamentals and limited new development sustain pricing power. Performance will be dictated by consumer sentiment and real spending power.



Healthcare

Operational improvements and rising occupancy support recovery, but funding and policy uncertainty remain headwinds.



Student housing

Occupancy and rent growth remain solid, but moderating enrollment trends and rising competition warrant selectivity.



Office

Nascent signs of a recovery are emerging; however, fundamentals remain weak with elevated vacancy. Stabilization is most evident in core assets and markets.



Life sciences

Overdevelopment and weak venture funding continue to pressure demand, delaying recovery despite long-term growth drivers.

Europe



Data centers

Europe's best-performing sector, with demand exceeding supply for a third year and growth shifting toward secondary markets amid grid constraints.



Residential

Structural forces including urbanization, evolving household structure, longer rental tenures and constrained supply drive a strong outlook.



Industrial

Performance normalized. Beneath the surface, a differentiated outlook is emerging, with demand focusing on future-proof assets in core locations.



Hotel

Trading well, though with pockets of strength and softness across markets. The key opportunity lies in repositioning neglected assets in specific locations.



Retail

Positive fundamentals are lifting top-tier high street and convenience retail, while older secondary schemes remain under pressure.



Student housing

Robust international student demand in continental Europe offsets weaker UK flows, keeping the sector selectively attractive.



Healthcare

Rising transaction activity, higher occupancy, and improving operator margins signal better conditions for care homes and clinics.



Office

Signs of stabilization emerge, yet demand remains polarized toward prime CBDs as hybrid work and ESG continue to reshape the market.

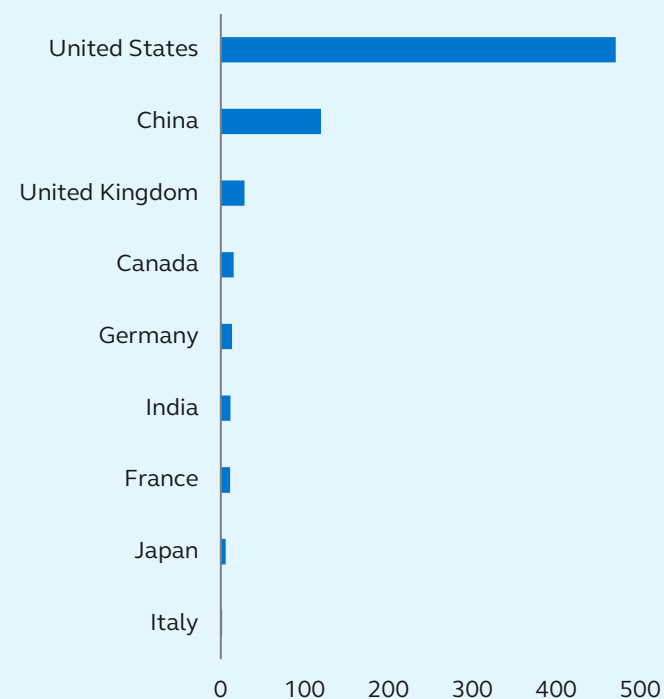
Prioritizing cloud and AI inference; maintaining caution around GenAI

AI adoption has accelerated globally, with U.S. private AI investment reaching \$109B in 2024, including \$37B directed toward AI infrastructure, which is reshaping data center development. While vacancy in established hubs is at historic lows, a new speculative wave—driven by generative AI (GenAI) facilities built in emerging markets ahead of actual utilization—introduces growing demand-forecast risk.

Investors should prioritize cloud and AI inference data centers within established availability zones, where power, network density, and tenant pipelines support more durable cash flows. Going forward, new developments must balance cost discipline with designing flexible, future-proof facilities that can adapt to evolving technologies and regulatory standards.

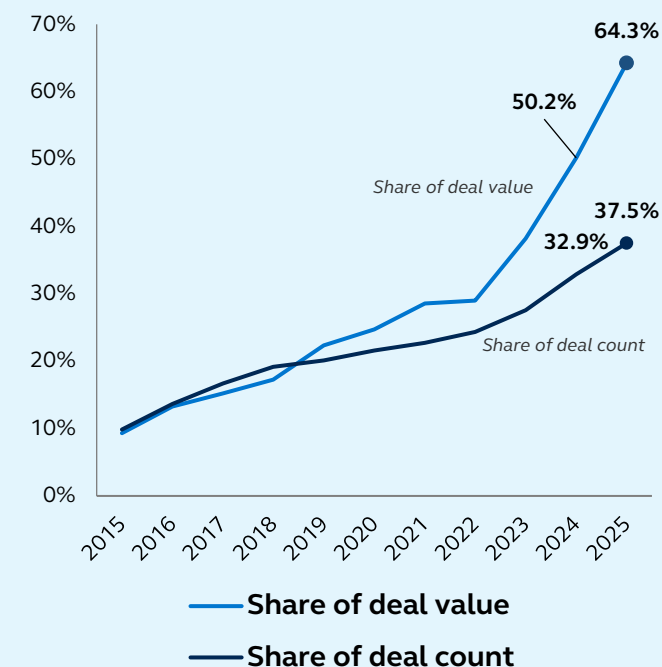
Private AI investment, 2013-2024

\$, billions



AI & ML VC deal activity as a share of all U.S. VC deal activity

Percentage



A mismatch in housing options creates dislocation on a regional basis

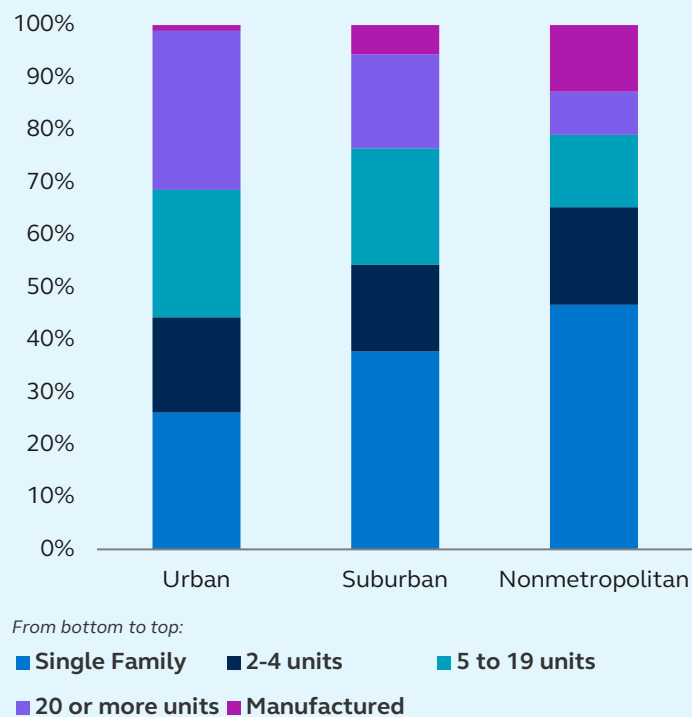
The U.S. housing market is shaped less by an overall shortage of units and more by a persistent mismatch between the types and locations of housing and the evolving needs of households.

Rentership, which accounts for roughly 35% of households, is a central feature, but it extends far beyond the traditional Class A apartments that dominate new construction, encompassing single-family rental homes, manufactured housing, and even senior, as well as student living options.

An optimal nationwide solution is elusive and suggests that understanding local market dynamics is critical. Targeted policies and investments that align new supply with actual demand, both in terms of housing type and location, are essential to building a more balanced, accessible, and resilient housing system for all Americans.

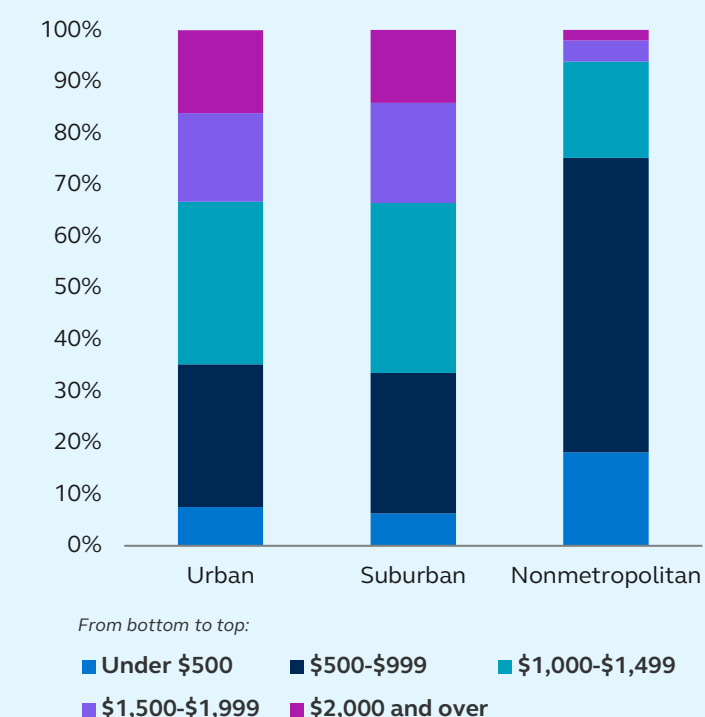
Structure type

Percent share



Contract rent

Percent share



Undersupply, stability, and rebalancing

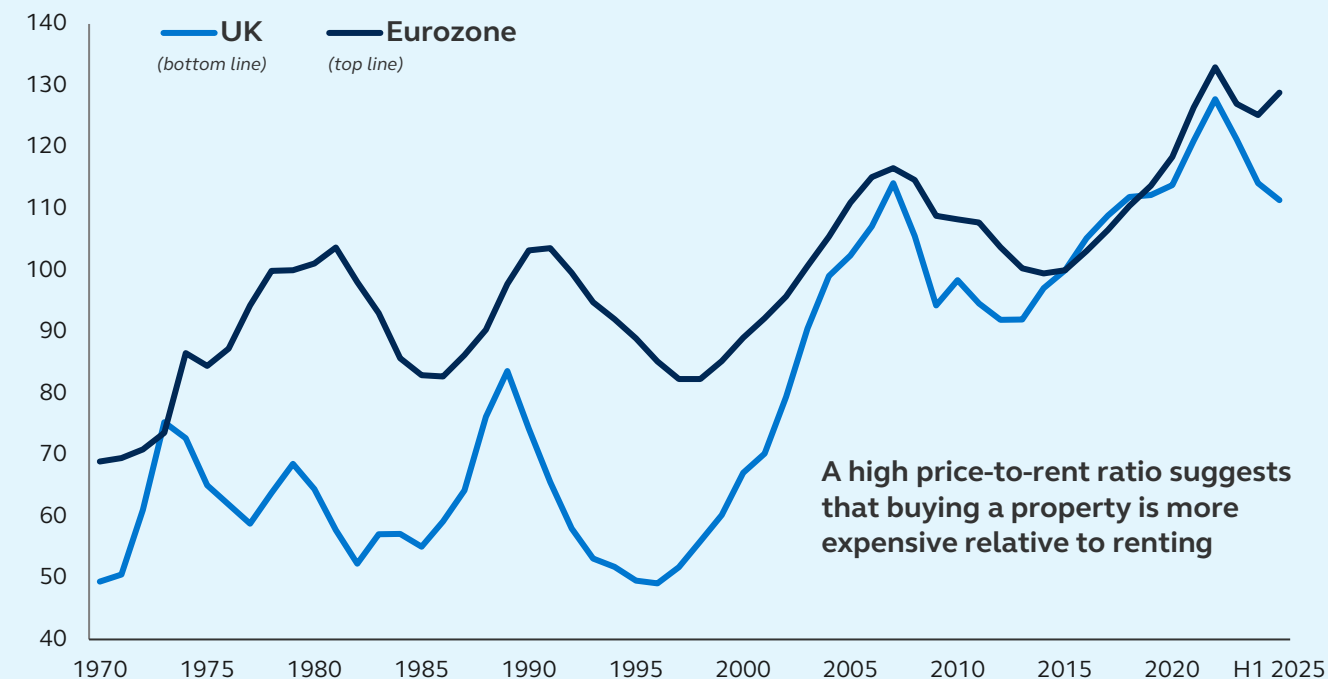
European residential property has shown great resilience in recent years, supported by a persistent structural undersupply of housing across major European markets.

Demand will remain robust through 2026 and beyond, driven by migration flows, evolving household structures, continued urbanization, and longer rental tenures, as affordability pressures delay homeownership for young adults and lower-to-middle income households living in metropolitan areas.

At the same time, institutional capital is poised to deepen its footprint in the sector, as investors rebalance portfolios and seek counter-cyclical and income-driven assets with strong structural fundamentals.

European apartment price to rent ratio¹

Annual index, 100 = 2015



1. Excludes borrowing costs
Source: OECD, Principal Real Estate, Q2 2025.



Logistics divide between future-proof and older stock solidifies

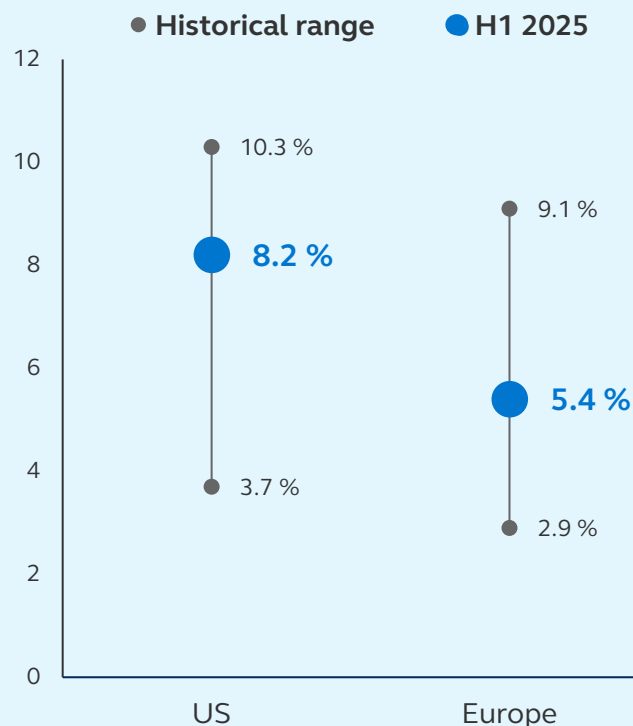
The European industrial and logistics market appears to have normalized. Headline metrics such as vacancy, take-up, and rental growth have softened, and overall performance has broadly converged with the other traditional property sectors.

Beneath the surface, however, a more nuanced and differentiated outlook is emerging. Occupier demand is increasingly selective, favoring modern, efficient, and future-proof assets. We expect the quality premium to continue widening, driven by three key factors:

1. Rapid technological advancements in AI and warehouse robotics;
2. Tightening sustainability standards;
3. Limited new supply expected to enter the market in 2026.

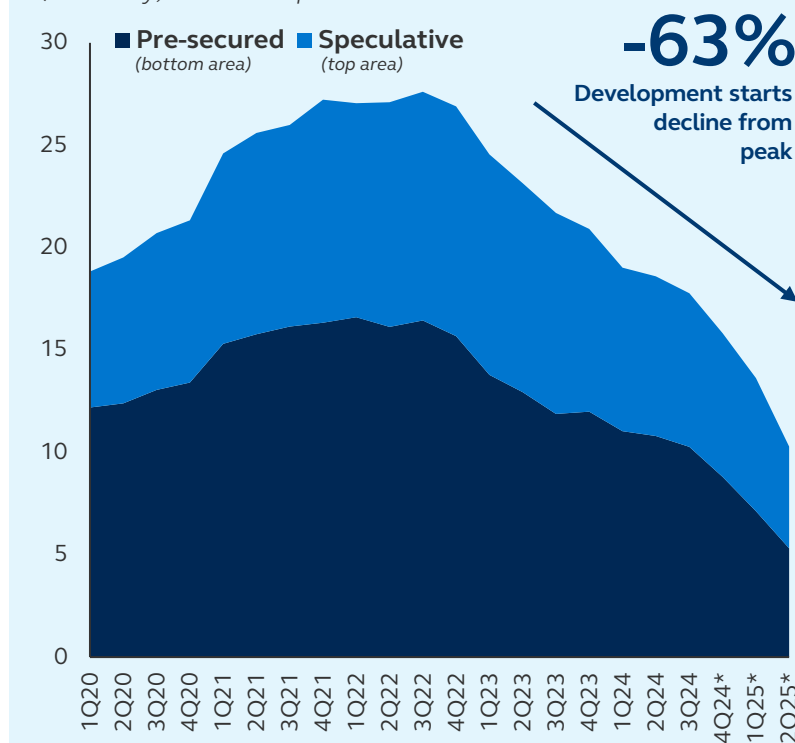
Logistics vacancy rates

Quarterly, million sqm



European logistics starts

Quarterly, million sqm



Uneven rent growth requires investor selectivity

The U.S. industrial sector has emerged from the correction that began in 2022 with early signs of recovery, but only the top performing assets are still experiencing attractive rent growth.

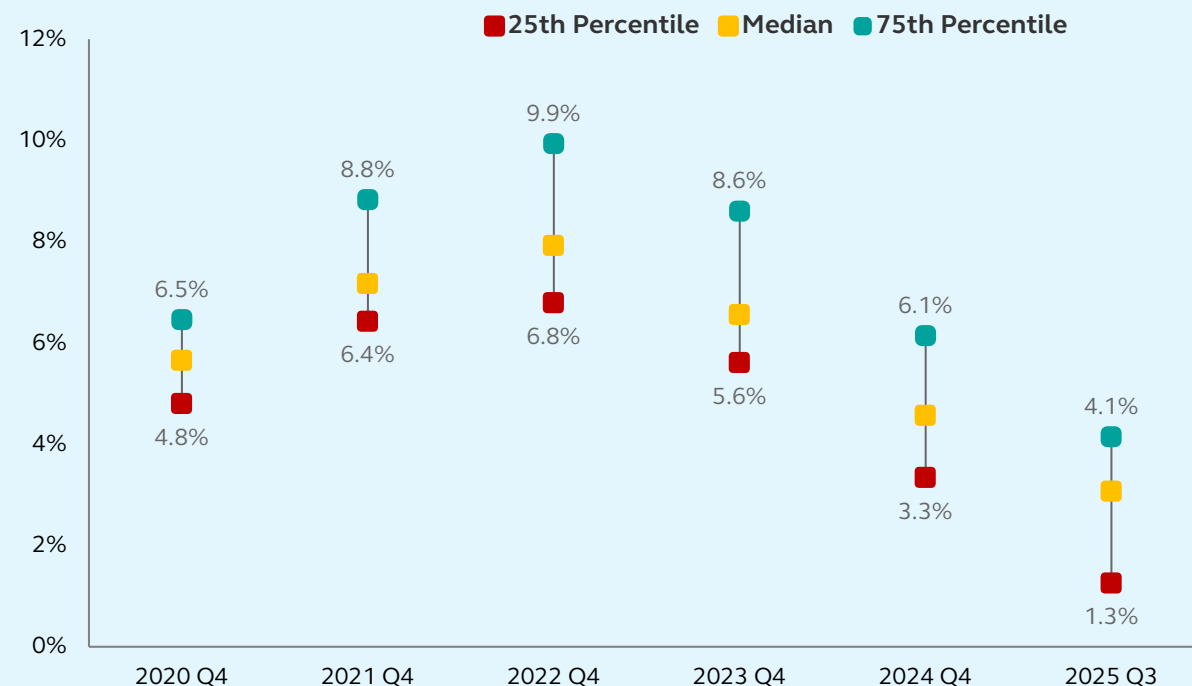
A significant pipeline reset, with projects under construction down nearly 70% from the 2023 peak, is bringing supply back toward historical norms and paving the way for a healthier 2026–2027 development cycle.

Demand remains concentrated in top-tier, modern logistics facilities, while older assets continue to experience occupancy losses. This bifurcation is reflected in performance, with post-2010 buildings generating nearly double the returns of legacy properties over the past year at 6.3%, supporting our selectivity thesis.

We believe the evolving dynamics present an opportunity for industrial development for well-capitalized investors. While rising costs will remain a challenge, the current scarcity of new construction offers an attractive window in 2026–27, as limited deliveries meet renewed demand for modern logistics space.

Median rent growth by quartile

Percentage



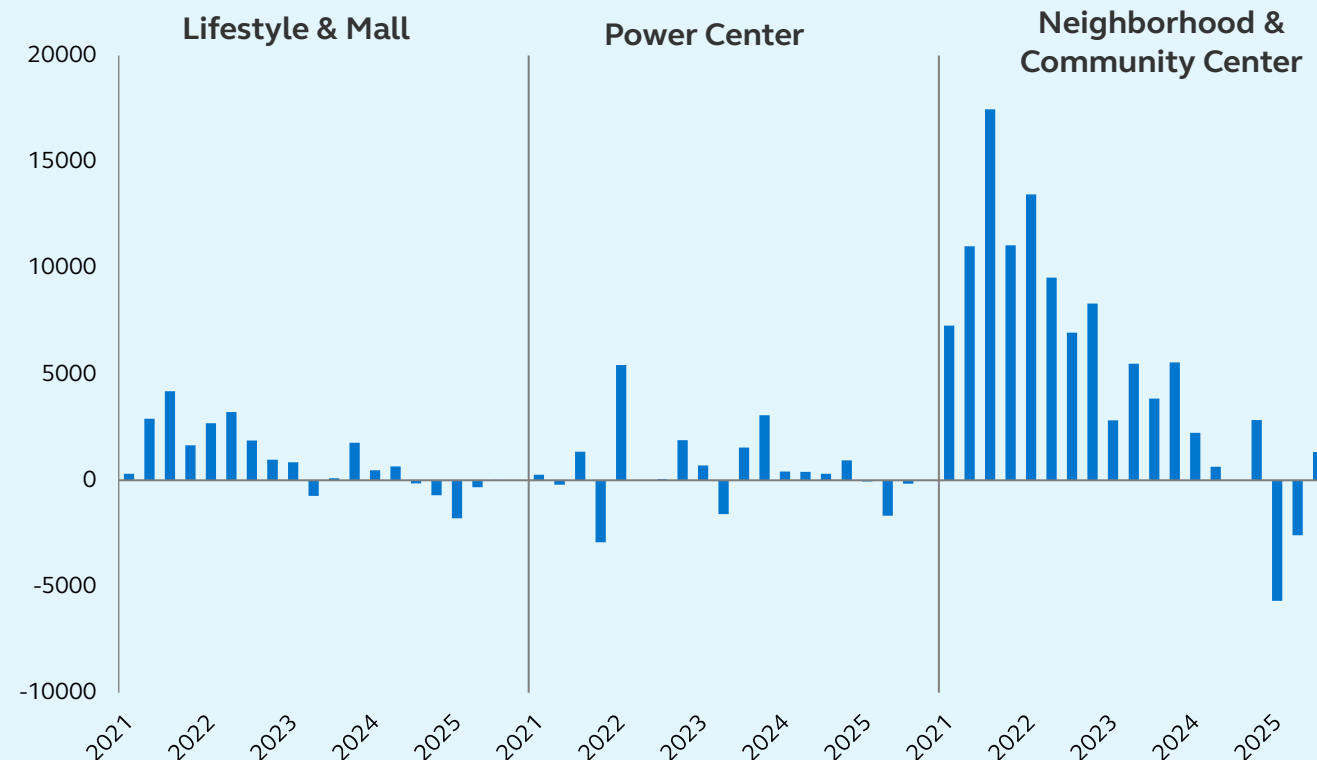
Necessity-based retail set to outperform the rest of the sector

While institutional investors remain underweight retail, the sector's diversity and post-pandemic repositioning have made it a critical portfolio component. Cyclically resilient formats continue to attract investor attention, offering defensive positioning against e-commerce penetration. Consumer resilience, however, is being tested, as indicated by flattening sentiment and the potential impact of higher inflation, which could erode discretionary spending power for all but the top income groups.

Net demand remains positive, and availability rates are holding near cyclical lows. Limited development since the GFC has meaningfully reduced the investable universe. Although the U.S. has 116,000 shopping centers, less than 10% of total gross leasable area meets institutional-quality criteria, and demographic filters aligned with REIT standards reduce that share even further. This combination of healthy fundamentals and scarcity underpins our thesis that bifurcation is occurring within the retail sector.

Retail net absorption by subsector

Msf



Poised to benefit from demographic-driven demand and limited supply

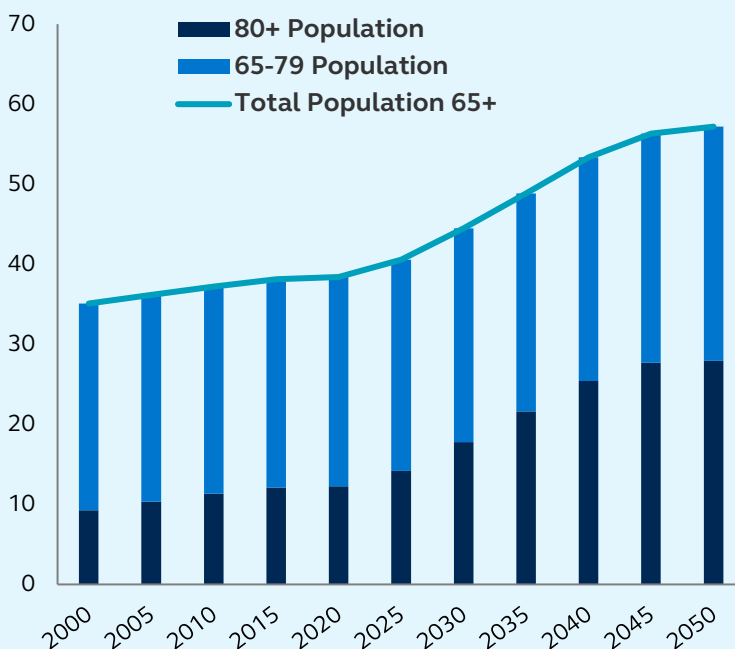
The U.S. healthcare sector continues to be supported by secular demographic trends. An aging population is fueling demand for higher levels of care and more diverse healthcare services.

Advanced age cohorts are expanding rapidly, creating sustained demand for healthcare facilities. Older patients also account for significantly higher healthcare utilization and spending, with individuals aged 65 and above far exceeding younger groups in annual doctor visits and healthcare costs.

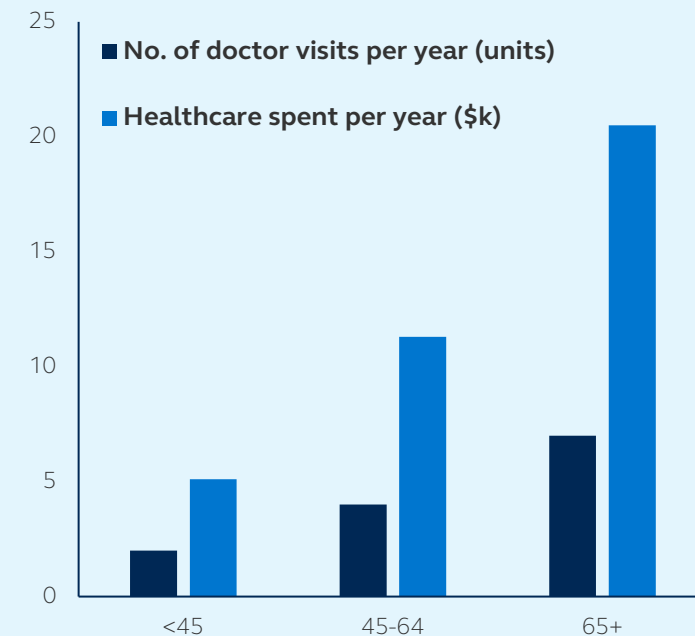
The senior housing segment has largely recovered from its pandemic-related correction. Although new supply has increased, strong demand and high occupancy have made it one of the top-performing sectors.

Advanced age demographics

Millions



Healthcare visits and spend by patient age cohort



Hidden opportunities in a maturing sector

Hotel performance has been strong over the past three years, with occupancy and average daily rates (ADR) rebounding sharply from a very low base.

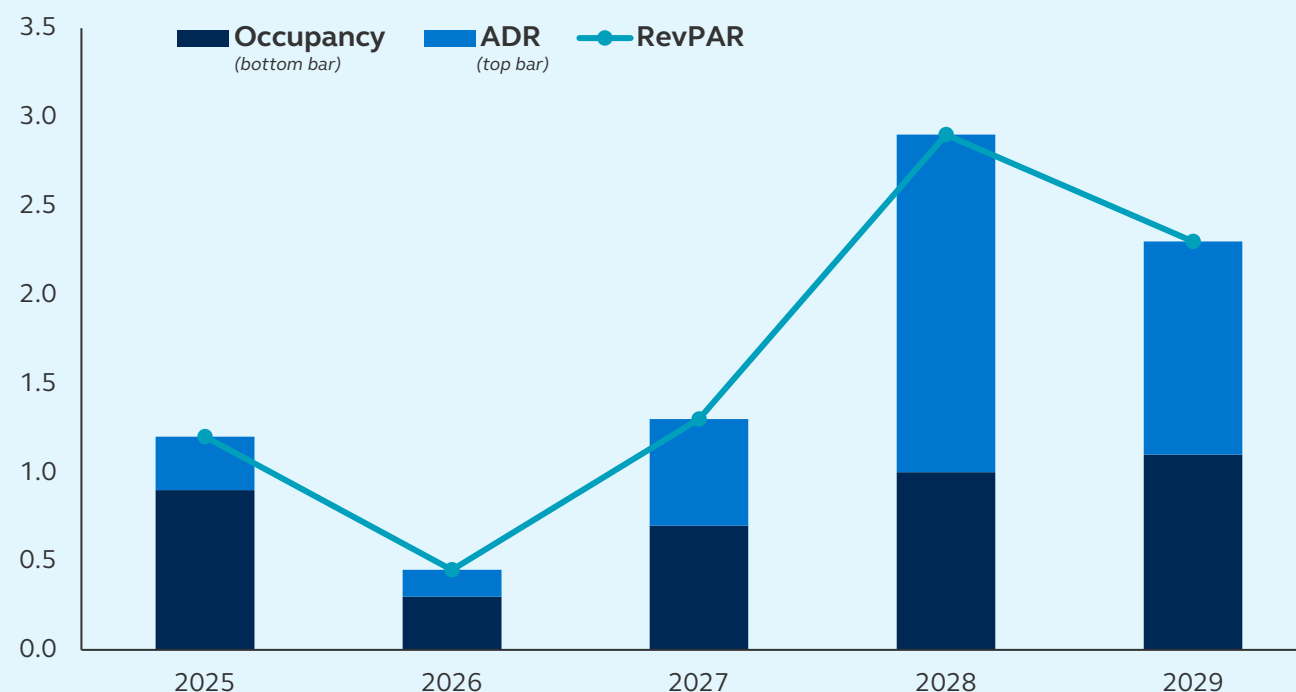
Looking ahead, we expect a more moderate pace of improvement as room rates have already increased sharply, and tourism patterns return to their long-term growth trajectory.

In this environment, the most attractive opportunities lie in acquiring neglected assets that have suffered years of underinvestment and a lack of professional management.

By upgrading and repositioning these properties to align with current guest expectations and hospitality trends, investors can unlock significant capital value gains and income growth.

European hotel performance forecast

Percentage, 2025-2029f



Retail's barbell reality

Retail real estate performance in Europe is increasingly polarized.

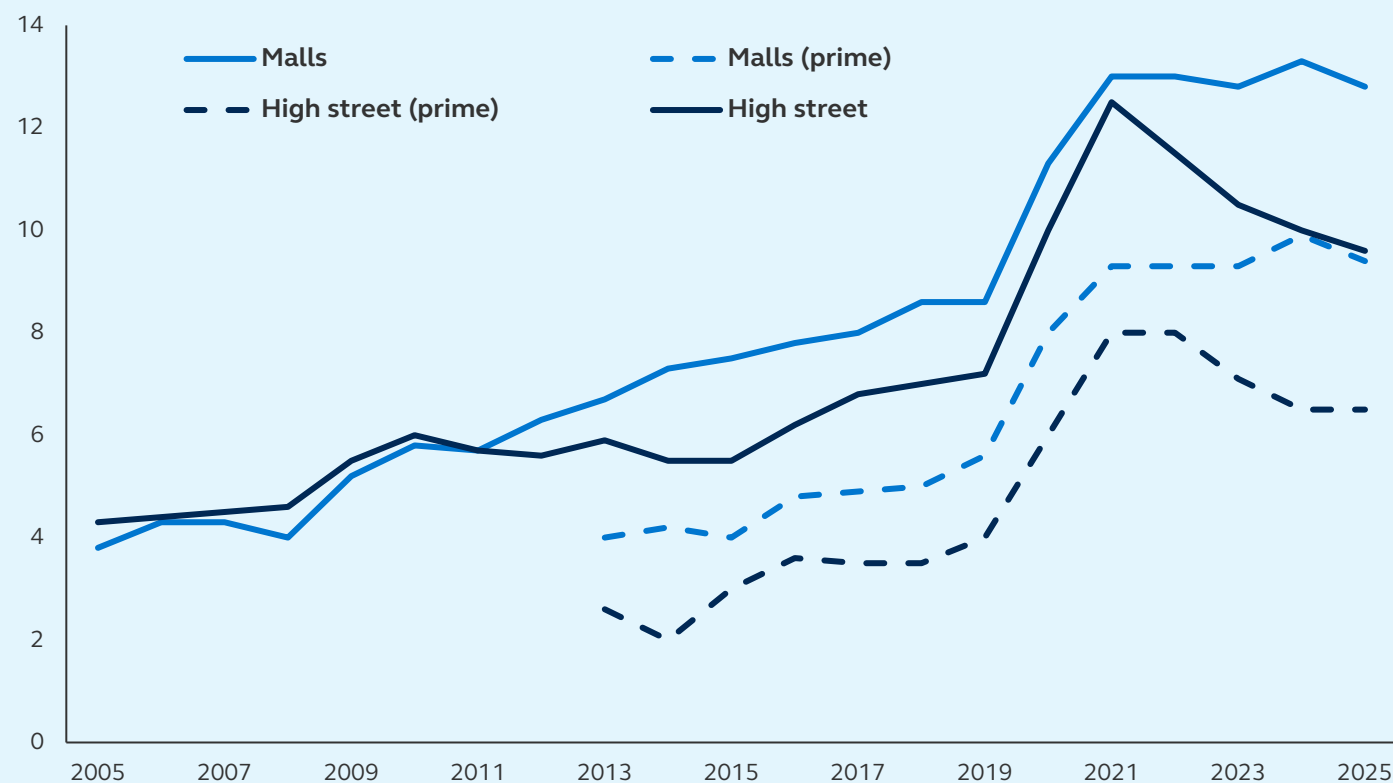
Prime high-street locations, luxury pitches, and top-tier malls have remained highly resilient through 2025, supported by strong tourism and continued strength in premium discretionary spending.

At the same time, convenience, food anchored, and essential retail continue to perform well, benefiting from stable daily-needs spending and sustained footfall.

In sharp contrast, the mid segment formats—including secondary locations, smaller schemes, and older malls—continue to struggle with elevated vacancies, weakening tenant demand, and rising risks of obsolescence or closure.

Vacancy rate by format and location

Percentage of units, 2005-2025



U.S. student housing

Resilient today, structural pressures tomorrow

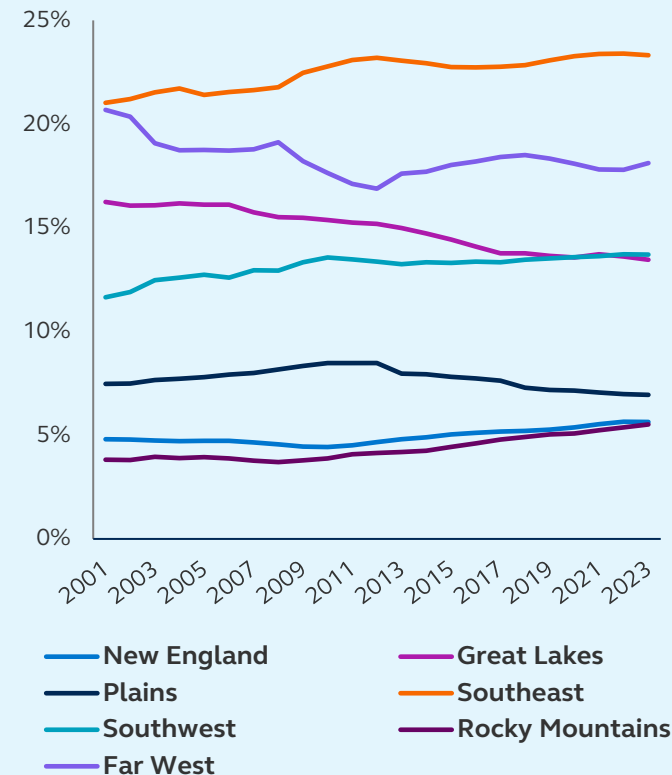
The student housing sector remains generally healthy today, but headwinds are emerging. The space has become more crowded and competitive over the past decade; and enrollment trends at four-year institutions are flattening.

Performance is increasingly nuanced and dependent on both region and university. The Southeast, for example, continues to outperform, with major universities reporting occupancy rates in the 90% range.

Despite recent strength, we recommend a cautious approach. The sector has become more difficult to underwrite, and successful investment strategies now require elevated due diligence and strong deal-level economics.

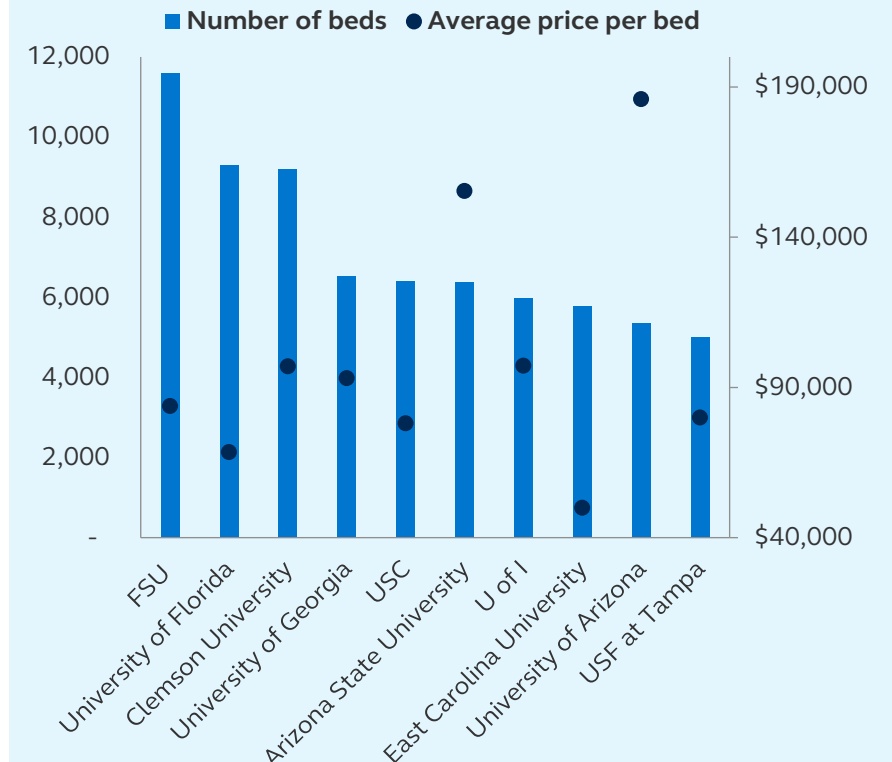
College enrollment by region

Percent of total



Sunbelt attracts student housing investors

Sunbelt universities highlighted



Europe healthcare

Neutral

Healthcare regains a firmer footing

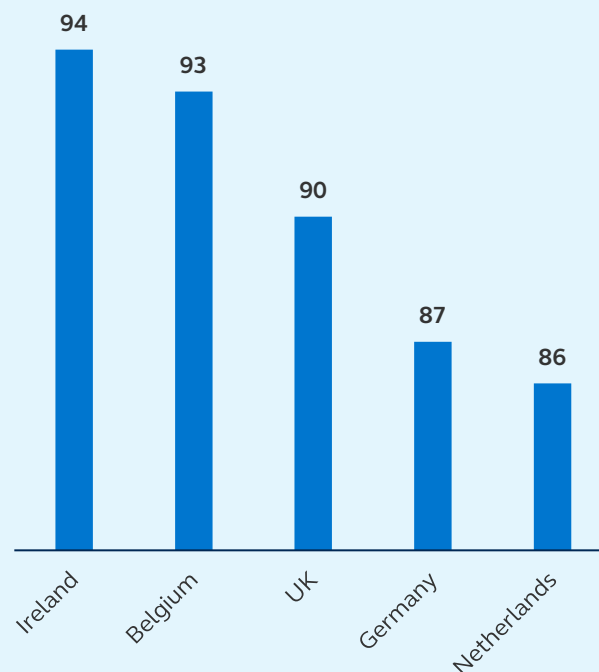
The European healthcare sector is in the early stages of recovery. Operators are benefiting from a stabilizing debt market, and strong pricing and occupancy levels that are now exceeding pre-pandemic norms.

Investment activity picked up with large portfolio deals pointing to growing confidence, particularly towards the UK and, to a lesser extent, Spain, and Germany, driven by improving operator fundamentals and limited new supply.

We expect structural demographic trends will continue to support the sector over the medium- and long-term.

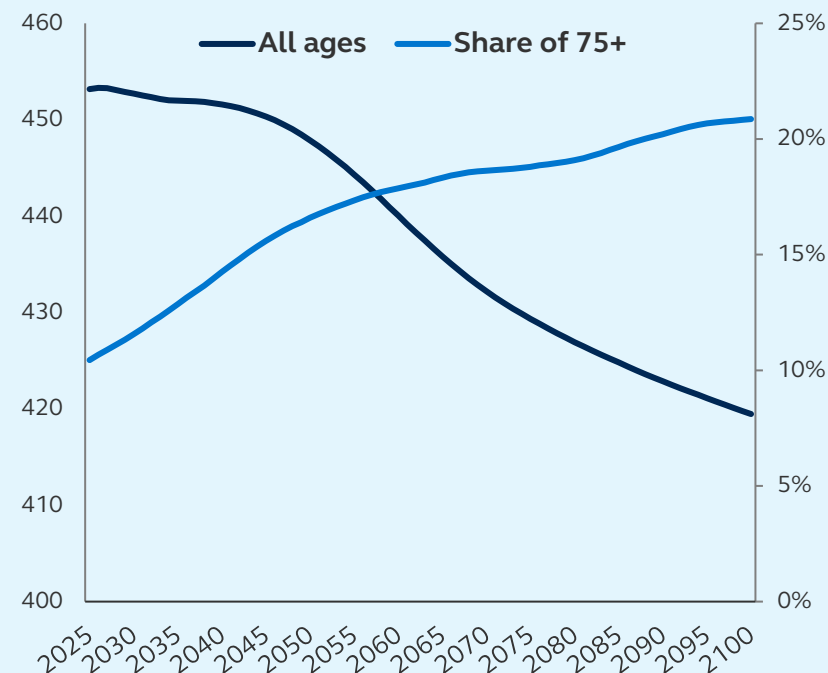
Care home occupancy

Percentage, Selected European countries



Population projections

Millions people and percental share of 75+, EU27





Investors finding value after a period of declining valuations

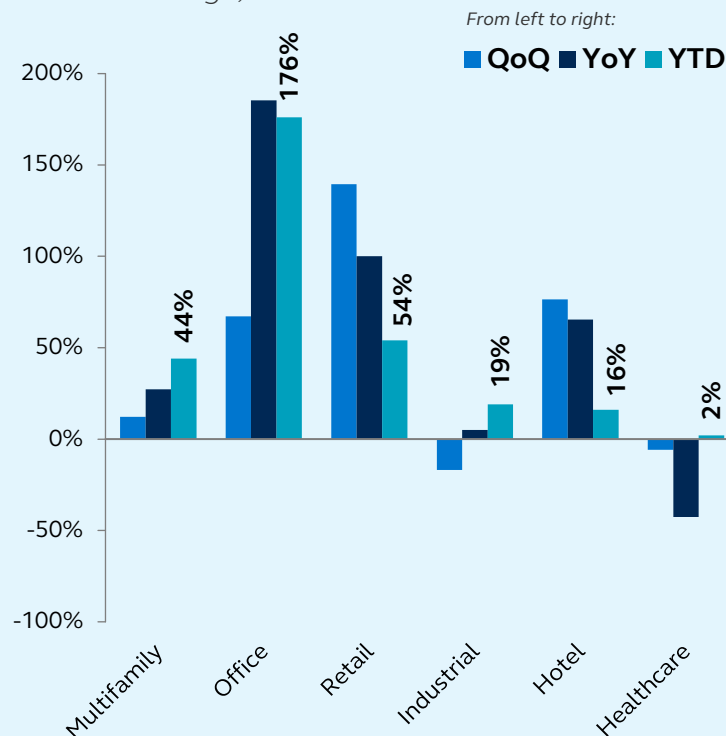
Global office demand is showing signs of stabilization following a painful correction. The sector, however, remains far from regaining its prior form and appeal to investors.

Transaction activity is still muted, but lending to the U.S. office sector, a leading indicator, has rebounded +185% year-over year and is nearly back to long-term historical averages.

Core investors remain cautious, but opportunistic buyers are increasingly targeting pricing dislocations. In particular, we see attractive opportunities in selected European markets with limited supply of modern assets and resilient occupier demand, including the City of London, central Paris, and Madrid CBD.

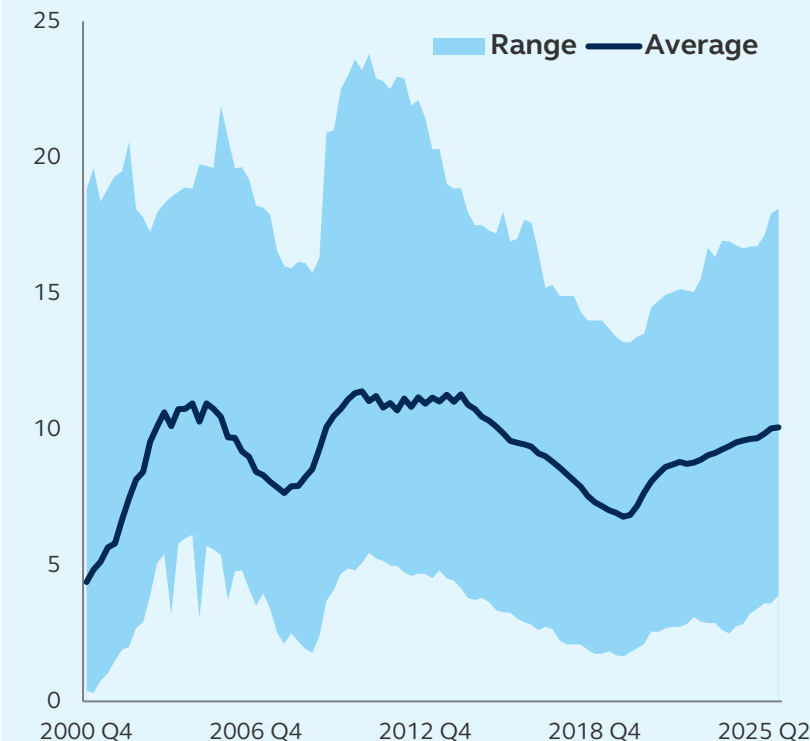
U.S. office loan origination

Percent change, index



Europe office vacancy rates

Percent of vacant stock





Research is struggling without funding

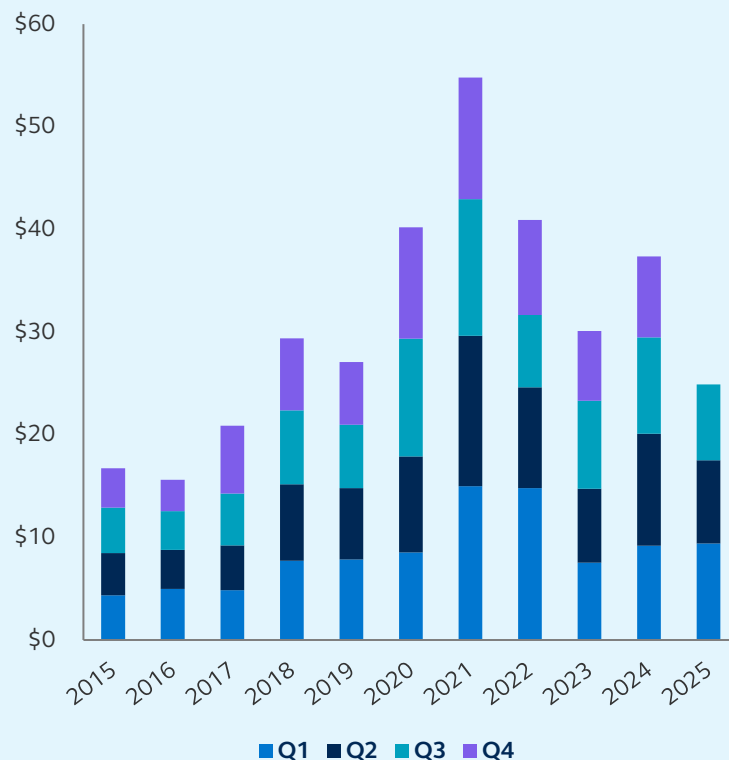
Fundamentals in the life sciences sector remain under pressure following a wave of overdevelopment and limited demand for new space.

Nationwide R&D lab vacancies rose to 22.7% mid-year, according to Cushman & Wakefield, even as total leasing activity increased. Demand remains challenged, with net absorption still negative—driven largely by lease expirations despite higher leasing volumes.

Post-pandemic venture capital funding trends also remain soft, and cuts to NIH funding for university research centers have further strained the sector's recovery outlook.

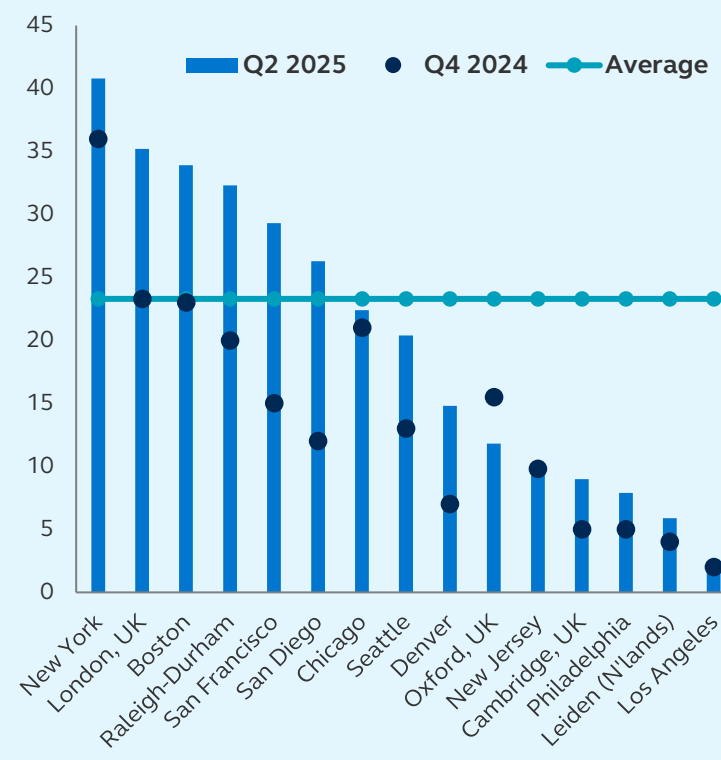
U.S. life sciences VC deal activity

Billions USD, count



Life sciences vacancy rate

Percentage



Conclusion:

Strategic selection will be
key to thriving in a recovering,
but divergent market

“

Life can only
be understood
backwards, but
it must be lived
forwards”

SOREN KIERKEGAARD

06



Steering the boat through divergence-driven waters

01 Structural shifts redefine opportunity

2025 marked a transition toward stability, but the next cycle will be shaped by divergence. Investors should expect uneven growth and focus on markets with resilient fundamentals. The CRE comeback will not lift all boats to the same degree.

02 Focus remains on sectors that benefit from strong secular tailwinds

Data centers and residential sectors are experiencing structural headwinds that may cause pain in some markets, but demand drivers are still present, just more nuanced, creating opportunities for thoughtful investors.

03 A disciplined approach to capital deployment

Liquidity is improving, yet pricing remains sensitive to credit conditions and policy volatility. Tactical opportunities in debt and secondary markets, combined with selective sector exposure, offer the best path to long-term performance.

About Principal Real Estate

Access the full spectrum of today's commercial real estate investment opportunities.

Principal Real Estate is the dedicated real estate investment team within Principal Asset Management.

We have a 360° view of real estate, with capabilities that span the spectrum of public and private equity and debt investments. We seek to maximize opportunities and find the best relative value on behalf of our clients using our specialized market knowledge, dedicated and experienced teams around the globe, and extensive connections across all four real estate quadrants.

- Top 10 global manager of real estate ⁽¹⁾
- \$105.2 billion in real estate assets under management ⁽²⁾
- Over 60 years of real estate investment experience ⁽³⁾
- More than \$124 billion in real estate debt and equity transactions over the past decade ⁽⁴⁾
- Recognized globally as a leader in sustainable investing ⁽⁵⁾

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Index descriptions

NFI-ODCE: The NCREIF Fund Index (open end diversified core equity) is an index of 20+ institutional perpetual funds ("core funds") that pensions and endowments have invested in to get durable, income-oriented real estate exposure for the last 40 years.

MSCI Property index: Report the market returns of the 25 most mature real estate markets, together with Global and Pan-Europe composite indexes, measured by MSCI and their partners.

MSCI World Index: The MSCI World Index is a major global stock market benchmark tracking large and mid-cap stocks across 23 developed countries.

FTSE EPRA/NAREIT Developed index: Tracks the performance of listed real estate companies (REITs and Real Estate Holding & Development firms) in developed markets globally, covering key regions like the Americas, EMEA, and Asia, focusing on ownership, development, and trading of income-producing properties, serving as a benchmark for index funds and performance measurement.

Bloomberg US CMBS Investment Grade Index: Measures the market of US Agency and US Non-Agency conduit and fusion CMBS deals with a minimum current deal size of \$300mn.

INREV All-Fund Index (officially the INREV Fund Index) tracks the performance of institutional, non-listed real estate funds heavily invested ($\geq 90\%$) in Europe, measuring annual and quarterly Net Asset Value (NAV) returns, net of fees, to provide transparency and benchmarking for this asset class.

Giliberto-Levy Index: A series of benchmarks tracking the performance of private-market commercial real estate debt, primarily for institutional investors.

Important information

⁽¹⁾ Managers ranked by total worldwide real estate assets (net of leverage, including contributions committed or received, but not yet invested; REOCs are included with equity; REIT securities are excluded), as of 30 June 2025. “The Largest Real Estate Investment Managers,” Pensions & Investments, 10 November 2025

⁽²⁾ As of 30 September 2025. Includes clients of, and assets managed by, Principal Real Estate Europe Limited and its affiliates. Does not include assets that are managed by Principal International and Retirement and Income Solutions divisions of Principal. Due to rounding, figures shown may not add to the total.

⁽³⁾ Experience includes investment activities beginning in the real estate investment area of Principal Life Insurance Company and continuing through the firm to present.

⁽⁴⁾ As of 31 December 2024. Excludes public REIT transaction volume.

⁽⁵⁾ As recognized by the 2025 Global Real Estate Sustainability Benchmark (GRESB) assessments representing data from 1 January 2024 to 31 December 2024. 5-star rating reflects top 20% worldwide performance. In order to receive a ranking, the firm paid GRESB an application fee to be evaluated and rights to use the rating. Principal Real Estate recognized as ENERGY STAR Partner of the Year 2016-2024, Sustained Excellence Award 2018-2024. The U.S. Environmental Protection Agency (EPA) annually honors organizations that have made outstanding contributions to protecting the environment through energy efficiency, April 2024.

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