

The Weekly Take

Walking on Sunshine: Why commercial real estate feels investable again

3.17.2026

Spencer Levy

The 2026 edition of CBRE's annual Capital Markets Symposium offered lots of fascinating ideas and takeaways, and with thanks to those of you who attended, our podcast now offers all of you a ticket to some of the conference's greatest hits. On this episode, the first of several episodes we recorded in Arizona, on stage and off, at this signature event.

James Millon

This is our Super Bowl. This is the greatest single aggregation of commercial real estate executives in the world right now.

Spencer Levy

But don't take it from emcee James Millon, CBRE's President and Co-Head of Capital Markets for the U.S. And Canada. We've got you a front row seat.

James Millon

And I'm gonna turn the stage over to none other than Spencer Levy, host of The Weekly Take, and his colleague, Henry Chin.

Spencer Levy

Coming up, my conversation with CBRE's Global Head of Research for a wide angle view on the global economy. I'm Spencer Levy and that's right now on The Weekly Take.

Spencer Levy

So Henry, thanks for coming and let's rock and roll because I think the last time we did this together was 2018 in Warsaw.

Henry Chin

Also, yeah, I was bloody cold.

Spencer Levy

It was bloody cold. It's much nicer here today than it was in Warsaw, isn't that right? But today we're going to talk about the economy and real estate and a few issues that matter to our clients here today: public policy, capital markets, megatrends, and then of course our best ideas.

Henry Chin

Yeah, that's great.

Spencer Levy

Well, let's start macro then with the U.S. and the global economy, even if interest rates remain a little high.

Henry Chin

I have to say for interest rates here, only three points I want to highlight. Number one, you can see interest rates are trending down on '25 to '26-27. Second point, you see, Spencer, we are still far above our 2021's level. The third component: In Australia and Japan, we're seeing the interest rate hike in 2026. So therefore the global economy is somehow similar but also different.

Spencer Levy

Well, it changes everything about how our operators out there need to operate because we're not getting bailed out by 0% cap rates or lower interest rates. We have to operate better because we're going to be in a high interest rate environment.

Henry Chin

Yes, as a result, going forward, income return becomes more and more important.

Spencer Levy

If you looked at CBRE's own forecast six months ago, we weren't projecting much more than 2% growth. We've upped it by several basis points. And each basis point is a lot of money. And I would note that I'm not one to send nasty grams to research. But a few months ago I said, I think we might have overestimated the tariff impact on this. And maybe this is reflective of that.

Henry Chin

Maybe, yeah. Actually, during the course of 2025, you can see the U.S. GDP. Economic growth is largely, largely driven by tech investment. And the trend is likely to continue. And I really want to highlight, people are overplaying AI. Give you the tip. Last year, we did a CBRE foray in Hong Kong. They are creating Henry AI. It doesn't work. So that's why I still got a job.

Spencer Levy

Well, AI does work to some degree. Certainly, all of our friends that are doing data centers today, the trillions of dollars going into that sector. But you could see just how influential it was to last year's growth. And if AI is a big component, maybe it will help us grow faster than that 2%, 2.5% level.

Henry Chin

Productivity gain is going to be a key going forward.

Spencer Levy

And a drag, of course, is going to be immigration, because GDP is productivity plus immigration, and that's been a negative. So, Tip O'Neill was the Speaker of the House in the early 1980s. He said that all politics is local. Well, I think most of the issues that matter to real estate are local. What do you think, Henry?

Henry Chin

Yes and no. When you are playing the cycle, real estate is local. Demand-supply is very local driven. However – there's a big however – there are structural changes. The structural changes could be national, could be global, could be underpinning the new demand. So therefore, local is important, but also need to be aware of the structural issues we are facing now.

Spencer Levy

Well, I think these are the big issues that people are aware of, big picture, and we'll talk about each one in kind. But I want to talk about them using my fanciest of fancy charts. You wanna see my fancy chart?

Henry Chin

What?

Spencer Levy

It's called my two hands. On the one hand, we have all of these issues here: tariffs, immigration, restrictions. On the other hand, we have the one word that matters to our business. It's called math – or getting the best risk-adjusted return. And if these things don't impact that thing, these represent opportunity rather than risk. What do you think, Henry?

Henry Chin

100% agree. You can see the tariff as the number one. People overplay the tariff issues, but I have to say as an economist, I cannot forecast a human's behavior. As a result, we are expecting to see the effective tariff is going to be in the mid-teens, Spencer.

Spencer Levy

Well, look, I'm a big believer in port industrial. I'm big believer in border industrial – between the U.S. and Mexico – because I think people may have overplayed this issue. And then on immigration, it's a very mixed bag, right? When I talk about immigration, I talk about the Americas, not just the United States of America, because there's a symbiotic relationship between Canada, U.S., and Mexico. Canada has an advantage on skilled labor. Mexico has an advantage in terms of having cheap labor. But ultimately, it's going to impact some of our industries, including construction, where 30 percent of all laborers are immigrants. It impacts senior housing. It impacts hotels. What do you think?

Henry Chin

I have to say, on a global scale, when we are looking upon labor's immigration, there's more and more countries that do have refined policies on immigrants. So therefore, they are attracting the right talent to your country to drive growth. So therefore this is something I think the U.S. could potentially learn from the global economies.

Spencer Levy

When we are reshoring a lot of the manufacturing, it's highly automated. So we don't need quite as much labor as we might have when we were swinging hammers years ago. Now, interestingly, SFR-BTR restrictions, when I'm at The Roundtable, is probably the number one issue we debate. Because not only do the feds, but also the local governments, including places like Texas, are pretty negative on institutions buying this. Which then represents an opportunity because I think they're very, very negative on SFR. They are not that negative on BTR. So there is opportunity here, but it's the one issue we fight a lot. But interestingly, I was in Minneapolis last week. You know, Henry, I was everywhere last week. So were you for that matter. So I'm in Minneapolis and they are banning the construction of new data centers. What do you think about that?

Henry Chin

I think that local restrictions is important for you, particularly when you are planning for your exit strategies. Nevertheless, back to the fundamentals, demand and supply for those leading sectors, for the data center sectors, it still gives us a good play going forward.

Spencer Levy

Yeah. Well, I think it creates opportunity. As you'll see in a minute, the opportunity in data centers isn't just in the U.S., it may be global. But then foreign investment. In a normal year – whatever normal is – foreign investment represents about 15% of U.S. Investment. Last year it was less than four. But because of Liberation Day. I got a lot of nastygrams from my investors saying we don't want to come back. But if there's a silver lining in the news that happened last year the U.S. dollar devalued by 11%, which makes, you know, this hand, math, look a little better.

Henry Chin

I have to say I travel across the globe, not because I'm in the U.S. now. I talk to global investors, capital locators, I have say 2026 is a vintage to invest into U.S. real estate markets. Three reasons: Number one, repricing has been quite substantial here in the U.S. Number two, interests are coming down. Number three, we do see the recovery in fundamentals. As a result, the U.S. has become very attractive on a global scale.

Spencer Levy

And then I would say the Big Beautiful Bill was a big beautiful win for our industry. I will tell you that because of The Roundtable work on this clause called 899 which would have restricted all foreign investment coming in, we got rid of that. We kept the 1031 exchange. We kept the carried interest at three years, not five. Opportunity zones were expanded. Manufactured housing, great. Big Beautiful Bill, big, beautiful win for us.

Henry Chin

It's a good for commercial the real estate space for sure.

Spencer Levy

But then there are some local issues that we think about, too. And what they give us in the federal side, we lose at the local and the state level foreign capital restriction. And one I worry the most about is Texas. They restrict your ability to lease to a Chinese investor to only one year. I'll tell you what, how's a Chinese investor going to be able to build a manufacturing plant in Mexico if they can't have their symbiotic relationship with the U.S.? So some of these are a problem. What do you think about some of the restrictions?

Henry Chin

By the way, luckily I'm Taiwanese, I'm not Chinese. And by the way I also want to highlight that the demand is coming from diversifieds, not only for Chinese, we do see more Koreans, the Japanese, even Taiwanese are coming to Texas. So therefore it's important, but just be mindful.

Spencer Levy

Sure, and I think some of these other issues get a lot of press. And I speak with great reverence to what happened last year in California when people realized just how important insurance was and anybody that owns a multi-family asset in Florida knows how important this issue has been for a long time. But I think, again, I look at the silver lining. The silver lining is people are building more resilient real estate. People are going over to Europe or to England to meet with the reinsurances. So I think that our situation in terms of building better real estate, being smarter about insurance is going to get better as a result of the terrible tragedy that happened last year in California.

Henry Chin

I think the government needs to play the key role here because I'll give another example for Singapore. I think all the developments coming to Singapore need to raise the sea level

by 100 meters. Why? Because they worry about global warming. So this is something related to the government policy support will help us.

Spencer Levy

And then some of these other issues, I think the one I get a lot of calls on is local rent control. And I say it with some, I don't know if it's pride, but a couple years ago, I would go into many of the offices in this room and say San Francisco is the most oversold market in America. Well, it's now our number one rent growth market in multifamily. You know where I'm getting the calls now about? New York. And I'm like, you know what? New York's gonna be just fine because, yeah, there's probably gonna be some rent control put on restricted housing. But what you're not gonna have is rent control put on market rate.

Henry Chin

New supply.

Spencer Levy

And that means there'll be less market rate, means it'll be worth more. So I actually think there's silver linings in all of these things. But this last one here, I have a little caution about: The shift to private capital is something where many of the folks in this room are shifting from large institutions to going to either 401K capital or other non-accredited investors. What do you think?

Henry Chin

I am less of a concern to actually bring the private capital into real estate spaces. It shows real estate is as mature as an asset class. So therefore, I am very pro-private capital coming to here, given the U.S., the complexity, the liquidity, the debt. I think it's a good sign for our industry.

Spencer Levy

OK, well, I think it is a good sign. I'm very pro-private capital coming in. I'm just saying we should be cautious. But I also think about the two hands. The two hands of—if these macro issues don't impact the math, maybe you shouldn't worry so much. Because I know from being in this business for a long time that sometimes we're our own worst enemy. And I've seen the enemy, and he is us. And this quote comes from one of my favorite Commodores. That's Commodore Oliver Hazard Perry, who's my second favorite Commodore, after Lionel Richie. You a big Commodores fan there, Henry?

Henry Chin

Oh, Spencer, I need to choose my own music next year and it's not for me, sorry.

Spencer Levy

All right, well, I'm going to buy you an album and sail on sailor. Capital markets! To start us off, Henry, I figured we'd have a clip of The Weekly Take featuring Sara Queen, Head of Equities at MetLife who had this to say about the capital markets.

Sara Queen

Look, I think there is a lot of interest and say people are real estate curious. As the rates come down, you're going to see that capital's starting to flow back. And I think there are a lot of people who have been waiting to deploy for the last couple of years, but have been cautious. And that weight of capital makes it harder and harder to keep saying no.

Spencer Levy

The weight of capital. What do you think?

Henry Chin

I think the weight of capital is definitely—there's plenty of capital on the sideline waiting to deploy into the global commercial real estate market. If I am a capital allocator, which my previous job is, actually I will over allocate U.S. Neutral for Europe. I will under allocate for Asia-Pacific.

Spencer Levy

Okay, well I think allocation is both at the macro level and then it's the micro level. I remember a few years ago self-storage was a sleepy little mom-and-pop business then it became one of the hot asset classes in institutional. IOS, one of the hot little asset classes now because capital flows are coming in. So anyway, capital flows matter. But what does this mean for what sales are gonna happen around the world?

Henry Chin

This is quite interesting. We are using this as a leading indicator. CBRE has conducted an investor intention survey globally for the past 10 years. We are using this as a leading indicator to forecast transaction volume. The U.S. has got a stronger net addition to invest. So clearly, clearly here, Spencer, the U.S. is going to drive the growth for global transaction volume.

Spencer Levy

But it's slow and steady. It's not a massive spike. And in fact, if you take a look at the bigger numbers, it's kind of slow and steady. What do you think about this?

Henry Chin

Yeah, 17% growth is decent, but people are always thinking about, well, we are still substantially below historical highs. But I agree with you. Steady, is a good thing for us.

Spencer Levy

That's what real estate was when I got into this business 30-plus years ago. Slow and steady wins the race. I think slow and steady is going to win the race again. But I think the race is going change. So from 2010 to 2020 cap rates came down by over 100 basis points and everybody made a lot of money. Now what's going to happen? Cap rates are going to come down ever so slightly. So you know what you're going to have to do? You're going have to operate better, you're going to have to grow demand to make the same kind of money you made in the last decade.

Henry Chin

I think the fundamental difference is it was a free money before COVID, but now you can see the 10-year treasury is going to linger around 4%. As a result, your return will be driven by income growth.

Spencer Levy

I completely agree. And I think also, if you take a look at the different asset types that are gonna do well, we have our friends multifamily and industrial – they're gonna do fine, but there's a little bit of an overbuilding in both of those sectors today, so I think you're gonna be a little more discerning. But look at retail, what do you think about returns in different asset types?

Henry Chin

I always believe that real estate is very, very cynical. Today you're a hero, tomorrow you'll be zero. Yesterday you were zero, but you're hero. I think retail and office is definitely going to outperform throughout the course of the next five years.

Spencer Levy

And office, you know, this year is going to be a good year to buy. You know what was a better year to buy?

Henry Chin

Last year.

Spencer Levy

Last year. And when we take a look at the things to buy, we might not just look at regular real estate. You might want to take a look at public equities and look how cheap public equities are. How do you read this?

Henry Chin

Yeah, if you look at this, I deeply believe there's a dislocation from the REIT market to the private market. As a result, if we are operating opportunistic capital, public to private is a viable strategy to get your returns.

Spencer Levy

And I think you're going to still see some of these REITs shed their non-core assets. They're going change the way they operate, but this is definitely going to be impacting transactions this year. And in terms of impacting transactions, looking at secondaries, I was at an event the other day with the University of North Carolina, and sitting next to me was the head of their endowment, and what he was telling me was that all these smaller colleges were coming to him and saying, we've got to liquidate these limited partnership interests – because we need liquidity. And look at what these things are selling for. Some of them are selling at almost a 30% discount. What do you think about secondaries?

Henry Chin

I think it's interesting, I do like the secondary strategies, Transaction volume is still relatively small. A substantial amount of capital has been raised. There's dry powder here. This cycle, Spencer, will be somehow very, very different. Twenty, thirty percent discount looks attractive on paper, but some of the assets you're going to invest in might not be able to recover in value, because that's very, very different from the cycle I was in during the great financial crisis. When I was working for the Chinese Sovereign Wealth Fund. We do a lot of secondaries, core fund US, double digit return, 20% annualized. So this cycle is similar, but somehow different.

Spencer Lev

Megatrends!

Henry Chin

Let's start with operational real estate.

Spencer Levy

Let's start with operational real estate and when we start with operational real estate, which is probably the key theme or a key theme of what we're talking about today Why don't we start with our good buddy Jamie Hodari the CEO of Building Operations and Experience which covers some of our largest occupiers This is what he had to say.

Jamie Hodari

Everything is operational real estate now.

Spencer Levy

See that, even Jamie has short quotes once in a while. Everything is operational real estate today. But there are some people in our industry who don't agree with that. So we had on the show the European CEO of Panattoni and he had this to say.

Robert Dobrzycki

We are quite traditional and we try to stay away from the operational side.

Spencer Levy

So you have these two sides of the coin. Where do you sit, Henry?

Henry Chin

It's very interesting because as the investor, you need to know your clients. You need to create the assets which actually occupiers want to occupy. So therefore, it's all about operational enhancing return. If you look at Robert's take, his coverage is the Middle East. In the Middle East, we are going to see some cap rate compression. So therefore operation might not be the major issue for them, for now.

Spencer Levy

So the answer, what you're saying is the definition of you should be more operational maybe here in America and less operational or maybe don't focus quite as much in the Middle East.

Henry Chin

Because you've got a cap rate compression story.

Spencer Levy

Because cap rates will come down. And when you take a look at the actual numbers you'll see that you've gotta make money during income if your cap rates aren't going down.

Henry Chin

The good sign is pretty much across all the four asset classes, we are seeing the high single digit growth total return for the next five years, particularly you can see office retail outperforming, Spence.

Spencer Levy

Infrastructure. Infrastructure is now—everybody's got an infrastructure fund. Many of our clients out there have infrastructure funds and sometimes the line between what is traditional real estate and infrastructure is blurring, particularly in that industrial and data center area.

Henry Chin

Infrastructure is so important. It brings jobs. It brings that demographic. It also brings the services. Therefore it creates a demand for real estate.

Spencer Levy

Well, what I like to do is I like to learn – just like we're talking about, there may be differences how you look at operational real estate in the Middle East – I think you gotta

look at infrastructure overseas. So here's an infrastructure change that's happening right now in Vietnam. How do you see this?

Henry Chin

Yeah, I've been to Vietnam for the past 10 years for work. You have to say every single year, that country doesn't surprise me in terms of their infrastructure. The high-speed railways, the metro system is just fantastic. That's a benefit for China-plus-one.

Spencer Levy

Yeah, China-plus-one could be Vietnam. And I think when you see Mexico put in infrastructure like this, it could be one and a half or one-A. But you're seeing this here globally, too. And what did I see when I was in Portugal three weeks ago? Lots and lots of investors and no data centers. And they're all going to be putting in data centers in Portugal. They're going to putting them in Spain, because that's where the infrastructure comes in.

Henry Chin

Spence, if you're thinking about real estate, economy is all about cyclical. Thinking about greater financial crisis of both economy, nobody want to touch it. But now you can see if you want to have a steady returns, you want invest in real estate, Spain and Portugal might be the preferred destination for Europe.

Spencer Levy

And I think Spain and Portugal aren't just good because they may have some great infrastructure come to them, which they do. They're also under built. And let's just face it, from the global financial crisis till about 10 years ago, maybe even less, Portugal and Spain were not a great place to be. The banks were bad, unemployment was high, but that under-building and the fact that they solved their problems means it might be a great to be today. But look where they're building infrastructure, right here in the United States. Henry, we are building some trains here in America.

Henry Chin

I have to say coming from Asia, going to Japan, Korea, this is underwhelming. Come on, U.S. government, you guys need to do more infrastructure. This is a little bit underwhelming.

Spencer Levy

Well, I got bad news for you, Henry. You're from Texas. They don't like trains in Texas. Everybody's got a car.

Henry Chin

We drive.

Spencer Levy

Everybody drives. I want to give a shout out to a couple of cities here. One city is Chicago, which is a city we're seeing more and more on these lists, but Kansas City. Kansas City, and I say this with love – love! – I may be an expert in nothing, except for airports. And I will tell you that until two years ago, Kansas City had the worst airport in America. You literally had to leave security to get coffee. Now they put \$2 billion into their airport and it's spectacular. And now they have a train line. And now more and more investors will say, gee, maybe we should look at Kansas City because Kansas City has always punched below its weight. I think now might be a time to take a look again.

Henry Chin

So following the infrastructure is a good investment strategy.

Spencer Levy

All right. Manufacturing. Manufacturing I think is a place we should all be looking. What do you think, Henry?

Henry Chin

I think demand is coming back given the current government's policy. I think we do see substantial reshoring activities as a result manufacturing might potentially be a good investment strategy.

Spencer Levy

Well, I think it's a good investment strategy, as we had on the weekly take, Teddy Kaplan. And this is what Teddy had to say about why New Mountain Capital is backing up the truck on manufacturing.

Teddy Kaplan

But what we are trying to solve for it is typically that it is very hard for a company to move, meaning there's multiples often of tenant investment in the building from what we paid for the building, vaulted to the floor, hanging from the ceiling, churning out widgets, 24-7-365 – i.e. lots of earnings in the buildings. And that those earnings in building cover the cost of occupancy by significant multiples. In the retail real estate landscape, two times coverage is considered adequate. Our portfolio on average, our tenants and the overall earnings that come out of our buildings cover our rents by 13 times over.

Spencer Levy

Two times, 13 times, big difference. There's real opportunity here in manufacturing and I think this audience in particular should take a second look at it because you just haven't done it in the past.

Henry Chin

Yeah, I agree, but also be mindful. A lot of manufacturers, they might want to build to suit. So therefore, you need to find the right place.

Spencer Levy

Well, another thing is I often say don't follow the money. In this case, this is one of those times when you might want to follow the money because so much money is going into it. But you should also follow the demand. So tell us about what we're seeing here in demand. And there's manufacturing as our third biggest demand in warehouses.

Henry Chin

Yes, only 11%. But I really want to highlight here, you can see 3PL. They are not so called expansionary net additional demand, because the 3PL's demand is coming from general retail wholesale. The manufacturing is a net expansionary demand. So watch the space very closely. I do think this is a quite interesting investment opportunity.

Spencer Levy

Well, another place that I think is interesting is industrial demand. You look at all of the older product, no bueno in terms of demand there. You see the new product and it's flying off the chart. How do you read this?

Henry Chin

Flight to quality happens in office, in retail, in industrial, for industrial spaces, any facility which was built before 2021, occupiers are not interested. I think modern facilities closer to the market, closer to the consumer is what they are looking for.

Spencer Levy

Well, because of this, we're seeing this. Nobody's building – or building fell off significantly in the new industrial space to the point where, you know, almost nobody is building. But I have a very, very different take on this. New is the new new. You got me on that one? New is the new new – because this is what happens in every cycle. People stop building and the best time to build is now. The bottom line is a good time to build when others aren't building. What do you think, Henry?

Henry Chin

Well, I have a different point of view, Spencer, here. To be honest with you, we do see an oversupply in the logistic spaces, particularly here in the U.S., as well as in Europe as well. If I am a small investor, I will do value-added strategies because some old facilities, they are in the right transportation hub. They do have access to the power. They just be dated. So spend some money to do the value-added strategies. It might give you a better return than doing the development. That's my point.

Spencer Levy

Well, I'm actually not completely far off from you, because I was with a big client the other day in Dallas, and we went around this big room. We said, well, what's your best idea? You know what they said their best idea was of any asset class, anything? Powered land. It was just powered land. Get an older data center, or rather an older industrial building, and you can sell to somebody who wants to buy the dream, build data centers. You could build a better industrial building. But the scarcity of power for some of these older buildings may be more valuable than the buildings themselves.

Henry Chin

Yeah, I have to say, because we look at these trends globally, I always love to use Tokyo as an example. Tokyo is leading ahead of infrastructure. You know what, they got tons of supply coming to the market. But guess what? The value-added play in Tokyo Bay outperforms. So watch this space.

Spencer Levy

All right, labor. And I always have to have a labor section here just to remind people I'm a labor major from the Cornell School of Industrial Labor Relations, but I think that labor is absolutely one of the top most important issues that you have. In fact, I have five factors of awesome, and every time I say five factors, I always think I'm going to forget one of them, so hopefully I don't do it. It's capital, human capital, live-work-play, infrastructure, and foreign money. But capital and human capital, maybe number one, is enormously important to everything.

Henry Chin

Important for the labor, definitely.

Spencer Levy

And labor is showing up everywhere. So one of the places it's showing up now is in the graying of the U.S. economy. In the graying of the U.S. economy, over 10,000 people a

day turn 65. You just got back from Tokyo. Tokyo has the oldest population in the world. How are they playing the aging population?

Henry Chin

It's quite interesting. I think Tokyo was a very closed economy over the past 10 years, and they've become more open. They welcome the laborers, immigrants that come into Tokyo, so you see more and more foreigners in Tokyo now. And in the future, you might go see more robots here, particularly in China or in Japan.

Spencer Levy

Well, Japan is also focusing a bit on robotics to help labor. But senior housing: The challenge in senior housing is number one, people aren't selling a lot of their single-family homes because they're locked into low interest rates. And the second reason is when you're managing senior housing, you need a lot of labor.

Henry Chin

Yeah, senior housing is the one thing we're looking at, The trend is senior housing, you need to be closer to the medical building facilities because senior people do need to have medical care as well.

Spencer Levy

And I think that the fact that people have low interest rates on their homes is also impacting to some degree the multifamily market. When you look at housing, you take a look at some of the markets that people didn't love. And I said San Francisco three years ago was undervalued. How you like me now? New York's right there. But you see a lot of the fast-growing Sunbelt places, including Austin, where multifamily growth is going to be a problem for a little while. What do you think?

Henry Chin

If you're not in a distressed sale, I won't sell Austin for now, because Austin does have a strong population growth. But also the newspapers overplay those numbers. Actually, all the major markets are in a positive rental growth. So don't read those headlines too much.

Spencer Levy

Well, I'm going to say the same thing about Austin that I said about Nashville a few years ago. I remember Nashville a couple years ago, we were overbuilt, nobody's going to move in there. And then we absorbed it a lot faster. I think the same about Austin, Texas. So, if everybody's like, oh, we've got to get out of Austin. Not me. That is a tremendous market – tremendous with job growth, tremendous with population growth. It's a great time to get in, if you can get in at fair market value. And talking about growth, Austin is literally the fastest growing city in America. Nashville's not far behind it. This is what you follow. You follow both the aggregate growth, but then when you look at markets like New York, San Francisco, and Chicago, you look for the growth of high net worth individuals or whatever the segment of the market is that you're going for. And it makes those markets look a lot more attractive if you just don't look at the big numbers and sometimes look at the quality. How do you look quality, Henry?

Henry Chin

Yeah, I have to say that population growth is important, but you need to attract the right talent. For example, San Francisco is a tech hub. If you go to New York, it's a financial hub. You need to understand the underlying population growth and the talent to drive your investment strategy.

Spencer Levy

Office evolution. No space has gone through greater evolution than office. And there was a mathematical evolution. We just had on the show with Brandon Shorenstein. And he said he's changed the way he's looked at office from an NOI base to free cash flow base. What do you think about some of the changes in office?

Henry Chin

Well, Spencer, I have to say return to work and no one talks about return to work outside the U.S. You guys are still talking about return to work. Return to work is the past tense. Every single occupiers are back to work however your office product in the U.S. could potentially a little bit outdated. So therefore when you're talking about future offices we are looking at you know transportation, car park here in the U.S. We need to have more F&Bs, wellness, and also post-working hours. Do you have retail facilities, gym facilities? All of those components is the future for offices. If you look at the U.S. major markets, I think we've got a long way to go. However, I still go big on offices.

Spencer Levy

Well, there's been another change in office, and I was down in Raleigh, North Carolina the other day, and I there with Ted Klink, who is the CEO of Highwood's Properties. And Ted walks me into his building, and he goes, hey, Spence, what do you think about this restaurant? I'm like, this is a pretty nice place. He goes, yeah, it's open from six to midnight – and I own it. Huh. Used to be the case that if you were in the office business, you could only be in office. You could only in industrial. You could only be in... What we're seeing now is people are in whatever business they need to be in to drive demand. And who was the forerunner of all of that? None other than Stephen Ross, who we were fortunate to have on The Weekly Take, who owns Equinox, who owns SoulCycle. He got into retail early because he knew it supported office. But this is what he had to say about West Palm Beach.

Stephen Ross

There's a lot more in life than just working. People want to play, enjoy, and have fun. And I think that you have to bring—that all goes part of kind of what you need to create great cities, great places. How you put it together in a package. It really attracts everybody. It's diverse. Every city that you think of, the great cities in this country, you can identify a certain thing that they're known for. Look, New York is probably the most diverse city. There's the entertainment, the food, everything. Why do young people want to be there? Because there's a vitality. You got to create that vitality within cities.

Spencer Levy

Henry, what do you think about the evolution of office?

Henry Chin

I have to say office is such important for our global real estate economies. I just have to the evolution of what Stephen was saying is 100% agree with him and that's a long way to go here in the U.S/, Spence. I do deeply believe real estate, office, is highly cynical. '25-'26 is a fantastic vintage to invest into offices.

Spencer Levy

Terrific. And then you take a look at the markets where office is doing well and it's doing not. You see Washington, D.C., L.A. – not doing that great. But you know what? I think

Century City is one of the best sub-markets in America. I think D. C. May have the most upside of any office market in America. How do you read it?

Henry Chin

I think what we are trying to do is doing an apple-to-apple comparison. It's a market level. We are expecting to see the gateway market will first recover.

Spencer Levy

Terrific. All right, we're just about out of time, so let's go to the end here. We're gonna go to final thoughts on what are our best ideas. First, my best ideas, then Henry's. My best ideas: I love Southern Europe, because Southern Europe was a bad place to be. Infrastructure's there. Manufacturing: not enough of you are in it. Housing: seven million units short. You have an aging population. It may not just be traditional multifamily, maybe seniors. Trade sensitive areas: I think we've overestimated the impact of tariffs and that creates opportunities at the borders. Infrastructure: showed you both internationally and nationally how this creates opportunities and doggone it, if you haven't been to a Buc-ee's, they took a sad song and they made it better. Think about them when you're operating your business. Henry, what are you thinking?

Henry Chin

Okay, I have to say, don't be so greedy. I think my best ideas: number one, is to try to realize your return. We ask you to buy, sometimes ask you sell. If you do the early investment for industrial, multi-family, data centers, you make a decent return. Time to sell, to redeploy the capital. My number two pick is office and logistics. Flight to quality, prime location is the one. Second one, talking about value-added offices. We don't have office supply coming to the market. Spillover demand will come through. Small investors should look into their spaces to get in cheap to the value add, make a decent return. Retail is known for everyone. You need to know your consumers. Therefore, retail will outperform. Follow the demographic. Older generation, younger generation will create a demand. The final one is opportunistic, public to private.

Spencer Levy

Well, Henry, we started today's show with, it's been a long time since we rock and rolled and I'm glad we rocked and rolled again. But it went so well and I am so happy to see you. I'm walking off with a whole lot of love.

Henry Chin

Thank you for having me here, Spence.

Spencer Levy

We'll have more from the Symposium coming up on the show, with deeper dives into the capital markets. So make sure to subscribe to The Weekly Take, and you won't miss out. Follow us on the platform where you get your podcasts. And as always, we invite you to check out our website, [CBRE.com/TheWeeklyTake](https://www.cbre.com/TheWeeklyTake), for related content and more. Thanks for joining us and we'll see you again soon. I'm Spencer Levy. Be smart. Be safe. Be well.