



RICS Global Commercial Property Monitor: Q1 2021 results - Europe and Americas

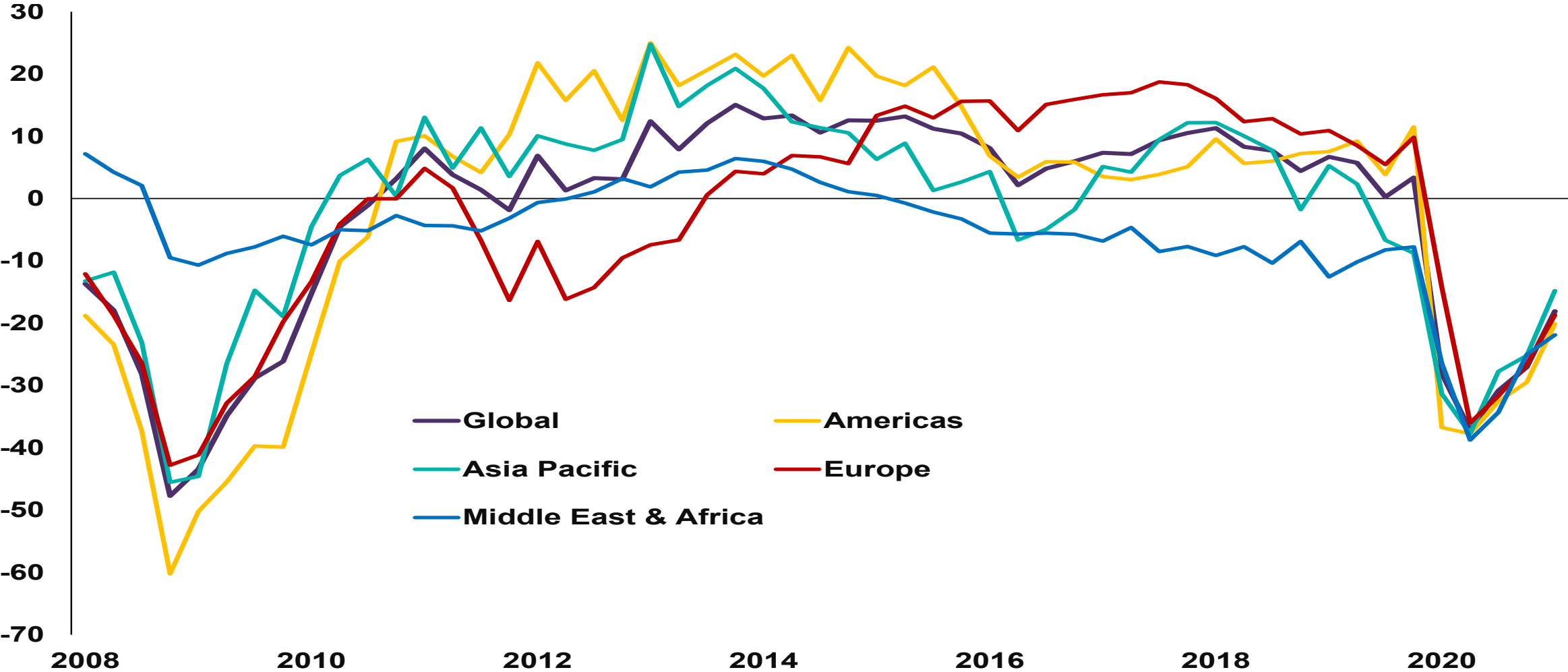
#WBEF rics.org/wbef @WBEFcommunity

Key Points:

- High frequency macro indicators and recent policy initiatives particularly in the US are consistent with an upgrading of global growth projections
- But the better headline trend masks significant geographic divergence; the latest IMF analysis suggests scarring from COVID in advanced economies will on average amount to just 1% of GDP while in low income economies, it could be around 7% of GDP
- The Q1 RICS Global Commercial Property Monitor reflects the somewhat better newsflow with the Global Property Sentiment Index climbing from -27 in the final three months of last year (and a low of -37) to -18
- The recovery in sentiment amongst investors continues to outpace that of occupiers
- Sector trends remain stark with logistics/industrial viewed as continuing to outperform alongside some alternative asset classes such as data centres and multifamily
- Revenues on retail assets are expected to recover back to pre-COVID levels particularly slowly, especially in North America and parts of Europe with secondary offices and hotels only marginally better
- Businesses are viewed as likely to scale back the size of the office footprint by around 10% as hybrid working becomes the new normal with APAC at the lower end of the range and the US and the UK at the upper end.

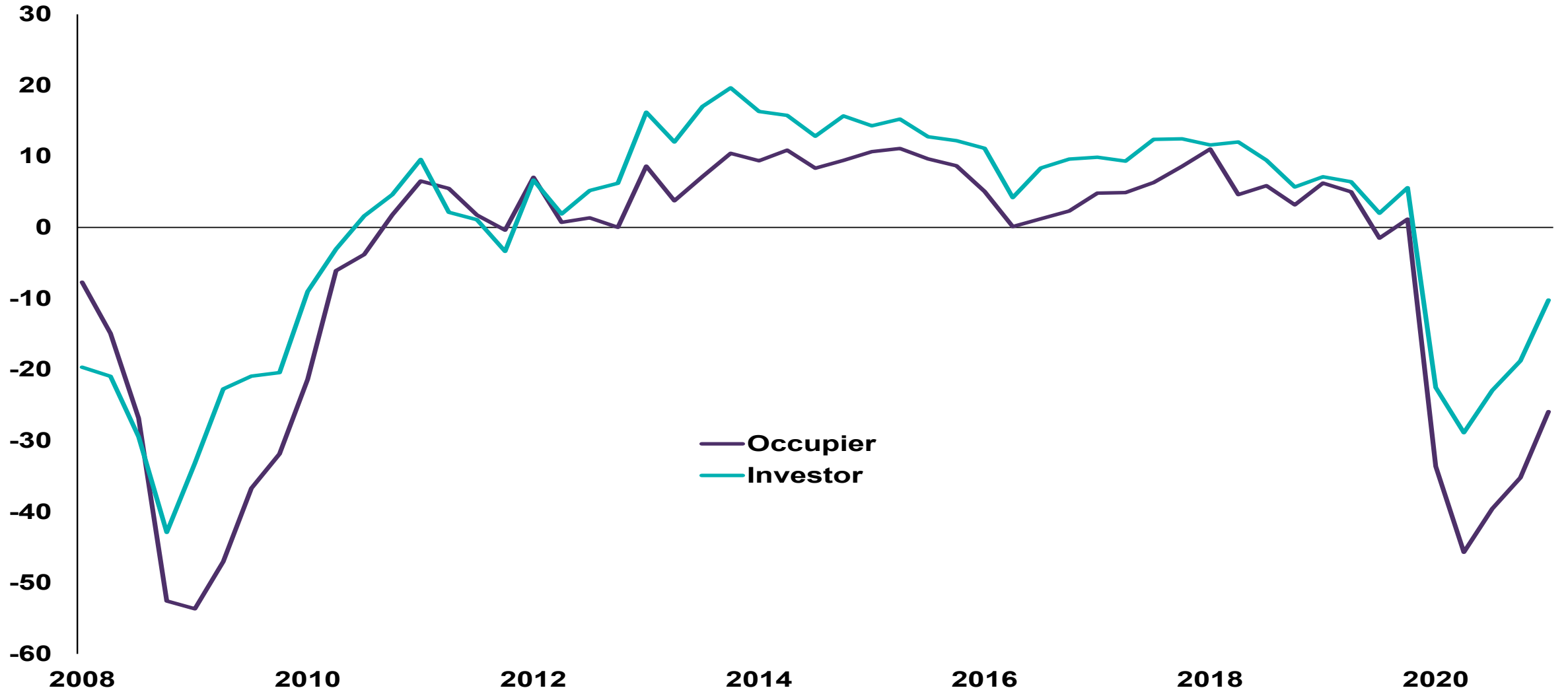
The Global Commercial Property Sentiment index by region – a further improvement in all areas albeit still in negative territory

RICS Global Commercial Property Sentiment Indices



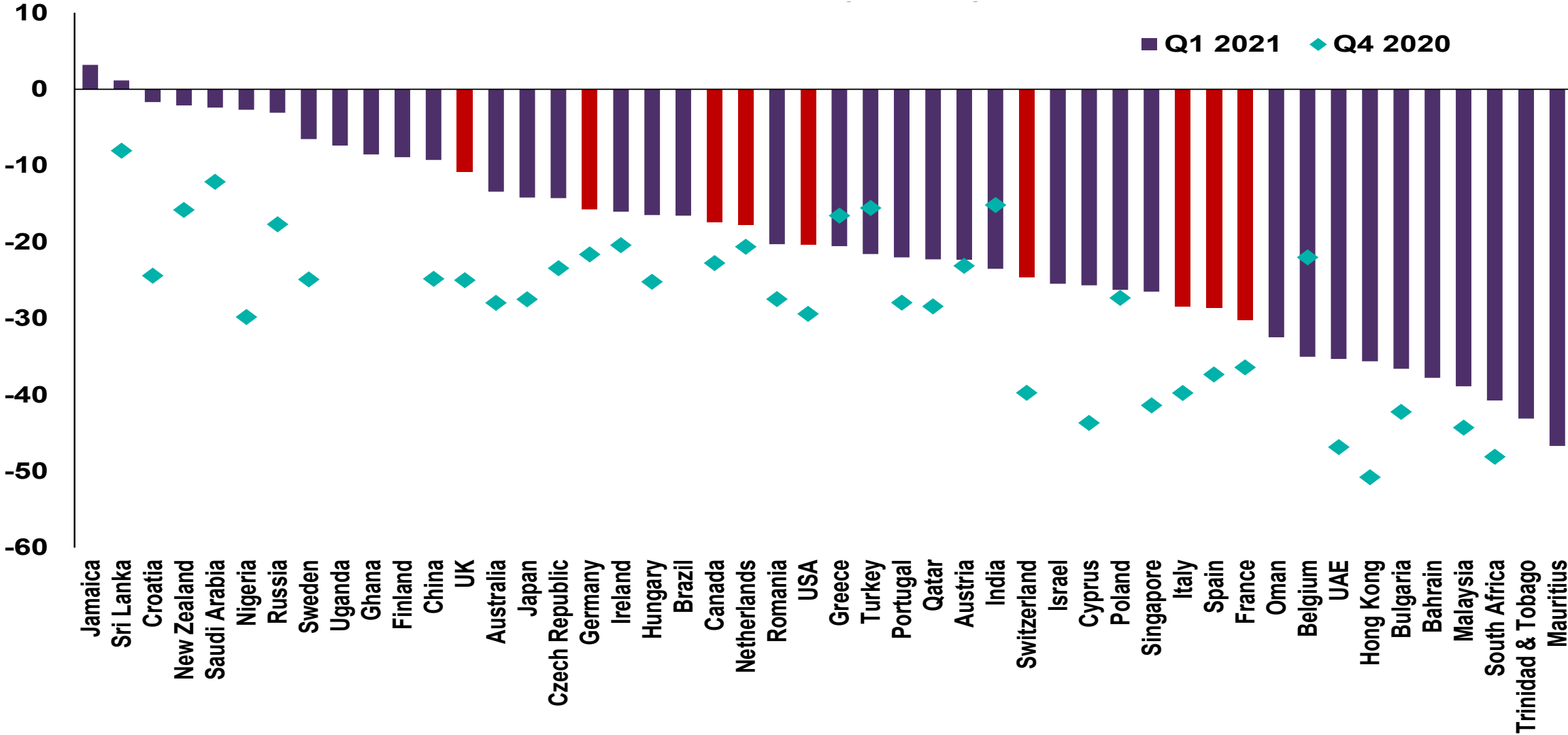
With the recovery in the global reading for investor sentiment running ahead of the occupier metric

RICS GCPM Global Occupier and Investor Sentiment Indices



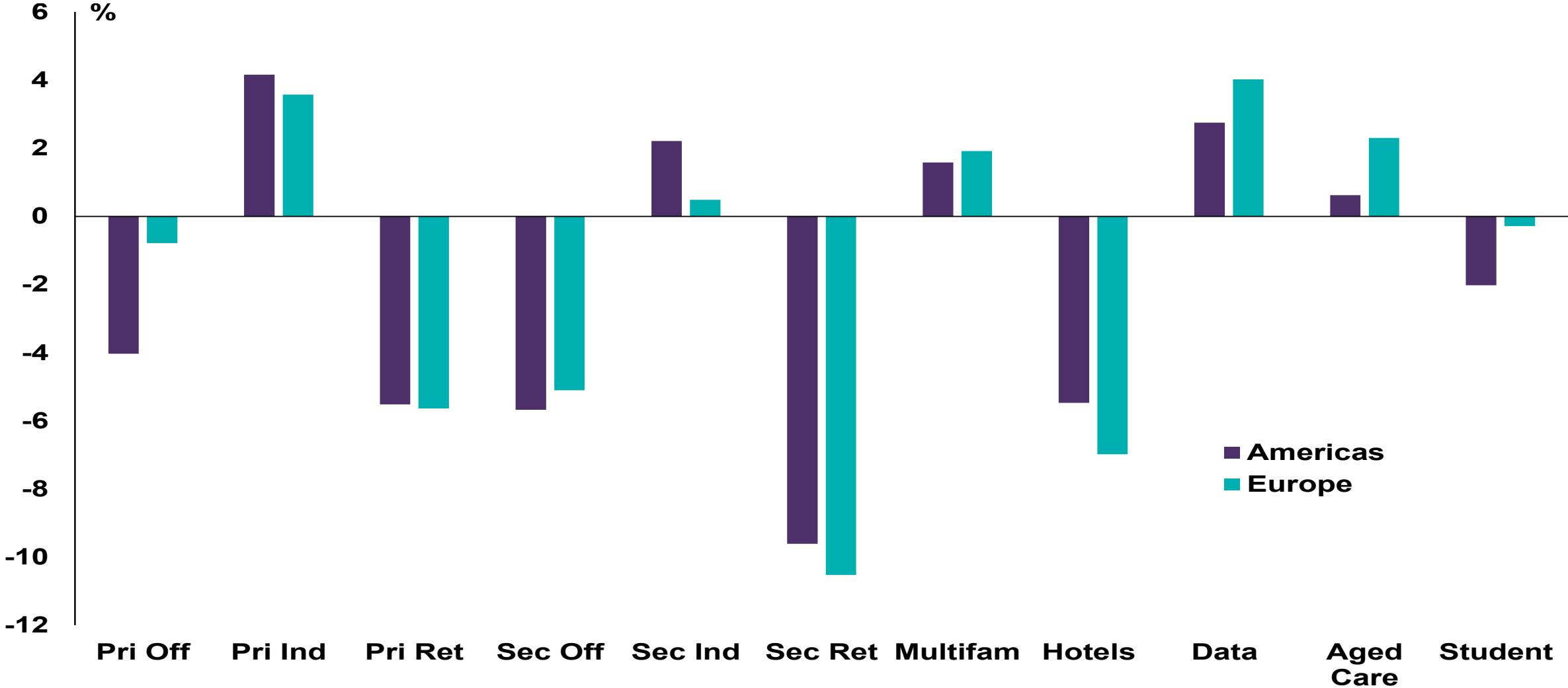
The breakdown of commercial property sentiment by country – most markets have seen an improvement over the past quarter

RICS GCPM Sentiment by Country



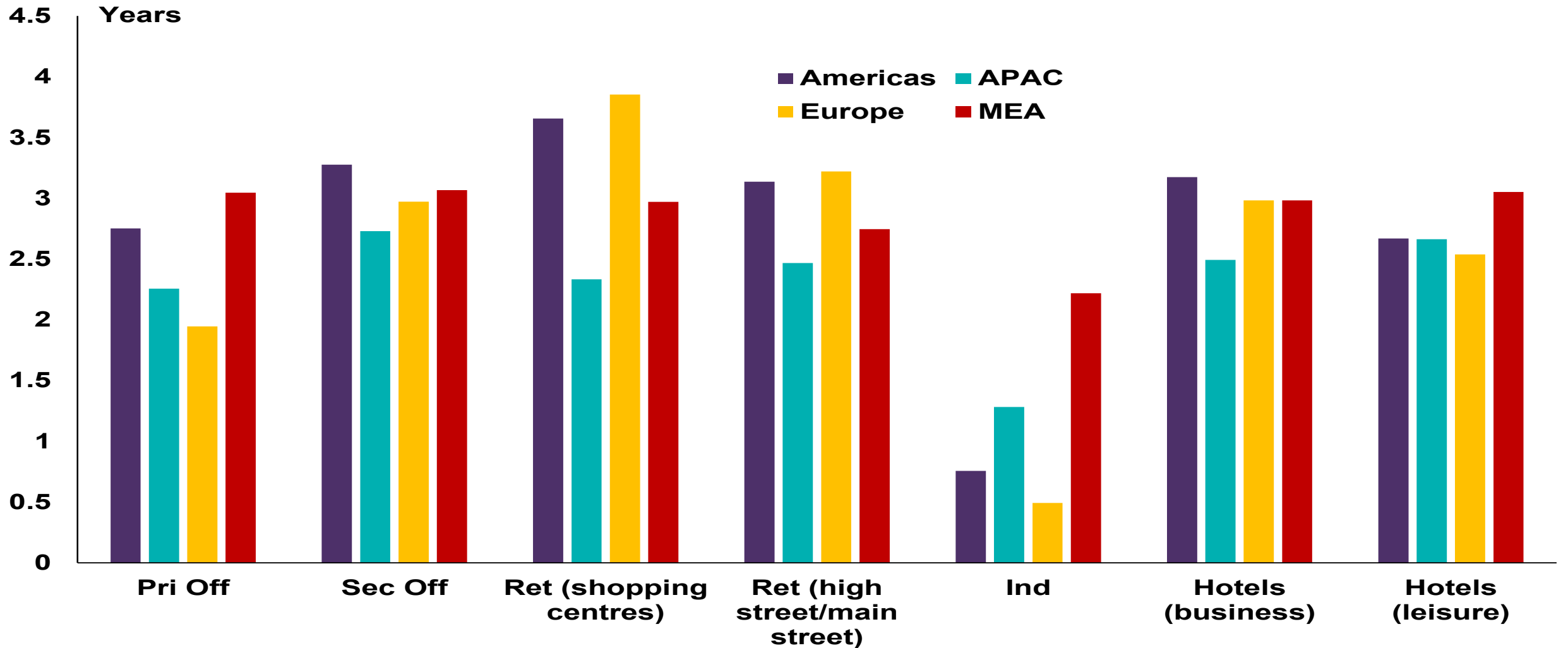
The aggregate picture masks huge divergences at a sector level

RICS GCPM 12 Month Rent Expectations



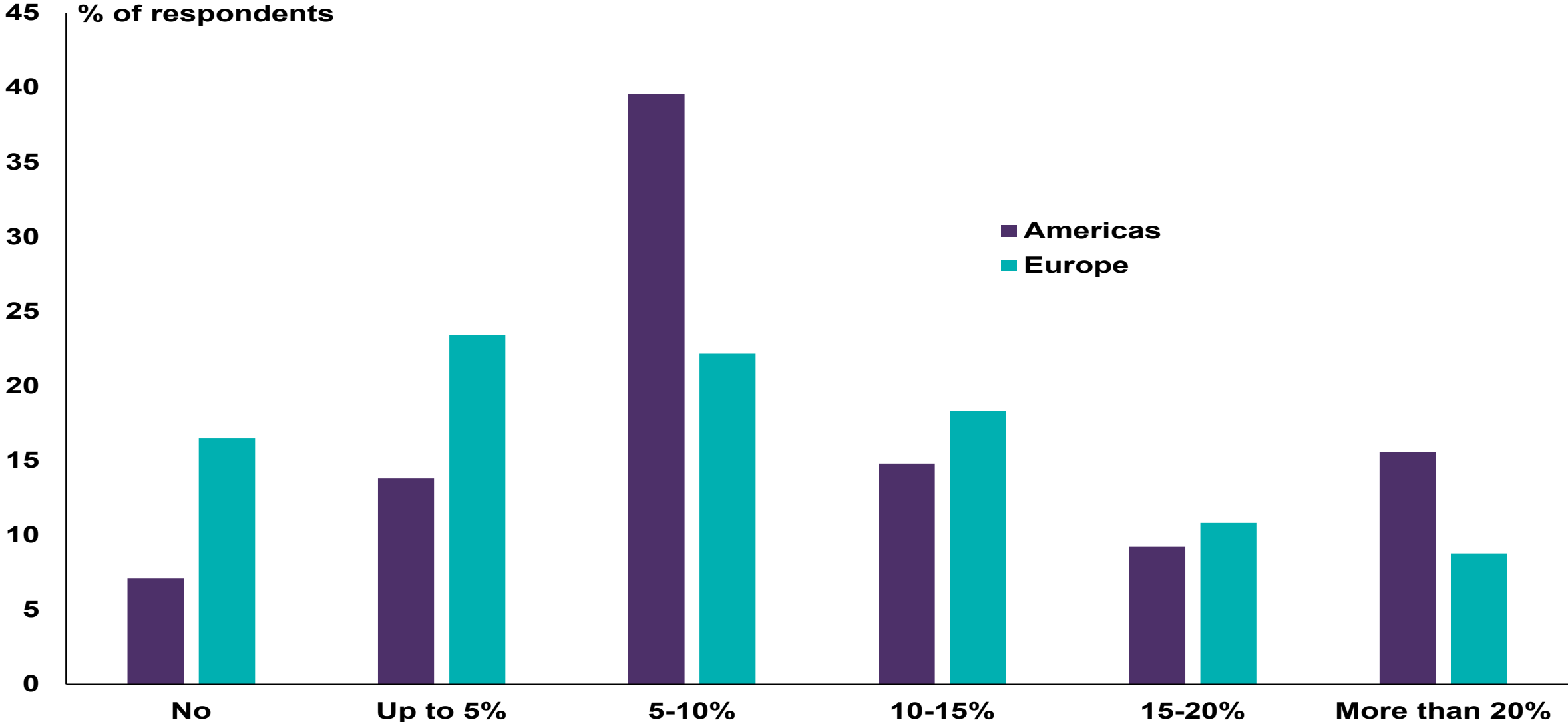
This is also reflected in perceptions regarding the likely time for revenues to get back to pre-COVID levels

RICS GCPM Time for Revenues by Asset to Return to Pre-Covid Levels



This is not the end of the office with feedback to the survey suggesting the footprint is likely to be scaled back by around 10% over the next two years

RICS GCPM How Much Will Office Footprint Be Scaled Back Over Next Two Years





rics.org/wbef