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Active Perspectives on Global Real Estate

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Global real-estate stocks have performed poorly given uncertainty surrounding the dependability of cash flows as we navigate the COVID-19 pandemic. But as crisis forces adaptation, we look for innovation from well-capitalized and thoughtful real-estate operators as well as consolidation across property types.

Watch the video or read the recap below.

Global real estate stocks have been one of the worst-performing sectors given uncertainty surrounding the dependability of those cash flows as we navigate the COVID-19 pandemic.

You can imagine it's costly to retrofit real-estate assets for the current environment, which likely requires more distance and privacy rather than openness and accessibility.

As crisis forces adaptation, we look for innovation from well-capitalized and thoughtful real-estate operators as well as consolidation across property types.

Within retail real estate, in the near term we expect owners of retail real estate to look to preserve cash; in the intermediate term, we would expect them to invest with their tenants to deliver an omnichannel experience for shoppers while continuing to consolidate space.

Logistics real estate has been resilient and in this time of dislocation has seen increased importance as a key component of the e-commerce supply chain. As we all consume more goods off premise in this time of isolation, logistic operators who own the right locations, have the right tenant base, and have invested in technology will continue to thrive.

As we contend with quarantine globally, multifamily property has remained quite stable. Some operators have had to and will have to manage rent holidays for tenants, as well as new investments related to health and hygiene.

Student housing, however, has been hard hit, and the outlook is uncertain given lower expected international student arrivals in the U.S. and in the U.K. and general uncertainty around the delivery of instruction on college campuses.

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