

JACKSON | LUCAS

# MARKET PULSE

**Real Estate Renaissance:**  
*Bridging Growth and  
Leadership in CRE*

Insights from  
Tripp Lyons



# 2025: CRE ON THE RISE



The commercial real estate market is heading into 2025 with unprecedented momentum. Stabilized investment volumes and record-breaking construction spending are fueling a renewed sense of confidence across the industry. This activity is further supported by an evolving financing landscape, where diverse funding sources are unlocking new opportunities for growth.

## RECORD BREAKING SPENDING

Construction spending reached a record \$2.17 trillion in Q3, reflecting a 7.2% year-over-year increase. This unprecedented growth underscores the strong demand for new projects across sectors, from infrastructure to commercial developments, as companies invest in future-ready spaces.

## Investment Stability

Q3 2024 saw CRE investment volumes stabilize at \$90 billion, rebounding from a 49% drop the previous year. This recovery indicates renewed investor confidence and a steady return to pre-pandemic investment patterns, fueled by clearer economic outlooks and financing availability.

## .4% Increase

Spending on construction projects rose 0.4% in Q3, signaling sustained confidence in the market. Incremental monthly growth reflects the market's resilience and continued commitment to long-term projects, even amid global economic uncertainties.



# THE FINANCIAL ENGINE

Behind every construction project lies a carefully orchestrated financial strategy. In 2024, life companies, alternative lenders, and debt funds played pivotal roles in fueling CRE growth. Understanding these funding shifts is essential for navigating the future.



## Life Companies Lead the Charge

Life companies accounted for 43% of Q3 2024 loan volume, a significant increase from 33% the previous year. These institutional lenders are stepping up as reliable partners, providing long-term stability in a market looking to rebuild confidence after years of uncertainty.



## Alternative Lenders Fill Gaps

Alternative lenders contributed 34% of CRE loan activity in Q3 2024, making them the second-largest funding source. Private equity firms, debt funds, and non-traditional lenders are increasingly stepping in to fill financing gaps, offering flexibility for projects that might not meet the strict criteria of traditional banks. This trend underscores the need for leaders who understand how to navigate a more complex funding environment.



## Record-Breaking Fund Signals Optimism

Madison Realty Capital closed a \$2.04 billion real estate debt fund, the largest U.S.-focused fund of 2024. This milestone reflects the strong investor confidence in CRE's future. Funds of this scale are crucial for unlocking capital-intensive projects, especially in emerging areas like data centers and infrastructure expansion.



# NEW PILLARS OF CRE EXPANSION

Data centers and manufacturing facilities are reshaping the CRE landscape, driven by technological advancements and infrastructure demand. These sectors represent a significant opportunity for growth, creating new challenges and expectations for leadership.

The data center sector's value is projected to exceed \$340 billion in 2024, with expectations to reach \$438 billion by 2028

Meta's \$10 billion AI data center project will generate 1,700 jobs in Louisiana

Manufacturing facilities are expanding, fueled by demand for semiconductors and infrastructure projects

Manufacturing plant construction reached \$18.5 billion in Q3, a 73% increase from the previous year

Hyundai's 17-million-square-foot EV plant in Georgia, will create 8,500 direct jobs, generate 58,000 indirect jobs, and drive over \$12.6 billion in related investments

Federal acts like the CHIPS Act have doubled manufacturing construction spending since late 2021



# BUILDING LEADERSHIP

As CRE evolves, the demand for leaders with diverse skill sets has never been greater. The shift toward automation, sustainability, and institutionalization is transforming expectations for executive roles. Many firms struggle to find executives who can balance traditional financial acumen with the tech-forward mindset necessary to navigate today's market. Bridging this gap is critical to maintaining momentum and achieving sustained success.



## 88% of CRE Executives Anticipate Revenue Growth in 2025

The market's optimism is clear, but growth won't happen in a vacuum. Businesses need leaders who can guide teams through change, seize emerging opportunities, and ensure their organizations remain competitive in an ever-evolving landscape.



## Tech-Savvy and Visionary

Today's CRE leaders must go beyond traditional expertise. The ideal executive seamlessly integrates automation, sustainability, and innovation into their strategies. These skills are essential not only for driving efficiency but also for positioning their companies as forward-thinking industry leaders.



## Advice for Businesses and Ambitious Professionals

**For companies:** Retaining top talent means creating environments where leaders can innovate and thrive. Investing in professional development and clearly defining career growth paths are non-negotiables.

**For executives:** To stand out, focus on building a track record of implementing transformative initiatives—whether it's adopting cutting-edge technology, improving ESG efforts, or solving complex market challenges.



A black and white photograph showing the steel framework of a building under construction, with a clear sky in the background.

# ABOUT TRIPP LYONS AND JACKSON LUCAS

**Tripp Lyons** joins **Jackson Lucas** with extensive experience in CRE transactional roles from firms such as Iron Hound Management, Ackman-Ziff, and Eastern Consolidated. He has closed approximately \$250 million in debt and equity assignments across capital markets, financing, leasing, and investment sales. At Jackson Lucas, Tripp contributes to business development and the management of search and organizational consulting projects. He holds a BA in History from Gettysburg College and is committed to delivering exceptional client service and strategic insights in real estate.

**Jackson Lucas** is a retained executive search firm specializing in Real Estate, Digital Marketing, Human Resources, Investment Banking, Technology, Asset Management & Alternatives, Nonprofit Sector, Legal, Energy & Natural Resources, and Accounting & Finance. We combine a deep industry network with a consultative approach to meet our clients' hiring needs, identifying top talent globally by carefully assessing each client's requirements and mapping out the competitive landscape.



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