

# COMMERCIAL REAL ESTATE **LOOK AHEAD 2026**



As 2025 comes to a close, both the overall economy and commercial real estate market have outperformed expectations in many ways. As we approach 2026, macroeconomic conditions are stable, propped up by healthy consumer spending and manageable debt loads. The major property sectors (industrial, multifamily and retail) remain resilient, and office is showing early signs of incremental improvement alongside more widespread RTO policies and a distinct lack of new supply. How can we determine whether these encouraging signs will continue – and hopefully grow – in 2026, and what that might mean for CRE hiring? Below, we examine some key predictions and their implications for executive search.

## ► **MACROECONOMIC OUTLOOK**

**HIGHER-FOR-LONGER; BUT DOWNWARD TREND IS HERE TO STAY.**

GDPNow forecast from the Atlanta Fed, which estimates real GDP growth based on available economic data for the current measured quarter, is posting a forecast of 3.5% as of early December; this shows that tariff pressures, which are now largely baked into the economy, were not enough to sink momentum, and most economists expect a base case of no recession in 2026. At the same time, an easing job growth market, made murkier by the lack of data during the shutdown, has tipped the balance in favor of a second rate cut this month. Rates will end 2025 at 3.5-3.75%, their lowest level since 2022, with at least one additional cut projected for next year. Lower benchmark interest rates will increase liquidity, compress cap rate spreads, and raise capital returns, accelerating the slow but steady progress of total return improvement that began in 2024.

## ► **CRE FUNDAMENTALS**

**AMENITIES, INFRASTRUCTURE AND EXPERIENCES AT THE FOREFRONT.**

Significant changes in the commercial real estate capital environment, combined with a clearer grasp of our position in the market cycle, should spur a long-awaited kickstart to transaction volume, and should also support select, well-underwritten development projects. In fact, Goldman Sachs cited growing optimism for real asset strategies in their *2025 Private Markets Diagnostic Survey*. However, though rates should ease this year, we will remain in a less accommodative environment than most professionals are used to over the past 20 years; this means that asset selection and differentiation will remain critical. The name of the game throughout the industry is to choose projects that stand out to demanding tenants, whether for amenities (office), experiences (retail), or lifestyle integration (urban mixed use).

# AI Adoption in Real Estate



Additionally, the rapidly advancing adoption of AI, which is still in its infancy in the commercial real estate industry, should affect all aspects of hiring. We are approaching the moment of lift for AI within the real estate industry; in November, JLL noted in their *Global Real Estate Perspective* that 92% of occupiers and 88% of investors are dedicating resources to upgrading their technology infrastructure. Technologies such as environmental sensors, advanced data modeling, and predictive maintenance are reaching maturity, enabling companies to unlock new value. For occupiers, the focus is on harnessing sophisticated analytics to improve portfolio insights, especially around energy efficiency. For investors, the focus is on leveraging AI to refine portfolio strategies, boost returns, and pursue innovative approaches that emphasize revenue growth and competitive advantage.

## What does it mean for hiring?

Hiring across the commercial real estate industry in 2026 should reflect both cautious optimism and a strategic pivot in approach. Continued revenue growth should support team expansion, though hiring patterns will vary depending on the specific dynamics of each sector.

Of note, we are likely to see a cyclical shift forward from 2025 hiring patterns. This year, capital raising roles dominated hiring as firms increasingly believed in an approaching market bottom and prepared to launch new funds. Next year, these launches should spur demand for more active, implementation roles within acquisitions and capital deployment. Additionally, the ongoing improvement in macroeconomic and capital market conditions is anticipated to boost both occupancy and asset values, fueling the need for leaders who can drive transformational change.

Across the industry, there is a rising structural need for senior executives capable of steering the enterprise-wide integration of AI, ensuring that technology adoption delivers meaningful enhancements across all business functions.

As commercial real estate enters an exciting new phase, both cyclically and structurally, the complex mandates that top executives will be expected to deliver align with the overarching trend we have noted in our proprietary data and discussed in [previous pieces](#) – namely, that long-term incentivization is essential both to leaders aiming for lasting legacies and organizations committed to sustained success.

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