



Commercial Real Estate Market Sentiment & Talent Report

Q4 2025, v2

RKE
PARTNERS

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An RKE Perspective

Thank you. Your candid insights into the challenges and opportunities facing your firms have shaped every page of this report. When you shared your struggles with mid-level talent development, your concerns about succession planning, and your optimism despite operational constraints, you gave us more than data—you gave us a window into your world.

What you'll find in the following pages isn't just analysis; it's your collective wisdom reflected back to you with actionable intelligence. The patterns we've identified, the correlations we've uncovered, and the strategic recommendations we've developed all stem from your willingness to be transparent about what's working and what isn't.



We hope this report serves you well as you navigate the talent-driven dynamics of the profitable year ahead.

With deep appreciation,
Dr. Chip Roper
Chief Solutions Officer & Managing Partner
RKE Partners

Brands Surveyed



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(Note: Metro areas represented in the survey include Atlanta, Charlotte, Chicago, Dallas, New York City, and Orlando.)

Executive Summary

The Q4 2025 commercial real estate market is defined by a stark paradox: **widespread optimism constrained by a critical talent bottleneck**. While 82% of executives expect growth in Q1 2026, a significant 53% are holding back on expansion, not due to a lack of capital or opportunity, but due to a lack of human capability. This report reveals that talent readiness, particularly at the mid-level, is now the primary determinant of a firm's ability to grow.

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| Executives expecting growth in Q1 | 82% |
| Executives holding back on expansion | 53% |

Simultaneously, a "Great Divergence" is accelerating. Geographically, the market has split between thriving Sunbelt suburbs and struggling urban cores, with the exceptions of New York City and possibly San Francisco. Asset-wise, particularly in the office sector, we see a flight to quality has created a chasm between premium Class A properties and obsolete Class B/C buildings. Firms win or lose based on their positioning.

Key findings from our Q4 analysis include:

- **The Growth Paradox:** Our data reveals a surprising negative correlation (-0.39) between past growth and perceived talent quality. This indicates that high growth doesn't create talent; it exposes talent weaknesses. Firms that grew the most are now the most aware of their internal deficiencies.
- **The Mid-Level Talent Bottleneck:** A systemic challenge in mid-level leadership (rated 2.48/5) and business development (2.39/5) is breaking the succession pipeline and directly preventing firms from expanding.
- **Property Management, The Isolated Ecosystem:** Our analysis reveals that Property Management recruiting, retention, and performance operate under a completely different set of rules. Success in brokerage does not translate to PM, and firms must adopt a dedicated strategy to manage this critical, experience-defining function.
- **The Downtown Dilemma:** The struggles of Downtown Dallas, with the second-highest office vacancy rate in the nation at 27.2%, exemplify the national crisis facing urban cores as companies and talent flee to amenity-rich suburban campuses (with the definite exception of New York City and possible exception of San Francisco).

This report provides a data-driven analysis of these trends and offers size-specific, actionable recommendations for navigating a market where talent strategy and asset positioning have become the key levers for success.

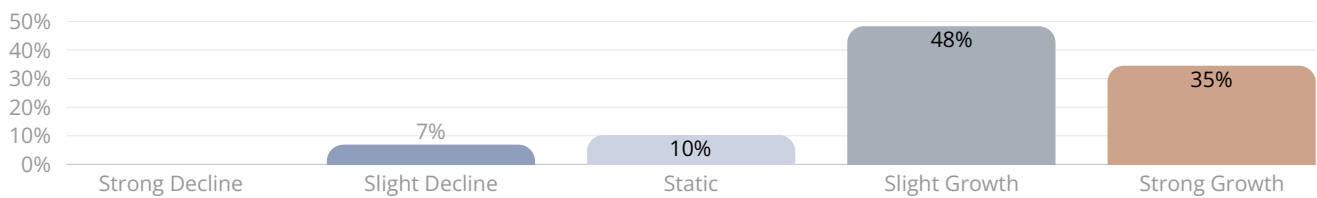
Market Sentiment and Performance: A Tale Of Two Recoveries

Market Sentiment: A Tale of Paradox

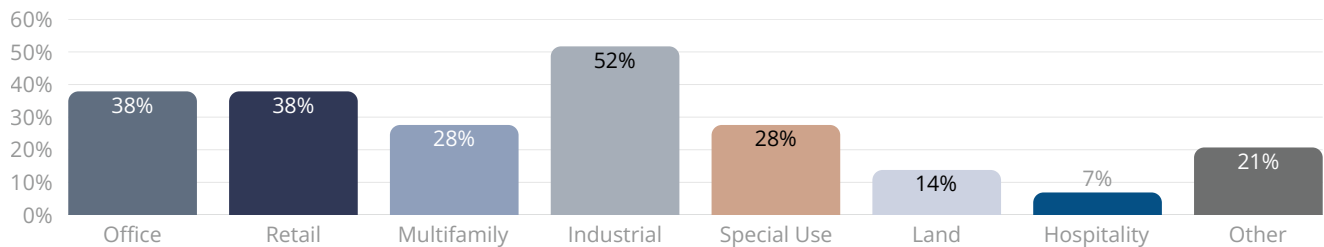
Our Q4 2025 executive survey reveals a striking disconnect between market sentiment and strategic action. While a resounding 82% of executives expect growth in Q1 2026—a 10-point increase from current performance—53% plan to maintain their current footprint rather than expand. This gap is not driven by macroeconomic headwinds, but by an internal reality: firms lack the trained mid-level talent required to manage growth.

Looking Ahead to Q1 2026

Q1 '26 Expected Business Performance



Q1 '26 Strongest Sectors Expected



Q1 '26 Weakest Sectors Expected

