



Intelligent Investment

LATAM Investor Sentiment Survey

H1 2025

CBRE RESEARCH





Executive Summary

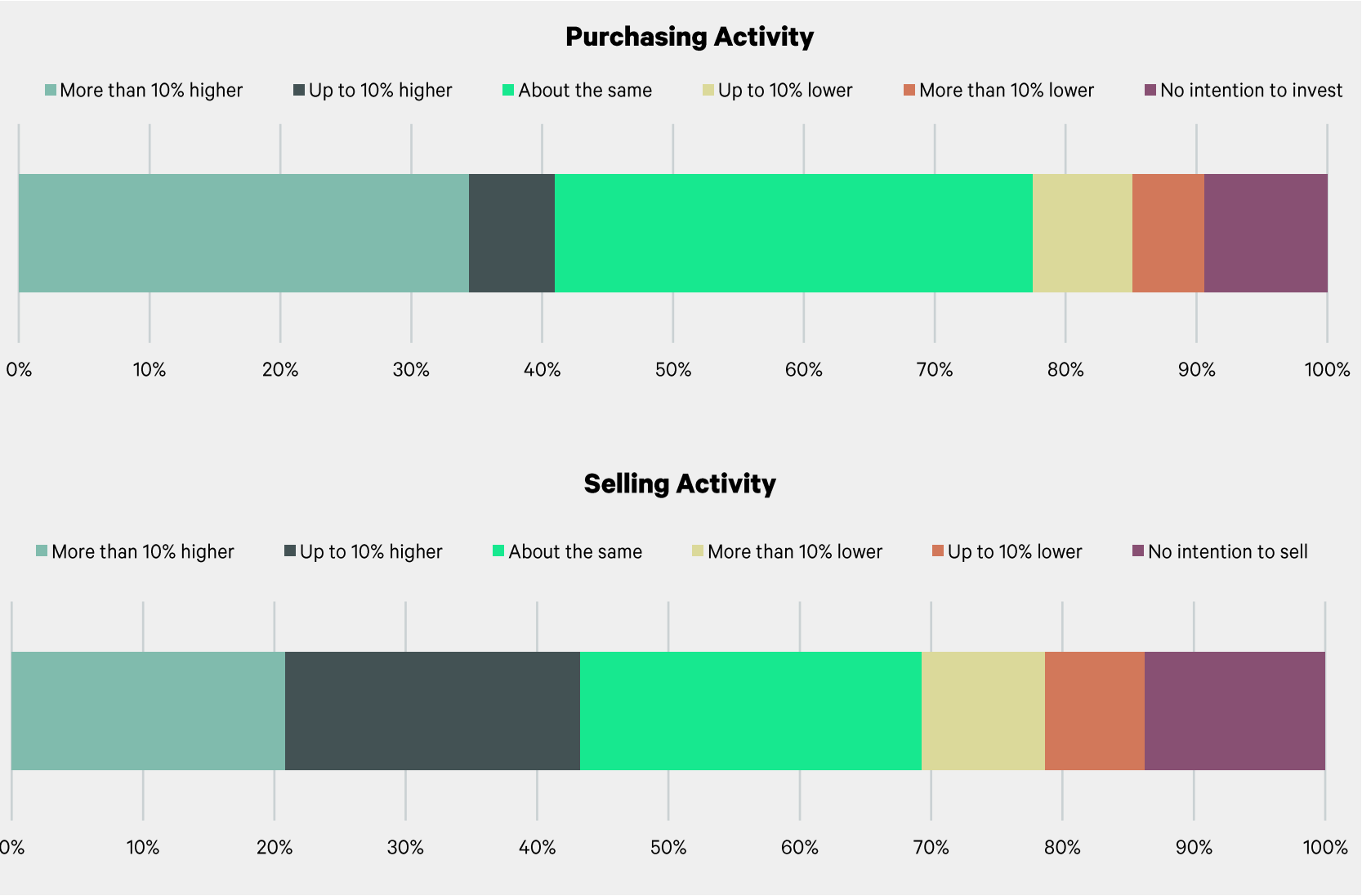
- Real Estate markets across Latin America are showing resilience and adaptability in the face of global uncertainty. Investors are actively adjusting their strategies to local conditions, maintaining or increasing activity levels. While some regions are experiencing recovery, others are building on strong fundamentals, reflecting a broadly optimistic outlook and a commitment to long-term growth.
- The Logistics and Manufacturing sectors continue to lead Real Estate performance in Latin America. E-commerce growth and nearshoring are driving strong demand for modern industrial space, while limited supply in some markets supports rental growth. Investors are targeting these sectors for their long-term stability and alignment with regional development priorities.
- Investors are cautiously optimistic, viewing Real Estate as a stable, inflation-resistant asset class. There is a growing appetite for Opportunistic and Value-add strategies, particularly in markets offering distressed or redevelopment opportunities. At the same time, Core assets remain attractive for their income stability, reflecting a balanced approach to risk and return.
- Environmental, Social, and Governance (ESG) strategies are becoming central to investment decisions. Across the region, there is growing momentum toward sustainable practices, with investors upgrading assets and aligning portfolios with global ESG standards.
- Investors are concentrating on well-established, high-performing urban markets with strong infrastructure and liquidity. Major metropolitan areas are favored for their economic scale, connectivity, and strategic importance.

Methodology

CBRE surveyed investors in Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico between May 5th and June 3rd. The survey reflects expectations from investors related to their investment intentions and preferred strategies, sectors and submarkets.

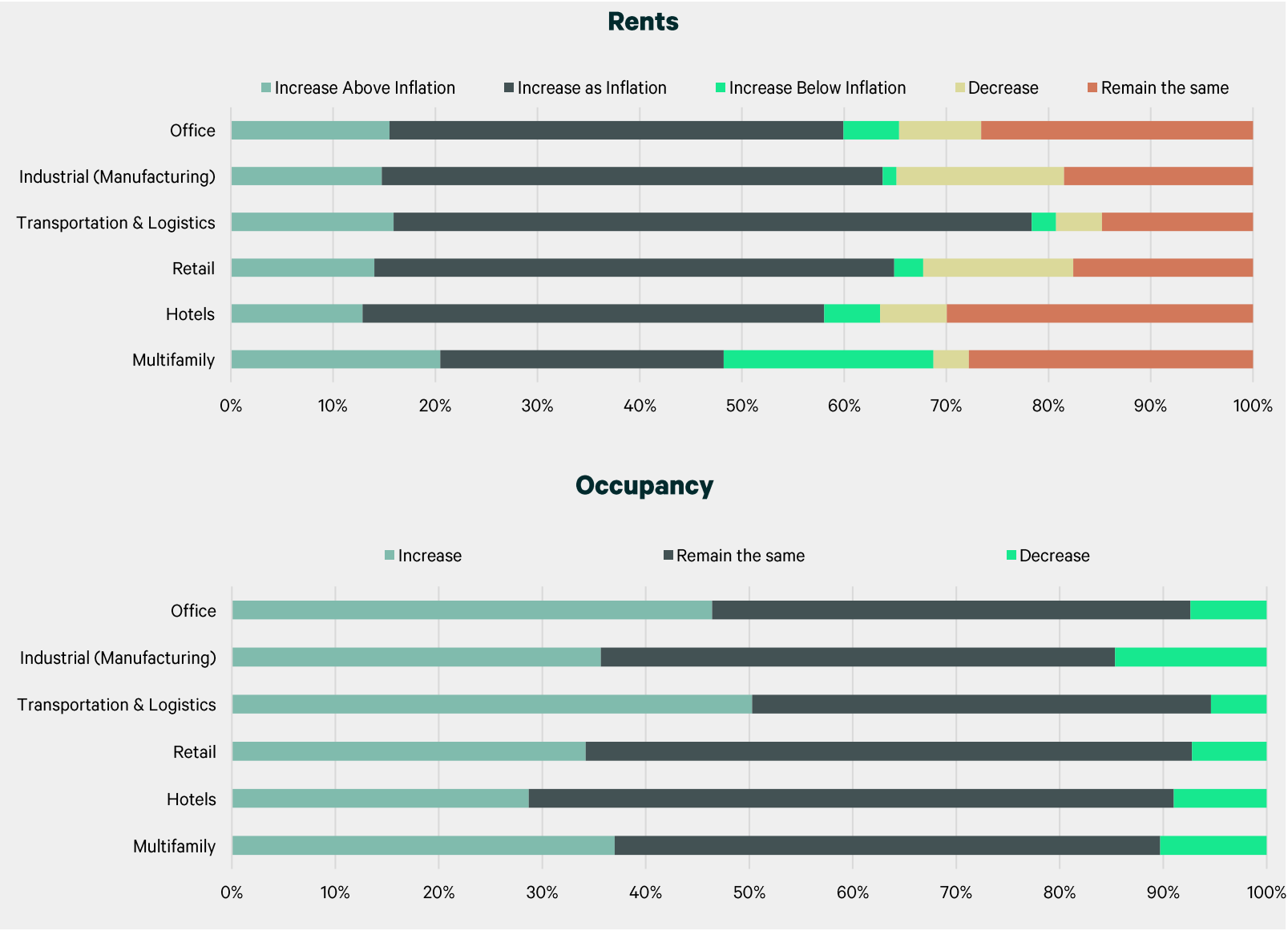
Intentions during 2025

The Real Estate market reflects a resilient and evolving investment landscape, with countries across the region demonstrating varied but generally optimistic outlooks. Despite global economic uncertainties, investors in Chile, Brazil, Colombia, Costa Rica and Mexico are actively adjusting their strategies to align with local market dynamics, signaling a region-wide commitment to maintaining or increasing Real Estate activity. Countries like Chile and Brazil show strong investor confidence, with Chilean investors maintaining or increasing both purchases and sales, signaling a rise in transaction volume. Argentina is experiencing a rebound in residential transactions and rising demand for corporate properties, while in Brazil, optimism is driven by family offices with high liquidity, enabling them to pursue acquisitions and capitalize on distressed opportunities despite high interest rates. Meanwhile, Colombia faces liquidity constraints due to slow interest rate cuts and declining foreign investment, prompting Real Estate funds to continue divesting non-strategic assets. In contrast, Costa Rica benefits from a favorable macroeconomic environment, marked by economic growth, low unemployment, and a booming tourism sector, fueling strong buying intentions. Mexico, despite economic challenges, is actively promoting investment through government-led initiatives focused on infrastructure, job creation, and economic development to attract capital inflows.



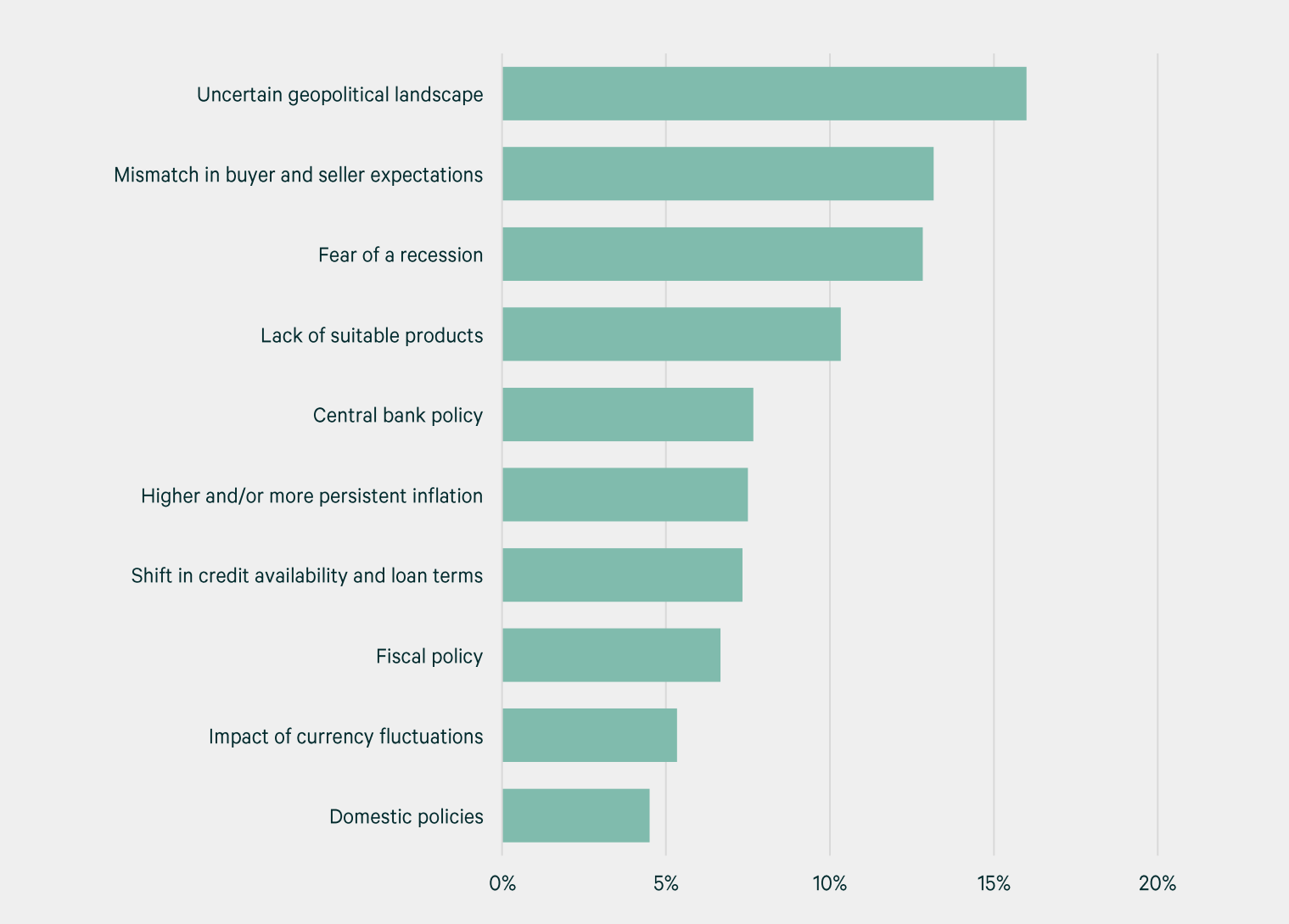
Rents & Occupancy

Rents and occupancy trends across Latin America reflect a region in transition, adapting to inflation, evolving demand, and the shifting dynamics of Real Estate cycles. Rents are broadly expected to rise in line with inflation, with the Logistics sector standing out due to favorable demographic trends, the continued expansion of e-commerce, and a constrained pipeline of new supply. This segment is benefiting from structural demand, while others, particularly office and retail, continue to face headwinds from hybrid work models, space optimization, and changing consumer behavior. Occupancy levels are stabilizing in many areas, though performance remains uneven and highly dependent on asset quality, location, and sector maturity. While some markets are experiencing a rebound in occupancy, others are still struggling to attract demand, especially in poorly located or outdated properties. The Manufacturing sector, although showing signs of slower growth in some areas, remains above pre-pandemic levels and continues to be a key driver of regional performance. Overall, the region is undergoing a gradual and uneven recovery, with investors and developers recalibrating their strategies to align with emerging opportunities and sector-specific fundamentals.



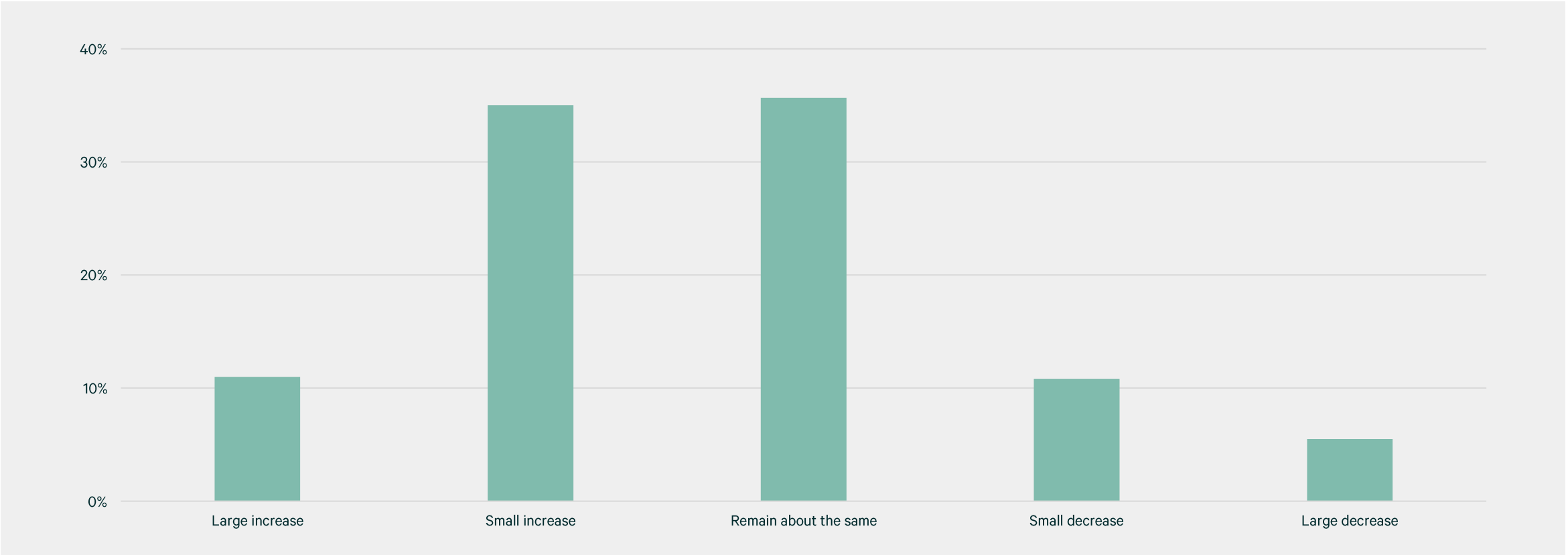
Major Challenges for Investors

Investors are navigating a landscape shaped by macroeconomic, political, and geopolitical uncertainties. Mexico faces concerns over trade restrictions, with Gross Domestic Product growth expected to stall before a gradual recovery. Meanwhile, countries like Argentina are taking initial steps toward stabilization, such as easing currency controls, reducing inflation, and reaching agreements with the Industrial Monetary Fund (IMF). Across the region, mismatches between buyer and seller expectations, high financing costs, and cautious central bank policies are slowing investment momentum. In Chile, investor caution is heightened by upcoming elections and financing constraints, while Brazil contends with inflation and fiscal uncertainty that complicate planning and raise borrowing costs. Colombia’s slower-than-expected interest rate cuts have created hesitation among major investors, and Costa Rica, though politically stable, remains vulnerable to external geopolitical tensions that could impact tourism and foreign capital flows. Despite these headwinds, the region continues to attract interest, with investors adapting strategies to navigate uncertainty and capitalize on long-term opportunities.



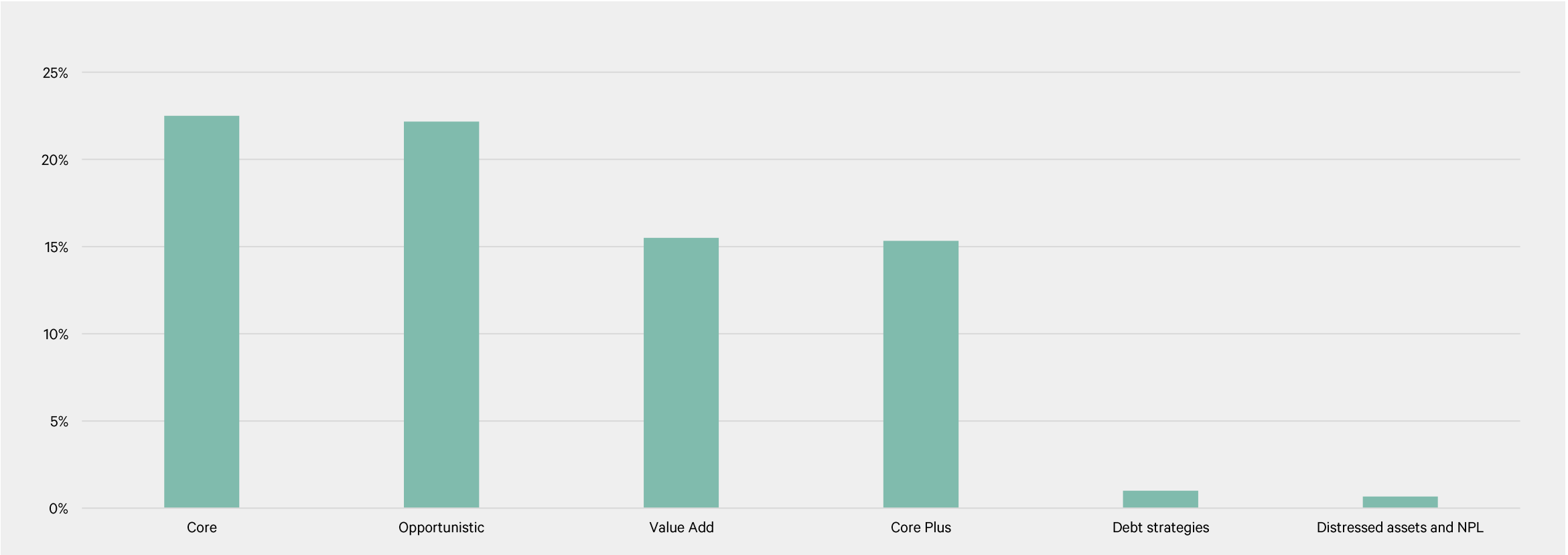
Allocation to Real Estate

Real Estate investors in 2025 are showing a steady or slightly increasing commitment to the sector, viewing it as a resilient asset class amid ongoing economic and political uncertainty. Despite inflationary pressures, currency volatility, and geopolitical risks, Real Estate is seen as a hedge and a source of portfolio diversification. Investors are maintaining or modestly increasing their allocations, driven by factors such as inflation protection and stable income potential. Political stability, growing tourism, and demand for Logistics, Manufacturing and Office space in key markets are also supporting this trend. Overall, the region reflects a cautious but confident outlook, with Real Estate continuing to play a strategic role in investment portfolios.



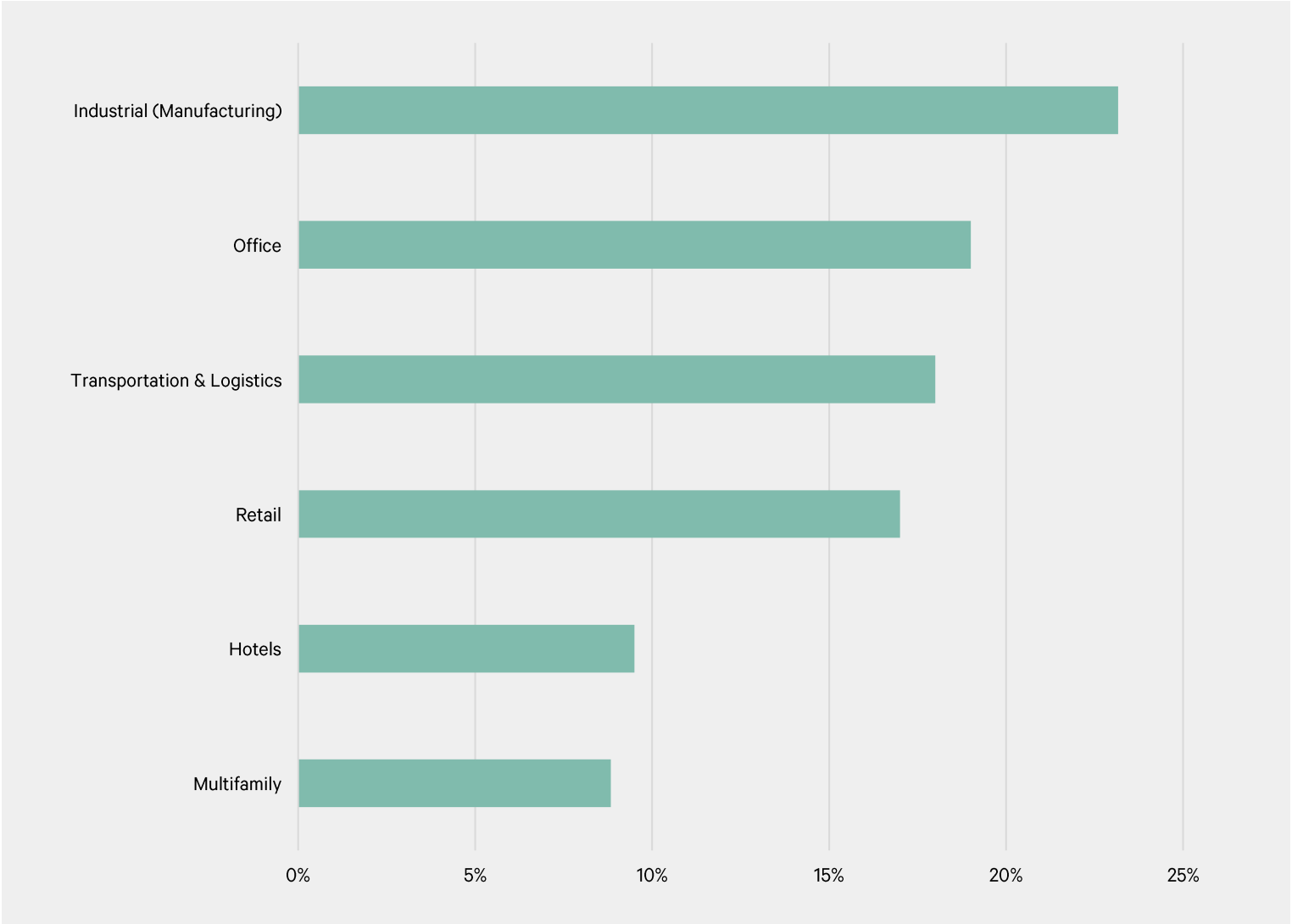
Preferred Investment Strategies

Investors are showing a growing appetite for risk, with a notable shift toward Core, Opportunistic and Value-add strategies across the region. Opportunistic and Value-add strategies are gaining traction in Mexico and Brazil, where investors are drawn to high-return opportunities amid fiscal pressures and elevated interest rates, particularly targeting distressed or redevelopment assets. Similarly, Chilean investors are showing a new willingness to take on risk, balancing stable, low-risk assets with value-adding ventures. In Costa Rica, the value-added approach remains dominant, especially in the Manufacturing and Logistics sectors, which continue to perform well. Meanwhile, Argentina is seeing a surge of new developers and investors entering the market, favoring long term investments in established rental assets like Class A offices and logistics properties. In contrast, Colombia’s heightened uncertainty, driven by global and monetary policy shifts, has led funds to prioritize Core, stable assets to mitigate risk. This mix of strategies across the region reflects a complex but adaptive investment environment shaped by both opportunity and caution.



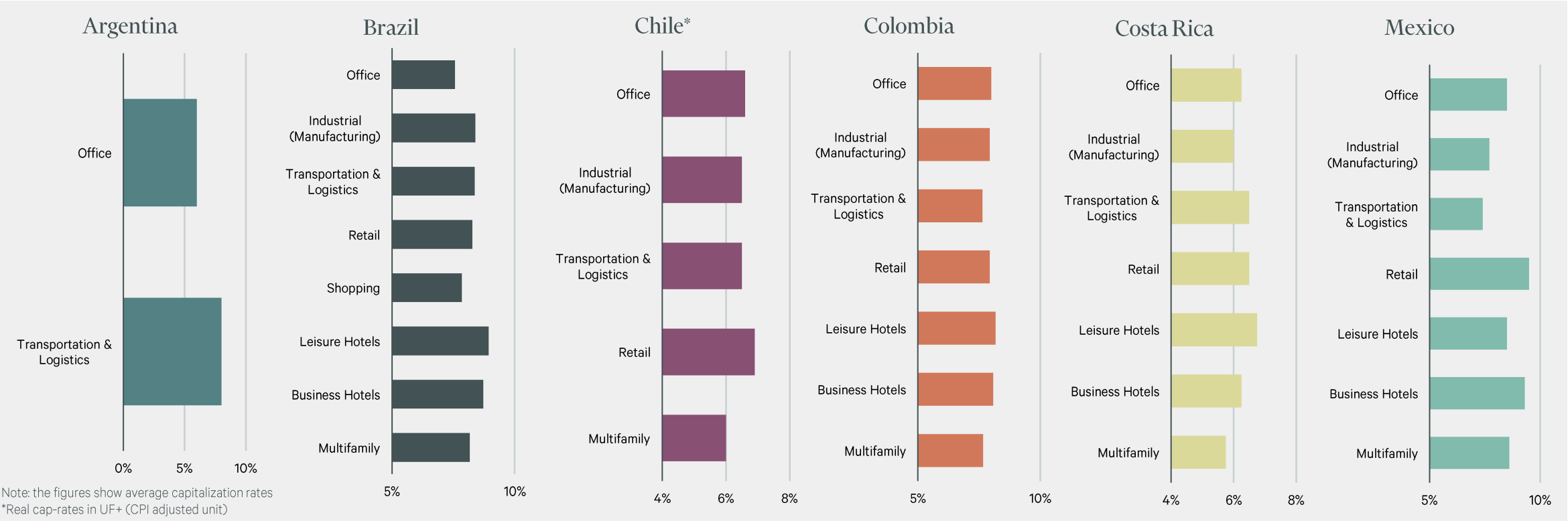
Sector Preference

The Manufacturing sector has firmly positioned itself as the top priority for Real Estate investors across Latin America, reflecting a broader regional shift toward industrialization, nearshoring, and supply chain resilience. This growing preference is not isolated to one or two markets but is instead a shared trend driven by global economic realignments and the strategic repositioning of production closer to end markets. Investors are increasingly targeting manufacturing-related assets due to their long-term stability, strong demand fundamentals, and alignment with national development agendas focused on industrial growth. The sector’s appeal is further amplified by the normalization of industrial cycles, robust net absorption rates, and the continued expansion of logistics infrastructure, which often complements manufacturing operations. Across the region, the shortage of high-quality industrial space has triggered a wave of new construction, much of it pre-leased, indicating strong tenant demand and investor confidence. While other sectors like Office and Retail still attract interest in specific contexts, the dominant narrative is one of Industrial expansion, with Manufacturing at its core. This shift reflects not only a response to current market conditions but also a strategic bet on the transformation of Latin America into a more competitive, production-oriented region within the global economy.



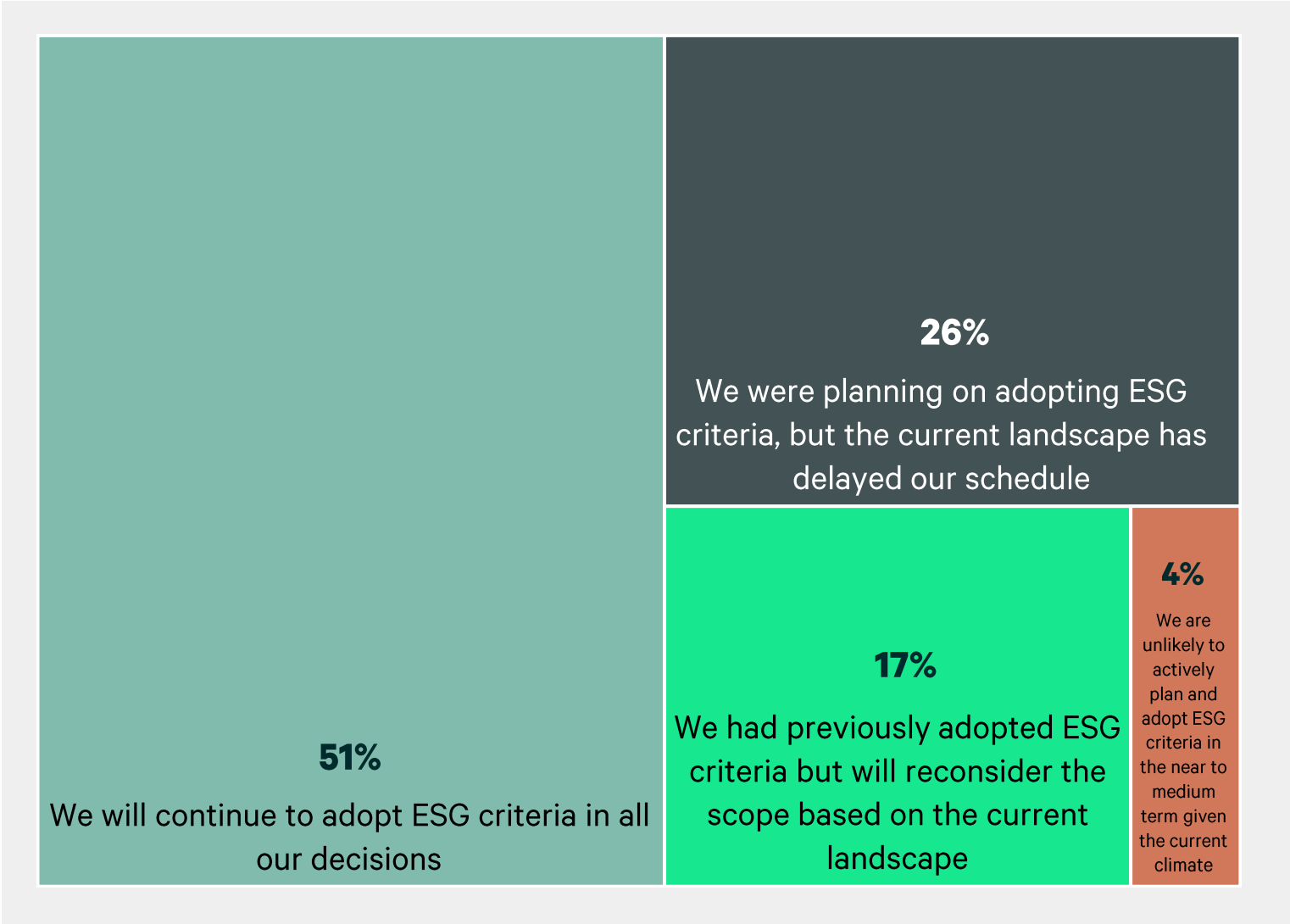
Estimated Cap Rate by sector

As of mid-2025, capitalization rates across Latin America reflect a mix of stabilization and selective compression, shaped by evolving macroeconomic conditions and sector-specific trends. In Argentina, the unification of the official and MEP exchange rates has improved profitability for rental properties. Brazil continues to face challenges from high interest rates and currency volatility, yet Logistics and Multifamily sectors remain appealing to long-term investors due to their resilience and growth potential. In Chile and Colombia, cap rates are generally stable, with slight compression expected in Industrial and Office segments, while Retail and Logistics continue to offer the lowest yields. Costa Rica stands out for ongoing cap rate compression in Manufacturing and Logistics, driven by strong foreign investment, especially in the medical device sector. Meanwhile, Mexico shows a broadly stabilized cap rate environment, signaling the market’s adjustment to current economic conditions.



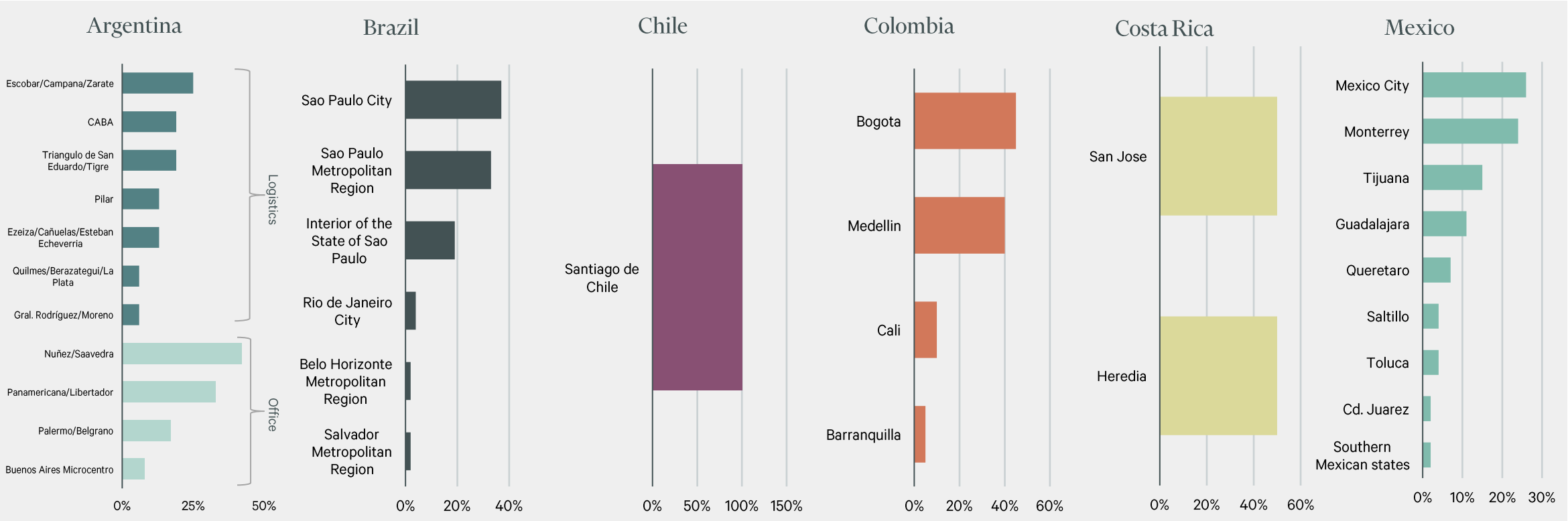
Environmental, Social and Governance (ESG) Adoption Levels Preference

ESG principles are rapidly gaining traction across Latin America, marking a powerful shift toward more sustainable and responsible Real Estate investment. Investors and companies are increasingly embracing ESG criteria, recognizing the long-term value, resilience, and global competitiveness that sustainable assets offer. Even amid economic challenges, commitment to ESG remains strong, with many investors continuing full adoption. Countries like Costa Rica are leading the way with robust environmental and governance standards, while Mexico, Colombia, Brazil, Chile, and Argentina are seeing accelerating momentum as more stakeholders integrate ESG into their strategies. This widespread enthusiasm is driving asset upgrades, encouraging innovation, and aligning the region's Real Estate market with global sustainability goals. The result is a more future-ready, inclusive, and environmentally conscious investment landscape.



Preferred Investment Submarkets by Country

Real Estate investment trends across Latin America reveal a strong preference for established, high-performing markets and strategic logistics corridors. In Argentina, the San Eduardo Triangle has seen declining interest due to high land costs, while the Escobar-Campana-Zarate corridor is gaining traction with competitively priced land for logistics developments. Brazil's Sao Paulo region dominates investor confidence, with the city itself leading due to its economic strength and infrastructure, especially in times of uncertainty. Similarly, Santiago continues to be the top performing market in Chile, reflecting its central role across all asset classes. In Colombia, investment remains concentrated in Bogota and Medellin, which together hold over 85% of the country's Real Estate stock. Costa Rica shows an active industrial development in the San Jose Metropolitan Area, and Office vacancy rates reaching post-pandemic lows. Meanwhile, Mexico City continues to take the lead as Mexico's most attractive investment destination, driven by strong internal demand in the Logistics sector. These trends highlight a regional focus on market stability, infrastructure, and strategic growth potential.



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