

For Immediate Release

**NEW REPORT BY CLARION PARTNERS AND ROSEN CONSULTING GROUP
QUANTIFIES U.S. COMMERCIAL REAL ESTATE UNIVERSE, BENCHMARKING
THE SIZE OF THE CRE MARKET, INDIVIDUAL PROPERTY SECTORS, AND
THE TRUE “INSTITUTIONAL” QUALITY PORTION OF THE MARKET**

*CRE market has grown to nearly \$27 trillion as of 2024, but just \$11.7 trillion of that
qualifies as institutional*

*“Alternative” sectors – residential, healthcare, industrial – seeing increased allocations of
institutional capital*

NEW YORK, NY, October 30, 2024 – Clarion Partners LLC, a leading real estate investment manager, has partnered with Rosen Consulting Group, a respected independent real estate economics consulting firm, to explore the universe of investable commercial real estate (CRE) in the U.S. Unlike other reports that seek to quantify the overall universe of investable CRE, this unique report takes a much more granular approach, further quantifying not only the full range of CRE, but also institutional vs. non-institutional assets and more.

Key findings include:

- The overall U.S. CRE universe has grown to \$26.8 trillion, and the institutional-quality portion of that figure is \$11.7 trillion (44%)
- Of the total CRE investable universe, approximately \$17 trillion sits in “Traditional” property sectors (office, retail, multifamily, hospitality and industrial) while \$10 trillion sits in Alternatives (data centers, self-storage, senior housing, life science, cold storage, etc.)
- Alternatives make up \$3.6 trillion, or 31%, of the institutional-quality universe
 - Residential alternatives (single-family rentals, student housing, age-restricted housing, and manufactured housing) are valued at \$2 trillion, or 17% of the institutional universe.

“Of the roughly \$60 trillion U.S. real estate market, 45% is considered commercial, and of that, only about \$12 trillion is of institutional quality,” said Indraneel Karlekar, Head of Global Research & Strategy for Clarion Partners. “While many may be aware of those general figures, we believe our methodology, focusing on bottom-up aggregation within the CRE segment, not only leads to more accurate numbers, but allows us to further segment the markets by sector and sub-sector with greater reliability.”

“Institutional investors generally know that much of the commercial real estate universe is not appropriate for an institutional-quality portfolio. And while there were some ‘big picture’ estimates of the size of the U.S. CRE universe, there were no effective benchmarks for just how much of that universe fits the institutional investor profile, until now,” said David Bank, Partner and Director of Research at Rosen. “We’re very pleased to be able to provide valuable data on the size and scale of alternative CRE sub-sectors that are attracting increasing attention and investment.”

There are a number of additional benefits to being able to view the CRE landscape through the lens of this new data, including helping institutional investors to better:

- Assess the size and depth of individual sectors;
- Quantify scale in emergent asset classes;
- Manage risk by enhancing diversification;
- Map for future growth opportunities; and more.

The full report can be found on the Clarion Partners website, directly available [here](#).

About Clarion Partners, LLC

Clarion Partners, LLC, has been a leading real estate investment manager for over 40 years. Headquartered in New York, the firm maintains strategically located offices across the United States and Europe. With over \$74 billion in total real estate and debt assets under management, Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum to approximately 500 institutional investors across the globe. Clarion Partners is an independent subsidiary of Franklin Templeton. More information about the firm is available at www.clarionpartners.com.

About Rosen Consulting Group

Rosen Consulting Group (RCG) is a leading independent real estate economics consulting firm. Founded in 1990 and with offices in Berkeley and New York, RCG provides strategic consulting and unbiased investment guidance through all market cycles. RCG is a trusted advisor to leading banks, insurance companies, institutional investors, public and private real estate operators and industry trade groups. More information about the firm is available at www.rosenconsulting.com.

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