

GRI Institute

GLOBAL CAPITAL CONNECTOR SERIES: EMPOWERED BY GCC

EXPERT INSIGHTS ON INVESTMENT TRENDS AND CAPITAL
ALLOCATIONS IN INTERNATIONAL REAL ESTATE

PROGRAM SPONSORS

AFFINIUS[®]
CAPITAL

CONTRIBUTOR SPONSOR

Future Point
new point of investment

INTRODUCTION

GLOBAL EAGLE EYES: WHERE TO SWOOP?

- » Caution amid uncertainty and volatility
- » Debt vs Equity
- » International market insights
- » Is Abu Dhabi the new 'Capital of Capital'?

GCC-INDIA REAL ESTATE DEALFLOWS

- » The ascent of Indian real estate
- » Market access and transparency
- » Growing professionalisation of family offices
- » Synergies between GCC and India

EUROPEAN REAL ESTATE TRENDS

- » The evolving financing scenario in Europe
- » Development risk in today's market
- » Sector-specific opportunities
- » European and GCC investment perspectives

CRE: ALTERNATIVES AND CORE ASSETS

- » Distress, recovery, and regional variations
- » Data centres

RESI: FINDING SCALABLE SOLUTIONS

- » Housing shortages and innovative solutions
- » Community collaboration
- » Capital market dynamics

ABOUT GRI INSTITUTE

CONTACT

GRI IN THE GULF

Abu Dhabi felt like a natural next step for GRI. Everything about it - the people, the energy, the conversations - made it clear we were in the right place.

It was our first event here, but it already felt like home. The level of dialogue, the seniority of the executives around the table, and the appetite to connect and build - it all clicked.

We're not here to do one-off events. We're here to stay, to connect global capital with real opportunities, and to build something that lasts.

To everyone who has been part of this first chapter - thank you. Let's keep going!"

LEONARDO MACHADO

Partner & Managing Director - GCC
GRI Institute



INTRODUCTION

Since 1998, GRI Institute's exclusive networking events have been providing unique opportunities for the industry's decision makers to exchange valuable insights and experiences, igniting deal flow and potential using the real estate market.

GRI Institute reports provide the key takeaways from these events, including the most valuable insights, the most ardent discussions, and the most intriguing strategies.

This report presents insights from the **Global Capital Connector Series: Empowered by GCC** in Abu Dhabi, the first **GRI Institute** conference held in the Gulf Cooperation Council (GCC) region.

The event gathered leading figures in global real estate to discuss evolving markets across the GCC, Europe, and Asia, covering investment strategies, capital flows, market trends, and sector-specific opportunities.



CHECK OUT ALL THE PHOTOS FROM **EMPOWERED BY GCC** 

GLOBAL EAGLE EYES: WHERE TO SWOOP?

» **Caution amid uncertainty and volatility**

In today's global investment landscape, the international industry leaders convened in the UAE highlighted a climate characterised by significant uncertainty and volatility.

Rising interest rates, geopolitical tensions, and trade disruptions - including the ongoing impact of flip-flopping US tariffs - have instilled a cautious tone in decision-making processes.

Nonetheless, executives stressed the importance of balancing risk and reward, recognising that higher returns often entail greater exposure to market fluctuations.

The prevailing sentiment emphasised the need for nimble investment strategies that leverage deep market insights to uncover pockets of opportunity amid volatility, rather than relying solely on broad sector trends.

This cautious optimism reflects a wider trend of strategic portfolio repositioning, where capital deployment is carefully calibrated to mitigate downside risk without sacrificing growth potential.

» **Debt vs Equity**

Many executives expressed a growing preference for debt instruments, particularly structured credit, as investors seek yield opportunities coupled with downside protection in an increasingly risk-averse environment.

This shift towards credit reflects a response to heightened market volatility, where capital preservation and predictable income streams have become priorities.

Despite this inclination towards debt, equity remains a vital element of diversified portfolios. The ongoing importance of equity investments lies in their ability to drive long-term growth and maintain portfolio balance.

However, the focus has shifted towards more defensive and selective equity investments, with investors prioritising assets characterised by resilient fundamentals and the potential for stable cash flows amid economic uncertainties.

Flexibility has emerged as a central theme in capital allocation strategies. Investors are favouring structures that enable swift adaptation to changing market cycles, allowing them to balance exposure between debt and equity in accordance with evolving risk appetites and market conditions.

This adaptive approach is widely regarded as essential for successfully navigating the current environment, where rapid shifts in macroeconomic factors demand nimble and responsive investment tactics.

» **International market insights**

During the discussion, participants explored the evolving dynamics of regional investment opportunities amid ongoing global instability.

The United States, Europe, and Japan were all identified as relatively stable and transparent markets, offering defensive investment options - particularly in sectors such as residential real estate and data centres.

These regions benefit from robust regulatory frameworks, deep liquidity, and mature market structures, making them attractive destinations for investors seeking to mitigate risk during uncertain times.

Meanwhile, emerging markets such as India continue to offer significant growth potential. Factors such as the expanding middle class, rapid urbanisation, and ongoing infrastructure development are driving strong demand for real estate and logistics assets.

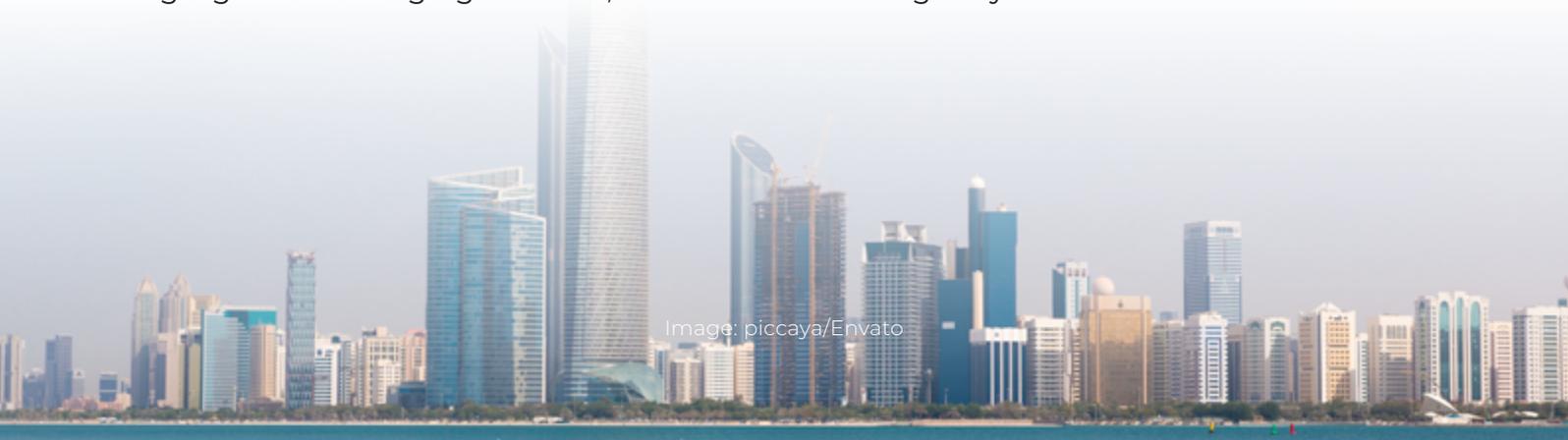
Executives acknowledged that, although emerging markets often carry higher risks, their long-term growth prospects remain compelling, especially for investors with extended horizons and a tolerance for volatility.

Europe, despite facing political and economic challenges including ongoing Brexit uncertainties and energy market fluctuations, has experienced rapid asset repricing.

This has created fresh opportunities for value-driven investments, with certain countries attracting capital due to their relative economic stability and the potential for enhanced yields as markets adjust.

The prevailing consensus underscored the importance of maintaining a diversified, regionally balanced portfolio to navigate today's complex global environment.

By identifying 'safe havens' with strong fundamentals while selectively engaging with high-growth emerging markets, investors can strategically balance risk and reward.



» Is Abu Dhabi the new ‘Capital of Capital’?

Abu Dhabi has attracted an increasing concentration of family offices, private equity firms, hedge funds, and asset managers, all keen to capitalise on its strategic geographic location and business-friendly environment.

This influx of capital and expertise has transformed the city into what many now regard as a ‘capital of capital’, fostering a dynamic ecosystem that promotes collaboration and innovation in investment strategies.

The post-pandemic era has notably accelerated the relocation of investment managers to the UAE capital, drawn by its robust regulatory framework, political stability, and enhanced connectivity to global markets.

Executives highlighted that the city’s expanding infrastructure and supportive policies have nurtured a sophisticated investment community, benefiting from active knowledge sharing and a diverse network of decision-makers.

Moreover, Abu Dhabi’s rising prominence as a global investment hub is underpinned by its strategic ambition to diversify its economy beyond hydrocarbons.

Significant investments in sectors such as real estate, infrastructure, technology, and sustainable energy have created a broad spectrum of opportunities for investors, attracting both domestic and international capital.

Image: GRI Institute



GCC-INDIA REAL ESTATE DEALFLOWS

» The ascent of Indian real estate

India is rapidly emerging as an economic powerhouse, on track to become a USD 5 trillion economy in the near future. This robust macroeconomic trajectory is driving its rise as a compelling global asset class, particularly within real estate.

Reflecting this growth, the country's commercial real estate market is expanding swiftly, with offices, warehousing, and data centres emerging as key sectors offering significant scale and potential.

Warehousing, in particular, is experiencing a surge, propelled by advancements in logistics and supply chain infrastructure, which position India as a pivotal hub for both domestic distribution and export-oriented trade.

This momentum is further fuelled by India's large and youthful population combined with accelerating urbanisation. The rise of organised retail, the expansion of e-commerce, and the growth of the digital economy have intensified the demand for modern commercial spaces.

Alongside these market drivers, India's real estate sector has matured substantially in recent years. Regulatory reforms such as the Real Estate (Regulation and Development) Act (RERA) have played a crucial role in boosting buyer confidence by enhancing transparency, ensuring timely project delivery, and strengthening developer governance.

Consequently, demand dynamics have shifted noticeably from investor-driven purchases to increased end-user participation, helping to stabilise sales volumes and reinforce market stability. Developers have responded by prioritising the timely delivery of high-quality projects, further enhancing the sector's credibility.

Institutionalisation within the market has also accelerated, with organised developers attracting greater institutional capital and driving improvements in construction standards, asset management, and overall operational efficiency.

Together, these developments are strengthening confidence in the sector's long-term prospects, positioning India's real estate market as a resilient and compelling opportunity amid global uncertainties.

While challenges remain, the vast scale of opportunity, supported by improving infrastructure and ongoing regulatory reforms, continues to make India an increasingly attractive destination for global investors seeking stable, long-term returns.

» **Market access and transparency**

Despite India's vast economic potential and attractive real estate prospects, foreign investors continue to encounter significant challenges related to market access and transparency. Persistent concerns around currency volatility and capital controls complicate cross-border investment flows, impacting investor confidence.

A major obstacle remains the absence of a unified and transparent land registry system. Although the government has introduced digitisation initiatives, such as identity verification measures and state-level reforms to streamline property records, the legacy of fragmented land documentation continues to create uncertainty.

This fragmentation prolongs due diligence processes, heightens litigation risks, and complicates the establishment of clear ownership, all of which act as deterrents to foreign capital inflows.

Moreover, exit constraints add further complexity for investors. The lack of efficient mechanisms for asset divestment, combined with regulatory and bureaucratic hurdles, reduces liquidity and flexibility. Consequently, international investors often adopt a cautious stance, seeking greater clarity and assurance before deploying substantial capital.

Nonetheless, ongoing reforms and expanding digitisation efforts point to positive progress. As these challenges are gradually addressed, India's real estate market is expected to become more accessible and transparent, thereby attracting increased foreign direct investment.

» **Growing professionalisation of family offices**

Family offices have expanded significantly in both scale and sophistication, now managing assets worth billions and deploying capital through more structured and strategic approaches, characterised by the establishment of dedicated investment committees, sector specialists, and rigorous due diligence processes.

This growing professionalism influences how investment decisions are made, which vary considerably across these offices depending on their size and level of institutionalisation.

Larger, more established players tend to act faster and deploy bigger sums of capital with greater confidence, favouring projects that offer clear long-term value and stability through their structured processes.

With a growing appetite for long-term, patient capital, these investors are increasingly willing to participate in complex deals requiring extended investment horizons and active collaboration with developers.

In contrast, smaller or less formal family offices typically take a more cautious approach, committing capital more slowly and focusing on lower-risk opportunities. This divergence reflects the varying risk tolerances and operational capacities within the sector.

Despite these differences, patience remains a vital attribute across the board, as many real estate projects demand extended investment horizons to reach completion and stabilisation. Developers rely on this patient capital to ensure project success and mitigate the cyclical fluctuations inherent in real estate markets.

As a result of these evolving dynamics, the ecosystem is maturing rapidly, with an increasing number of companies adopting institutional-grade governance and investment strategies, while attracting additional capital into India's real estate market, enhancing liquidity and supporting the sector's ongoing growth.

» **Synergies between GCC and India**

The relationship between the GCC region and India is increasingly recognised as mutually beneficial, driving real estate deal flow and investment by combining complementary strengths.

The GCC provides substantial capital resources and a global perspective, with high transaction volumes, largely driven by off-plan sales, coexisting with a growing focus on end-user buyers over speculative investors.

Meanwhile, India contributes a rapidly expanding labour force, robust market fundamentals, and abundant development opportunities.

Together, this synergy bridges gaps in capital and expertise, creating a fertile environment that accelerates real estate development and investment across both regions.

Government initiatives promoting cross-border investment and cooperation further strengthen these ties, facilitating capital inflows, knowledge exchange, and strategic alignment benefiting both regions.

However, deal-making faces challenges, including India's tightly held land portfolios limiting prime development opportunities, and competition among sovereign wealth funds within the GCC pursuing overlapping investments.

These capital flows highlight the deepening financial ties between the GCC and India, presenting opportunities for collaboration while requiring navigation of distinct market challenges.

EUROPEAN REAL ESTATE TRENDS

» **The evolving financing scenario in Europe**

The European real estate debt market is undergoing a profound transformation, largely driven by the growing influence of alternative financing providers.

As traditional banks face tighter regulatory constraints, their more conservative lending has created a financing gap that these new players are increasingly filling by offering flexible capital solutions and often allowing higher leverage.

These alternative lenders blend the credit discipline of traditional debt providers with an equity-like approach to asset management, taking active roles in repositioning assets and managing workouts when necessary.

This hands-on involvement enhances risk management and recovery outcomes, providing investors with a balanced mix of security and potential upside.

Their tailored financing solutions have also become particularly valuable amid a contraction in conventional bank lending, positioning them as dominant forces in European real estate finance, stepping in where banks are unwilling or unable to provide credit.

Beyond filling a financing void, these lenders are reshaping the dynamics of credit availability and risk management, fostering a more diversified and competitive lending environment that benefits borrowers through customised funding options and often accelerates decision-making processes.

The structural shift is accompanied by innovative financing structures that accommodate a broader range of asset types and risk profiles, and this hybrid approach requires sophisticated understanding of capital structures and operational dynamics, allowing investors to combine the downside protection of debt with the growth potential of equity.

» **Development risk in today's market**

Rising construction costs, ongoing supply chain disruptions, and inflationary pressures have collectively heightened the complexity and risk associated with development projects.

Despite these obstacles, construction lending continues to attract investors due to its potential for substantial value creation. High-quality projects, particularly those led by experienced developers and supported by active asset management, offer opportunities for outsized returns.

However, the panel emphasised the necessity of cautious underwriting and rigorous, continuous risk monitoring to effectively navigate these uncertainties.

Developers with proven track records and deep market insight remain preferred partners, as their expertise helps mitigate risks and ensures timely, on-budget project delivery - investors are increasingly prioritising partnerships with such developers to protect their capital while taking advantage of the upside potential of development assets.

» **Sector-specific opportunities**

While some European regions remain less liquid and carry higher risks, they also present potential for attractive returns, especially as investors aim to leverage market repricing and shifting economic conditions.

The logistics and multifamily housing sectors stand out as resilient and expanding areas, underpinned by strong demand fundamentals. Logistics continues to benefit from the ongoing structural shift towards e-commerce and supply chain optimisation, while multifamily housing addresses the persistent need for urban living solutions amid demographic changes.

In contrast, data centres - despite their growing importance in the digital economy - were approached with caution, with technological disruption, lengthy investment horizons, and evolving energy considerations introducing additional complexities to this sector.

» **European and GCC investment perspectives**

Investment conditions across Europe vary considerably, shaped by distinct political, economic, and cultural factors unique to each country and city.

Key markets such as the UK, Germany, and France continue to attract substantial capital, although investor sentiment remains influenced by ongoing uncertainties.

Simultaneously, the GCC region is emerging as an increasingly significant hub for real estate investment. Its dynamic economies, strategic geographic location, and government-led initiatives focused on economic diversification are attracting growing interest from European and other global investors.



CRE: ALTERNATIVES AND CORE ASSETS

The global commercial real estate market, after a long period of stability, is now facing increased turbulence and repricing around the world.

Varied valuation practices across regions and asset types often create gaps between perceived and actual values, making it harder for investors to accurately gauge risk and opportunity.

In this evolving landscape, agility is essential. Investors must strike a balance between caution and opportunism, navigating a complex environment where traditional assumptions may no longer apply.

The new focus lies on a meticulous, deal-by-deal approach that enables the identification of undervalued assets while minimising excessive exposure to market volatility.

Market participants recognised that the current “storm” necessitates a strategic recalibration of portfolios, prioritising resilience and flexibility. Those able to adapt swiftly to shifting market dynamics, while maintaining discipline, are poised to emerge stronger, capitalising on opportunities that surface amid uncertainty.

» **Distress, recovery, and regional variations**

The office real estate sector stands at a critical juncture, marked by a complex interplay of distress and opportunity that varies significantly across regions.

Major markets such as Manhattan and London offer selective investment prospects, underpinned by strong fundamentals and evolving tenant demand, showing potential for recovery as occupiers gradually return and adapt to hybrid working models.

In contrast, US markets including Los Angeles and Houston face considerable challenges, including persistently high vacancy rates and structural shifts in demand that have yet to stabilise. In these areas, the office sector is contending with oversupply and the urgent need to reposition assets to align with new market realities.

While recovery is unlikely to be uniform, success will depend on identifying assets where occupational demand matches investor yield expectations. Adaptive reuse, redevelopment, and innovative leasing strategies are becoming essential tools for managing risk and enhancing value in this evolving sector.

» Data centres

The strategic importance of data centres is underscored by the increasing demand for digital infrastructure and data localisation, driven by growing AI adoption, expanding cloud computing, 5G deployment, and digital transformation across industries.

However, investing requires careful consideration, such as securing appropriate land in proximity to key networks, ensuring sufficient power supply, managing energy consumption, and navigating regulatory frameworks are critical factors.

Success in this sector often hinges on strong local partnerships and specialised expertise to manage operational risks and adapt to rapid technological change.

Image: GRI Institute



RESI: FINDING SCALABLE SOLUTIONS

» **Housing shortages and innovative solutions**

The living sectors - including student housing, senior care, co-living, and build-to-rent (BTR) - are experiencing robust demand driven by demographic shifts and a persistent shortage of quality accommodation in many countries around the world.

Meeting this demand is complicated by rising construction costs and stringent planning regulations, which make new developments increasingly difficult.

Additionally, rent controls and social housing policies in certain regions add layers of complexity to the delicate balance between delivering attractive investor returns and maintaining tenant affordability.

To navigate these hurdles, scalable solutions that enhance operational efficiency without sacrificing service quality are essential.

Stakeholders are increasingly embracing innovative management practices, integrating advanced technology, and forging strategic partnerships to streamline operations and improve tenant experiences.

Central to this approach is the recognition by both investors and operators that providing comprehensive amenities and a seamless tenant experience is vital for attracting and retaining residents, particularly among younger demographics and students.

» **Community collaboration**

In an increasingly competitive market, community-building initiatives and flexible living arrangements have emerged as key differentiators.

These developments reflect broader shifts in consumer expectations, driven by rising demand for convenience, connectivity, and an enhanced quality of life.

Complementing these efforts, local partnerships have become crucial in overcoming development obstacles.

Collaborations with municipal authorities, housing associations, and service providers enable developers to better align projects with community needs and regulatory frameworks, facilitating smoother approvals and boosting operational efficiency.

Despite regulatory and affordability challenges, there is broad consensus that the living sectors offer compelling opportunities within the wider international real estate market. Their resilience amid economic uncertainty and alignment with long-term social trends firmly position them as a cornerstone of institutional investment portfolios.

» **Capital market dynamics**

Investment strategies within the living sectors have become increasingly nuanced, striking a balance between development projects and acquisitions of existing assets.

The quality and reputation of sponsors play a crucial role, with repeat business and proven track records regarded as key indicators of success and effective risk mitigation.

Credit markets remain active but cautious, favouring sectors that offer stable income streams such as traditional living assets like build-to-rent and student housing.

At the same time, emerging sectors such as co-living present attractive growth opportunities, albeit accompanied by higher operational risks that demand sophisticated management and a greater investor appetite for complexity.

These sector-specific considerations are further influenced by broader macroeconomic factors, as rising interest rates and geopolitical uncertainties continue to weigh on investor sentiment, encouraging a more selective and disciplined approach to capital deployment.

In this environment marked by volatility, investors are increasingly focused on assets and sectors that demonstrate resilience and the potential for steady, reliable cash flow.



ABOUT GRI INSTITUTE

GRI Institute

Founded in 1998 in London, the GRI Institute currently connects over 19,000 senior leaders operating across the real estate and infrastructure sectors from 110+ countries.

The Institute's signature meeting model, focused on knowledge exchange and trend-setting, fosters a continuous exchange of experiences, ideas, and solutions to connect the most innovative minds in development, investment, and policymaking.

By encouraging open dialogue, rigorous analysis, and redefining possibilities, the GRI Institute stands as a beacon of clarity, driving global transformations in the built environment.

CONTACT



Leonardo Machado

GRI Institute Partner &
Managing Director - GCC

[MAIL ME](#)

GRI Institute



GRI Institute



GRI Institute