

Think global

Identifying tomorrow's world cities

March 2020

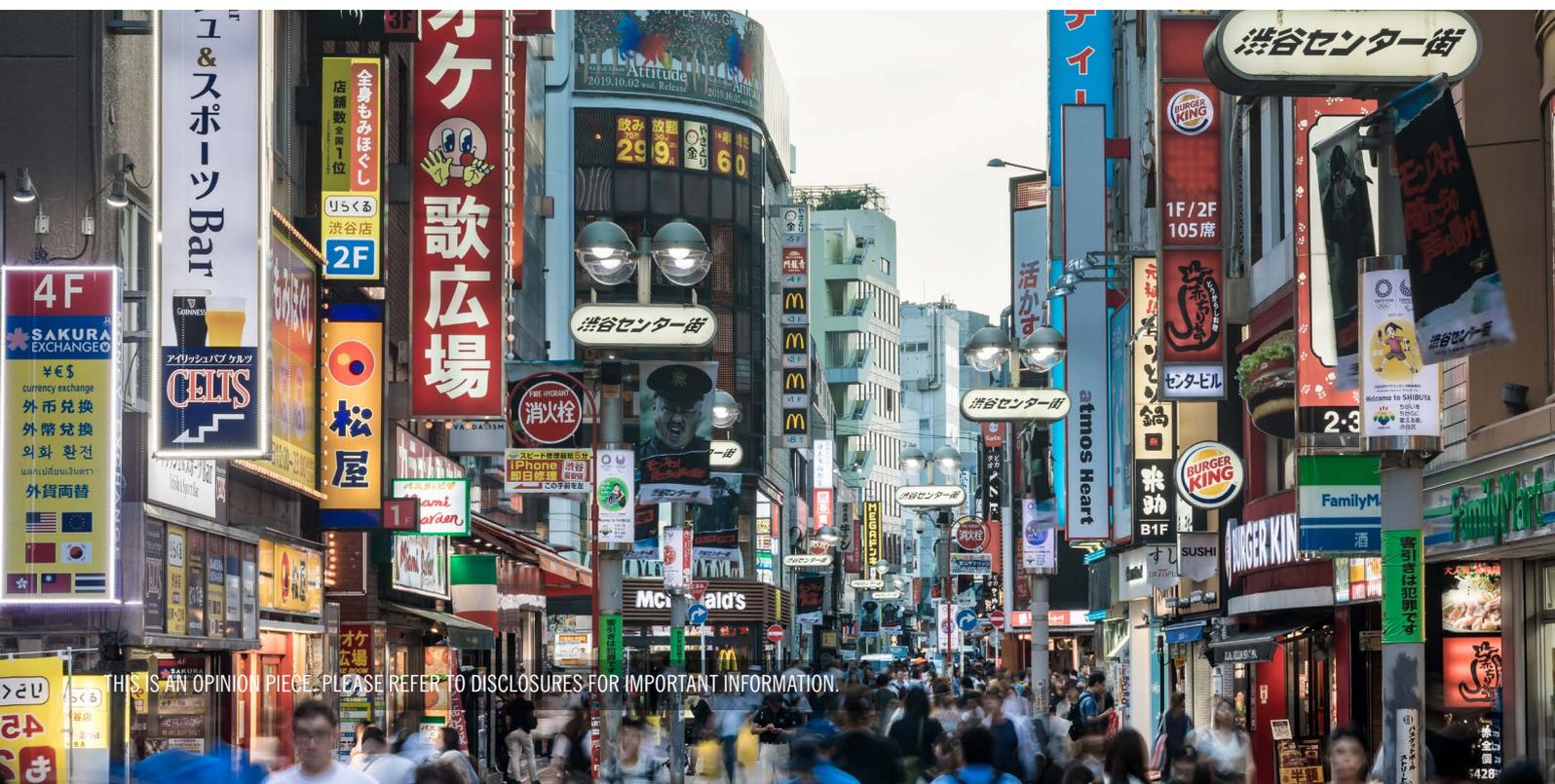
WHY CITIES?

According to the United Nations, more than half of the world's population already lives in urban areas, a percentage predicted to rise to 68% by 2050.

The story of the past century has been one of dramatic population shifts that coincide with relentless industrialisation in many parts of the world. Over the last 100 years, the pace of urbanisation has retained its momentum as people migrate from rural to urban areas to seize greater economic opportunities and experience the dynamism of the world's cities.



Alice Breheny
Head of Research



While urbanisation is putting pressure on the built environment globally, this is far from uniform. Rural-to-urban migration in North America and Europe has slowed on the whole, while in Asia Pacific it continues at pace. By 2030, Asia Pacific, led by China and India, will account for nearly half of the world’s output, more than 50% of the world’s urban population growth and almost all of the top 50 global cities by size (in GDP terms).

It seems likely that these cities will see their share of global real estate investment grow to reflect more closely their new economic status and share of the global economy, opening the door to new and more sophisticated real estate strategies as they mature. And with future economic growth and social development centred on cities, it makes sense for those real estate strategies to be built around cities, rather than countries, which will not enjoy a uniform distribution of growth or prosperity (see Figures 1 and 2).

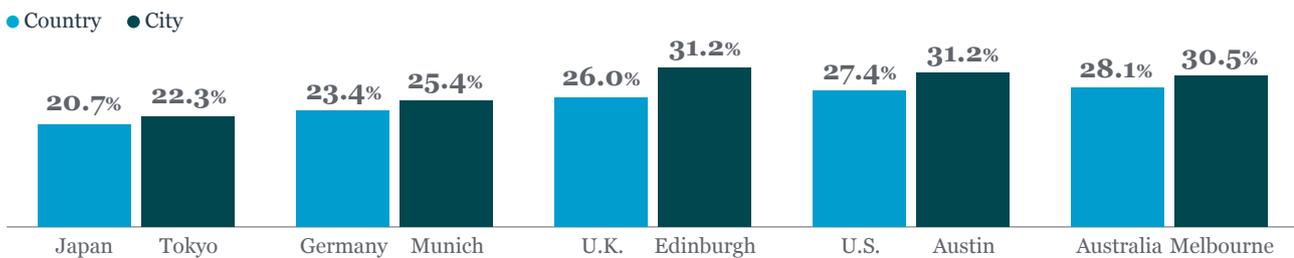
Real estate is about the interaction of people and the built environment. It is about creating places and space for people to come together. It is about community, collaboration and experience. Where real estate successfully achieves this, outcomes will likely include wellbeing, productivity and prosperity. When looking for resilient real estate opportunities – assets that will remain relevant through market cycles – we favour investments that benefit from being a part of the fabric of a winning city, and even contribute to that city’s success.

The successful cities of tomorrow’s world will grow their share of their respective regions’ output through their ability to attract talent and tenants, and in turn enjoy improved productivity. Conversely, the cities that will see their position in the global economic hierarchy compromised over coming decades should be avoided by investors pursuing resilient strategies. Strategies which simply identify which countries to target

Cities not countries

Figure 1: Cities are more youthful

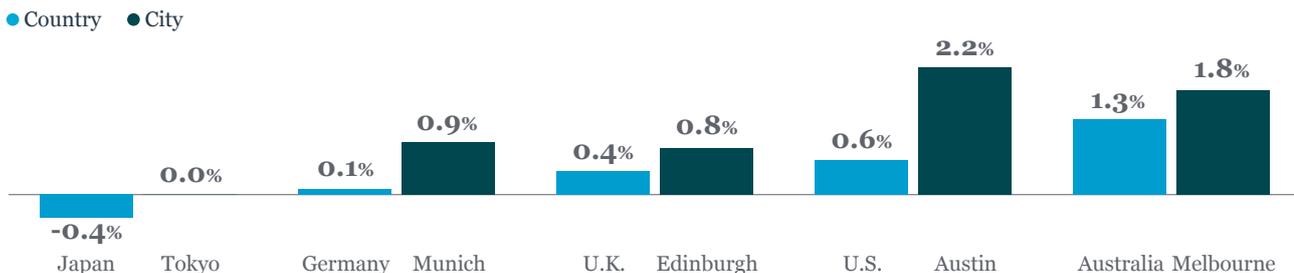
Millennials as % of population



Source: Nuveen Real Estate, Oxford Economics, Q1 2019

Figure 2: Cities are growing faster

Forecast population growth



Source: Nuveen Real Estate, Oxford Economics, Q1 2019

could find themselves exposed to some of these vulnerable cities. We believe a cities approach is more robust. Investors should be mindful that susceptible cities exist in strong economies, and vice versa.

We estimate that fewer than 100 cities globally have sufficient scale and stability, and are well positioned to benefit from long-term structural drivers of demand for real estate. Demographic megatrends, technological innovation and sustainability matters are rapidly changing the nature of demand for real estate, and so ought to be the foundation of any long-term investment strategy.

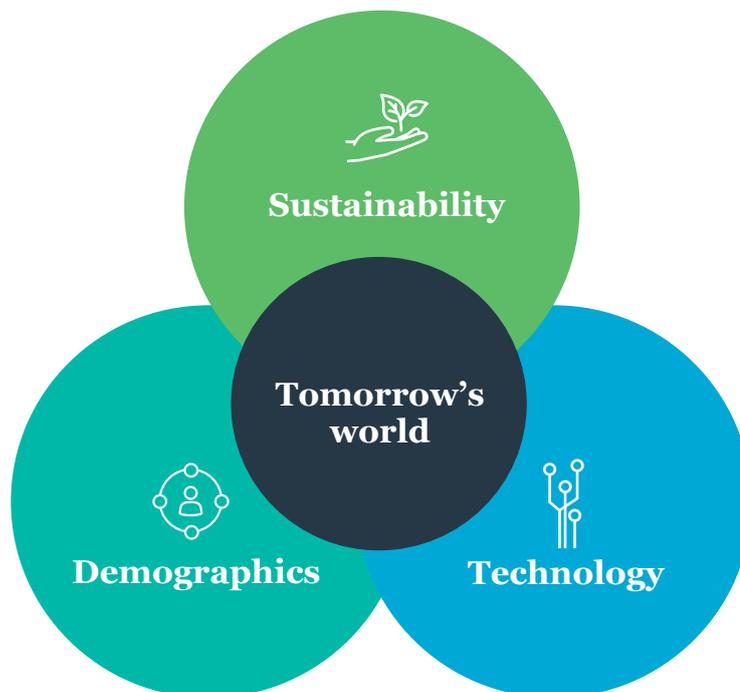
At Nuveen Real Estate, taking a strategic approach to structural disruptors is part of our tomorrow's world philosophy (see Figure 3). This sits at the core of our investment process, informing our long-term view of real estate investments for the enduring benefit of both clients and society.

UNDERSTANDING TOMORROW'S WORLD

The real estate industry is well accustomed to dealing with cyclical change. However, as we look to the future, it is also essential to understand the more fundamental structural change and disruption occurring in markets.

There are three main categories of structural change that are most relevant in shaping the future of real estate – demographics, technology and sustainability – all of which overlap with, complement and reinforce each other. As well as these being a potential threat, we believe that these disruptions also present opportunities to create value. The key to harnessing such opportunities is to have a deep understanding of the character and scope of these megatrends.

Figure 3: Nuveen's tomorrow's world philosophy



DEMOGRAPHIC DIVIDENDS

The movement and behaviour of people will ultimately determine the scale and nature of demand for real estate. Having a deep understanding of long-term demographic megatrends is therefore crucial to investing smartly and managing the built environment for tomorrow's world.

Some of these trends have a crude positive impact on the demand for real estate. Urbanisation, for example, creates opportunities for real estate developers and investors to provide for a city's new inhabitants, with rising middle classes driving consumption and demand for homes, hospitality, travel and retail. Other trends, notably the global shift of economic power to the East and ageing populations, will change the nature of demand for real estate, making some locations and asset types more compelling, and leaving others less supported.

Generational shifts in consumer preferences and changes in household formation will also influence the way people use real estate, noting that the effects will vary across different geographies and sectors. For example, shrinking household sizes will fuel demand for housing. Where this is driven by inward migration and mobile millennials, demand will be focused on multifamily housing or variants such as co-living. Where it is a result of ageing populations, demand will be directed at senior living.

Long-term real estate strategies will be focused on locations that are best placed to benefit from structural megatrends, which should prove resilient through market cycles. They must also be alert for emerging locations and sector types that will become more relevant in tomorrow's world.



Urbanisation

Urbanisation is arguably the crudest measure of demand for real estate, creating opportunities for investors and developers to provide accommodation for the rapidly growing urban populations around the world. While the rate of rural-to-urban migration in developed economies has slowed, urban populations are still expected to grow.

In mature economies, it is important to understand where people are choosing to live and work. While people are becoming more mobile, they are also more discerning about where they choose to settle, requiring an appropriate response from occupiers and investors. In less developed economies, ongoing urbanisation will continue to drive demand for infrastructure and real estate.



Rising middle classes

Globally, rising middle classes will continue to drive consumption and demand for goods and services. Understanding how the associated consumer behaviour changes over time, and the role of technology in this journey, should shape real estate strategies, especially in the retail space. Consumer-led strategies, however, should look beyond just retail and the efficient distribution of goods and services, and seek to satisfy demand for hospitality, travel, leisure, wellbeing and experience.

The rapid growth of middle classes in Asia Pacific will continue to generate real estate opportunities to satisfy the shift from needs-based to discretion-based spending. North America and Europe will continue to account for the majority of the world's wealthiest cities on a per capita basis, but the scale of the middle class in Asia should not be underestimated.



Generational shifts

Generational shifts will significantly affect demand for real estate over coming decades, with the greatest demand coming from opposite ends of the age spectrum. The silver generation (those born between 1925 and 1945) is the fastest growing age cohort globally. Almost without exception, cities across the globe will see marked growth in the over-75s in the coming decades. This will put pressure on demand for health care, senior living and assisted living, while at the same time challenge the working age population to become more productive. Baby boomers are behaving very differently from previous generations in this age bracket. They travel more, work longer, shop more and enjoy music, the arts and keeping fit. It is arguable that this dynamic age cohort is being neglected by real estate developers and owners. The real estate implications of ageing populations go beyond accommodation and care for the elderly.

While ageing populations are a global phenomenon, some locations are seeing strong growth in youth populations. Millennials and generation Z have high expectations for their experience from real estate, driving demand for new concepts. Cities with youthful populations, particularly those that enjoy strong inward migration, are generally expected to become more influential, enjoying greater productivity and stronger-than-average economic growth. For resilient investment strategies, we target cities with younger populations.



Rising economic power in the East

The east's growing share of economic activity, and global interconnectedness more generally, will see significant reordering of the global economic hierarchy. Global cities in North America and Europe will face increasing competition – for corporate presence and talent – from rapidly growing cities in Asia. While North America and Europe's leading cities are not shrinking, their share of global output is expected to diminish somewhat. Investors should be mindful of cities in these regions whose relevance might be eroded by rapidly growing cities, in China especially. Already some Chinese cities have grown enough in prominence and productivity to have earned their place in a global real estate strategy.

Real estate investors can position themselves to take advantage of demographic trends. While these trends are revealing themselves faster than ever, they are still protracted enough to take a considered, responsible approach to the social and material benefits. However, we must be mindful that demographic shifts, especially social and geographic mobility, are to some extent technology enabled – a phenomenon that is far from sluggish.



Digital drivers

Digital technology is a relatively new trend in the world of commercial real estate. The sector is considered a laggard in innovation historically, and it has been largely insulated from the technological forces that have led to the disruption and restructuring of other industries.

In recent years this has changed dramatically, driven by several forces including significant increases in venture capital investment into real estate tech and an explosion in the number of PropTech start-ups.

All sectors have started to feel the impact of technology, some in more positive or negative ways than others. For real estate investors to generate value from these technological impacts, there is certainly a defensive reaction required to ensure portfolios are resilient and adaptable as the world continues to evolve at an accelerating pace. However, this also presents a unique opportunity to create value by leveraging sophisticated technology and innovation strategies as a serious differentiator.

The key characteristics that make technology a challenge for real estate to engage with are the inherent uncertainties around its development and adoption, its ability to act exponentially, and its global scale. With the accelerating pace of technological change, 2030 will probably look more different from 2020 than 2020 does from 2010. Arguably, real estate strategies designed to endure the next decade should also look equally different.

Most major cities will be affected by these trends in a relatively similar way, although likely on different timeframes. The traditional response of how to position portfolios defensively – namely geographical diversification – can at best only delay the impact of these trends temporarily, not reduce the risk at source. The best approach is to fully engage with technology's structural impact on real estate and understand how these can be turned into an opportunity.



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Technology is driving wealth, productivity and consumption across the globe, but the real value creation can be felt in successful cities. Technology firms increasingly rely on representation in cities where they can attract creative, innovative talent – often placing more emphasis on quality of life than economic scale. The presence of tech-related activities in a city can fuel inward migration, putting pressure on residential prices.

Of course, technology may render some locations and asset types less viable in the future, but it will make others more productive and desirable. Resilient real estate strategies should not just seek to be defensive in light of technological advancement but look to capitalise on this enduring trend.

Cities that take a progressive approach to technology will likely remain relevant through market cycles. Data collection and analysis, for example, will provide insight into how cities are functioning, ideally leading to improved productivity for corporates and enhanced experience and quality of life for residents. Smart cities will prove more efficient, with better global connections and a greater ability to manage growth responsibly and sustainably.



Sustainability matters

While demographic trends are putting pressure on our environment, technology is helping us to understand the implications. Ultimately, it should help us manage the impacts more effectively, reducing negative impacts of growth and consumption on our cities. Growth can come at a cost and carry risk, but tomorrow's world cities should be able to enjoy growth and improved productivity without adversely affecting the wellbeing of its residents or corporations' willingness to locate there.

Consumers are becoming increasingly socially and environmentally conscious. There will be growing reluctance to live or work in locations

where air quality is poor or occupy buildings and engage in activities that are to the detriment of the local environment. Developers and investors will need to demonstrate a greater commitment to sustainability to attract desirable tenants and customers. Ignoring these factors will likely erode underlying real estate values.

Our approach to investing in resilient cities avoids those that are the most vulnerable to climate change, and with air quality that could deter people from living there. While the real estate sector is very used to dealing with risk, it is extremely difficult to estimate the level of change and disruption due to the unprecedented impacts of climate change and the unpredictable reactions of human populations.

The physical impacts of climate change are starting to be seen at city level and will increase in severity in the coming decades. Severe storms, flooding, heatwaves and drought will all impact a city's broad attractiveness, including property values, whether directly or through insurance costs.

There is potential to protect value by selecting assets in cities less vulnerable to climate change. There is also the opportunity to enhance value by investing in assets that have the potential to become more energy efficient. Both approaches will become increasingly pertinent for investors.

MEASURING FOR SUCCESS

When looking for long-term indicators of a city's resilience or its potential through a lens of demographic, technological and environmental disruption, investors should steer away from traditional measures of real estate attractiveness. These might determine where we should invest today, but current pricing, vacancy rates or imminent rental progression do not help us predict where value lies in tomorrow's world.

When looking for resilience, we look at broader measures of success – cities that will be successful in attracting talent, benefitting from demographic megatrends and becoming more influential.

At Nuveen Real Estate, we have developed a proprietary filtering system which identifies the top 2% of metropolitan areas globally – fewer than 100 – that we believe are best placed in this regard.

Hard measures: pursuing prosperity

Traditional measures of a city's attractiveness relate to scale, prosperity and productivity. These include population size, economic importance and GDP per capita – all indicators of demand for commercial real estate, especially office-led. In our filtering system, we also look at affluence and the presence of wealthy households, which support consumption and investment in consumer-based strategies.

While we argue that these hard measures are becoming less relevant and talk less to the requirements of bright talent and growing industries, there does need to be some acknowledgement of these in a core strategy to ensure enough depth of opportunity and liquidity.

The cities that score well on these hard measures are typically the global gateway cities – those large, liquid real estate markets that one would expect to find in a global investment strategy. Chart toppers here are, unsurprisingly, Tokyo, New York, London and Los Angeles.

Global gateway cities are liquid enough to offer investment opportunities in all sectors of real estate, as well as other real asset types. These cities are large and productive with above-average levels of affluence. Large cities tend to be relatively youthful but need to work hard to continue to attract young people over the longer term.

Even though London, New York and Paris are all growing and will need to absorb millions more people over coming decades, their share of growth will be relatively modest. They cannot afford to be complacent and need to continue investing in infrastructure and technology to ensure they remain competitive. Maintaining strong soft scores and sustainability metrics will be key to attracting tomorrow's talent.

To identify the next generation of global gateway cities, it makes sense to look at growth scores rather than scale. China, for example, will see its urban population grow by about 15 million people per annum over the next couple of decades. While many of these cities are perhaps not considered right for a core global strategy today, we will see stiff competition from these emerging cities over the medium term.

Soft factors: connectivity, quality of life, innovation, culture and personality

We believe softer measures of a city's attractiveness are increasingly relevant. Locational and space requirements are evolving rapidly in response to the millennial movement. The presence of millennials would appear to be reflected in projected economic growth of a city, and this is the age cohort that occupiers are currently focused on. Youthful cities – in particular those that are attracting young people through inward migration – are expected to become regionally more dominant.

Younger professionals who are becoming more socially and geographically mobile, yet at the same time increasingly discerning, place more emphasis on softer measures of success, as opposed to more traditional metrics. These relate less to prosperity and more to personality – gauging the liveability and likeability of a city.

Here, we look at how well connected cities are; both with other global cities but also internally, through the provision of good public transport, walkability, bike-ability and average commute

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times. The presence of transport has had an enduring influence on land and real estate vehicles, and will continue to do so, but that relationship is becoming more complex with the influence of electric and autonomous vehicles.

Quality of life and wellbeing are becoming increasingly important to consumers and businesses alike. Metrics relating to the provision of health care, education, air quality or green space, for example, alongside affordability are increasingly being assessed by corporates looking for new headquarters. Availability of culture and entertainment is also becoming more prominent in locational requirements.

Innovation is one of the biggest influences in real estate at present and can determine how compelling a city is to both occupiers and talent, supporting growth, infrastructure and quality of life. Cities that score well on digital connectivity, foster start-up technologies and have emerging tech hubs that will become increasingly influential and desirable.

According to our research, cities that fare favourably on softer measures tend to be regional players, as opposed to global, but are becoming increasingly dominant in their region and are starting to compete on the global stage for corporates and talent. Sydney, Berlin, Seattle, Hong Kong, Amsterdam and Copenhagen are among our top picks. Regionally relevant cities tend to be good diversifiers in a portfolio versus global gateways, typically enjoying less real estate market volatility.

PROGRESSIVENESS: GROWTH FOR VALUE CREATION

Investors looking to build portfolios for tomorrow's world should not look only at cities that score well today. They must include cities that are best positioned to benefit from demographic, technological and sustainability megatrends. The position of these cities will improve in the global economic hierarchy over time.

Good growth isn't as straightforward as looking for strong population growth. Productive cities, whose projected economic growth outstrips population growth, should be smarter destinations for real estate capital deployment. Furthermore, cities whose population growth is coming from inward migration (see Figure 4) will behave differently to those with high birth rates, which are more likely to see suburban sprawl, lower density and weaker productivity. Cities with strong inward migration will see densification, which if managed effectively should improve productivity. They will also likely see average household size shrink,

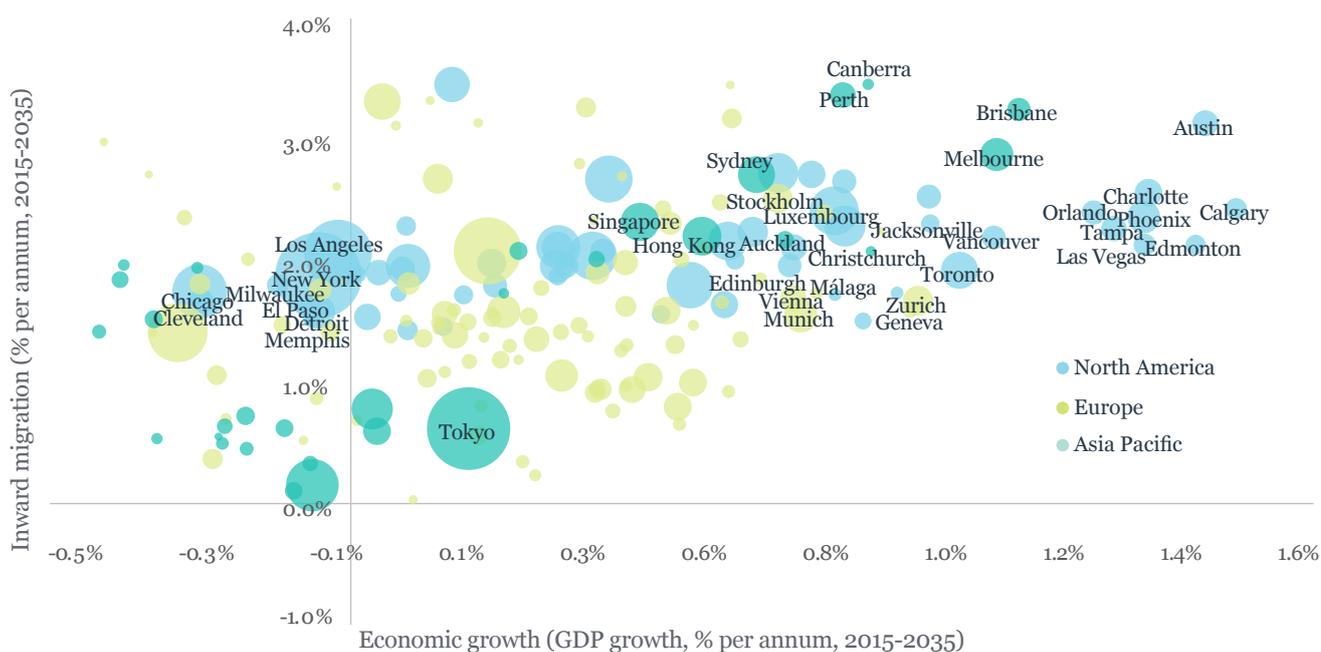
which boosts consumption and demand for residential property.

Asia Pacific cities stand out in terms of growth in our research. While in Europe and North America we focus on cities whose growth will not be compromised by the rapidly growing cities of the East.

However, caution is warranted. Some of the fastest growing cities may have less established real estate markets. Exposure to these should be limited, at least until the gap between perceived risk and reward narrows. Longer term, these cities are likely to benefit from structural megatrends. As their real estate market matures, they will earn their place in a resilient global real estate portfolio.

The fastest growing cities that are appropriate for a core strategy include Beijing, Shanghai, Shenzhen and Guangzhou. They are expected to become top 20 cities within the next decade, as measured by the size of their economy. But growth can also be found in more stabilised economies, with Austin, Warsaw or Perth being stand out examples in their respective regions.

Figure 4: Inward migration and economic growth



Source: Nuveen Real Estate, Q1 2019

SUSTAINABILITY SCORING

Demographic megatrends ought to be gradual enough for investors and developers to position themselves strategically to meet changing real estate requirements. Strong demographic growth, along with smart use of technology and innovation, implies growing economic activity and solid demand for real estate.

We are, however, mindful that growth doesn't inevitably lead to social or economic success. Managed badly it can be detrimental to both, with wide-reaching implications. Poorly managed growth and density can lead to congestion, overcrowding, pollution and social unrest, rather than a sense of community, collaboration, productivity and culture. Investors ought to favour cities that are managing their growth sustainably and responsibly through good local governance and infrastructure, where climate change will not impact long-term values.

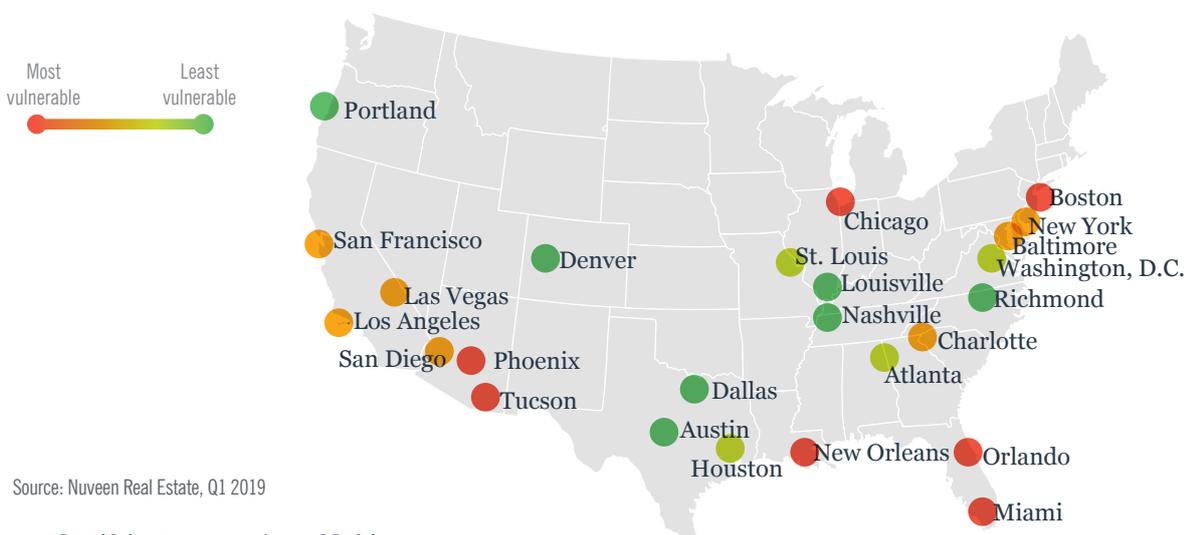
Components of our sustainability score measures for climate change vulnerability, grid carbon intensity and air quality. In some regions, the difference this makes to the overall score is marked. Europe scores well across the board, while cities in North America and Asia Pacific tend to have a more disparate set of results. North American cities vary widely in terms of climate change vulnerability (see Figure 5), while cities in Asia Pacific have more dramatic differences in air quality.

The unprecedented impacts of climate change and the unpredictable reactions of human populations bring with them a level of change and disruption for which the real estate industry has been ill-prepared.

Historical data on catastrophic events proves largely useless when faced with the fundamental and potentially rapid changes that are anticipated. Seventeen of the 18 warmest years ever recorded have taken place in the last two decades and, globally, the number of extreme weather events increased by more than 250 percent between 1980 and 2013. These record-breaking trends are expected to continue, and real estate owners need to incorporate the financial impacts of climate change into city selection and asset-level investment decision making.

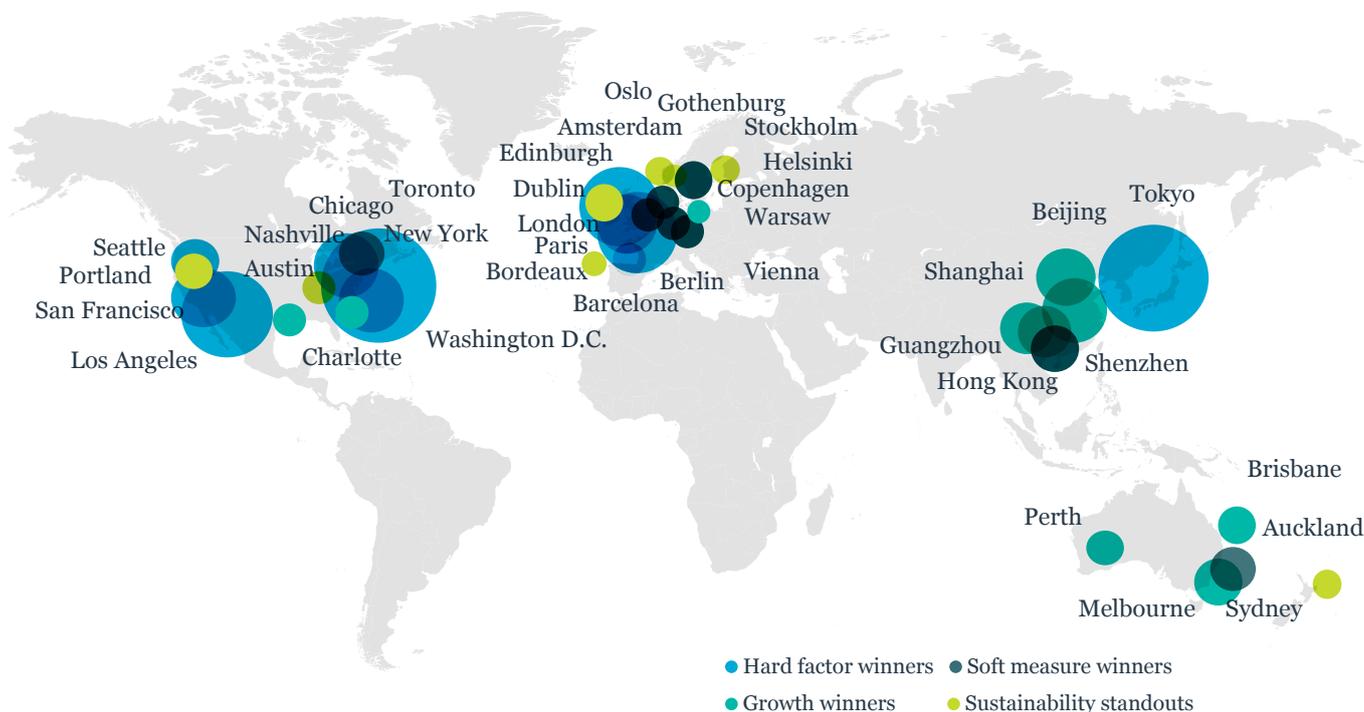
Tomorrow's cities will be environmentally resilient, inclusive and green. But to reach that goal, there must be extensive and meaningful collaboration between many stakeholders, with those involved having a bold vision. Carbon reduction and the needs of people will often be prioritised above other concerns and this will mean a significant shift in the way development decision making is undertaken. For some cities, the need for protection from the physical impacts of climate change will dominate urban planning, while for others, the decarbonisation of their energy will be a greater focus.

Figure 5: Climate change vulnerability in the U.S.



Source: Nuveen Real Estate, Q1 2019

Figure 6: City winners in each category



Source: Nuveen Real Estate, Oxford Economics, Q1 2019
 Note: Size of bubble represents size of GDP end 2018,

CITY PERSONALITY AND LOCAL EXECUTION STRATEGY

Identifying winning cities for tomorrow’s world (Figure 6) does not mean that investing indiscriminately in these markets will result in good outcomes. Understanding a city’s genetic make-up and what will determine its success is key to implementing any strategy at the local level. Intimate local market knowledge and a fresh approach to micro-location and building selection are also required.

The consumer and end-user of the built environment is increasingly nomadic and discerning. With so much choice today, people’s expectations of their experience from real estate are increasing. The challenge for real estate investors is designing an environment that remains relevant amid today’s rapidly changing demand while aligned with structural demographic trends that are playing out over an extended time horizon.

Identifying a city which benefits from long-term megatrends is often easier than executing the strategy appropriately at the local level. Recognising the need for real estate development in a city carries more certainty than predicting the changes in consumer behaviour that will transpire over the many years it takes to complete that development. To engage the future, buildings and leases need to be more flexible, in line with tenants’ expectations, and be able to compete with other (often technology-based) options, such as remote working and online shopping.

For a resilient strategy, certain sectors will be more appropriate in some cities than others. Where growth is driven by rapid inward migration perhaps “living” is the smart option. Global gateway cities offer large, liquid office markets, a sector we would not favour in some of the more domestically driven cities. Rising middle classes and burgeoning consumer economies in Asia Pacific might point towards retail.

Some of the drivers of successful cities also support emerging or alternative sector types, for example, co-living and data warehouses. This will push some investors outside their comfort zone or require partnership with a specialist operator. A reliance on backward-looking track records in emerging or niche sectors will see some missing out on long-term structural growth. Similarly, too much focus on market cycles will mean some miss the big-picture, more resilient, structural opportunities.

Successful investment in a city requires understanding how a building or development sits within the fabric of that city. Consideration should always be given to adjacent uses and the common space and public realm between buildings. Investors and developers should seek to collaborate with local governments to understand where there are supply shortages or how a building can support the success

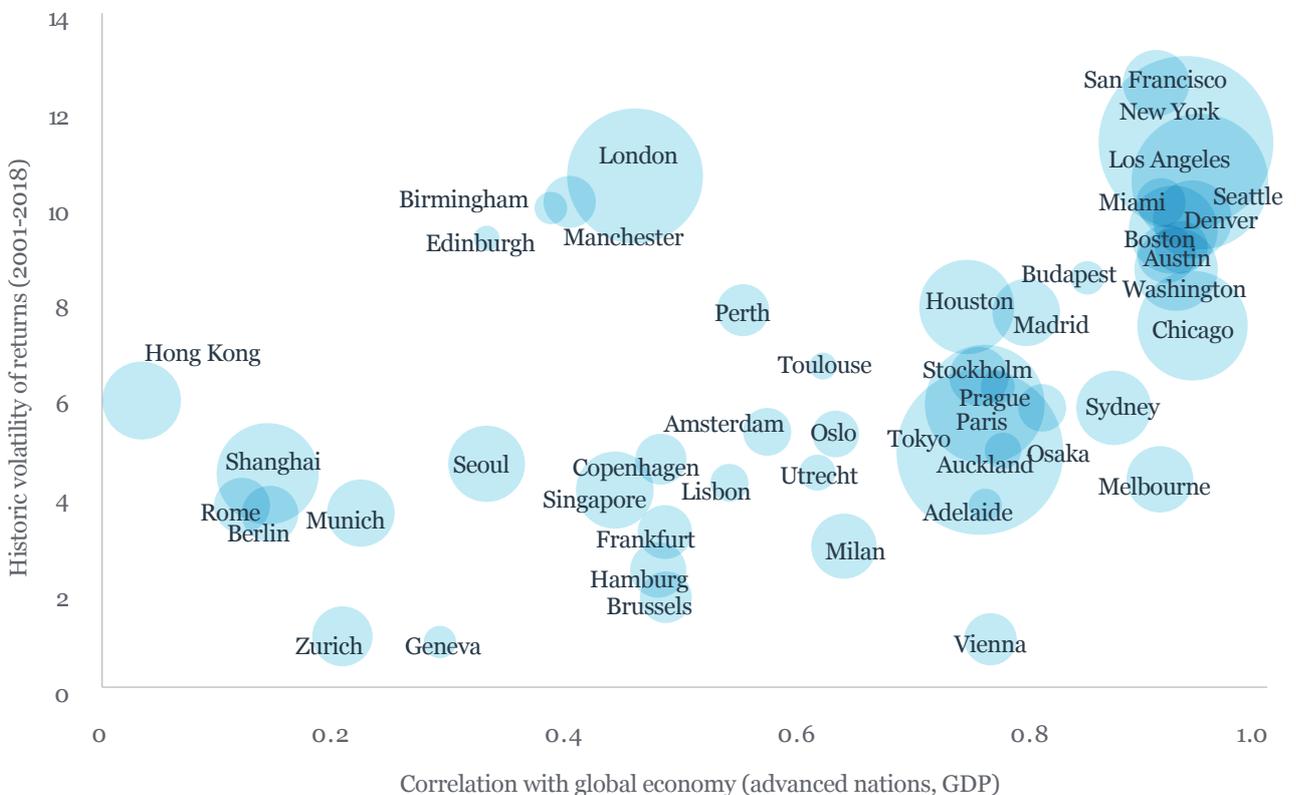
of the local area, as well as ensure there are minimal adverse impacts on the environment or local residents. In this area, effective public and private sector collaboration is critical and ought to drive the best outcomes at the asset, local area and city levels.

DIVERSIFICATION DIVIDENDS: WHY GLOBAL?

Selecting cities for diversification

While understanding a city's personality and its likely success drivers should determine how best to execute at the local and asset level, it can also help achieve diversification. The benefits of geographical and sector diversification are well versed, but there is little talk of diversification among the factors that make up cities: their DNA.

Figure 7: Cities and the global economy



Source: Nuveen Real Estate, Q1 2019

Geographical diversification: go global for better results

Investing across a range of cities within a single economy will have some diversification benefits as all cities have unique characteristics. However, historical real estate performance data shows that in most cases cities within countries are highly correlated.

Diversifying regionally also has its challenges. It is easier to achieve geographical diversification in some regions than others. Major U.S. cities, whose fortunes are to some extent tied to one national economy, are highly correlated with each other. Figure 7 illustrates the return volatility for cities and how they correlate with global economic activity. Achieving diversification within Europe or Asia Pacific, being comprised of so many different economies, is naturally much easier than in the U.S.

When performance is broken down by sector type a different picture emerges. Replacing MSCI data covering all property types with prime office market data, we find that global gateway cities are more closely correlated to each other. Take the example of London and Birmingham in the U.K. They are very neatly correlated if you look at average all property type performance (0.89), but if you look only at prime office data the correlation is much weaker (0.31), and London is more closely correlated with New York (0.74) or Paris (0.76). Achieving the benefits of geographical diversification is more sophisticated than spreading investments across a map of the world.

Is sector diversification overstated?

It is well known that the office sector is more volatile than retail, but volatility varies more by city than it does by sector. Volatile office markets tend to have volatile retail markets. Dublin, for example, is the most volatile city in Europe for both sectors according to our research. A few exceptions are tech-driven office markets, namely San Jose or San Francisco, which have seen very volatile office market performance through the last cycle yet relatively stable retail performance.

Diversification versus other asset classes

Real estate's role in a broader portfolio is to provide diversification benefits through weak correlation with other asset classes. Investing only in cities that are highly responsive to global financial conditions may not satisfy the diversification benefits that real estate is expected to provide. Global gateway cities, and particularly U.S. cities, tend to be closely correlated to advanced nations' GDP growth and we assume are more closely correlated to equity market performance than cities that are less financial and business services driven.

Personality and performance: opposites attract

Global gateway cities should form a component of a resilient, city-based strategy, but investors should be wary of how diversified their portfolio might appear versus the reality. Many of these cities are closely correlated. While investing across different sectors and sub-markets will help lower performance volatility, bringing different city personalities and skill sets into the mix is likely to enhance outcomes further.

Regionally and domestically driven cities tend to be better diversifiers and should be included alongside global gateways in a portfolio. Balancing investments in cities driven by financial and business services with energy or education-based markets, for example, should help lower volatility. Adding structurally driven markets to highly cyclical cities should have similar benefits.

Ultimately, a team of cities whose fortune and future success depends on a range of different drivers – be it inward migration, productivity, quality of life, infrastructure or innovation – should enjoy the benefits of diversification, so long as execution and management at the local level is appropriate to that city's personality.

THE CITY OF TOMORROW'S WORLD

If we look to the future, 20 to 30 years from now, and imagine a world in which the built environment has been optimised for demographics, sustainability and technology megatrends, what would the city of tomorrow's world look like?

From a demographic perspective, it would likely be more densely populated than today. But it would also offer a higher quality of life and an inclusive built environment, with more mixed-use schemes and more specialist sectors that cater to specific consumer demands.

From a sustainability perspective, it is a healthier city, with good air quality and a generous provision of green spaces. It is net zero carbon at both a city and a building level and has a clear focus on climate resilience. It emphasises meeting the needs of the full range of society, with affordable provision of housing and services.

From a technology perspective, it is a city where more data is collected (with the community-agreed appropriate level of transparency and consent). Its built environment is more flexible so it can adapt to support new technologies, alongside responding to changing consumer preferences. Excellent digital connectivity is all but universal and the automation of many processes, such as driving, has fostered new models of employment.

Of course, this is just one version of a potential future, but it is a possible one and one worth striving towards directionally, even if the reality ends up being very different.

The challenge for real estate investors is to identify the assets and locations that will remain relevant throughout market cycles. By understanding the structural trends shaping tomorrow's world and incorporating those influences into their strategies, investors will improve their chances of success.

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