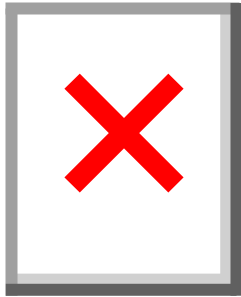


From: Bisnow First Draft <newsletter@news.bisnow.com>

Sent: Jan 06, 2025 16:48:19.000000000 UTC

Subject: New CBRE Financial HQ, \$80B Microsoft Data Center Investment, RTO Push

To: lmassa@cityofmelrose.org <lmassa@cityofmelrose.org>



This morning we're thinking about booze. (We know, it's a bit early, but we promise it's only coffee in our cup.)

Dry January always seems to be a big thing in CRE, and then the surgeon general's recommendation last week that all alcohol should come with a warning about cancer risks got the world talking. Last year, 41% of Americans said they intended to drink less.

Gen Z drinks significantly less than previous generations, and the global alcohol industry is shrinking. Breweries are shuttering at a faster clip than in past years (though openings are still slightly outpacing closures), and even the beloved British pub is feeling the pain — 50 are closing a month.

We have so many questions about what the decline in consumption will mean in CRE, from how networking will shift to whether retail developers are going to have to change their thinking about tenant mixes.

Obviously, bars aren't totally out. World of Beer just emerged from bankruptcy at the end of the year. It had seen sales fall 13% in 2023 and store count drop about the same proportion before it filed for Chapter 11 in August. Now it says it's on the growth path again and will open four or five locations a year for the next five years.

And even as British public house owners are crying in their pint glasses, private equity players are showing they are thirsty to own bars.

“We’ll see more investment activity across the sector,” Proprium Capital Partners Head of Europe and co-Managing Partner Philipp Westermann told *Bisnow* a few months ago. “Pubs have proven remarkably resilient, and even with a consumer squeeze, they still represent an affordable night out. We’ve owned pubs through good and bad economic times, and in every situation they have survived those ups and downs.”

— **Jay Rickey, Kayla Carmicheal, Catie Dixon and Mark F. Bonner**

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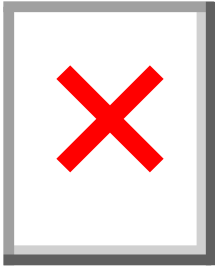
On Our Radar

- **Microsoft plans \$80B in data center investments for AI in 2025.** In a blog post last week, Microsoft Vice Chair Brad Smith stressed that AI is the “electricity of our age” and outlined plans for \$80B in data center investment — with over half allocated to U.S. facilities. The spending will support large-scale AI infrastructure, driven by partnerships with OpenAI, Anthropic and xAI, as well as its own AI-enabled platforms. Microsoft’s vision will be realized by its (and other Big Tech players’) recent embrace of nuclear

power and its singular push to reopen Three Mile Island, which won't come until 2028.

- **Amazon, AT&T and Sweetgreen are leading the latest RTO rush.** Some major RTO mandates went into effect on Jan. 2. Amazon called back most of its corporate workforce, but some RTO was delayed as it sought more room. AT&T is requiring five days a week in the office, and Sweetgreen is pushing for four. Office owners: How are your buildings looking in 2025? Did you see a surge of workers come back last week? Let us know: firstdraft@bisnow.com.
- **Bitcoin ATMs saw 6% global growth in 2024.** Global bitcoin ATMs increased by 2,217 units in 2024, a 6.02% YOY rise to 38,768 total, according to a new Finbold research report. The U.S. dominates with an 81.27% market share and 31,505 machines — up 3.6% from the previous year. Installations peaked early in 2024, with nearly 90% completed by April, ahead of record crypto gains later in the year. Investors are targeting CRE to cash out their bitcoin, but regulatory hurdles remain. ATMs aside (send a photo if you have one on your property), can Donald Trump, the self-declared “crypto president,” help CRE here?
- **If 2024 marked the bottom for CRE, 2025 can only mean one thing.** While challenges like high rates, capital competition and geopolitical tensions persist, investors like Blackstone see opportunities, especially in retail, data centers and affordable housing. Retail is rebounding, with strong occupancy and yields, while industrial, student housing and hospitality show promise. As liquidity grows and values stabilize, the next five years could deliver some of the best returns in decades for strategic investors.
- **What challenges will be most critical in 2025?** Bisnow gathered the unvarnished views of 56 executives across the U.S. and Europe to kick off the year. From the liquidity squeeze to the urgent need for affordable housing to the upcoming Trump 2.0 presidency — and his promised tariffs and mass deportations — it's any wonder how a major thread prevails: optimism.

Today's Deep Dive: After Heavy Credit Focus, Invesco Real Estate Eyeing Equity Deals In 2025



IMGflip

After spending \$3B on loan originations in 2024, Invesco plans to shift to equity real estate investments in 2025.

Its pivot may signal a change in how some large industry dealmakers assess the start of a new investing cycle.

“Our No. 1 conviction has been in credit because of the relative value,” Bert Crouch, portfolio manager and head of North America for Invesco Real Estate, told *Bisnow*. “We are now starting to see more and more opportunity on the equity side.”

In for Invesco: build-to-rent, single-family rentals and manufactured housing. Out: multifamily and industrial in the Sun Belt.

[Read the full story here.](#)

This Morning's News

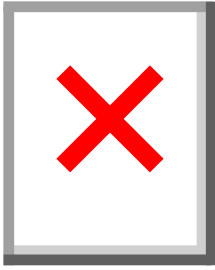
FINANCING — Treasury To Unwind Fannie, Freddie Oversight (Bisnow): The Department of Treasury is amending its agreement with the Federal Housing Finance Agency to begin removing its oversight over the government-sponsored agencies. The September 2028 expiration date for warrants for GSE shares held by the Treasury will likely be extended as the agencies work through the unwinding process. [Read more here.](#)

OFFICE — CBRE To Open New Global Financial HQ (Bisnow): CBRE is opening a global headquarters for its investment management arm and other capital markets functions in Midtown Manhattan. It inked a 64K SF lease totaling six floors at Brookfield and WatermanClark's 200 Park Ave. and will occupy four floors. Industrious will design and operate all six floors and will run the remaining two as coworking spaces. [Read more here.](#)

ECONOMY — Trump Team Denies Scaling Back Tariffs (Bloomberg): Speculation arises over the potential narrowing of universal tariffs, but Trump dismisses claims of a pared-down approach, fueling policy uncertainty. [Read more here.](#)

RETAIL — Open-Air Centers Scarce, Demand Rises (WSJ): At least \$10B worth of U.S. open-air retail portfolios are expected to change hands in 2025. The neighborhood shopping centers are among the toughest commercial real estate types to secure. [Read more here.](#)

MULTIFAMILY — Rent Growth Slows In 2024 (Apartments.com): Q4 recorded 113,200 units of absorption, the second consecutive quarter of easing. Supply additions in the quarter numbered 133,300, once again exceeding absorption. [Read more here.](#)



Unsplash/Jason Grant

MULTIFAMILY — Market Defies Supply (Moody's): Despite a surge in supply that may end up topping 300,000 units, Moody's reports the multifamily sector held strong with steady demand. [Read more here.](#)

MULTIFAMILY — Palladius Picks Up Assets For \$579M (Palladius Capital): Palladius Capital has acquired five multifamily and four student housing properties, targeting value-add opportunities. [Read more here.](#)

PROPTECH — Startup Raises \$15M To Expand AI Insurance Tools (Bisnow): Jones, a New York-based proptech company, has closed on a \$15M Series B funding round. The startup plans to use the money to launch GenAI Agents, which will help the company address the rising costs of insurance. Jones' platform is used in 2B SF of properties and construction projects nationwide. [Read more here.](#)

LEGAL — Judge Denies Moving RealPage Antitrust To Tennessee (Bloomberg Law): The decision leaves the case, which is the federal government's first allegation that an algorithm facilitated harms violating antitrust law, with Judge Loretta Biggs of U.S. District Court for the Middle District of North Carolina. [Read more here.](#)

M&A — Mesirow Acquires Bastion Management (Mesirow): Mesirow strengthens its alternative investments platform with the acquisition of asset-backed lending specialist Bastion Management. [Read more here.](#)

INVESTMENT — Broadstone Expands \$117M Build-To-Suit Pipeline (Broadstone): Broadstone Net Lease has added two new developments valued at \$117M to its build-to-suit development pipeline and named Sam DeLemos as the company's vice president of build-to-suit development. [Read more here.](#)

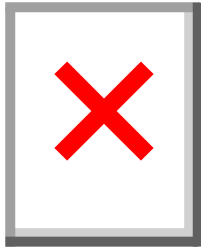
REITs — Chilton Predicts 10%-15% REIT Returns In 2025 (Chilton Capital): Chilton Capital Management's forecast highlights a promising year for REITs, anticipating double-digit returns. [Read more here.](#)

REITs — December Struggles Despite 2024 Gains (Nareit): REITs ended December 2024 with a 4.9% annual gain, but widespread headwinds across property sectors erased some earlier momentum. [Read more here.](#)

REITs — U.S. REIT Prices Drop Following Q3 Surge (S&P Global): After a strong Q3 2024 performance, U.S. REIT share prices plunged in Q4. [Read more here.](#)

DATA CENTERS — \$17B Data Center Campus Planned South Of Atlanta (Bisnow): Atlas Development is looking to get the green light for a 13-building, 5M SF data center complex named Project Sail. The development, planned to put \$1.6B annually in local tax revenue by the time it opens, is estimated to cost \$17B and delivered by 2036. [Read more here.](#)

The First Draft is produced by Director of Newsletters Jay Rickey, Managing Editor Catie Dixon, Editor-in-Chief Mark F. Bonner and Deputy Newsletter Editor Kayla Carmicheal, with an assist from AI. We'd love your feedback! Email us at firstdraft@bisnow.com.





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