Marlow America

BRIEFING

Why U.S. Real Estate

A Marlow America briefing for international family offices and their advisers



Most international families want real estate in their portfolio, but few want to own and run buildings themselves. The practical question is where to place capital passively, alongside an experienced operator or through a fund.

The data points to the United States. It's the largest real estate market in the world, it attracts 40% of the world's private wealth investment in commercial real estate,[1] and it's one of the few major economies whose population is still growing. That doesn't make every U.S. investment a good one. It does make the U.S. the right place to start, provided you begin with a strategy.

Three reasons the U.S. leads

01 Scale and liquidity: the largest single real estate market in the world

MSCI puts the professionally managed global real estate market at $13.5 trillion in 2025. The United States is the largest single market in it: $4.9 trillion, or 39% of the global total on MSCI's 2024 country breakdown, including 53% of institutional residential property.[2] In 2025, about 30,400 U.S. commercial properties changed hands, worth $472.6 billion.[3]

For an LP investor, scale and liquidity go hand in hand. A market this large offers more choice going in and more buyers coming out, which helps in three ways:

1. **More operators** to choose from.
2. **More opportunities** that fit a defined strategy.
3. **More buyers** when it's time to sell.

02 A mature legal framework for LP investors

Most U.S. deals are held in a Delaware company formed for that one property. That limits an LP's liability to the capital it invests and sends disputes to a specialised business court with decades of precedent. Every offering is also subject to federal securities law, including its anti-fraud rules.[4]

03 Long-term demand: a population still growing

The populations of China, Germany, Japan and 60 other countries have already peaked. The United Nations projects that the U.S. population will keep growing through 2054.[5]

Real estate is ultimately a bet on people: renters, workers, shoppers and businesses. Over a long holding period, a growing population supports demand in a way that a shrinking one can't.

What the headlines miss

The case for the U.S. is strong, but it has conditions. Three points deserve equal attention.

Confidence was tested in 2025. In spring 2025, 63% of international institutional investors held a negative outlook on cross-border investment, citing geopolitics and tariffs.[6] By December, the same group ranked the U.S. as the safest region in the world for 2026.[7] Sentiment moves faster than fundamentals, and disciplined investors plan for both.

Returns arrive in dollars. For a family whose wealth is measured in euros, pounds or dirhams, currency movements can add to returns or erase part of them. Many family offices are now reviewing their dollar exposure.[8]

For an LP, the operator matters more than the market. The size of the U.S. market cuts both ways: it has more excellent operators than anywhere else, and more weak ones. Passive investors rarely lose money because they picked the wrong country. They lose it by picking the wrong partner, on the wrong terms, without a plan.

Other considerations

A sound U.S. allocation also depends on decisions this briefing doesn't cover. Each will be the subject of a future Marlow America briefing, and each can be addressed directly in a consultation.

- **Selecting an operator.** Track record, alignment of interests, fees and reporting.
- **Tax and structure.** U.S. tax on foreign investors' real estate gains (FIRPTA), treaty considerations and the right holding structure.
- **Currency.** Whether and how to hedge dollar exposure.
- **Liquidity.** Holding periods, capital calls and exit options.
- **Markets and property types.** Where in the U.S., and in which sectors, a strategy should focus.
- **Timing.** Where the market stands in its cycle, and what that means for entry.

The bottom line

The U.S. rewards international investors who arrive with a strategy and a senior professional on their side. Those who arrive with only a deal take their chances.

Marlow America serves a limited number of family offices as their fractional head of U.S. real estate: a senior member of your team, from strategy through oversight.

Request a consultation

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