

Estimating the Size of the Commercial Real Estate Market in the U.S.

The total size of commercial real estate in the U.S. was estimated \$15 trillion in 2017.

Nareit estimates that the 2017 total dollar value of commercial real estate was between \$14 and \$17 trillion, with a mid-point of \$15 trillion. This study was conducted primarily using data from CoStar and other sources. We used a bottom up approach identifying and estimating the number of units and total square footage by property sector and property quality type for the largest 200 markets in the U.S.

Table 1
Estimates of Commercial Property Value: 2017Q4

Sector	Square Footage (Millions)	Price per Square Foot (\$)	Value (\$ Trillions)
Office	11,017	\$205	\$2.3
Industrial ¹	20,148	\$67	\$1.4
Flex ¹	2,362	\$122	\$0.3
Retail	13,442	\$186	\$2.5
Multifamily	18,299	\$152	\$2.8
Health Care	2,698	\$809	\$2.2
Hospitality	2,618	\$578	\$1.5
Self-Storage, Specialty, Sports, Towers and Other	N/A	N/A	\$2.3
Total	69,236		\$15.2
High Estimate			\$16.8
Low Estimate			\$14.1

Table 1 summarizes the base estimates by property sector. The base estimate is \$15.2 trillion with low and high estimates of \$14.1 and \$16.8 trillion, respectively. These estimates are based on a bottom-up approach using the best available data for each property sector.

Due to data limitations, the estimates do not include billboards, single family home rental, timber, or infrastructure other than wireless towers.

Owner occupied properties account for about 11 percent of the total value. Approximately one-third of commercial real estate value is located in the seven “gateway” markets², half is in the next largest 47 markets and the balance is in other markets.

Source: Data from CoStar and Nareit 2018.

¹ Data Centers are captured in the Industrial and Flex sectors

² Gateway cities include Atlanta, Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC.