Investment Report

Peru 2025

LOGAN

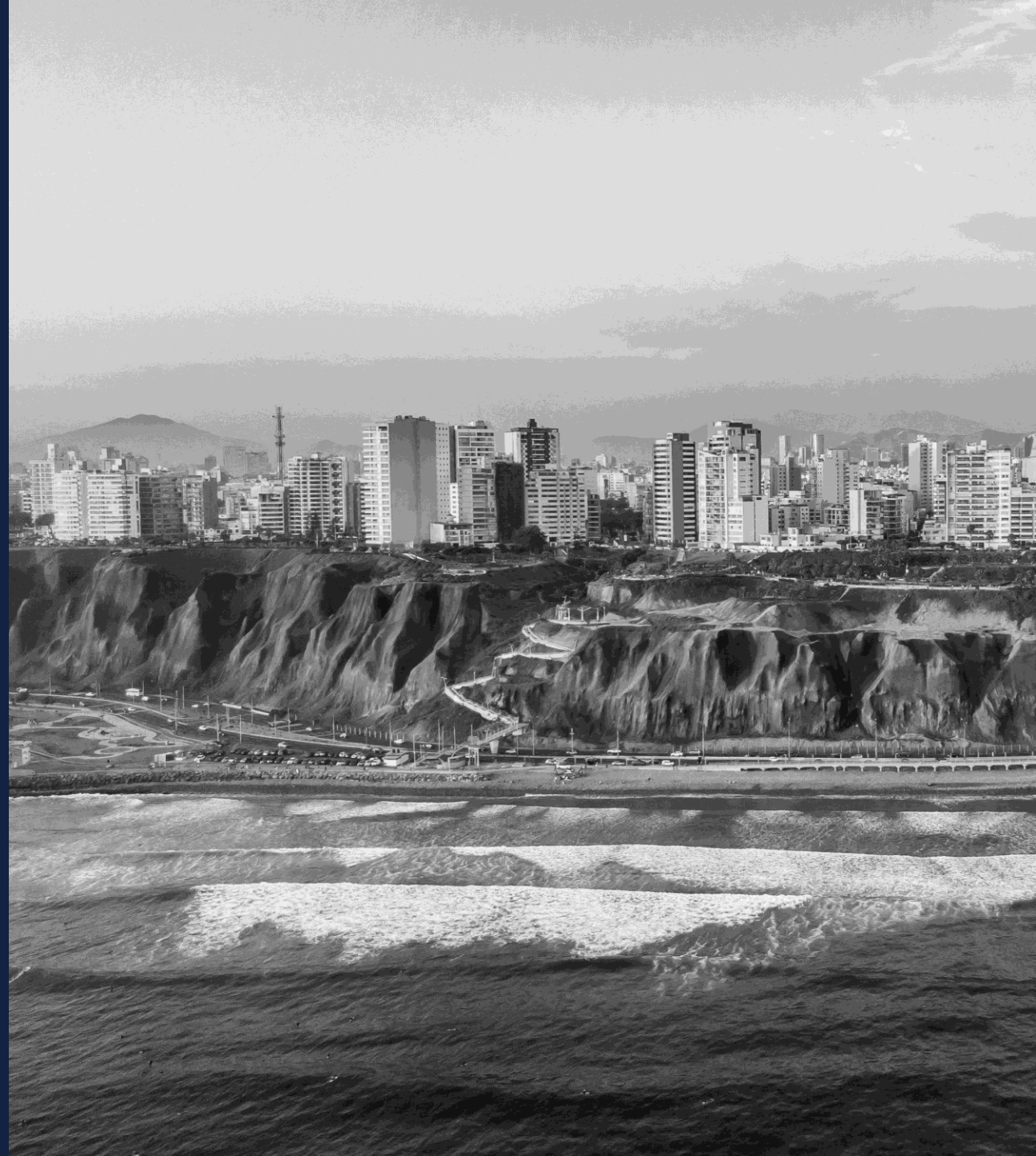
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Introduction

This report analyzes the region’s institutional real estate market from two perspectives: the value of Assets Under Management (AUM) of regulated vehicles and the results of surveys conducted with General Partners (GPs). The information comes from public financial statements, manager reports, and annual surveys carried out by LOGAN, ensuring a reliable and up-to-date analysis.

The document is intended for managers, developers, brokers, consultants, and institutional investors such as pension funds, insurance companies, financial institutions, family offices, and nonprofit organizations. Its purpose is to provide a strategic view of market evolution, facilitate cross-country comparisons, identify opportunities, and support long-term, decision-making processes.



Methodology

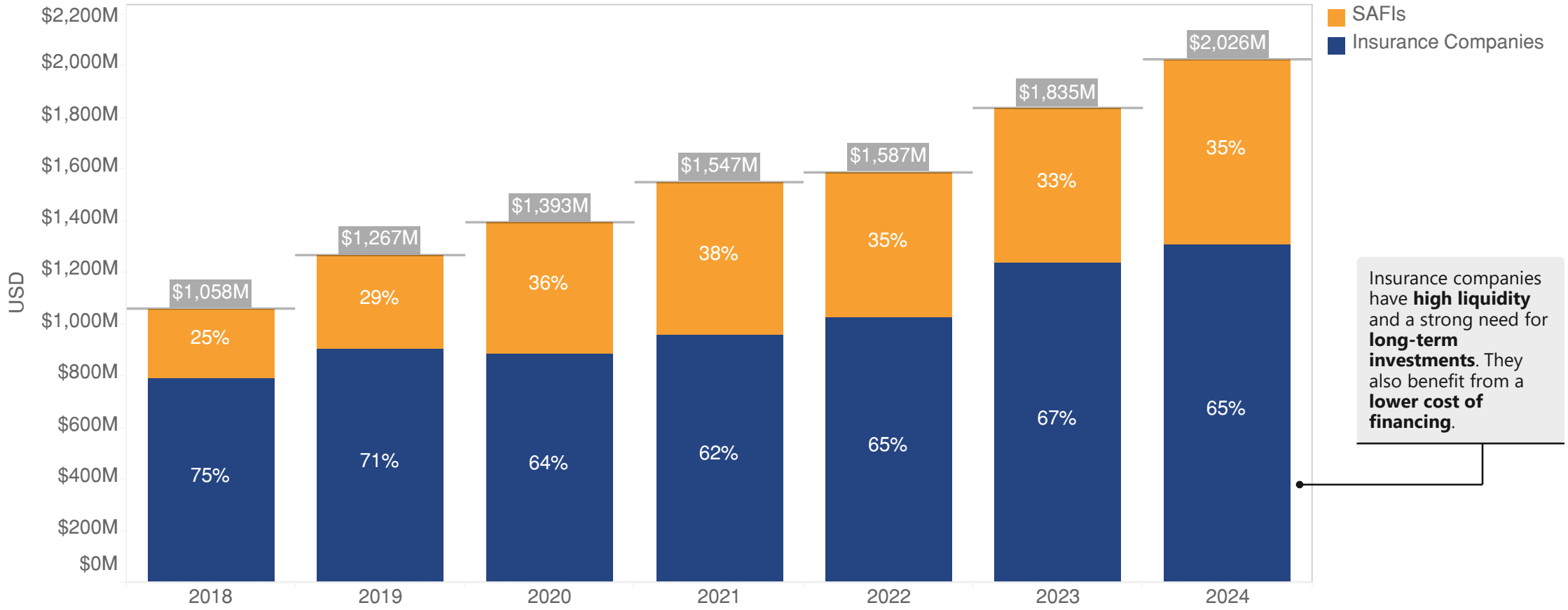
- ***AUM (Assets Under Management):*** The information is based on public financial statements and manager reports, which makes it possible to gauge the size of the market and analyze the evolution of portfolios and strategies.
- ***LPs (Limited Partners):*** Annual survey aimed at institutional real estate investors such as Pension Funds, Insurance Companies, Financial Institutions, Family Offices, and Nonprofit Institutions.
- ***GPs (General Partners):*** Annual survey aimed at professional managers, developers, real estate brokers, and real estate consultants.

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Assets Under Management by Type of Vehicle

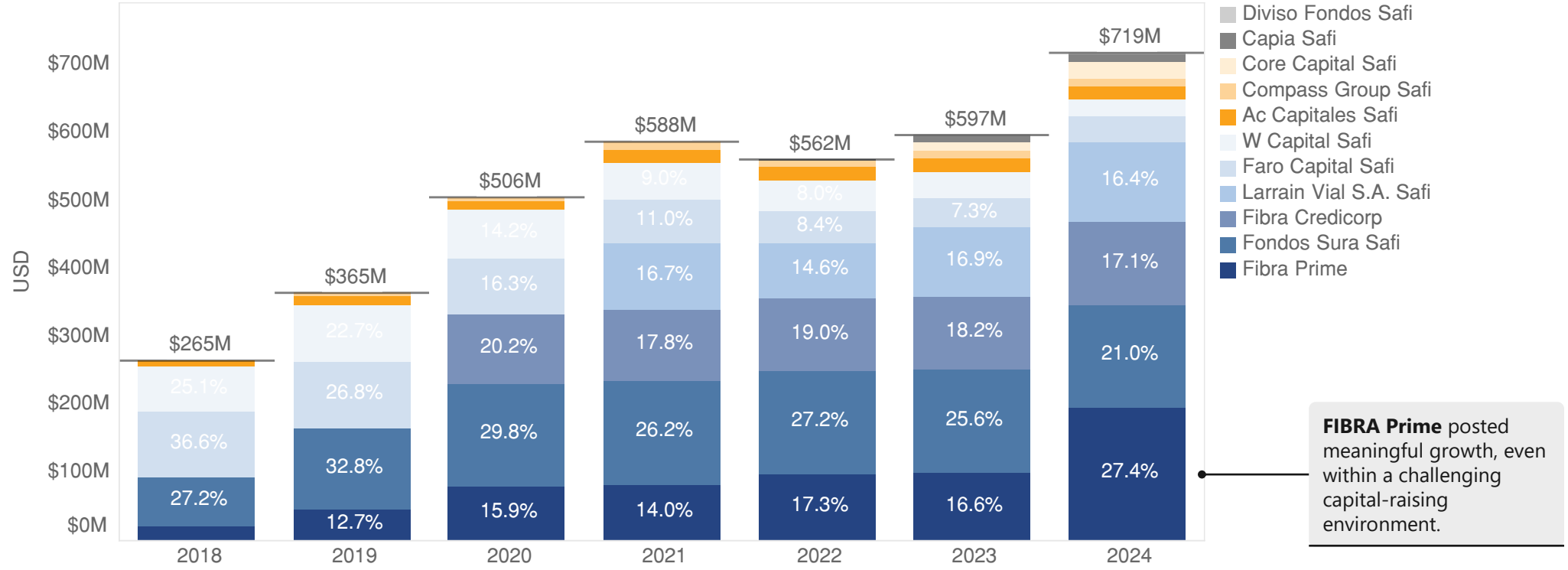
Looking ahead, **sustained growth in AUM** is expected, subject to the consolidation of a more stable political and macroeconomic environment, which would support increased investment activity. In this context, the **high participation of insurance companies** suggests a **significant availability of institutional capital** for opportunities that meet appropriate risk, liquidity, and corporate governance criteria.



Source: Public financial statements available from the Superintendence of the Securities Market, the Lima Stock Exchange, and asset managers' websites.

Assets Under Management SAFIs

The evolution of **AUM managed by SAFIs in Peru** reflects a growth trend that is expected to become **more favorable in 2025 and 2026**, as a **more stable economic and political environment** consolidates. This context would enable **increased capital-raising activity** from both institutional and private investors, strengthening the role of SAFIs as key vehicles for channeling capital into alternative assets.



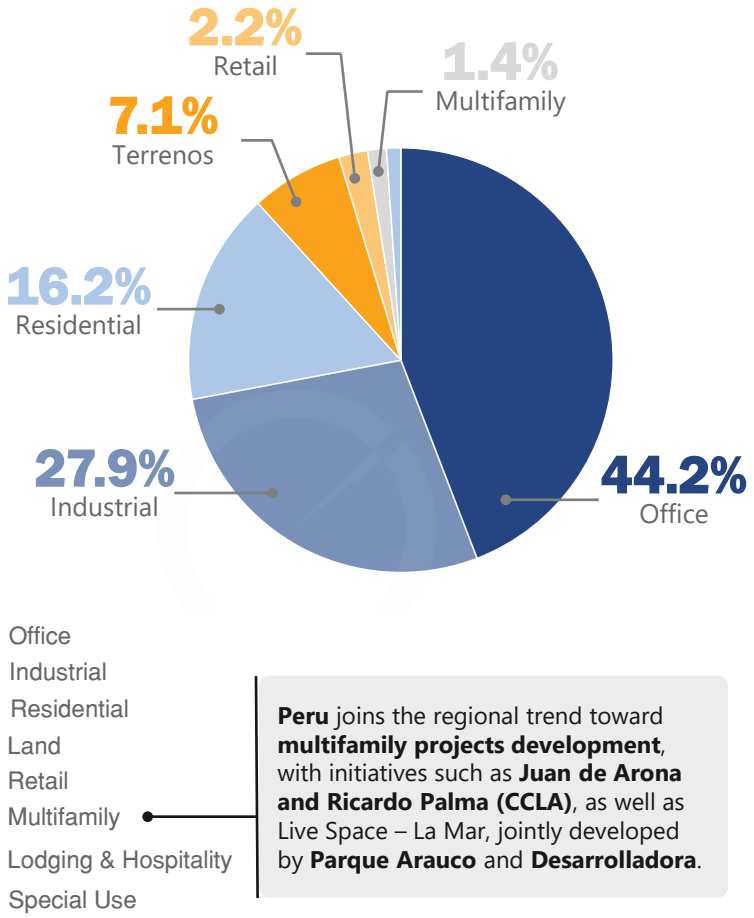
	2018	2019	2020	2021	2022	2023	2024
GPs	5	6	7	8	10	11	11
Vehicles	9	11	12	15	16	18	19

FIBRA Prime posted meaningful growth, even within a challenging capital-raising environment.

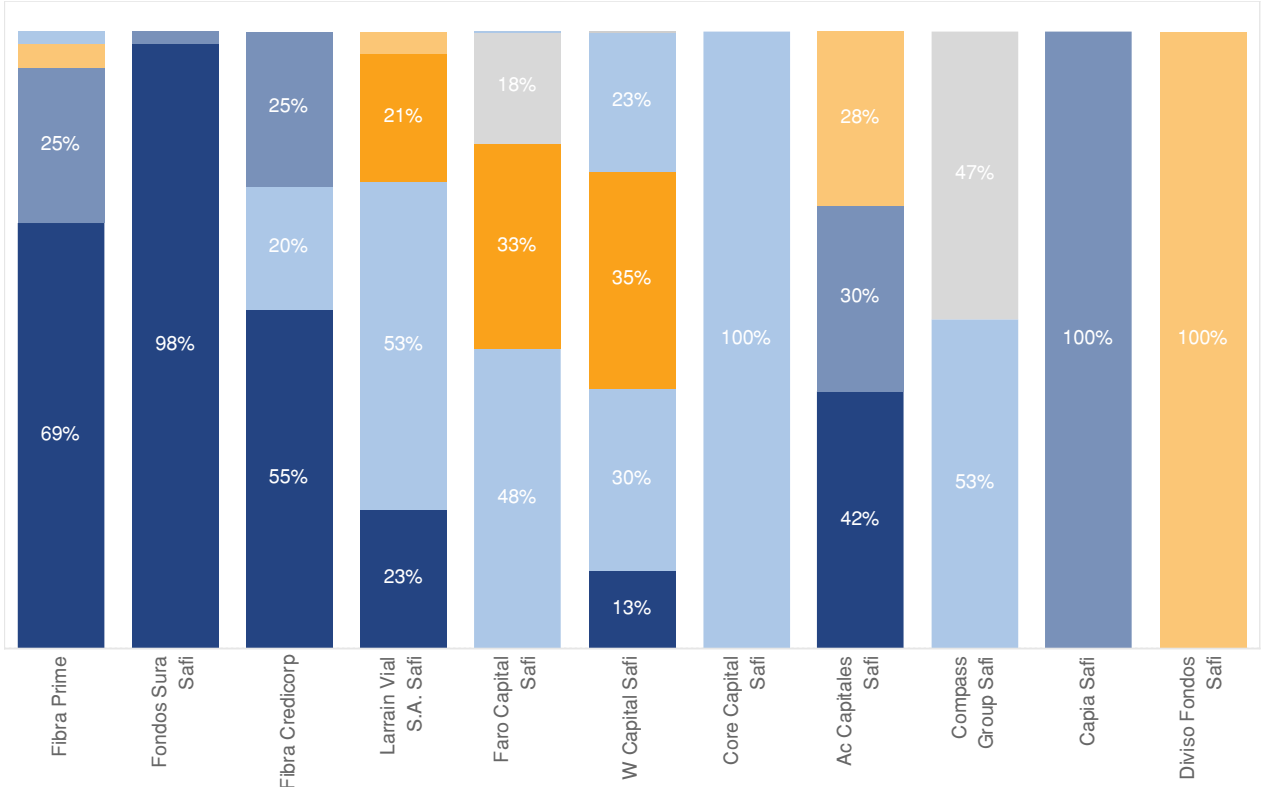
Source: Public financial statements available from the Superintendence of the Securities Market, the Lima Stock Exchange, and asset managers' websites.

Assets Under Management by Market

The distribution of AUM across SAFIs shows a higher concentration in **office (44.2%)**, followed by **industrial–logístics segment (27.9%)**. While the logistics market has led investment appetite in recent years, the office segment is showing **clear signs of recovery** and is once again positioning itself as an attractive alternative in the coming years.



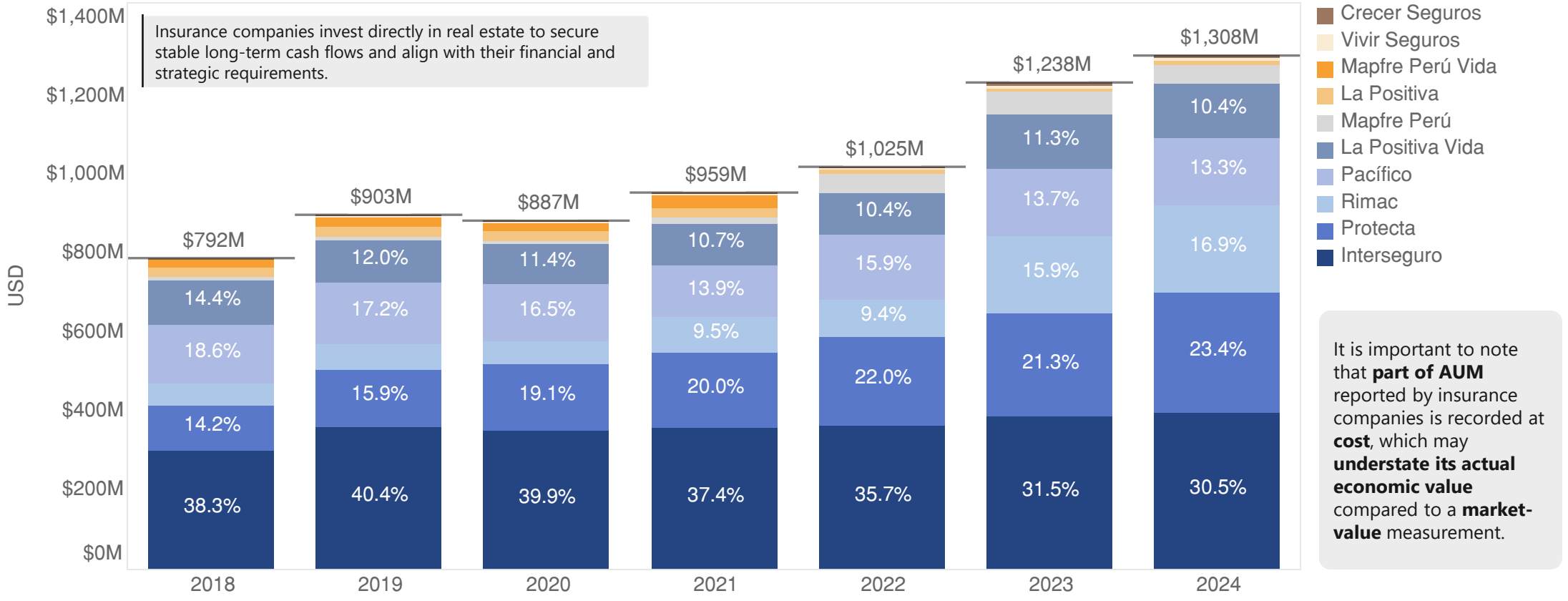
Peru joins the regional trend toward **multifamily projects development**, with initiatives such as **Juan de Arona and Ricardo Palma (CCLA)**, as well as Live Space – La Mar, jointly developed by **Parque Arauco** and **Desarrolladora**.



Core Real Estate Investment Vehicle: An investment structure focused on acquiring stabilized, high-quality real estate assets located in established areas, with low-risk tenants and long-term lease contracts.
Mixed Real Estate Investment Vehicle: An investment structure that combines investments in Core assets with higher-risk, higher-expected-return assets, such as Value-Add projects (requiring improvements) or even real estate developments.

Assets Under Management Insurance Companies

Insurance companies exhibit **strong investment appetite and a structural need to deploy capital in the coming years**, driven by the growth of their long-term liabilities and the search for assets that enable duration matching, generate stable returns, and diversify portfolios. This dynamic suggests sustained pressure to allocate capital into eligible assets, particularly within real estate and infrastructure segments.

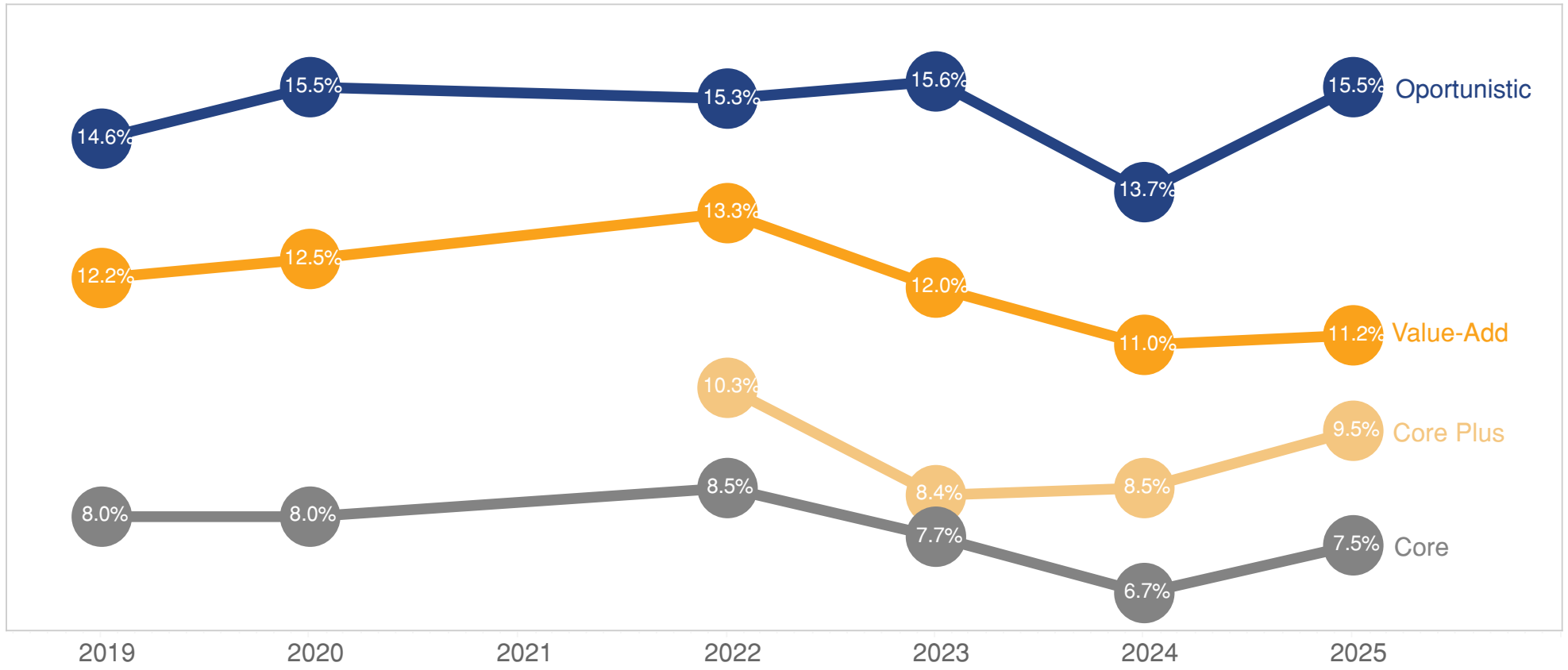


It is important to note that **part of AUM** reported by insurance companies is recorded at **cost**, which may **understate its actual economic value** compared to a **market-value** measurement.

Source: Publicly available financial statements from the Superintendence of Banking and Insurance (SBS).

Annual Return Expectations IRR

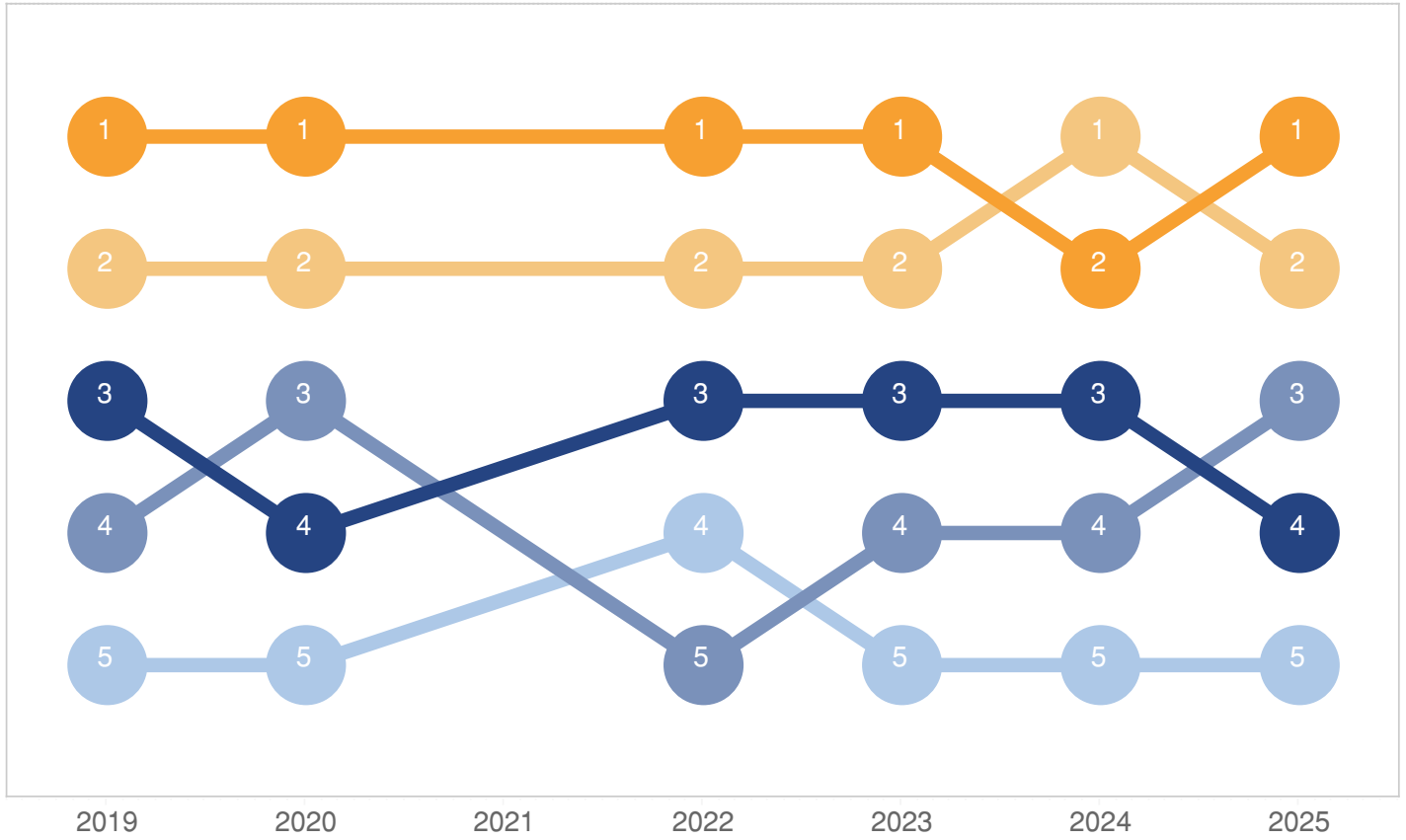
The responses reflect expected long-term returns, understood as the minimum return threshold that an investment vehicle must offer to justify its inclusion in a portfolio. This benchmark serves as a reference for relative attractiveness compared to other investment alternatives and is measured in net return terms, allowing for a more accurate assessment of the vehicle's ability to generate sustained value over time.



Note: The information source is an annual survey conducted by LOGAN and directed at institutional investors in the real estate sector.

Manager Selection Criteria Ranking

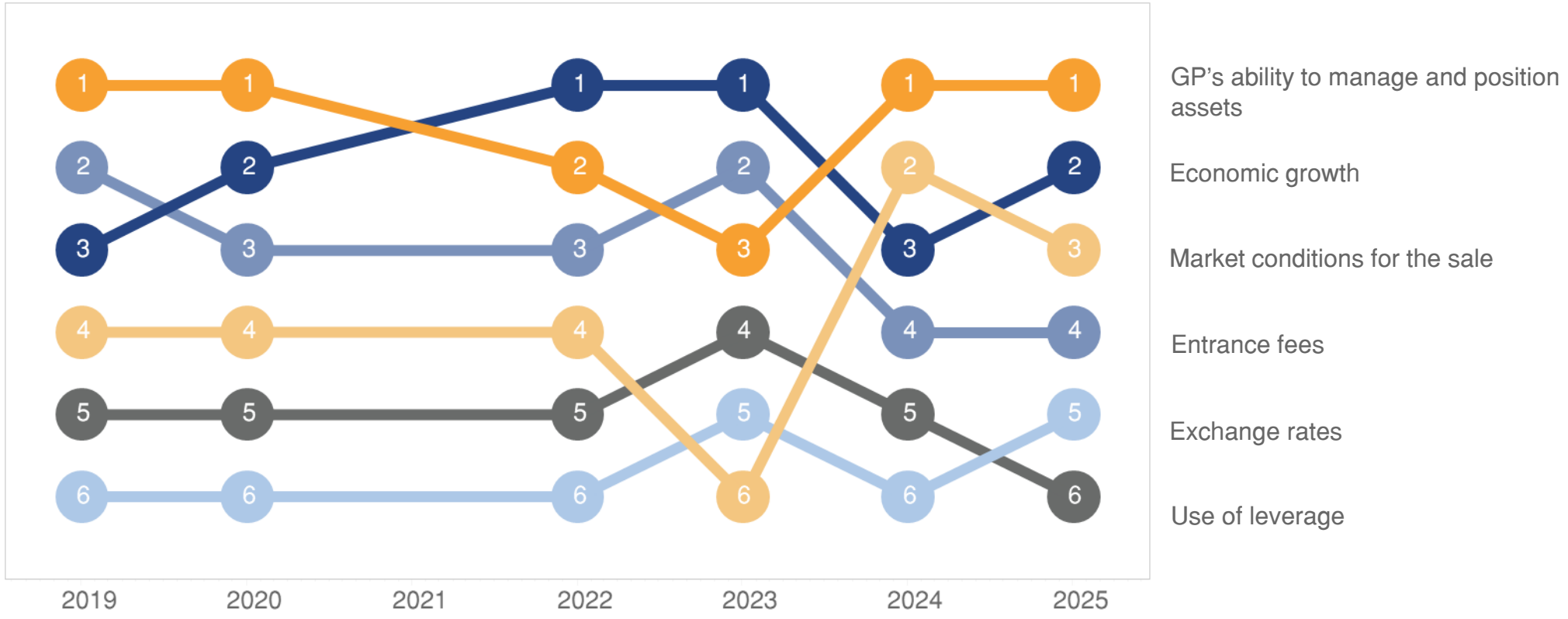
The chart shows that **institutional investors consistently prioritize track record, operational capabilities, and the quality of the management team**, reflecting a disciplined approach grounded in confidence in execution. In this context, managers with a **proven history and robust operating structures** have a **clear advantage in capital raising**, while other factors play a complementary role.



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Drivers of Fund Performance Ranking

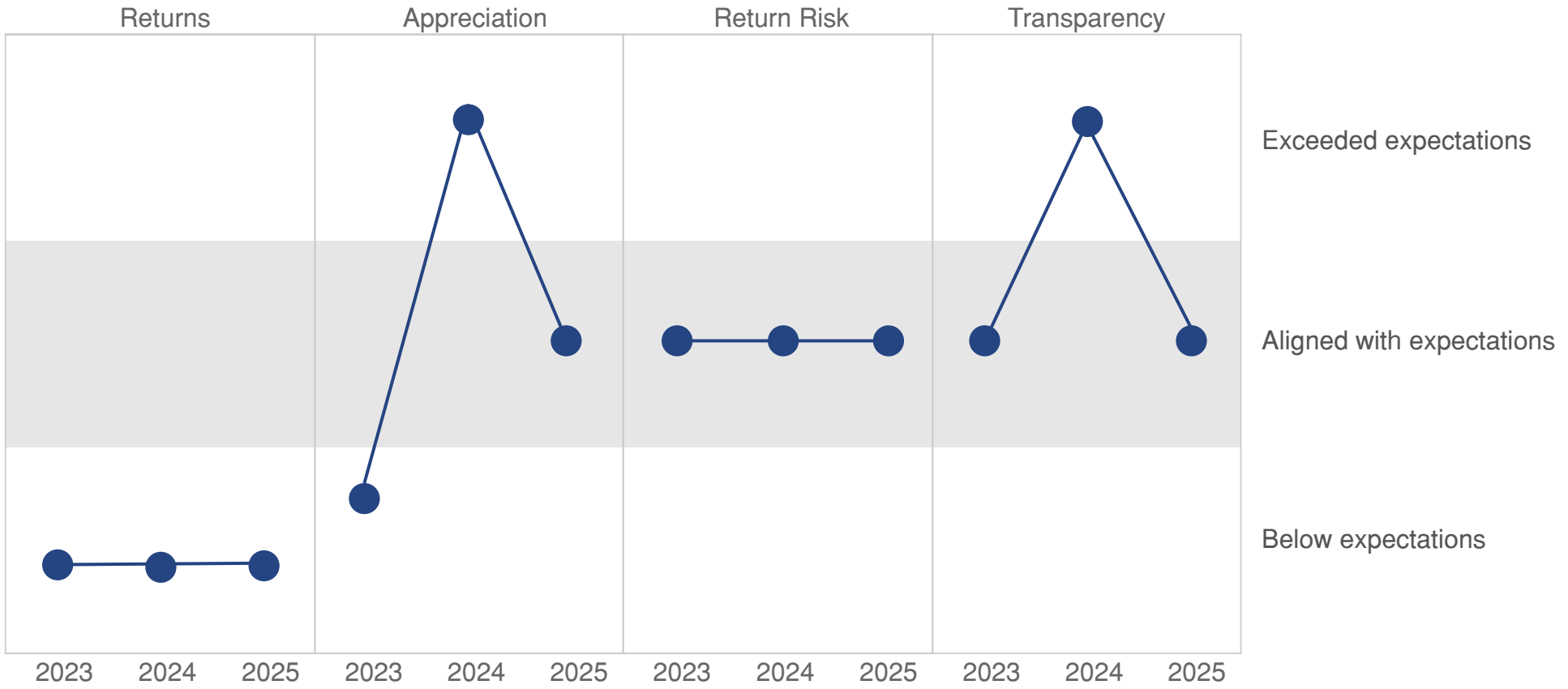
The chart indicates that institutional investors consistently prioritize **managers' ability to manage and position assets**, reinforcing **long-term relationships** built on **trust, execution, and strategic alignment**. In this context, the most relevant factors strengthen stable relationships between institutional investors and managers, while macroeconomic and financial variables play a complementary role in the decision-making process.



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Investment Experience

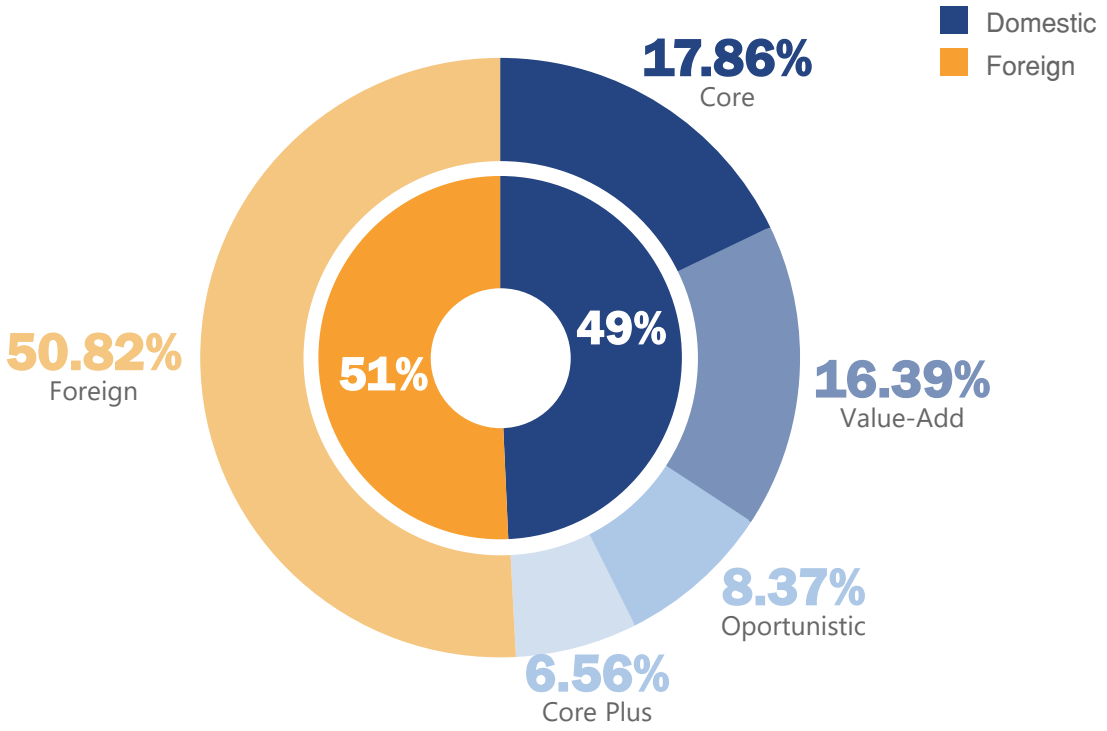
Perceived **returns** remain **below expectations**, primarily because of market adjustments in recent years. This behavior reflects a **transitional environment** in which investors are beginning to anticipate **improved conditions ahead**, following the observed price correction. While managers' **transparency** remains aligned with expectations, the **limited availability of standardized public information** in the market constrains comparability, reinforcing the **importance of manager reporting and governance** in the decision-making process.



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Domestic and Foreign Real Estate Investment Allocation

The chart highlights a **structural preference among institutional investors for foreign real estate investment**, supported by **superior risk-adjusted returns, greater market depth, and the ability to execute larger-scale investments**. Exposure to the local market is explained primarily by **regulatory constraints**—particularly in the case of pension funds (AFPs)—therefore, domestic real estate investment plays a **complementary role** within the overall portfolio strategy.



Note: The information source is an annual survey conducted by LOGAN and directed at institutional investors in the real estate sector.

Net Capitalization Rate

Survey results show that the **industrial–logistics sector** continues to be the primary focus of investor interest, reflected in **cap rate compression** supported by strong demand fundamentals and cash flow stability. In parallel, the **office market** is showing signs of **recovery**, leading managers to identify **selective investment opportunities** in the coming years, particularly in higher-quality assets.

		2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		8.58%	8.74%	8.88%	8.52%	-36 bps	↓
Retail		9.05%	8.90%	8.25%	8.07%	-18 bps	→
Industrial		8.24%	8.03%	8.61%	7.97%	-64 bps	↓
Lodging & Hospitality		9.89%	10.07%	11.50%	nd	nd	→
Multifamily for Rent		8.17%	8.01%	8.25%	7.50%	-75 bps	→
Healthcare		8.50%	8.82%	8.54%	8.32%	-22 bps	↓

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Internal Rate of Return

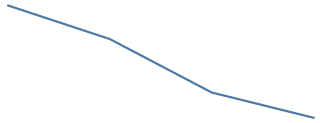
In the **healthcare real estate market**, improved returns are driven by **growing structural demand** and a **significant infrastructure deficit**, within a market dominated by insurance companies that limits the entry of new investors. Meanwhile, the **retail market** shows a gradual recovery, supported by **stronger consumption** associated with **improved economic conditions** and **greater political stability**.

		2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		10.49%	11.01%	10.88%	10.49%	-39 bps	
Retail		11.30%	11.33%	10.20%	10.19%	-1 bps	
Industrial		10.85%	10.63%	9.81%	10.09%	+28 bps	
Healthcare		10.50%	10.14%	10.50%	10.22%	-28 bps	
Lodging & Hospitality		12.86%	11.13%	13.50%	nd	nd	
Multifamily for Rent		10.00%	11.01%	11.88%	10.63%	-125 bps	

Note: The information source is an annual survey conducted by LOGAN and directed at institutional investors in the real estate sector.

Real Market Rent Growth

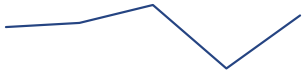
Survey results indicate **positive expectations for real rental growth**, particularly in the **prime office market**. This outlook is supported by the **gradual stabilization of vacancy rates** and a **sharp slowdown in new project development**, which could create a **favorable supply–demand imbalance**. In this context, demand for prime space is expected to gradually outpace available supply, driving **rent increases in the coming years**.

		2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		0.85%	0.53%	0.95%	0.89%	-6 bps	
Retail		1.09%	1.35%	1.02%	1.15%	+13 bps	
Industrial		1.69%	1.21%	0.44%	0.08%	-36 bps	
Healthcare		1.10%	0.61%	0.67%	0.00%	-67 bps	
Lodging & Hospitality		0.76%	0.54%	nd	nd	nd	
Multifamily for Rent		1.30%	1.23%	0.70%	0.38%	-32 bps	

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Development Internal Rate of Return

Development returns continue to reflect the inherent **risk of the construction phase**. However, in the **office sector**, **downward adjustments in IRR expectations** are observed, associated with **improved market visibility and greater certainty in absorption and exit projections**.

		2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		14.68%	14.63%	12.00%	11.44%	-56 bps	
Retail		13.69%	14.53%	11.57%	13.68%	+211 bps	
Industrial		13.66%	13.00%	12.30%	12.60%	+30 bps	
Multifamily for Rent		13.27%	14.28%	11.38%	12.00%	+62 bps	
Healthcare		11.83%	13.14%	nd	10.25%	nd	

Note: The information source is an annual survey conducted by LOGAN and directed at institutional investors in the real estate sector.

Glossary

AUM (Assets Under Management):
This corresponds to the gross value of assets, taken from the Financial Statements under the heading Investment Properties.

Market Rent Growth:
Percentage that measures the average annual increase in rental prices of a property or sector, based on market values, over inflation for the next 5 years.

Core Strategy:
The Core real estate strategy focuses on stable, well-located assets with long-term leases, prioritizing security and steady cash flows over high returns.

Core Plus Strategy:
This is a strategy of investing in high quality properties located in consolidated markets, which generate stable income, but with an additional risk component with respect to core, since they require management improvements, maintenance or repositioning to increase their profitability.

Opportunistic Strategy:
The opportunistic real estate strategy seeks high returns by assuming greater risk, investing in developments, distressed assets or assets in great need of transformation.

Valued Add Strategy:
The value-add strategy in real estate focuses on assets that already generate income but require improvements, such as remodelling or management changes, to increase their value and profitability.

Herfindahl-Hirschman Index (HHI):
A measure of market concentration obtained by adding the squares of the shares of each player. A high value indicates greater concentration and less competition.

Nearshoring:
Strategy to relocate production processes to countries close to the final consumer market. Increased demand for industrial and logistics assets.

Risk Prime:
Percentage difference representing the additional return expected from investing in a riskier asset or project versus a less risky one. In real estate, it can be measured, for example, as the difference between the IRR of Development and the IRR of a stabilized asset.

Net Capitalization Rate (Cap Rate):
Percentage that measures the annual profitability of a property, calculated by dividing its Net Operating Income (NOI) by its market value or acquisition price.

Internal Rate of Development (IRR of development):
Percentage that measures the average annual profitability of a real estate project from its development stage to its sale or stabilization, considering all cash flows and the initial investment.

Internal Rate of Return (IRR):
Percentage that measures the average annual return on an investment, considering all future cash flows and its initial value, where the net present value equals zero.

LOGAN Valuation is an appraisal and consulting firm specializing in institutional real estate assets in Latin America. With a presence in six countries and a certified team (MAI, RICS), we offer rigorous technical analysis, market research and strategic advice for investment decisions. Our work spans multiple asset classes and combines regional reach with in-depth knowledge of each local market.

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