TERRA FIRMA GLOBAL

Market Insights Report 2026

Regenerative Real Estate • Climate-Aligned Capital
Family Office & Institutional Opportunity Map

Focus: Family Offices and Large-Ticket Capital
$100 Million – $2 Billion Opportunity Spectrum

Prepared for Project Sponsors, Family Offices
and Institutional Partners

London • Global Network

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1. Executive Summary

This report examines the intersection of regenerative real estate, climate-aligned infrastructure, and large-ticket family office and institutional capital in 2026. It expands the core themes published on Terra Firma Global's Market Insights page and re-frames them through the lens of family offices and allocators capable of writing $100 million to $2 billion tickets — either directly, via clubs, or through co-investment structures.

Key findings:

- Family offices remain significant holders of real assets even as average global allocations have moderated. US family offices in particular continue to show elevated real estate exposure (often 15–20%+). Large single and multi-family offices are actively seeking differentiated, resilient, and increasingly climate-aligned opportunities.
- Deal size sweet spot for sophisticated family offices and clubs has shifted upward. Interest intensity is highest in the $100–500 million range for well-structured regenerative, hospitality, living, and climate-real-asset projects. Tickets of $500 million to $2 billion are feasible via club deals, multi-FO consortia, or institutional co-investment alongside family capital.
- Regenerative and climate-aligned real assets are moving from niche to core consideration for a growing cohort of family offices. Physical risk underwriting, sponsor quality, and measurable outcomes are now table stakes rather than differentiators.
- Capital formation for projects above $100 million increasingly requires a hybrid approach: family office lead or club + institutional LP or infrastructure capital +, where appropriate, catalytic or blended elements.
- Terra Firma Global's network density across family offices, private markets platforms, and real-estate capital positions the firm to originate and structure conversations at these ticket sizes.

The remainder of this report provides the supporting analysis, thematic deep dives, capital structure guidance, and opportunity mapping for sponsors seeking large-scale capital partnerships.

2. Macro Context: Real Estate at an Inflection Point

After a multi-year period of valuation pressure, elevated rates, and constrained transaction volumes, 2025–2026 has marked a clear inflection for many real estate markets. Global direct investment activity has recovered, debt markets have reopened for quality assets, and pricing in several sectors sits 20–25% below prior peaks — creating entry points that sophisticated long-term capital finds attractive.

Family offices, with their longer time horizons and lower liquidity constraints relative to many institutional vehicles, are well positioned to underwrite this environment. The same characteristics that make regenerative and climate-aligned projects more complex (longer hold periods, impact measurement, physical risk analysis) align with the patient capital profile of many large family offices.

Three macro forces are particularly relevant for $100M+ mandates:

1. Repricing and selective distress — Assets that can be acquired below replacement cost or with clear value-add / transition pathways attract family office capital that can hold through operational improvement.

2. Structural demand for resilient living and hospitality — Demographic and lifestyle shifts continue to support well-located, amenity-rich, and increasingly sustainable living and hospitality assets at scale.

3. Policy and capital market support for decarbonization — Regulatory pressure, corporate net-zero commitments, and the growth of climate-dedicated capital create both risk (stranded assets) and opportunity (transition and new-build regenerative projects).

Against this backdrop, the report now turns to the specific behaviour and preferences of family office capital at the upper end of the ticket spectrum.

3. Family Office Capital in 2026 — Allocations, Preferences & Large Tickets

3.1 Allocation Snapshot

Global family office portfolios typically allocate in the low-to-mid teens percentage to real estate, though this masks significant variation. US family offices have shown higher and more persistent real estate exposure, while some European and Asian offices have moderated allocations in recent years. Within alternatives, real estate often sits behind private equity but remains a core holding for the majority of offices that invest in the asset class.

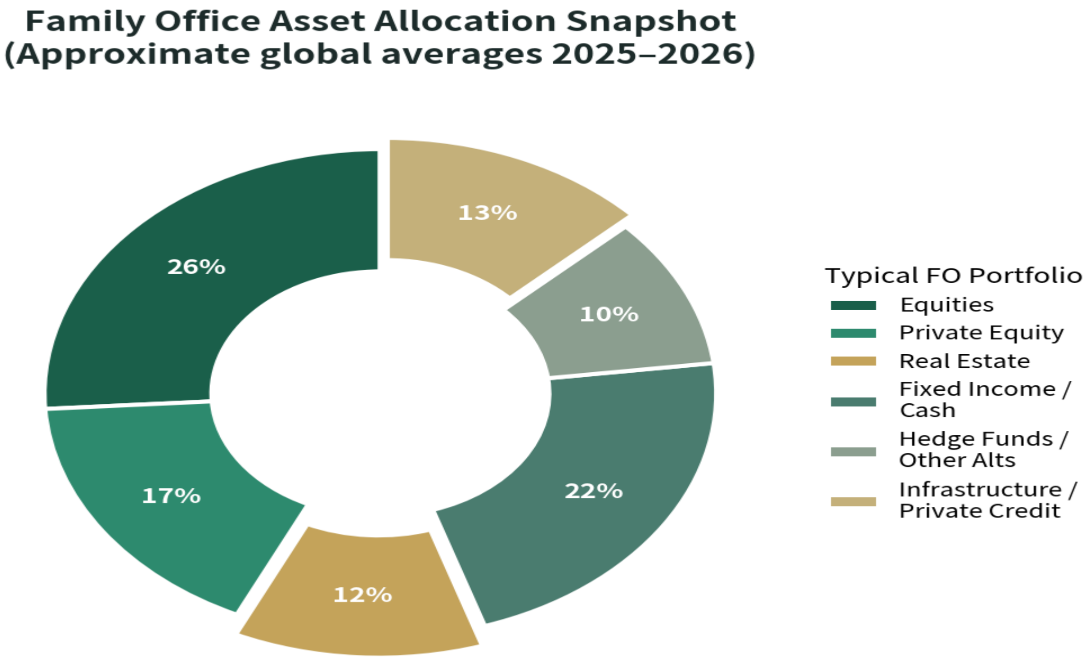

Figure 1: Illustrative Family Office Asset Allocation (global averages, 2025–2026)

Real estate allocations have gradually moderated in aggregate global surveys, yet absolute capital deployed remains large because the overall stock of family office wealth continues to grow. Moreover, many offices that report lower percentage allocations still write significant absolute tickets when the right opportunity appears.

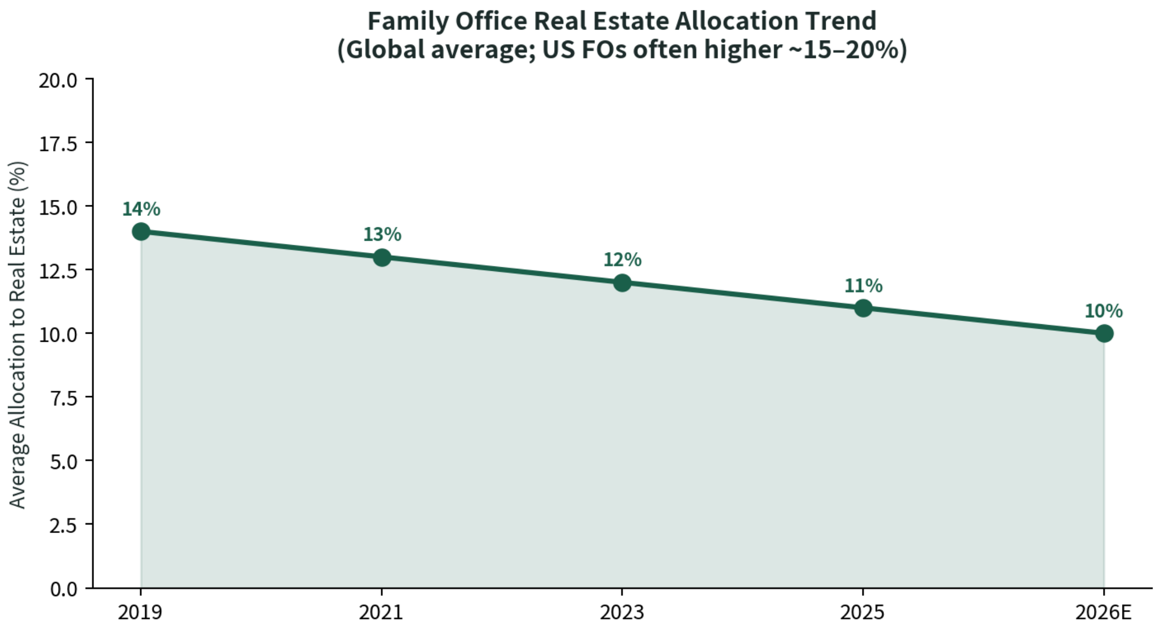

Figure 2: Family Office Real Estate Allocation Trend (global average)

3.2 Deal Size Preferences for Large Family Offices

For family offices capable of $100 million+ commitments, the practical opportunity set differs markedly from the sub-$50 million market. Interest intensity rises meaningfully once deals clear the $100 million threshold, with the $100–500 million band showing the highest concentration of active dialogue. Larger tickets ($500 million–$2 billion) typically require club structures, multi-family-office consortia, or co-investment alongside institutional or infrastructure capital.

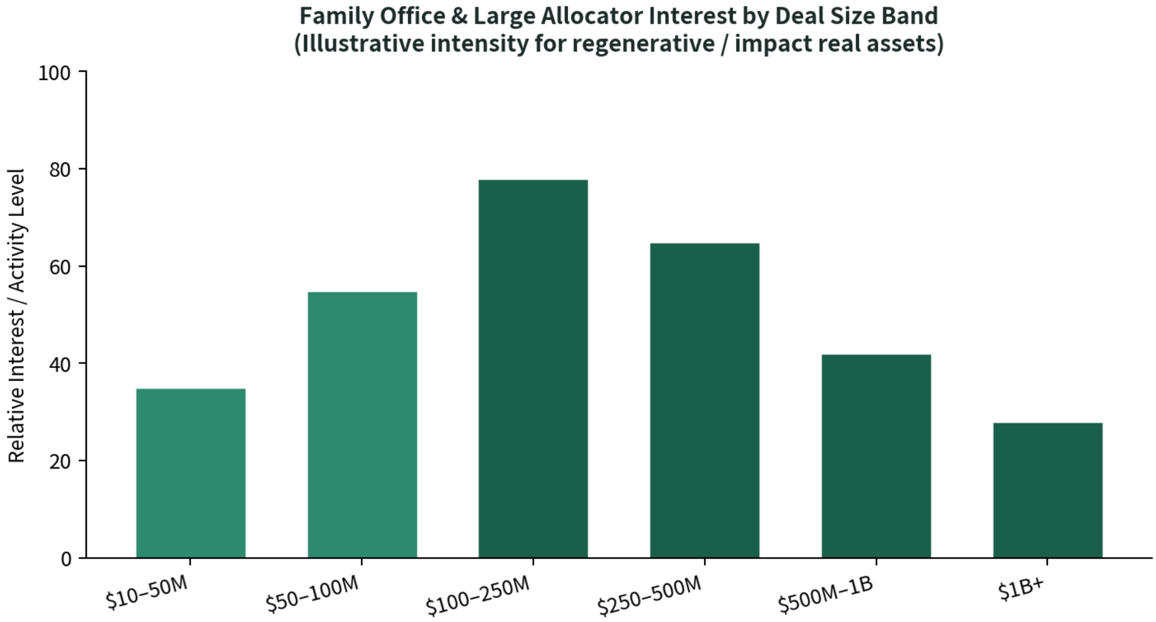

Figure 3: Relative Interest Intensity by Deal Size Band (illustrative for regenerative / impact real assets)

3.3 Underwriting Priorities

Large family offices applying institutional-grade processes to real assets consistently rank the following factors highly: risk-adjusted returns, sponsor quality and governance, physical and climate risk analysis, clarity of exit or liquidity pathway, and alignment with family values or impact objectives. Impact measurement is increasingly expected but rarely compensates for weak financial underwriting.

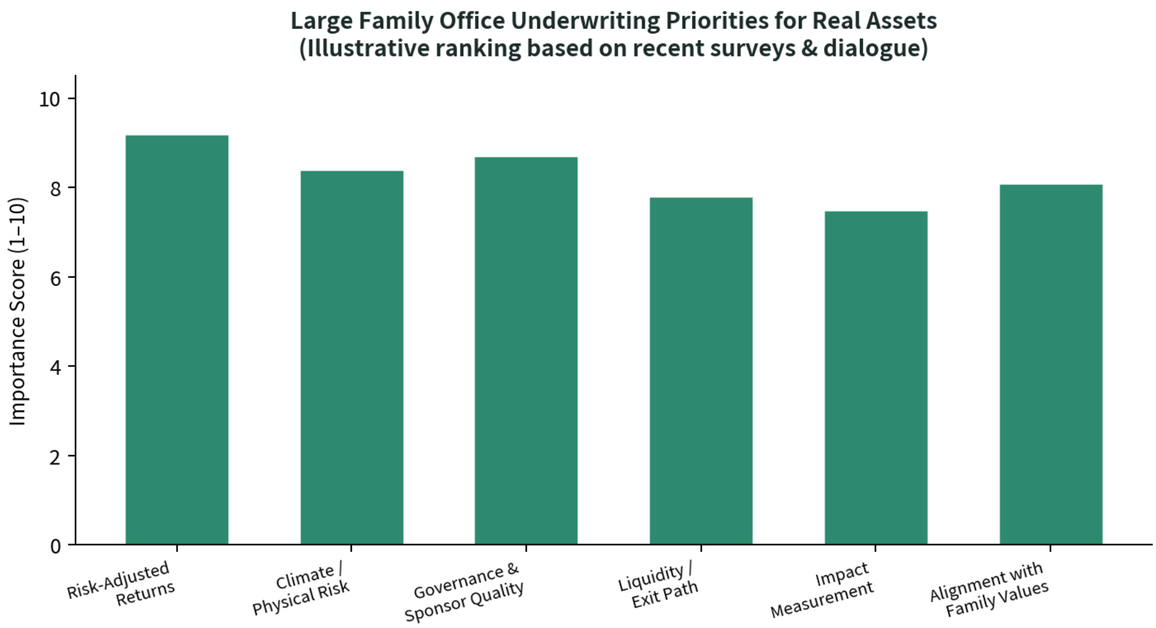

Figure 4: Large Family Office Underwriting Priorities (illustrative ranking)

4. Thematic Deep Dives — Framed for Large Family Office Capital

The following sections expand the original Market Insights themes published by Terra Firma Global. Each is examined through the practical lens of what large family offices and $100M+ capital partners evaluate when considering regenerative, climate-aligned, or impact real asset opportunities.

4.1 Global Urbanization & Resilient Mixed-Use Demand

According to the United Nations World Urbanization Prospects 2025, cities are now home to approximately 45% of the global population of 8.2 billion. The number of megacities (10 million+) has risen to 33, with the majority in Asia. Looking ahead to 2050, the majority of additional population growth is projected to occur in urban areas.

For large family office capital, the urbanization thesis supports long-duration investments in well-located mixed-use, living, and hospitality assets that can serve growing urban populations while incorporating resilience and sustainability features. Ticket sizes of $100–500 million+ are common for multi-asset or large single-asset strategies in major corridors. Key underwriting questions include physical climate risk, infrastructure quality, and the ability to deliver operational excellence at scale.

Implication for sponsors: Projects that can demonstrate clear urban demand drivers, resilience features, and a path to institutional-quality operations are better positioned to attract large family office and club capital.

4.2 Renewable Energy Integration & Net-Zero Pathways

Net-zero and high-performance buildings continue to attract premium capital. Market estimates for the broader green building sector and the more specific net-zero energy buildings segment show robust multi-year growth, with net-zero related activity expanding at double-digit CAGRs in many forecasts. Corporate and regulatory decarbonization targets are accelerating both new-build specifications and retrofit cycles.

Large family offices increasingly treat energy performance and transition risk as core underwriting inputs rather than ESG add-ons. Assets with clear pathways to significant energy-use intensity reduction, on-site or contracted renewables, and credible net-zero roadmaps are preferred. For $100M+ tickets, the ability to demonstrate both financial returns and measurable carbon outcomes is becoming a practical requirement.

4.3 Low-Carbon Materials & Mass Timber / CLT

Cross-laminated timber (CLT) and mass timber more broadly continue to scale as structural alternatives to concrete and steel in mid-rise and selected higher applications. Market forecasts for CLT show strong growth (often mid-teens CAGR) through the end of the decade, driven by embodied carbon advantages, construction speed, and evolving building codes.

For family office capital at scale, mass timber projects offer a tangible regenerative narrative combined with potential construction and carbon advantages. The practical challenge is execution risk and the still-maturing supply chain in many markets. Sponsors who can de-risk delivery (experienced contractors, secured supply, proven design teams) improve their ability to attract large tickets.

4.4 Affordable & Workforce Housing at Scale

Persistent affordability gaps in major cities continue to drive policy attention and selective institutional and family office interest in scalable workforce and affordable housing strategies. Large family offices that engage in this sector typically do so through platforms or multi-asset strategies rather than single small projects, pushing ticket sizes into the $100 million+ range for meaningful exposure.

Successful approaches often combine patient capital, operational expertise, and, where available, policy or blended-finance support. Purely commercial family office capital will still underwrite primarily on risk-adjusted returns; impact alignment is additive rather than primary.

4.5 Luxury & Lifestyle Real Estate

Prime and luxury real estate remains an active allocation for many family offices, particularly those with existing lifestyle or hospitality interests. International buyer demand, portfolio diversification motives, and the desire for tangible assets that also deliver personal or family utility continue to support the sector. Large tickets are common for trophy or multi-asset lifestyle portfolios, resort platforms, and branded residential.

Regenerative or sustainability features are increasingly expected even in the luxury segment. Family offices that once viewed “green” as optional now frequently require it as baseline for new commitments, especially in hospitality and residential.

4.6 Community & Impact Investing

Impact-oriented capital continues to grow in absolute terms, with real assets (including infrastructure and real estate) representing a material share of impact fundraising. Family offices vary widely in how formally they integrate impact: some maintain dedicated impact sleeves, others simply prefer projects that demonstrably improve community or environmental outcomes alongside returns.

For $100M+ regenerative projects, the most successful capital raises typically lead with financial underwriting and treat impact as a reinforcing narrative rather than the primary investment thesis. Clear, measurable outcomes (jobs, housing units, carbon, biodiversity, etc.) help, but they rarely substitute for sponsor quality and return credibility.

4.7 Smart Buildings & Operational Efficiency

Connected-building technologies and operational efficiency tools continue to penetrate both new and existing stock. For large family office underwriting, the practical value lies in demonstrable improvements to net operating income, tenant experience, and future-proofing against regulatory or market shifts. Technology is rarely a standalone thesis at the $100M+ scale; it is an enabler of better operations and resilience.

4.8 Carbon Targets, Retrofits & Transition Assets

The retrofit and transition opportunity is substantial. A large proportion of existing commercial and residential stock requires material upgrades to meet emerging performance standards and corporate net-zero pathways. Family offices with the ability to underwrite operational complexity and longer hold periods are natural capital partners for well-structured transition strategies.

Ticket sizes for meaningful multi-asset or large single-asset retrofit platforms frequently fall in the $100–500 million+ range. Success depends on accurate baseline data, credible intervention pathways, and experienced operators.

4.9 Selective Digital Assets & Tokenization

Tokenization of real estate remains an emerging rather than mainstream channel for large family office capital. While forecasts for tokenized real estate growth are ambitious over the coming decade, most large family offices still prefer traditional ownership and governance structures for material commitments. Selective use cases (fractional access for next-generation family members, improved secondary liquidity in specific vehicles, or operational efficiency in administration) may gain traction, but they are unlikely to displace conventional structures for $100M+ core or core-plus allocations in the near term.

5. Capital Sources & Structures for $100M–$2B Mandates

Large regenerative and climate-aligned real asset projects rarely fund from a single source. The most successful capital stacks at the $100 million to $2 billion scale combine family office capital with complementary institutional, strategic, or catalytic elements.

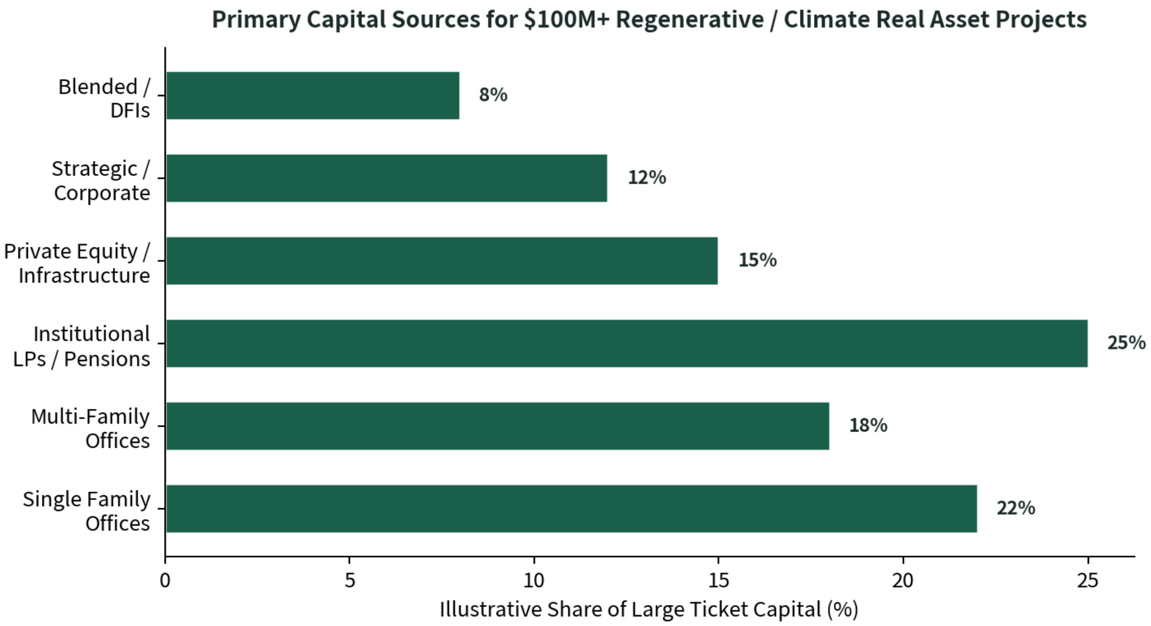

Figure 5: Illustrative Primary Capital Sources for $100M+ Regenerative / Climate Real Asset Projects

Common structures include:

- **Single Family Office lead + co-investors** — One sophisticated FO anchors and brings additional family or institutional capital.
- **Multi-Family Office club** — Several FOs of similar scale form a club for a specific project or platform, often with a shared advisor or operator.
- **Family Office + Institutional LP / Infrastructure fund** — FO provides flexibility and speed; institutional capital provides scale and process rigor.
- **Blended structures** — Where development or impact risk is higher, catalytic or DFI capital may sit in a junior or first-loss position to improve the risk-return profile for commercial family office capital.

Terra Firma Global’s role in these structures is typically to originate the relationship, help shape the narrative and materials for large-ticket audiences, and facilitate introductions to the appropriate family office and institutional relationships within its network.

6. Investment Implications & Opportunity Map

For project sponsors targeting family office and large institutional capital in the $100 million to $2 billion range, the following characteristics consistently improve the probability of serious engagement:

Scale & Structure — Clear path to $100M+ equity or enterprise value. Preference for platforms, multi-asset strategies, or large single assets over small one-off projects.

Sponsor Quality — Track record, alignment of interest, governance, and operational capability are scrutinized intensely at this ticket size.

Risk-Adjusted Returns — Credible underwriting with transparent assumptions. Impact and regenerative attributes reinforce but do not replace return expectations.

Climate & Physical Risk — Explicit analysis of transition and physical risk, with mitigation or adaptation plans where relevant.

Exit / Liquidity Pathway — Even patient capital wants to understand how and when capital can be returned or recycled.

Narrative Coherence — A clear, professional story that connects the asset, the team, the market, and the capital structure without overstatement.

Projects that meet these criteria and sit at the intersection of regenerative design, resilient locations, and professional execution are best positioned to access the family office and large-ticket capital that Terra Firma Global engages.

7. Terra Firma Global Positioning

Terra Firma Global operates as a boutique advisory and capital introduction platform focused on regenerative real estate, sustainable hospitality, and climate-aligned real assets. The firm’s network includes material density across family offices, private markets platforms, and real-estate capital decision-makers.

For sponsors seeking capital in the $100 million to $2 billion spectrum, Terra Firma’s value lies in:

- Access to senior relationships at family offices and platforms capable of large tickets or club participation.
- Experience positioning regenerative and impact-aligned projects for sophisticated capital that underwrites primarily on risk-adjusted returns.
- Ability to help structure conversations and materials appropriate to the governance and diligence expectations of large family offices and institutional co-investors.

Engagement is typically structured on a retainer plus success-fee basis. Optimal project characteristics include credible sponsorship, clear market demand, and a genuine regenerative or climate-aligned thesis that can withstand institutional scrutiny.

To discuss capital pathways for projects in the $100M–$2B range

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8. Appendix & Sources

This report draws on publicly available data and research from sources including the United Nations World Urbanization Prospects 2025, JLL, Morgan Stanley, Preqin, PitchBook, UBS Global Family Office reports, ANREV/INREV capital raising surveys, MarketsandMarkets and other market research on mass timber and green buildings, Global Wellness Institute, and industry dialogue. Figures on family office allocations and deal-size preferences are illustrative composites based on recent surveys and market observation; individual family offices vary significantly.

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