Come Together: Why corporate consolidation is redrawing the real estate map

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Part one of a four-paper series on corporate transformation and its real estate consequences.

After three lean years, the deal market has rediscovered its ambition, and 2026 is shaping up as the age of the megadeal – bigger transactions, bolder buyers, and a wave of consolidation that will reshape corporate footprints for the rest of the decade. For corporate real estate leaders, the question is not whether the gravity of M&A reaches your portfolio, but whether you feel it early enough to act – or discover it only once you have already been moved.

Five Key Themes

01

The megadeal is back, and real estate is in its path

Global deal value is heading toward $4tn in 2026, the strongest year since 2021 – and every wave of consolidation eventually lands on the built environment as space to merge, shed, relocate or build.

02

Timing is everything, and CRE is usually late

Almost 40% of CRE leaders are brought into strategy too late to shape it. In an M&A context, lateness is where value leaks and options quietly expire.

03

Not all deals pull the same way

The transformational merger, the capability acquisition and the take-private buy-and-build each exert a difference force on the portfolio – and each demands a different real estate response.

04

Property is capital, not just cost

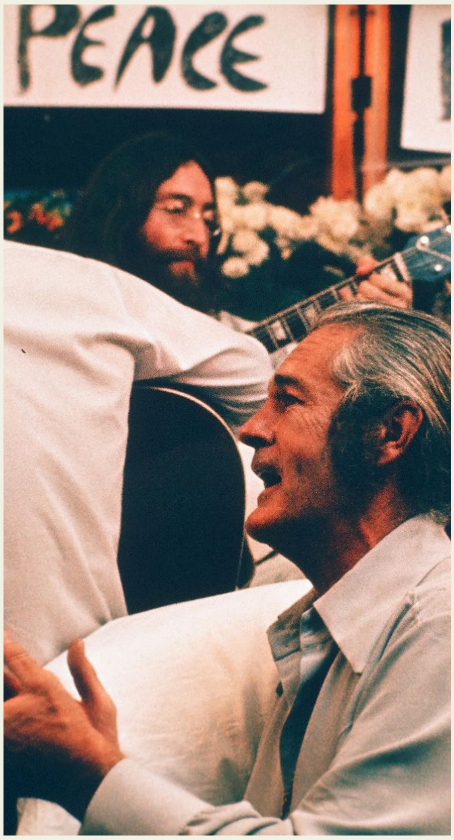
Handled early, real estate can shape deal economics – through sale and leaseback, option-rich terms and evidenced right-sizing – rather than being tidied up after the fact.

05

Integration is where deals succeed or fail

Roughly 60% of roll-ups miss their synergy targets within two years, and real estate is a frequent site of that leakage. Readiness, data and optionality are the antidote.

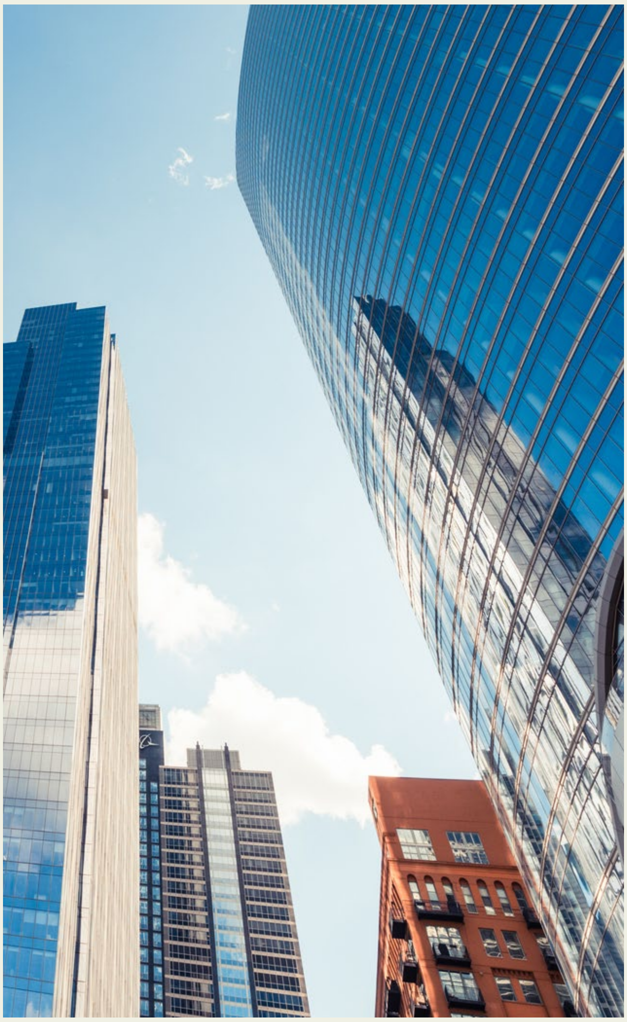
Come together – the anatomy of the pull



Every era of transformation has its signature force. In an earlier edition of Talking Points, we wrote about corporate fissure – the tectonics of companies breaking apart under strategic and financial stress. This paper is about the opposite motion: the gravitational pull of companies coming together, and the way that pull wraps the real estate story around it. Large companies, once they begin to move toward one another, bend the real estate, the workforce and the operating model in their orbit. The art, for the CRE leader, is not to resist a force that always wins in the end, but to ready it early and choose the orbit – to help decide how the coming together happens on the ground, rather than clearing up after it.

There is a story in how that pull gets its name. In 1969, John Lennon sat down to write a campaign song. Timothy Leary, the counter-culture figure, was mounting a quixotic run for Governor of California against Ronald Reagan, and his slogan was simply "Come together, join the party."

Lennon took the commission, tinkered with it, and produced a rough jingle. Then Leary was arrested, and the campaign collapsed – but the fragment Lennon had built refused to die. He reworked it, slowed it to a swampy, insistent groove, stripped the meaning back until the lyric was almost pure texture, and what had begun as a political throwaway became the opening track of Abbey Road, one of the most recognisable songs The Beatles ever recorded. The title outlived the purpose for which it was written. What endured was the idea underneath it: disparate things, under enough pull, coming together into something greater and stronger than its origins. It is a surprisingly good description of a merger – where the financial language of synergy and accretion tends to obscure what is actually happening on the ground: two organisations, two cultures, two estates, written for different purposes, being asked to function as one, with the parts that endure rarely the ones anyone planned at the outset.



There is little doubt that M&A activity is a defining feature of the current corporate landscape. The numbers tell a clear story, and it is an emphatically global one. Bain & Company reports that global M&A rose 40% to US$4.9tn in 2025 – the second highest annual total on record – before surging a further 41% year-on-year in early 2026. The defining feature is concentration: LSEG counted 47 deals worth more than US$10bn in the first half of 2026, together worth US$1.3tn and accounting for close to half of all global deal value, even as the overall deal count fell around 9% to a six-year low of roughly 24,000.

This is a 'K-shaped' market: fewer transactions, but far larger ones, as conviction concentrates capital into a smaller number of decisive moves. When a market behaves this way, the effects on the built environment are not marginal. A single megadeal can put dozens of buildings into play at one – headquarters to rationalise, regional offices to merge, industrial sites to consolidate or divest – and it does so on a timetable set by the deal, not the property team.

Nor is this a purely American phenomenon. Europe is experiencing its strongest dealmaking cycle in years: M&A across Europe, the Middle East and Africa reached US$676bn in the first half of 2026, more than double the comparable level a year earlier and the strongest first-half performance in 19 years, with the UK a particular outlier as offers for British companies exceeded US$231bn by late June. The signature transactions are cross-border and consolidation-led – from Unilever's roughly US$654bn combination of its food business (Hellmann's, Knorr) with McCormick, to Finland's Kone acquiring TK Elevator in a deal valued at around US$34bn. The message from boardrooms on both sides of the Atlantic is the same: remaining mid-sized has come to feel like the greater risk.

Because not every deal exerts the same pull, this paper takes the three dominant forms of consolidation in turn. Each brings a different strategic logic, a different real estate dynamic, and a different core risk – and each rewards a different response from the team that stewards the estate.

Scenario 1: The Binary – two bodies, one system

The first and most visible form is the transformational merger of equals or near-equals — two large organisations of comparable mass drawn together in pursuit of scale, market leadership and cost synergy. In astronomical terms it is a binary system: two suns collapsing toward a shared centre of gravity, with everything in their orbit forced to rearrange around the new mass. The Unilever–McCormick food combination is a textbook example of the type — two profitable, globally branded businesses joining to create a more focused whole. For real estate, the binary creates the largest and most conspicuous redundancy problem in the M&A repertoire. Two headquarters become one. Overlapping regional offices, back-office hubs and customer-facing sites sit within commuting distance of one another. The instinct — and the mistake — is to start cancelling leases on day one. The discipline is to let strategy precede transactions: to decide where the combined talent pools actually sit, what the HQ and satellite architecture should be, and only then to act on the property. With global office utilisation still hovering around half of capacity even at its post-pandemic peak, the redundancy in a merged portfolio compounds quickly, and the case for right-sizing to genuine, evidenced demand becomes overwhelming.

But the binary carries three watch-outs that CRE leaders should raise before the ink dries. The first is identity and culture — a new combined entity has to signal what it now stands for, and defaulting to the larger partner's building can quietly cost you the acquired firm's best people. The second is the lease and covenant re-rating that follows any change of control: many commercial leases contain change-of-control clauses that deem a merger, or a sale of more than half the equity, to be an assignment, triggering the landlord's consent rights — and across an estate of dozens of locations, landlords can use that leverage to extract above-market rent concessions, delay the closing, or in the worst case force a reduction in the purchase price. The third is data — you cannot consolidate what you cannot see, and merging two portfolios that each measure utilisation differently, if they measure it at all, is where integration timelines quietly slip.

The CRE playbook for the binary scenario

Get into diligence, not just integration
Push to review the target's lease portfolio before signing, so change-of-control triggers, recapture rights and consent conditions are priced into the deal rather than discovered after it. A single missed clause across a large estate can move the economics.

Build one reconciled view of both estates
Make a merger register – leases, breaks, owned assets, obligations and, critically, comparable utilisation data – the first integration task. Every downstream decision depends on it, and the most common reason consolidation projects stall is incomplete data.

Sequence around talent, not lease expiry
Decide the go-forward HQ and satellite geography first; act on the property second. Resist the Day-1 urge to cancel the lease that happens to break first.

Treat change-of-control clauses as live levers
Where the combined covenant is now stronger, use it: renegotiate, novate, or exit on better terms. Where landlord consent is required, start those conversations early to avoid becoming the bottleneck to completion.

Make the HQ a statement of the new identity
A neutral or best-in-class hub can be worth more in retention and signaling than the rent a default consolidation would save.

Bank the synergy visibly
Occupancy is one of the clearest, fastest hard savings a merger can demonstrate – but only if it is evidenced by real demand data, not assumed headcount.

Scenario 2: Accretion – capturing the moon

Not every deal is a collision of giants. A large share of 2026's activity is capability-led – smaller, targeted acquisitions of technology, talent and AI, where the buyer is a planet capturing a moon rather than two suns merging. Here, the strategic logic reverses. The value being bought is not scale or cost synergy; it is people, know-how and momentum. And people have their own gravity.

The real estate response to accretion should be light-handed and deliberate. The reflex to fold a nimble acquired team into corporate headquarters 'for efficiency' is the fastest way to destroy the very thing you have paid for. Talent clusters in specific places for reasons – proximity to universities, to specialist labour markets, to an ecosystem of peers – and severing those roots to save a floor of rent is a poor trade. The better move is to treat the acquired location as an asset to be protected in the near term and integrated gradually, with retention, not consolidation, as the first-year objective. The watch-out is the opposite of the binary scenario: not too much redundant space, but too little patience. Accretion rewards restraint.

The CRE playbook for the accretion scenario

Diagnose the location before you touch it
Understand why the acquired team is where it is – the talent ecosystem, the labour market, the identity – before making any footprint decision.

Make retention the first-year real estate KPI
Defer consolidation until the talent is embedded and the value is secured. The cost of losing a founding team dwarfs any near-term rent saving.

Favour proximity over absorption
Where integration is desirable, a nearby satellite that preserves the team’s identity usually beats a desk allocation inside HQ.

Keep the acquired lease flexible
Avoid committing early. Retain the option to scale the space up as capabilities grow or fold it in later on your own terms – optionality is the whole point.

Watch the change-of-control trigger even on small deals
A modest acquisition can still trip a lease’s assignment clause; check whether the acquired team’s premises need landlord consent before you assume continuity.

Treat the acquired workplace as a listening post
A small, high-performing culture can teach the parent as much about how space should work as the parent can teach it.

Scenario 3: Going Dark – the Take-Private and the Buy-and-Build

The third event is the one reshaping the corporate universe most quietly, and the one CRE leaders understand least well. A company leaves the public markets altogether – delisting into private ownership – and then pushes aggressive growth through a sequence of acquisitions. In astronomical terms, it goes dark: it disappears from the lit sky of quarterly reporting and public scrutiny and begins to accrete mass where fewer people are watching.

This is not a fringe play. Take-private activity has reached one of its highest levels on record, and the 'buy-and-build' roll-up has become the dominant private equity strategy – add-on acquisitions now account for roughly three-quarters of all buyouts. The pattern is consistent: acquire a well-positioned platform, take it private, then bolt on a string of smaller businesses to build something worth more than the sum of its parts.

For real estate, going dark changes the weather in three ways. First, governance and cost discipline intensify. Private-equity ownership brings a sharper focus on cash, EBITDA and the balance sheet; every lease, every owned asset and every fit-out is scrutinised for its contribution to the value-creation plan. The upside is that CRE finally gets a seat at the table, where property is understood as capital rather than overhead. This is precisely why the sale-and-leaseback has surged alongside M&A: U.S. sale-leaseback volume rose 18% to around $14.4bn across 714 transactions in 2025, its first year above 700 since 2022, explicitly driven by renewed dealmaking – private-equity buyers use the structure to reduce the upfront equity in an acquisition and to fund follow-on deals. The mechanism is no longer theoretical: Scholastic released around $401m from the sale-leaseback of its New York HQ and a Missouri distribution centre; Asda completed a £568m sale-leaseback of stores and a depot across the UK; and Sotheby's monetised its Manhattan HQ in a $510m deal – each freeing liquidity while preserving operational control.

Second, the portfolio must be built for repeated integration, not a single event. A buy-and-build acquires again and again, so optionality becomes the organising principle: shorter, option-rich leases, modular and reconfigurable space and a live, entity-level register of every freehold, lease and obligation, so the next deal doesn't bottleneck at the door to Facilities.

Third – and least appreciated – there is an endgame. Most take-privates are built to be sold again or re-listed, and a portfolio assembled without that exit in mind can drag on the eventual valuation. The discipline is to run the estate as if a buyer will one day audit every square foot, because one probably will. The risk to flag is sobering. Roughly 60% of roll-ups miss their projected synergies within two years, and integration – not dealmaking – is where the value leaks.

The CRE playbook for the going dark scenario

Reframe the estate as a source of capital on Day #1
Identify owned assets that can be released through sale-and-leaseback to fund the acquisition programme and sharpen the balance sheet – but model the long lease you are signing in return, because you are trading an asset for a multi-decade liability.

Standardise before you scale
Build a repeatable onboarding playbook for each bolt-on's property – lease abstraction, fit-out standards, utilisation benchmarks – so integration becomes a routine rather than a bespoke scramble each time.

Bias the whole portfolio to optionality
Short leases, break clauses, modular space and shared models let the business flex with every new deal. In a serial acquirer, rigidity is the enemy.

Keep one always-current register of every obligation
Across a fast-growing group, property must never become the bottleneck to the next transition – and change-of-control and assignment clauses across the acquired estate need to be surfaced before, not after, the next deal signs.

Run the estate to exit
Clean data, no orphaned liabilities, no over-committed leases. The quality of the portfolio will be tested when the platform is sold or re-listed, so build it to pass the audit.

The CRE playbook at a glance

If the preceding scenarios share a single lesson, it is that there is no universal M&A real estate response – only the right response to the particular force in play. The binary demands discipline and restraint in the face of obvious redundancy. Accretion demands patience and a light touch around fragile value. Going dark demands financial fluency and a portfolio engineered to keep moving. The table below distils each scenario to its essentials – the deal's logic, the dominant pull on real estate, the risk that most often destroys value, and the considerations a real estate leader should bring into the room. It is not a substitute for judgment, but a map of where that judgment matters most.

	Scenario 1 **The Binary**	Scenario 2 **Accretion**	Scenario 3 **Going Dark**
Deal logic	Scale, market leadership, cost synergy	Talent, technology, capability	Value creation via delisting & serial bolt-ons
Dominant real estate dynamic	Large, visible redundancy; two HQs become one	Fragile value tied to place and people	Repeated integration; property as capital
The core risk	Cancelling too fast; culture loss; change-of-control re-rating	Consolidating too soon and losing the talent	Synergy leakage; a portfolio that drags on exit
Key CRE considerations	Review target leases in diligence; reconcile both estates on one data model; use change-of-control as leverage; sequence around talent; make the HQ a statement of identity	Diagnose the ecosystem first; retention before consolidation; proximity over absorption; keel leases flexible; check assignment triggers	Release capital via sale-and-leaseback; standardise onboarding; one live register; run the estate to the exit
Primary CRE objective	Bank evidenced synergies without destroying value	Secure and embed the acquired capability	Fund growth, stay flexible, protect the eventual sale

Whichever event you are caught in, the same handful of moves separate the CRE teams that shape outcomes from those that merely absorb them. Map the field early — keep a live, entity-level register of every freehold, lease, break, obligation and utilisation reading across the estate, before a deal is on the table, because when diligence begins, readiness is influence. *Let strategy precede transactions* — decide the go-forward HQ and satellite architecture and the talent geography first, and act on the leases second; the instinct to cancel on day one is where value is destroyed. *Right-size to evidence, not headcount* — merged portfolios hide enormous redundancy behind assumptions, so use real utilisation data to consolidate toward premium hubs and agile satellites. *Turn property into capital* — sale-and-leasebacks, option-rich terms and disposals can fund the deal and preserve manoeuvrability. *Protect the gravity of talent* — in capability deals, retention beats consolidation. And *build for the next event and the exit* — optionality is the organising principle, because in this market, a future buyer will audit what you build.

Five Key CRE Implications

The return of the megadeal changes not just the shape of corporate portfolios but what is expected of the people who steward them. The implications below set out how that mandate shifts – from cost custodian to value creator – and what it will take to stay ahead of a market that will keep merging, splitting, and rebuilding.

1. Deal-readiness becomes core CRE infrastructure

The single reconciled register of leases, assets, obligations and utilisation is no longer a nice-to-have – it is the price of being in the room when it matters, and the first defence against change-of-control surprises.

2. The CRE mandate shifts from cost control to value creation

In a market where property funds deals through sale-and-leasebacks and shapes synergies, the function's remit expands into capital strategy, diligence and integration leadership.

3. Optionality is a permanent design principle

Shorter leases, break clauses and modular space are the structural response to a corporate world that will keep merging, splitting and rebuilding.

4. Data fluency is the decisive integration skill

The teams that can measure real demand across two or more portfolios on a common basis will right-size with confidence; those that can't will consolidate on assumptions and pay for it.

5. Influence is earned upstream, or forfeited downstream

The through-line of every scenario is timing. The CRE function that inserts itself early shapes the transformation; the one that waits will be moved by it.

The Last Word: Choosing Your Orbit

Every wave of consolidation eventually reaches the built environment. The megadeals being struck in 2026 are, in effect, instructions to the real estate of the next three years – instructions to merge, to shed, to relocate, to build, The CRE leaders who thrive will be those who read the instructions early and treat it as strategy, not clean-up; who see the merged portfolio not as a problem of surplus space, but as a rare moment to remake the estate around how the combined business actually intends to work.

Gravity is not something a portfolio can resist. But it is something a prepared CRE function can navigate – choosing its orbit, conserving its options, and using the pull of the deal to reach somewhere better than where it started. In an age of the megadeal, that is the difference between a real estate strategy that shapes the transformation, and one that is simply shaped by it.

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We like questions; if you've got one about our research, or would like some property advice, we would love to hear from you.

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