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U.S. Tariff Status

December 2025



MARKET INFORMATION

U.S. Tariff Status

As we move toward the end of 2025, broadly applied duties, with increases on goods from several countries, including specific tariffs on products like wood, steel, and aluminum, are in place. The tariffs are intended to boost revenue and leverage trade negotiations, but are facing legal challenges, with the Supreme Court recently hearing oral arguments about the legality of the International Emergency Economic Powers Act (IEEPA), the federal law the President used to impose tariffs. If the tariffs imposed under the IEEPA are eliminated, a complex refund process would be triggered for duties paid on goods entered while the tariffs were in effect. The amount collected by reciprocal tariffs is estimated to already be more than \$100 billion.

Considerations Moving Forward

- **Legal challenges:**

Oral arguments were made on November 5, 2025, on the legality of tariffs sanctioned based on the IEEPA. A decision is expected to be released in early to mid-2025.

- **Trade relations:**

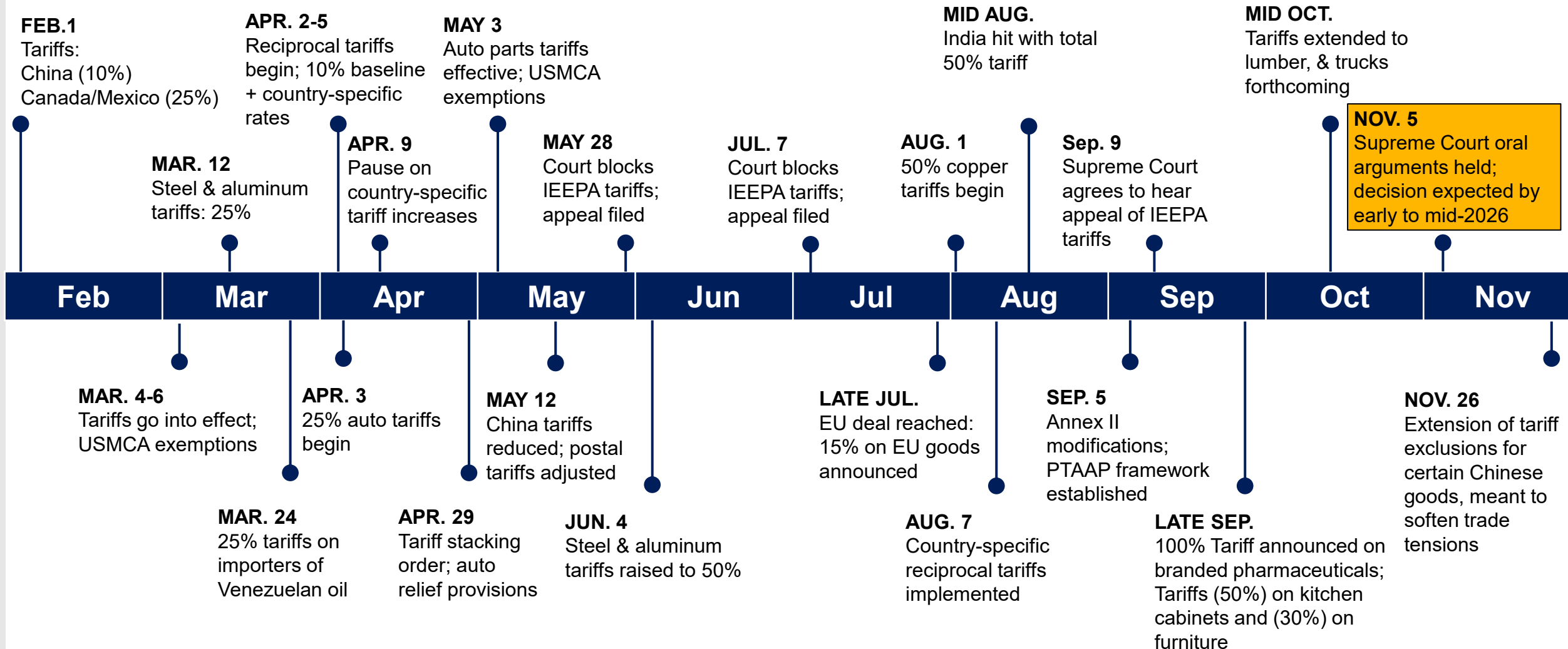
Other countries may retaliate (or retaliate further) with their own tariffs, leading to a cycle of trade disputes.

- **Economic impact:**

As tariffs continue to be imposed, the actual economic effects on U.S. consumers, businesses, and the broader economy, including employment and inflation, are still being understood

- Increased household costs
- Higher input costs for manufacturers for imported materials and components, raising prices and reducing margins
- Supply chain disruption
- Provides incentives for companies to “onshore” production to the U.S.

Tariff Timeline for 2025



Tariffs

Understanding the Tariff Landscape

Tier	Tariff Rate	Typical Countries Affected
Baseline	~ 10%	Broad group – most non-retaliating, non-targeted
Moderate	15 – 25%	EU (~15%), select developing nations
High	25 – 40%	Key targets – Canada (35%), Laos (40%), South Korea (25%)

Key Country Examples

Canada: Tariffs increased to ~35% unless goods are USMCA compliant

Brazil: Originally 40%, reduced to around a 10% tariff

China: After fluctuating policies, it now faces around 34%, pending further changes

European Union: Set at 15% under the new framework agreement

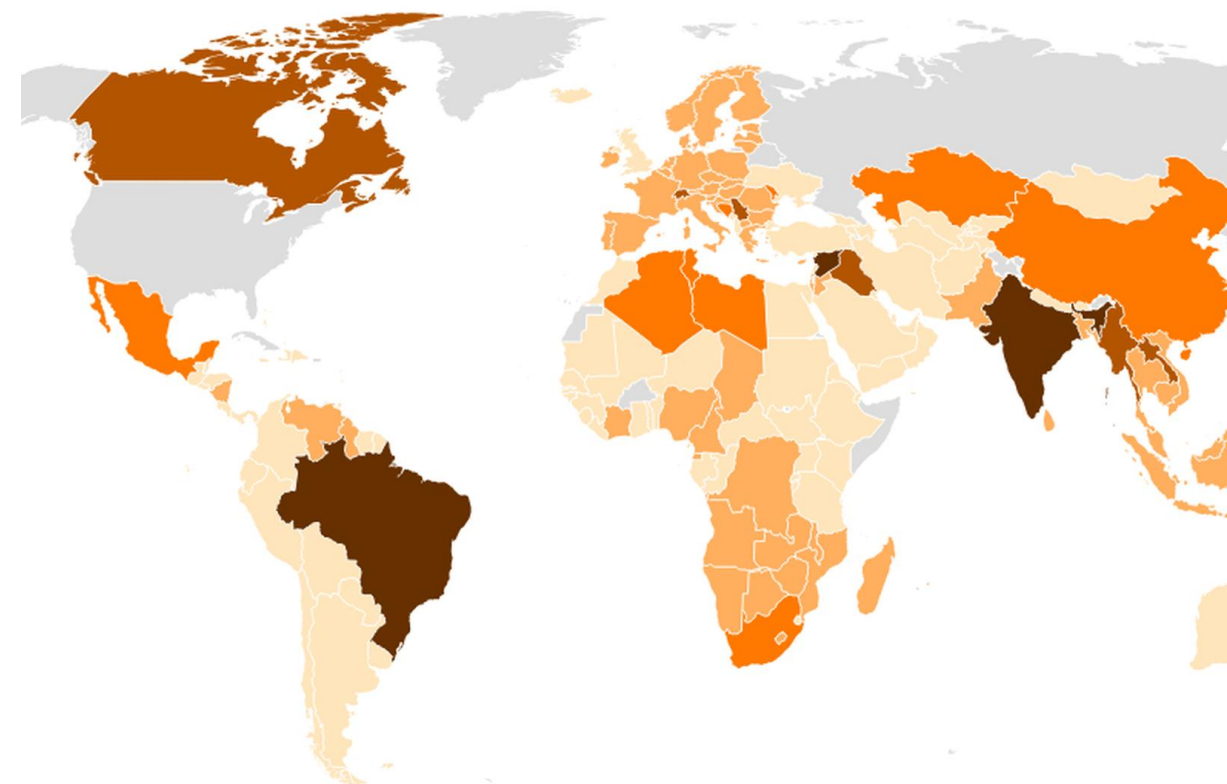
India: Originally 50%, reduced to around 26%

Vietnam: Subject to ~46% tariff

U.S. Reciprocal Tariff Rates

As of August 7, 2025

10% 11-20% 21-30% 31-40% 41-50%

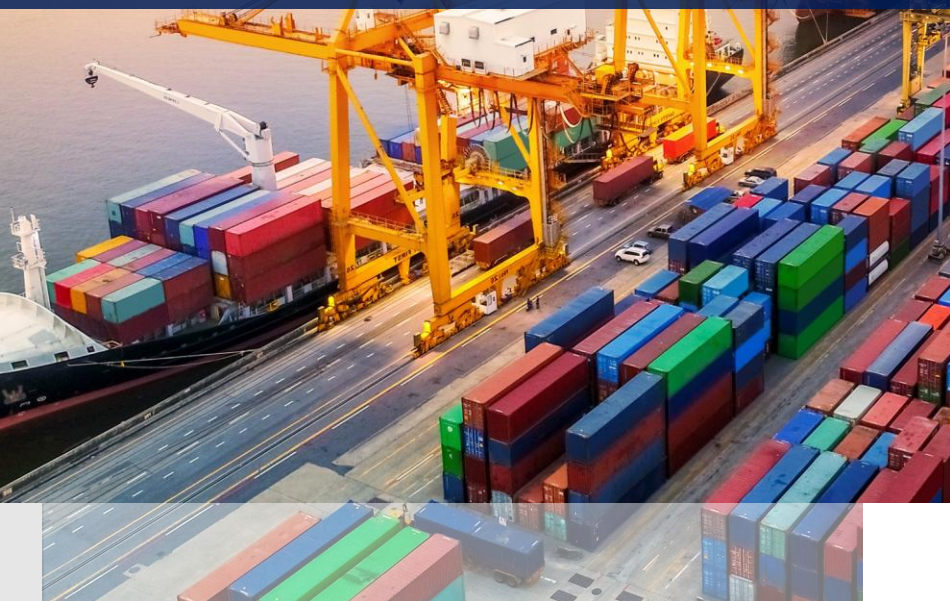


Source: The Guardian, Avalara, Tax Policy Center, The White House, Passport

Note: The reciprocal tariffs for each country is roughly calculated using the formula: Reciprocal Tariff (%) \approx (U.S. – country trade deficit) / (U.S. imports from that country) + 2

Construction Costs

Tariffs are driving up costs and extending timelines for tenant improvements. Factor these risks into lease negotiations and project budgets



CAUSE

EFFECT

Steel & Aluminum Tariffs

Sharp rise in material costs
(15 – 30% share of materials)

Price Increases

Significant year-over-year hikes (2 – 5%) in inputs

Lead Times & Delays

Supply-chain strain is delaying delivery schedules

Project Timelines
& Viability

Investment deferred or cancelled amid uncertainty

Machinery & Equipment

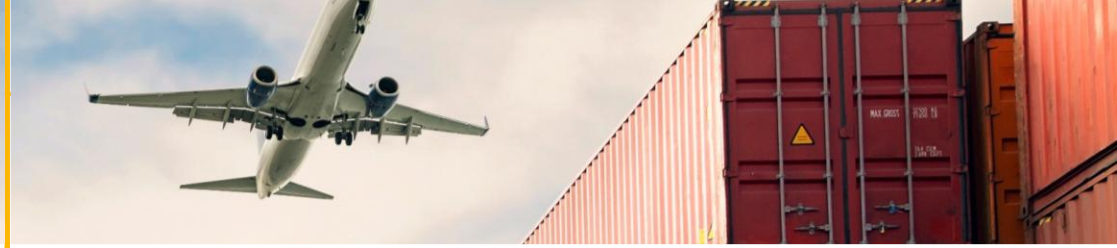
Higher procurement costs & lead times

Contract & Budget Risks

More contingency, allowances, and flexible clauses

Labor Costs (Indirect)

Inflation-driven wage pressure expected



Turn Insight into Action

Whether you're rightsizing your footprint, evaluating a new market, or planning future growth, the right real estate strategy starts with informed decision-making. Cresa's unbiased, data-driven approach ensures occupiers receive guidance aligned with their people, operations, and long-term goals.

Speak with a Cresa advisor today to identify the strategies that support your business now and position you for what's next.

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