MSCI

**Q3 2022**

# Capital Trends

## US Big Picture

**11.1%** YOY price change

**$172.2b** Transaction volume

**-21%** YOY volume change

Deal volume fell for four quarters on a year-over-year basis at the start of the pandemic. A recovery began in 2021 which brought five quarters of growing deal volume. In a sense, the market now moves into part two of the downturn from the pandemic, with deal activity falling from a year earlier in the third quarter of 2022.

The decline in deal activity early in the pandemic was a story of a loss of investor confidence in future income streams for assets. Worries over the ability of tenants to pay rents in the face of a collapsing economy left buyers on the sidelines until moves by the Federal Reserve and the CARES Act put a floor under potential price declines. As those supports are removed, deal volume is again in retreat.

This retreat is not a simple return to the fearful period at the start of Covid-19. Instead, it is a reaction to the higher cost of capital. A rising interest rate environment has pushed the coupon on a 7/10yr fixed rate mortgage from a low of 3.5% in September of 2021 to 5.4% early in the third quarter of 2022. As shown on the following page, cap rates have generally declined over the same time frame, which, when combined with rising costs of financing, limit the benefits of leverage for new acquisitions.

Significant entity-level transactions did close in the third quarter. The privatization of American Campus Communities and PS Business Parks are at the top of the list for entity-level deals, and such sales totaled $21.8b for the quarter. Deals involving individual assets fell 24% from a year earlier in the third quarter, a pace not too different from the activity for the market overall. The sharpest decline for the quarter came from portfolio sales where activity was down 42% from a year prior.

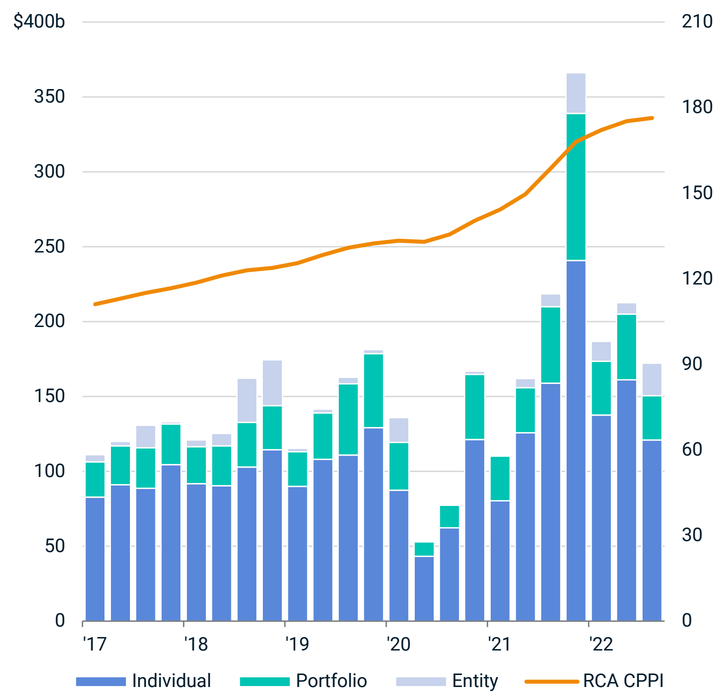
Despite the challenges of rising financing costs and falling deal volume, investment activity was still at an elevated level for the quarter. In the third quarter periods during the five years before the pandemic, deal volume averaged $141.7b.

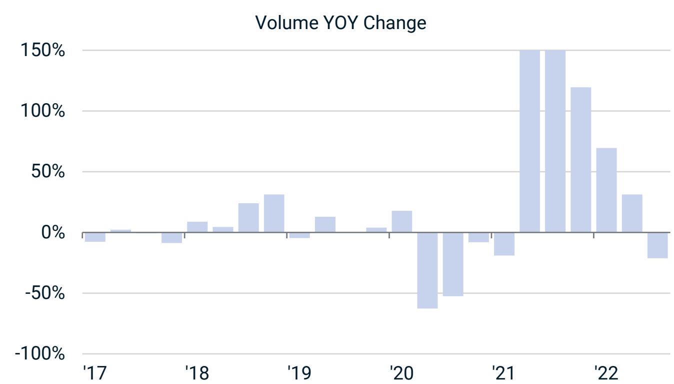
### Transaction Volume Summary

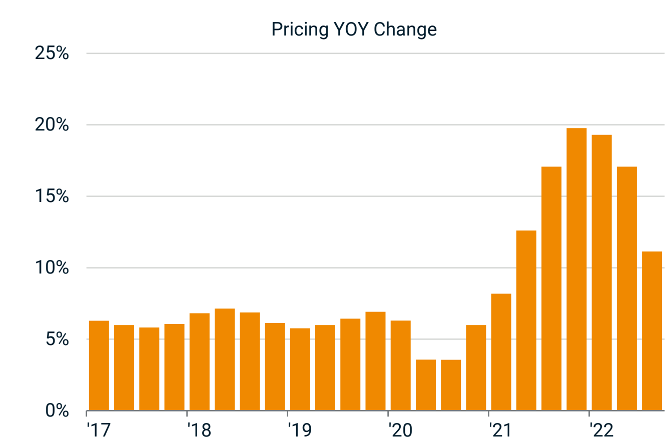
| | Q3 2022 | | YTD 2022 | |
|---|---|---|---|---|
| | Vol ($b) | YOY | Vol ($b) | YOY |
| Office | 26.9 | -33% | 88.5 | -1% |
| Retail | 18.2 | -9% | 66.8 | 49% |
| Industrial | 35.5 | -18% | 113.4 | 15% |
| Hotel | 8.1 | -21% | 31.9 | -1% |
| Apartment | 74.1 | -17% | 238.0 | 25% |
| Seniors Housing & Care | 2.6 | -63% | 9.1 | -41% |
| Dev Site | 6.8 | -17% | 23.6 | 20% |
| Total | 172.2 | -21% | 571.5 | 16% |
| Portfolio & Entity | 51.3 | -14% | 152.0 | 21% |
| Single Asset | 120.9 | -24% | 419.5 | 15% |

*All-Property Index comprises office, industrial, retail and apartment

### Quarterly Transaction Volume and Pricing




Volume YOY change truncated to 150%

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# Recent Trends

Despite the challenges of a rising interest rate environment, cap rates have shown little sign of correcting. The industrial and retail sectors saw the sharpest declines over the last year, each down at least 30 bps. The levels for the third quarter were much lower for industrial deals than for retail properties. The RCA Hedonic Series (RCA HS) cap rate came in at 5.1% for industrial properties and 6.0% for retail.

Given that mortgage rates averaged 5.4% early in the third quarter, the industrial sector thus faced a negative leverage situation. Retail had a 60 bps spread between cap rates and mortgage rates, suggesting some benefit from leverage, but that level is nothing to get excited over.

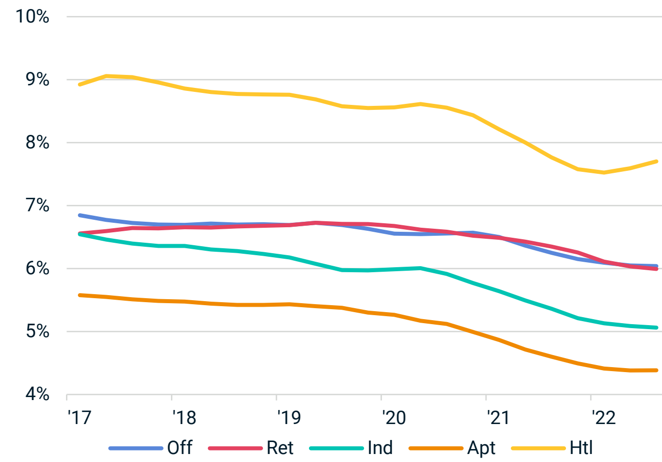
Still, with some benefits from leverage, the retail sector posted the healthiest trend in asset sales for the third quarter — volume fell only 9% from a year earlier. The shopping center component of the retail sector fell just 5% for the quarter; cap rates here were at a 110 bps spread to mortgage rates.

Cap rates for offices were down 20 bps from a year earlier in the quarter, though this decline came from suburban assets. The RCA HS cap rate for suburban assets fell 20 bps to hit 6.2% for the quarter. CBD cap rates were unchanged from a year earlier at 5.5%.

Prices have, however, started to show signs of weakness. The RCA CPPI for CBD offices, in fact, declined at a 2.0% annualized pace from Q2'22 to Q3'22. CBD office prices were up 4.2% from a year earlier, but this shorter-term movement highlights the fact that momentum is pushing towards declines.

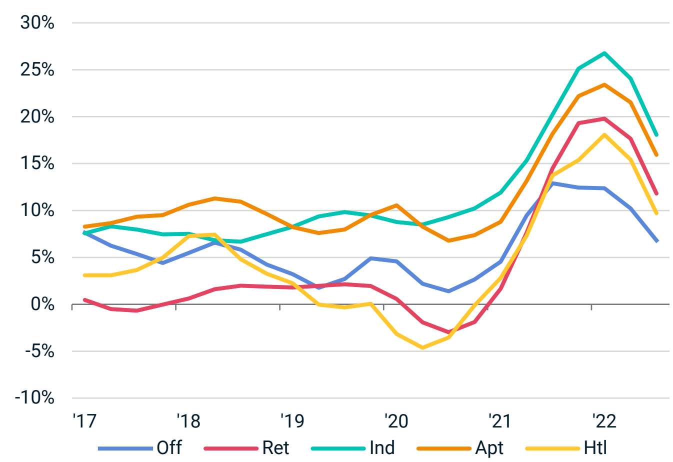
No other property sector is showing an outright decline in prices for this short-term measure, but there are some notable slowdowns. The RCA CPPI for retail, for instance, was up 11.8% from a year earlier in the quarter but posted only a 2.3% annualized change from Q2'22, a pace well below the rate of inflation.

## Cap Rates




RCA Hedonic Series

## Year-Over-Year Price Change




RCA CPPI

## Q3 2022 Deal Volume and Pricing Summary

| | Quarterly Volume | | | | RCA CPPI | | Hedonic Cap Rate | |
|---|---|---|---|---|---|---|---|---|
| | $b | YOY Chg | #Props | YOY Chg | 1-qtr Chg | 1-yr Chg | Cap Rate | YOY Chg (bps) |
| All Types | 172.2 | -21% | 7,998 | -32% | 0.7% | 11.1% | | |
| 6 Major Metro All Types | 48.4 | -19% | 1,897 | -35% | -1.0% | 3.7% | | |
| Non-Major Metro All Types | 123.8 | -22% | 6,101 | -31% | 1.3% | 13.7% | | |
| Office | 26.9 | -33% | 1,334 | -23% | 0.9% | 6.8% | 6.0% | -20 |
| Industrial | 35.5 | -18% | 1,725 | -41% | 1.9% | 18.1% | 5.1% | -30 |
| Retail | 18.2 | -9% | 1,566 | -29% | 0.6% | 11.8% | 6.0% | -40 |
| Apartment | 74.1 | -17% | 2,269 | -29% | 1.2% | 15.9% | 4.4% | -20 |
| Hotel | 8.1 | -21% | 504 | -15% | 1.9% | 9.7% | 7.7% | -10 |
| Seniors Housing & Care | 2.6 | -63% | 147 | -63% | | | 6.3% | 0 |
| Dev Site | 6.8 | -17% | 453 | -39% | | | | |

RCA CPPI All Types includes office, industrial, retail and apartment

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# Signs of the Slowdown

The slowdown in deal volume is coming in faster than our quarterly figures can capture, and higher frequency measures can help quantify the magnitude of the decline. Every downturn in the market is different and this one is responding to changes in credit market conditions unlike anything seen since the 1970s.

The pace of increases in the target range for the federal funds rate is reminiscent of the increases in the early and late 1970s. This period was decades before Real Capital Analytics (the predecessor of MSCI Real Assets) began publishing trends on deal volume. There is, then, little experience to show how deal activity may react to the surge in interest rates this year.

Monthly declines in deal activity have been accelerating. Total activity fell in August and September on a year-over-year basis, though if one strips out the boost from portfolio and entity-level deals, activity fell in July as well. The declines in single asset deal volume accelerated each month of the quarter as well, first from an 11% YOY decline, to 21%, and then to 37%.

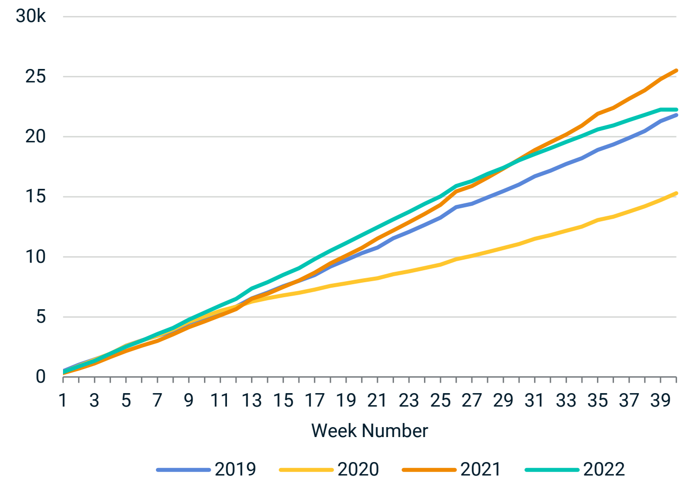
Weekly figures on deal activity show no sign of letup in this decline. The additional investment volume added between week #38 and #39 of the current year was 56% behind that of 2021.

Comparing this year and last, cumulative sales volume is still at a higher level in 2022 thanks to the impact of some larger deals. At the same time, the total number of deals for this year stands 10% lower than the pace set last year. Still, last year did see an elevated pace of activity because of the low interest rate environment. In comparison to a more normal environment like 2019, this year's number of deals was still higher through week #39 of the year. The count of deals was still growing at a 4% weekly rate in 2019 by this point, however, and only a 2% rate this year.

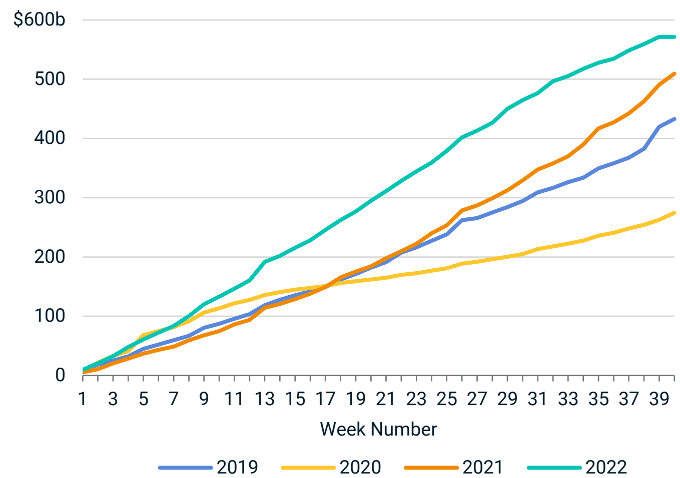
The scatter chart to the right plots single asset deal volume against price, and shows that investment activity is closely tied to price levels. When prices are low — all other things equal — investors should want to buy more of the assets. When prices are high, owners should want to sell more and reap gains. From 2015 to 2019, prices and deal volume generally rose in tandem as market participants came together easily. There was a shift into 2020, however, as buyers pulled back on what they were willing to do. Deal volume fell but prices held flat.

Thinking about 2022 in the same framework, the decline in deal volume with an increase in prices suggests that something has to give. Buyers cannot stretch as easily in Q3'22 as in Q3'21 given the increased cost of financing, and volume declines are accelerating every week. If price levels came down — something that is starting for CBD office — some of the deceleration in deal activity would ease. Which measure moves the most and by how much is an open question.

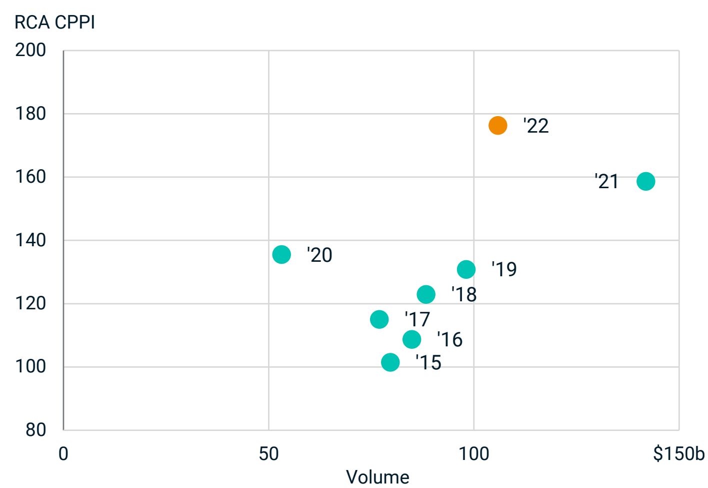
### Cumulative Weekly Deal Count




### Cumulative Weekly Deal Volume




### Volume and Pricing in Third Quarters




Single asset deal volume all major sectors; RCA CPPI National All-Property Index (office, industrial, retail, apartment)

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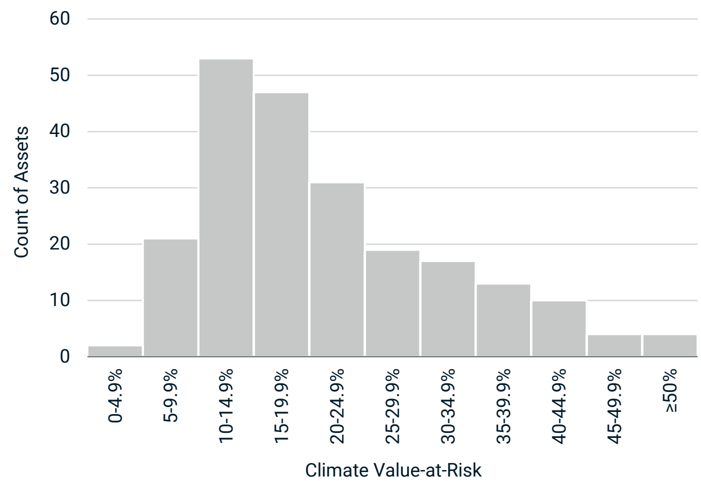
# Real Estate Pricing and Climate-Change Risk

Real estate investors are increasingly aware of the risks posed by climate change, but they may not realize just how much the potential risks vary, even for a relatively homogeneous group of assets.

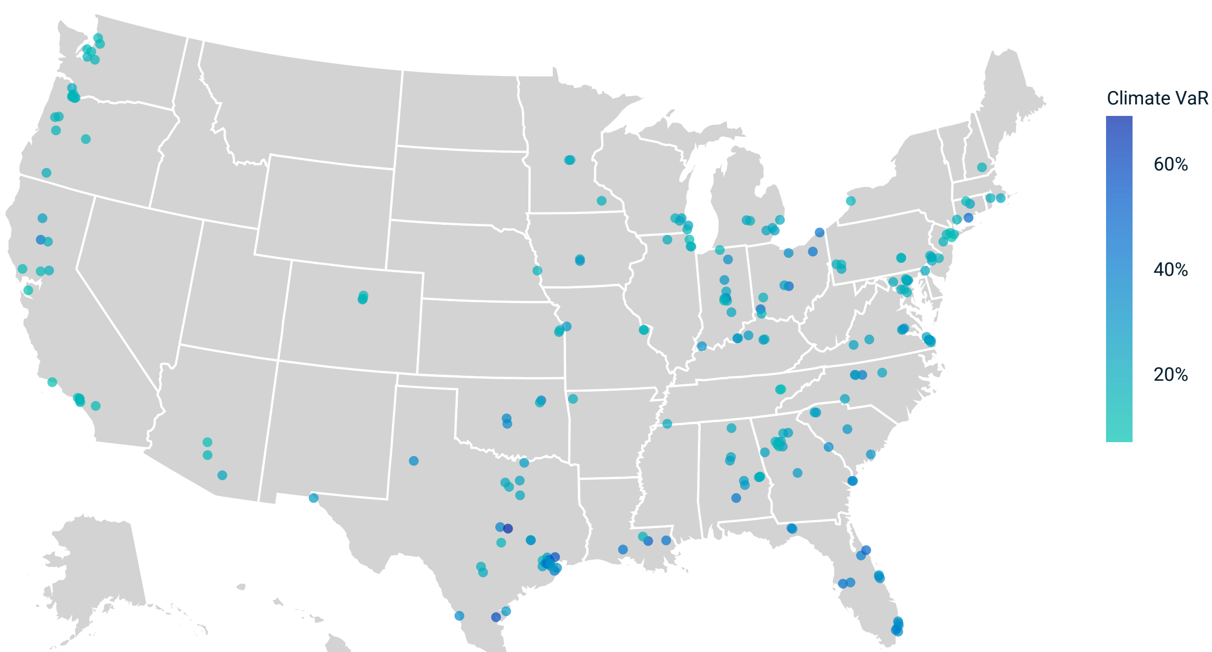
To illustrate this, we have taken a sample of 221 U.S. properties from the MSCI Real Capital Analytics database and estimated their potential exposure to climate-change risk using the MSCI Climate Value-at-Risk Model. All the assets in our sample are of a similar property type (garden apartments) and all were refinanced or sold in the first half of 2022 at similar cap rates (4.8% to 5%).

Despite the similarity of the assets in terms of property type and pricing, the results show that climate change remains a potentially unpriced risk, with a wide distribution of climate value-at-risk scores.

### Distribution of Sample Climate Value-at-Risk Scores




### Location of Sample Properties and Climate Value-at-Risk Scores




This article first appeared on [MSCI Research and Insights](MSCI Research and Insights).

Climate Value-at-Risk assesses the financial cost that an asset will incur in the future due to climate change. Two types of risk are analyzed: physical risk and transition risk. The physical risk represents an asset's risk exposure to change in extreme weather; transition risk (also know as regulatory or policy risk) represents the cost of decarbonization of an asset necessary to achieve a lower-carbon economy. Costs are expressed both in U.S. dollars and as a percentage share of the asset's capital value.

The physical risk real estate model analyzes building damages caused by extreme weather events and additional costs related to temperature changes (e.g. additional cooling costs). It covers the chronic physical risks (extreme heat, extreme cold), as well as the acute physical risks (fluvial flooding, coastal flooding, tropical cyclones, and wildfire). MSCI Real Estate Climate Value-at-Risk Methodology.

Climate risk analysis is now available on the MSCI Real Capital Analytics website.

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# Top Markets

Investment through the third quarter of 2022 reached an unprecedented level for thirteen of the top 25 U.S. markets for commercial property investment. Outsized megadeal activity — specifically investment tied to entity-level transactions — provided a boost to several markets. Eight of the top 25 markets had at least 10% of their year-to-date investment tied to M&A-type deals.

Looking at investment so far this year without the effects of entity-level transactions, #10 Austin and #22 East Bay would lose their status as record-breakers. East Bay, in fact, would no longer rank amongst the top 25 markets, and neither would #25 San Jose.

Dallas's status as the top market is not a function of megadeal activity but rather the nearly-900 transactions that took place during the first nine months of 2022. Los Angeles, the #2 market, was the only market to see more deals close during this period. Still, the count of transactions in Dallas is nearly 20% above the average number seen in the five years prior to the pandemic, while Los Angeles has seen a 10% drop off from its pre-pandemic average.

At #6, Manhattan rose three spots in the ranks from year-end. However, questions about Manhattan's recovery remain. Despite 69% YOY growth, Manhattan is the only top market still lagging its pre-pandemic investment levels. In addition, Manhattan's deal activity for 2022 has been highly concentrated, with five transactions together providing almost 40% of the market's total volume.

As the findings on the prior page suggest, investors may not yet be focused on the physical risk — financial risks from extreme weather impacts caused by climate change — when determining which investments to pursue. In assigning each asset that traded a physical value at risk, MSCI Real Assets has determined that just under 60% of the top 25 markets had average physical value at risk fall between moderate and severe risk.

## Most Active Markets Year-to-Date 2022

APT OFF IND RET HTL SHC

| 2020 | 2021 | YTD'22 | Market | Sales Volume ($m) | YOY Change | Physical Climate VaR* |
|---|---|---|---|---|---|---|
| 1 | 1 | 1 | Dallas | 32,825 | 10% | Negligible Risk |
| 2 | 3 | 2 | Los Angeles | 23,781 | 26% | Moderate Risk |
| 4 | 2 | 3 | Atlanta | 21,765 | -4% | Negligible Risk |
| 9 | 5 | 4 | Houston | 19,466 | 29% | Significant Risk |
| 7 | 4 | 5 | Phoenix | 18,763 | 2% | Negligible Risk |
| 5 | 9 | 6 | Manhattan | 15,926 | 69% | Moderate Risk |
| 6 | 7 | 7 | Chicago | 14,224 | 24% | Negligible Risk |
| 8 | 8 | 8 | Seattle | 14,014 | 1% | Moderate Risk |
| 3 | 6 | 9 | Boston | 13,782 | -13% | Significant Risk |
| 18 | 10 | 10 | Austin | 11,382 | 0% | Negligible Risk |
| 21 | 13 | 11 | San Diego | 10,129 | 5% | Negligible Risk |
| 26 | 15 | 12 | Orlando | 9,852 | 53% | Significant Risk |
| 13 | 18 | 13 | DC VA burbs | 9,614 | 34% | Moderate Risk |
| 29 | 17 | 14 | Miami/Dade Co | 9,548 | 28% | Significant Risk |
| 28 | 30 | 15 | Nashville | 9,508 | 80% | Negligible Risk |
| 11 | 11 | 16 | Denver | 9,411 | -11% | Negligible Risk |
| 15 | 19 | 17 | Charlotte | 8,726 | 32% | Negligible Risk |
| 10 | 12 | 18 | No NJ | 8,679 | -5% | Significant Risk |
| 24 | 26 | 19 | Philadelphia | 8,392 | 45% | Significant Risk |
| 19 | 14 | 20 | Inland Empire | 8,144 | 0% | Negligible Risk |
| 22 | 22 | 21 | Orange Co | 8,000 | 8% | Moderate Risk |
| 20 | 25 | 22 | East Bay | 7,874 | 9% | Significant Risk |
| 16 | 21 | 23 | NYC Boroughs | 7,870 | 29% | Significant Risk |
| 23 | 20 | 24 | Tampa | 7,824 | 16% | Severe Risk |
| 14 | 16 | 25 | San Jose | 7,435 | -16% | Negligible Risk |

Markets in orange denote record high volume for the first nine months of the year.

*Methodology: the physical Climate VaR for each market calculates the average physical risk for assets that traded in the market during the period. The categories of physical risk are: Risk Reduction, Negligible Risk Reduction, Negligible Risk, Moderate Risk, Significant Risk and Severe Risk.

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# Distribution of Prices in the Office Sector

The office market is just starting to show signs of price declines for CBD office assets when we examine deals on a same-store basis. The deals that are missing from the market point to challenges on pricing that simply have not yet been realized in sale activity. The distribution of office sale prices as measured on a price per square foot basis is simply skewed towards the best of the best.

The charts below break out the distribution of sale prices in price buckets on the x-axis and the percentage share of all deals on the y-axis. Prices are examined for existing CBD assets 100,000 square feet and greater and suburban assets 50,000 square feet and greater, and we exclude any value-add or opportunistic transactions. Given the higher average price levels for CBD office assets and for the 6 Major Metros (6MM) versus the Non- Major Metros (NMM), prices are examined for the combination of these two variables across four charts. Looking at activity in 2021 and the first nine months of 2022 versus the trends before the pandemic it is clear that there are fewer trades for the lower priced assets.

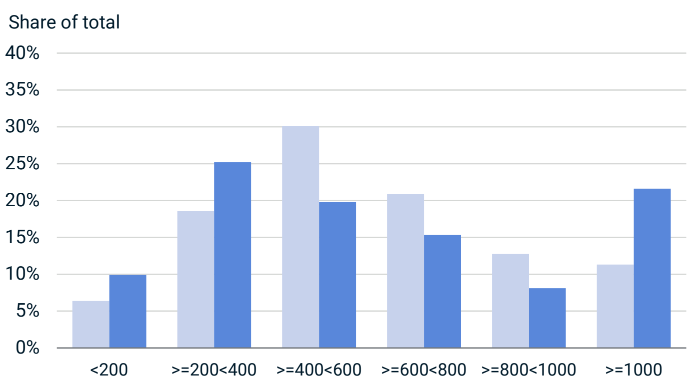
For CBD office activity in the 6MM, for instance, 22% of all deals in the latest period were priced at $1,000 per square foot (PSF) or greater. Before the pandemic, this share stood at 11% of the market. The breakdown of prices for CBD office assets in the non-major areas is topped out at $500 PSF or greater, given the lower average sale prices in these markets. Here too though, the distribution of deals in the top end of the market surged and has represented a 20% share in the latest period versus a 12% share before the pandemic.

This changing distribution suggests that only some types of deals are possible today. The assets that would have traded in the lower price ranges in the pre-pandemic world simply are not moving.

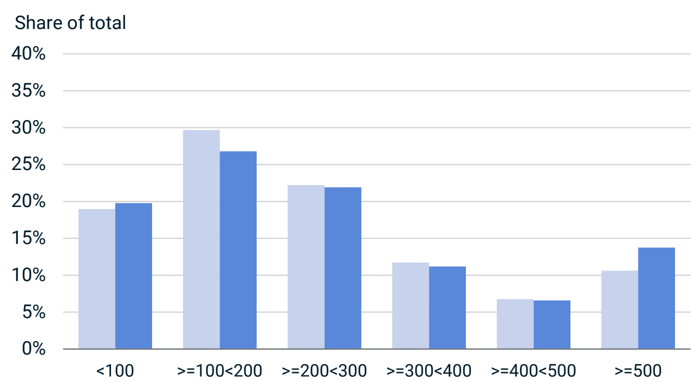
## Price Distribution

Price per square foot 2017-19 2021-YTD'22

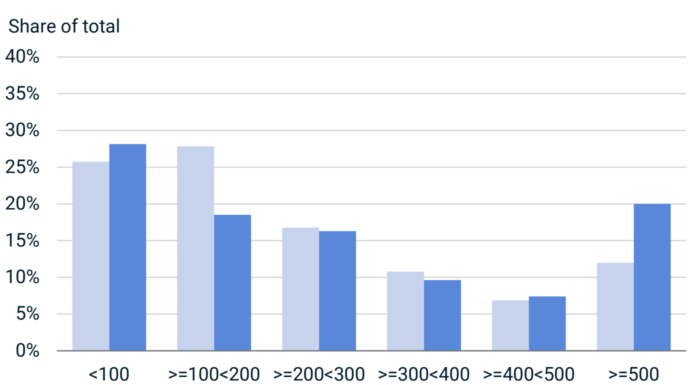
### CBD Office — 6 Major Metros



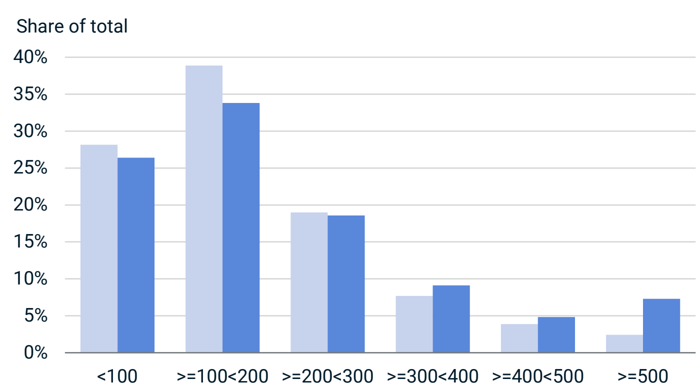

### Suburban Office — 6 Major Metros




### CBD Office — Non-Major Metros




### Suburban Office — Non-Major Metros




CBD office properties sized 100k square feet and greater, suburban office properties sized 50k sqft and greater; properties purchased for redevelopment or condo conversion are excluded

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# Alternative Sectors

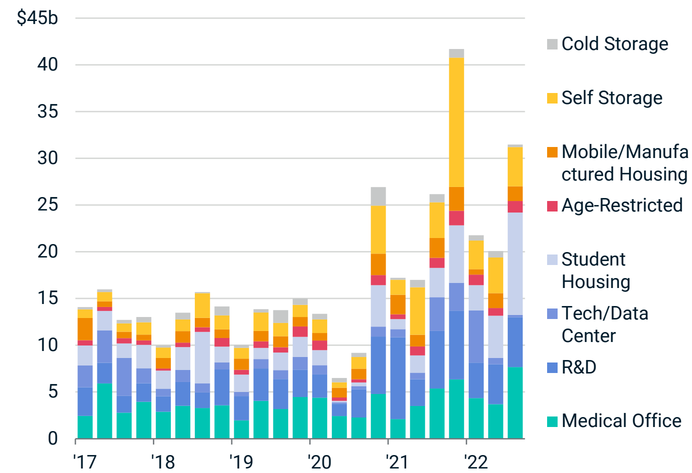
Investment in the alternative real estate sectors reached the second highest level seen for any quarter in the third quarter of 2022. Sales activity totaled $31.5b, a 20% increase from the same period a year earlier, bringing year-to-date volume to $73.3b. Alternative asset sales in the third quarter represented 18% of total commercial real estate sales, 8 percentage points above the average quarterly share seen since 2017.

These record high volume figures would not have been reached without the closing of two large entity-level transactions in the third quarter. Healthcare Trust of America merged with Healthcare Realty Trust in July, accounting for nearly a third of medical office volume in the first nine months of the year. About half of student housing volume for the year so far ties to the multibillion-dollar acquisition of American Campus Communities by BREIT and Blackstone that closed in August.

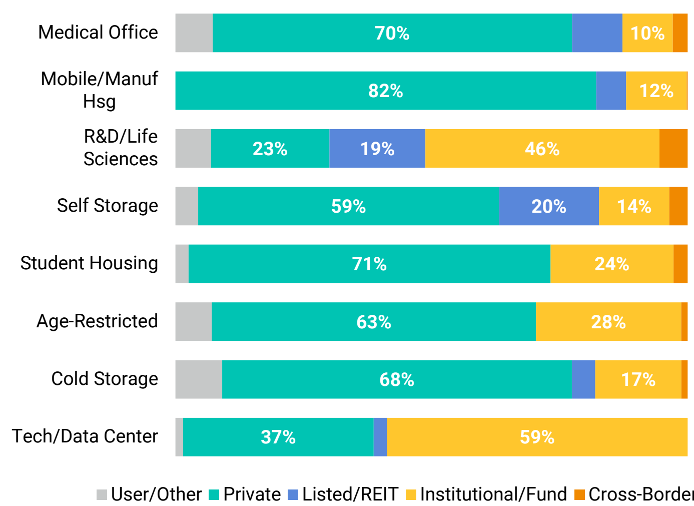
Even so, stripping away these megadeals and looking just at the sales of individual properties, sales activity in the first three quarters of 2022 was the highest level on record and 10% above that seen in the same period a year ago. Data centers were the only alternative asset class to post single asset deal volume lower than the average seen in the same period between 2017 and 2019. This same asset class also registered declines compared to the first three quarters of last year, along with the medical office and mobile/manufactured housing sectors.

Private capital sources were behind the majority of single asset sales for almost all of the alternative asset classes in the first nine months of 2022. Institutional investors captured the largest market share for the data center and R&D/life sciences sectors. This group of investors was a net buyer for all alternative property types except the age-restricted and student housing sectors in the year to date.

### Quarterly Deal Volume




### Buyer Composition Year-to-Date 2022




Single assets only

### Year-to-Date 2022 Deal Volume Summary

| | Volume ($b) | | | Share of Total CRE | | |
|---|---|---|---|---|---|---|
| | YTD'22 | YTD'21 | YTD Avg '17-'19 | YTD'22 | YTD'21 | YTD Avg '17-'19 |
| Medical Office | 15.7 | 11.0 | 10.0 | 3% | 2% | 2% |
| Mobile/Manufactured Housing | 3.7 | 5.5 | 3.5 | 1% | 1% | 1% |
| R&D/Life Sciences | 13.4 | 17.8 | 7.4 | 2% | 4% | 2% |
| Self Storage | 11.1 | 10.5 | 4.1 | 2% | 2% | 1% |
| Student Housing | 18.2 | 6.1 | 6.9 | 3% | 1% | 2% |
| Age-Restricted | 3.2 | 2.6 | 1.5 | 1% | 1% | 0% |
| Cold Storage | 1.5 | 1.9 | 1.3 | 0% | 0% | 0% |
| Tech/Data Center | 6.5 | 5.2 | 5.1 | 1% | 1% | 1% |

Self storage and mobile/manufactured housing are not included in the aggregate deal volume statistics in this report.

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# **Top Buyers and Sellers** Year to Date 2022

## By Region

**Mid-Atlantic**

Blackstone
KKR
Global Infrastructure Partners
BREIT
Cortland

**Midwest**

Blackstone
BREIT
Healthcare Realty (fmr HTA)
BentallGreenOak
ILPT REIT

**Northeast**

Blackstone
Alphabet Inc
BREIT
CBRE Investment Mgmt
Orbach Group

**Southeast**

BREIT
Blackstone
SREIT
ILPT REIT
GV&A RE Investments

**Southwest**

Blackstone
BREIT
KKR
Global Infrastructure Partners
SREIT

**West**

Blackstone
CalPERS
First Washington Realty
Rexford Industrial REIT
BREIT

Ranked by investment volume

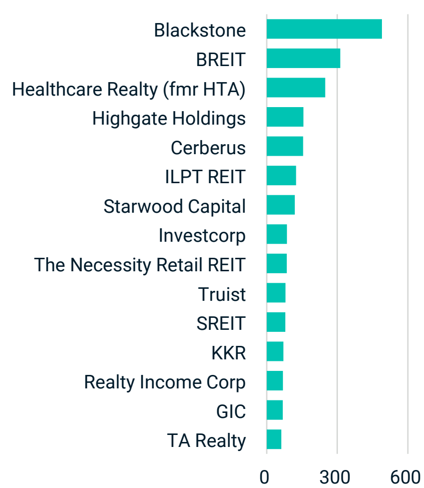
## By Investment Volume

### Buyers

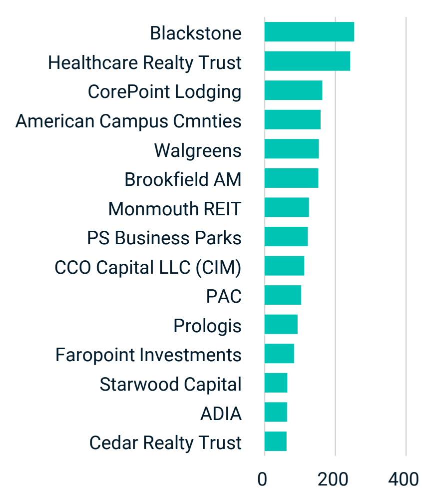

### Sellers


## By Number of Properties

### Buyers




### Sellers




**Methodology:** Rankings are based on the pro-rated share of the total property or portfolio value. In the case of joint ventures, full credit is assigned to each investor. For more information please visit the MSCI Real Capital Analytics website.

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# **Top Brokers** Year to Date 2022

## By Region

**Mid-Atlantic**
CBRE
JLL
Eastdil Secured
Newmark
Cushman & Wakefield

**Midwest**
CBRE
Cushman & Wakefield
JLL
Eastdil Secured
Newmark

**Northeast**
CBRE
Cushman & Wakefield
JLL
Newmark
Eastdil Secured

**Southeast**
CBRE
Cushman & Wakefield
Newmark
Eastdil Secured
JLL

**Southwest**
CBRE
JLL
Marcus & Millichap
Newmark
Eastdil Secured

**West**
CBRE
Newmark
Eastdil Secured
JLL
Marcus & Millichap

## By Property Type

**Office**
CBRE
Newmark
Eastdil Secured
Cushman & Wakefield
JLL

**Industrial**
CBRE
Cushman & Wakefield
JLL
Eastdil Secured
Colliers International

**Retail**
CBRE
JLL
Marcus & Millichap
Eastdil Secured
Newmark

**Apartment**
CBRE
Newmark
Marcus & Millichap
Cushman & Wakefield
Berkadia

**Hotel**
CBRE
JLL
Hunter
Eastdil Secured
Marcus & Millichap

**Dev Sites**
CBRE
Cushman & Wakefield
Colliers International
JLL
SVN®

## Other

**Over $25m**
CBRE
JLL
Newmark
Cushman & Wakefield
Eastdil Secured

**Under $25m**
Marcus & Millichap
CBRE
Cushman & Wakefield
Colliers International
Newmark

**Portfolio Sales**
CBRE
Eastdil Secured
JLL
Newmark
Cushman & Wakefield

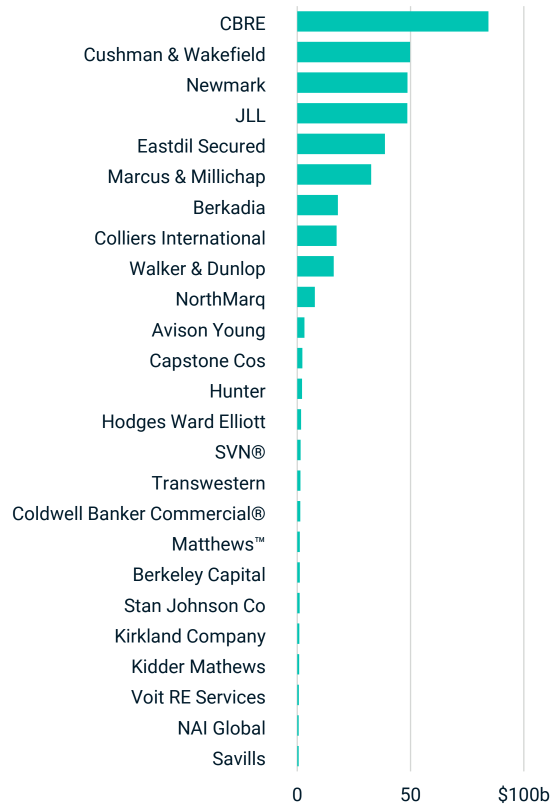
**Single Asset Sales**
CBRE
Cushman & Wakefield
Newmark
JLL
Marcus & Millichap

**Buyer's Rep**
Marcus & Millichap
CBRE
Newmark
Cushman & Wakefield
Colliers International

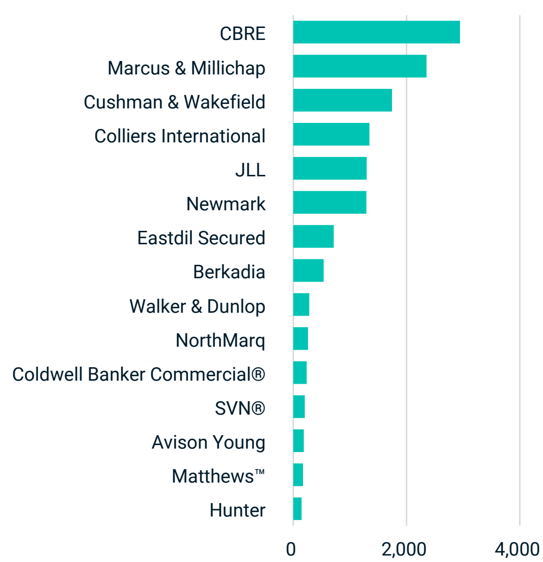
**Cross-Border**
CBRE
Newmark
Cushman & Wakefield
Eastdil Secured
JLL

All ranked by investment volume

## By Investment Volume




## By Number of Properties




**Methodology:** Full credit assigned to each broker when multiple brokers involved. For partial-interest, volume is based on the pro-rated share of the total property or portfolio value. Based on sell-side representation. The transaction volume of brokerage firms that have merged are left unconsolidated before the merger date and are attributed to the surviving or newly formed company after the merger date. For more information on rankings please visit the MSCI Real Capital Analytics website.

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# **Top Deals** Year to Date 2022

## Property Sales

| | Property | Location | Size | | Type | Volume($m)^Δ | $/unit | Buyer | Seller |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Google Hudson Sq (Condo) | New York, NY | 631,721 | sq ft | OFF | 2,100.0 | 3,324 | Alphabet Inc | OMERS JV CPP Investment Board |
| 2 | One Manhattan West | New York, NY | 2,081,035 | sq ft | OFF | 1,396.5* | 1,370 | Blackstone | Brookfield AM JV QIA |
| 3 | New York by Gehry | New York, NY | 903 | units | APT | 930.0 | 1,029,900 | BREIT | Brookfield AM JV TIAA |
| 4 | American Copper | New York, NY | 761 | units | APT | 837.0 | 1,099,869 | Black Spruce Props JV Orbach Grp | JDS Development JV Baupost Group |
| 5 | Lakefront Blocks (Condo) | Seattle, WA | 656,009 | sq ft | OFF | 819.0 | 1,248 | DekaBank | Vulcan Inc |
| 6 | 110 North Wacker Drive | Chicago, IL | 1,400,000 | sq ft | OFF | -* | - | Oak Hill Advisors | Howard Hughes JV USAA RE |
| 7 | Madison Centre | Seattle, WA | 761,000 | sq ft | OFF | 729.9 | 959 | Boston Properties | MMGL Corp JV Barings |
| 8 | Alexandria Cntr at Kendall Sq | Cambridge, MA | 432,931 | sq ft | OFF | 714.0* | 2,356 | CBRE Investment Mgmt | Alexandria |
| 9 | Seaport Center | Boston, MA | 479,294 | sq ft | OFF | 693.8* | 1,477 | GI Partners | Related Companies |
| 10 | Trammell Crow Center | Dallas, TX | 1,128,331 | sq ft | OFF | 615.0 | 545 | Regent Properties | JP Morgan JV State Street |
| 11 | 125 Broadway | Cambridge, MA | 271,000 | sq ft | OFF | 602.8 | 2,225 | Boston Properties | Biogen |
| 12 | Westfield Santa Anita | Arcadia, CA | 1,472,167 | sq ft | RET | 537.5 | 365 | Riderwood USA Inc | Unibail-Rodamco-Westfield JV CPPIB |
| 13 | Cloud Plaza | Sterling, VA | 238,000 | sq ft | IND | 531.8* | 2,979 | GI Partners JV CalPERS | Sentinel Data Centers |
| 14 | 601 Massachusetts Ave NW | Washington, DC | 478,883 | sq ft | OFF | 531.0 | 1,109 | Mori Trust | Boston Properties |
| 15 | 19 Dutch | New York, NY | 483 | units | APT | 487.5 | 1,009,317 | Pontegadea | Carmel Partners |
| 16 | 1180 Peachtree | Atlanta, GA | 669,711 | sq ft | OFF | 472.0 | 705 | Piedmont REIT | State Street |
| 17 | Logisticenter at Eastvale | Eastvale, CA | 1,057,419 | sq ft | IND | 470.0 | 444 | Rexford Industrial REIT | Dermody Properties |
| 18 | Sony Pictures Plaza | Culver City, CA | 328,847 | sq ft | OFF | 459.0* | 1,551 | Blackstone | LBA Realty |
| 19 | Palo Alto Research & Tech | Palo Alto, CA | 292,000 | sq ft | OFF | 446.0 | 1,527 | Alexandria | Morgan Stanley |
| 20 | Rancho Vista Corp Center | San Diego, CA | 817,000 | sq ft | OFF | 445.0 | 545 | Apple | Swift Realty Partners |
| 21 | 450 Park | New York, NY | 321,462 | sq ft | OFF | 445.0 | 1,384 | SL Green | OMERS JV Crown Acquisitions |
| 22 | Parkline Miami | Miami, FL | 816 | units | APT | 440.0 | 539,216 | Harbor Grp Intl JV AB Asset Mgmt | Fortress |
| 23 | Life Time Coral Gables | Coral Gables, FL | 495 | units | APT | 429.4 | 867,460 | Hines | NP International JV 54 Madison Ptnrs |
| 24 | 1940 N Street Northwest | Washington, DC | 271,433 | sq ft | OFF | 423.3 | 1,560 | Commerz Real | JBG Smith |
| 25 | Oak Creek Apartments | Palo Alto, CA | 759 | units | APT | - | - | Stanford University | Gerson Bakar & Assocs |

## Portfolio and Entity Sales

| | Buyer | Seller | Location | # Props | Type | Volume($m)^Δ |
|---|---|---|---|---|---|---|
| 1 | BREIT JV Blackstone | American Campus Cmnties | Multiple, USA | 166 | APT | - |
| 2 | Blackstone | PS Business Parks | Multiple, USA | 118 | APT, IND, OFF | 7,509.4 |
| 3 | BREIT | PAC | Multiple, USA | 101 | APT, DEV, OFF, RET | - |
| 4 | KKR JV Global Infrastructure Partners | CyrusOne | Worldwide | 34 | DEV, IND | - |
| 5 | Healthcare Realty Trust Inc (fmr HTA) | Healthcare Realty Trust | Multiple, USA | 241 | OFF | - |
| 6 | ILPT REIT | Monmouth REIT | Multiple, USA | 125 | IND, RET | - |
| 7 | CalPERS JV First Washington Realty | Donahue Schriber | West | 43 | OFF, RET | 3,015.0 |
| 8 | SREIT | QVT Mount Auburn Cap | Multiple, USA | 32 | APT | 2,411.3 |
| 9 | BREIT | Resource REIT | Multiple, USA | 43 | APT | - |
| 10 | Lone Star | Transcontinental Realty JV Macquarie Group | Multiple, USA | 47 | APT | 1,811.3 |

Δ When prices are not known, estimated prices are used in the ranking but are not shown. Volume is adjusted pro-rata for partial interests although $/unit reflects 100% valuation.
* Partial interest ** Forward sale Excludes development site sales
The number of buyers or sellers shown on a deal is truncated to two. For full deal and player information go to the RCA website.

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## Methodology

Data based on properties and portfolios $2.5m and greater unless otherwise stated. Data as of Oct. 18, 2022 unless otherwise stated.

## About Capital Trends

Capital Trends reports analyze and interpret trends in the global real estate market. US Capital Trends is a monthly edition comprising an overview of the U.S. market and separate reports on the five main property types. Asia Pacific, Australia, Europe and Global Capital Trends are published quarterly.

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