

# Capital Trends

## US Industrial

July 2021

11.8% YOY price change

\$7.5b Transaction volume

40% YOY volume change

Industrial property sales climbed in July, but the growth was slightly less broad-based than it had been in recent months. Portfolio sales played an important part in the growth in deal activity for the month, though even without these megadeals, sales would be up at double-digit rates.

A key indicator of the strength of the expansion of investor interest in the industrial sector for the year has been the broad-based nature of investor demand. Sales are climbing not because of one or two investors making massive calls on the prospects for growth, but because of numerous investors buying a single building at a time. In the first six months of the year, 75% of all sales were individual asset sales.

Individual asset sales were up 25% YOY in July, a great pace to be sure, but only 66% of all activity was tied up in such deals. That 66% share is close to the average July share seen since 2005. One perspective here then is that July was a bit of a return to normal, with larger investors jumping back into portfolio activity as a way to deploy capital in the sector.

Portfolio sales rose 83% YOY in July, hitting a near-record level. The \$2.5b in portfolio sales — just portfolio and no entity-level deals — was the second most active July over time for such transactions. In July of 2007, \$2.6b in portfolio sales were completed. July of 2007 also experienced an elevated pace of entity-level transactions totaling \$2.0b.

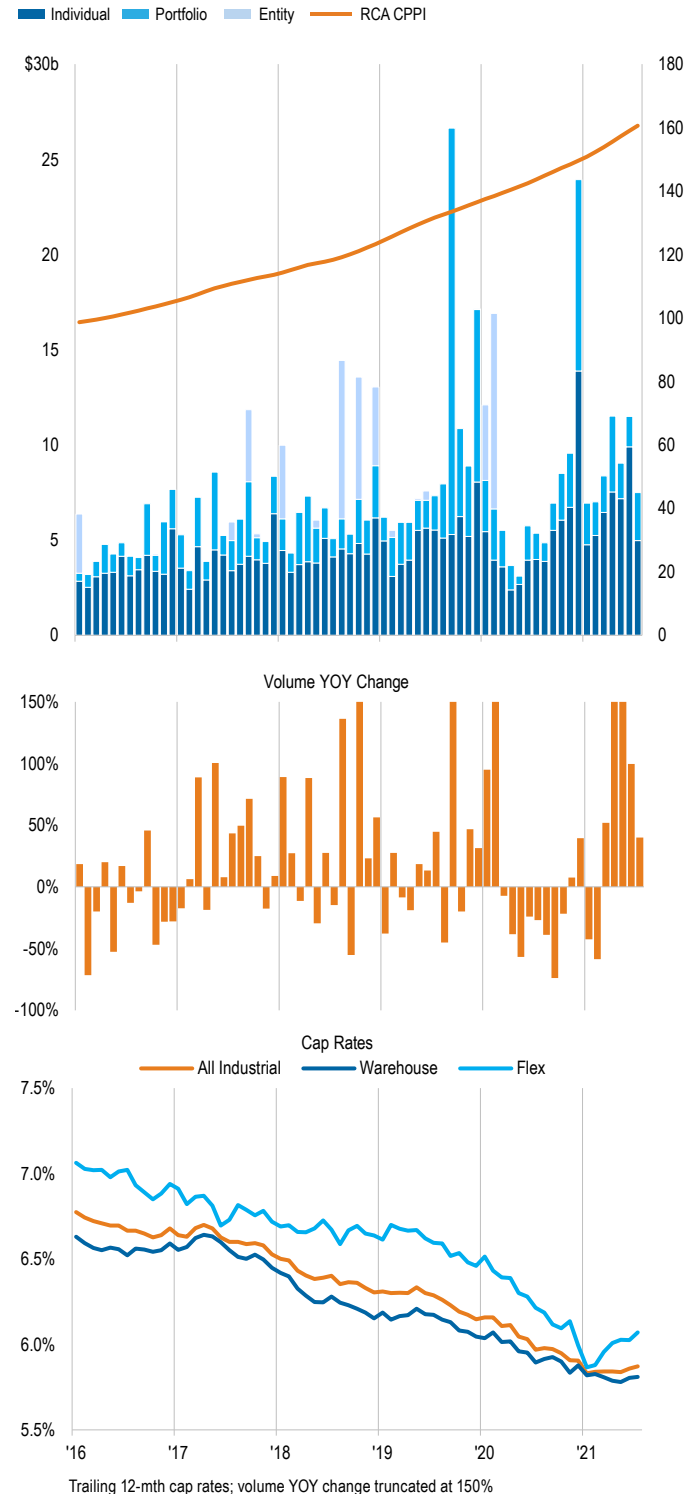
Two of the top five buyers behind these portfolio transactions in July of this year were cross-border investors. The yield and stability of the industrial sector is attractive to these investors, but individual asset sales are frequently an inefficient way for these investors to deploy capital.

Industrial property prices continued to climb in July, as the RCA CPPI for the industrial sector rose 11.8% YOY. Though this pace of growth is impressive, the industrial sector is not in the lead for price increases. The apartment sector index rose 13.5% YOY in July.

### Transaction Volume Summary

	July '21		YTD '21	
	Vol (\$b)	YOY	Vol (\$b)	YOY
Industrial Total	7.5	40%	61.9	18%
Flex	1.5	38%	12.5	35%
Warehouse	6.0	40%	49.4	14%
Single Asset	5.0	25%	46.0	77%
Portfolio	2.5	83%	15.9	-40%

### Monthly Transaction Volume & Pricing




# Market Table *Industrial*

Industrial Transactions Reported Closed		Flex				Warehouse				All Industrial			
		Volume		Price		Volume		Price		Volume		Price	
YTD through July '21		\$m	# Props	\$/sf	Avg Cap Rate	\$m	# Props	\$/sf	Avg Cap Rate	\$m	# Props	\$/sf	Avg Cap Rate
<b>Mid-Atlantic</b>	Baltimore	144.1	8	149		662.2	28	109	5.4%	806.3	36	115	5.4%
	DC	23.0	1			38.0	5	425		61.0	6	425	
	DC MD burbs	63.4	7	118		274.8	15	146		338.2	22	140	
	DC VA burbs	304.0	10	255		123.6	10	113		427.6	20	200	
	Philadelphia	200.8	15	96		861.8	105	75	6.7%	1,062.5	120	78	6.7%
	Pittsburgh	3.2	1			110.8	8	112	6.7%	113.9	9	110	6.7%
	Richmond/Norfolk	24.5	4	115		355.4	27	87		379.9	31	89	
	Tertiary Mid-Atlantic	188.9	16	64		1,740.7	100	82	6.3%	1,929.6	116	80	6.5%
	<b>Total</b>	<b>951.8</b>	<b>62</b>	<b>119</b>	<b>7.5%</b>	<b>4,167.3</b>	<b>298</b>	<b>90</b>	<b>6.1%</b>	<b>5,119.1</b>	<b>360</b>	<b>94</b>	<b>6.2%</b>
	<b>Midwest</b>	Chicago	195.5	27	86		2,557.0	194	78	6.6%	2,752.5	221	78
Cincinnati		66.2	3			282.7	21	67		348.9	24	71	
Cleveland		28.2	6	59		196.2	13	39		224.4	19	41	
Columbus		36.1	7	94		365.4	29	50		401.5	36	51	
Detroit		75.2	11	78	7.2%	371.5	25	86		446.7	36	84	6.8%
Indianapolis		98.5	9	60		592.4	44	71		690.9	53	70	
Kansas City		171.4	7	71		383.5	33	60		554.8	40	62	
Minneapolis		205.8	22	94		623.3	58	85		829.2	80	87	7.4%
St Louis		34.4	4	86		943.7	37	88		978.1	41	88	
Tertiary Midwest		281.2	31	111	6.9%	1,925.4	208	57	7.6%	2,206.6	239	60	7.5%
<b>Total</b>	<b>1,192.5</b>	<b>127</b>	<b>89</b>	<b>7.2%</b>	<b>8,897.0</b>	<b>704</b>	<b>67</b>	<b>6.9%</b>	<b>10,089.6</b>	<b>831</b>	<b>69</b>	<b>7.0%</b>	
<b>Northeast</b>	Boston	654.3	39	220	5.7%	1,043.9	87	124		1,698.1	126	158	5.3%
	Hartford	33.1	11			118.3	20	75		151.4	31	75	
	Long Island	31.9	5	133		287.4	20	177	4.9%	319.3	25	172	4.9%
	Manhattan					31.2	2	603		31.2	2	603	
	No NJ	234.0	22	82	5.9%	1,357.5	101	120	6.6%	1,591.4	123	114	6.2%
	NYC Boroughs	180.5	6	608		996.2	79	454	4.6%	1,176.7	85	475	4.8%
	Stamford	43.6	2			70.5	9	61		114.1	11	62	
	Westchester	17.3	1			336.5	12	154	5.0%	353.9	13	154	5.1%
	Tertiary Northeast	170.5	19	69		868.9	78	88	5.4%	1,039.5	97	84	5.4%
	<b>Total</b>	<b>1,365.2</b>	<b>105</b>	<b>152</b>	<b>5.6%</b>	<b>5,118.9</b>	<b>410</b>	<b>134</b>	<b>5.3%</b>	<b>6,484.2</b>	<b>515</b>	<b>137</b>	<b>5.4%</b>
<b>Southeast</b>	Atlanta	311.6	41	93		1,904.9	160	84	5.4%	2,216.6	201	85	5.4%
	Broward	33.0	8	163		298.0	34	103		331.0	42	106	
	Charlotte	184.8	15	128		484.0	60	96	7.1%	668.8	75	102	7.1%
	Jacksonville	4.6	1			244.9	22	68	6.4%	249.4	23	68	6.4%
	Memphis	23.4	2			418.1	21	44		441.5	23	45	
	Miami	43.2	5	349		796.0	70	164		839.2	75	169	
	Nashville	21.4	5	186		591.4	42	118		612.8	47	120	
	Orlando	100.3	9	103		195.5	30	104		295.8	39	104	
	Palm Beach	49.9	9	128		99.5	15	147		149.4	24	141	6.6%
	Raleigh/Durham	315.9	10	144		418.9	30	129		734.7	40	137	
Tampa	122.0	15	105		484.0	43	100	5.8%	606.0	58	101	5.8%	
Tertiary Southeast	267.8	29	70	7.3%	3,992.0	275	66	6.2%	4,259.8	304	66	6.4%	
<b>Total</b>	<b>1,477.9</b>	<b>149</b>	<b>108</b>	<b>7.0%</b>	<b>9,927.2</b>	<b>802</b>	<b>81</b>	<b>6.2%</b>	<b>11,405.0</b>	<b>951</b>	<b>83</b>	<b>6.3%</b>	
<b>Southwest</b>	Austin	268.8	14	245		439.2	29	196		708.0	43	215	
	Dallas	401.5	32	90	5.6%	1,933.5	131	117	5.2%	2,335.0	163	111	5.3%
	Denver	138.1	13	148		568.8	44	134	5.9%	707.0	57	137	5.9%
	Houston	268.3	30	139		1,777.5	115	94	6.1%	2,045.8	145	97	6.4%
	Phoenix	357.3	34	158	5.8%	1,122.6	87	129	5.0%	1,479.9	121	136	5.3%
	San Antonio	95.7	5	197		266.7	21	156	6.9%	362.4	26	162	6.9%
	Tertiary Southwest	603.8	38	193	5.7%	806.2	115	91	6.8%	1,410.0	153	119	6.6%
	<b>Total</b>	<b>2,133.7</b>	<b>166</b>	<b>159</b>	<b>5.9%</b>	<b>6,914.5</b>	<b>542</b>	<b>115</b>	<b>5.9%</b>	<b>9,048.2</b>	<b>708</b>	<b>123</b>	<b>5.9%</b>
<b>West</b>	East Bay	675.7	18	326		733.6	66	212		1,409.3	84	252	4.7%
	Inland Empire	208.1	21	85		2,594.6	140	189	3.8%	2,802.7	161	174	4.2%
	Las Vegas	148.6	18	169	6.5%	913.6	52	151	4.9%	1,062.2	70	154	5.7%
	Los Angeles	850.3	50	289	5.0%	3,106.9	301	221	4.5%	3,957.2	351	234	4.6%
	Orange Co	708.4	44	319	4.0%	613.8	75	283	4.3%	1,322.2	119	300	4.1%
	Portland	54.6	7	182		637.4	40	144	4.8%	692.0	47	147	4.8%
	Sacramento	155.0	16	205	6.6%	552.0	50	110		707.0	66	123	6.3%
	Salt Lake City	42.3	9	92		552.5	53	126		594.8	62	121	
	San Diego	455.9	35	210	6.0%	523.1	60	259	5.9%	979.0	95	234	6.0%
	San Francisco	217.5	5	919		711.4	33	478		928.9	38	534	
	San Jose	875.2	29	390	5.9%	224.8	33	195		1,100.0	62	325	5.9%
	Seattle	451.3	23	285	6.0%	1,030.3	77	199	4.5%	1,481.6	100	222	5.1%
Tertiary West	504.1	57	171	6.7%	1,994.3	204	104	4.9%	2,498.4	261	113	5.8%	
<b>Total</b>	<b>5,347.1</b>	<b>332</b>	<b>255</b>	<b>5.8%</b>	<b>14,382.8</b>	<b>1,186</b>	<b>177</b>	<b>4.7%</b>	<b>19,729.8</b>	<b>1,518</b>	<b>194</b>	<b>5.1%</b>	
<b>Total</b>	<b>Total US</b>	<b>12,468.2</b>	<b>941</b>	<b>163</b>	<b>6.2%</b>	<b>49,407.8</b>	<b>3,942</b>	<b>104</b>	<b>5.8%</b>	<b>61,876.0</b>	<b>4,883</b>	<b>112</b>	<b>5.9%</b>

# Selected Recent Transactions

Property Name Address Location	SF Year Built Notes	Price \$/sf Qualifier	Owner/Buyer Seller Broker
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## Mid-Atlantic

<b>Rite Aid Dist Cntr</b> 601 Chelsea Rd Aberdeen, MD	<b>890,000</b> 2016 Warehouse	<b>\$98,272,675</b> \$110 approximate	 CBRE Global Investors from  MCB Real Estate JV Artemis RE Partners by  CBRE
<b>1 Carnegie Court</b> 1 Carnegie Ct Waldorf, MD	<b>177,114</b> 1975 Warehouse	<b>\$75,000,000</b> \$423 approximate	 Intercontinental RE from  Kaz Brothers


## Midwest

<b>SF Motors Assembly Plant</b> 13200 McKinley Hwy Mishawaka, IN	<b>675,500</b> 2000 Warehouse	<b>\$145,000,000</b> \$215 confirmed	 Electric Last Mile Solutions from  SF Motors Inc JV Chongqing Sokon Group
<b>Gateway Point Bldg 2</b> 10730 S State Rd 39 Lizton, IN	<b>1,072,070</b> 2020 Warehouse	<b>\$99,161,724</b> \$92 confirmed	 Nuveen (US) by  Eastdil Secured from  XPO Logistics

## Northeast

<b>Rivertech Park I &amp; II</b> 129 Concord Rd Billerica, MA	<b>285,772</b> 1983 Flex	<b>\$85,000,000</b> \$297 confirmed	 Griffith Properties JV Rockpoint Group from  Jumbo Cap Management LLC JV Boston Andes Capital by  JLL
<b>155 North Beacon Street</b> 155 N Beacon St Boston, MA	<b>123,999</b> 1952 Flex	<b>\$50,000,000</b> \$403 confirmed	 IQHQ from  Hamilton Company by 




## Southeast

<b>Florida Keystone Dist Cntr</b> 655 SW 52nd Ave Ocala, FL	<b>2,018,296</b> 1990 Warehouse	<b>\$126,520,000</b> \$63 approximate	 IP Capital Partners JV Torchlight Investors from  Reich Brothers JV HFZ Capital Group by  Cushman & Wakefield
<b>Gateway 700</b> River Ridge Pkwy Jeffersonville, IN	<b>702,800</b> 2021 Warehouse	<b>\$49,500,000</b> \$70 confirmed	 Communications Test Design from  VanTrust Real Estate by  CBRE

## Southwest

<b>Amazon DX2 Delivery Station</b> 1398 Industrial Blvd McKinney, TX	<b>201,473</b> 2021 Warehouse	<b>\$78,425,978</b> \$389 confirmed	 Undisclosed equity fund from  Stonemont Financial by  Eastdil Secured
<b>Ascent Commerce Cntr</b> E 81st Ave Commerce City, CO	<b>594,400</b> 2021 Warehouse	<b>\$63,750,000</b> \$107 confirmed	 PGIM Real Estate from  Crow Holdings by  Eastdil Secured

## West

<b>The Campus @ Ardenwood</b> 6505 Kaiser Dr Fremont, CA	<b>307,000</b> 1986 Flex	<b>\$140,000,000</b> \$456 approximate	 TPG Real Estate from  Deutsche AWM - US by  JLL
<b>Tacoma Supply Chain Cntr</b> 4911 180th St E Frederickson, WA	<b>711,247</b> 2021 Warehouse	<b>\$114,600,000</b> \$161 approximate	 Dalfen Industrial by  Colliers International from  Panattoni Development JV Crow Holdings

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## About Real Capital Analytics

Real Capital Analytics (RCA) is the authority on the deals, the players and the trends that drive the commercial real estate investment markets. Covering all markets globally, RCA delivers timely and reliable data with unique insight into market participants, pricing and capital flows. The most active investors, lenders and advisors depend on RCA's market intelligence to formulate strategy and to source, underwrite and execute deals. An industry pioneer since 2000, RCA has offices in New York, San Jose, London, Singapore and Sydney. For more information, visit: [rcanalytics.com](http://rcanalytics.com)

## About Capital Trends

Capital Trends reports analyze and interpret trends in the global real estate market using RCA's comprehensive data. 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, Europe and Global Capital Trends are published quarterly. Australia Capital Trends was launched in February 2021.

## Methodology

Data based on properties and portfolios \$2.5m and greater unless otherwise stated.