

Capital Trends

US Big Picture

Q3'20

1.4% YOY price change

\$68.4b Transaction volume

-57% YOY volume change

Commercial real estate investment fell sharply in Q3'20 from the pace of activity seen a year ago. There are reasons to be optimistic, however, in that conditions do not seem to be getting worse. There are a few indicators suggesting improvement as well.

Everything is not gloom and doom in the commercial property markets today. Some properties are trading, and not just distressed sales, plus there are assets where investors are still paying top dollar. Social distancing is still prevalent, conferences are online and not in person, and property tours are few and far between, but the market is not dealing with the abject fear seen at the onset of the crisis in March.

Investment activity increased in Q3'20 relative to Q2'20 by a larger margin than would normally be expected because of seasonal trends. Deal volume in the third quarter is usually higher than that seen in second quarter periods as people hit the ground running in September after their summer vacations.

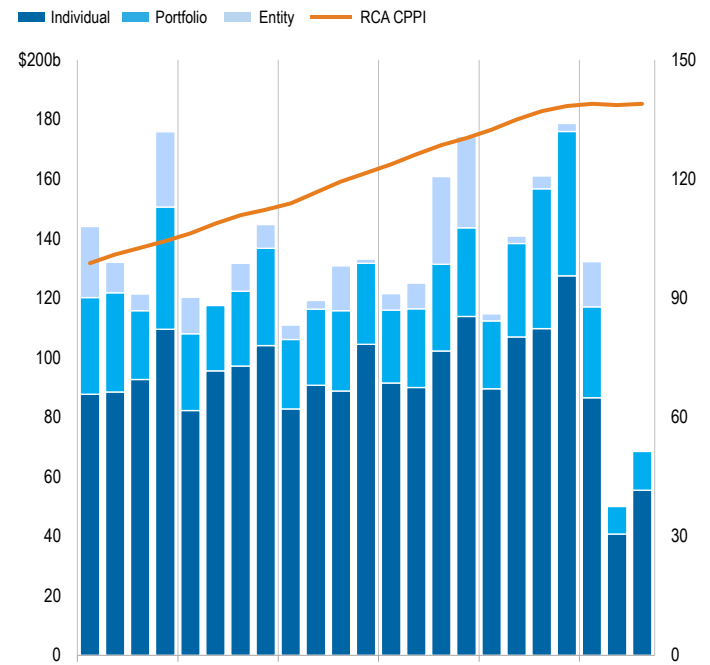
Normally deal activity in third quarter periods will be 9% higher than that seen in second quarters, but volume in Q3'20 was 37% higher than that of Q2'20. This increase is well beyond the historic variation in these quarterly changes, suggesting that people are getting out on the road and buying properties again.

The headline figures actually understate the strength of the quarterly rebound, given the rippling aftereffects of significant portfolio activity in Q3'19. In those happier days without masks, GLP sold two massive portfolios of industrial properties to Blackstone-controlled entities. Those deals drove more portfolio activity in a single quarter than the market had ever seen. Looking at the sale of individual assets in Q3'20, sales were down only 49% YOY. A down quarter for sure, but not as bad as Q2'20.

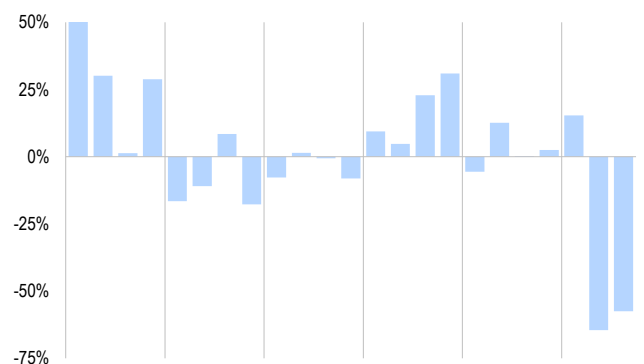
The apartment sector was still the largest component of U.S. commercial real estate investment for the quarter, even with sales down 51% from a year earlier. That pace of decline is the shallowest across the major property sectors, though if we look only at individual asset sales, the industrial sector performs the best, with volume down only 25% YOY. The leader for year-over-year growth across all investment types was development site sales activity, up 21%.

Commercial property price growth was minimal in Q3'20, with the RCA CPPI National All-Property Index up 1.4% YOY. Weaker trends for the office and retail sectors dragged on the index, counteracted by strength in the industrial and apartment sectors. Later in this report we examine the distribution of price changes at the asset level and show that there is a wide variation in performance, with many assets selling at prices well above previous values.

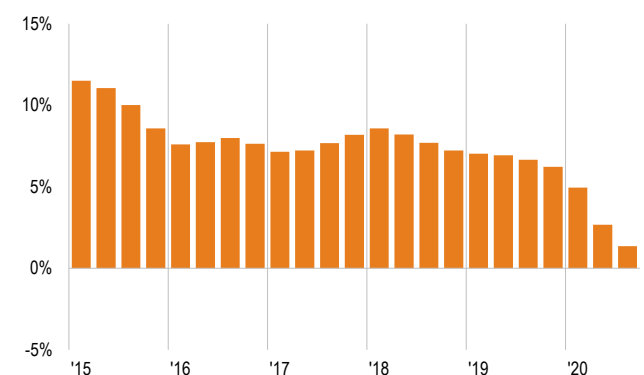
Quarterly Transaction Volume & Pricing



Volume YOY Change



Pricing YOY Change



Recent Trends

Cap rates were generally unchanged from a year earlier in Q3'20, with the hotel sector standing out as an exception. The RCA Hedonic Series cap rate for the hotel sector jumped 20 bps from a year earlier to hit 8.7% for the quarter.

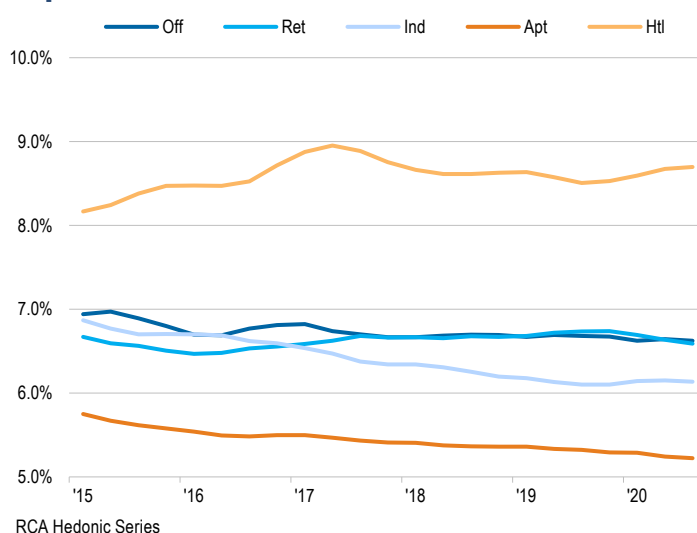
This RCA Hedonic Series provides the actual signal on market trends rather than the noise around a change in the composition of what is transacting. The simple average cap rates on apartment deals, for instance, jumped 20 bps between Q2'20 and Q3'20 when the trend was really for cap rates to stay low. An influx of deals involving lower quality properties was behind that surge.

Relative to their long-run trends, cap rates for offices and retail are not at record lows. Cap rates were lower for each in the housing boom just before the Global Financial Crisis. The industrial and apartment sectors, however, now have cap rates at or near record low levels, well below the previous low-water marks set in 2006 and 2007.

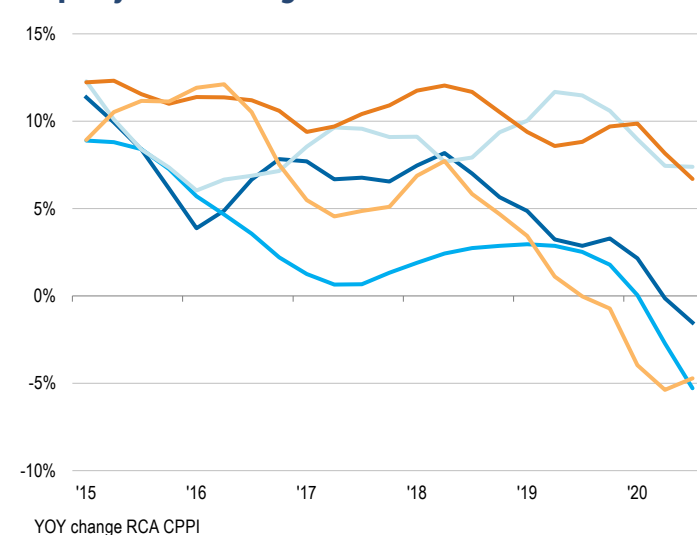
Mirroring these relative positions for cap rates, prices outperformed for the industrial and apartment sectors. The RCA CPPI for the apartment sector climbed 6.7% YOY while that for the industrial sector was up 7.4% YOY. The retail price index fell 5.3% and the office index was down 1.5% YOY.

There is almost a cottage industry today of talking heads decrying the future of urban areas, especially those cities which constitute the 6 Major Metros. To date though, there is not much evidence that these fears over the future of such areas have translated through to changes in investment activity. Deal volume was down at a similar pace across the 6 Major Metros and the Non-Major Metros.

Cap Rates



Property Price Change



Deal Volume and Pricing Summary

	Quarterly Volume				RCA CPPI	
	\$b	YOY Chg	#Props	YOY Chg	1-qtr Chg	1-yr Chg
All Types	68.4	-57%	4,861	-49%	0.3%	1.4%
6 Major Metro All Types	23.3	-60%	1,340	-48%	0.3%	1.3%
Non-Major Metro All Types	45.1	-56%	3,521	-49%	0.2%	1.8%
Office	13.6	-60%	718	-52%	-0.7%	-1.5%
Industrial	15.4	-63%	1,276	-53%	1.9%	7.4%
Retail	6.5	-58%	950	-46%	-2.2%	-5.3%
Apartment	24.0	-51%	1,206	-47%	1.4%	6.7%
Hotel	1.9	-82%	187	-67%	-0.2%	-4.7%
Seniors Housing & Care	1.6	-68%	97	-67%		
Dev Site	5.5	21%	427	-7%		

RCA CPPI All Types indices include office, industrial, retail and apartment transactions

Tracking Distress in the Downturn

Distressed asset sales still represent a minimal portion of transactions, with only 2% of deals coming from distressed situations in Q2'20. Preliminary data suggests only 1% of the total in Q3'20 came from distress, though this figure is likely to revise upward.

Distress plays a role in the price cycle, with signals from these transactions influencing buyers and sellers involved even in stabilized properties. Some individual markets are further along in this price cycle as more potential distressed sales hang over the market.

Levels of distress and resulting price changes vary by market and property sector. To demonstrate the variation, the chart below focuses on the office sector, but the process is repeated in the individual property sector reports.

Potential distress is measured here by looking at newly troubled loans in 2020 relative to average annual deal activity over the last five years. Plotting this potential distress indicator versus year-over-year price changes from the RCA Hedonic

Recent Distress Trends

	Q2'20	Q3'20*
Recent trends (\$m)		
Quarterly distress inflows	37,796	12,396
Quarterly workouts	3,196	3,522
Net change	34,600	8,874
Distress sales		
Sales out of distress (\$m)	690	610
Share of total sales volume	2%	1%
Count of sales out of distress	49	50

Major property types including senior housing & care, dev sites

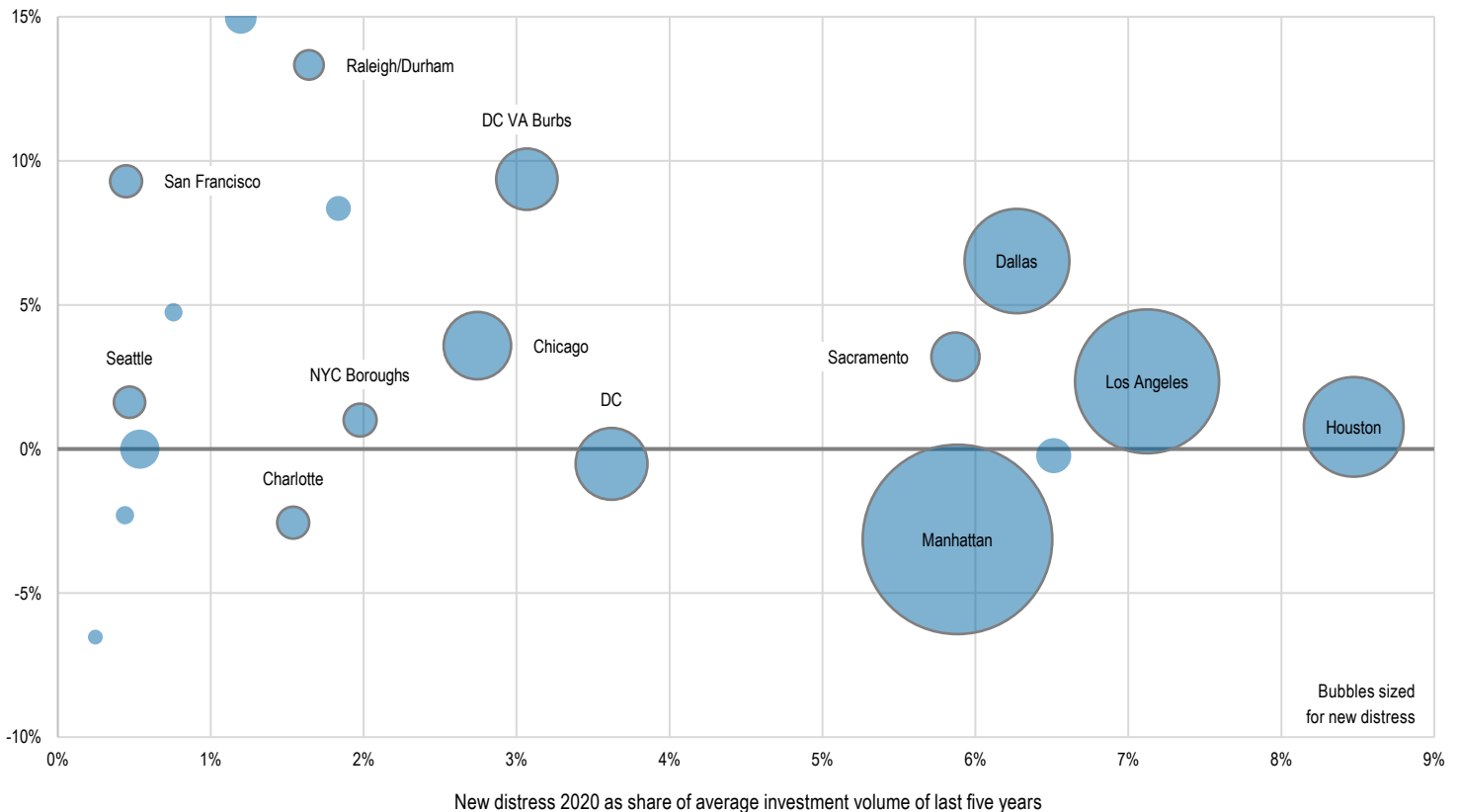
*Q3'20 data is preliminary

Distress indicates direct knowledge of property-level distress. Known through announcements of bankruptcy, default and court administration as well as significant publicly reported issues — such as significant tenant distress or liquidation — that would exemplify property-level distress. This also includes CMBS loans transferred to a special servicer.

Series shows where pricing signals are getting through to the broader market. There are office markets in the top-right quadrant with a larger overhang of potential distress but pricing that has not yet fallen.

Selected Office Markets Price Change and Levels of New Distress

Annual change in RCA Hedonic Series PPSF



Pricing in the Covid Era

The RCA CPPI National All-Property Types Index rose just 1.4% YOY in September but this minimal movement raises a question from a number of people: “Why haven’t prices dropped at double-digit rates across the board?” In talking with these investors, a number of high-profile deals are cited as examples of price declines. It is important to remember, however, that these deals are not the whole market.

Looking at the distribution of price changes for deals completed in Q2'20 and Q3'20 allows us to gauge some of the impact that the Covid-19 pandemic has had on the market. Presumably any deal closed in this period involved both buyers and sellers incorporating their Covid-19 views into their pricing. Looking here at the distribution of price gains for the office and retail sectors, it is clear that some sellers in this Covid-19 era have been winners.

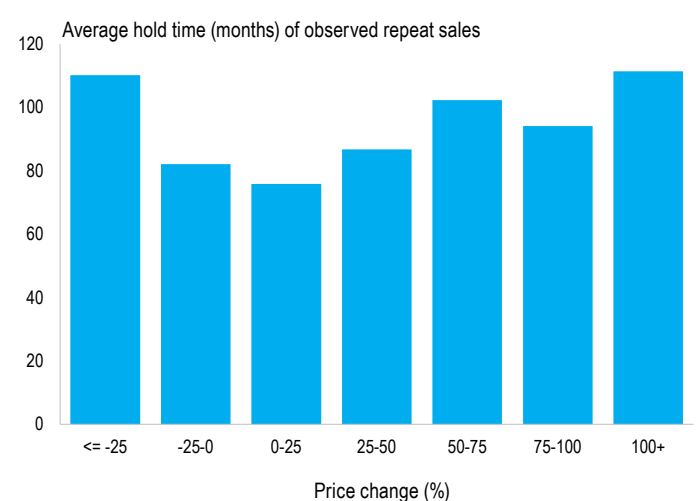
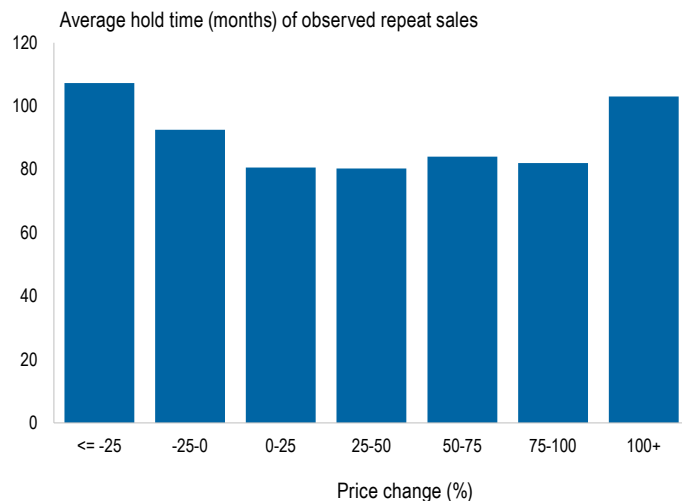
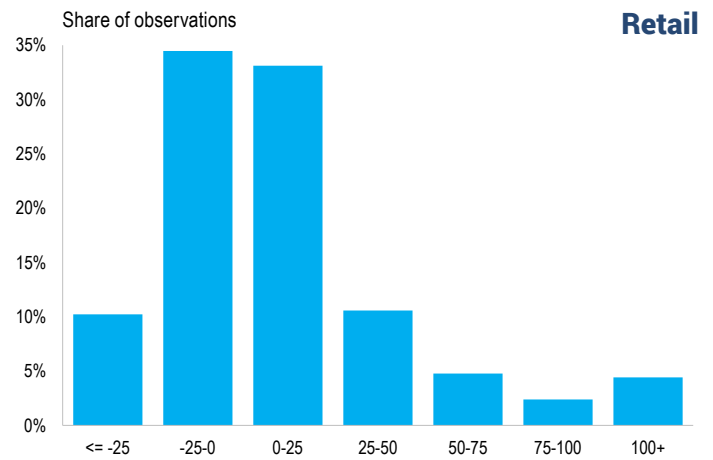
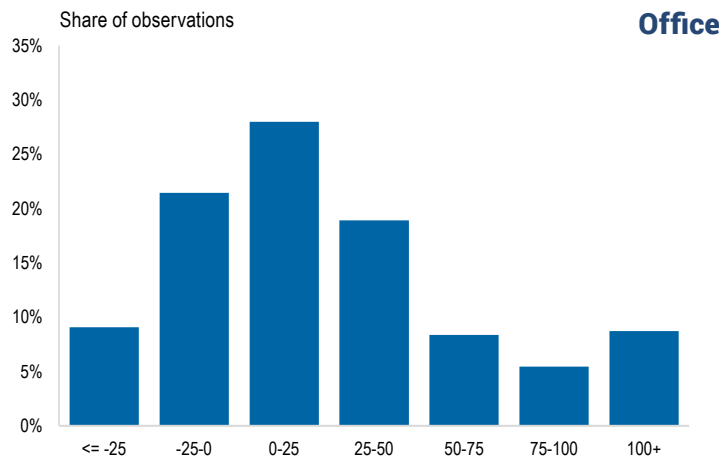
The charts below look at cumulative price losses or gains between sales for all of the matched pairs involved in the production of the

RCA CPPI for the retail and office sectors in this April-September period. For the retail sector, 44% of all observations experienced losses, while 30% of office observations experienced losses. Another way to look at these figures is that most investors who have sold in this Covid-19 era have so far experienced a cumulative gain.

Long-term holding periods are usually associated with bigger cumulative gains, as years of valuation adjustments on the books are finally realized in a sale. The distribution of the holding periods for each of the price growth buckets is U-shaped, suggesting that both the biggest winners and losers had long-term holds.

Clearly there are some long-term investors who have been forced to sell for losses amid the current disruption. This collection of investors is likely to grow given the spike in troubled loans that have entered the market in the last two quarters, many of which will end up as distressed asset sales.

Distribution of Repeat Sales Prices April-September 2020



Change in price between sales of the same property

Depth of the Lender Pool

A significant challenge faced during the Global Financial Crisis was that debt capital was often unavailable at any price. Cash flowing properties went into default as few lenders were able to step up to handle refinancing activity. So far in this downcycle, conditions are different.

Even in the middle of this pandemic-driven downturn, there are lenders willing to work with borrowers. Debt can be 60% of the capital stack, so having a depth of lenders in the market can influence the pricing decisions of current owners. Prices are not falling at high double-digit rates because owners are not being forced to sell at ruinous prices due to a lack of debt. At least, that is, for most property types.

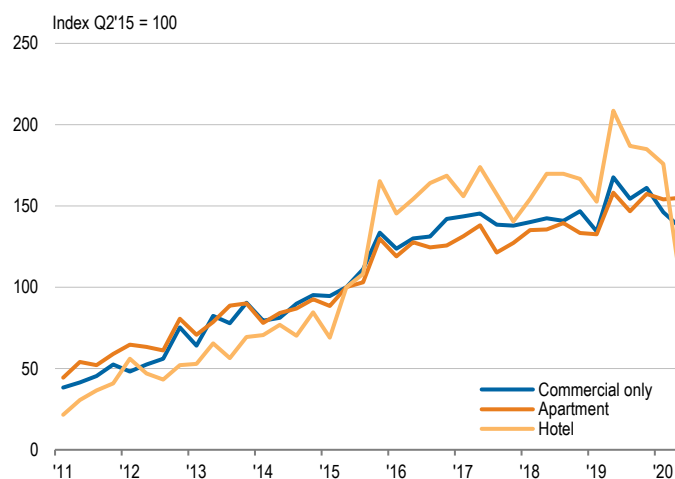
We can measure this depth of the lender pool by counting the number of unique loan originators in each period, and the clear problem sector is hotels. Indexing the count of the number of unique loan originators each quarter to 100 allows comparisons across the apartment, hotel, and total commercial markets.

The chart shows a steep decline for the hotel sector, with 50% fewer originators in Q2'20 than a year earlier. Originators for the apartment sector have barely blinked, with only 2% fewer originators than in Q2'19. For commercial properties in total — office, industrial, and retail — this figure is about in the middle, showing an 18% YOY decline.

Of the commercial property sectors, the retail sector faces the most challenging change in depth in the lender pool, showing a 20% YOY decline in Q2'20. As with every other property type however, this decline was more pronounced in the 6 Major Metros than in the Non-Major Metros.

The breakdown by originator type helps explain some of the outperformance of the Non-Major Metros in the depth of the lending pool. Regional and local banks dominate the debt landscape in these smaller markets and there were only 2% fewer originators in this group in Q2'20 than for Q2'19. This group also had more active players in Q2'20 than the average quarterly trend seen from Q1'16 to Q4'19.

Trends in Count of Lenders by Property Type



Commercial = office, industrial, retail

Q2'20 YOY Change in Originator Count By Lender Type

	Change from '16-'19	YOY Change
Gov't Agency	-5.2%	4.1%
CMBS	-54.0%	-59.3%
Int'l Bank	-16.6%	-28.6%
Nat'l Bank	-20.5%	-16.9%
Reg'l/Local Bank	0.9%	-2.0%
Investor-Driven	-34.4%	-49.5%
Insurance	-3.1%	-3.5%
Grand Total	-5.1%	-19.6%

By Sector and Market Tier

	Non-Major Metros	6 Major Metros	US Total
Apartment	2.6%	-9.4%	-1.9%
Hotel	-46.7%	-64.3%	-49.7%
Industrial	-7.7%	-24.9%	-14.9%
Office	-5.0%	-33.4%	-12.5%
Retail	-18.5%	-31.8%	-19.7%
Grand Total	-15.5%	-31.9%	-19.6%

Top Markets

Dallas sits at the top of the leader board for deal volume in the first nine months of the year. Normally, Manhattan would occupy the #1 slot. Los Angeles has sometimes taken the lead during periods of market disruption in Manhattan, but Dallas has never topped the rankings for an extended period until 2020.

Granted, deal activity was down for the year to date across all the markets in the top 25 list. Dallas simply fell less than Manhattan, down 52%, and Los Angeles, down 41%.

Portfolio and entity-level transaction helped boost Dallas to the #1 slot. Prologis acquired both Liberty Property Trust and IPT in Q1'20, deals that included numerous assets in Dallas.

Another big mover on the list is Raleigh, which jumped from the #30 position in 2019 to #16 over the first three quarters of 2020. Sales of numerous office portfolios drove this jump.

Looking only at individual asset sales, Los Angeles would have surpassed Dallas over the first three quarters of 2020, with volume at \$9.4b. The #2 market, however, would not be Dallas or Manhattan, but Boston. Individual asset sales in Boston totaled \$8.3b over the first three quarters.

Manhattan's fall in the rankings is a story of a one-two punch of turmoil in the apartment market, then in the hotel market. Manhattan had slipped to the #8 position for apartment sales in 2019 after new rent control regulations took away a portion of investor interest.

Then, in 2020, the collapse of the hotel market has further bruised Manhattan. Months at a time with no transactions pushed Manhattan down to the #5 slot for hotel sales, despite leading historically.

Most Active Markets Year to Date '20

■ Single asset ■ Portfolio/entity-level

2018	2019	YTD'20	Market	Sales Volume (\$m)	YOY
3	3	1	Dallas	12,753	-27%
2	1	2	Los Angeles	12,142	-41%
1	2	3	Manhattan	9,053	-52%
9	6	4	Boston	8,971	-30%
5	5	5	Atlanta	8,308	-41%
4	8	6	Chicago	7,033	-35%
8	7	7	Phoenix	6,601	-46%
11	11	8	Denver	5,906	-31%
6	9	9	Houston	5,470	-48%
10	17	10	NYC Boroughs	5,345	-22%
14	15	11	No NJ	5,194	-41%
12	10	12	San Francisco	5,045	-60%
13	14	13	San Jose	4,918	-46%
15	12	14	DC VA burbs	4,892	-35%
7	4	15	Seattle	4,822	-66%
27	30	16	Raleigh/Durham	4,035	-8%
23	20	17	East Bay	3,629	-47%
26	21	18	Charlotte	3,507	-34%
16	16	19	Inland Empire	3,494	-51%
21	18	20	Orange Co	3,312	-45%
18	13	21	Austin	3,228	-63%
17	19	22	San Diego	3,171	-53%
19	23	23	Philadelphia	3,154	-46%
24	25	24	Tampa	3,040	-42%
34	33	25	Nashville	3,037	-28%

Institutional Investors Active in 2020

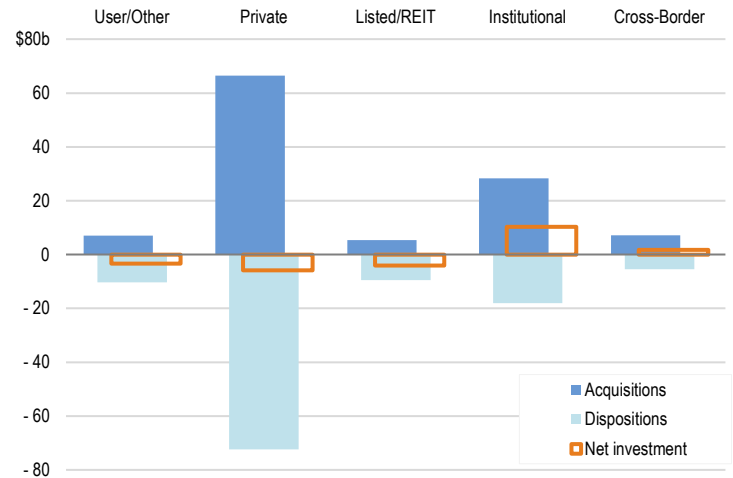
Institutional investors are positioned as net investors in U.S. commercial real estate in the face of the Covid-19 pandemic. Despite uncertainty over the economy and timeline to recovery, this class of investor has been growing their portfolio exposure to the market. It is not the same set of investors buying assets this year as in the past.

Deal activity has corrected in 2020 following the onset of the Covid-19 crisis. Total new acquisitions in Q2'20 and Q3'20 were sharply down for all investor types in aggregate. To measure relative investor interest in commercial real estate, one can net out the dispositions from each group relative to what they bought to get a true picture of how they are growing their portfolios.

Institutional capital sources expanded their exposure to U.S. commercial real estate in Q2'20 and Q3'20 by acquiring \$10.3b more than they sold. Even though Covid-19 came onto the scene earlier, in March, these are the two quarters when the sting on deal activity was the most intense.

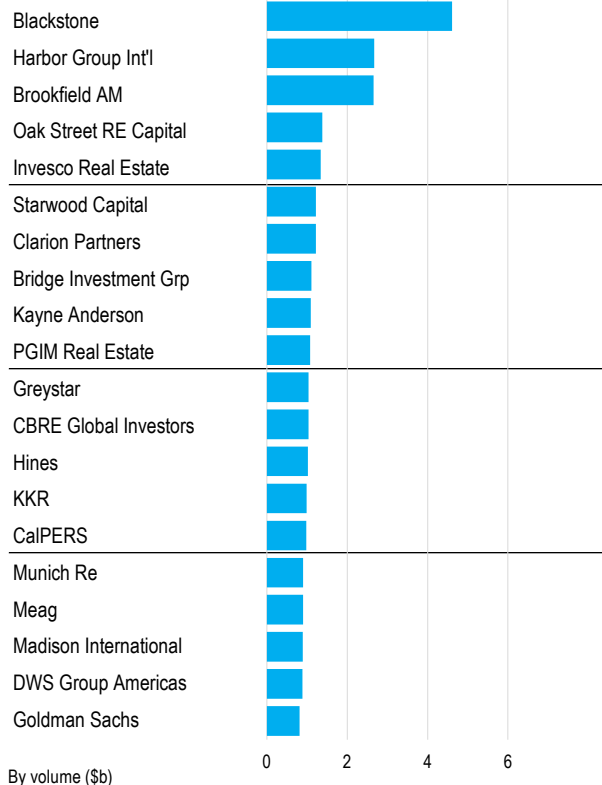
Looking at the list of the top institutional investors in 2020 so far, there are some familiar names at the top of the list.

Acquisitions and Dispositions During Q2-Q3 2020

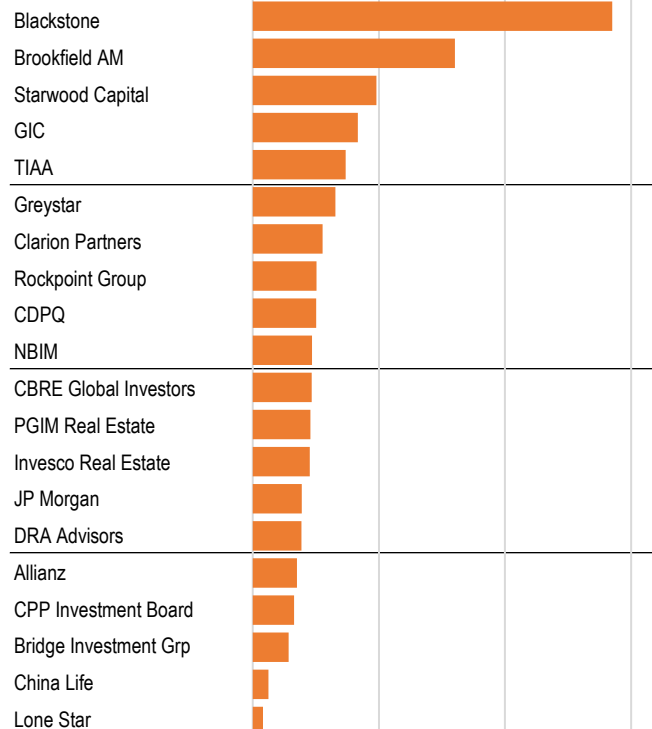


However, two of the top five investors out of 20 most active over the same periods of last five years are not in the top 20 this year. Furthermore, there are new names in the current ranking not seen over the last five years.

Most Active Institutional Buyers Q1-Q3 2020



Q1-Q3 Past Five Years Average



Market Table *All Property Types*

Transactions Reported Closed		Office		Industrial		Retail		Apartment		Hotel		Dev Site		Senior Hsg & Care		Total	
YTD through Q3'20		Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props	Vol (\$M)	# Props
Mid-Atlantic	Baltimore	340.2	28	826.3	46	118.7	16	784.4	26	112.8	5	131.2	8	26.7	3	2,340.4	132
	DC	1,485.5	17	30.9	3	79.4	12	463.1	19	349.7	4	153.8	6			2,562.4	61
	DC MD burbs	541.2	25	459.3	28	105.3	12	1,322.4	25	50.0	6	96.3	10	82.4	6	2,657.0	112
	DC VA burbs	2,008.3	69	514.9	23	410.4	25	1,684.4	21	219.2	6	612.8	19	54.5	4	5,504.5	167
	Philadelphia	1,440.5	61	535.7	57	295.9	31	704.1	49	13.3	2	365.5	17	164.7	7	3,519.6	224
	Pittsburgh	231.3	8	114.6	15	152.5	12	235.1	9	43.7	6	25.9	2	12.9	2	816.0	54
	Richmond/Norfolk	215.5	30	618.4	29	193.2	30	604.8	45	36.8	7	91.6	11	76.5	9	1,836.8	161
	Tertiary Mid-Atlantic	599.2	70	2,006.6	126	570.1	73	459.9	45	145.1	20	753.4	31	133.9	13	4,668.2	378
	Total	6,861.7	308	6,994.6	329	1,954.0	231	6,258.0	239	970.6	56	2,230.4	104	551.7	44	25,821.1	1,311
Midwest	Chicago	1,345.9	64	3,453.7	313	929.8	116	921.8	94	173.9	20	393.1	46	207.4	12	7,425.7	665
	Cincinnati	236.4	18	426.4	40	96.7	17	248.3	22	45.1	3	26.7	3	34.2	3	1,113.8	106
	Cleveland	71.9	15	168.1	24	56.9	8	158.4	8	5.9	1	71.3	6	50.9	4	583.4	66
	Columbus	138.7	12	858.8	36	55.8	13	619.9	29	13.0	3	156.1	7	22.8	2	1,865.0	102
	Detroit	290.0	28	188.8	22	124.8	19	194.4	19	23.3	5	77.1	6			898.4	93
	Indianapolis	295.4	24	538.9	39	125.1	24	565.6	27	107.1	9	64.9	14	43.7	3	1,740.7	140
	Kansas City	418.9	19	296.3	33	136.7	24	706.5	35	44.2	7	66.1	10	51.8	7	1,720.6	135
	Minneapolis	605.2	37	1,114.0	117	444.0	43	684.9	42	64.8	8	348.4	15	5.5	1	3,266.9	263
	St Louis	265.2	26	314.7	36	211.6	21	504.8	28	18.2	3	33.1	7	138.0	13	1,485.8	134
	Tertiary Midwest	947.3	138	2,013.5	234	1,391.4	259	2,013.4	226	390.6	69	226.8	34	310.3	45	7,293.4	1,005
	Total	4,614.9	381	9,463.8	895	3,572.9	544	6,618.1	524	886.2	128	1,463.6	148	903.1	93	27,522.5	2,713
Northeast	Boston	5,477.6	73	1,667.9	78	355.3	32	1,324.4	57	108.3	6	102.9	14	37.3	8	9,073.7	268
	Hartford	132.2	5	116.8	8	4.7	1	89.0	14	40.7	3	21.7	1	48.5	2	453.6	34
	Long Island	205.9	19	187.1	23	122.9	13	340.4	6	24.5	3	29.6	5	26.4	1	936.8	70
	Manhattan	5,120.1	52			1,671.5	51	1,995.1	98	266.0	3	167.3	9			9,220.0	213
	No NJ	1,867.5	77	1,637.3	127	415.6	53	1,082.0	79	30.5	2	180.7	19	161.5	5	5,375.0	362
	NYC Boroughs	479.9	23	1,997.5	104	698.4	96	2,031.0	139	17.6	3	715.1	40	120.4	5	6,059.8	410
	Stamford	149.9	8	52.9	8	18.0	3	324.1	8			8.2	2			553.1	29
	Westchester	136.9	16	33.0	7	83.6	12	387.5	13			21.4	4	13.5	1	675.9	53
	Tertiary Northeast	705.6	49	738.0	86	663.9	65	757.9	61	227.5	29	68.2	8	90.2	9	3,251.3	307
	Total	14,291.2	325	6,430.4	441	4,033.9	326	8,331.4	475	715.0	49	1,315.1	102	497.8	31	35,614.9	1,749
Southeast	Atlanta	962.6	78	2,215.7	147	690.8	87	3,846.2	130	493.0	19	478.7	45	99.3	13	8,786.3	519
	Broward	288.7	28	374.4	35	218.3	27	717.8	32	44.0	7	164.4	13	59.2	2	1,866.7	144
	Charlotte	890.5	29	801.5	71	245.9	33	1,512.3	52	10.3	2	232.7	30	46.5	5	3,739.7	222
	Jacksonville	386.5	28	308.3	16	119.6	19	692.3	23	44.3	8	149.9	22	126.1	3	1,827.2	119
	Memphis	171.4	13	703.7	58	62.0	11	352.4	24	23.1	4	40.0	1	31.7	3	1,384.4	114
	Miami	378.0	22	721.7	70	404.1	36	610.0	36	255.3	3	727.9	33	64.1	4	3,161.1	204
	Nashville	645.2	33	649.3	41	272.3	25	1,175.9	36	266.7	9	249.1	32	27.7	2	3,286.3	178
	Orlando	194.3	23	603.2	39	261.2	35	1,533.2	30	155.8	11	264.0	21	111.1	4	3,122.8	163
	Palm Beach	455.3	28	303.8	28	146.7	20	377.5	14	41.6	3	76.0	10	12.4	1	1,413.3	104
	Raleigh/Durham	1,664.9	61	502.9	31	260.9	32	1,521.7	39	84.2	10	167.6	17			4,202.2	190
	Tampa	323.9	32	430.6	39	205.3	36	1,579.4	63	38.3	5	146.3	19	462.1	6	3,185.9	210
	Tertiary Southeast	1,928.1	236	2,894.0	300	2,313.9	376	7,106.2	454	777.4	99	565.2	88	899.7	62	16,484.5	1,615
	Total	8,291.3	613	10,600.6	878	5,201.1	737	21,025.0	933	2,234.0	180	3,261.9	331	1,939.9	115	52,553.6	3,787
Southwest	Austin	505.8	33	350.9	35	291.3	31	1,971.2	58	65.1	9	233.6	18	44.1	3	3,462.0	187
	Dallas	2,033.3	93	2,947.7	172	901.1	111	6,522.8	199	200.0	24	602.6	49	148.2	9	13,355.7	657
	Denver	1,427.3	45	1,166.4	89	337.2	40	2,789.9	77	30.7	6	266.1	35	154.0	7	6,171.7	299
	Houston	827.8	59	1,752.4	135	517.6	79	2,104.5	71	97.1	17	357.0	40	170.5	10	5,826.8	411
	Phoenix	726.7	66	1,683.2	117	484.6	71	3,075.4	123	550.8	12	529.6	56	80.6	6	7,130.9	451
	San Antonio	258.6	26	363.2	36	243.8	29	1,284.7	55	117.2	17	31.2	5	22.0	2	2,320.7	170
	Tertiary Southwest	1,037.2	101	892.9	111	1,061.3	146	3,024.3	218	385.1	75	111.7	31	194.2	17	6,706.7	699
	Total	6,816.7	423	9,156.7	695	3,836.9	507	20,772.8	801	1,445.9	160	2,415.1	236	813.6	54	45,257.8	2,876
West	East Bay	338.8	22	1,447.3	77	364.8	20	1,451.3	71	20.8	1	183.4	17	6.0	1	3,812.4	209
	Inland Empire	187.0	25	2,162.7	120	349.1	53	579.2	25	125.2	10	466.3	32	91.0	5	3,960.5	270
	Las Vegas	265.5	31	719.0	42	183.2	34	795.4	22			146.5	18	52.1	3	2,161.7	150
	Los Angeles	3,286.8	122	3,354.3	298	1,623.3	165	3,624.2	357	210.4	17	1,258.6	45	42.9	4	13,400.5	1,008
	Orange Co	1,254.2	58	933.3	101	679.5	50	273.8	35	108.1	9	48.2	10	63.4	4	3,360.7	267
	Portland	614.6	37	822.3	44	152.2	25	1,162.2	70	42.8	4	97.2	15	231.8	12	3,123.1	207
	Sacramento	785.5	54	331.2	42	166.0	27	1,053.3	33	75.8	9	98.8	16	17.2	2	2,527.8	183
	Salt Lake City	315.9	26	317.9	43	172.6	28	871.6	45	39.6	3	169.6	23	112.1	10	2,053.3	178
	San Diego	924.0	52	732.6	71	345.7	43	851.6	75	158.4	9	446.7	17	158.6	4	3,617.6	271
	San Francisco	2,867.1	32	933.3	40	420.6	32	780.3	49	19.0	2	155.4	8	24.7	1	5,200.3	164
	San Jose	2,168.0	49	1,074.5	67	333.6	30	1,125.7	28	126.6	2	338.0	13	89.5	2	5,255.9	191
	Seattle	1,583.1	44	862.2	67	296.0	38	1,612.6	66	34.4	5	517.7	54	433.8	11	5,339.7	285
	Tertiary West	1,081.1	127	2,030.4	197	1,106.2	178	2,205.7	164	368.3	44	852.4	79	421.9	36	8,065.9	825
Total	15,671.7	679	15,828.7	1,210	6,192.8	723	16,386.9	1,040	1,329.3	115	4,778.6	347	1,745.2	95	61,933.2	4,209	
Total	Total US	56,900.2	2,761	59,922.2	4,480	24,848.3	3,080	79,392.3	4,012	7,580.9	688	15,464.8	1,268	6,463.3	433	250,571.9	16,722

Top Buyers and Sellers Year to Date '20

Top Buyers by Region

Mid-Atlantic

Prologis
GSA (US Gov't)
Blue Cross
Amazon
Black Creek Group

Midwest

Prologis
Blackstone
BREIT
Oak Street RE Capital
Invesco Real Estate

Northeast

Amazon
Munich Re
Meag
Madison International
Brookfield AM

Southeast

Prologis
Blackstone
Healthpeak Properties Inc
Truist
Kayne Anderson

Southwest

Prologis
Harbor Group Int'l
Blackstone
Berkshire Group
Brookfield AM

West

Prologis
Alexandria
DivcoWest
DWS Group Americas
Brookfield AM

Ranked by investment volume

By Investment Volume

Buyers

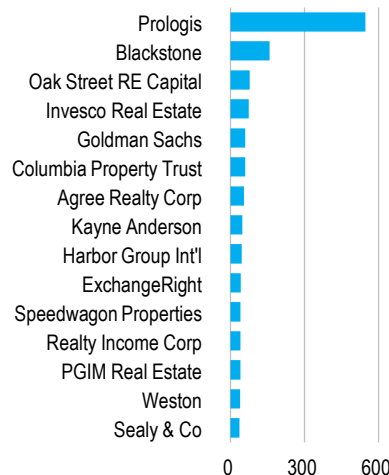


Sellers

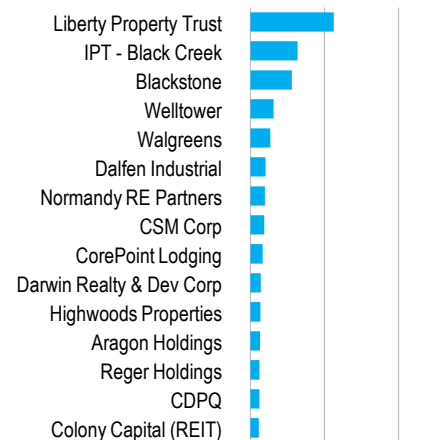


By Number of Properties

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 RCA website.

Top Brokers Year to Date '20

By Region

Mid-Atlantic

CBRE
JLL
Cushman & Wakefield
Newmark
Colliers International

Midwest

CBRE
Cushman & Wakefield
Colliers International
JLL
Eastdil Secured

Northeast

CBRE
Newmark
JLL
Cushman & Wakefield
Eastdil Secured

Southeast

CBRE
Cushman & Wakefield
JLL
Newmark
Eastdil Secured

Southwest

CBRE
JLL
Newmark
Marcus & Millichap
Cushman & Wakefield

West

CBRE
Eastdil Secured
Newmark
JLL
Cushman & Wakefield

By Property Type

Office

CBRE
JLL
Eastdil Secured
Newmark
Cushman & Wakefield

Industrial

CBRE
Cushman & Wakefield
Eastdil Secured
JLL
Colliers International

Retail

CBRE
Marcus & Millichap
JLL
Eastdil Secured
Cushman & Wakefield

Apartment

CBRE
Newmark
JLL
Marcus & Millichap
Cushman & Wakefield

Hotel

JLL
Hodges Ward Elliott
CBRE
Marcus & Millichap
Hunter

Dev Sites

CBRE
Cushman & Wakefield
Newmark
JLL
Colliers International

Other

Over \$25m

CBRE
JLL
Newmark
Cushman & Wakefield
Eastdil Secured

Under \$25m

CBRE
Marcus & Millichap
Cushman & Wakefield
Colliers International
Newmark

Portfolio Sales

CBRE
Eastdil Secured
JLL
Newmark
Cushman & Wakefield

Single Asset Sales

CBRE
JLL
Cushman & Wakefield
Newmark
Marcus & Millichap

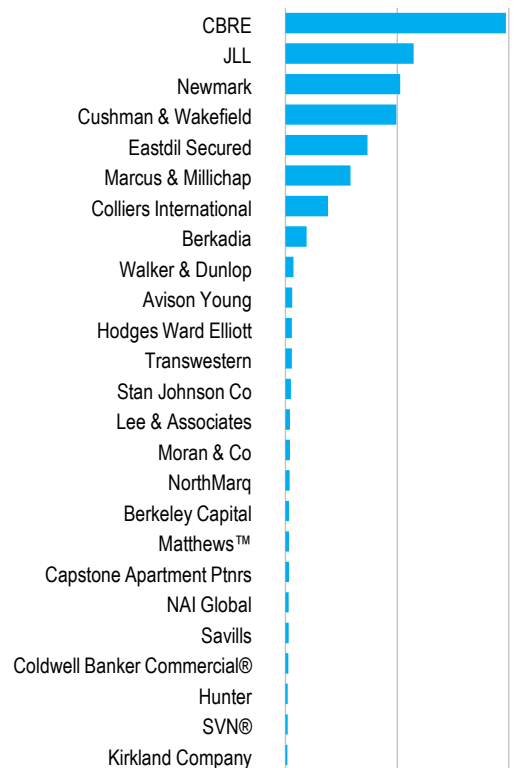
Buyer's Rep

Marcus & Millichap
CBRE
Newmark
Cushman & Wakefield
Colliers International

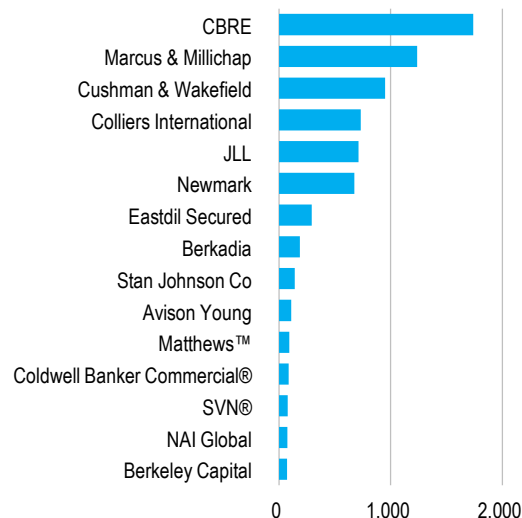
Cross-Border

CBRE
Eastdil Secured
JLL
Cushman & Wakefield
Newmark

By Investment Volume



By Number of Properties



All ranked by investment volume

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 RCA website.

Top Deals Year to Date '20

Property Sales

Property	Location	Size	Type	Volume (\$m) ^Δ	\$/unit	Buyer	Seller
1 fmr Lord & Taylor (Manhattan)	New York, NY	667,350 sq ft	RET	978.1	1,466	Amazon	Rhone Group JV The We Company
2 330 Madison Avenue	New York, NY	849,372 sq ft	OFF	900.0	1,060	Meag OBO Munich Re	ADIA
3 Southeast Federal Center	Washington, DC	1,353,700 sq ft	OFF	760.0	561	GSA (US Gov't)	JBG Smith
4 245 Summer Street	Boston, MA	904,000 sq ft	OFF	727.5	805	Fidelity Investments	Benderson Development
5 60 State	Boston, MA	911,394 sq ft	OFF	614.3	674	Starwood Capital	OMERS JV JP Morgan
6 525 Market Street	San Francisco, CA	1,034,170 sq ft	OFF	605.2 *	1,194	DWS Group Americas	NYSTRS JV JP Morgan
7 Southern Towers	Alexandria, VA	2,311 units	APT	506.0	218,953	CIM Group	Snell Properties JV Caruthers Properties
8 One Madison Avenue	New York, NY	1,200,000 sq ft	OFF	492.2 *	829	Hines JV NPS	SL Green
9 Truist Center	Charlotte, NC	972,000 sq ft	OFF	455.5	469	Truist	Cousins Properties
10 Sol at West Village	Davis, CA	663 units	APT	446.7	673,756	Landmark Props JV Ocean West	Carmel Partners JV Urban Villages
11 The Olivia	New York, NY	333 units	APT	446.5	1,340,841	Brookfield AM	SL Green
12 1375 Broadway	New York, NY	513,000 sq ft	OFF	435.0	848	Savanna JV Declaration Cap	Westbrook Partners
13 US Bank Tower	Los Angeles, CA	1,371,483 sq ft	OFF	430.0	314	Silverstein Properties	OUE Limited
14 Tower 333	Bellevue, WA	414,964 sq ft	OFF	401.5	968	KKR	Equity Commonwealth
15 530-536 Broadway	New York, NY	196,000 sq ft	OFF	382.0	1,949	SHVO JV Deutsche Finance Grp	Thor Equities JV Wharton Properties
16 Instrata Nomad	New York, NY	392 units	APT	380.6	970,918	Global Holdings	Invesco Real Estate OBO LACERA
17 Facebook	Bellevue, WA	400,000 sq ft	OFF	378.9	947	Facebook	REI JV Wright Runstad & Co
18 333 South Wabash	Chicago, IL	1,207,380 sq ft	OFF	376.0	311	SHVO JV Deutsche Finance Grp	The John Buck Co JV Morgan Stanley
19 545 Washington Boulevard	Jersey City, NJ	866,706 sq ft	OFF	372.8	430	Harbor Group Int'l	LeFrak Organization
20 Independence Blue Cross HQ	Philadelphia, PA	760,613 sq ft	OFF	360.0	473	Blue Cross	Piedmont REIT
21 Amazon Distribution Center	Revere, MA	826,338 sq ft	IND	355.0	430	Clarion Partners	Atlantic Management JV VMD Companies
22 Broadcom	Irvine, CA	660,900 sq ft	OFF	355.0	537	PRP LLC	Fivepoint Communities
23 future Lagoon Valley	Vacaville, CA	36,590,400 sq ft	DEV	-	-	Triad Development	Lennar Corporation
24 522 Fifth	New York, NY	595,430 sq ft	OFF	350.0	588	RFR Realty	Morgan Stanley
25 Patriots Park	Reston, VA	723,667 sq ft	OFF	325.0	449	Boyd Watterson	KB Financial Group

Portfolio Sales

Buyer	Seller	Location	# Props	Type	Volume (\$m) ^Δ
1 Prologis	Liberty Property Trust	Worldwide	336	DEV, IND, OFF	-
2 Prologis	IPT - Black Creek	Multiple, USA	194	DEV, IND	3,990.0
3 Harbor Group Int'l	Aragon Holdings	Multiple, USA	39	APT	1,850.0
4 Blackstone	Cortland	Multiple, USA	19	APT	-
5 Undisclosed institutional investor	Aimco	Multiple, CA	12	APT	960.0 *
6 Blackstone	Hudson Pacific Props	Los Angeles, CA	7	IND, OFF	808.5 *
7 Oak Street RE Capital	Big Lots!	Multiple, USA	4	IND	725.0
8 Berkshire Group	Western Rim Properties	Multiple, TX	11	APT	-
9 Invesco Real Estate	Welltower	Multiple, USA	35	OFF	- *
10 WPT Industrial REIT	Blackstone JV CDPQ	Multiple, USA	26	DEV, IND	707.3

^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

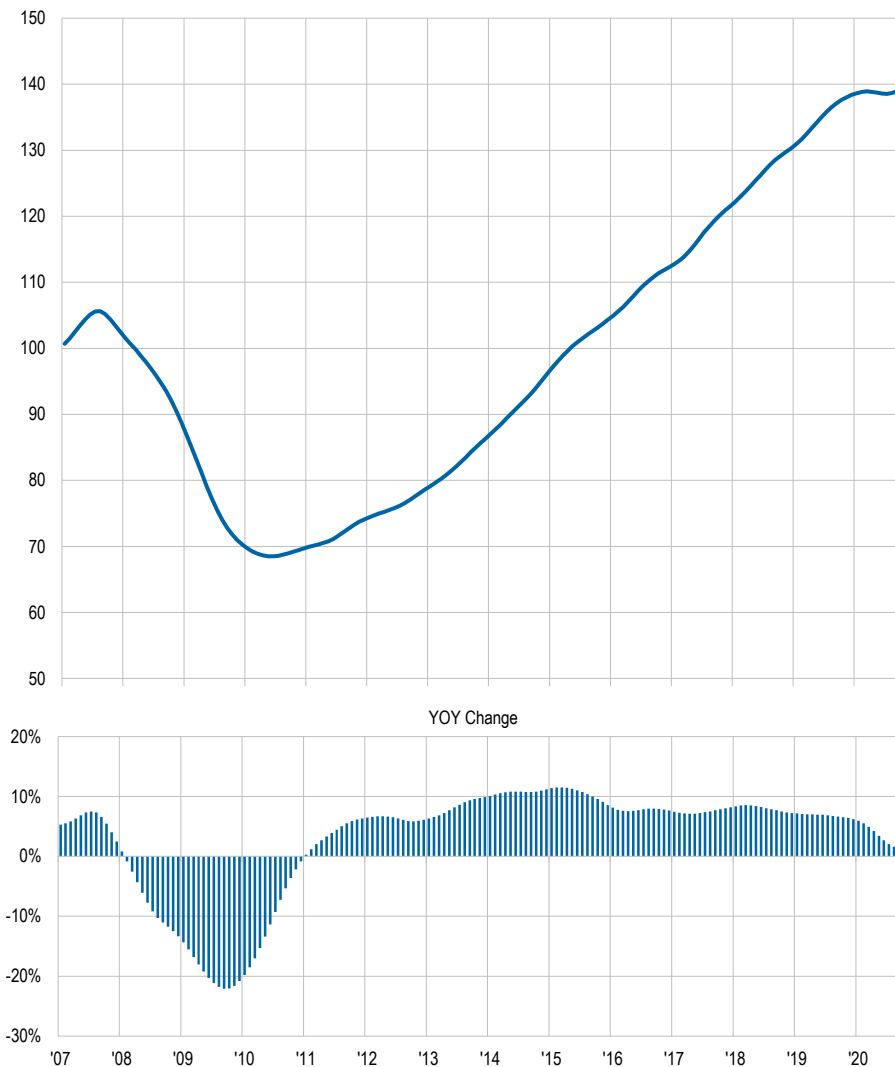
The number of buyers or sellers shown on a deal is truncated to two. For full deal and player information go to the RCA website.

CPPI Summary

0.2% Increase past month

1.4% Increase past year

National All-Property Index



The national rate of commercial real estate price growth was flat in September from August as continued gains in apartment and industrial sector prices balanced out declines in retail and office prices. The US National All-Property Index gained 0.2% on the month and 1.4% from a year ago.

Apartment prices gained 0.6% in September and rose 6.7% YOY. The multifamily index has slowed from the double-digit pace seen earlier this year, but deal activity has fared better than most of the other sectors and few distress sales are in evidence.

The industrial sector has been the most stable of the national property type indices, posting in the mid-7% annual growth range over the last several months. There has been burgeoning investor interest in this property type as the pandemic has increased demand for warehouse and delivery space.

Retail prices dropped 0.7% from August and sank 5.3% from September 2019. This sector, along with hotels, has been battered during the ongoing health crisis and may have even more trouble ahead as coronavirus cases begin rising again in the country.

The office sector index was little changed on the month but declined 1.5% YOY. The pandemic has interrupted demand for office space, with future trends still uncertain. Sales of office properties declined 60% YOY in Q3'20 and distress sales are occurring, albeit at a low rate.

Annual price growth in the Non-Major and 6 Major Metros moved in tandem in September. In non-major locales, prices climbed 1.8% YOY, while in the major market areas prices increased 1.3% YOY.

Change in RCA CPPI September 2020

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	-0.1%	-0.7%	-1.5%	8.3%	23.4%	72.7%
Office - CBD	0.6%	1.7%	5.0%	13.1%	33.0%	112.5%
Office - Sub	-0.1%	-1.2%	-2.7%	7.4%	21.4%	68.1%
Industrial	0.6%	1.9%	7.4%	29.2%	51.2%	104.2%
Retail	-0.7%	-2.2%	-5.3%	-0.3%	4.0%	44.0%
Commercial	0.0%	-0.2%	0.2%	11.3%	23.8%	71.2%
Apartment	0.6%	1.4%	6.7%	29.6%	59.1%	167.9%
All Types	0.2%	0.3%	1.4%	16.4%	35.4%	101.5%
6 Major Metros All Types	0.1%	0.3%	1.3%	13.2%	32.0%	105.2%
Non-Major Metros All Types	0.1%	0.2%	1.8%	18.1%	36.9%	101.5%

Learn more about the RCA CPPI and sign up to receive reports [here](#).

To read the latest analyses on commercial property deal activity and pricing. Go to [RCA Insights](#).

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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 and Singapore. For more information, visit: 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.

Methodology

Data based on properties and portfolios \$2.5m and greater unless otherwise stated. For RCA Hedonic Series methodology [click here](#).

NEW YORK SAN JOSE LONDON SINGAPORE