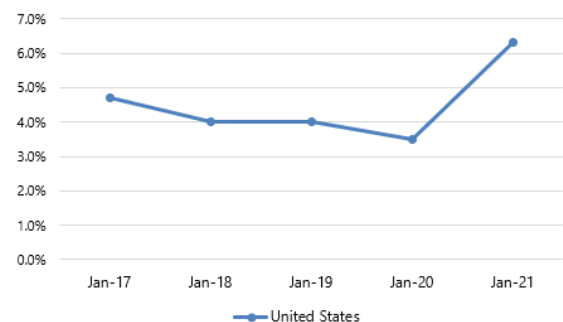


US Property Portfolio Sales Volume and Buying Trends - June 2021

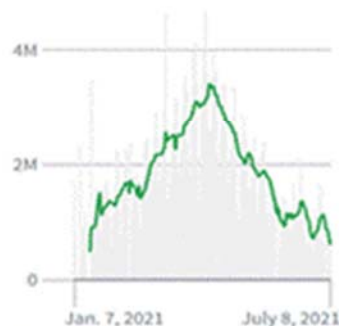
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in investment sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States Daily New Case table below highlights the progression of daily case counts. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older across the United States and hospitalizations and number of new cases continue to decrease. In addition, many states have ended their preventative mandates for businesses and individuals, while other states have opted to only loosen their regulations. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward Q3 2021 and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for portfolio sales throughout the U.S.

Unemployment Rate - Five Year Trend

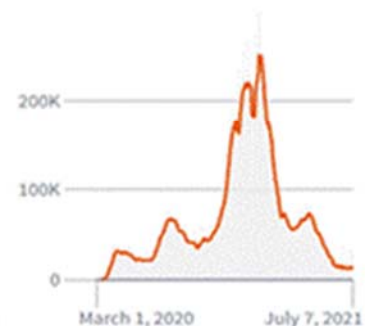


Vaccine doses given
7-day avg: 599,070
55.2% at least one dose



United States

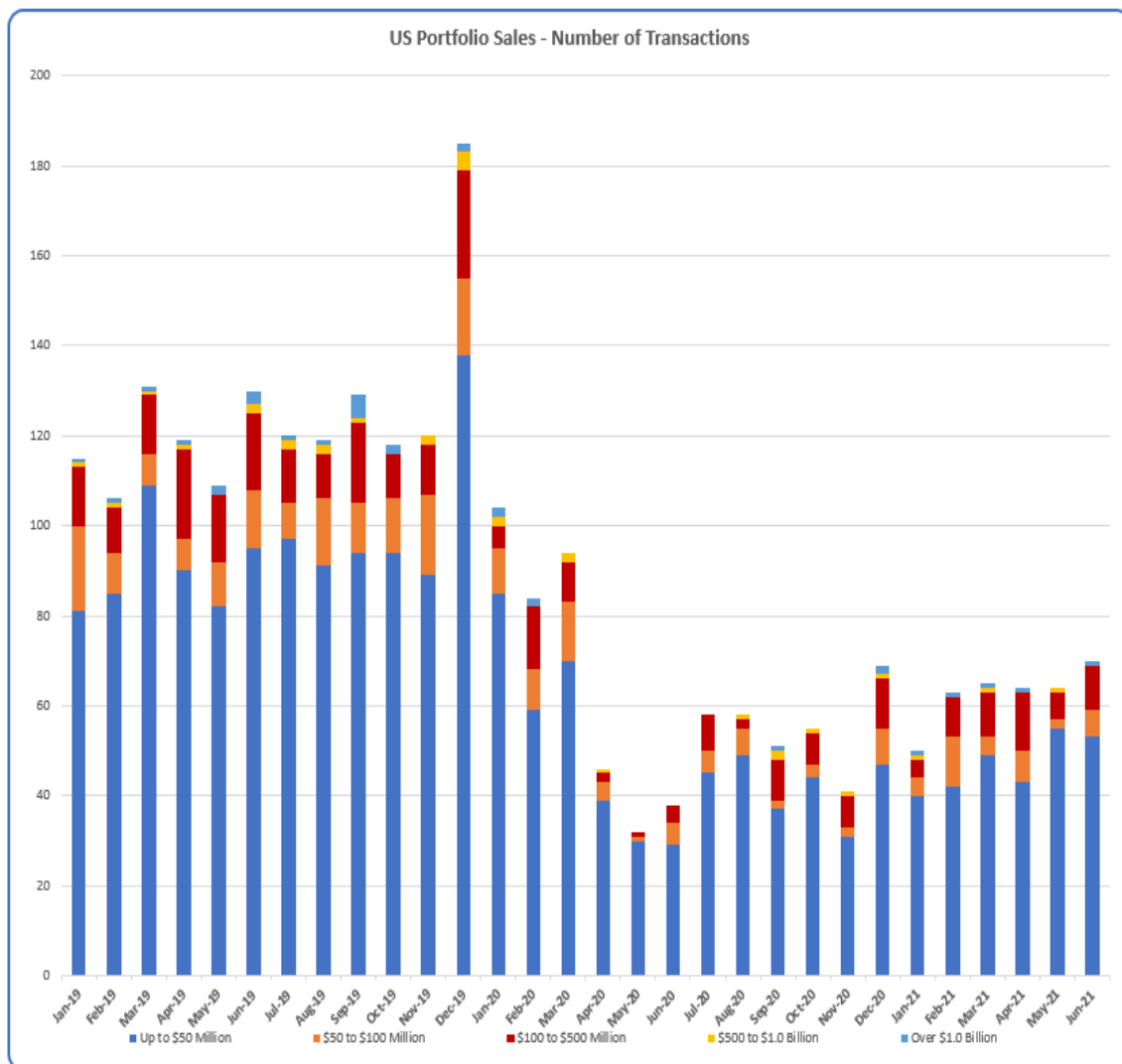
New cases
7-day avg: 15,591



Source: Reuters

Number of Sales Transactions

- Parameters: All portfolio investment sales in the United States, segmented by price tranche.
- Consistent transaction volume from January 2019 to March 2020.
- April 2020- initial COVID shockwaves grip market, number of transactions plummets.
- Uptick in transaction volume from May 2020 to August 2020 coincides with lower case counts.
- September 2020 – December 2020- experienced a fluctuating trend in number of transactions.
- January 2021- 50 total transactions, 19 transactions lower than the previous month.
- April 2021 – 64 total transactions, one transaction lower than the previous month.
- May 2021 – 64 total transactions, the same number of transactions as the previous month.
- June 2021 – 70 total transactions, a 9.4% increase in number of transactions from the prior month.
- The market remains in a steady upward trend in terms of the number of transactions over the five most recent months.



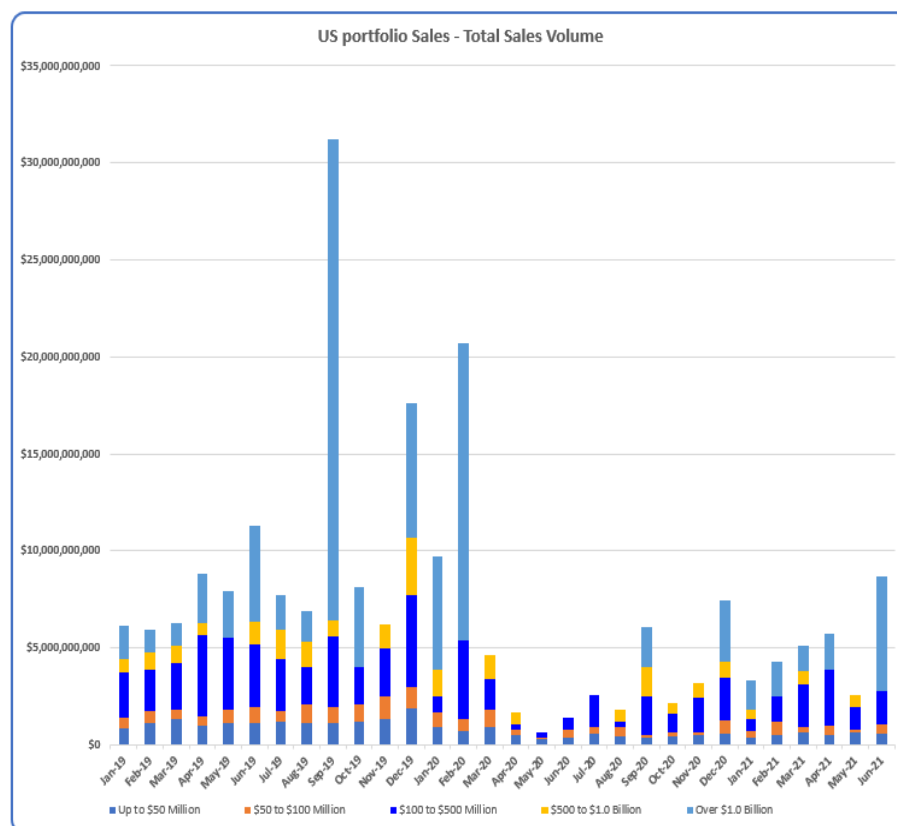
The property portfolio investment sales market has been significantly affected during the post-COVID era. However, since the Summer of 2020, we have seen a slow and steady climb back towards normalcy.

Dollar Volume of Sales Transactions

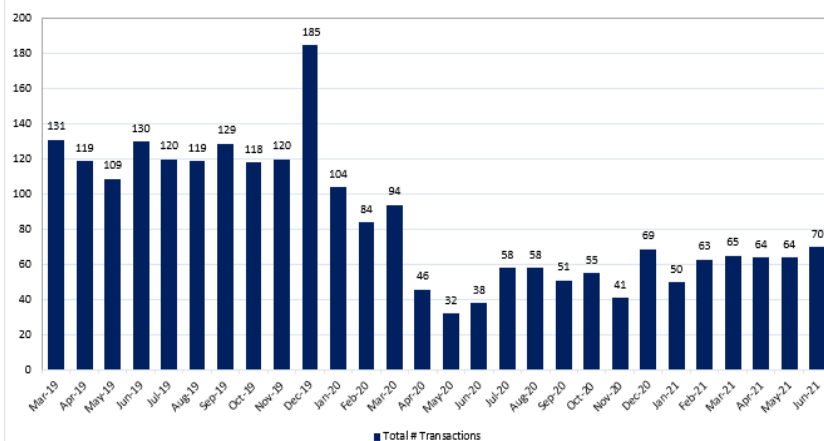
In 2019, the average monthly sales volume was approximately \$10.4 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$5.2 billion, reflecting a decrease of approximately 50.0%. In 2021 through June, the monthly average declined 4.5% from the 2020 average. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - US Portfolio Sales			
YEAR	2019	2020	2021 (June)
Min	\$6,114,000,000	\$619,000,000	\$2,534,000,000
Max	\$31,207,000,000	\$20,710,000,000	\$8,678,000,000
Average	\$10,337,916,667	\$5,170,000,000	\$4,938,666,667
% Difference	-	-50.0%	-4.5%

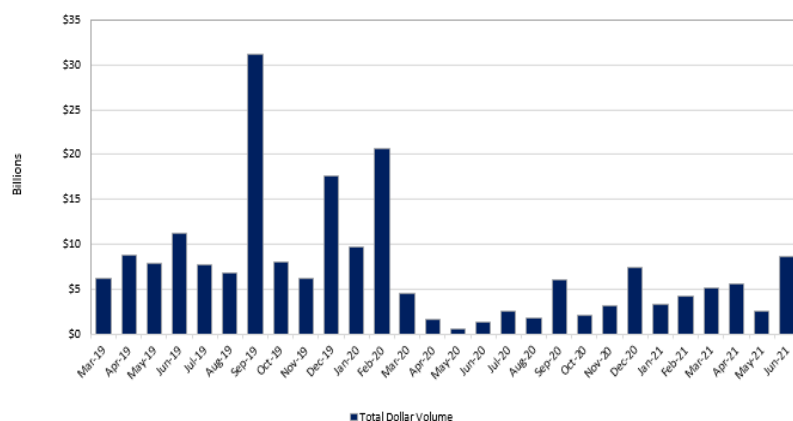
- Average sales volume from January 2019 to March 2020 was \$10,603,200,000.
- Average sales volume from April 2020 to June 2021 was \$3,778,600,000.
- The largest increase in dollar volume for 2020 was 239.3% from August to September.
- The largest decrease in dollar volume for 2020 was 77.8% from February to March.
- Sales over "\$1.0 billion" tranche is the largest contributor to US portfolio investment sales total dollar volume.
- December 2020 dollar volume significantly increased from the prior month, reflecting a 132.5% increase in total dollar volume.
- January 2021 reflected a decline of 55.5% in total dollar volume, as shown in the figure below.
- March 2021 mimicked the prior month with another slight increase, reflecting a 19.8% jump in total dollar volume.
- April 2021 continued with another slight increase, reflecting a 11.0% jump in total dollar volume.
- May 2021 reflected a 55.5% decrease despite the consistency in number of transactions.
- June 2021 reflected a 242.5% increase from the prior month, the largest percent increase in 2021.



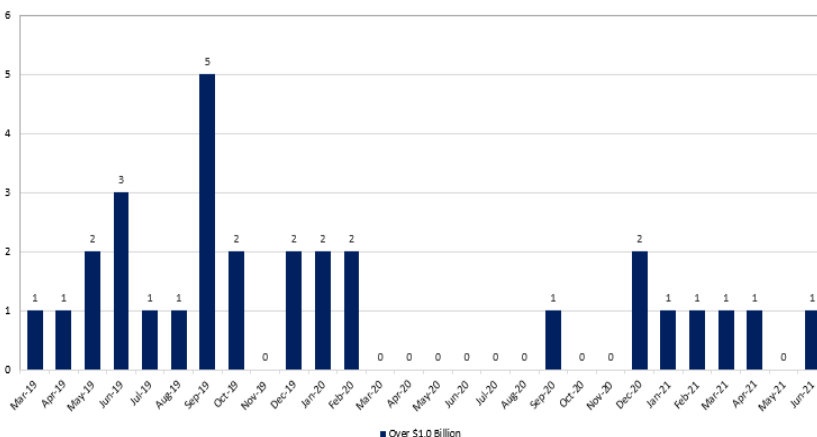
TOTAL NUMBER OF TRANSACTIONS - US PORTFOLIO SALES



TOTAL SALES VOLUME - US PORTFOLIO SALES



TRANSACTIONS OVER \$1.0 BILLION - US PORTFOLIO SALES



SALES (2019-2020): Volume

Pre-COVID-19, sales volume fluctuated at a relatively high level, ranging from 94 to 185 sales per month from January 2019 through March 2020. April 2020 marked a significant drop in the number of transactions. Transaction volume fluctuated for the rest of the 2020 at a significantly low level, ranging from 32 to 69. The number of transactions in January 2021 fell to 50, while February, March, April, and May all experienced minimal fluctuations. June 2021 experienced a total of 70 transactions, six more than the previous month.

Dollar Volume of Sales

Whereas number of transactions increased sharply in December 2020, the increase in dollar volume followed suit. Totalling 69 transactions, dollar volume experienced its highest level since February 2020, reflecting a sales volume of approximately \$7.5 billion. Likewise, in June 2021 there were 70 sales with a total sales volume of \$8.7 billion. This is a sign of progress. In June 2021, sales volume has experienced its largest increase since December 2020, reflecting a 242.5% increase.

Transactions over \$1.0 Billion

There were significant declines in sales exceeding \$1.0 billion beginning in March 2020, indicating that high priced transactions were put on hold due to market uncertainty. This tranche is a major contributor accounting for nearly half of the market's dollar volume over the study period. As exhibited in the graphic on the left, there have only been five sales in the over \$1.0 billion category this year, with each month except May 2021 indicating one transaction in the tranche.

SOURCE: CoStar and Marshall & Stevens



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