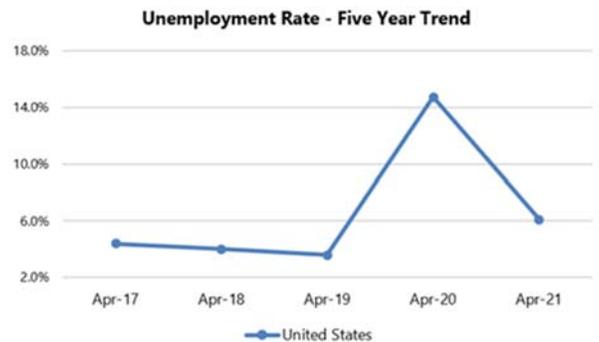


US Property Portfolio Sales Volume and Buying Trends - April 2021

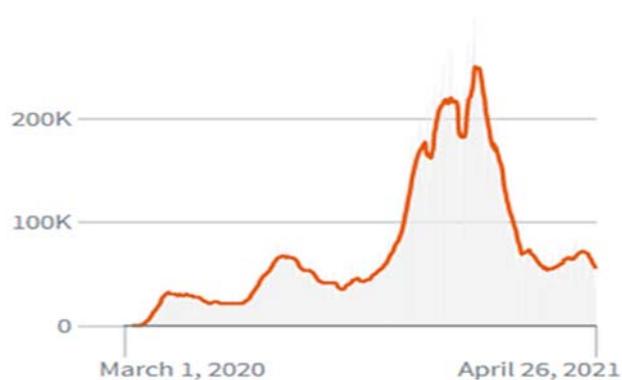
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in investment sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. 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 all their preventative mandates and rules 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 summer 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.



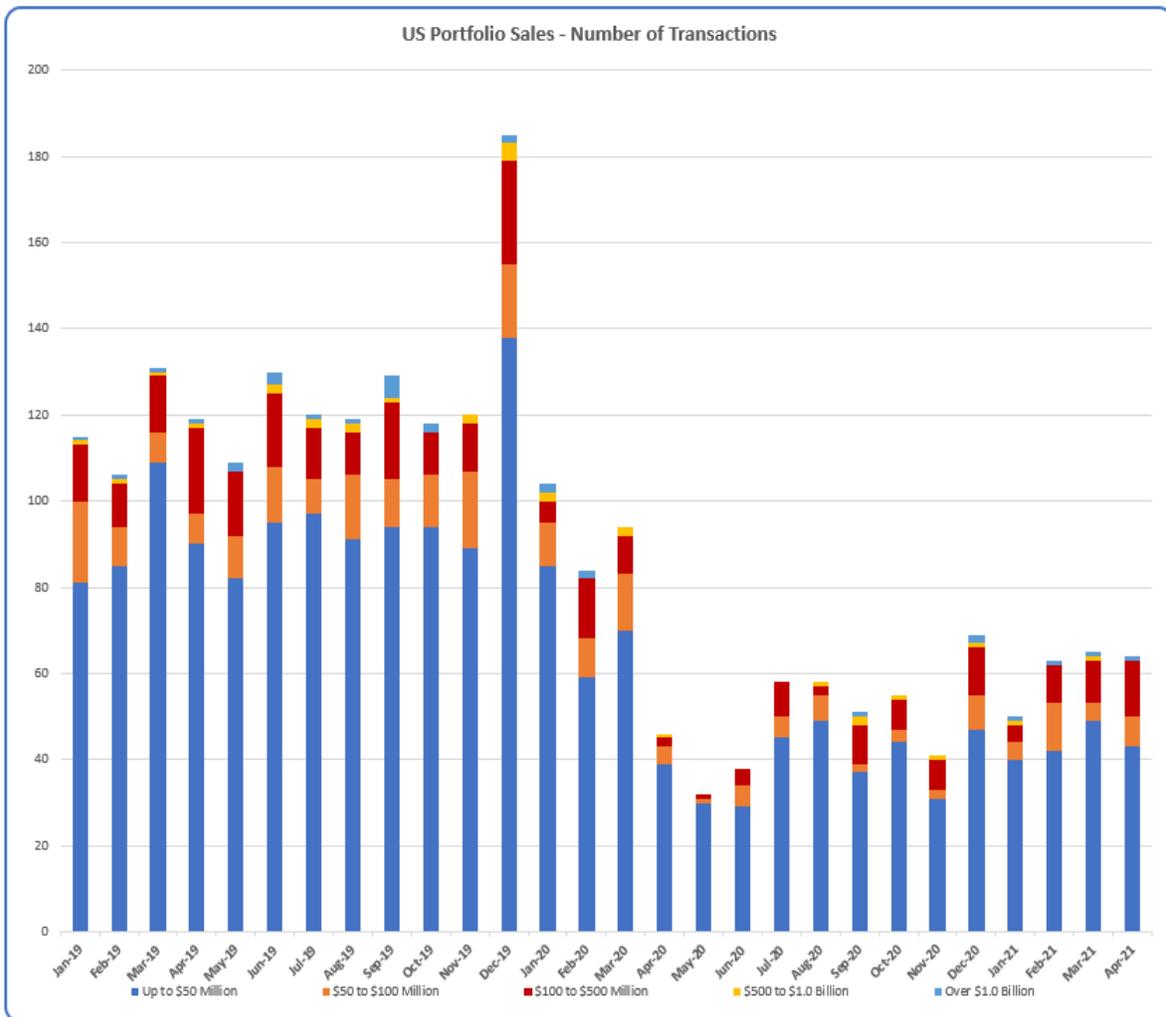
New cases

7-day avg: **55,460**



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.
- March 2021 – 65 total transactions, two transactions higher than the previous month.
- April 2021 – 64 total transactions, one transaction lower than the previous month.
- The market for property portfolios is regaining its momentum but remains well below pre-covid levels.



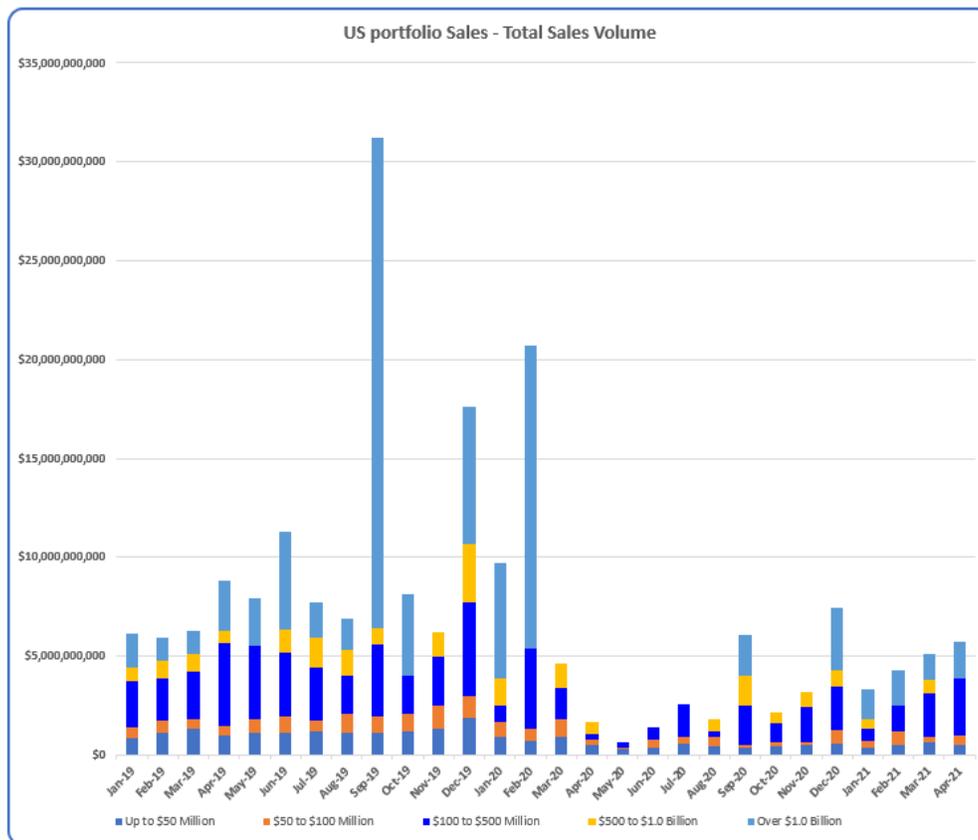
The portfolio investment sales market has been significantly affected during the post-COVID era. Transaction volume has continued to struggle to return to its normal activity. Average sales per month are significantly lower from pre-COVID levels, as evidenced by the chart above.

Dollar Volume of Sales Transactions

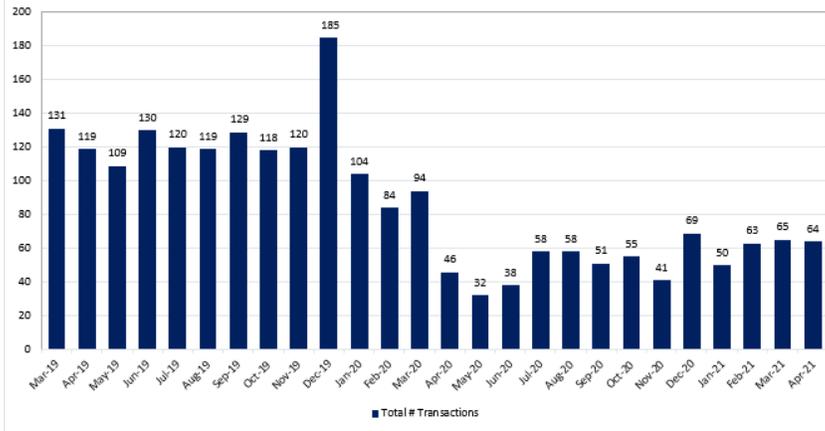
In 2019, the average monthly sales volume was approximately \$10.4 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$5.2 billion, reflecting a decrease of approximately 50.0%. In 2021 through April, the monthly average declined nearly 11% from the 2020 average. We tracked the dollar volume of monthly sales by tranche as seen below

Total Dollar Volume - US Portfolio Sales			
YEAR	2019	2020	2021 (Apr)
Min	\$6,114,000,000	\$619,000,000	\$3,324,000,000
Max	\$31,207,000,000	\$20,710,000,000	\$5,691,000,000
Average	\$10,337,916,667	\$5,170,000,000	\$4,605,000,000
% Difference	-	-50.0%	-10.9%

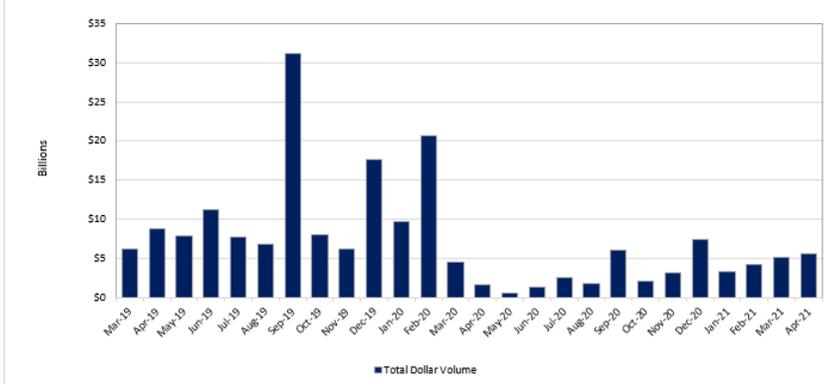
- Average sales volume from January 2019 to March 2020 was \$10,603,200,000.
- Average sales volume from April 2020 to April 2021 was \$3,497,461,538.
- The largest increase in dollar volume for 2020 was 239.3% from August to September.
- The largest decrease in dollar volume for 2020 was 77.8% from February to March.
- March, April, May, June, July, August, October and November did not log any sales over \$1.0 billion.
- 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.



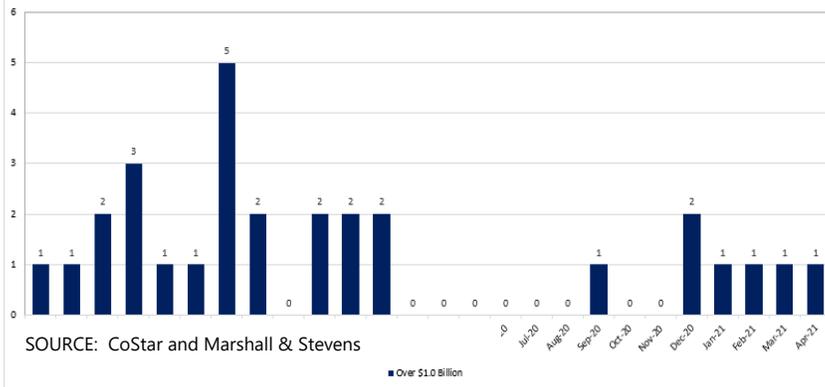
TOTAL NUMBER OF TRANSACTIONS - US PORTFOLIO SALES



TOTAL SALES VOLUME - US PORTFOLIO SALES



TRANSACTIONS OVER \$1.0 BILLION - US PORTFOLIO SALES



SOURCE: CoStar and Marshall & Stevens

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. December 2020 saw the highest number of transactions throughout the pandemic. The number of transactions in January 2021 fell to 50, while February, March, and April exhibited 63 to 65 transactions.

Dollar Volume of Sales

The appetite for investment in property portfolios was decimated in March 2020 when COVID-19 emerged in the United States. Since then, there has been gradual improvement. There have been good months, in September and December 2020, while the other months have shown a slow and steady improvement. Overall, the level of investment in property portfolios remains subdued in the United States, due primarily to the negative impact caused by COVID-19.

Transactions over \$1.0 Billion

Historically there have been property portfolio transactions that exceeded \$1.0 billion dollars in a given month, but since the pandemic started in March 2020, there have been very few. However, since December 2020, there has been some activity. In December there were two sales exceeding \$1.0 Billion, and in each of the four months in 2021 that has been one sale in this category. This is a critical metric for investors, and one that will be watched closely going forward in 2021.



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