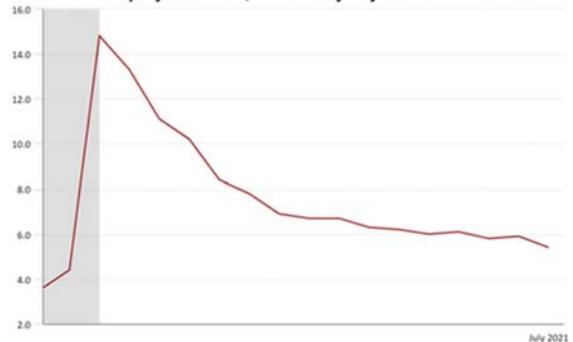


US Property Portfolio Sales Volume & Buying Trends - August 2021

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 US Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. As of Summer 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 12 or older in most states. Although hospitalizations and new cases were on the decline, the Delta Variant is causing new case counts to rise again. As a result, some states are tightening restrictions. Also, the FDA has approved the Pfizer vaccine for people aged 16 and older. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward Fall, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

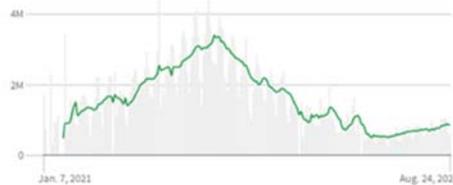
With COVID-19 still on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for portfolio sales throughout the U.S.

Civilian unemployment rate, seasonally adjusted



United States

Vaccine doses given
7-day avg: 860,114
60.9% at least one dose

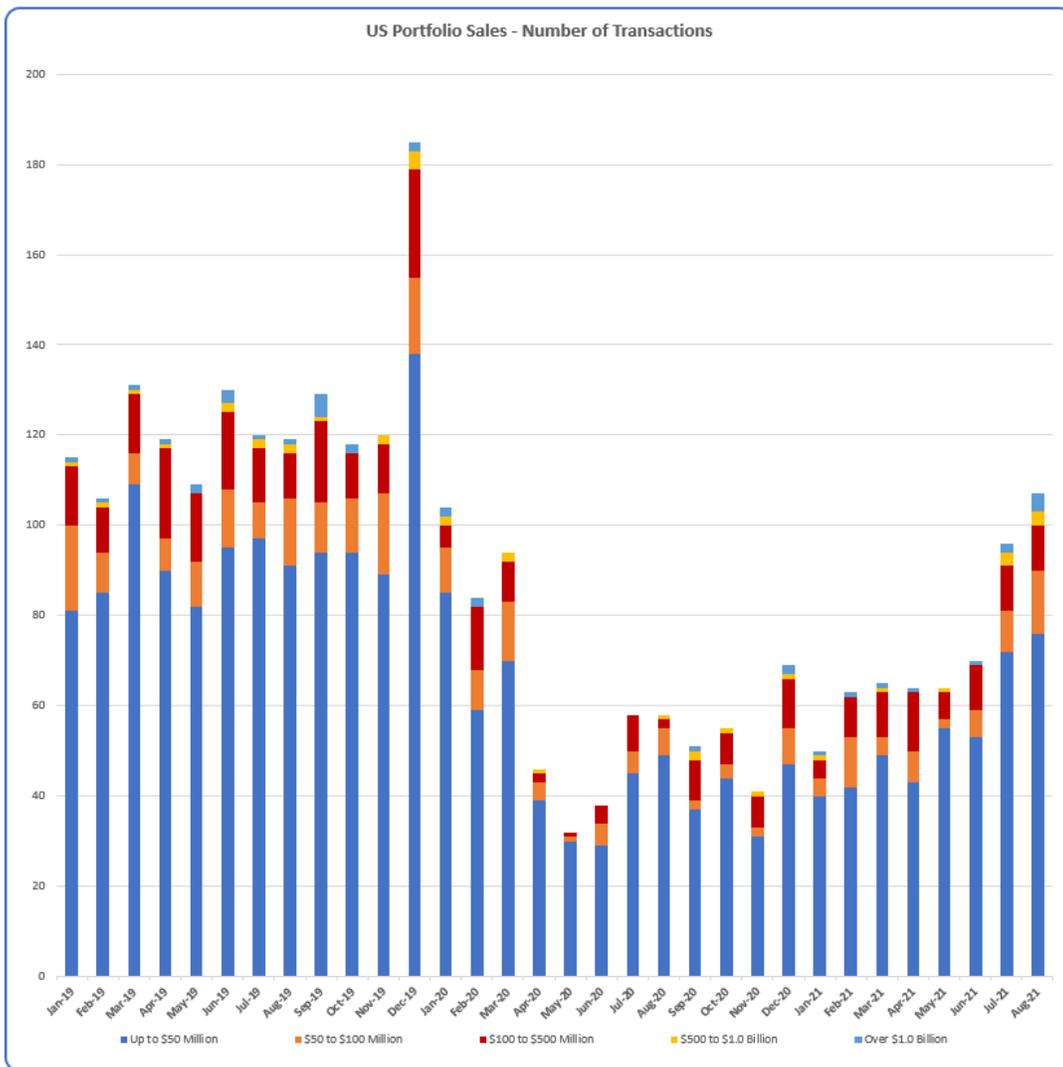


New cases
7-day avg: 150,883



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.
- June 2021 - 70 total transactions, a 9.4% increase in number of transactions from the prior month.
- July 2021 - 96 total transactions, a 37.1% increase in number of transactions from the prior month.
- August 2021 - 107 total transactions, a 11.5% 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 past three months.



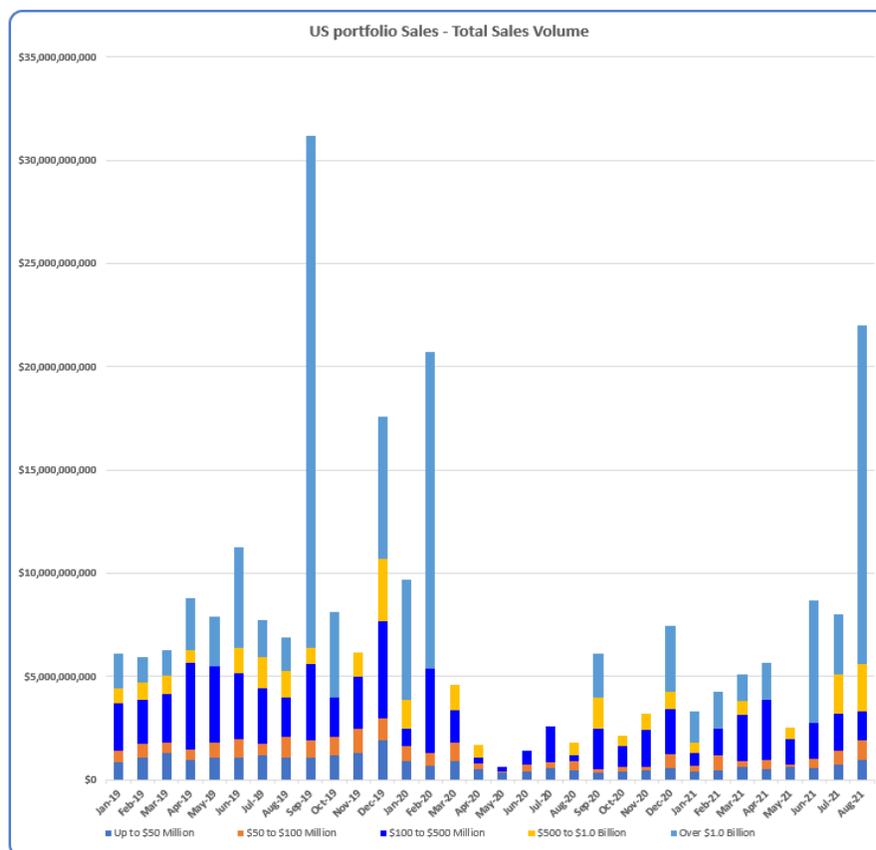
The portfolio investment sales market has been significantly affected during the post-COVID era. Transaction volume has continued to struggle to return to its normal activity. Average sales per month are significantly lower from pre-COVID levels, as evidenced by the chart above.

Dollar Volume of Sales Transactions

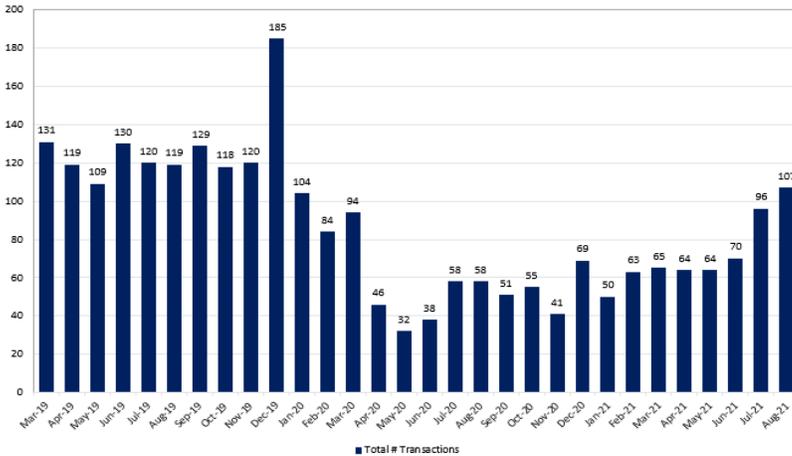
In 2019, the average monthly sales volume was approximately \$10.4 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$5.2 billion, reflecting a decrease of approximately 50.0%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - US Portfolio Sales			
YEAR	2019	2020	2021 (August)
Min	\$6,114,000,000	\$619,000,000	\$2,534,000,000
Max	\$31,207,000,000	\$20,710,000,000	\$22,040,000,000
Average	\$10,337,916,667	\$5,170,000,000	\$5,377,285,714
% Difference	-	-50.0%	4.0%

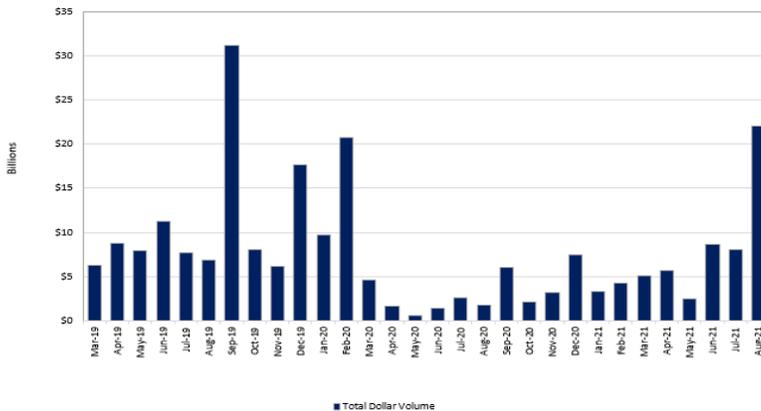
- Average sales volume from January 2019 to March 2020 was \$10,603,200,000.
- Average sales volume from April 2020 to August 2021 was \$5,101,647,059.
- The largest increase in dollar volume for 2020 was 239.3% from August to September.
- The largest decrease in dollar volume for 2020 was 77.8% from 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.
- August 2021 reflected a 175.2% increase from the prior month.



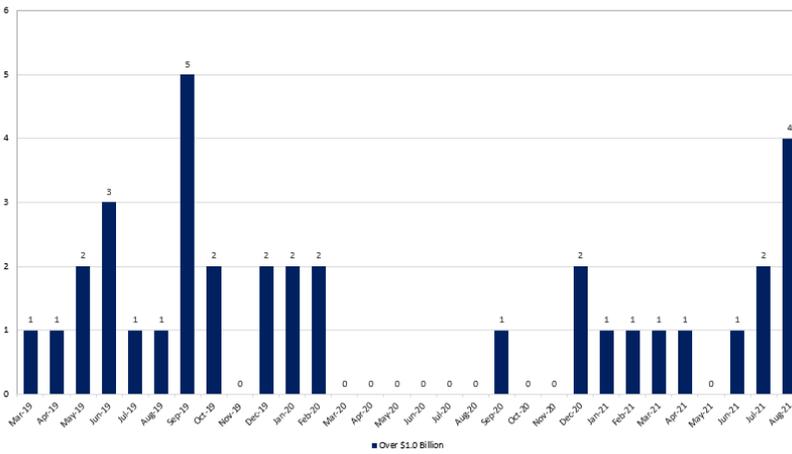
TOTAL NUMBER OF TRANSACTIONS - US PORTFOLIO SALES



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, 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. August 2021 experienced a total of 107 transactions, which is 11 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, total dollar volume experienced its highest level since February 2020, reflecting a sales volume of approximately \$7.5 billion. January 2021 experienced a sharp decrease, reflecting a 55.5 percent decline in total dollar volume. However, February 2021 reflects a 28.7% increase in total dollar volume. As seen in the table, dollar volume has experienced another large increase of 175.2%, reaching levels seen before the Pandemic.

Transactions over \$1.0 Billion

There were significant declines in sales exceeding \$1.0 billion beginning in March 2020, indicating that high transaction volume decreased due to market uncertainty. These transactions are a major contributor accounting for nearly half of the market's dollar volume over the study period. According to the graphic on the left, there have only been six sales in the over \$1.0 billion category from December 2020 to April 2021. The most recent three months have reflected at least one or more sales in this tranche with four sales in this category in August 2021.

SOURCE: CoStar and Marshall & Stevens



Patrick T. Craig, MAI, MRICS
 Executive Managing Director
 Real Estate Valuation Practice
 212.897.9481
 ptcraig@marshall-stevens.com



Catherine Gu
 Senior Director
 Real Estate Valuation Practice
 646.438.7602
 cgu@marshall-stevens.com



Mike Gies
 Analyst
 Real Estate Valuation Practice
 609.613.2468
 mgies@marshall-stevens.com