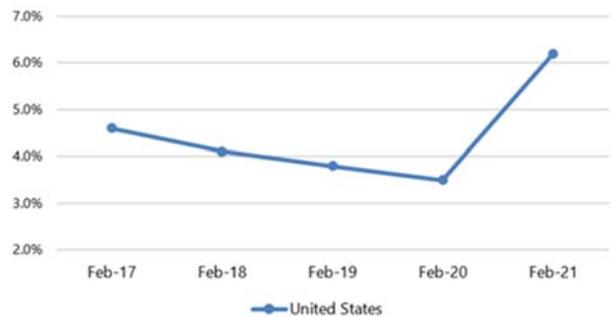


US Property Portfolio Sales Volume and Buying Trends - February 2021

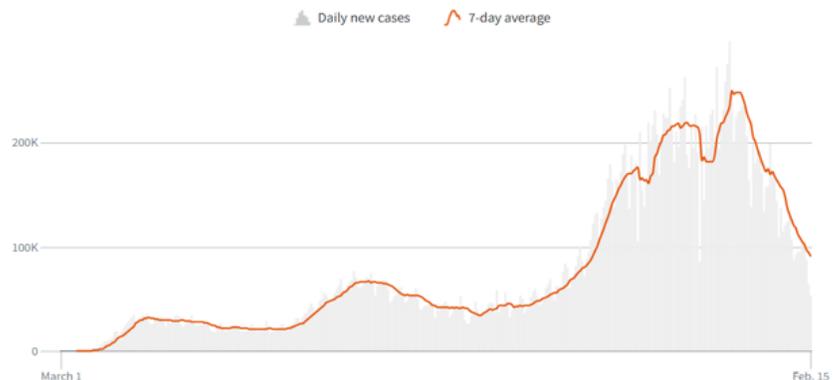
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather and an increase in indoor gatherings around the holidays sent case counts surging again in the late fall and winter, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching its highest levels in July. The unemployment rate decreased over the following five months before a slight increase in January 2021. Attention now turns to the rollout of the COVID vaccine and its effects on consumer sentiment and underlying market performance.

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



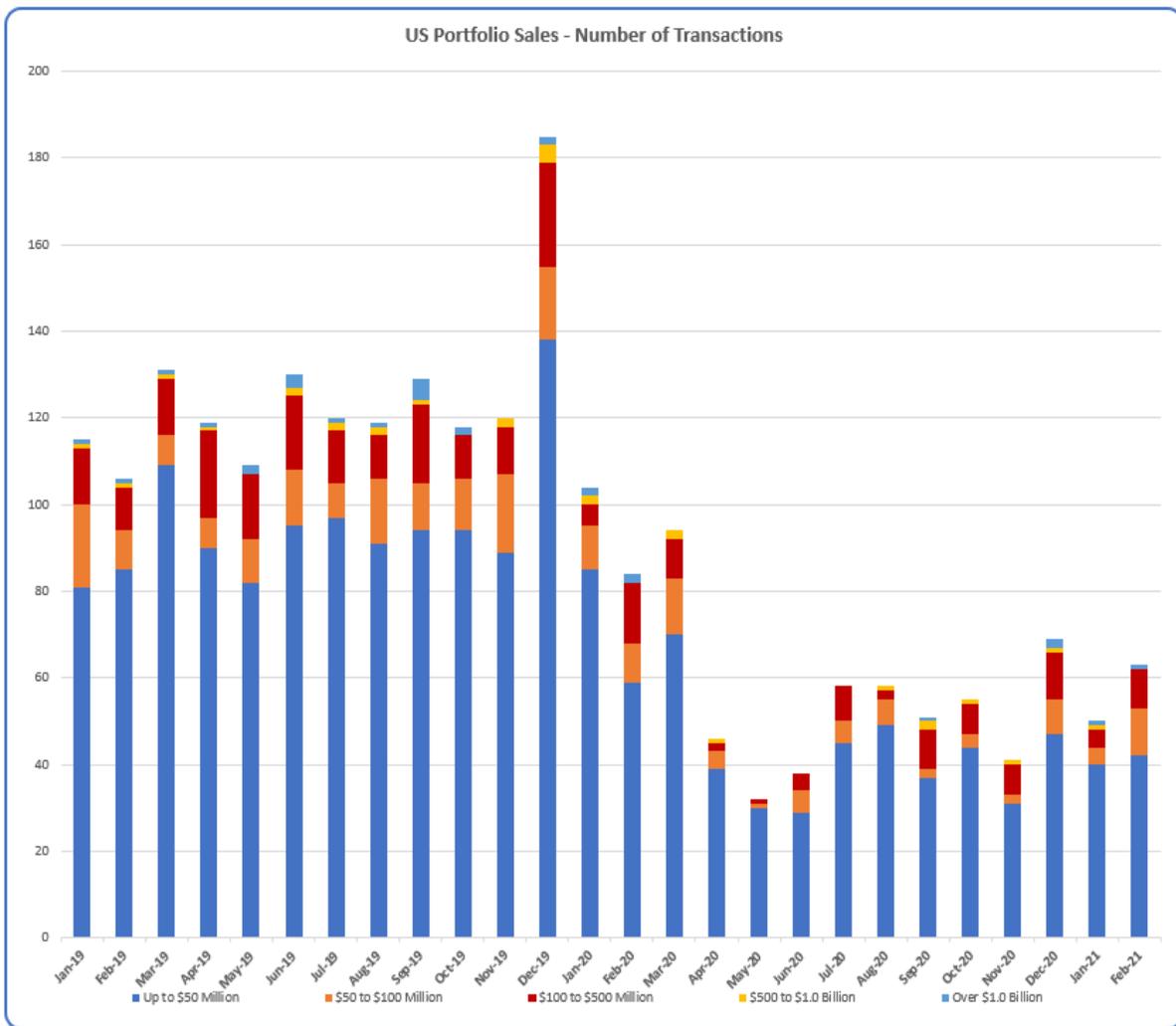
United States - Daily New Cases



Source: Reuters

Number of Sales Transactions

- Parameters: All portfolio investment sales in the United States, segmented by price tranche.
- Solid 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.
- December 2020- 69 total transactions- a slight increase from previous months in 2020.
- January 2021- 50 total transactions, 19 transactions lower than the previous month.
- February 2021 – 63 total transactions, 13 transactions higher than previous month and six lower than the most recent high.



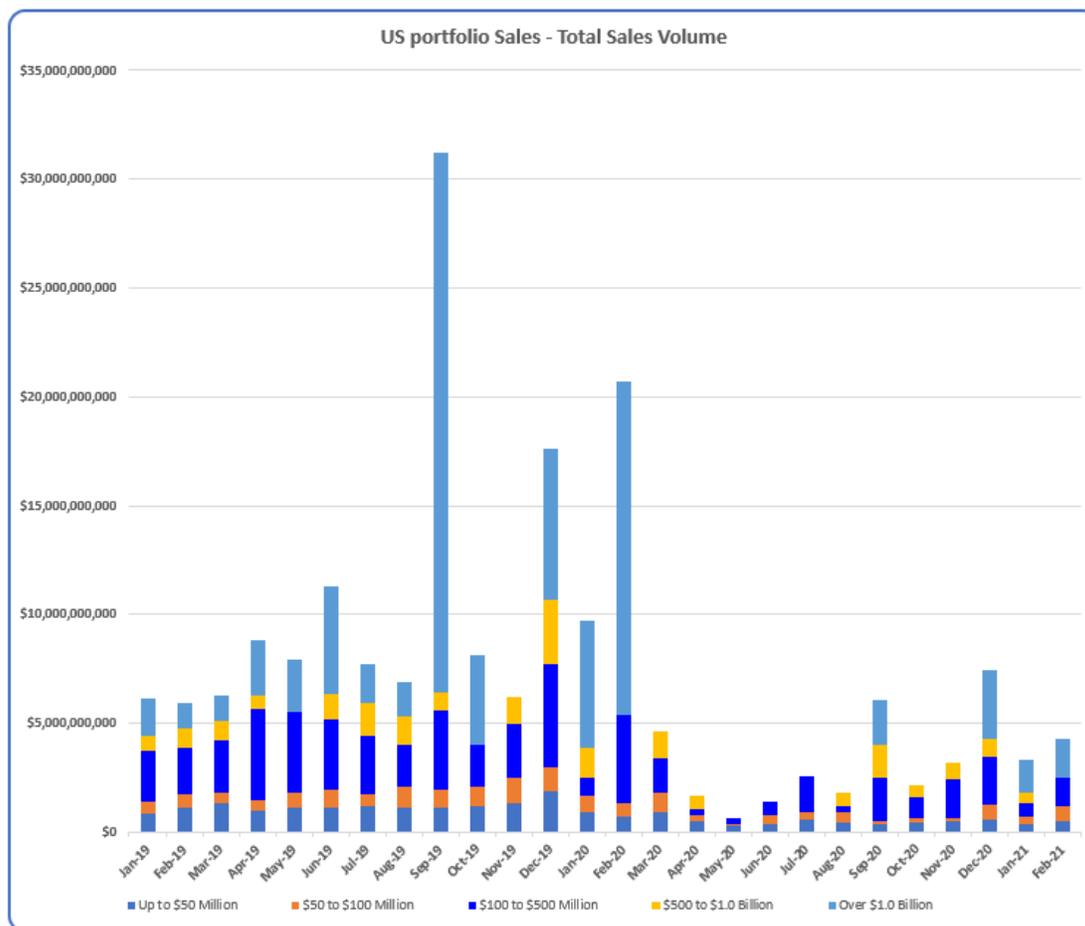
The portfolio investment sales market has been significantly affected during the post-COVID era. Transaction volume has continued to struggle to return to its normal activity. Average sales per month are significantly lower from pre-COVID levels, as evidenced by the chart above.

Dollar Volume of Sales Transactions

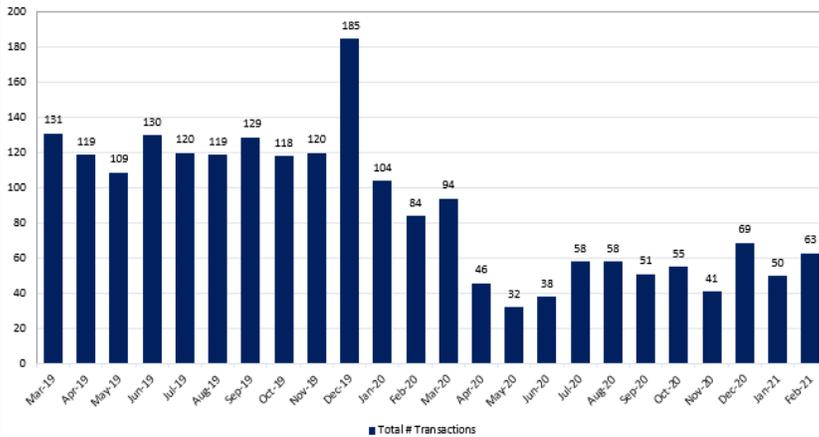
In 2019, the average monthly sales volume was approximately \$10.4 billion. Comparatively, the average monthly sales volume in 2020 was roughly \$5.2 billion, reflecting a decrease of approximately 50.0%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - US Portfolio Sales			
YEAR	2019	2020	2021 (Feb)
Min	\$6,114,000,000	\$619,000,000	\$3,324,000,000
Max	\$31,207,000,000	\$20,710,000,000	\$4,278,000,000
Average	\$10,337,916,667	\$5,170,000,000	\$3,801,000,000
% Difference	-	-50.0%	-26.5%

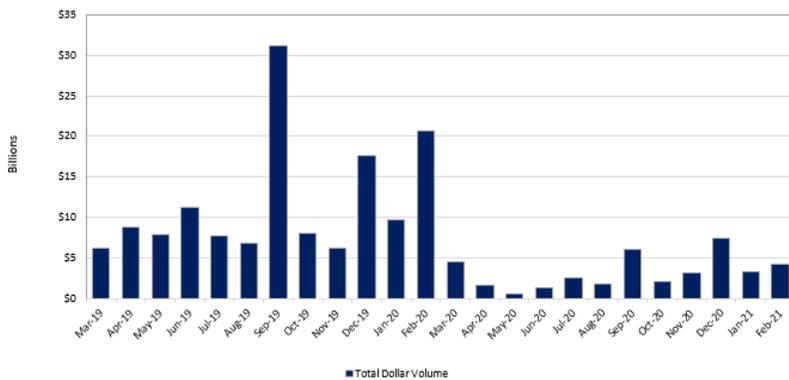
- Average sales volume from January 2019 to March 2020 was \$10,603,200,000.
- Average sales volume from April 2020 to February 2021 was \$3,149,909,091.
- The largest increase in dollar volume for 2020 was 239.3% from August to September.
- The largest decrease in dollar volume for 2020 was 77.8% from February to March.
- March, April, May, June, July, August, October and November did not log any sales over \$1.0 billion.
- 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.
- February 2021 slightly rebounding with a 28.7% increase in total dollar volume, while having one sale in “over 1 million” tranche.



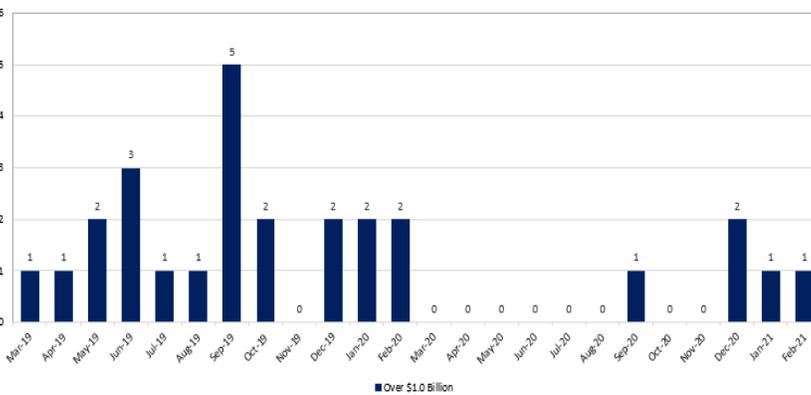
TOTAL NUMBER OF TRANSACTIONS - US PORTFOLIO SALES



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 lower level, ranging from 32 to 69 per month. December 2020 saw the highest number of transactions throughout the pandemic. The number of transactions in January 2021 fell to 50, while February experienced an increase of 13, reflecting 63 total transactions.

Dollar Volume of Sales

Dollar volume of the property portfolio segment continues to sputter since the onset of COVID-19 in March 2020. There was some momentum experienced in September and December 2020, but investment in portfolios remains tepid so far in 2021. Investment in portfolios will likely improve once there is more certainty in the market.

Transactions over \$1.0 Billion

The \$1.0 Billion Tranche has been quiet since March 2020. Over the 11 month period, there were 8 months with no \$1.0 Billion transactions. The best month post COVID-19 for this tranche was December 2020, followed by September 2020, and January and February 2021. For three months in a row, there has been activity in this tranche, which is a good sign. Investment in property portfolios remains a benchmark figure for the overall market. Likewise, activity in the \$1.0 Billion Tranche will remain a bellwether for investors as the market continues to recover.



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