

Overview

We tracked investment sales for property portfolios throughout all 50 states over a 17-month period beginning in January 2019 and ending in May 2020. In order to find the primary drivers, we broke the market into multiple tranches. The following tranches include: “Under \$50 Million”, “\$50 Million to \$100 Million”, “\$100 Million to \$500 Million”, “500 Million to \$1.0 Billion”, and “Over \$1.0 Billion”. While performing this study, we uncovered that one tranche (Over \$1.0 billion) has been a major driving force accounting for 46% of the market’s dollar volume over the study period. Over the 17-month period, we identified the top buyers and sellers, along with top brokers. The Blackstone Group and Prologis represented the top buyers, accounting for more than \$50 billion worth of transactions combined. The top sellers in the market include Global Logistic Properties and Liberty Property Trust, making up \$30 billion worth of transactions for the given period. Additionally, JLL and Marcus & Millichap represented the top buying brokers, along with Eastdil Secured and CBRE representing the top seller brokers.

Number of Sales Transactions

The number of monthly sales for all portfolio sales recorded in the US are segmented into tranches as seen below. Over the 17-month period, there have been a total of 1,861 portfolio transactions. Over 85 percent of these transactions were below \$100 million; roughly 12 percent were between \$100 million and \$1.0 billion; and 1.3 percent were above \$100 billion.

Historical Transaction Volume - US Portfolio Sales																			
Number of Transactions	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Total	% of Total
Up to \$50 Million	81	85	109	90	82	95	97	91	94	94	89	138	85	59	70	39	30	1,428	76.7%
\$50 to \$100 Million	19	9	7	7	10	13	8	15	11	12	18	17	10	9	13	4	1	183	9.8%
\$100 to \$500 Million	13	10	13	20	15	17	12	10	18	10	11	24	5	14	9	2	1	204	11.0%
\$500 to \$1.0 Billion	1	1	1	1	0	2	2	2	1	0	2	4	2	0	2	1	0	22	1.2%
Over \$1.0 Billion	1	1	1	1	2	3	1	1	5	2	0	2	2	2	0	0	0	24	1.3%
Total # Transactions	115	106	131	119	109	130	120	119	129	118	120	185	104	84	94	46	32	1,861	100.0%
% Change from Prior Month	-	-7.8%	23.6%	-9.2%	-8.4%	19.3%	-7.7%	-0.8%	8.4%	-8.5%	1.7%	54.2%	-43.8%	-19.2%	11.9%	-51.1%	-30.4%	-	-

In terms of number of transactions, the largest number of monthly transactions occurred in December 2019, which is also the month that experienced the most significant % increase from the prior month, at 54.2%. Compared to 185 sales in December 2019, the results for April and May 2020 were significantly lower, at 46 and 29. As shown in the graph, the number of sales began to decrease markedly in April 2020, with further erosion experienced in May 2020.

Most activity in the last two months appears focused on property portfolios below \$50 million. In fact, 30 of the 32 transactions that occurred in May 2020 were in the category “Up to \$50 Million”.

With continued uncertainty related to COVID-19 and the resultant economic malaise, market participants are expecting these trends to continue.

