

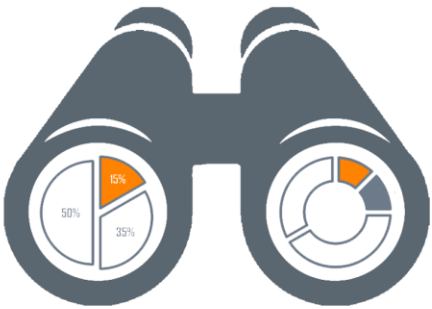
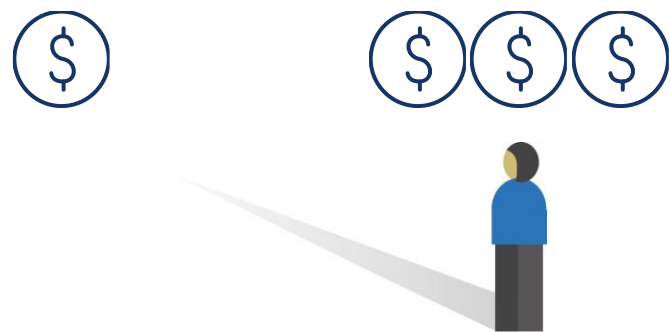
COMMERCIAL REAL ESTATE

# U.S. MARKET | Perspective for Investors

Q4 2022



# THE VIEW FROM HERE

Continued slowing of transaction volumes due to large spread in buy/sell pricing expectations



Price discovery remains elusive and is not expected to settle until late 2023



Lender pullback continues at a time when maturities surge, creating challenges for leveraged owners

**OFFICE**

YTD Volume  
**\$110.5 B**

YoY Change  
**-25%**

Cap Rate  
**6.9%**

**INDUSTRIAL**

YTD Volume  
**\$151.4 B**

YoY Change  
**-15%**

Cap Rate  
**5.6%**

**RETAIL**

YTD Volume  
**\$85.7 B**

YoY Change  
**4%**

Cap Rate  
**6.7%**

**MULTIFAMILY**

YTD Volume  
**\$294.1 B**

YoY Change  
**-17%**

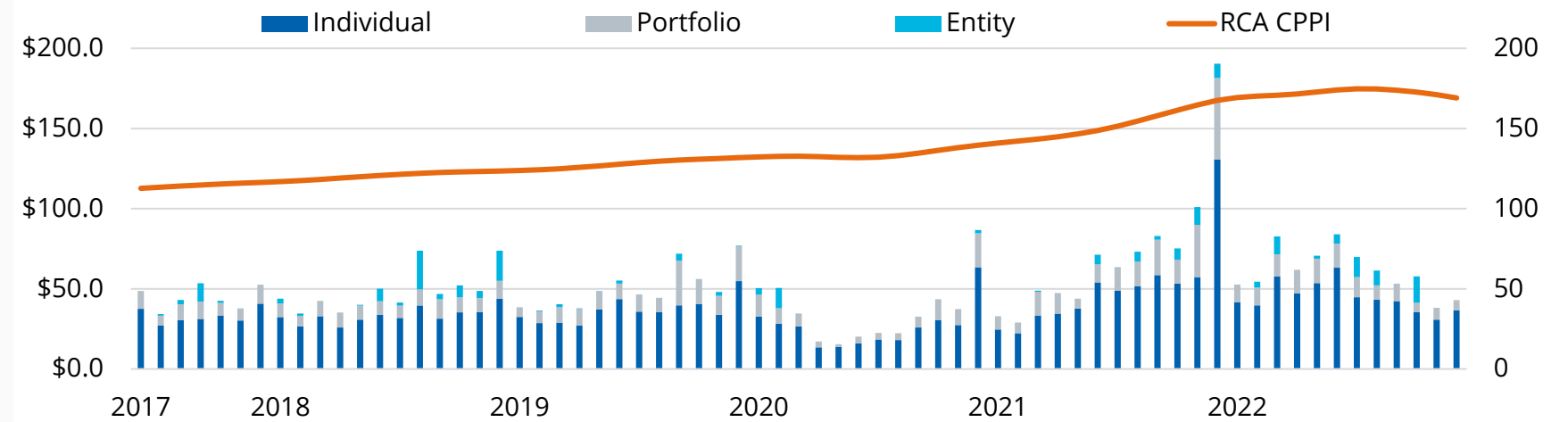
Cap Rate  
**4.9%**

## HIGHLIGHTS

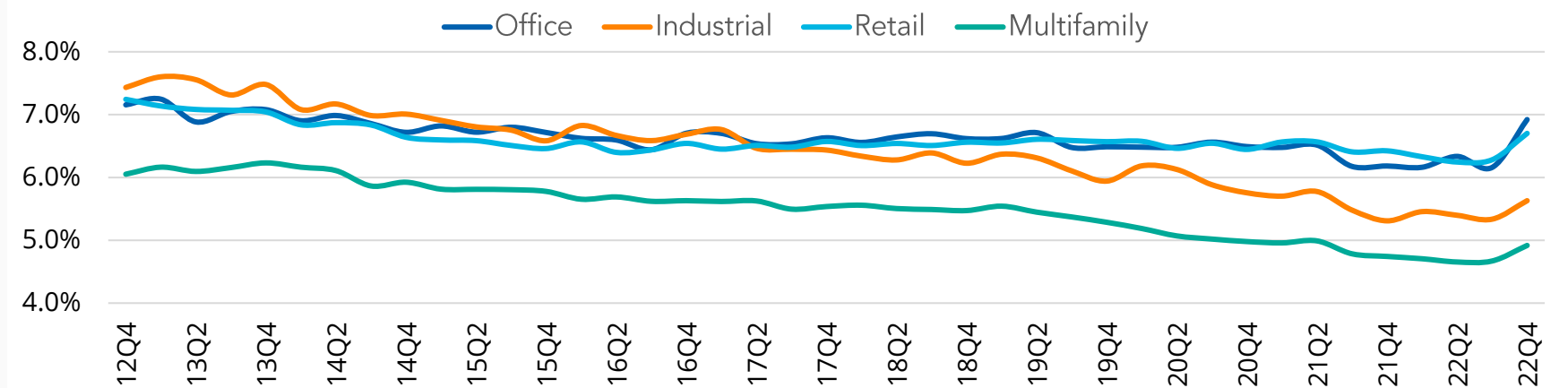
- The investment slowdown noted in Q3 became more apparent in Q4. However, activity for 2022 was elevated relative to historical numbers in the 5 years prior to the pandemic.
- A surge in distressed asset sales did not materialize in Q4 and, in fact, remained minimal at around 1% of overall deal activity. We believe this percentage will likely rise over the next 6-24 months, but not skyrocket.
- Office deal volume slowed at an accelerated pace in 2022. Double-digit growth in the first quarter gave way to rising mortgage rates paired with owners' unwillingness to compromise on pricing, a trend likely to continue in coming days.
- Industrial deal volume recorded a slowing each quarter of 2022. Much of 2022's deal volume was front loaded in Q1 & Q2. A notable drop in the annualized pace of growth for warehouse product led to a notable decrease in pricing PSF for warehouse product on a Y-O-Y basis. However, deal volume and pricing overall remained significantly above the *five-year average*, as 2022 was the second most active industrial investment year since 2005.
- Retail offered an interesting mixed bag in Q4. It was the single sector to post growth in deal volume for 2022, though activity slipped each quarter through the year. It also was the sector with the most distressed situations, totaling \$2.4B in distress driven deals.
- Multifamily deal volume dropped each quarter of 2022, due primarily to the rising rates and unease at not knowing where rates might settle. \$50B traded in Q4, which is on par with pre-pandemic norms. Distressed activity did not materialize for multifamily, but prices have begun declining in a meaningful way for buyers.

## HISTORICAL

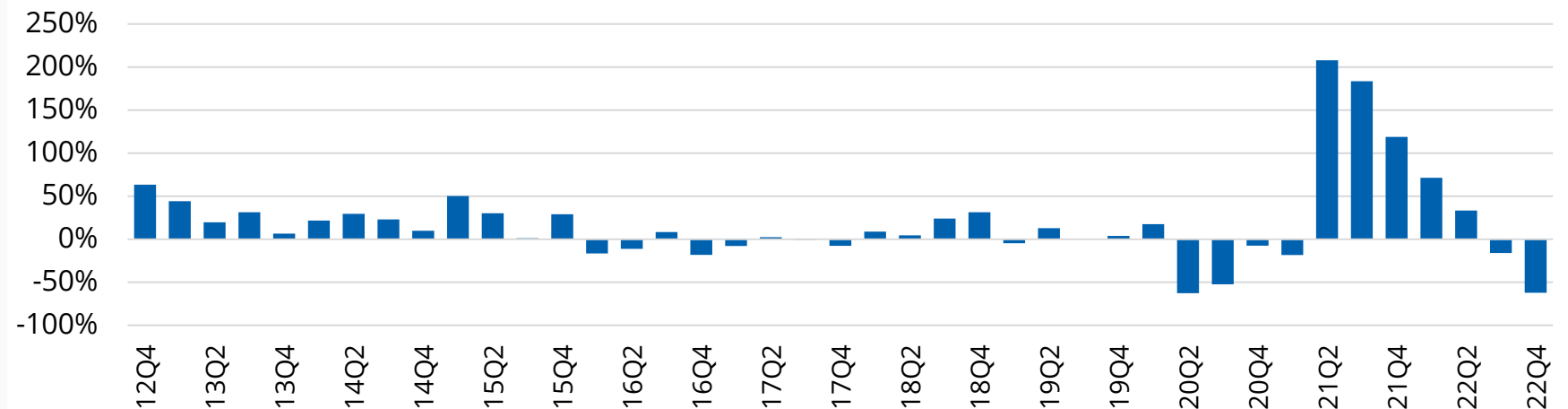
### TRANSACTION VOLUME (BILLIONS) AND RCA CPPI



### CAP RATES

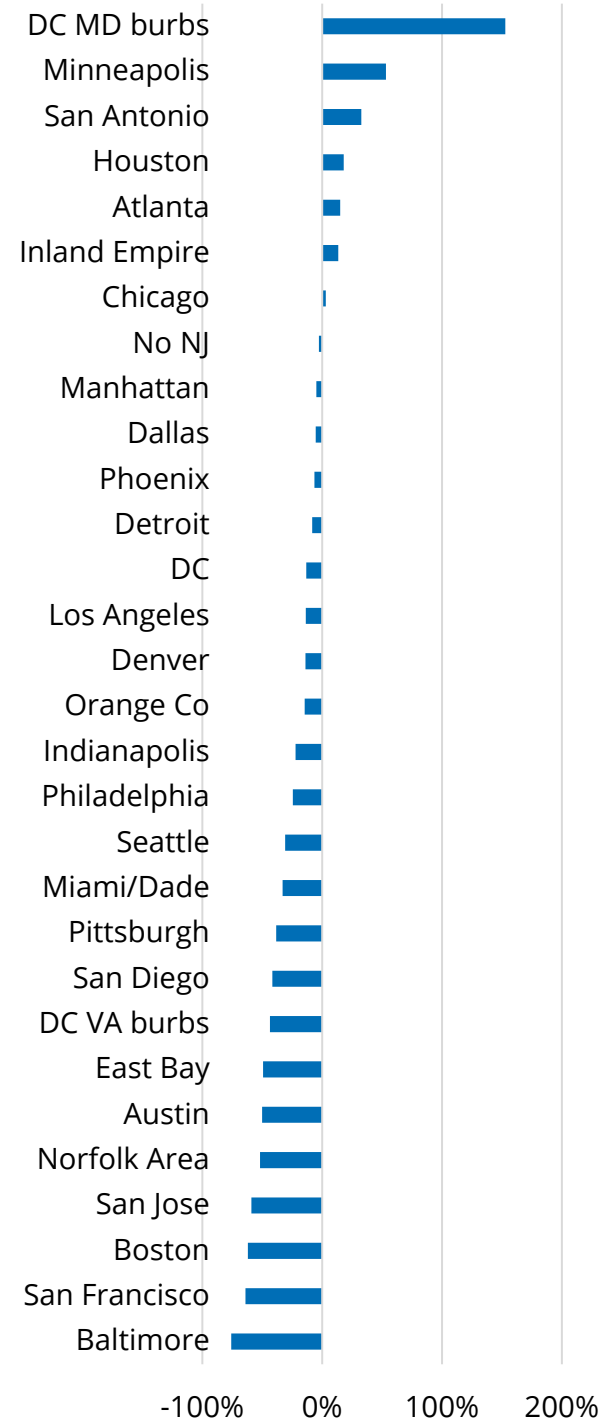


### VOLUME YOY CHANGE

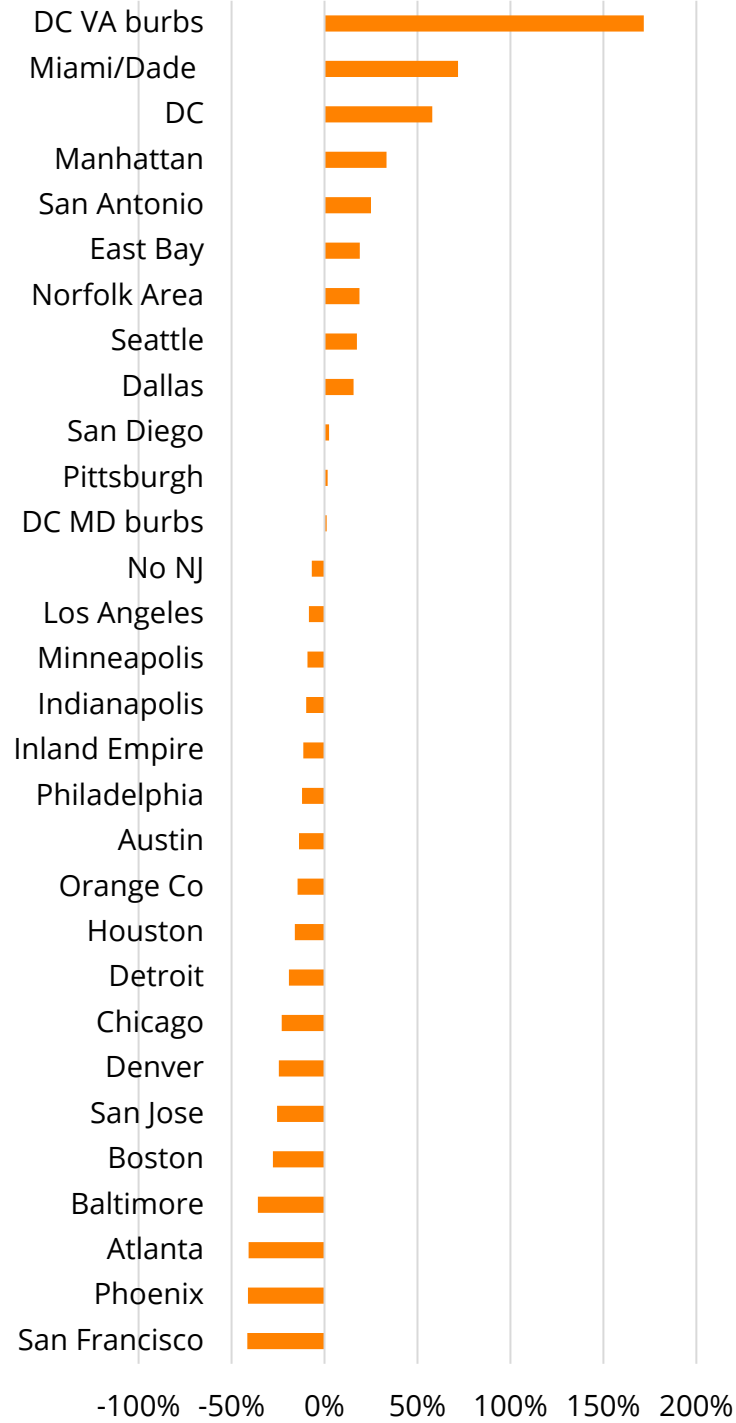


# MOST ACTIVE INVESTMENT MARKETS BY VOLUME

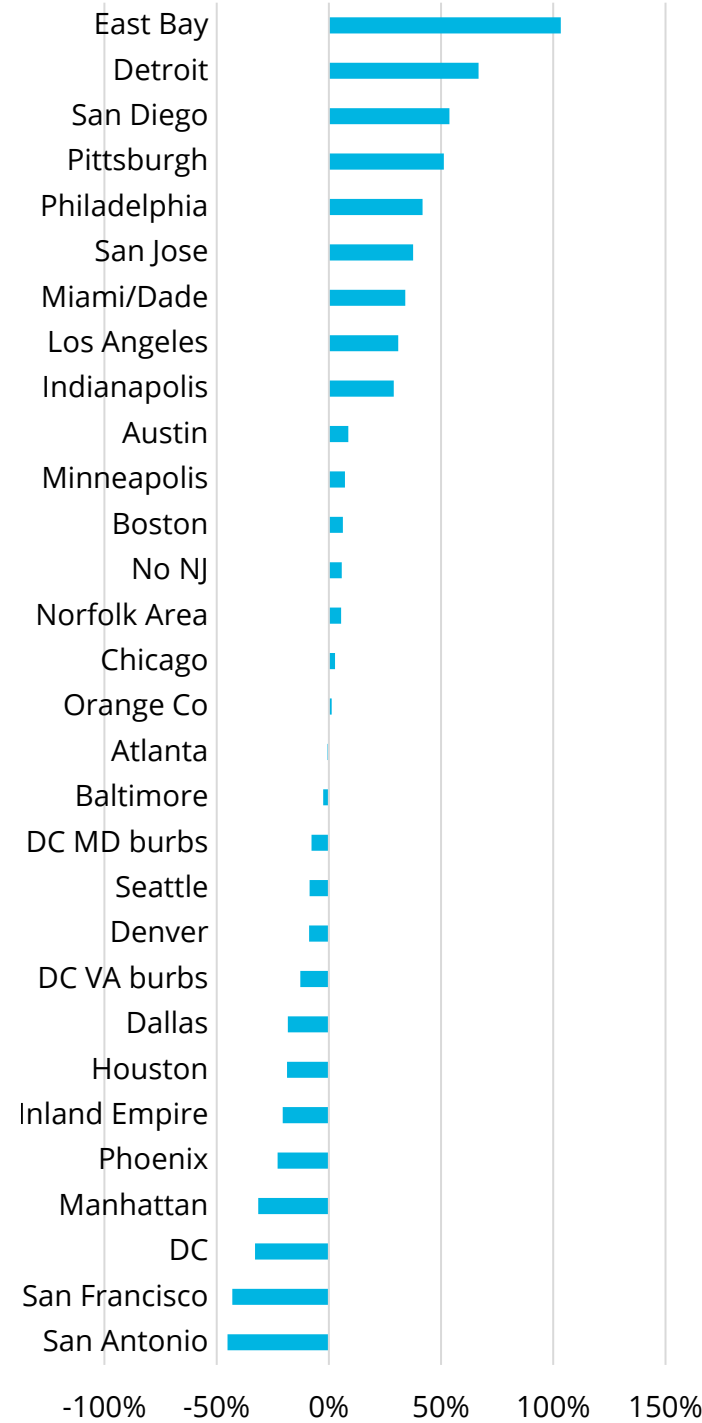
YOY OFFICE



YOY INDUSTRIAL



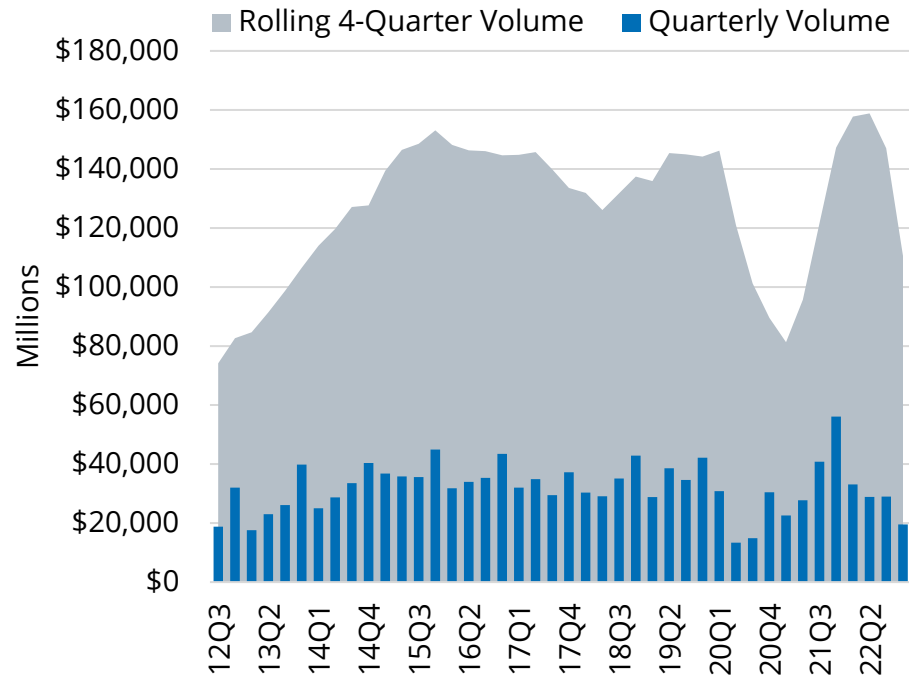
YOY RETAIL



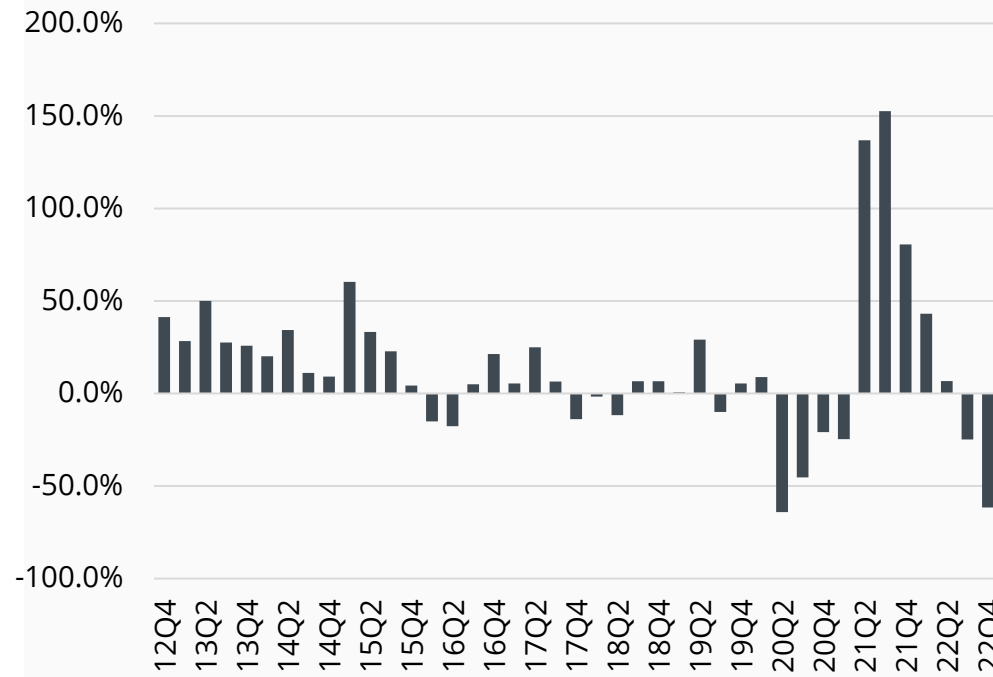
YOY MULTIFAMILY



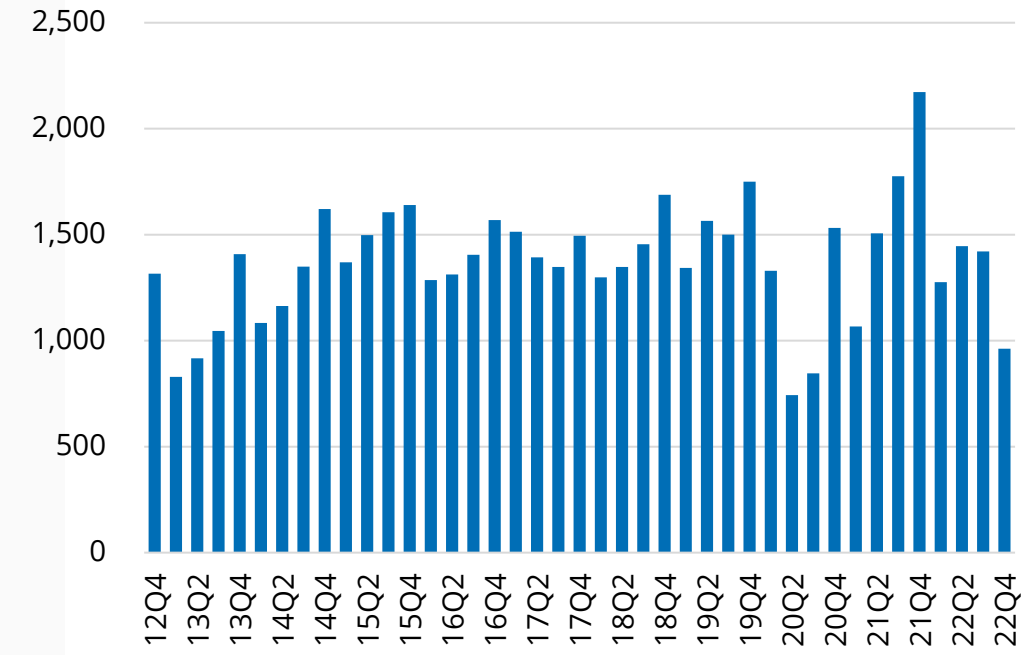
### SALES VOLUME



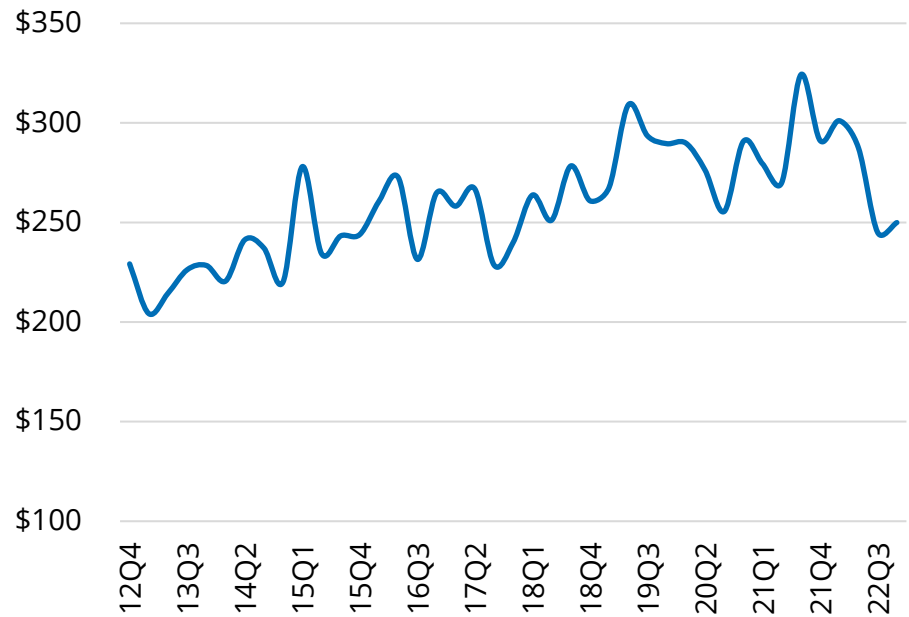
### YEAR-OVER-YEAR VOLUME CHANGE



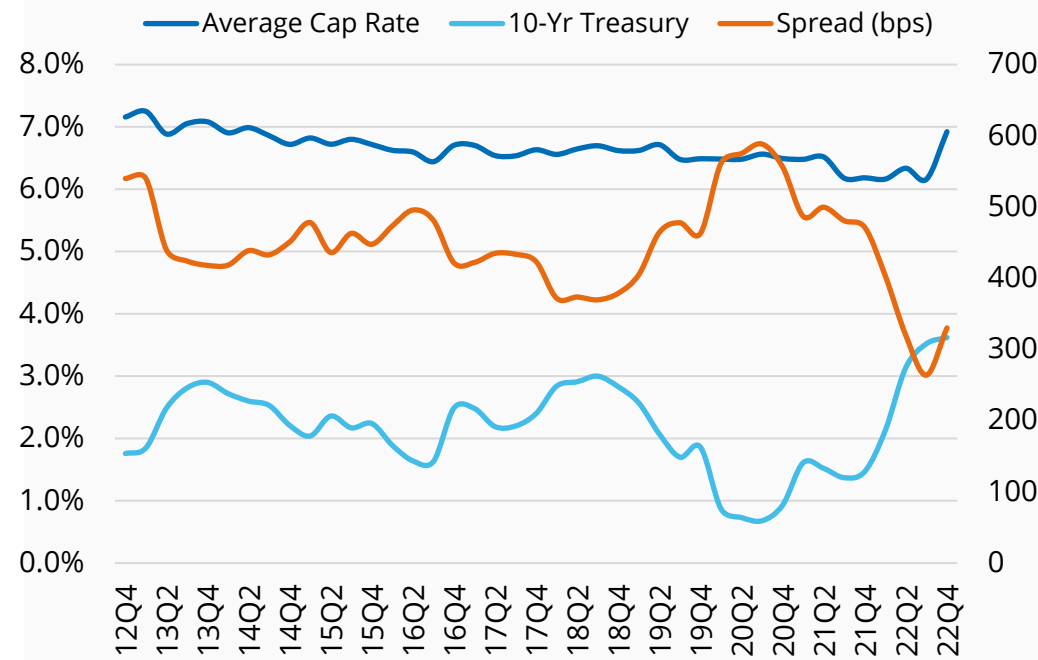
### NUMBER OF PROPERTIES



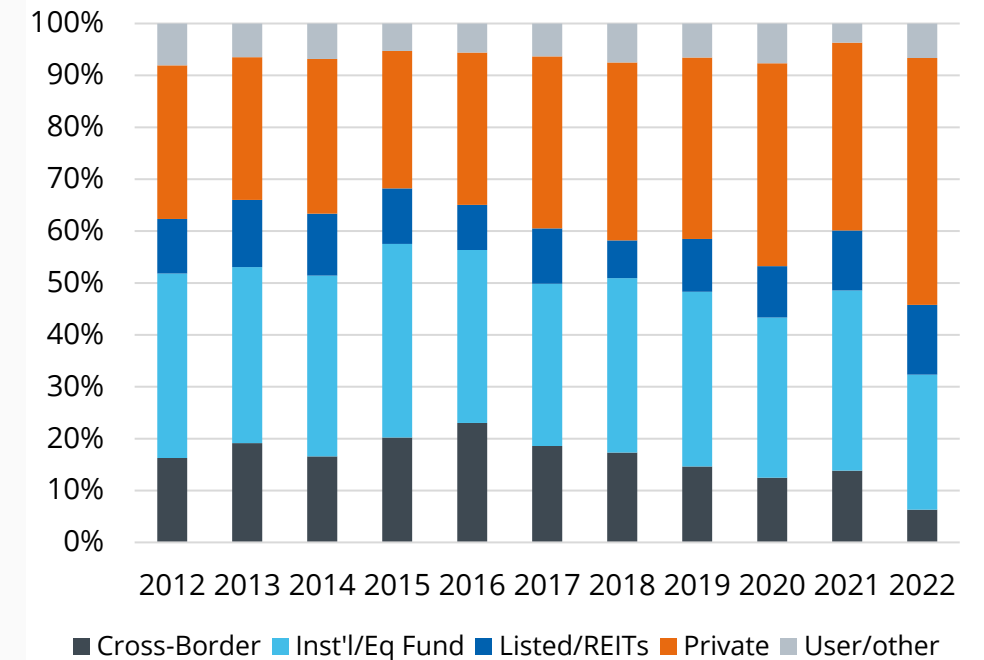
### PRICE PER SQUARE FOOT



### YIELD (CAP RATE)

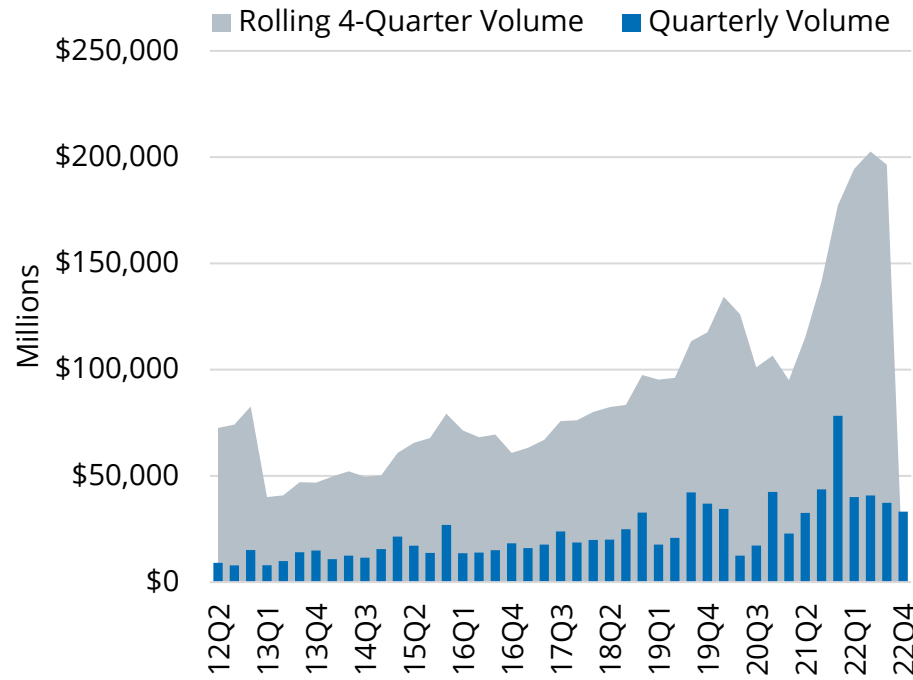


### BUYER COMPOSITION

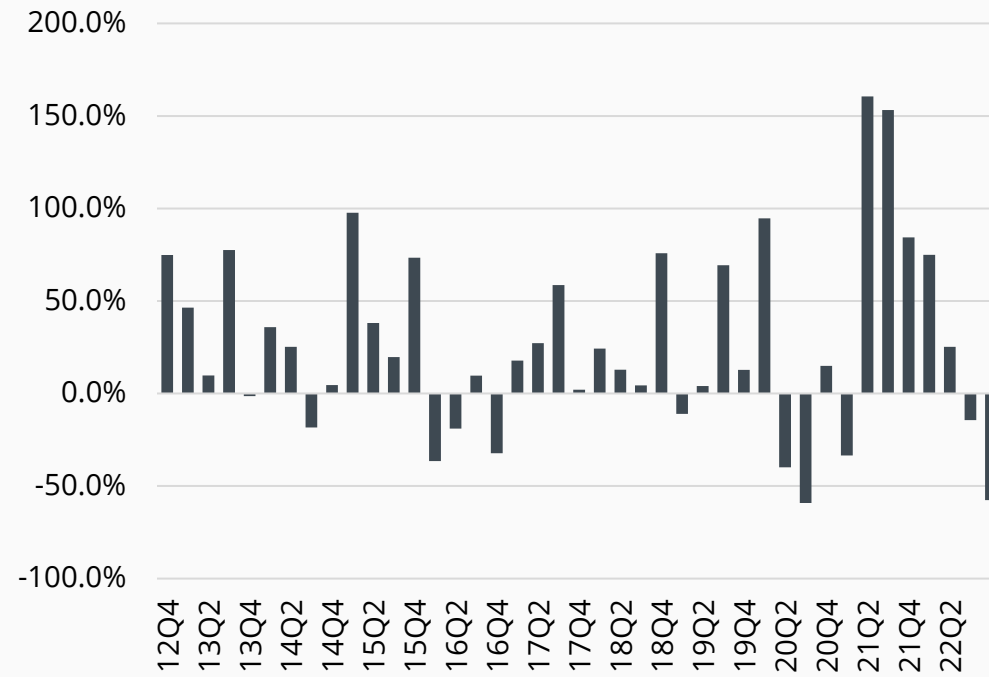


Top Buyers			Past 24 Months		All Time	
Rank	Buyer	City, State / Country	Acq (\$m)	# Props	Total Global Acq (\$m)	# Props
1	Blackstone	New York, NY, USA	\$7,654	47	\$459,983	15,521
2	PIMCO	Newport Beach, CA, USA	\$3,429	20	\$12,966	345
3	Alexandria	Pasadena, CA, USA	\$3,186	19	\$19,464	272
4	SL Green	New York, NY, USA	\$2,209	2	\$27,700	216
5	Alphabet Inc	Mountain View, CA, USA	\$2,174	2	\$22,343	230
6	MetLife	New York, NY, USA	\$2,110	5	\$22,515	272
7	GI Partners	Menlo Park, CA, USA	\$2,104	18	\$6,952	111
8	Commonwealth Partners	Los Angeles, CA, USA	\$1,900	5	\$6,485	19
9	Brookfield AM	Toronto, Ontario, CAN	\$1,640	18	\$137,825	3,335
10	NBIM	Oslo, NOR	\$1,624	2	\$40,239	657
11	KKR	New York, NY, USA	\$1,616	2	\$40,287	858
12	Boyd Watterson	Cleveland, OH, USA	\$1,439	18	\$7,266	252
13	CBRE Investment Mgmt	Los Angeles, CA, USA	\$1,420	6	\$77,989	1,954
14	Boston Properties	Boston, MA, USA	\$1,300	5	\$16,476	87
15	Hines	Houston, TX, USA	\$1,297	8	\$59,411	872
16	Opal Holdings	New York, NY, USA	\$1,201	11	\$3,042	40
17	Beacon Capital Partners	Boston, MA, USA	\$1,191	8	\$38,899	232
18	Commerz Real	Wiesbaden, DEU	\$1,115	2	\$31,759	317
19	Birch Group	Jersey City, NJ, USA	\$1,083	13	\$1,568	27
20	DivcoWest	San Francisco, CA, USA	\$1,014	7	\$12,335	202
Top Sellers			Past 24 Months		All Time	
Rank	Seller	City, State / Country	Disp (\$m)	# Props	Total Global Disp (\$m)	# Props
1	Brookfield AM	Toronto, Ontario, CAN	\$5,610	21	\$60,995	1,289
2	Columbia Property Trust	Sandy Springs, GA, USA	\$3,480	21	\$8,199	83
3	OMERS	Toronto, Ontario, CAN	\$3,370	3	\$30,856	245
4	Alexandria	Pasadena, CA, USA	\$3,261	17	\$8,711	130
5	CPP Investment Board	Toronto, Ontario, CAN	\$2,759	3	\$41,683	328
6	Tishman Speyer	New York, NY, USA	\$2,364	9	\$49,167	284
7	JP Morgan	New York, NY, USA	\$2,307	8	\$66,827	1,075
8	SL Green	New York, NY, USA	\$2,084	10	\$23,663	203
9	HNA Group	Haikou, CHN	\$1,764	1	\$13,081	62
10	Veris Residential - fmr Mack-Realty Corp	Jersey City, NJ, USA	\$1,633	19	\$8,554	322
11	ViacomCBS	New York, NY, USA	\$1,570	2	\$2,610	3
12	PS Business Parks	Glendale, CA, USA	\$1,514	27	\$8,985	178
13	QIA	Doha, QAT	\$1,397	1	\$8,890	130
14	JBG Smith	Bethesda, MD, USA	\$1,270	11	\$5,530	46
15	TIAA-CREF	New York, NY, USA	\$1,247	7	\$48,777	1,269
16	The Davis Cos	Boston, MA, USA	\$1,226	7	\$5,875	143
17	UBS	Zurich, CHE	\$1,223	11	\$35,806	766
18	Diversified Healthcare Trust	Newton, MA, USA	\$1,170	9	\$2,920	112
19	Baupost Group	Boston, MA, USA	\$1,165	2	\$5,146	115
20	Kilroy Realty Corp	Los Angeles, CA, USA	\$1,133	2	\$4,241	109

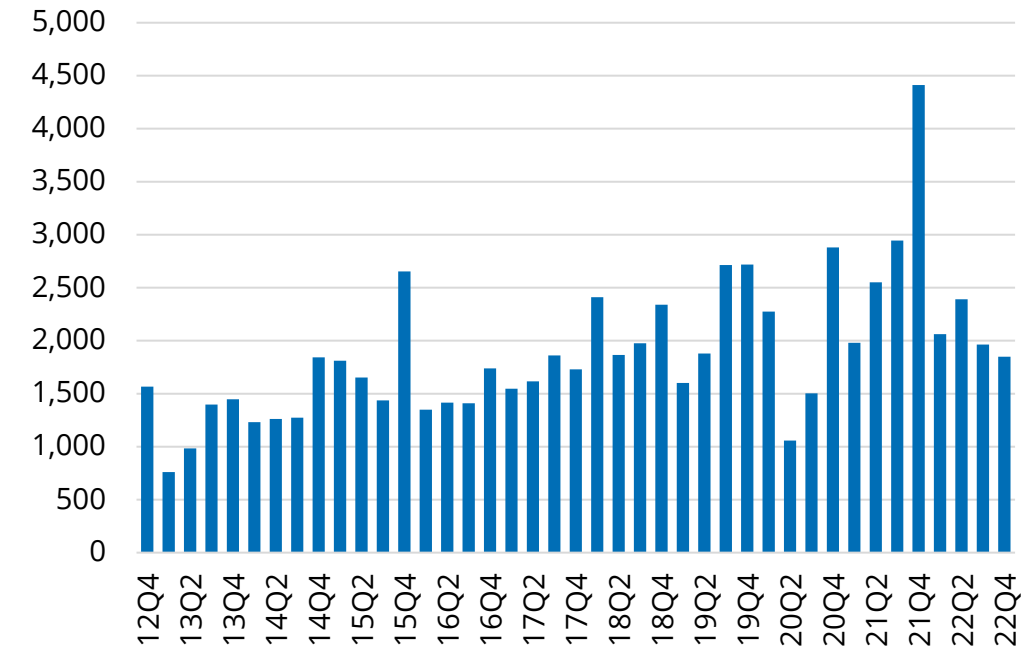
### SALES VOLUME



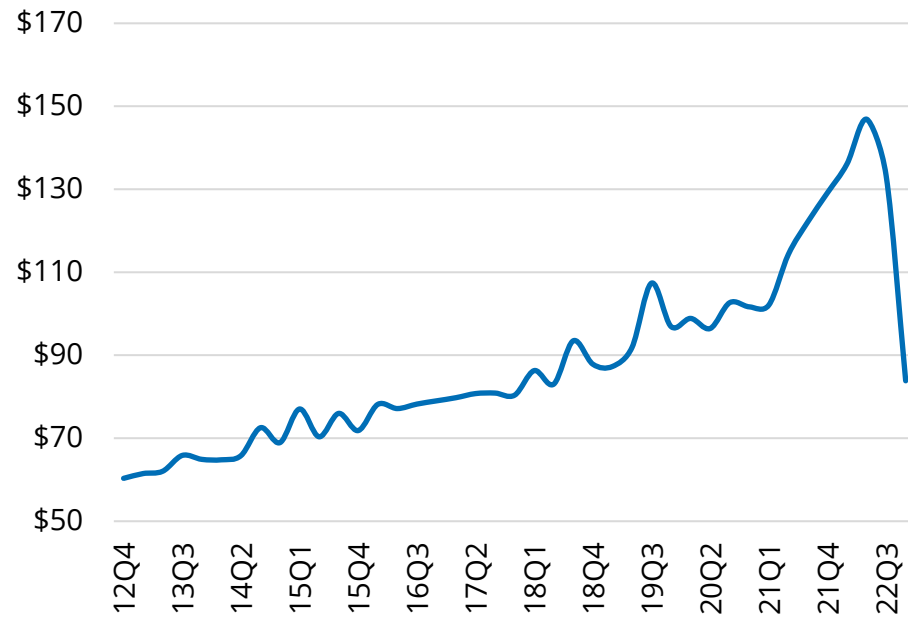
### YEAR-OVER-YEAR VOLUME CHANGE



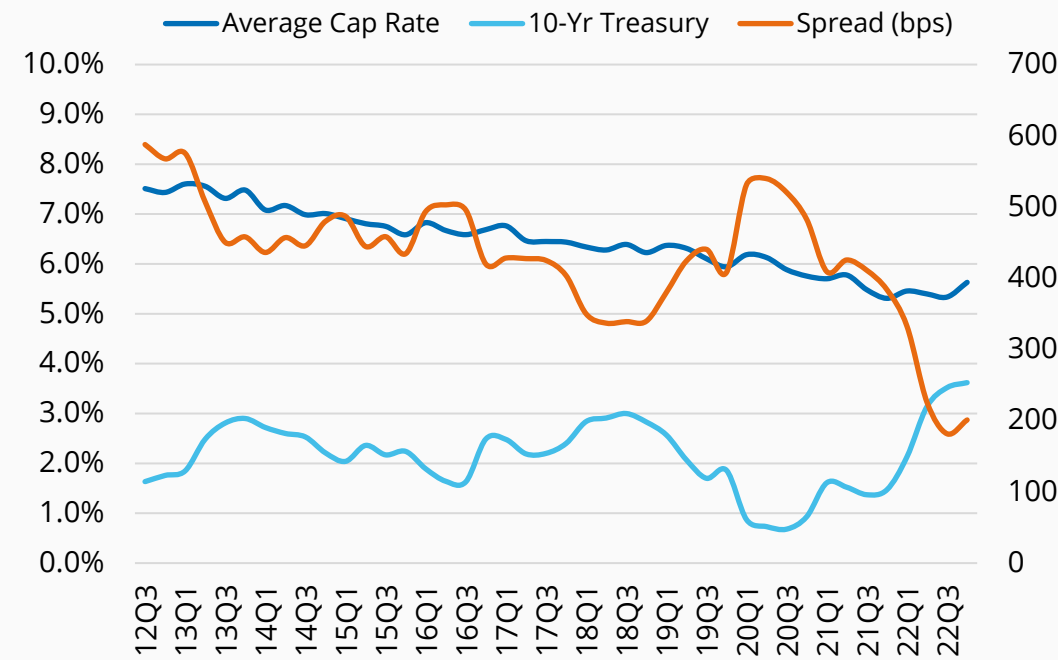
### NUMBER OF PROPERTIES



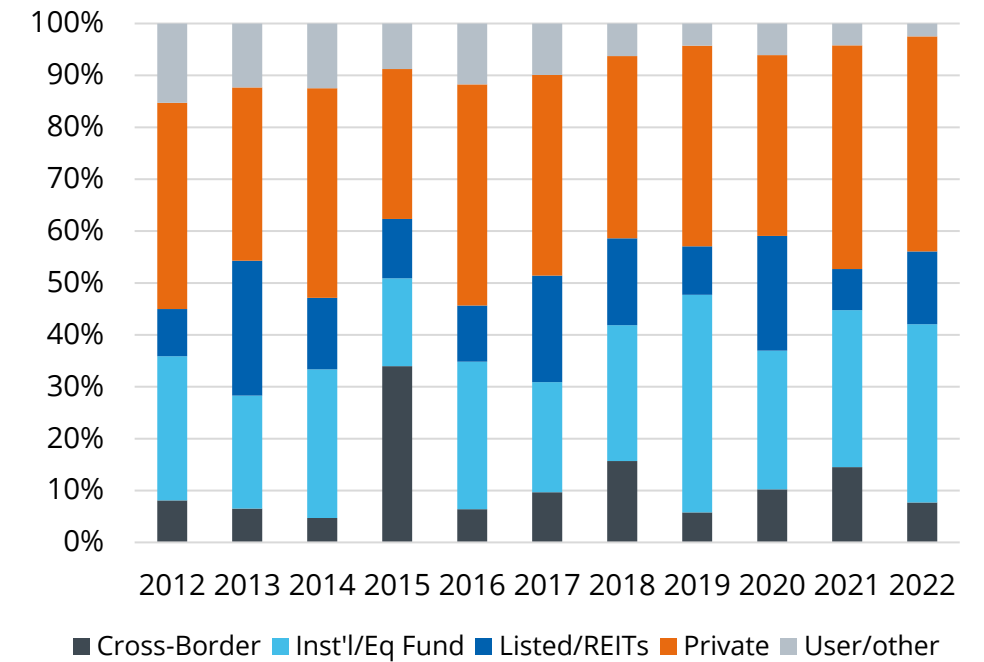
### PRICE PER SQUARE FOOT



### YIELD (CAP RATE)

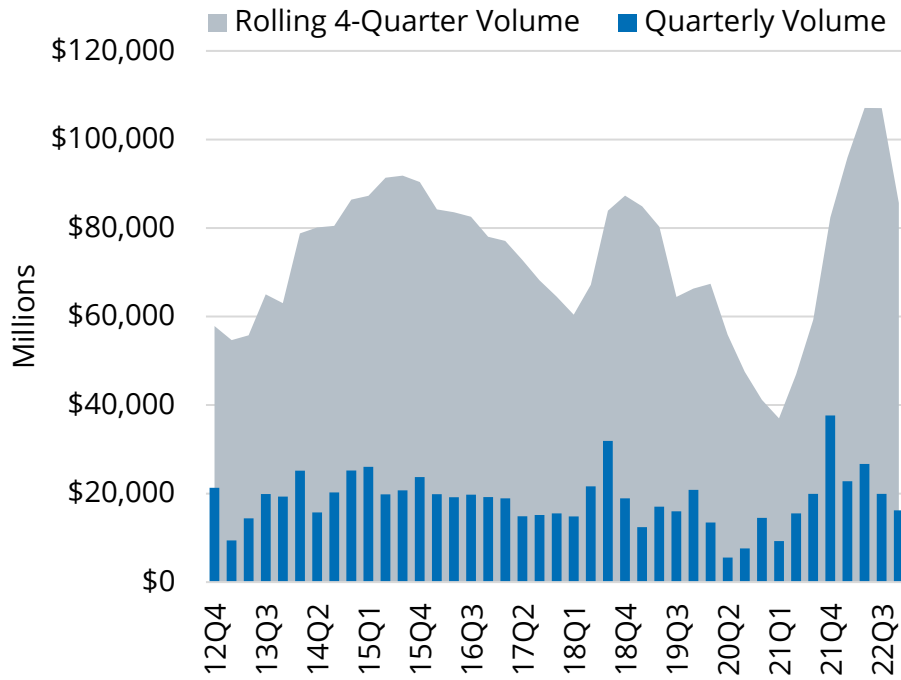


### BUYER COMPOSITION

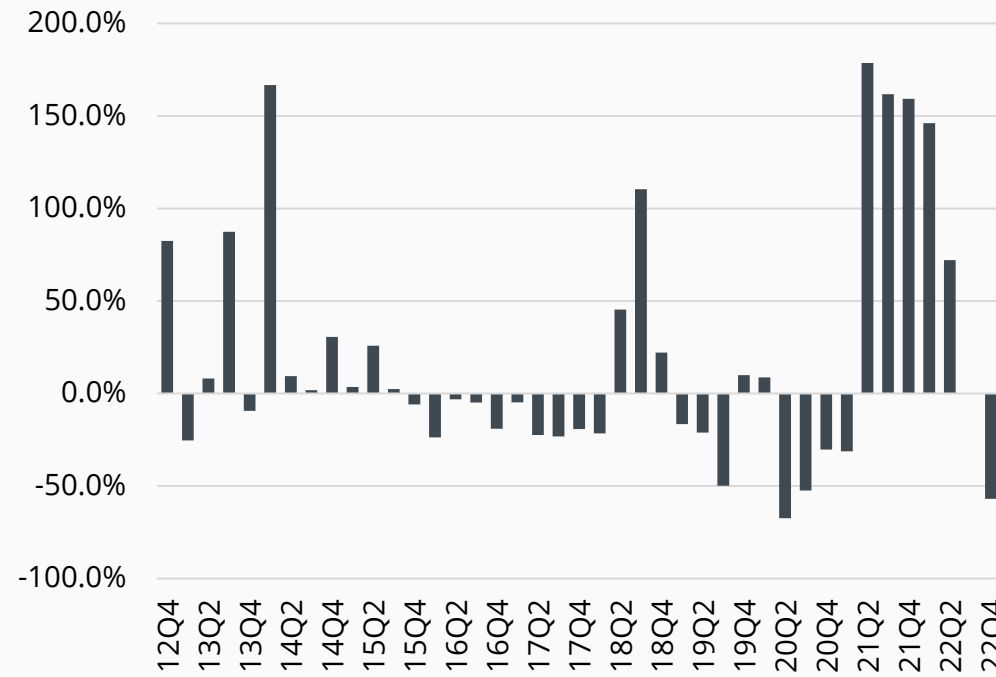


Top Buyers			Past 24 Months		All Time	
Rank	Buyer	City, State / Country	Acq (\$m)	# Props	Total Global Acq (\$m)	# Props
1	Blackstone	New York, NY, USA	\$6,555	124	460,038	\$15,526
2	Prologis	San Francisco, CA, USA	\$4,542	167	80,387	\$3,345
3	KKR	New York, NY, USA	\$3,297	24	40,327	\$859
4	Rexford Industrial REIT	Los Angeles, CA, USA	\$3,109	87	8,581	\$361
5	Global Infrastructure Partners	New York, NY, USA	\$2,870	12	7,500	\$44
6	CalPERS	Sacramento, CA, USA	\$2,028	31	42,302	\$1,514
7	Hackman Capital	Los Angeles, CA, USA	\$1,780	8	5,576	\$268
8	BREIT	New York, NY, USA	\$1,675	67	64,645	\$2,468
9	Square Mile Capital	New York, NY, USA	\$1,640	2	8,856	\$194
10	Brookfield AM	Toronto, Ontario, CAN	\$1,550	64	137,825	\$3,335
11	Ares Management	Los Angeles, CA, USA	\$1,490	67	24,180	\$1,428
12	Duke Realty	Indianapolis, IN, USA	\$1,240	26	11,235	\$580
13	EQT Exeter	Conshohocken, PA, USA	\$1,153	40	23,560	\$1,255
14	CBRE Investment Mgmt	Los Angeles, CA, USA	\$1,107	8	77,989	\$1,954
15	GIC	Singapore, SGP	\$1,073	71	144,609	\$6,419
16	TA Realty	Boston, MA, USA	\$1,068	29	26,144	\$1,046
17	LBA Realty	Irvine, CA, USA	\$1,020	33	12,887	\$543
18	AIREIT	Denver, CO, USA	\$1,018	38	5,147	\$178
19	Realterm Global	Annapolis, MD, USA	\$872	25	3,275	\$151
20	BentallGreenOak	Toronto, Ontario, CAN	\$851	17	16,966	\$323
Top Sellers			Past 24 Months		All Time	
Rank	Seller	City, State / Country	Disp (\$m)	# Props	Total Global Disp (\$m)	# Props
1	Duke Realty	Indianapolis, IN, USA	\$3,939	148	\$28,272	1490
2	PS Business Parks	Glendale, CA, USA	\$3,712	57	\$8,985	178
3	CyrusOne	Dallas, TX, USA	\$2,870	12	\$8,175	49
4	Blackstone	New York, NY, USA	\$1,455	61	\$267,404	6677
5	LBA Realty	Irvine, CA, USA	\$1,227	49	\$13,846	521
6	Dermody Properties	Reno, NV, USA	\$1,103	13	\$6,876	205
7	ViacomCBS	New York, NY, USA	\$1,040	1	\$2,610	3
8	CalPERS	Sacramento, CA, USA	\$990	21	\$33,001	1196
9	TIAA-CREF	New York, NY, USA	\$919	15	\$48,777	1269
10	Cabot Properties	Boston, MA, USA	\$903	37	\$11,713	1034
11	Prologis	San Francisco, CA, USA	\$900	36	\$54,969	3703
12	EQT Exeter	Conshohocken, PA, USA	\$836	38	\$18,745	870
13	Stockbridge	San Francisco, CA, USA	\$817	22	\$7,926	216
14	Lincoln Equities Group	East Rutherford, NJ, USA	\$806	4	\$2,709	43
15	Crow Holdings	Dallas, TX, USA	\$795	12	\$33,235	1162
16	KKR	New York, NY, USA	\$769	49	\$11,028	333
17	OMERS	Toronto, Ontario, CAN	\$720	27	\$30,856	245
18	Kaufman Group	Los Angeles, CA, USA	\$600	1	\$609	3
19	CoreSite	Denver, CO, USA	\$562	9	\$1,500	18
20	PGIM Real Estate	Newark, NJ, USA	\$547	5	\$81,783	1704

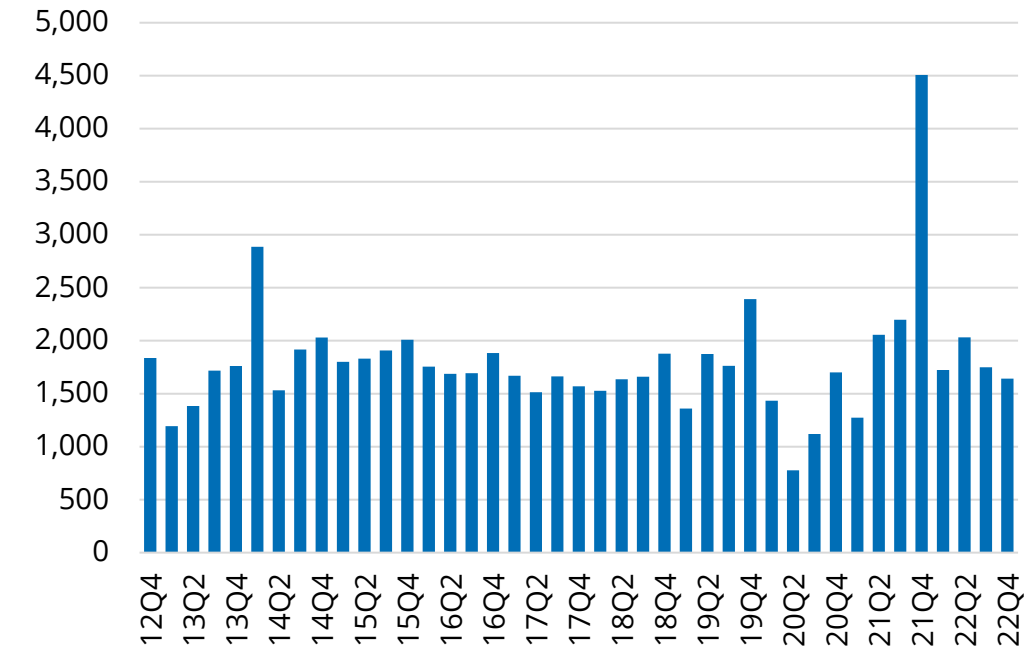
### SALES VOLUME



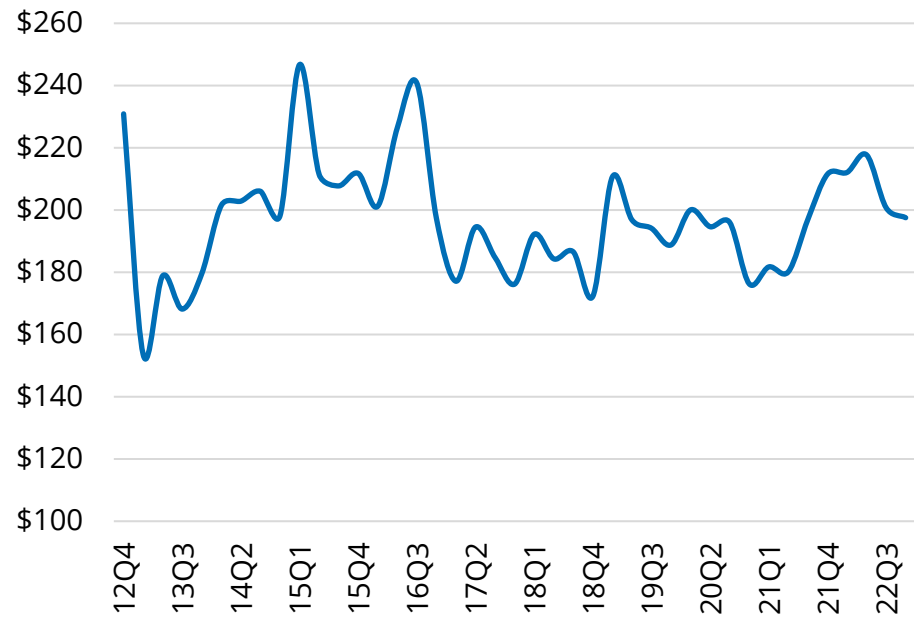
### YEAR-OVER-YEAR VOLUME CHANGE



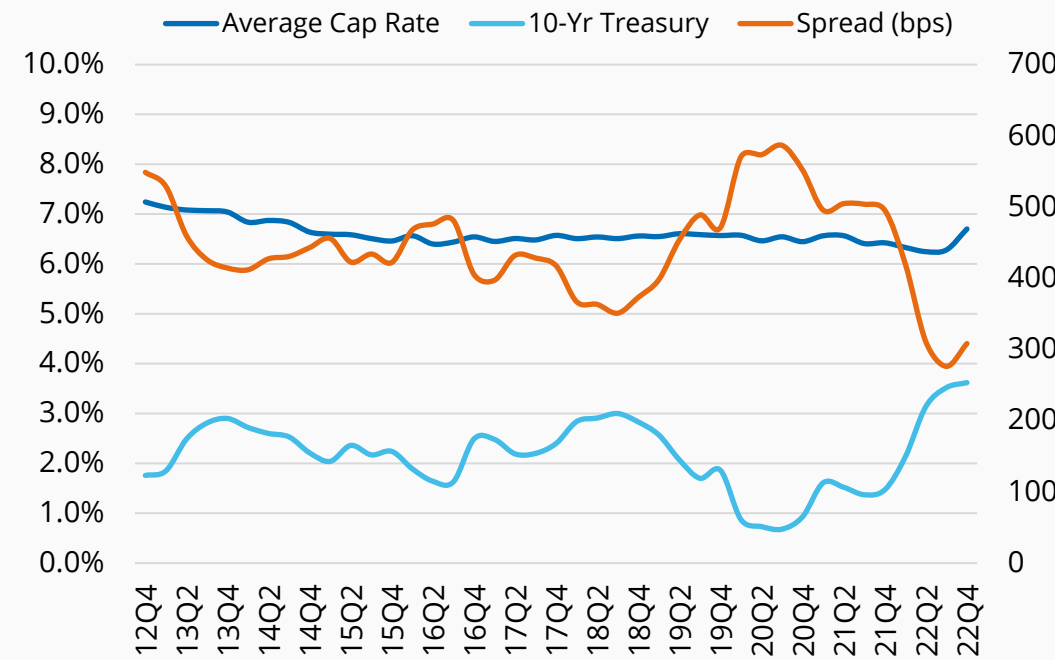
### NUMBER OF PROPERTIES



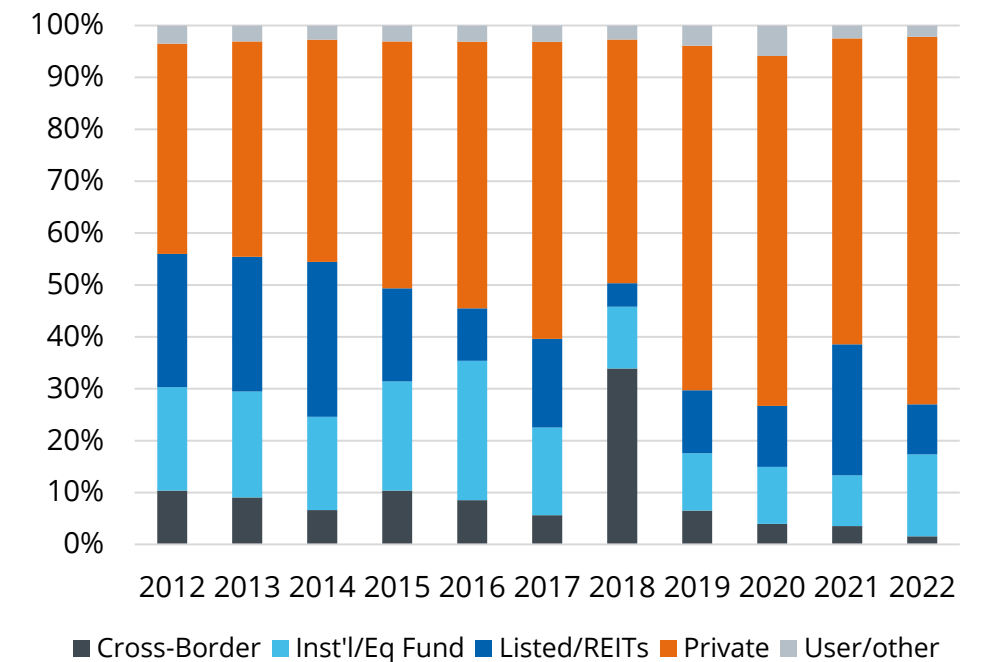
### PRICE PER SQUARE FOOT



### YIELD (CAP RATE)

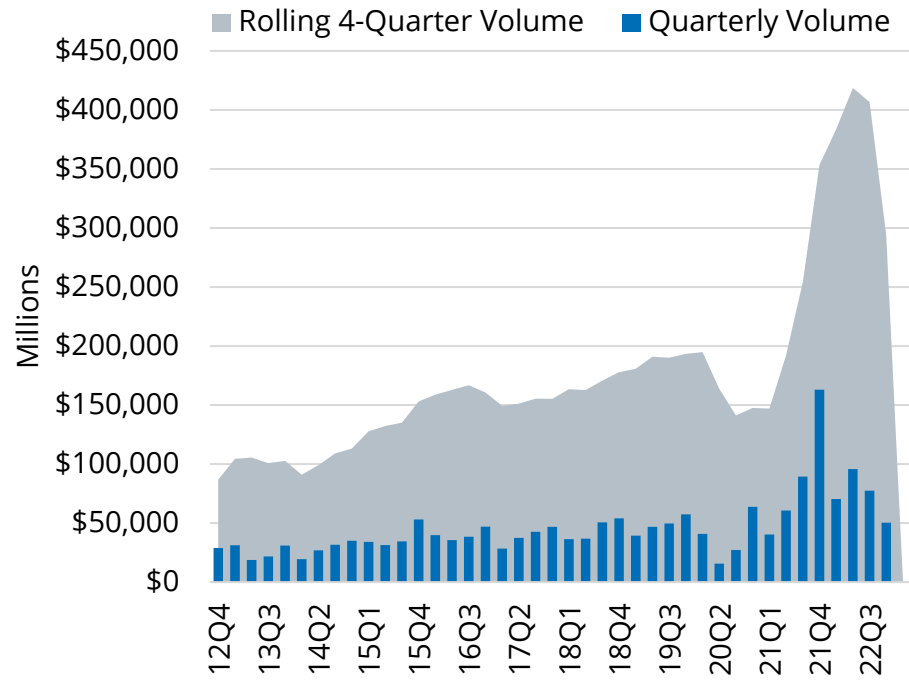


### BUYER COMPOSITION

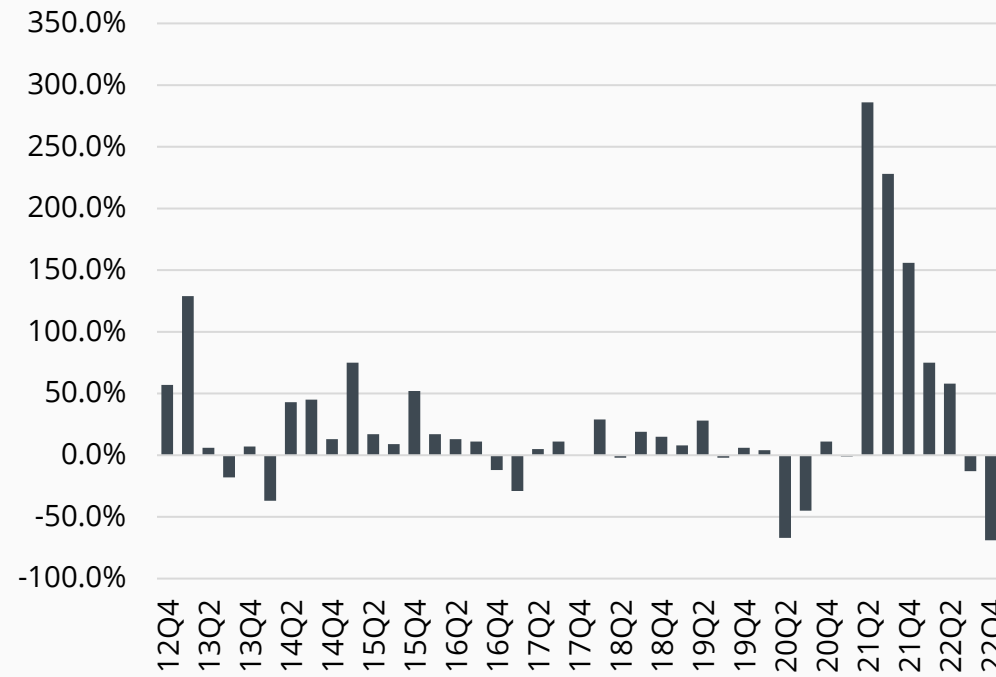


Top Buyers			Past 24 Months		All Time	
Rank	Buyer	City, State / Country	Acq (\$m)	# Props	Total Global Acq (\$m)	# Props
1	CalPERS	Sacramento, CA, USA	\$1,477	18	\$42,302	1514
2	First Washington Realty	Bethesda, MD, USA	\$1,400	16	\$6,536	191
3	Kite Realty Group	Indianapolis, IN, USA	\$1,293	33	\$7,291	248
4	Kimco	Jericho, NY, USA	\$1,257	29	\$26,888	1252
5	Realty Income Corp	San Diego, CA, USA	\$860	97	\$35,928	6999
6	EDENS	Washington, DC, USA	\$644	8	\$4,301	204
7	Riderwood USA Inc	Monrovia, CA, USA	\$538	1	\$538	1
8	TA Realty	Boston, MA, USA	\$517	10	\$26,144	1046
9	RPT Realty	New York, NY, USA	\$484	8	\$3,681	123
10	The Kroenke Group	Columbia, MO, USA	\$475	2	\$3,269	104
11	Alexandria	Pasadena, CA, USA	\$471	5	\$19,464	272
12	Wilder Cos	Boston, MA, USA	\$382	8	\$1,195	26
13	Witkoff Group	New York, NY, USA	\$377	1	\$6,109	38
14	Access Industries	New York, NY, USA	\$377	1	\$2,186	30
15	DJM Capital Partners	San Jose, CA, USA	\$373	6	\$1,586	38
16	Onni Group	Vancouver, British Columbia,	\$356	5	\$3,814	73
17	Sterling Organization	Palm Beach, FL, USA	\$331	7	\$2,364	97
18	Blackstone	New York, NY, USA	\$325	4	\$460,038	15526
19	ExchangeRight	Pasadena, CA, USA	\$305	34	\$3,208	524
20	Federal Realty	Rockville, MD, USA	\$292	6	\$4,006	139
Top Sellers			Past 24 Months			
Rank	Seller	City, State / Country	Disp (\$m)	# Props	Total Global Disp (\$m)	# Props
1	Donahue Schriber	Costa Mesa, CA, USA	\$1,924	22	\$5,876	137
2	Retail Properties of America	Oak Brook, IL, USA	\$1,293	33	\$7,548	350
3	Unibail-Rodamco-Westfield	Paris, FRA	\$1,208	5	\$32,143	503
4	Weingarten Realty	Houston, TX, USA	\$703	17	\$10,164	631
5	CPP Investment Board	Toronto, Ontario, CAN	\$688	2	\$41,683	328
6	Merlone Geier Partners	San Francisco, CA, USA	\$639	15	\$3,653	120
7	PGIM Real Estate	Newark, NJ, USA	\$637	17	\$81,783	1704
8	VEREIT	Phoenix, AZ, USA	\$468	76	\$21,444	4317
9	O'Connor Cap Prtnrs	New York, NY, USA	\$410	5	\$4,746	113
10	Gravestar Inc	Cambridge, MA, USA	\$382	8	\$390	9
11	HFZ Capital Group	New York, NY, USA	\$377	1	\$1,284	12
12	Kabro Associates	Woodbury, NY, USA	\$376	8	\$376	8
13	Regency Centers	Jacksonville, FL, USA	\$360	5	\$7,411	448
14	Seritage Growth Props	New York, NY, USA	\$359	15	\$1,922	134
15	UBS	Zurich, CHE	\$337	3	\$35,921	767
16	MEPT	Washington, DC, USA	\$325	4	\$6,966	164
17	DRA Advisors	New York, NY, USA	\$321	16	\$28,972	1153
18	CCO Capital LLC (CIM)	Phoenix, AZ, USA	\$316	16	\$4,525	768
19	Cedar Realty Trust	Port Washington, NY, USA	\$315	11	\$2,418	162
20	QIC	Brisbane, AUS	\$279	2	\$5,469	37

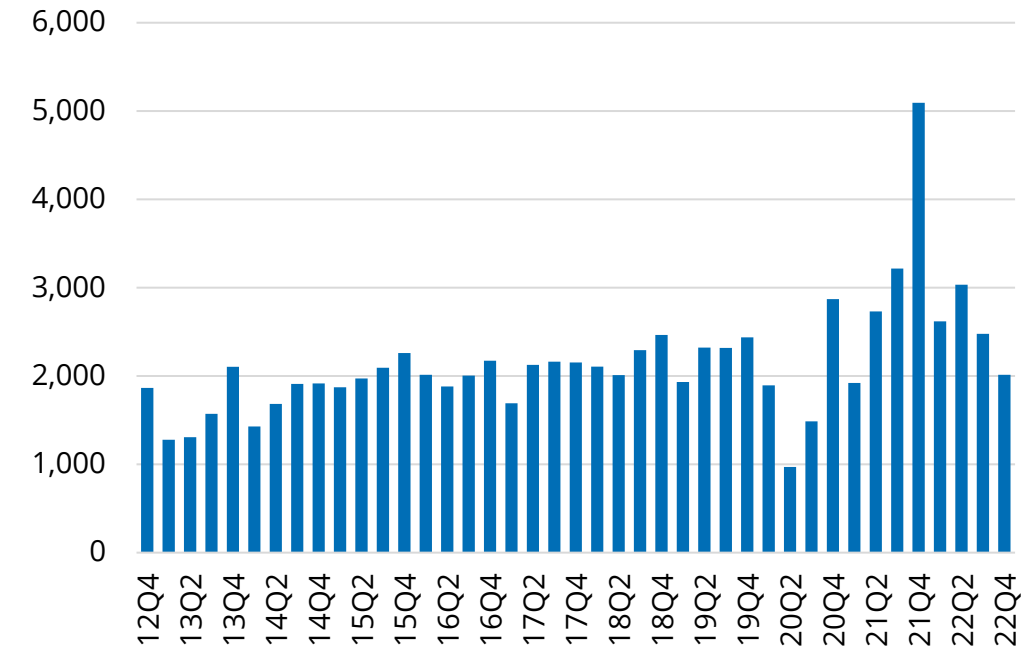
### SALES VOLUME



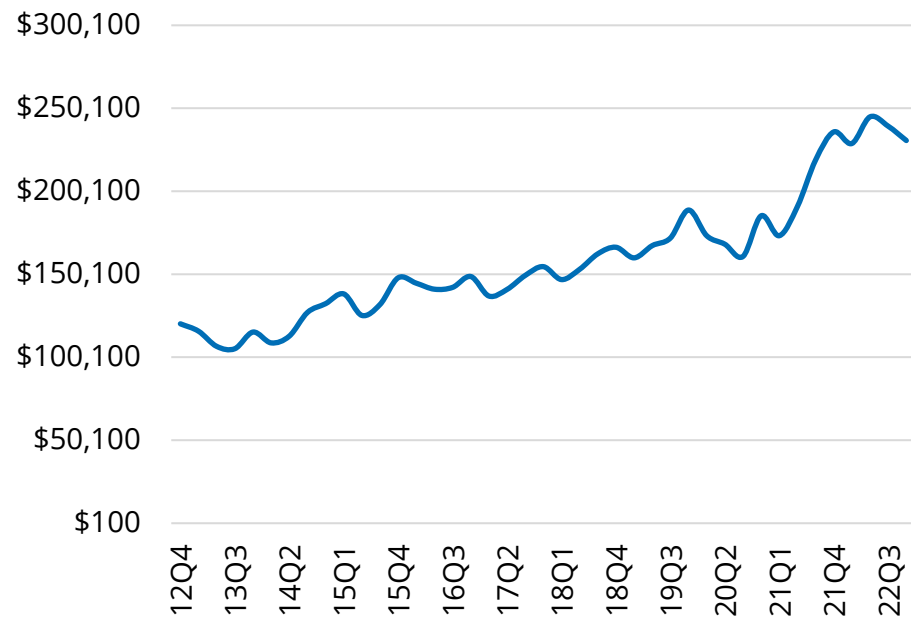
### YEAR-OVER-YEAR VOLUME CHANGE



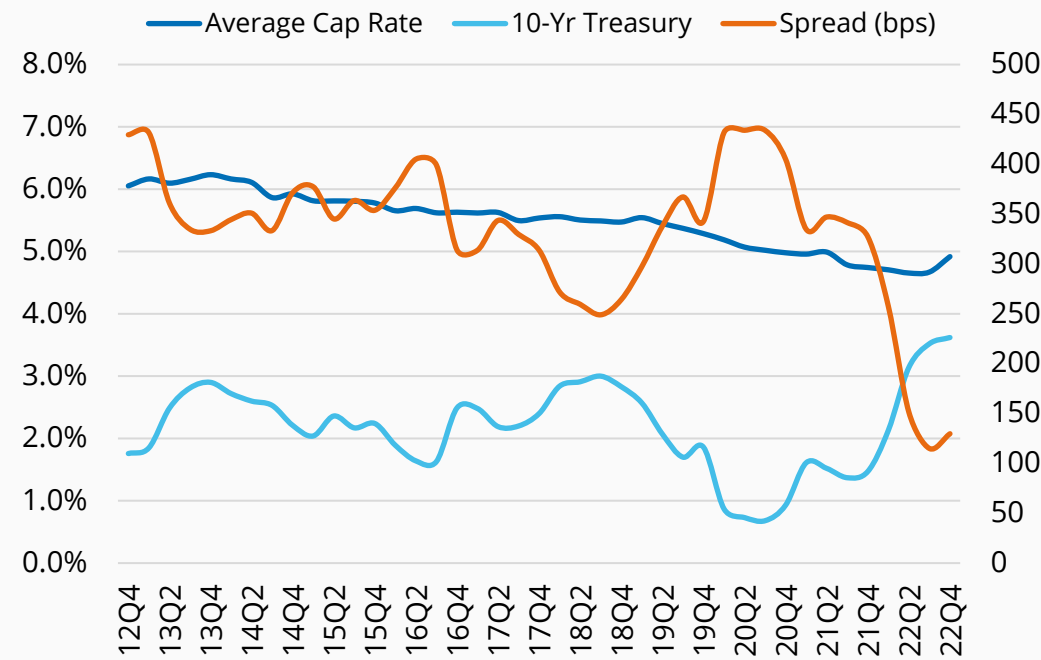
### NUMBER OF PROPERTIES



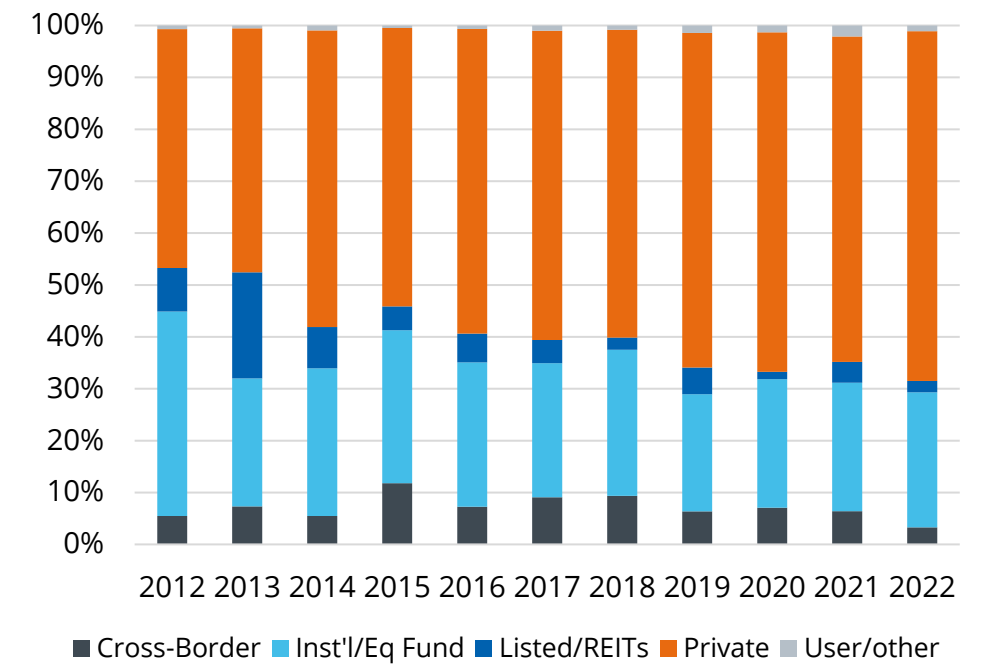
### PRICE PER UNIT



### YIELD (CAP RATE)



### BUYER COMPOSITION



Top Buyers			Past 24 Months		All Time	
Rank	Buyer	City, State / Country	Acq (\$m)	# Props	Total Global Acq (\$m)	# Props
1	CSCDA	Walnut Creek, CA, USA	\$3,443	24	\$3,776	29
2	BREIT	New York, NY, USA	\$3,023	176	\$64,645	2468
3	Black Spruce Properties	New York, NY, USA	\$2,144	13	\$3,110	123
4	Orbach Group	Fort Lee, NJ, USA	\$2,073	6	\$3,563	138
5	Blackstone	New York, NY, USA	\$1,991	20	\$460,038	15526
6	Waterford Property Company	Newport Beach, CA, USA	\$1,900	13	\$2,447	43
7	Harbor Group Int'l	Norfolk, VA, USA	\$1,875	42	\$22,537	577
8	MG Properties	San Diego, CA, USA	\$1,590	11	\$8,852	159
9	CDPQ	Quebec, Quebec, CAN	\$1,568	11	\$64,137	1620
10	Pacific Urban Investors	San Francisco, CA, USA	\$1,564	14	\$9,592	228
11	FPA Multifamily	San Francisco, CA, USA	\$1,396	19	\$13,955	577
12	SREIT	Miami Beach, FL, USA	\$1,336	23	\$17,613	569
13	CalCHA	Hanford, CA, USA	\$1,249	9	\$1,249	9
14	A&E Real Estate	New York, NY, USA	\$1,230	22	\$4,670	167
15	Catalyst Housing Group	Larkspur, CA, USA	\$1,187	8	\$1,460	10
16	Avanath Cap Prtnrs	Irvine, CA, USA	\$1,168	14	\$2,849	93
17	Cortland	Atlanta, GA, USA	\$1,112	5	\$16,626	306
18	Cammeby's	New York, NY, USA	\$1,069	35	\$6,148	207
19	Standard Communities	Los Angeles, CA, USA	\$1,052	14	\$2,650	73
20	Greystar	Charleston, SC, USA	\$974	11	\$45,589	883

Top Sellers			Past 24 Months			
Rank	Seller	City, State / Country	Disp (\$m)	# Props	Total Global Disp (\$m)	# Props
1	Brookfield AM	Toronto, Ontario, CAN	\$2,846	14	\$60,995	1289
2	Greystar	Charleston, SC, USA	\$2,646	21	\$28,148	496
3	Equity Residential	Chicago, IL, USA	\$2,414	14	\$32,373	1169
4	AvalonBay	Arlington, VA, USA	\$1,754	14	\$14,333	201
5	Rockpoint Group	Boston, MA, USA	\$1,627	5	\$23,868	231
6	Pantzer Properties	New York, NY, USA	\$1,603	15	\$3,972	49
7	AIR	Denver, CO, USA	\$1,403	29	\$1,689	32
8	AIG	New York, NY, USA	\$1,358	160	\$23,761	1102
9	TIAA-CREF	New York, NY, USA	\$1,307	4	\$48,706	1268
10	Fairfield Residential	San Diego, CA, USA	\$1,222	8	\$24,214	552
11	Solow Realty	New York, NY, USA	\$1,213	4	\$1,418	6
12	Brooksville Company	Brooklyn, NY, USA	\$1,067	1	\$1,185	2
13	Crow Holdings	Dallas, TX, USA	\$996	7	\$33,275	1163
14	JPI Multifamily	Irving, TX, USA	\$994	6	\$9,347	172
15	Carmel Partners	San Francisco, CA, USA	\$974	4	\$9,888	154
16	UBS	Zurich, CHE	\$919	8	\$35,921	767
17	Baupost Group	Boston, MA, USA	\$846	2	\$5,146	115
18	Largo Investments	New York, NY, USA	\$837	1	\$974	5
19	JDS Development	Lawrence, NY, USA	\$837	1	\$975	6
20	SARES-REGIS Group	Irvine, CA, USA	\$827	7	\$7,100	178



## FOR MORE INFORMATION

### **Elizabeth Norton**

Sr. Managing Director  
Research Services  
[Elizabeth.Norton@transwestern.com](mailto:Elizabeth.Norton@transwestern.com)  
202 775 7026

### **Doug Prickett**

Sr. Managing Director  
Research & Investment Analytics  
[Doug.Prickett@transwestern.com](mailto:Doug.Prickett@transwestern.com)  
214 292 6406

### **Jennifer Barili**

Sr. Research Analyst | Phoenix  
National Investment Research Leader  
[Jennifer.Barili@transwestern.com](mailto:Jennifer.Barili@transwestern.com)  
602 296 6372

### **Laura Haltom**

Senior Manager  
Data Analytics  
[Laura.Haltom@transwestern.com](mailto:Laura.Haltom@transwestern.com)  
720 889 4087

## ABOUT TRANSWESTERN

The privately held Transwestern companies have been delivering a higher level of personalized service and innovative real estate solutions since 1978. Through an integrated, customized approach that begins with good ideas, the firm drives value for clients across commercial real estate services, development, investment management, and opportunistic endeavors for high-net-worth investors. Operating from 33 U.S. offices, Transwestern extends its platform capabilities globally through strategic alliance partners whose unique geographic, cultural, and business expertise fuels creative solutions. Learn more at [transwestern.com](https://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).

## RESEARCH METHODOLOGY

The information and analysis in this report is based on a compilation of commercial real estate investing and transactions data from Real Capital Analytics (RCA) on select property types within the United States.