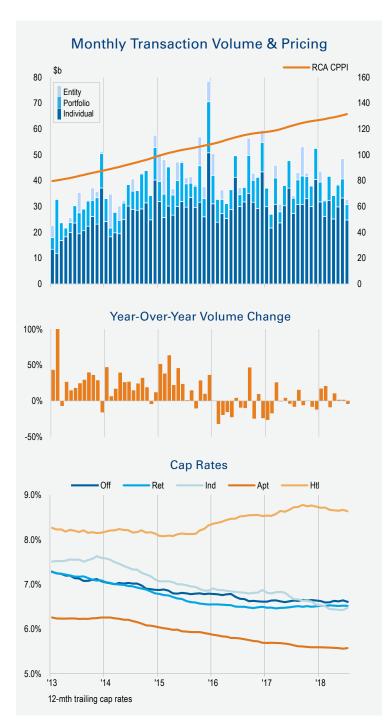
Headline deal volume fell in July driven by the third consecutive month of falling sales of individual assets. Despite this drop, deal activity is still ahead of the pace set in 2017 thanks to large portfolio and entity-level transactions.





### Portfolio and entity-level transactions have supported much of the deal volume in 2018. Into

July itself, deals with these structures posted yearover-year growth in activity even as individual asset sales fell. However, this megadeal growth was driven largely by the apartment and seniors housing & care sectors. The gains from these two sectors were enough to offset declines in others.

# The strongest relative growth came from the seniors housing sector, which was up 589% YOY

**in July.** The growth was driven by four megadeals with volume totaling \$2.4b. Without these one-off transactions, deal volume for the sector would have fallen 8% YOY in July.

Across the major property types, the office sector turned in the strongest growth in the month. This growth was due to the sale of individual CBD office assets. Perhaps more notable, many of the assets which transacted are located outside of Manhattan, where CBD activity is typically concentrated.

**Despite the drop in deal volume, prices continued to climb in July.** The RCA CPPI for all property sectors was up 7.0% YOY in July. This pace of growth is down from the 7.4% YOY pace set in July last year. The strongest growth in prices came from the apartment sector which registered year-over-year growth of 12.0%.

## The RCA CPPI for the CBD office and retail sectors each posted year-over-year increases of less than

**2% in July.** From an investment perspective this pace of growth is a form of decline. The FOMC is raising the fed funds rate to ward off greater inflationary pressures in the economy, with the consumer price index up 2.9% YOY in July. So, accounting for inflation, owners of CBD offices and retail properties are losing ground.



## Market Table | All Property Types

Transactions Reported Closed YTD through Jul'18		Office Inc			Industrial Retail			Apartment		Hotel		Dev Site		Senior Hsg & Care		Total	
		Vol (\$m)	# Props			Vol (\$m) # Props		Vol (\$m)	# Props	Vol (\$m) #Props		Vol (\$m)	# Props	Vol (\$m) # Props		Vol (\$m)	# Props
	Baltimore	407.0	# PTOPS 29	608.9	# PTOPS 60	339.1	# PTOPS	698.4	# Props 26	179.5	# Props	61.0	# PTOPS 8	70.2	# PTOPS	2,364.0	# PTOPS 167
Mid-Atlantic	DC	2,165.3	29	53.5	5	51.3	9	501.4	20	356.5	9	111.0	8	27.0	13	2,364.0	77
	DC MD burbs	366.5	20	431.2	38	802.5	25	1,458.4	42	107.3	5	26.5	5	255.1	16	3,447.6	153
	DC VA burbs	2,153.5	56	535.1	32	533.7	30	1,763.8	27	746.0	14	412.5	22	117.6	10	6,262.1	191
	Philadelphia	1,076.8	59	550.2	73	135.9	23	1,350.5	51	371.7	7	95.9	11	213.3	26	3,794.3	250
	Pittsburgh	171.1	17	61.2	9	159.7	17	152.6	8	33.3	3	23.8	5	57.2	14	658.9	73
	Richmond/Norfolk	231.4	20	174.0	21	261.8	29	481.2	49	151.8	16	5.3	1	49.6	6	1,355.1	142
	Tertiary Mid-Atlantic	221.6	42	1,280.6	88	363.5	51	759.9	121	162.9	29	118.7	13	598.7	59	3,506.1	403
	Total	6,793.4	273	3,694.6	326	2,647.5	206	7,166.2	345	2,108.9	88	854.7	73	1,388.7	145	24,654.1	1,456
Midwest	Chicago	3,968.1	91	2,297.1	256	1,589.4	129	2,175.7	89	385.4	20	260.6	33	205.9	25	10,882.1	643
	Cincinnati	193.1	17	223.9	25	114.1	18	296.4	22	64.9	12	17.4	4	69.2	8	978.9	106
	Cleveland Columbus	126.0 191.2	7 15	79.6 726.6	13 47	233.9 142.2	23 21	266.5 518.5	15 23	49.3 30.1	7	3.3 33.6	1	97.1 85.5	19 8	855.7	85 124
	Detroit	239.5	29	344.8	47	292.1	46	181.0	23	42.4	э 4	33.0 108.9	9	58.4	8 14	1,727.8 1,267.1	124
	Indianapolis	372.1	35	381.8	38	282.0	27	491.1	31	236.5	17	27.0	5	109.3	6	1,207.1	175
	Kansas City	268.0	20	226.8	26	179.0	24	301.7	20	94.3	11	7.5	2	27.5	2	1,104.8	105
	Minneapolis	1,144.4	42	504.1	76	278.2	38	521.9	52	163.4	11	57.9	10	35.4	3	2,705.4	232
	St Louis	217.5	25	408.7	44	197.9	28	677.9	38	175.8	14	20.2	4	43.9	7	1,741.9	160
	Tertiary Midwest	1,061.0	129	1,244.5	168	1,403.1	200	1,670.1	155	941.9	116	102.5	25	822.5	125	7,245.6	918
	Total	7,780.9	410	6,437.9	746	4,712.0	554	7,114.3	466	2,184.1	217	638.9	98	1,554.7	217	30,422.8	2,708
	Boston	2,872.1	79	743.8	53	266.6	45	992.7	42	414.4	7	180.6	10	8.5	2	5,478.7	238
Northeast	Hartford	29.6	3	254.7	8	65.8	8	139.5	13	8.0	2	4.1	1	8.4	3	510.1	38
	Long Island	249.0	25	260.0	59	863.0	31	84.7	8	109.2	5	24.1	6	123.7	3	1,713.7	137
	Manhattan	11,561.1	67	43.1	3	2,102.1	80	3,076.5	126	1,906.2	11	519.3	16	25.0	1	19,233.3	304
	No NJ	914.8	71	1,097.6	100	994.5	61	1,430.9	157	89.2	8	648.3	40	124.5	8	5,299.9	445
	NYC Boroughs	540.4	33	1,166.1	91	1,069.2	134	3,621.0	220	144.8	5	713.7	49	174.5	5	7,429.7	537
	Stamford Westchester	221.7	11	86.9	5	338.3	6	131.2	5	30.0	2		0	007	0	808.1	29
		328.5 590.3	28	102.7	8 59	151.2 940.5	18 82	357.7 935.6	23 64	12.4 319.8	2 26	6.6 62.5	2	62.7 194.0	2 18	1,021.9	83 320
	Tertiary Northeast Total	17,322.3	57 375	555.3 4,332.1	59 390	6,791.3	465	935.0	04 714	3,033.9	68	02.0 <b>2,159.2</b>	14 138	721.2	42	3,598.0 45,204.7	320 2,192
	Atlanta	1,974.5	93	1,102.6	97	739.4	88	3,477.6	128	425.8	30	105.0	20	222.2	16	8,047.1	472
Southeast	Broward	377.8	32	273.8	33	498.2	39	625.0	26	409.8	8	165.9	17	26.3	5	2,376.8	160
	Charlotte	733.7	30	462.4	47	197.1	30	1,202.8	49	106.0	12	73.3	13	63.0	4	2,838.2	185
	Jacksonville	240.2	12	383.0	17	147.5	19	684.8	31	72.6	10	19.8	5	66.5	4	1,614.5	98
	Memphis	18.9	5	356.7	26	82.7	12	305.4	19	147.9	11	13.8	4	32.5	3	958.0	80
	Miami	911.5	36	698.4	63	488.3	49	544.6	52	108.0	7	307.4	31	59.2	4	3,117.4	242
	Nashville	500.3	28	262.8	31	306.2	34	622.2	24	241.4	12	109.7	16	79.0	6	2,121.6	151
	Orlando	320.6	42	294.3	48	381.3	50	1,776.1	44	325.5	21	179.8	22	55.5	4	3,333.2	231
	Palm Beach	496.7	22	112.7	16	309.9	25	957.7	26	169.1	5	111.5	12	324.8	12	2,482.4	118
	Raleigh/Durham	1,214.5	54	125.0	19	146.0	22	1,326.9	39	34.4	5	59.8	13	88.3	2	2,994.9	154
	Tampa	335.2	27	199.5	24	768.8	46	1,337.5	46	183.7	10	83.7	16	166.6	19	3,074.9	188
	Tertiary Southeast	1,260.2	158	2,094.5	199	2,822.9	338	5,446.8	398	1,727.2	187	585.4	92	635.8	74	14,572.9	1,446
	<mark>Total</mark> Austin	8,446.6 698.5	542 24	6,365.7 527.6	620 30	6,888.5 337.6	752 40	<b>18,307.3</b> 1,605.8	<b>882</b> 51	3,951.5 302.5	318 20	1,815.2 158.7	<b>261</b> 19	1,819.8 154.5	153 5	<b>47,594.5</b> 3,785.3	<b>3,528</b> 189
Southwest	Dallas	2,117.5	84	1,825.0	162	1,156.2	135	4,896.5	220	532.6	37	264.1	37	253.9	19	11,045.9	694
	Denver	1,455.9	60	835.1	83	653.9	75	1,938.1	84	371.1	15	296.8	37	215.3	7	5,766.1	358
	Houston	1,776.0	68	759.4	94	868.7	112	3,738.0	141	235.6	14	285.9	41	80.2	4	7,743.9	474
	Phoenix	1,538.6	88	856.7	73	831.3	84	3,308.9	114	1,277.6	32	345.1	44	117.2	6	8,275.5	441
	San Antonio	384.8	29	135.5	14	240.1	34	1,218.6	55	77.4	7	38.6	7	30.0	5	2,124.9	151
	Tertiary Southwest	902.4	111	792.0	105	1,078.5	142	2,959.0	259	911.2	101	134.0	29	284.1	25	7,061.2	772
	Total	8,873.8	464	5,731.5	561	5,166.3	622	19,664.9	924	3,708.0	226	1,523.2	211	1,135.1	71	45,802.8	3,079
West	East Bay	1,094.0	51	863.6	70	310.2	36	960.3	56	72.6	4	259.5	31	61.8	5	3,622.0	253
	Inland Empire	263.7	23	1,702.1	134	522.2	52	722.7	37	282.0	10	319.0	37	58.2	5	3,869.9	298
	Las Vegas	466.5	40	604.0	61	385.6	37	1,192.4	44	231.9	5	513.1	34	12.0	2	3,405.6	223
	Los Angeles	3,827.4	144	2,294.6	248	3,772.9	174	5,117.7	436	439.4	13	329.6	42	21.9	2	15,803.5	1,059
	Orange Co	1,156.7	82	905.6	96	560.3	52	995.1	56	180.8	8	141.9	14	36.4	3	3,976.8	311
	Portland	643.9 814.4	41	236.4	36	214.3 590.0	26	883.4 766.9	56 58	255.6 147.0	7	91.9 90.2	19 14	66.8 77.3	6	2,392.4	191 219
	Sacramento Salt Lake City	814.4 99.4	45 14	453.5 325.0	45 46	302.0	43 23	685.3	26	73.5	9	80.2 187.0	14 15	98.4	4	2,929.2 1,770.6	218 137
	Salt Lake City San Diego	99.4 1,012.5	51	325.0 487.5	46 51	302.0 1,237.4	23 54	922.6	26 69	73.5 97.6	10	187.0	15	98.4 46.1	2	3,936.8	254
	Jan Diogu	1	47	579.6	32	362.5	28	922.0	79	1,013.0	15	882.0	17	40.1	2	6,527.6	204
		2 747 3			02	002.0	20	: 0.70.1	15	.,010.0	10	: 002.0	10			0,021.0	213
	San Francisco	2,747.3 1.705.4		1	66	803.8	32	603.3	31	322.3	4	357.6	17	11.5	1	5,176.5	193
	San Francisco San Jose	1,705.4	47 42 100	1,372.6	66 88	803.8 1,023.5	32 72	603.3 2,164.8	31 134	322.3 516.6	4	357.6 375.7	17 45	11.5 263.1	1 11	5,176.5 8,565.7	193 470
	San Francisco		42	1		803.8 1,023.5 1,790.0	32 72 181	603.3 2,164.8 2,525.3		•	4 20 98				1 11 52	5,176.5 8,565.7 11,315.0	470
	San Francisco San Jose Seattle	1,705.4 3,429.2	42 100	1,372.6 792.9	88	1,023.5	72	2,164.8	134	516.6	20	375.7	45	263.1	11	8,565.7	470 849
Total	San Francisco San Jose Seattle Tertiary West	1,705.4 3,429.2 1,226.7	42 100 136	1,372.6 792.9 1,546.3	88 151	1,023.5 1,790.0	72 181	2,164.8 2,525.3	134 163	516.6 2,952.5	20 98	375.7 553.5	45 68	263.1 720.8	11 52	8,565.7 11,315.0	193 470 849 <b>4,678</b>

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