

FEBRUARY 1, 2022

14 RANKINGS: INDUSTRIAL BROKERS

18 RANKINGS: HOTEL BROKERS

2 GI Partners Snags Boston Labs/Offices

2 Midwest Industrial Portfolio Available

2 Luxury Southeast Fla. Rentals Listed

4 SoCal Office Complex Up For Grabs

4 Value-Added Rentals In Mass. Pitched

6 Big Rental Complex In Philly Teed Up

8 Harbor Group Lists Pharma HQ In NJ

8 Venture One, Kovitz Close Sixth Fund

8 Swift Staging First Studio Purchase

10 Rental Fund Closes On \$200 Million

12 Fund Shop Lands First Sidecar Pledge

12 Texas Warehouses With Upside Shown

12 Crestlight Entering Industrial Sector

24 Atlanta-Area Retail Center For Sale

26 ON THE MARKET

THE GRAPEVINE

Two real estate pros last month launched a new shop: **Liberty Square Real Estate Partners**, which buys multi-family and industrial properties. Co-founders **Bill Chiasson** and **Stephen Kelly** are focused on deals in the Northeast. Chiasson spent nearly 27 years at Boston-based **GID**, recently leaving as a senior vice president in its investment advisory unit. Kelly most recently was consulting. Earlier, he was a managing director at Quincy, Mass., debt shop **Grand Coast Capital**. He had prior stints

See **GRAPEVINE** on Back Page

Industrial Sales Rocket; Eastdil Wins Crown

Sales of large industrial properties more than doubled last year, smashing the record for annual volume, as **Eastdil Secured** grabbed the brokerage crown and ended a decade-long reign by rival **CBRE**.

An astonishing \$103.3 billion of warehouses worth at least \$25 million changed hands in 2021, according to **Real Estate Alert's** Deal Database, up 142% over the previous year. The explosion of activity put annual volume in the sector — considered an unglamorous niche asset class just a decade ago — within striking distance of the \$105.7 billion of office sales. The fourth quarter alone saw \$51.3 billion of trades, exceeding the prior annual record of \$42.7 billion achieved in 2019 and again in 2020.

Eastdil dominated a surge in blockbuster portfolio trades to increase its volume about sixfold and claim the title for the first time since 2010. It brokered \$30 billion of sales for a 31.4% market share, up from 11.6% a year ago. Defending champ **CBRE** finished second with \$27.9 billion of sales and a 29.2% market share, down

See **INDUSTRIAL** on Page 14

Trophy Office Properties Marketed In Atlanta

Two prominent Atlanta office properties have hit the block in the last week, one at record pricing, portending another active year for sales in the Sun Belt city.

Bids for Atlantic Yards, a 523,000-sf, two-building complex completed last year and fully leased to **Microsoft**, are expected to come in around \$950/sf, or \$497 million. That would be a record on both a total dollar and per-sf basis among single-asset trades worth \$25 million or more in the Atlanta area. The initial annual yield at that valuation would be in the mid- to upper 3% range — also a record low. Partners **Hines** and **Invesco Real Estate** have given the listing to **Eastdil Secured**.

Meanwhile, **Brookdale Group** has listed the Pinnacle, a 430,000-sf office building on Peachtree Street with **Cushman & Wakefield**. It's stabilized at 83% leased but offers upside, as a buyer could fill the vacant space. Pricing is anticipated at around \$220 million, or \$515/sf. That would produce a 5% initial annual yield.

Last year, large office sales totaled \$3 billion in Atlanta, up dramatically from

See **TROPHY** on Page 10

Hotel Deals Soar; Hodges Ward Takes First

Sales of large hotels rebounded dramatically in the fourth quarter, pushing volume past pre-pandemic levels and crowning **Hodges Ward Elliott** the sector's most active broker.

Last year, \$21.5 billion of hotels worth at least \$25 million changed hands, up 265% from 2020, when the pandemic halted travel and sales activity fell 70% year over year to \$5.9 billion, according to **Real Estate Alert's** Deal Database.

Volume in 2021 surpassed 2019's \$18.9 billion and nearly reached the \$22.2 billion mark hit in 2018. The resurgence was driven largely by an eye-popping \$9.2 billion of activity in the fourth quarter, which alone surpassed 2020's annual total, making for the second-busiest quarter on record.

Hodges climbed into the top spot with \$5.19 billion of sales, more than quadrupling its league table credit in 2020 to capture a 27.8% market share, up from 26.3%. **CBRE** rose one spot to second, with \$3.97 billion, up fivefold year over year. Its market

See **HOTEL** on Page 18

GI Partners Snags Boston Labs/Offices

GI Partners has inked a deal to pay roughly \$700 million for a laboratory and office building in Boston — kicking off 2022 activity in the nation's most active market for life-science property sales.

The San Francisco-based firm has emerged as the winning bidder for the 477,000-sf building at 451 D Street in the Seaport District. Pricing of approximately \$1,467/sf surpassed initial expectations of \$1,363/sf, or \$650 million — reflecting investor exuberance for properties in that market, particularly those catering to life-science tenants. **Eastdil Secured** marketed the property on behalf of seller **Related Beal**.

The initial annual yield just tops 4%, in line with cap rates on a flurry of comparable office sales and recapitalizations that closed at yearend. That activity, driven by trades in the life-science niche, helped Boston achieve record office sales volume of \$13.3 billion last year, according to **Real Estate Alert's** Deal Database survey of trades worth \$25 million and up. Boston was the busiest U.S. office market for large property sales for the second year running.

The property is nearly fully occupied, with labs comprising about 60% of the space. Related Beal acquired it for \$276 million in 2018 when it was a traditional office building that was just 80% leased. The firm completed a substantial renovation that encompassed a partial conversion to labs and added amenities.

It then signed on life-science tenants, including **Inozyme Pharma**, a biopharmaceutical company focused on rare diseases; **Joyn Bio**, a joint venture between **Bayer** and **Ginkgo Bioworks**; **DermBiont**; and **Sensei Biotherapeutics**.

JPMorgan Chase occupies part of the office space. It renewed and expanded its lease in 2017. Market pros said the property has a core profile, but GI Partners plans to continue converting additional space to labs as leases expire.

The nine-story brick-and-beam property originally comprised two adjacent buildings completed separately at the turn of the last century and joined into a single property in 1950. One was used as a wool warehouse and later by the **U.S. Navy**.

Amenities include a fitness center, a bike room and a cafe. There are 536 parking spaces.

GI Partners likely is acting via its first open-end fund, which launched last year and targets data centers and life-science and research-and-development properties. ❖

Midwest Industrial Portfolio Available

CenterPoint Properties is marketing an eight-property industrial portfolio in the Chicago area worth about \$450 million.

The fully leased package encompasses 3.8 million sf of warehouse space, with seven properties in Wisconsin and one in Illinois. Bids, which will only be accepted on the portfolio as a whole, are expected to hit \$118/sf. **JLL** is marketing the properties for CenterPoint, of Oak Brook, Ill.

The properties have a weighted average remaining lease

term of 4.3 years and an average tenant tenure of 8.4 years. The buildings are 12 years old and have 32-foot ceilings on average. **Uline**, a distributor of shipping and packaging materials, is the largest tenant, with 2.4 million sf.

The Chicago area, which includes southeastern Wisconsin, has 1.3 billion sf of industrial space that was 96.5% leased at the end of 2021, according to JLL.

The Illinois property totals 395,000 sf at 3200 Skokie Highway in Lake Bluff, Ill. The Wisconsin properties are in Pleasant Prairie at 8500 109th Street (736,000 sf), 11400 88th Avenue (602,000 sf), 8495 116th Street (521,000 sf), 11290 80th Avenue (502,000 sf), 8123 116th Street (451,000 sf), 11559 80th Avenue (417,000 sf) and 10490 88th Avenue (201,000 sf).

CenterPoint is the 13th-largest industrial owner in the U.S., according to **Green Street**, parent of **Real Estate Alert**. It remains an active buyer. The company acquired \$1.7 billion of properties last year in Miami, New York/New Jersey, Oakland, Savannah, Ga., Southern California and Texas. It now owns 66.4 million sf of industrial properties. ❖

Luxury Southeast Fla. Rentals Listed

Investors are getting a crack at a new luxury apartment complex on Florida's Treasure Coast.

The 284-unit property is in Stuart, 40 miles north of Palm Beach. It was completed last year and is valued at about \$360,000/unit, or \$102 million. The garden-style complex, still in its initial lease-up phase, is nearly 75% occupied.

Newmark is marketing the property for seller **Thompson Thrift** of Terra Haute, Ind., and its **Watermark Residential** subsidiary.

The property, known as AxisOne by Watermark, has one- to three-bedroom apartments that average 1,026 sf. Average rent is \$2,387 or \$2.33/sf. Units have granite counters, black and stainless-steel appliances, hardwood-style flooring, washer/dryers and patios or balconies. Amenities include covered parking, an **Amazon** package hub, a pool with a sun-deck, a fitness center and a clubhouse.

The property has averaged nearly 25 leases per month with no concessions during the lease-up phase, which began in May. Marketing materials note that rents on the 10 most current leases are roughly 35% higher than rents on the first 10 leases, suggesting a buyer could increase net operating income by \$640,000 on upcoming leases and renewals.

Investors are being told this is the only property that has been delivered in a 5-mile radius since 2004. In addition, only 197 units are expected to be delivered in the submarket over the next two years.

The property is on 11.3 acres at 2201 Northwest Federal Highway. It's off of U.S. Route 1, which runs near Interstate 95 and the Florida Turnpike.

It is 3 miles north of Cleveland Clinic Martin North Hospital, a 244-bed facility with over 600 employees. There's more than 2.9 million sf of retail space within a mile of the property, with stores including **Bed Bath & Beyond**, **Home Depot** and **Target**. ❖

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SoCal Office Complex Up For Grabs

A partnership between **Pimco** and **Hines** is marketing a creative office complex in Southern California's Orange County worth an estimated \$250 million.

The campus, called **Intersect**, comprises four buildings totaling 454,000 sf in Irvine. At the estimated value of \$550/sf, a buyer's initial annual yield would be just under 6%. **JLL** has the listing.

The property is 85% leased by 33 tenants, with a weighted average remaining lease term of 6.8 years. Major tenants include **Arcules, Hangar 24 Craft Brewing, JLL, Mazda, Westcliff University, World Poker Tour Enterprises** and **Xponential Fitness**.

The owners and tenants have invested \$50 million into improvements since 2015. Upgrades included a redesign of a 2-acre courtyard as well as new lobbies, restrooms and mechanical systems.

The campus has a beer garden, an outdoor game pavilion, firepits, a community vegetable garden, a spin studio with **Peloton** bikes and a full-service restaurant. It also has a garage and a surface lot with a combined 1,697 spaces.

Intersect is at 17875 and 17877 Von Karman Avenue and 17872 and 17838 Gillette Avenue. The buildings were developed between 1989 and 2004. The complex is a mile from John Wayne Airport and within several miles of Interstates 5 and 405.

Pimco and Hines purchased the property, then called

Quintana Campus, for \$121.5 million, or \$288/sf, in 2015. The seller was **Menlo Equities**. The duo took a gamble, as the property was just 13% occupied at the time. The new owners completed a \$27 million renovation in 2019 and put the property on the market, but a sale never materialized.

Orange County's office sales market picked up last year after the pandemic put a damper on deals in 2020. Trades of office properties worth at least \$25 million totaled \$2 billion in 2021, according to **Real Estate Alert's** Deal Database. That was up 58.7% year over year, though it trailed the 74% national increase.

Orange County's office market was 83.8% leased at yearend, according to a JLL report. Creative office space in the area commands rents that are 30% higher than rents for commodity office buildings, according to marketing materials. ❖

Value-Added Rentals In Mass. Pitched

Two 1960s-vintage apartment complexes in suburban Boston are on the market with an estimated value of \$175 million.

The garden-style properties, in Waltham, have 427 units that are 96% occupied. The estimated value translates to \$410,000/unit. **Walker & Dunlop** is handling marketing.

The owner, a local family, would prefer to sell the neighboring complexes as a package.

Marketing efforts focus on the value-added potential of the properties, Charlesbank Garden Apartments and Charlesbank Estates. The pitch is that with no formal renovations completed to date, a buyer would have the opportunity to raise rents significantly through targeted updates.

Potential upgrades could include improved lighting, modern bathroom fixtures and kitchen renovations such as granite counters, stainless-steel appliances, wood-style flooring, resurfaced cabinets and new sinks. Marketing materials also note that in-place rents are significantly below market rates.

Both properties have one- and two-bedroom units. The 209-unit Charlesbank Garden Apartments is at 56 Charles River Road. Its units average 885 sf and rent for an average of \$1,620, or \$1.83/sf. The 218-unit Charlesbank Estates is at 70 Charles River Road. Its units average 908 sf and rent for an average \$1,908, or \$2.10/sf.

The properties are 10 miles west of downtown Boston, inside the Route 128 Beltway, where many of the market's employers are located. There is 31 million sf of office and laboratory space within 5 miles of the complexes, including space occupied by **Aetna, Microsoft, Olympus, Oracle** and **Raytheon Technologies** — some of the state's largest employers.

Waltham also is home to major medical-device companies **Fresenius Medical Care North America, PerkinElmer** and **Thermo Fisher Scientific**.

Waltham's lab market, with 1.3 million sf, commands some of the highest rents in suburban Boston. It has captured demand spilling over from the urban markets of Boston and Cambridge, where some submarkets are virtually fully occupied.

The offered properties also are less than a half-mile from **Brandeis University**. ❖

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\$13 Billion of Global Hotel Transactions Closed during 2021



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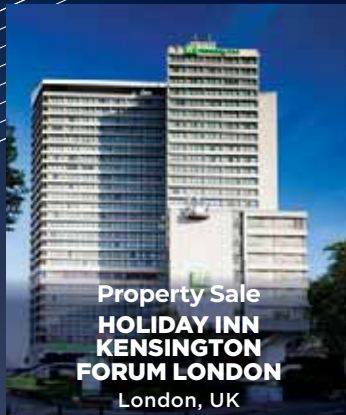
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Property Sale
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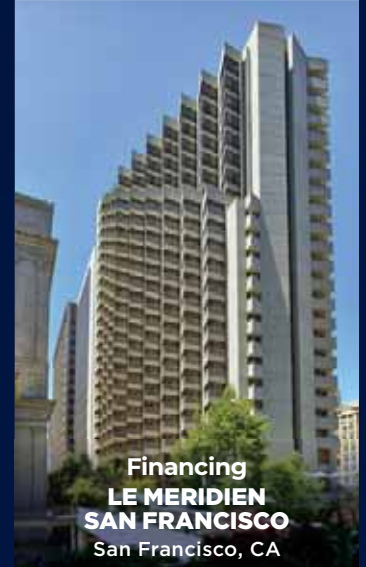
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Big Rental Complex In Philly Teed Up

Post Brothers is taking another crack at selling a luxury high-rise apartment complex in Philadelphia.

The 1,015-unit Presidential City, 5 miles northwest of Center City, encompasses four 12- and 13-story apartment buildings, a 69,000-sf office building and 10,000 sf of retail space. Bids are expected to reach about \$350 million, or \$345,000/unit. **JLL** is representing Philadelphia-based Post Brothers, which purchased the aging apartment buildings in 2012 and redeveloped them into a luxury complex.

The property, at 3900 City Avenue, previously went on the block in March 2019 amid expectations it would fetch \$320 million. Post Brothers subsequently pulled the listing for unknown reasons. The property was 90% leased at the time, but occupancy has since climbed to 96%.

A buyer would have to assume a \$217.6 million interest-only mortgage with a 3.49% coupon. The 10-year loan was originated in September 2019, shortly after Post Brothers took the property off the market.

Presidential City was developed in the early 1950s by John McShain, whose construction company also built the Pentagon and the Jefferson Memorial. His original plan was to build a few dozen residential high-rises that would be named after all the U.S. presidents. But only four buildings were completed — the 180-unit Washington, 242-unit Adams, 330-unit Jefferson and 263-unit Madison — before McShain

sold the rest of the land.

In 2012, Post Brothers bought the property for \$51 million, and in 2014 embarked on a project to gut-renovate the buildings and add modern amenities. The work, completed in 2017, cost an estimated \$165 million.

Apartments range from studios to three bedrooms and average 794 sf. Rents average \$1,953, or \$2.46/sf. High-end finishes include wide-plank hardwood floors, quartz counters and stainless-steel appliances.

The marketing campaign is highlighting the property's energy-efficient features, including thermal windows in all the units and a rainwater-retention system. All the electricity is purchased from wind-powered generators. Marketing materials note those features reduce carbon dioxide emissions by roughly 50 million pounds per year.

Amenities include a resort-style pool complex with three heated pools, cabanas, hot tubs, outdoor kitchens and grills. The 23-acre property has 667 surface parking spaces, 239 covered garage spaces and 116 uncovered garage spaces.

The retail component, within the Madison building, is 73% occupied and anchored by a 4,600-sf **Panera Bread**. The office building, which Post Brothers acquired in 2015, has 21 suites that are 86% occupied.

Presidential City is on Philadelphia's western edge, across City Avenue from Bala Cynwyd, which has about 2.6 million sf of Class-A office space and a variety of luxury retailers and fine restaurants. ❖

SECTOR OUTLOOKS ARE HERE!

Green Street

Green Street recently released seven 2022 U.S. Sector Outlook reports. Gain an in-depth understanding of supply and demand dynamics, risks and opportunities, valuation trends, capital expenditures, and return expectations. Real Estate Analytics clients can access the available reports.



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Harbor Group Lists Pharma HQ In NJ

Harbor Group International is marketing an office building in Northern New Jersey that is fully leased to a pharmaceutical company.

The 306,000-sf building, at 211 Mount Airy Road in Basking Ridge, is occupied by **Daiichi Sankyo**, Japan's second-largest drugmaker. The property serves as the company's U.S. headquarters and is leased through January 2036. The lease provides for rent bumps and has a 10-year renewal option.

Bids are expected to come in around \$145 million, or \$473/sf. With in-place net operating income of nearly \$6.6 million, a buyer's initial annual yield would be 4.5%. **CBRE** is advising Norfolk, Va.-based Harbor, which bought the property for \$98.5 million, or \$322/sf, in 2017. The seller was a joint venture between **Rubenstein Partners** and **Onyx Equities**.

The sales pitch is likely to resonate with buyers clamoring for Class-A office buildings fully leased to tenants in the life-science and technology fields. Single-tenant assets have been especially popular with investors as the future of multi-tenant properties remains clouded.

To that end, the marketing campaign is touting the stability of the Basking Ridge property, where Daiichi consolidated its U.S. offices in 2017. The building, 30 miles west of Midtown Manhattan, underwent \$11 million of upgrades from 2016 to 2017, including a new facade and refurbished common areas. Amenities include a fitness center, a cafeteria and a softball field.

Daiichi develops novel therapies for cancer and diseases "with high unmet medical needs," according to marketing materials. Headquartered in Tokyo, the company has 16,000 employees globally and generated \$8.5 billion of revenue in fiscal year 2020. It is rated A2 by **Moody's**.

Northern New Jersey was the only office market last year among the top 20 nationally that saw a decline in investment sales valued at \$25 million or more, according to **Real Estate Alert's** Deal Database. Some \$1.94 billion of large office properties changed hands, down 4.7% from \$2.03 billion in 2020. ❖

Venture One, Kovitz Close Sixth Fund

An industrial shop and its co-sponsor have held a final close on \$250 million of equity for their sixth and largest fund, double the size of the prior vehicle.

Co-managers **Venture One Real Estate** and **Kovitz Investment**, both of the Chicago area, held a final close last month on VK Industrial 6. Funds in the series invest in warehouses, distribution centers, manufacturing facilities and flex space, aiming for a 15% return. They target properties in Greater Chicago and the Northeast, particularly New Jersey.

With leverage, the new fund could have some \$750 million of buying power. While the vehicle will be able to buy assets or portfolios valued at \$50 million to \$100 million — sometimes with joint-venture partners — the fund's sweet spot remains one-off purchases of \$5 million to \$20 million.

At that deal size, Venture One and Kovitz see less competition from the big institutional investors that have pushed the sector to

more than double its annual sales record (see article on Page 1).

The duo doesn't use a placement agent, instead raising money directly from wealthy individuals. The next largest fund in the series was the \$112 million VK Industrial 5, which held a final close in 2019 after six months of marketing. The first five funds raised \$278.6 million of equity, nearly all of which is invested.

Principals **Mark Goode** and **Roy Splansky** formed Venture One in 1999. The firm, which owns and manages more than 7 million sf, also develops properties, but outside the fund series. Principal **Ryan Stoller** oversees development deals, while **Matt Goode**, Mark's son, heads acquisitions. **Keith Goode**, also Mark's son, is chief financial officer.

Kovitz is an investment manager that advises wealthy individuals. ❖

Swift Staging First Studio Purchase

Swift Real Estate Partners has agreed to pay \$92.5 million for a Los Angeles studio property, its debut in the sector and another sign of institutional interest in the growing niche.

The pending deal is for Reframe Studios, a 189,000-sf complex in the Atwater Village submarket. The property comprises two buildings that are just 23% leased, with one entirely unoccupied. The vacancy gives Swift a chance to reposition it by adding more stages and production-support space.

At the estimated value of \$489/sf, Swift's stabilized annual yield would be between 5.5% and 6%. **JLL** is brokering the sale, expected to close this week, for a partnership led by **Westbrook Partners** and **Captiva Partners**.

The owner bought the property — then an industrial and creative-office complex — for \$38 million in 2020. The seller, advised by **CBRE**, was longtime owner **Western Studio Services**.

The Westbrook team converted some of the property to studio space and last year signed its first tenant, **Fremantle**. The television production and distribution company, which produces shows including "American Idol," fully occupies a 43,000-sf building on a 12-year lease.

Marketing materials touted the chance to buy into a sought-after property class. The 7.3-acre property, at 4561 Colorado Boulevard, is less than 2 miles from **Walt Disney Co.'s** Grand Central campus and **Dreamworks'** Glendale headquarters. The latter property was bought by **Brookfield** for \$327 million last year in a deal brokered by **Newmark**. The seller was a joint venture of **Hana Alternative Asset Management** and **Ocean West Capital Partners**.

Swift, a San Francisco fund operator led by former **Blackstone** executive **Christopher Peatross**, has typically focused on value-added office and industrial properties on the West Coast. It's branching out into studio space at a time when more and more first-time buyers are entering the sector, as a boom in streaming services has driven up values.

Indeed, the largest office deal in the U.S. last year was for studio space. **Hackman Capital Partners** and **Square Mile Capital Management** paid **Viacom** \$1.85 billion for the CBS Studio Center in the Studio City submarket in a deal that closed at the end of December. **JLL** brokered the transaction. ❖



\$1,000,000,000

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Rental Fund Closes On \$200 Million

Multi-family investor **Security Properties** held a final close in January on \$200 million of equity for its largest fund to date.

Security Properties Multifamily Fund 6 exceeded its \$150 million equity target and wrapped up funding at its ceiling after six months of fundraising. The shop can buy properties outright or partner with institutional investors on bigger deals.

With leverage and partners, Fund 6 could end up owning interests in roughly \$3 billion of real estate. The vehicle already has deployed some \$60 million to purchase more than \$1 billion of apartment properties.

Seattle-based Security doesn't use a placement agent, preferring to court wealthy individuals and other investors directly. Managing director **Edward McGovern** handles investor relations and capital raising.

The fund is aiming for an 11% to 13% return. It acquires apartment properties across the risk spectrum, including market-rate and affordable-housing units. While it can buy nationwide, it's particularly active in the Pacific Northwest and the Western U.S.

It often buys value-added deals where its property- and construction-management arms can make improvements to boost cashflows and streamline operations to reduce costs. Those operations' business units are also useful when Security forms joint ventures with larger investors that can act as capital allocators. Its past partners include **BentallGreenOak, Blackstone, Heitman, Pacific Life Insurance, Principal Real Estate Investors** and **Rockwood Capital**.

Security, led by chief executive **Bob Krokower**, owns 112 properties valued at \$6.2 billion.

The shop's first five funds raised \$112.5 million of equity combined, starting in 2011. All are fully invested. ❖

Trophy ... From Page 1

\$558 million the year before, when the pandemic sank sales activity, and surpassing the 2019 total of \$2.4 billion, according to a survey of sales \$25 million and up by **Real Estate Alert's Deal Database**. The city outperformed major urban markets such as Washington and Chicago, where a lag in workers' return to offices dragged down transaction volume.

The Atlantic Yards property checks the boxes for properties most in favor with investors since the onset of the pandemic — newer vintage and fully leased to a single high-profile technology tenant. Bidding remains robust for such properties and is expected to drive the valuation above the per-sf high-water mark of \$807/sf, set last year with the \$300.2 million acquisition of 725 Ponce by **Cousins Properties**.

It also would surpass the previous record for a single-asset trade, held by the 2015 sale of Concourse Corporate Center for \$489 million when a venture including **Abu Dhabi Investment Authority** acquired the 2.2 million-sf property.

The offering is a rarity in that the property is fully leased to one of the highest-rated companies in the U.S. Microsoft has

a 14-year triple-net lease for Atlantic Yards with annual rent bumps of 2% to 3%. The tech company is rated triple-A by **Moody's** and **S&P**, one of just two U.S. companies with that rating from both agencies. The listing is drawing a wide range of potential buyers, including fixed-income investors.

The property, which has high-end finishes and amenities, is at 170 and 200 17th Street NW in the burgeoning Midtown submarket in the Atlantic Station neighborhood. The area has evolved into a cluster of tech-related firms in recent years.

The Pinnacle is an example of the kind of properties buyers are starting to circle as they become more confident in the leasing market. It's a trophy asset in a prime location at 3455 Peachtree Road NE in the wealthy Buckhead market, expected to be among the first areas to benefit from an uptick in tenant demand.

The 22-story glass building has a distinctive arched glass canopy covering a rooftop sky garden and lounge. There's also a two-story curved-glass lobby with **Dale Chihuly** glass sculptures valued at more than \$1 million.

Cousins built the property in 1998 and sold it to **TIAA** in 2004. Brookdale paid \$201 million for the property in 2015, and has since invested \$4.2 million in renovations, including \$1.3 million in the rooftop amenities.

Pinnacle's occupancy rate is below its 90% historical average, and physical occupancy is roughly 50%. Anchor tenant **Bank of America** has started having workers return to offices recently in cities where Covid-19 cases are declining.

Other major tenants include **Citigroup, First American Financial, Link Industrial** and **Merrill Lynch**. More than half of the tenants have been in the building for 20 years or more. Some 70,000 sf of new leases have been signed since the onset of the pandemic. Average asking rents at the property are \$46/sf, about \$15/sf below those at newly constructed properties. The weighted average remaining lease term is 5.7 years.

Amenities include a high-end restaurant and a fitness center. Buckhead is home to luxury residences, stores and hotels. ❖

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GOLDEN TRIANGLE INDUSTRIAL PARK

North Las Vegas, NV
2,403,340 SF
Sold on behalf of:
Washington Capital



40-40 NORTHERN BOULEVARD

Long Island City, NY
699,668 SF of FAR
Sold on behalf of:
Girt Realty LLC



TASMAN TECH

Milpitas, CA
608,968 SF
Sold on behalf of:
Lionstone Investments



KANSAS CITY LAST MILE PORTFOLIO

Kansas City, MO
2,162,572 SF
Sold on behalf of:
Private Equity Fund



400 NATIONAL

Simi Valley, CA
290,220 SF
Sold on behalf of:
Greenlaw Partners



4240 W 190TH

Torrance, CA
307,487 SF
Sold on behalf of:
Private Equity Fund



NEW ENGLAND LOGISTICS PORTFOLIO

Clinton, Norton and Brockton, MA
1,078,011 SF
Sold on behalf of:
Marcus Partners



XR1 INTERNATIONAL

Salt Lake City, UT
457,320 SF
Sold on behalf of:
Greenlaw Partners

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2021 Industrial Investment Sale Highlights



NORTH COUNTY CORPORATE CENTER

Vista, CA
493,898 SF
Sold on behalf of:
Barings



112 BARNUM ROAD

Devens, MA
402,000 SF
Sold on behalf of:
Artemis Real Estate Partners



PORTSIDE 55

Tacoma, WA
428,101 SF
Sold on behalf of:
Avenue 55



NORTHBAY LOGISTICS CENTER

Vacaville, CA
843,248 SF
Sold on behalf of:
LDK Investments



15 FREEDOM WAY

Franklin, MA
260,000 SF
Sold on behalf of:
Barrett Distribution



8215-8220 WELLMOOR COURT

Jessup, MD
191,700 SF
Sold on behalf of:
Spector Family, LLC



4700 ISLAND AVENUE

Philadelphia, PA
19 Acres
Sold on behalf of:
InterPark



THE BOX YARD

Los Angeles, CA
261,528 SF
Sold on behalf of:
Bridge Industrial

Fund Shop Lands First Sidecar Pledge

An investment manager planning to assemble a \$50 million preferred-equity fund has closed on its first sidecar vehicle.

The debut fund from **Base Equities** of Los Angeles invests mostly in small- and mid-market apartment properties. The fledgling manager closed last month on \$26 million of equity from **Alex. Brown Realty** in a co-investment vehicle that will invest alongside the preferred-equity fund.

Alex. Brown is a Baltimore fund operator also focused on middle-market deals, an area where it sees opportunity because there's less competition from institutional investors. Investment bank **Baird** advised on the sidecar commitment.

The main vehicle, Base Preferred Equity Fund 1, has not yet held an initial close.

The nascent fund's strategy is to provide slices of preferred equity up to \$5 million to buyers and developers of small and middle-market apartment properties, with a focus on value-added multi-family deals worth between \$5 million and \$30 million.

Neither the sidecar nor the main vehicle are expected to use leverage.

The sales pitch is that there is a paucity of firms willing to write small-balance preferred-equity checks, which gives Base the chance to be more selective in choosing investments.

Base will dedicate 75% of the fresh powder to multi-family investments, while the balance will be used for investments in industrial, hotel and retail properties, as well as single-family rentals.

Base was founded last year by **Michael Bastan** and **Eli Moghavem**. Bastan also serves as a principal of **Brookside Equities**, a Los Angeles shop focused on distressed real estate investments. ❖

Texas Warehouses With Upside Shown

Two sellers are separately pitching industrial parks in Texas with big lease-up components.

Ledo Capital of Los Angeles is offering a two-building property with 361,000 sf in suburban Austin. That space is 61% leased at below-market rents, giving a buyer paths to boost revenue. Bids are expected to come in around \$70 million, or \$194/sf.

Meanwhile, local shop **Davis Commercial** is offering twin buildings totaling 516,000 sf in Houston, one fully occupied and the other empty. Bids are expected to come in at \$104/sf, which would value the complex at nearly \$54 million.

JLL is advising both owners.

Ledo's offering is for Innovation Business Park 1&2 in Hutto. The tenants, with a weighted average remaining lease term of 5.8 years, are **Western Industries** (79,000 sf), **Barnsco** (71,000 sf) and **Three Way Logistics** (70,000 sf).

A buyer would aim to fill the 142,000 sf of vacant space, which could boost net operating income by \$1.6 million

annually. Also, the in-place rent of \$7.42/sf is 8.2% below market.

The property consists of a 149,000-sf building at 1050 New Technology Boulevard that is fully occupied and an adjacent 212,000-sf building at 1070 New Technology Boulevard that is 33% occupied. The smaller building has rear-load docks, while the other is configured for cross-dock loading. They have ceilings of 30 to 32 feet. The 20-acre site has 536 parking spaces and a shared truck court 200 feet deep.

The buildings, completed in 2019 and 2020, are 23 miles north of Austin close to the intersection of State Highway 130 and U.S. Highway 79 — near a booming suburban area. To that end, marketing materials note that rental growth in the Austin area has outpaced that of other major markets since the second quarter of 2020.

The Davis property, Cypress Preserve Logistics Center, is at 21803 and 22003 Cypress Slough Drive in the North Houston submarket. Both buildings were constructed in 2019 with cross-dock loading, 68 dock-high doors, 32-foot ceilings and a truck court 180 feet deep. There are 163 truck parking spaces and 288 employee spaces on the 31-acre site.

The building at 22003 Cypress Slough Drive is fully occupied by **Source Logistics** through September 2026 under a lease with annual rent bumps of 2.5%. For 21803 Cypress Slough Drive, the pitch is that a booming local leasing market will help a buyer quickly fill the vacant building with little capital cost.

The complex is off Farm to Market Road 1960, between Interstate 45 and the Hardy Toll Road. ❖

Crestlight Entering Industrial Sector

An investment shop led by a **Blackstone** alum is expanding into the white-hot industrial sector.

Crestlight Capital of Detroit was founded in 2017 by CEO **John Coury**, who previously was an asset-management associate at Blackstone. Crestlight has focused on office and mixed-use projects in the Eastern U.S.

But the firm is now looking to hire a head of industrial acquisitions, with an eye toward acquiring at least \$250 million of properties in the next 18 months. The position could be based in Atlanta, Detroit or New York. Applicants should have at least seven years of combined commercial real estate and deal-management experience.

In addition, Crestlight wants to hire an analyst to support the new platform and also work on office deals. That job requires one to three years of experience and also could be based in Atlanta, Detroit or New York.

Candidates for both positions can email **Daniel Weiner** at daniel@crestlightcap.com or **Nathalie Herman** at nathalie@crestlightcap.com.

Coury spent nearly four years at Blackstone. Crestlight's chief investment officer, **Brian McAlpine**, joined in 2019 from **ValStone Partners**, and had a prior stint as an assistant portfolio manager at **Townsend Group**. ❖

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\$54B 2,050 U.S. capital markets industrial transactions in 2021



PROJECT DEFENDER

Portfolio
November 2021
15.2 MSF
\$2.3B Sale & Financing



NATIONAL HIGH GROWTH LOGISTICS PORTFOLIO

Portfolio
September 2021
14.5 MSF
\$2.2B Sale & Financing



KEY LOGISTICS HUBS INDUSTRIAL PORTFOLIO

Portfolio
July 2021
8.3 MSF
\$920M Sale



PROJECT TELLURIDE

Portfolio
Multiple Tranches
6.7 MSF
\$702M Sale



PROJECT ORYX

Portfolio
July 2021
6.1 MSF
\$475M Sale



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RANKINGS

Industrial ... From Page 1

from 37.4%. The rest of the top-five firms saw their market shares shrink or remain static but made big gains in sales activity.

“The volume of activity was voracious and reflective of the underlying fundamentals,” said **Roger Morales**, head of real estate acquisitions in the Americas at **KKR**. “It’s unquestionable that the tailwinds are strong. The expectation is that occupancies remain very high, and therefore rent growth will continue to be outsized.”

The year started off with a record first quarter, and each successive quarter built on

the momentum as Covid-19 vaccines were rolled out, the economy picked up steam and industrial occupancies and rents reached historic levels. Market pros said 2022 is getting off to a furious start, and they expect another banner year.

“The pace of play is even faster this month than it was in November and December,” said **John Huguenard**, co-head of **JLL’s** national industrial team. “We are probably in for a good run in industrial in all of 2022 and 2023. Past that, I don’t think anybody knows.”

While most players remain bullish, the exuberance has a few investors concerned

See **INDUSTRIAL** on Page 16

Industrial Sales

	Amount (\$Bil.)	No. of Prop.
2012	\$11.3	559
2013	10.3	462
2014	14.2	871
2015	18.2	615
2016	17.3	510
2017	23.2	1,038
2018	30.5	1,036
2019	42.7	1,552
2020	42.7	1,661
2021	103.3	4,004

Top Brokers Of Industrial Properties In 2021

Brokers representing sellers in deals of at least \$25 million

	2021 Amount (\$Mil.)	No. of Properties	Market Share (%)	2020 Amount (\$Mil.)	No. of Properties	Market Share (%)	'20-'21 % Chg.
1 Eastdil Secured	\$30,046.8	1,412	31.4	\$4,632.3	248	11.6	548.6
2 CBRE	27,919.8	1,080	29.2	14,963.3	637	37.4	86.6
3 JLL	14,308.4	657	15.0	7,820.1	351	19.6	83.0
4 Cushman & Wakefield	12,575.3	511	13.1	6,235.4	238	15.6	101.7
5 Colliers	4,659.6	148	4.9	1,966.0	107	4.9	137.0
6 Newmark	3,734.2	130	3.9	2,372.6	52	5.9	57.4
7 Kidder Mathews	425.4	9	0.4	146.0	2	0.4	191.4
8 Avison Young	394.2	11	0.4	228.1	7	0.6	72.9
9 Marcus & Millichap	245.3	10	0.3	102.2	3	0.3	139.9
10 Voit Real Estate Services	241.8	17	0.3	84.8	2	0.2	185.2
11 Pinnacle Realty of New York	170.0	3	0.2	0.0	0	0.0	
12 Lee & Associates	150.9	5	0.2	167.5	4	0.4	-9.9
13 Daum Commercial Real Estate	145.6	2	0.2	131.1	7	0.3	11.0
14 Transwestern	104.2	10	0.1	240.1	4	0.6	-56.6
15 NAI Global	66.1	2	0.1	29.5	1	0.1	124.2
16 SRS Real Estate Partners	58.2	1	0.1	50.0	1	0.1	16.4
17 Walker & Dunlop	57.3	1	0.1	34.9	1	0.1	63.9
18 Kassin Sabbagh Realty	55.2	3	0.1	0.0	0	0.0	
19 Meridian Capital	48.2	1	0.1	30.0	1	0.1	60.7
20 Foundation Group	39.3	2	0.0	0.0	0	0.0	
21 Berkadia	38.8	2	0.0	0.0	0	0.0	
22 Savills	38.0	1	0.0	155.4	4	0.4	-75.5
23 GFI Realty Services	36.0	1	0.0	0.0	0	0.0	
24 NAI Capital	34.5	1	0.0	0.0	0	0.0	
25 Axiom Capital Advisors	31.3	5	0.0	0.0	0	0.0	
26 B6 Real Estate Advisors	25.0	1	0.0	0.0	0	0.0	
27 Trinity Partners	13.2	2	0.0	0.0	0	0.0	
OTHERS	0.0	0	0.0	576.3	31	1.4	-100.0
Brokered Total	95,662.7	3,776	100.0	39,965.5	1,572	100.0	139.4
No Broker	7,632.9	228		2,755.1	89		177.1
TOTAL	103,295.6	4,004		42,720.6	1,661		141.8

RANKINGS

Large Sales Of Industrial Properties In 2021

Individual Properties

	Property	SF-000	Buyer	Seller	Broker	Price (\$Mil.)
1	801 Boxwood Road, Wilmington, Del.	818	Macquarie Group	Dermody Properties	CBRE	\$392.0
2	5600 East Airport Drive, Ontario, Calif.	1,613	Costco Wholesale	CenterPoint Properties	CBRE	345.0
3	5345 Decatur Boulevard, Indianapolis	193			CBRE	338.8
4	Pecos Logistics Park, Denver	1,146	JPMorgan Asset Mgmt.	Westfield Co.	CBRE	318.0
5	300 Creekview Avenue, Logan Township, N.J.	1,105	Torchlight Investors	Greek Development	CBRE	265.0
6	3994-3996 South Riverside Ave., Rialto, Calif.	1,396	Blackstone	Nuveen Real Estate	Cushman & Wakefield	231.2
7	2500 East Victoria Street, Compton, Calif.	1,051	Rexford Industrial Realty	Zenith Energy Terminals	CBRE	217.1
8	951 Willowbrook Road, Northampton, Pa.	1,003	CenterPoint Properties	PCCP, Rockefeller Group	JLL	201.5
9	Freeway Business Center, Riverside, Calif.	709	Alere Property Group	Crow Holdings, PGIM RE	Cushman & Wakefield	199.3
10	Independence Logistics Park, La Porte, Texas	2,300	Starwood Capital	Hines	JLL	195.0
11	Park 303 (Phase 1), Glendale, Ariz.	1,258	BentallGreenOak	Goldman, Lincoln Prop.	Cushman & Wakefield	186.0
12	2151 South Vintage Avenue, Ontario, Calif.	766	Duke Realty	LaSalle Investment	CBRE	184.2
13	Irvine Crossing, Irvine, Calif.	396	CBRE Investment Mgmt.	Menlo Equities	CBRE	180.8
14	676 C. Fred Jones Boulevard, Auburndale, Fla.	1,080	Eaton Vance	Prologis	Eastdil Secured	170.0
15	13001 US Highway 70, North Little Rock, Ark.	1,078	Preylock RE Holdings	Truist	CBRE	169.4
16	Virginia Coastal Logistics Ctr., Chesapeake, Va.	628			JLL	157.0
17	Mission Oaks Corporate Center, Camarillo, Calif.	733	Oaktree Capital	Greenlaw, Walton Street	Newmark	154.0
18	22-11 State Route 208, Fair Lawn, N.J.	850			CBRE	146.5
19	521&531 Chelsea Road, Aberdeen, Md.	1,348	CBRE Investment Mgmt.	TA Realty	CBRE	145.6
20	268 East Gardena Boulevard, Gardena, Calif.	299	CenterPoint Properties	Ducommun	CBRE	143.1
21	One Academy Drive, Jeffersonville, Ga.	1,861			JLL	139.5
22	10550 Ella Boulevard, Houston	857			JLL	139.0
23	1641 New Market Avenue, South Plainfield, N.J.	483				139.0
24	Logic Park 91, Tolleson, Ariz.	730		Marwest Enterprises	Cushman & Wakefield	135.9
25	Hainesport Commerce Center, Hainesport, N.J.	479	Black Creek Group		JLL	133.0
26	50-35 56th Road, Queens	130	Realterm Logistics		Eastdil Secured	132.0
27	Rickenbacker Logistics Park, No. 1, Ashville, Ohio	742	KKR	CT Realty, Walton Street	CBRE	131.8
28	65 Baekeland Avenue, Middlesex, N.J.	400	CBRE Investment Mgmt.	Rockefeller Group	Cushman & Wakefield	131.1
29	Elion Logistics Park 55, Wilmington, Ill.	2,000	GFH Fin., Silver Creek Dev.	Transwestern	Eastdil Secured	130.0
30	400 National Way, Simi Valley, Calif.	290		Greenlaw, Westbrook	Newmark	128.5
31	Valley View Trade Center, Jessup, Pa.	1,028	Preylock RE Holdings	Diamond Rlty., Trammell	CBRE	127.7
32	Florida Keystone Distribution Center, Ocala, Fla.	1,938	IP Capital, Torchlight Inv.	Reich Brothers	Cushman & Wakefield	126.5
33	Blue Star Business Park, Norton, Mass.	445			CBRE	126.1
34	2850 East Del Amo Boulevard, Carson, Calif.	264	CenterPoint Properties	Express ULS	JLL	125.8
35	201 Cramer Road, Shippensburg, Pa.	1,101		Equus Capital	CBRE	125.6
36	1835 US Nine, Castleton-On-Hudson, N.Y.	1,016	Real Capital Solutions	Scannell Properties	CBRE	125.0
37	Mid-Atlantic Commerce Center, Jessup, Md.	854	BentallGreenOak	Grandview Partners	Newmark	125.0
38	1110 West Merrill Avenue, Rialto, Calif.	1,106		Square Mile Capital	CBRE	123.4
39	Port America, Grapevine, Texas	718	PS Business Parks	Stockbridge Capital	Cushman & Wakefield	123.0
40	Red Hook Logistics Center, Brooklyn	50			JLL	123.0
41	Amazon Fulfillment Center STL8, St. Charles, Mo.	855	Ponte Gadea	Duke Realty	Cushman & Wakefield	122.0
42	13-45 Mooney, 127 Smith, Cambridge, Mass.	146	Healthpeak Properties		Colliers	120.0
43	300 Penry Road, Greensboro, N.C.	1,547	IP Capital, Torchlight Inv.	NFI Industries	CBRE	120.0
44	4500 Academy Road, Cookeville, Tenn.	1,700	Middleton Partners	CIM Group	Newmark	120.0
45	Cubes at Inland 85, Building C, Greer, S.C.	1,400	PRP Real Estate Inv. Mgmt.	Clayco	Colliers	119.5

Continued on Page 16

RANKINGS

Large Sales Of Industrial Properties In 2021 ... From Page 15

Individual Properties

	Property	SF-000	Buyer	Seller	Broker	Price (\$Mil.)
46	511 Barry Street, The Bronx	140	CenterPoint Properties	Innovo Property Group	CBRE	\$119.0
47	17411 Valley Boulevard, City Of Industry, Calif.	350	AEW Capital Management	Engstrom Properties	CBRE	117.0
48	3001 Midpoint Drive, Lancaster, Texas	1,060			JLL	117.0
49	1080 Leggett Avenue, The Bronx	145	CenterPoint Properties	Blumenfeld, Goldman	JLL	116.5
50	One True Temper Drive, Carlisle, Pa.	1,227	EQT Exeter	Clarion Partners	CBRE	115.0
51	900 River Road, King of Prussia, Pa.	332	Torchlight Investors	Foxfield Industrial	CBRE	115.0
52	4911 180th Street East, Tacoma, Wash.	712	Dalfen Industrial	Crow, Panattoni Dev.	Kidder Mathews	114.4
53	Interstate Crossing, Fort Worth, Texas	1,023	Realty Income		CBRE	114.3
54	875 West 64th Avenue, Denver	147	Intercontinental Real Estate	AEW, Karis Capital	Cushman & Wakefield	114.0
55	ConAgra Distribution Center, Frankfort, Ind.	1,500	W.P. Carey	Founders Properties	JLL	113.5
56	Metrolina Park, Building 6, Charlotte	644	DWS Group	Beacon Partners	JLL	112.0
57	Tracy Distribution Center 4, Tracy, Calif.	611	CBRE Investment Mgmt.	Black Creek Group	CBRE	112.0
58	1900 River Road, Burlington, N.J.	1,049	Clarion Part., MRP Realty	Stag Industrial		110.5
59	6555 West Sunset Road, Las Vegas	479		Freeman Expositions	Colliers	110.0
60	Weston Business Center, Weston, Fla.	396	Nuveen Real Estate	Prologis	CBRE	110.0
61	Saugus Station Ind. Center, Santa Clarita, Calif.	1,000	Covington Group	TMC Properties	CBRE	109.7
62	201 Mountain View Park, West Valley City, Utah	629	Walton Street Capital	Hines	Cushman & Wakefield	109.6
63	Twin-Star Distribution Ctr., Summerville, S.C.	1,019			JLL	109.0
64	Dragstrip Logistics Center, Lakeland, Fla.	711	Intercontinental Real Estate	Ackerman, AIG, Transw.	Cushman & Wakefield	108.7
65	Savannah Gateway, Rincon, Ga.	998			JLL	107.5
66	12050 Agua Mansa Road, Jurupa Valley, Calif.	506	KKR	PGIM Real Estate	JLL	107.3
67	Urban District 30, Mesquite, Texas	977			JLL	106.1
68	Apple Valley Industrial Park (2-4), Duncan, S.C.	1,033	Lexington Realty Trust	PCCP, Panattoni Dev.	Cushman, CBRE	105.6
69	302 33rd Street SE, Puyallup, Wash.	438	Clarion Partners	Washington Capital		105.0
70	CenterState Logistics Park East, Lakeland, Fla.	1,012			Colliers	104.9
71	10501 Cold Storage Road, Jacksonville, Fla.	1,100	LBA Logistics	VanTrust Real Estate	JLL	103.5
72	Goodyear Logistics Center, Goodyear, Ariz.	902	American Realty Advisors	Nike	CBRE	103.2
73	One Casper Street, Danbury, Conn.	329			Cushman & Wakefield	102.3
74	400 West 160th Avenue, Broomfield, Colo.	201	Realterm Logistics	McWhinney	Cushman & Wakefield	102.1
75	Palmetto Logistics Center, Palmetto, Ga.	1,000	KKR	Artemis Real Estate	Eastdil Secured	102.0
76	1001 Premier Parkway, St. Peters, Mo.	375			CBRE	101.2
77	University Park at Bridgewater, Lakeland, Fla.	713	AEW Capital Management	Crow, Transwestern	CBRE	100.8
78	Gillem Logistics Center 800, Forest Park, Ga.	221	Realterm Logistics	Robinson Weeks Part.	CBRE	100.5
79	930 West Evergreen Avenue, Chicago	339	Prologis	Greenfield, Related Cos.	Cushman & Wakefield	100.0

Continued on Page 17

Industrial ... From Page 14

about potential overheating. “Even substandard real estate, buildings with troubled histories, are setting records,” said **Jeff Small**, chief executive of **MDH Partners** of Atlanta. “I get concerned with seeing the number of new players in the space buying indiscriminately. At some point, the music stops, and you’ve got that empty chair.”

The sector has been riding a wave of growth in e-commerce that’s driving tenant demand for warehouses, and the pandemic

accelerated that trend. Global supply-chain disruptions also have been a new boon for the sector, as businesses are stockpiling inventory to avoid being caught empty-handed. **Prologis**, which holds the nation’s largest industrial portfolio, estimates its tenants “will carry an additional 5% to 10% of inventory compared to pre-pandemic levels going forward,” **Green Street**, the parent of Real Estate Alert, said in a Jan. 24 report.

Ward Fitzgerald, chief executive of **EQT Exeter**, another major industrial owner, said that as a result, “demand is as

See INDUSTRIAL on Page 17

RANKINGS

Large Sales Of Industrial Properties In 2021 ... From Page 16

Portfolios

	Property	SF-000	Buyer	Seller	Broker	Price (\$Mil.)
1	328 properties in multiple markets (99% stake)	70,509	GIC	EQT Exeter	Eastdil Secured	\$6,744.8
2	18 properties in New York	3,131	StorageMart	Edison Properties	Eastdil Secured	3,200.0
3	117 properties in multiple markets	22,333	Mapletree Investments	Blackstone	Eastdil Secured	2,475.0
4	102 properties in multiple markets	15,218	Blackstone	Cabot Properties	Eastdil Secured, CBRE	2,330.2
5	149 properties in multiple markets	14,412	Oxford Properties	KKR	CBRE	2,197.0
6	48 properties in multiple markets	4,211	Public Storage	ezStorage	Eastdil Secured	1,800.0
7	59 properties in multiple markets	4,400	CubeSmart	Storage West	Eastdil Secured	1,690.0
8	55 properties in multiple markets	9,218	Black Creek Group	Nuveen Real Estate	Eastdil, Cushman	1,261.0
9	52 properties in multiple markets (80% stake)	9,516	Blackstone	LBA Logistics	Eastdil Secured	1,228.0
10	18 properties in Phoenix area	7,302	Equus Capital	Reliance Management	CBRE	1,151.3
11	17 properties in multiple markets	5,567	AXA Real Estate	Dermody Properties	CBRE	1,097.4
12	48 properties in multiple markets	8,282	Black Creek Group	Prologis	CBRE	920.0
13	51 properties in multiple markets (45% stake)	10,906	Blackstone	LBA Logistics	Eastdil Secured	898.7
14	47 properties in multiple markets (99% stake)	3,819	Brookfield	Longpoint Realty Part.	Eastdil Secured	702.9
15	48 properties in multiple markets	10,581	GIC	LBA Realty	Eastdil Secured	697.0
16	66 properties in multiple markets (93% stake)	6,914	GIC, Korea Investment	Investcorp	Eastdil Secured	625.9
17	33 properties in multiple markets (98% stake)	6,001	AIG Asset Management	Partners Group	JLL	574.2
18	45 properties in New York (95% stake)	2,600		Robert Martin Co.	JLL	565.3
19	6 properties in multiple markets	10,717	LBA Logistics	Copper Property CTL	Eastdil Secured	557.2

Industrial ... From Page 16

robust as ever.”

“There are structural issues in the supply chain and in the movement of goods that are going to necessitate more [warehouse] demand than there is supply for a good number of years,” Fitzgerald said. “Organizations have to increase inventories or bring goods in sooner than they may have.”

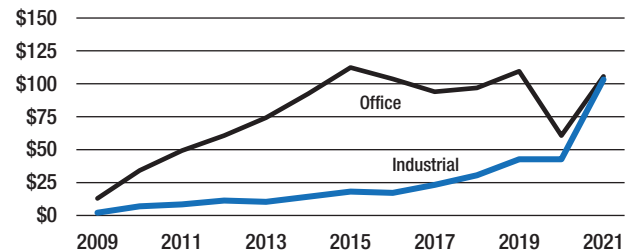
Meanwhile, e-commerce continues to bolster the leasing market. It requires three times the amount of warehouse space relative to physical retail businesses, according to Green Street. The research firm forecasts that e-commerce will account for 30% of U.S. retail sales in 2030, up from 14% last year.

With that backdrop, leasing activity was extremely strong last year. Leases on a record 1 billion sf of industrial space were signed in 2021, pushing occupancy up to a record 96.8% at yearend, according to CBRE. The average asking rent climbed 11% to a record \$9.10/sf. The firm projects double-digit rent growth again this year.

That is driving up valuations, as the potential for increased income makes stingy cap rates more palatable. Thirty-four markets had trades at cap rates under 4% last year, while yields dipped below 3% in seven markets, according to JLL. Meanwhile, the average per-sf price for trades worth at least \$25 million was a record \$135/sf last year, a 29% increase over 2020,

Industrial Sales Close Gap With Office

Sales in billions of dollars



according to the Deal Database.

Investor demand for industrial properties is wide and deep. **Chris Riley**, a CBRE president who leads the firm’s U.S. industrial and logistics capital-markets team, said that five years ago, institutional players targeted about 30 markets. Now that figure has more than doubled, with “many more secondary markets in vogue.”

“Whether it is a last-mile delivery station, a light-industrial facility, a mid-size distribution center, or a larger bulk warehouse, there are investors targeting all property types, all geographies and all types of risk profiles,” Riley said. “And whether

See **INDUSTRIAL** on Page 24

RANKINGS

Hotel ... From Page 1

share grew to 21.3% from 16.1%.

Rounding out the top five, **Eastdil Secured** brokered \$3.49 billion of trades, also a fivefold annual increase. Its market share climbed 4 percentage points to 18.7%. Despite doubling its volume to \$3.02 billion, **JLL** saw its rank drop from first to fourth, and its market share fell to 16.2% from 29.4%.

While the year finished strong, it certainly didn't start that way. From January through March, just \$1.67 billion of deals closed — the weakest first quarter in a decade. However, the few hotels that did trade provided encouraging pricing metrics.

“Early volume indicated pricing would be strong and encouraged owners to explore sales in the second half of the year,” said **Dan Peek**, chief operating officer at Hodges. The expanding pipeline was met with “more capital looking to deploy and a more competitive and compelling financing market.”

Brokers see that momentum continuing given the strength of yearend sales, the depth of their pipeline of listings and a wall of capital looking for a home in the sector.

Hotel Sales

	Amount (\$Bil.)	No. of Hotels
2012	\$10.8	155
2013	15.8	200
2014	21.8	530
2015	27.9	521
2016	21.7	229
2017	17.1	497
2018	22.2	293
2019	18.9	361
2020	5.9	136
2021	21.5	320

“Investors are seeking lodging [investments], as the asset class provides a necessary inflationary hedge that is favorable compared to fixed-income alternatives,” said **Louis Stervinou**, an Eastdil managing director. “Increased construction costs will mitigate new supply and produce favorable long-term performance. These dynamics have resulted in a diverse buyer pool that includes traditional hotel investors, new core funds and high-net-worth individuals.”

But the market has and continues to be bifurcated. Investor appetite remains strongest for hotels and resorts in popular leisure destinations, which benefited from a boom in domestic travel, pushing room rates above pre-pandemic numbers. That translated to record pricing for properties in those markets.

That, in turn, is yielding a growing pipeline of such listings to start the year — a trend that seems unlikely to abate immediately.

“We are still not seeing a demonstrable change in the composition of assets coming to market,” said **Kevin Mallory**, global head of hotel brokerage and investment sales at CBRE. “The

See **HOTEL** on Page 22

Top Brokers Of Hotels In 2021

Brokers representing sellers in deals of at least \$25 million

	2021 Amount (\$Mil.)	No. of Hotels	Market Share (%)	2020 Amount (\$Mil.)	No. of Hotels	Market Share (%)	'20-'21 % Chg.
1 Hodges Ward Elliott	\$5,187.7	79	27.8	\$1,275.3	17	26.3	306.8
2 CBRE	3,968.4	44	21.3	781.8	12	16.1	407.6
3 Eastdil Secured	3,493.7	26	18.7	703.3	13	14.5	396.8
4 JLL	3,019.8	38	16.2	1,424.2	35	29.4	112.0
5 Newmark	976.3	12	5.2	135.5	3	2.8	620.5
6 Hunter Hotel Advisors	595.1	18	3.2	197.4	33	4.1	201.4
7 Avison Young	422.0	25	2.3	0.0	0	0.0	
8 Berkadia	377.0	9	2.0	143.8	4	3.0	162.3
9 Colliers International	132.4	3	0.7	0.0	0	0.0	
10 Cushman & Wakefield	129.2	4	0.7	38.5	1	0.8	235.5
11 Marcus & Millichap IPA	119.0	3	0.6	30.3	1	0.6	293.5
12 Lee & Associates	90.8	1	0.5	0.0	0	0.0	
13 Apex Capital Realty	54.0	1	0.3	0.0	0	0.0	
14 Savills	44.0	2	0.2	0.0	0	0.0	
15 Kidder Mathews	41.0	1	0.2	0.0	0	0.0	
OTHERS	0.0	0	0.0	120.0	1	2.5	-100.0
Brokered Total	18,650.4	265	100.0	4,850.0	120	100.0	284.5
No Broker	2,885.5	55		1,048.9	16		175.1
TOTAL	21,535.9	320		5,899.0	136		265.1

CBRE Capital Markets

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Our multidimensional platform harnesses our scale, experience and relationships so that together we can create the real estate solutions of the future.

\$19B 200 U.S. capital markets hotel transactions in 2021



**LA CANTERA
RESORT & SPA**
San Antonio, TX
June 2021
496 Keys



**W ATLANTA
MIDTOWN**
Atlanta, GA
July 2021
466 Keys



**BELMOND HOTEL
CHARLESTON PLACE**
Charleston, SC
October 2021
433 Keys



**EAST
MIAMI**
Miami, FL
November 2021
352 Keys



**ESTANCIA LA JOLLA
HOTEL & SPA**
La Jolla, CA
December 2021
210 Keys



PLACEMENT AGENT
CBRE Capital Advisors acted as Placement Agent to Trinity Investments on the formation of Trinity GP Fund I L.P., a fully discretionary \$520 million closed-end hotel fund

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RANKINGS

Large Hotel Transactions In 2021

Individual Properties

	Property	Units	Buyer	Seller	Broker	Price (\$Mil.)
1	Four Seasons Disney, Lake Buena Vista, Fla.	444	Host Hotels & Resorts	Dune RE, Silverstein Properties	Hodges Ward Elliott	\$610.0
2	Naples Beach Hotel & Golf Club, Naples, Fla.	319			JLL	362.0
3	Estate Yountville, Yountville, Calif.	193		Brookfield	Eastdil Secured	356.4
4	Charleston Place, Charleston, S.C.	433	Beemok Capital	Belmond	CBRE	350.0
5	Hyatt Regency Lk. Tahoe, Incline Village, Nev.	422	Larry Ellison	Hyatt Hotels	Eastdil Secured	345.0
6	La Cantera Resort & Spa, San Antonio	496	Ohana Real Estate Investors	USAA Real Estate	CBRE	334.8
7	Hyatt Regency Lost Pines, Cedar Creek, Texas	491	Ohana Real Estate Investors	Hyatt Hotels	CBRE	275.0
8	Margaritaville Hollywd. Beach, Hollywood, Fla.	369	Pebblebrook Hotel Trust	KSL Capital Partners	Hodges Ward Elliott	270.0
9	Montage Healdsburg, Healdsburg, Calif.	130	Sunstone Hotel Investors	Ohana Real Estate Investors	CBRE	265.0
10	La Quinta Resort/Club (Hilton), La Quinta, Calif.	777	Henderson Pk. Cap., Pyramid	Blackstone	Eastdil Secured	255.0
11	Embassy Suites San Diego La Jolla, San Diego	340		Sunstone Hotel Investors	JLL	226.7
12	Montage Palmetto Bluff, Bluffton, S.C.	206	Henderson Park Capital	Anchorage Capital	JLL	224.0
13	Le Meridien San Francisco, San Francisco	360	KHP Capital	Park Hotels & Resorts	Eastdil Secured	221.5
14	W Washington DC, Washington	326	Pimco, Schulte Hospitality	Investment Corp. of Dubai	Eastdil Secured	220.0
15	Royal Lahaina Resort, Lahaina, Hawaii (50%)	494	Rockpoint Group	BlackSand Capital	Eastdil Secured	215.0
16	Baker's Cay Resort Key Largo, Key Largo, Fla.	200	Host Hotels & Resorts	KHP Capital		200.0
17	Luxe Rodeo Drive Hotel, Beverly Hills	88	LVMH	Efrem Harkham	JLL	200.0
18	W Hollywood, Los Angeles	305	Oaktree Cap., Trinity Cap.	Host Hotels & Resorts	Eastdil Secured	197.0
19	Lexington Hotel, New York	725	Island Cap., MCR, Three Wall	DiamondRock Hospitality	CBRE, JLL	185.0
20	Kukui'ula, Koloa, Hawaii	40	Brue Baukol Capital Partners	Alexander & Baldwin, DMB	CBRE	183.5
21	Four Seasons Resort & Resid., Calistoga, Calif.	85	Sunstone Hotel Investors	Alcion Ventures	Eastdil Secured	177.5
22	EAST Miami, Miami	352	Certares, Trinity Investments	Swire Hotels	CBRE	174.0
23	Sheraton Grand Nashville Dwntrwn., Nashville	482	Centerbridge, Dreamscape	JRK Property Holdings	Newmark	169.7
24	Hyatt Place NYC/Times Square, New York	518		McSam Hotel		166.0
25	Watson Hotel, New York	600	Yellowstone RE Investments	Woodridge Capital Partners	Eastdil Secured	161.3
26	Hyatt Regency Austin, Austin	448	Host Hotels & Resorts	Bank of Scotland	JLL	161.0
27	W Atlanta - Midtown, Atlanta	466	Pimco, Schulte Hospitality	GEM Realty Capital	CBRE	160.0
28	Sir Francis Drake Hotel, San Francisco	416	Angelo Gordon, Northview	Pebblebrook Hotel Trust	Eastdil Secured	157.6
29	Hyatt Regency DFW Intl. Airport, Dallas	811	Woodbine Development	Fulcrum Hosp., Prospect Ridge	Hodges Ward Elliott	154.3
30	Doubletree Metropolitan Hotel, New York	760	Hawkins Way Capital	RLJ Lodging	JLL	153.0
31	Sheraton Bellevue Hotel, Bellevue, Wash.	178	Tishman Speyer	PMF Investments	Newmark	152.5
32	Wash. Marriott Wardman Park, Washington	1,153	Carmel Partners	Pacific Life	Eastdil Secured	152.3
33	Ben West Palm Beach, West Palm Beach, Fla.	208	Wheelock Street Capital	Concord Hospitality	CBRE	152.0
34	Alila Ventana Big Sur, Big Sur, Calif.	59	Host Hotels & Resorts	Hyatt Hotels	Hodges Ward Elliott	150.0
35	Alila Ventana Big Sur, Big Sur, Calif.	59	Hyatt Hotels	Geolo Cap., Wanxiang America	Hodges Ward Elliott	148.0
36	Residence Inn by Marr't. Maui, Wailea, Hawaii	200	Property Reserve	RD Olson Development	CBRE	148.0
37	New York LaGuardia Airport Marriott, Queens	443	ASAP Holdings	Rubicon Co.	JLL	132.8
38	Four Seasons Hotel Miami, Miami	221	Fort Partners	Westbrook Partners		130.0
39	South Seas Island Resort, Captiva, Fla.	107	Wheelock Street Capital	Blackstone	Hodges Ward Elliott	125.6
40	Omni San Diego Hotel, San Diego (50% stake)	511	Trinity Investments	JMI Realty	Eastdil Secured	121.5
41	1601 Broadway, New York	795	SL Green Realty			121.0
42	Homewood Sts. & Hilton Gard. Inn, San Diego	364	Dynamic City Capital	T2 Hospitality		119.0
43	Aloft Miami Aventura, Aventura, Fla.	207	Peachtree Hotel	Norwich Partners	CBRE	117.4
44	Lake Tahoe Resort Hotel, S. Lake Tahoe, Calif.	400	Brookfield	Ken Corp.	Eastdil Secured	116.5
45	Perry Lane Hotel, Savannah, Ga.	167	Wheelock Street Capital	Flank	Hodges Ward Elliott	115.0

Continued on Page 22

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Hodges Ward Elliott would like to once again thank our clients and customers for our continued success. In 2021, HWE completed \$12 billion in real estate sales and financing assignments. We continue to build our company in order to help you build yours.



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Lake Buena Vista, FL



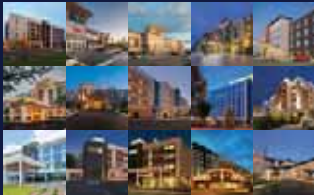
PERRY LANE
Savannah, GA



HOST HOTELS PORTFOLIO
Various, US



THE ALIDA
Savannah, GA



CONDOR HOSPITALITY TRUST
Various, US



SOUTH SEAS ISLAND RESORT
Captive, FL



ALILA VENTANA
Big Sur, CA



KEY WEST COLLECTION
Key West, FL



THOMPSON CHICAGO
Chicago, IL



CRESCENT DALLAS PORTFOLIO
Dallas, TX



THE SURFRIDER
Malibu, CA



HOTEL BELLA GRACE
Charleston, SC



WATERMARK PORTFOLIO
Various, US



HOTEL ADAGIO
San Francisco, CA



OMNI HOTEL PORTFOLIO
Various, US



MARGARITAVILLE HOLLYWOOD BEACH RESORT
Hollywood, FL

RANKINGS

Large Hotel Transactions In 2021 ... From Page 20

Individual Properties

	Property	Units	Buyer	Seller	Broker	Price (\$Mil.)
46	Resid. Inn/SpringHill Suites, Clwrtr. Bch., Fla.	255	Dynamic City Capital	Key International		\$115.0
47	Westin Savannah Harbor Golf, Savannah, Ga.	403	Brookfield	Clearview Hotel Capital	JLL	112.0
48	Conrad Miami	203	Electra America, Korman	Angelo Gordon, Mast Capital	JLL	110.8
49	Four Seasons Vail, Colo. (70% stake)	134	Angelo Gordon	Extell Devel., Parkland Devel.	CBRE	110.0
50	Pullman S.F. Bay Hotel, Redwood City, Calif.	421	Arden Group	CBRE Investment Management		108.5
51	Estancia La Jolla Hotel & Spa, La Jolla, Calif.	210	Pebblebrook Hotel Trust	Eagle Four, Pacific Hospitality	CBRE	108.0
52	Alida, Savannah, Savannah, Ga.	173	Host Hotels & Resorts	Rockbridge Capital	Hodges Ward Elliott	103.0

Portfolios

	Property	Units	Buyer	Seller	Broker	Price (\$Mil.)
1	5 hotels in California, Georgia, Virginia	2,323	Lone Star Funds	Host Hotels & Resorts	Hodges Ward Elliott	\$540.0
2	2 hotels in Dallas (90% stake)	444			Hodges Ward Elliott	382.5
3	15 hotels in multiple states	1,908	Blackstone	Condor Hospitality Trust	Hodges Ward Elliott	305.0
4	4 hotels in Florida	519	Blackstone	Highgate, Rockpoint, Walton St.	Hodges Ward Elliott	275.0
5	3 hotels in Georgia, Tennessee, Texas	716	Blackstone	Watermark Lodging Trust	Hodges Ward Elliott	267.5
6	3 hotels in Texas	909	Lowe Enterprises	Howard Hughes	CBRE	252.0
7	4 hotels in Florida	379	KSL Capital Partners	Carlyle Investment Mgmt.	Hodges Ward Elliott	212.0
8	20 hotels in 13 states	2,133	Flynn Properties, Varde Part.	Apple Hospitality REIT	Avison Young	211.0
9	2 hotels in Virginia	625	Blackstone	JBG Smith	Newmark	183.0
10	2 hotels in Washington	343	Dauntless	Douglas Development	Newmark	152.0
11	5 hotels in Florida, Texas	1,729	London & Regional Prop.	TRT Holdings	Hodges Ward Elliott	152.0
12	4 hotels in Georgia, North Carolina	589	Mission Hill Hospitality	RevPar	Hunter Hotel Advisors	147.7
13	2 hotels in Boston	510	David. Kemp., Global Hosp.	Starwood Capital	Eastdil Secured	142.0
14	6 hotels in Massachusetts, New Hampshire	636			JLL	126.0
15	2 hotels in Atlanta	282	Property Reserve	Noble Investment	CBRE	117.0
16	3 hotels in Orlando	1,100	London & Regional Prop.	Noble Investment	Hodges Ward Elliott	114.0

Hotel ... From Page 18

majority of what we are taking to market is located in the sunshine states.”

In other markets, particularly core cities that have historically dominated trading activity, such as Chicago, New York and San Francisco, the recovery is lagging. “Clearly [hotels in] the urban markets, particularly outside of the ‘smile states,’ have not been trading for a very good reason,” said **Bob Webster**, president of CBRE’s institutional hotels group. That is, they don’t have the metrics to entice investors to pull out their pocketbooks. But, “I think it will change,” he added.

The rise of the omicron variant of the coronavirus may delay the marketing of certain properties, but overall brokers and investors said it’s not likely to stifle volume. And the expectation is that the pipeline will round out with more offerings in urban markets as the year progresses.

Buyers may be more willing to bet on markets outside the popular domestic vacation markets in 2022, particularly because while the anticipated wave of distressed opportunities arising from the pandemic never really arrived, the capital remains allocated to hotel investments.

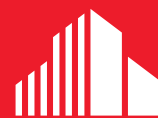
“I think many of us have adjusted or are looking at different opportunities to achieve those larger returns,” said **Michael Fishbin**, managing director and head of hospitality at **Georgetown Co.**, which last year launched a platform to buy \$1 billion of hotels with **First Hospitality**. The venture closed on its first acquisition, the 250-room Hutton Hotel in Nashville, for an undisclosed price earlier this month. “We like the gateway cities that have fallen out of favor [with investors] and may take longer to recover [where] we believe could provide stronger returns,” Fishbin said.

Investors generally feel more optimistic about hotel

See **HOTEL** on Page 25

WHAT'S NEXT IN INDUSTRIAL CAPITAL MARKETS

Cushman & Wakefield's National Industrial Advisory Group is fueled by ideas, expertise, and passion for our clients. Our capital markets experts create innovative solutions to prepare real estate investors for what's next. By leveraging our market-leading Logistics and Industrial platform, our clients benefit from the best insight and execution in the industry.



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Atlanta-Area Retail Center For Sale

A joint venture is pitching a fully leased shopping center in suburban Atlanta that could attract bids of \$75 million.

Conyers Crossroads totals 466,000 sf in Conyers. At the estimated value, the buyer's initial annual yield would be 7.3%. **JLL** is representing the owners, **Hendon Properties** and **Harbert Management**.

The property's weighted average remaining lease term is more than five years. Major tenants include **AMC Theatres**, **Belk**, **Best Buy**, **Five Below**, **HomeGoods**, **Kohl's**, **Michaels**, **Old Navy**, **Shoe Carnival** and **TJ Maxx**.

Leases for 51% of the space were signed or renewed within the past 18 months. The center has a record of filling space when tenants vacate. For example, HomeGoods replaced **Staples** and Best Buy replaced **Circuit City**. Five Below, meanwhile, filled a space formerly occupied by **Pier 1 Imports** and **American Eagle Outfitters** moved into a former **Dress Barn**.

Conyers Crossing is in the top 5% of the most visited shopping centers in Georgia, according to marketing materials, with 3.7 million shoppers annually.

The property is at 1454 Dogwood Drive SE along Interstate 20, where 83,000 vehicles pass each day. There are 87,000 residents with an average household income of \$78,000 within 5 miles.

The center is within a retail corridor with 6.8 million sf that is 95% occupied.

Atlanta-based Hendon and Harbert, of Birmingham, Ala., purchased the property from **Blackstone** in 2014 for \$54.5 million. **HFF** brokered the deal. ❖

Industrial ... From Page 17

it is core, core-plus, value-add or opportunistic, there is really no hole in the capital stack."

With many new entrants hungry to establish a footprint, and existing players seeking to scale up or rebuild after their own sales, there were a record 11 trades worth at least \$1 billion. That topped the previous annual record of four such deals in 2019. Meanwhile, five of those deals exceeded \$2 billion last year. In the previous two decades, only four deals had crossed that threshold.

The largest trade was a record \$6.7 billion, more than double the prior high-water mark. In that deal, a group of investors led by **GIC**, Singapore's sovereign wealth fund, acquired a 99% stake in a 70.5 million-sf portfolio from **EQT Exeter**. Market pros say they expect more blockbuster acquisitions in the year ahead by big investors who don't have time to play small ball in a rapidly moving sector.

"On any billion-dollar-plus portfolio, you are going to get a dozen bids, and they will be largely, but not all, international," said Fitzgerald, of **EQT Exeter**. "Large institutions in Canada, the Middle East, Asia and European insurance companies cannot access industrial in a significant way from so far away, and they don't want to write a check for \$25 million 50 times."

Market pros said soaring tenant demand is helping owners quickly fill vacancies and raise below-market rents upon

rollover. That is boosting net operating incomes and fueling rapid property appreciation. As a result, owners who may have planned three- to five-year holds are instead shopping properties they just bought a year or two ago.

"Holds shortened in large part because assets outperformed," said Morales, of **KKR**, which sold a \$2.2 billion portfolio at an initial annual yield just under 4%. "Appreciation has pulled forward business plans, and that resulted in sales. I think it happens again in 2022."

While a heavy year of trading can suppress listings the following year in sectors with limited supply, the industrial well is deep. There is 20 billion sf of industrial space in the U.S., compared with 4 billion sf of office space, according to Green Street.

And more space is on the way. Construction is at an all-time high but still struggling to keep up with tenant demand. There was a record 513.9 million sf being built at yearend, 200 million sf more than at the end of 2020, according to **CBRE**. But deliveries were down 10.3% because supply-chain issues made materials scarce and complicated construction timelines, serving as a check on oversupply.

As in other sectors, market pros cite rising interest rates, inflation, continued challenges with the pandemic and geopolitical tensions as potential headwinds, but largely see room for growth ahead this year.

Small, of **MDH**, said that while 2022 should be a good year, the strong run will not last forever. Fundamentals support the strong activity and pricing in the industrial sector for now, but cap rates can't compress forever and eventually may send many investors back toward other sectors in terms of higher yields, he said.

"At some point, people will want to invest in office and retail again, in a significant way, not just at the margins," Small said. "It doesn't take a big shift in investor sentiment. Just as fast as capital came into our space, it can be reallocated elsewhere, especially with such low cap rates."

In the brokerage race, every major firm saw huge gains in sales volume. **Eastdil** leapfrogged from fourth place in 2020 to the top spot by having a hand in eight of the nine largest trades, scoring the highest industrial volume of any brokerage in history. **CBRE** nearly doubled its prior-year volume.

JLL dropped from second place to third place, despite increasing its sales volume to \$14.3 billion from \$7.8 billion. It earned a 15.0% share of brokered trades, down from 19.6%. **Cushman & Wakefield** also roughly doubled its volume to \$12.6 billion, but its market share dropped to 13.1% from 15.6% as it fell to fourth place from third.

Colliers increased its sales 137% to \$4.7 billion, climbing one rung into fifth place. It repeated its 4.9% market share. **Newmark**, which finished fifth in 2020, fell to sixth place, despite increasing its volume 57% to \$3.7 billion for a 3.9% market share.

Broker rankings are based on property transactions that closed in 2021 and involved full or partial stakes valued at \$25 million or more. When multiple brokers shared a listing, the dollar credit was divided evenly, but each broker was credited with one transaction. Only brokers for sellers were given credit. Portfolio transactions were included if the package price was at least \$25 million. ❖

Hotel ... From Page 22

performance than they did a year ago.

“From an underwriting standpoint ... we feel very good about hotels,” said **Joe Delli Santi**, a senior vice president of acquisitions and development at **MCR**. Since mid-2020, the firm has acquired some 50 limited- and full-service hotels and distressed hotel loans. “Inflation is very good for our business. Hotels reprice their rooms every day,” he said.

At this point in the pandemic, there is less uncertainty about a recovery in demand, Delli Santi said. He sees revenue per room rebounding to 2019 levels relatively quickly. “It is not a question of if we are going to get back [there], it is when, and I think when is a lot sooner than some people originally thought.”

Last year, the industry recovered 83% of pre-pandemic revenue per room, according to **STR**. That momentum is expected to continue to pick up despite the slow start to the year. **STR** and **Tourism Economics** are forecasting national average daily rates will exceed 2019 levels this year, while revenue per room will return to 2019 levels in 2023.

Buyers today are looking to position themselves ahead of an improvement in performance. At the moment, demand is fueled primarily by leisure travelers, as the business and group segments remain muted.

“We still only have one segment firing on all cylinders. When the others start to come

back in 2022 ... you will see revenue per room jump exponentially,” said **Adam Etra**, vice chairman and co-head of **Newmark’s** lodging group. That means buyers are underwriting with less of a focus on going-in yields or price per room, he said. Instead, the factors driving investors’ decisions are really “asset-quality, location and stabilized yields,” he said.

That’s also expected to drive buyers back to properties that were hardest hit during the initial lockdowns — primarily those that rely heavily on conference and group business. There are signs that segment of the market is primed to join the resurgence shortly. “There are several big-box hotels that we will be taking out to investors,” said **Kevin Davis**, chief executive of JLL’s Americas hospitality practice. “We expect these assets will trade at a healthy level in large part because they are high-quality irreplaceable assets that investors would have a hard time buying in a normal market.”

Broker rankings are based on property transactions that closed in 2021 and involved full or partial stakes valued at \$25 million or more. When multiple brokers shared a listing, the dollar credit was divided evenly, but each broker was credited with one transaction. Only brokers for sellers were given credit. Portfolio transactions were included if the package price was at least \$25 million. ❖

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Green Street

Week in Review

Safehold (SAFE): Breaking Ground

1/24/2022

Green Street has initiated coverage on Safehold, Inc. (SAFE), the first publicly traded ground-lease REIT and part of the burgeoning \$2.5 trillion sector.

2022 U.S. Industrial, Self-Storage and Mall Outlooks Are Now Available

1/20-26/2022

Green Street has released its 2022 U.S. Industrial, Self-Storage and Mall Outlooks.

Apartment: Bagging Another Portfolio

1/19/2022

Blackstone has entered into an agreement to acquire Resource REIT, a non-publicly traded REIT, for an all-cash transaction valued at \$3.7 billion.

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ON THE MARKET

Office

Property	Size	Estimated Value	Owner	Broker	Color
7799 Leesburg Pike, Falls Church, Va.	378,000 sf, 36% occupied	\$55 million, \$145/sf	Lerner Enterprises, Rockville, Md.	JLL	Complex comprising twin 11-story buildings is being pitched as a leasing play. Some \$4 million of renovations completed in 2018 added or updated amenities, which include a terrace, a lounge, a cafe and a gym. Leased to seven tenants with a weighted average remaining lease term of 5.5 years. Property is along Interstate 495 at the junction of Route 7, just outside of the Tysons central business district.

Industrial

Property	Size	Estimated Value	Owner	Broker	Color
South Belt Central Business Park, 4851 & 4861 South Sam Houston Parkway E, Houston	437,000 sf, 82.5% occupied	\$52 million, \$119/sf	Investment & Development Ventures, Houston	JLL	Two-building complex completed last year in Houston's growing South industrial submarket. Tenants are Yokohama, Quincy Compressor and Goodman Distribution. 305,000-sf building at 4851 Sam Houston Parkway East has cross-docks and 36-foot ceilings; smaller building has front-loading docks and 32-foot ceilings. Stable cashflow, with weighted average remaining lease term of seven years. But sales pitch also touts potential to lease up vacant space, with in-place rents nearly 15% below market.
Southwest Commerce Center, 611 South Cravens Road, Missouri City, Texas	477,000 sf, 81% occupied	\$48 million, \$101/sf	Transwestern Investment, Dallas	JLL	2019-vintage cross-dock property in Southwest Houston submarket. With 91,000 sf vacant, being pitched as value-added play. Houston saw 4.4 million sf of positive net absorption last year. Two tenants (ABDA Group and Awesung) have weighted average remaining lease term of 5.1 years. Building has 32-foot ceilings and 129 dock doors. 29-acre site has 191 car spaces, 75 trailer spaces and truck courts as deep as 180 feet.

Retail

Property	Size	Estimated Value	Owner	Broker	Color
Essex Mall, 875 Bloomfield Avenue, West Caldwell, N.J.	190,000 sf, 98% occupied	\$50 million, Yield: 5.6%	Goodrich Management, Englewood Cliffs, N.J.	CBRE	Three tenants – grocery anchor Stop & Shop, Marshalls and PNC Bank – account for nearly 50% of in-place revenue and are touted as “e-commerce resistant.” Weighted average remaining lease term: 7.3 years. Some 28,000 vehicles pass each day, and there are 172,000 people with an average household income of \$175,000 living within 5 miles.

THE GRAPEVINE

... From Page 1

at **TA Realty, Ernst & Young** and **Blue-Gate Partners**.

Nick Petkoff has joined **B6 Real Estate Advisors** as a senior managing director in New York. Focused on investment sales in Lower Manhattan, Petkoff joined on Jan. 10 from **Better Brokers**, an investment shop and brokerage he founded in 2014. Previously, he spent nine years at **Massey Knakal**, where he worked with B6 founder **Paul Massey**.

Atlas Capital this month hired **Jason Wasserman** as a senior director focused on asset management. He's based in the fund operator's New York headquarters. Wasserman joined from **RXR Realty**, where he'd been a first vice president with similar duties for nearly eight years. He had prior stints at **Time Equities** and **Benbrooke Realty Investment**.

Advisory firm **Medalist Capital** has hired two **Cushman & Wakefield** brokers to launch an investment-sales

initiative. The Charlotte firm last month added **Josh Points** and **Trey Navo** as vice presidents in Raleigh. Both were previously associates at Cushman's local office. Points worked on property sales and industrial leasing during his two-year stint. Navo focused on sales during nearly two years at the firm. Medalist, led by president **Donaldson Williams**, primarily is known as a commercial mortgage brokerage.

Brookfield veteran **Jon Moore** last month took over as president of **Urby Investments**, a multi-family development firm the fund giant co-owns. Moore has spent the last 11 years in a variety of roles at Brookfield, most recently as chief investment officer for its internal development team. Urby partners with local operators to develop and design multi-family properties that emphasize communal spaces and amenities. The company has 10 properties and plans to triple its footprint within five years. Brookfield and Urby founder and CEO **Dave Barry** each own 50% of the company.

Rockpoint Group has added a senior associate in its Boston headquarters.

Mark Ong joined in the past month or so, and the buzz is he's focused on acquisitions on the East Coast. He spent the previous six years in the local office of **Eastdil Secured**, leaving as a vice president. Executive recruiter **Keller Augusta** arranged the hire.

Fresh off a final close on its debut fund, **Sterling Investors** is adding a senior associate. **Ben Tenzer** starts next week in the New York firm's headquarters, moving over from **KKR**, where he was also an associate. Before that, he had a stint as an analyst at **Morgan Stanley**. Sterling, formed by **Northwood Investors** acquisitions head **Khaled Kudsi** in 2020, held a final close at yearend on the \$411 million Sterling Investors Fund 1, which invests across property types.

Passco Cos. is looking to hire two analysts to support its multi-family investments team. The posts would be in Atlanta and the firm's Irvine, Calif., headquarters. Recruits should have between two and five years of experience. To apply, email a resume and cover letter to careers@passco.com.

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