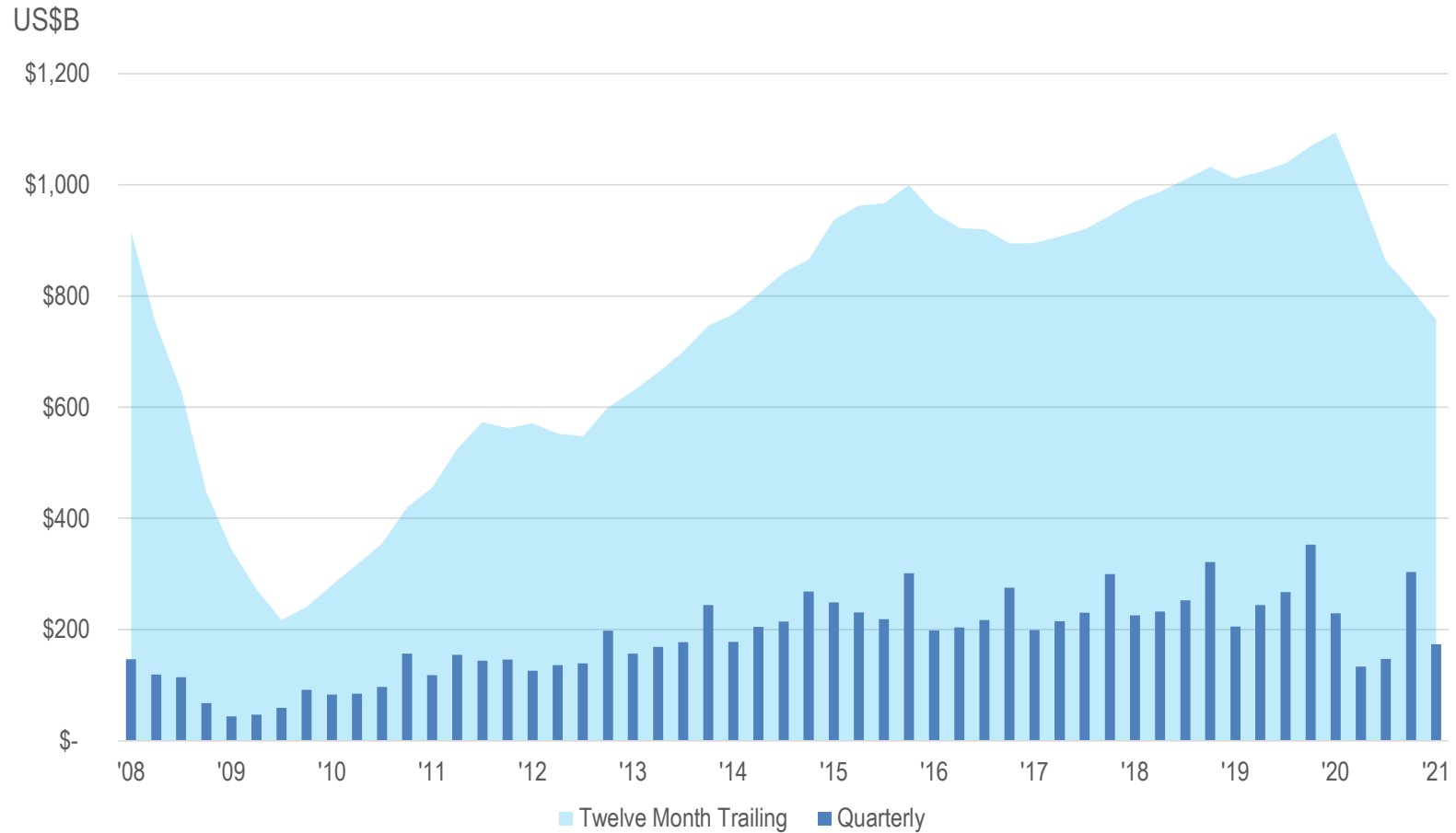




July 15, 2021

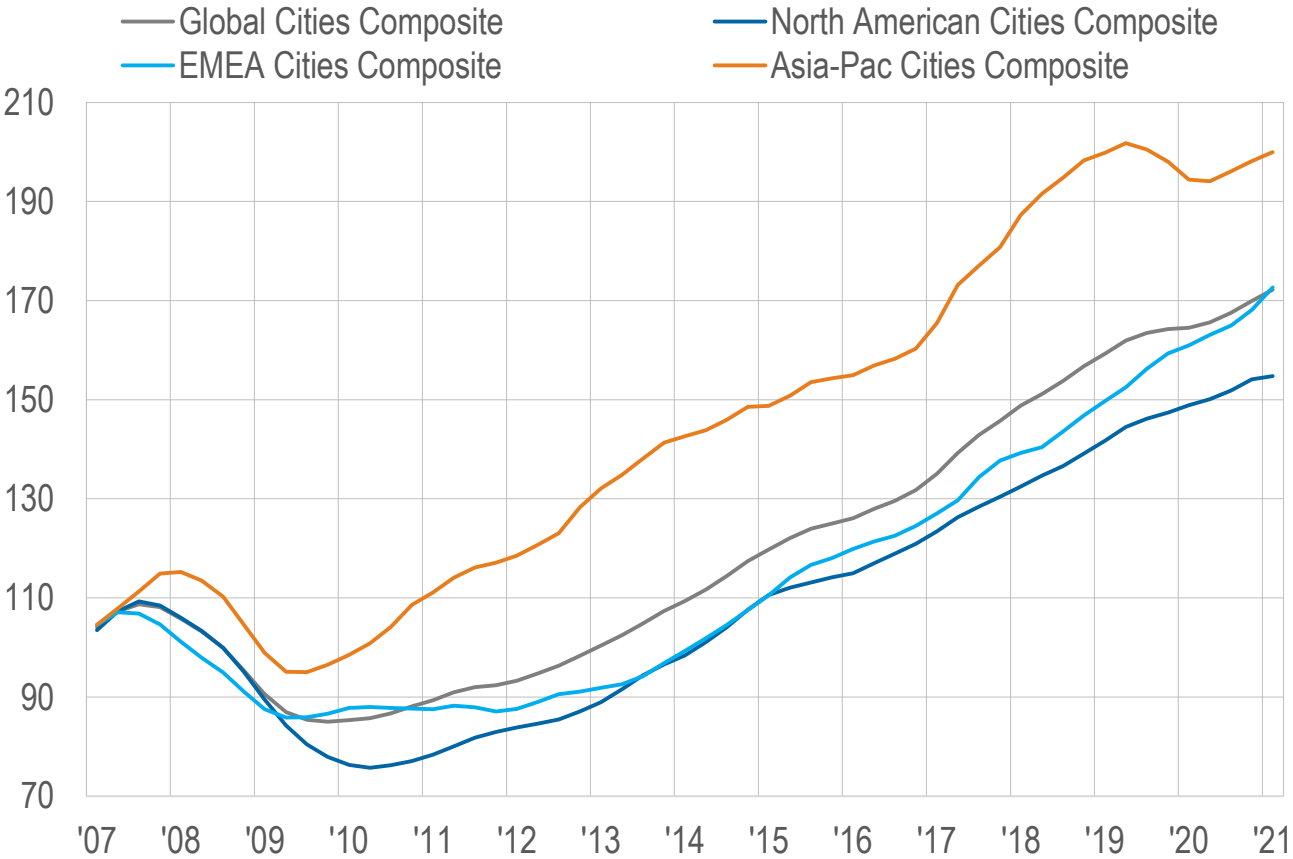
# GLOBAL SALES OF INCOME PRODUCING PROPERTY FELL SHARPLY

Is the 24% YOY decline in Q1'21 the last big drop we will see in the aftermath of Covid-19?



# RCA CPPI ONLY SLOWED GLOBALLY IN RESPONSE TO COVID-19

Price growth in the Asia-Pacific region was responding to other challenges before the pandemic.



# ALL MAJOR SECTORS IN U.S. HAD A ROUGH 12 MONTHS

But some faced less downward pressure.

	Q1'21		12 months to Q1'21	
	Vol (\$B)	YOY	Vol (\$B)	YOY
Office	21.0	-34%	79.0	-46%
Industrial	21.0	-37%	92.5	-31%
Retail	8.7	-35%	36.0	-46%
Apartment	37.6	-7%	142.6	-26%
Hotel	5.9	19%	13.8	-61%
Dev Site	4.7	-33%	21.6	-11%
Seniors Housing & Care	3.4	-5%	10.2	-42%
<b>Total</b>	<b>102.4</b>	<b>-24%</b>	<b>395.6</b>	<b>-36%</b>
6 Major Metros	32.4	-31%	129.8	-40%
Secondary Markets	51.3	-18%	190.6	-35%
Tertiary Markets	18.6	-20%	71.7	-26%

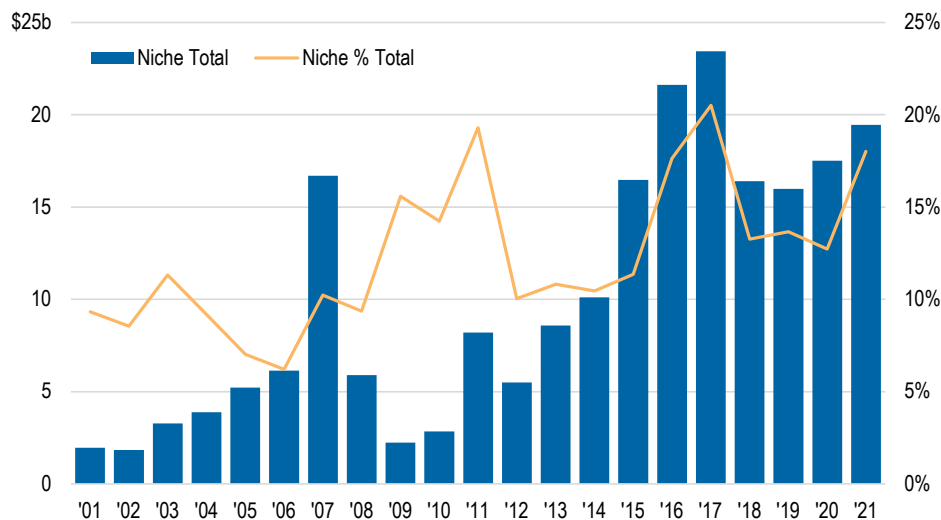
Industrial down largely due to outstanding Q1'20.

6 Major Metros falling faster than other market groups into Q1'21. Paucity of Manhattan office sales part of the story.

# GROWING INTEREST IN ALTERNATIVE CRE

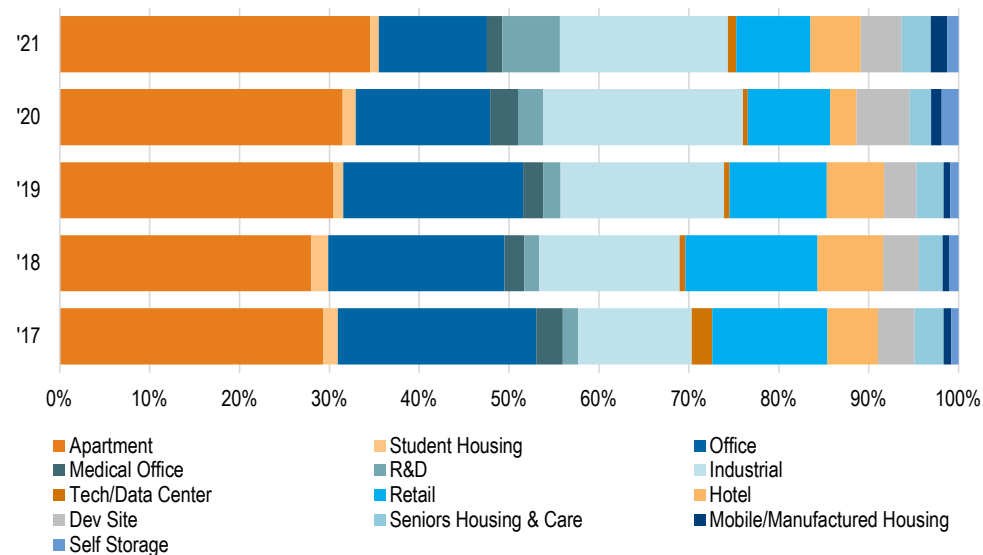
	Q1 '21 Volume (\$b)	Q1 '20 Volume (\$b)	2017-2019 Q1 Avg (\$b)	Share of Alternative CRE Sector 2017-2019 Q1		
				Q1 '21	Q1 '20	Avg
Medical Office	1.8	4.4	2.4	10%	30%	17%
Mobile/Manufactured Housing	1.9	0.8	1.6	11%	5%	11%
R&D	6.9	2.1	2.4	39%	14%	16%
Self Storage	1.4	1.4	1.1	8%	10%	7%
Seniors Housing & Care	3.5	3.6	4.2	20%	25%	28%
Student Housing	1.0	1.6	1.9	6%	11%	13%
Data Center	1.0	0.9	1.2	6%	6%	8%

## Q1 Alt CRE Volume & Share of Total Investment



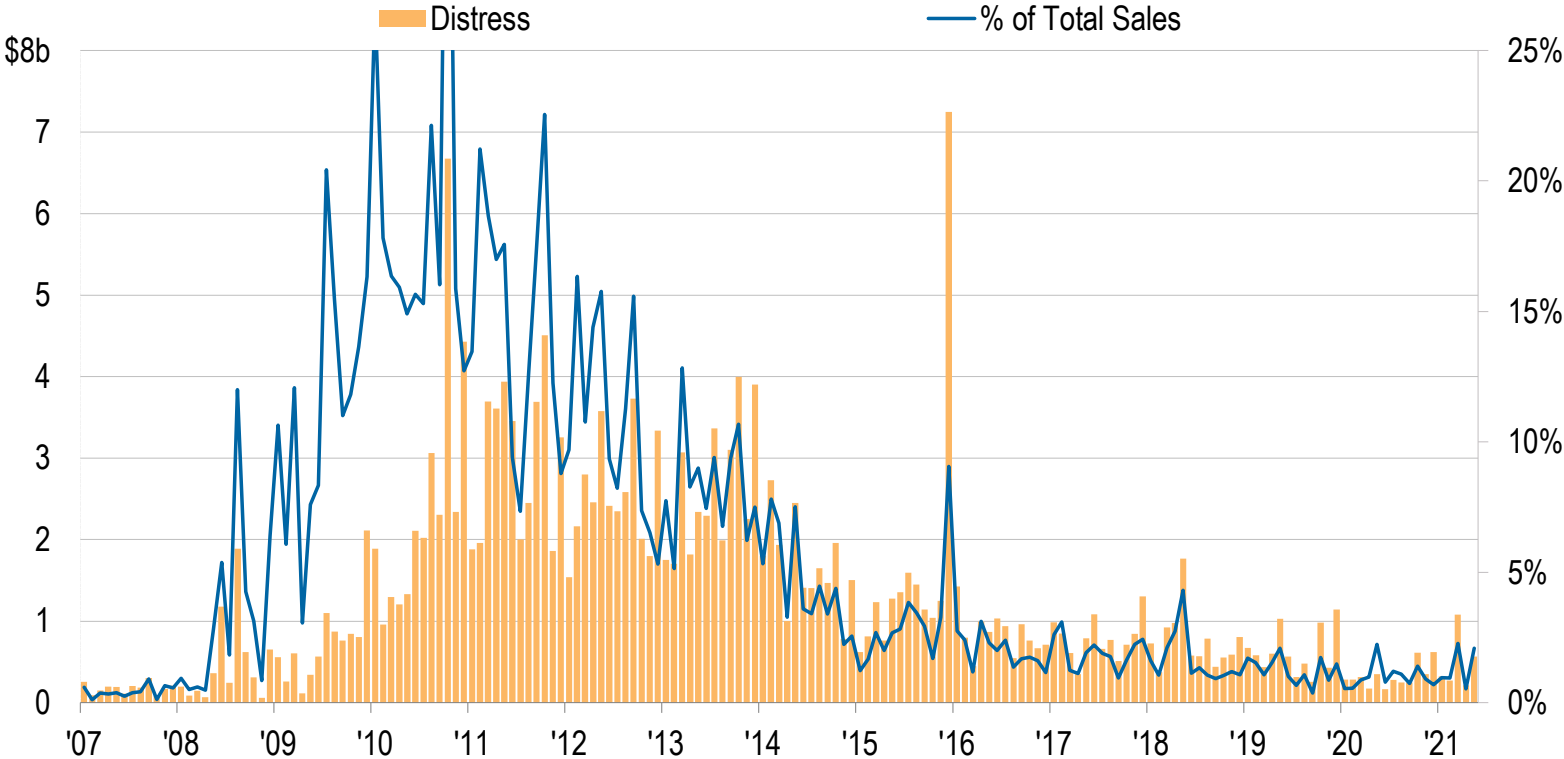
Includes assets valued at \$2.5m or greater.  
Updated as of 1 June 2021

## Share of Total Investment by Asset Class



# DISTRESSED ACTIVITY IS STILL MINIMAL

We are 14 months into the downturn, last time, distressed sales opened up at 18 months.



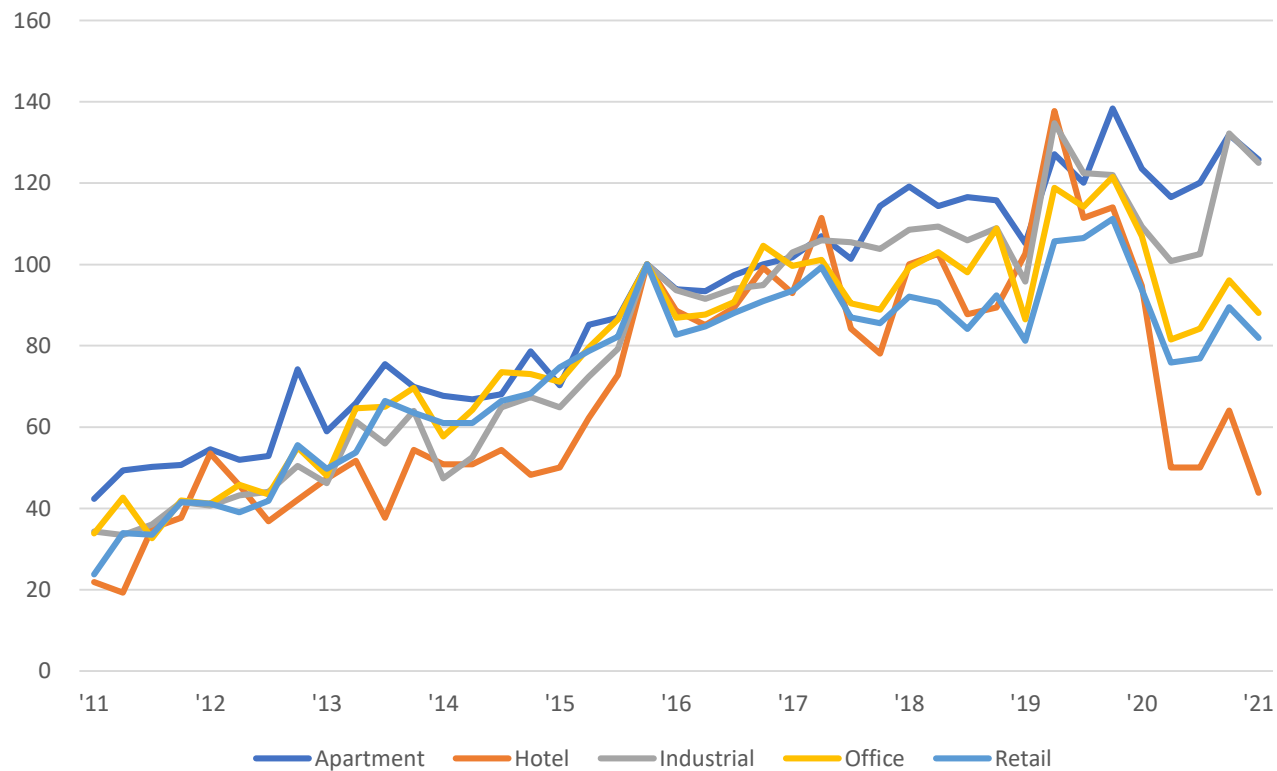
Includes assets valued at \$2.5m or greater.  
 Aggregate statistics and the Others category capture asset types not included in our standard volume statistics  
 Data through May 2021

# MANY MORE LENDERS THIS TIME THROUGH

One sector faces major challenges: Hotels. Offices and Retail back to average.

Counts of Unique Originators

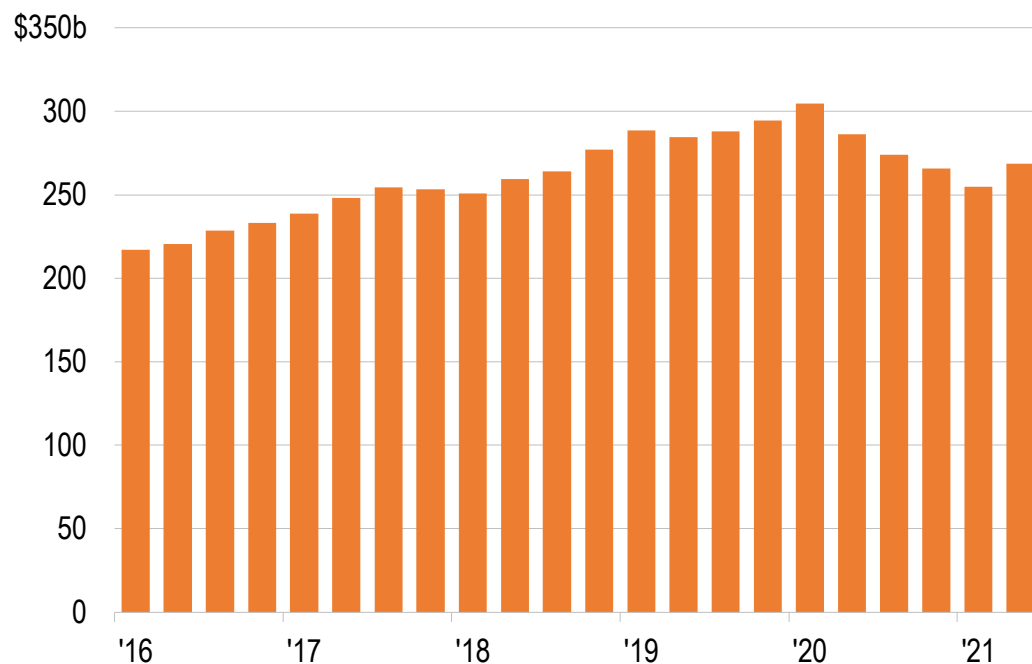
Q4'15 = 100



# INVESTMENT VIA CONSTRUCTION IS ON THE RISE

Apartments and industrial are leading this charge.

Value of Starts  
12 Months Trailing

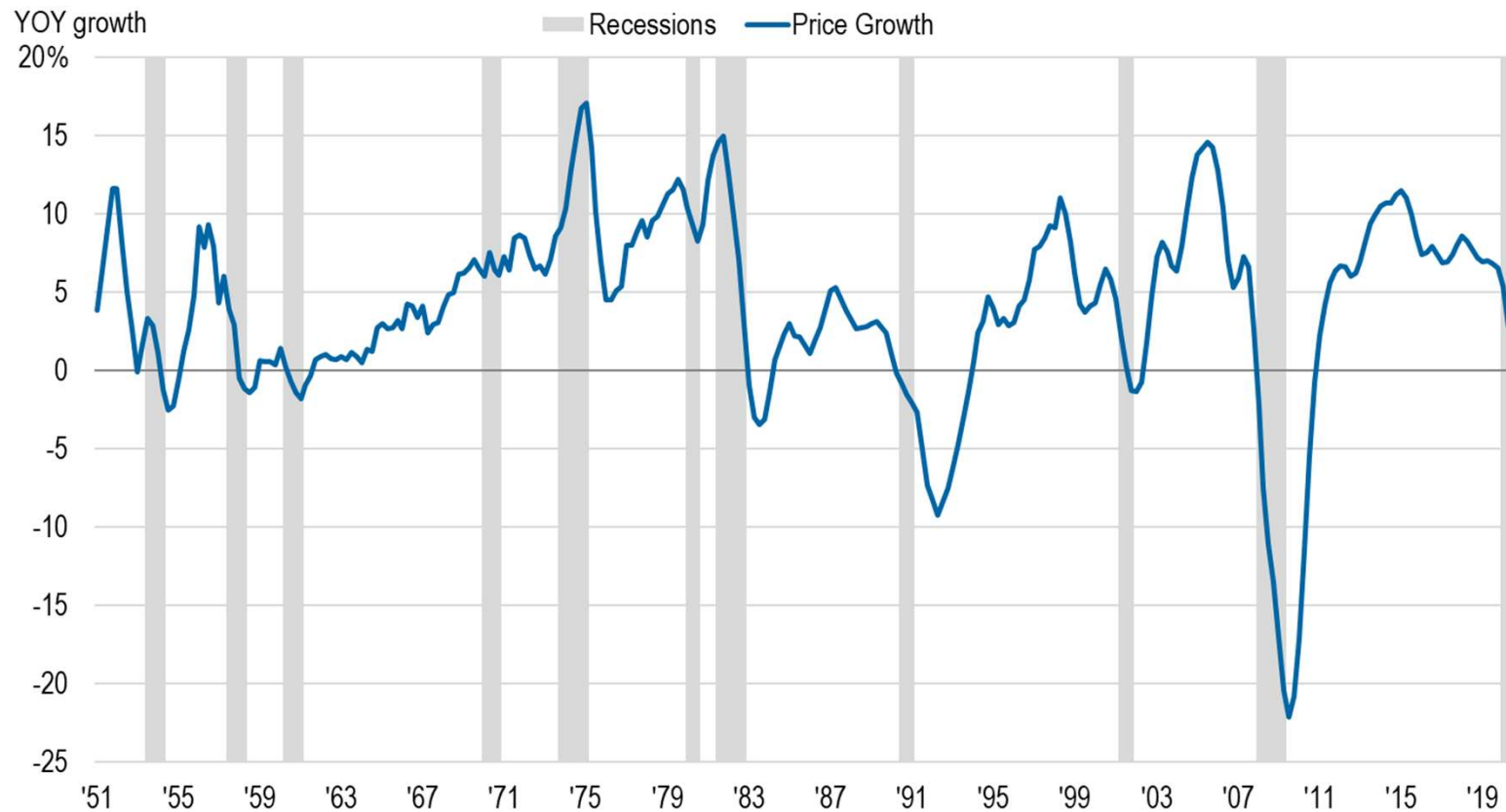


	12 Month Total	Share
Apartment	144,626,956,738	54%
Industrial	58,904,817,669	22%
Office	37,197,629,538	14%
Retail	11,451,921,099	4%
Hotel	8,669,333,836	3%
Others	7,667,512,117	3%
<b>Total</b>	<b>268,518,170,997</b>	<b>na</b>



# NOT EVERY DOWNTURN IS THE SAME

Prices react differently in every recession, different forces at play in each.



Sources: Real Capital Analytics, NREI, Federal Reserve Bank



**Thank You!**

[rcanalytics.com](http://rcanalytics.com)