Green Street

Real Estate Alert

THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

AUGUST 11, 2021

Apartment Sales Leap 69%; CBRE Holds Lead

Sales of large apartment properties soared to a record-shattering $59.96 billion in the first six months of the year, and market pros expect the second half will be even stronger.

Volume was up 69.3% from the same period last year, and was 17.3% above the previous high-water mark of $51.09 billion set in the first half of 2019, according to **Real Estate Alert's** Deal Database tracking of transactions of at least $25 million. Brokers believe annual volume will surpass 2019's record of $117 billion.

CBRE was again the sector's most active brokerage, but its lead over second-place **Newmark** narrowed. **JLL** came in third, while **Eastdil Secured** surged into fourth ahead of **Cushman & Wakefield** (see Rankings on Pages 15-18).

High occupancy rates, soaring rents, favorable financing and investor enthusiasm for apartments combined to propel sales to new heights, said **Brian McAuliffe,**

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Black Creek Outbids Giants in Nuveen Deal

Black Creek Group has agreed to pay **Nuveen Real Estate** $1.35 billion for an 8.9 million-sf industrial portfolio after winning a heated bidding contest among half a dozen marquee investors.

The portfolio consists of 41 light-industrial buildings and six bulk-distribution centers, spread across 14 markets. Just over half of the space is in Texas, Southern California and Florida, with concentrations in Atlanta and Chicago.

The price tag for the 47 warehouses came in more than 20% above initial expectations. **Stockbridge Capital** was the runner-up, and **Blackstone, Dalfen Industrial, EQT Exeter** and **Prologis** also chased the deal, according to market professionals. At the $152/sf valuation, the stabilized capitalization rate is expected to be near 4%.

Eastdil Secured and **Cushman & Wakefield** marketed the portfolio for Nuveen.

Denver-based Black Creek, among the red-hot industrial sector's most aggressive

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Starwood Shops Big Florida Rental Package

Starwood Capital is marketing another giant apartment portfolio, this time offering a mix of Central and South Florida properties that could trade for nearly $1 billion.

The package totals 3,976 units across 12 properties built from 1986 to 1992 in Altamonte Springs, Bradenton, Coral Springs, Orlando, Palm Beach Gardens, Sarasota and Winter Park. The per-unit value could reach $250,000. Expectations are that the bundle will appeal to value-added investors, with broker **Cushman & Wakefield** telling prospective bidders that the complexes could benefit from moderate to full interior renovations.

Starwood would prefer to sell the properties in a single deal. But the Miami Beach firm will consider bids on individual complexes.

The properties have an average occupancy level around 97%. Their one- to three-bedroom units average 921 sf with average rents of $1,302, or $1.41/sf.

That's some $600 to $700 less than the average for Central Florida. But the pitch is that each property is well positioned to achieve sizable rent growth even before

See STARWOOD on Page 21

THE GRAPEVINE

Jonathan Gerber last Friday left **UBS,** where he was head of real estate private capital markets, to launch an advisory shop. He's now in charge of **Compo Capital,** which will work with clients on capital-raising efforts, joint-venture formation and entity-level investments. Gerber will split time between Westport, Conn., and New York. Before joining UBS in November 2014, he spent more than 14 years at **J.P. Morgan,** including co-founding its real estate private capital-markets group.

American Landmark Apartments added two **Mercury Capital** pros to its capital-markets team on July 30. **Julie Bauch**

See GRAPEVINE on Back Page

Swift Eyes Upside With Oakland Deal

Swift Real Estate has agreed to pay $327.5 million for a multi-tenant office building in downtown Oakland as the city's investment-sales market is bouncing back from the pandemic-induced slump.

University of California Regents had tapped **Eastdil Secured** last year to market the 566,000-sf property at 1111 Broadway but pulled the listing amid disappointing bids. It tried again this spring and received strong interest, mostly from local players. The $579/sf valuation on the pending deal, set to close this week, is the latest sign of the city's recovery.

Swift, a San Francisco fund shop, is making a bit of a contrarian bet on the property, which has 31 tenants, at a time when institutional capital largely is seeking safety in the form of single-tenant office properties with long-term leases. The 24-story building is 91% leased, with a weighted average remaining lease term of 3.9 years. Investors were told that one-third of the space is occupied by investment-grade tenants or large law firms.

Market pros say the upside potential in leasing vacant space attracted Swift. The firm apparently is betting that the migration of corporate tenants and residents into Oakland — a trend that started before the pandemic — will continue. With construction costs skyrocketing, local pros also pegged the price tag at a steep 35% discount to replacement cost, another draw.

The marketing campaign emphasized the property's location atop the 12th Street Oakland City Center BART rail station, with some 75 restaurants and shops within four blocks. With 14,000 residential units planned or under development in Oakland, the seller touted the area's "live-work-play" atmosphere. Another attraction: the growing presence of technology companies such as **Twitter,** which is expanding in the city.

When 1111 Broadway first hit the block last October, it was expected to command at least $310 million, or $550/sf. However, the outlook for the office leasing market — and the economy in general — was uncertain amid the pandemic. Investors were cautious, and bids fell far short, coming in at about $475/sf.

University of California Regents, which manages the pension and endowment assets for the university system, was under no pressure to sell and opted to bide its time. The patience paid off. The institution paid $215.1 million, or $380/sf, to acquire the property in 2014, and pumped $33.6 million into upgrades. The building, initially developed in 1990, has a LEED gold designation.

San Francisco's East Bay market, anchored by Oakland, has had one of the strongest recoveries in the nation this year, with first-half sales of office properties worth at least $25 million more than quadrupling year over year to $1.4 billion, according to **Real Estate Alert's** Deal Database.

The year's first-half trades included a record deal in March. In that transaction, **Mapletree Investments,** the real estate arm of Singapore sovereign wealth fund **Temasek,** paid $419 million for the 399,000-sf Uptown Station in Oakland. The $1,050/sf valuation shattered the East Bay pricing record by 40%. **Newmark** brokered the sale for **CIM Group** of Los Angeles. It came after a separate CIM deal with **Blackstone** collapsed at the height of the coronavirus crisis last year. ❖

Rentals in New York, Houston Shopped

A Chinese investor is shopping three luxury apartment properties in New York's Westchester County and one in Houston with a combined estimated value of $360 million.

The listing consists of 772 units in three luxury buildings next to each other in Yonkers and 272 units in a mid-rise in Houston's popular Galleria retail and business district.

JLL is marketing the properties for **Strategic Capital,** the investment arm of **China Construction America, China State Construction Engineering Corp.'s** American subsidiary.

Bids will be accepted on the Yonkers buildings and the Houston property separately. The suburban New York buildings are valued at roughly $300 million, or nearly $390,000/unit. The whisper price for the Houston complex is about $60 million, or $221,000 per apartment.

In Yonkers, the 266-unit, nine-story Hudson Park South, at 1 Van Der Donck Street, was built in 2002. Hudson Park North, which has 293 units in a building with sections rising 12 and 14 stories, was developed six years later at 1 Alexander Street. The 24-story River Club at Hudson Park, a 213-unit building at 63 Wells Avenue, was completed in 2018.

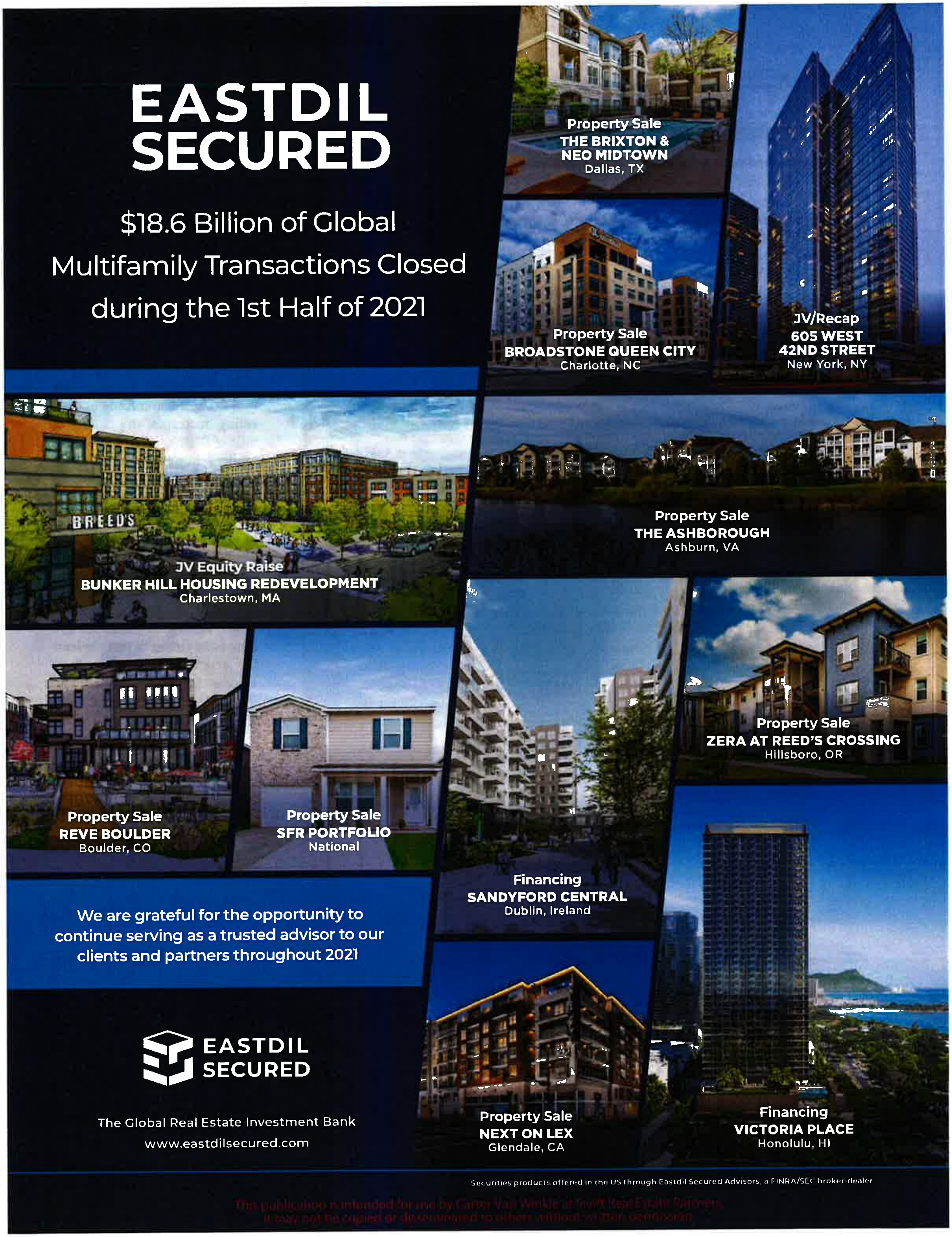
Construction of River Club was put on hold after the global financial crisis of 2007 to 2009. Strategic Capital eventually took the reins from the developer previously designated to complete the complex, **Collins Enterprises** of Old Greenwich, Conn. The property has a "payment in lieu of taxes" agreement with Yonkers with 13 years of remaining term, giving a buyer tax savings. It also has an assumable loan that matures in 2029.

The three properties are between 91% and 95% occupied. The North and South buildings have one- and two-bedroom units that average 926 sf and 881 sf. The North building has 336 parking spaces and 900 sf of retail, while the South building has 306 spaces and more than 12,500 sf of retail. Given the properties' ages, bidders are being told they could look to update finishes to boost rents.

The buildings are along the Hudson River and have views of New York. They're near a Metro North train station connecting to Midtown Manhattan some 15 miles south. They have fitness centers and lounges with 18-foot ceilings.

The Houston property, Broadstone Post Oak at 3100 Post Oak Boulevard, is 92% leased. Its studio to two-bedroom apartments have stainless-steel appliances, high-end finishes and an "apartment butler program" offering services such as dog walking and housekeeping. Amenities include a resort-style pool, a two-story athletic center with a "cardio theater," a golf simulator and a business lounge. The 3.5-acre site has 379 parking spaces. A buyer would have to assume an in-place mortgage that matures in 2028.

Alliance Residential built the property in 2014 and sold it the next year to Strategic Capital for $74.5 million, or $274,000/unit. **CBRE** brokered the sale. ❖


EASTDIL SECURED
$18.6 Billion of Global Multifamily Transactions Closed during the 1st Half of 2021
Property Sale
THE BRIXTON & NEO MIDTOWN
Dallas, TX
Property Sale
BROADSTONE QUEEN CITY
Charlotte, NC
JV/Recap
605 WEST 42ND STREET
New York, NY
BREED'S
JV Equity Raise
BUNKER HILL HOUSING REDEVELOPMENT
Charlestown, MA
Property Sale
THE ASHBOROUGH
Ashburn, VA
Property Sale
REVE BOULDER
Boulder, CO
Property Sale
SFR PORTFOLIO
National
Financing
SANDYFORD CENTRAL
Dublin, Ireland
Property Sale
ZERA AT REED'S CROSSING
Hillsboro, OR
We are grateful for the opportunity to continue serving as a trusted advisor to our clients and partners throughout 2021
EASTDIL SECURED
The Global Real Estate Investment Bank
www.eastdilsecured.com
Property Sale
NEXT ON LEX
Glendale, CA
Financing
VICTORIA PLACE
Honolulu, HI
Securities products offered in the US through Eastdil Secured Advisors, a FINRA/SEC broker dealer
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Core DC Office Property Up for Grabs

Goddard Investment is shopping a Washington office building fully occupied on a long-term lease by the federal government.

The 350,000-sf building at 500 D Street SW is expected to receive offers of up to $300 million, or $857/sf. That would produce an initial annual yield in the vicinity of 4.5%. It's being pitched to core buyers, who, during the pandemic, have favored high-quality office properties occupied by stable tenants on long-term leases. **JLL** has the listing.

The 2015-vintage property, originally known as National Square, was vacant when Atlanta-based Goddard acquired it for $93 million in 2017 from **AFL-CIO Building Investment.** A year later, the **U.S. Agency for International Development** agreed to occupy the entire property.

The lease runs another 18 years and includes two 3% rent escalations in years 11 and 16. There's also a 10-year renewal option at fair-market value.

The 12-story property has trophy-level finishes and is designated LEED gold. There are 238 parking spaces.

The building is in the Southwest submarket, where federal agencies make up some 80% of the tenant base. Class-A buildings there are 84% leased on average, but new buildings are 97% occupied, according to marketing materials. It's within a mile of District Wharf, a new 3.2 million-sf mixed-use development along the waterfront.

Large office sales in Washington totaled just under $1.1 billion in the first half, a year-over-year decrease of 37%, according to **Real Estate Alert's** Deal Database. Major urban markets were hit hardest by work-from-home orders during the pandemic and have been slower to recover leasing activity. The upshot: Sales volume has been limited and dominated by newer and well-leased properties. ❖

CBRE

Capital Markets

+ Property Sales
+ Debt & Structured Finance
+ Real Estate Investment Banking

MULTIFAMILY

MULTIFAMILY ACTIVITY 2020 - Q2 2021

$80B+ PROPERTY SALES, FINANCINGS, LAND DISPOSITIONS, RECAPITALIZATIONS FROM 3,000+ TRANSACTIONS

Source: CBRE Capital Markets

Great Lakes Senior Housing Portfolio

OH, MI (5 Assets)
515 Units
Sale & Financing
July 2021

Greens of Hillcrest Affordable Housing

Lawrenceville, GA
322 Units
Sale
July 2021

The Amelia

Quincy, MA
200 Units
Sale
June 2021

TEN01 on the Lake

Tempe, AZ
523 Units
Sale
January 2021

Hardware Village

Salt Lake City, UT
453 Units
Sale & Financing
December 2020

Growth States 8 Student Housing Portfolio

AZ, FL, GA, NC, TX (8 Assets)
6,095 Beds | 2,011 Units
Sale & Financing
November 2020

cbre.us/capitalmarkets

CBRE: Confidence, Listings Rebound

A shot of confidence is reviving the commercial real estate sales market, as both investor inquiries and listings are largely back in line with pre-pandemic levels, according to an analysis of **CBRE** sales data.

Within the last month, the number of new listings launched reached 2019 levels, according to four-week trailing averages compiled by the brokerage's Deal Flow tracker. The numbers show a healthy market emerging in the wake of 2020's record lows, when pandemic lockdowns brought sales processes to a halt.

More investors are kicking the tires on new opportunities as well. Since May, the number of confidentiality agreements signed by investors has largely exceeded the comparable figure in 2019. As of early July, the number of signed agreements was up 2.8% from the same period in 2019 based on a four-week trailing average. For comparison, in the depths of the pandemic in April 2020, that figure plummeted 70% from the prior year.

The uptick in both metrics corresponds with wider distribution of the Covid-19 vaccine, which is giving investors and owners more confidence in values and the overall economic outlook.

That's expected to continue, even with spread of the delta variant of coronavirus on the rise in many places. "We have some headwinds to the economy and to the real estate sector, but the tailwinds are much stronger now," said **Richard Barkham,** CBRE's global chief economist and head of research for the Americas.

The market has come a long way since last year's sudden downturn. At its lowest point, in April 2020, the number of new listings dropped 56% compared with the same period in 2019 based on a four-week trailing average. Initially the pandemic complicated sales processes by limiting travel and in-person inspections. When listings resumed, it was primarily for select asset classes, markets and investment profiles most favored by risk-averse buyers.

As vaccine distribution picked up, so did owners' willingness to sell. Launches exceeded pre-pandemic levels for the first time in late February, the beginning of a general upward trend. The most recent available data show the number of listings launched in early July just 4% below the 2019 figure for the same period.

That increase was met with enthusiasm from investors eager to deploy an unprecedented amount of dry powder. Now, economic growth is strong and yields on 10-year Treasurys are trending downward, meaning investors have to hunt for returns. "[These are] almost perfect conditions for real estate investing," Barkham said. "With investment volumes recovering and investor interest strong, we see this continuing throughout the year."

CBRE's Deal Flow is a marketing and transaction-management program the firm launched in 2016. It allows brokers to manage the marketing process online, track sales trends and monitor how buyers are responding to each listing. ❖

Raleigh Office Deal Could Set Record

A developer is pitching a recently completed office complex in downtown Raleigh that could set a pricing record for the market.

The two buildings, known as Bloc 83, total 497,000 sf and are expected to trade in the vicinity of $300 million, or almost $604/sf. **Heritage Properties** of Towson, Md., completed the first building in 2019 and the second this year. **JLL** has the listing.

At that price, a sale would hit the high-water mark for an office trade in the Raleigh-Durham market, according to **Real Estate Alert's** Deal Database. The record is held by **MetLife Real Estate's** $236 million purchase last year of the 274,000-sf Dillon, in Raleigh, from a joint venture between **Kane Realty** and **FCP.** JLL brokered the sale, which also holds the market's per-sf record, at $861/sf.

The valuation for Bloc 83 reflects its recent vintage and trophy-caliber finishes. Combined, the buildings are 62% occupied, with the bulk of the vacancy in the newer building. However, leases under negotiation are expected to lift that to 75% by the time it changes hands.

Its location in a coveted Sun Belt market — where office leasing is bouncing back faster than in larger northern cities following the office market's pandemic-induced downturn — is also playing in the complex's favor. The quicker recovery has investors willing to move out further on the risk spectrum in those markets.

Offices in downtown Raleigh were 82% occupied at the end of June, with tenants favoring newer and higher-quality properties, according to a JLL report.

The pitch is that a buyer could collect steady income while leasing up the remaining space and pocketing revenue from the buildings' two garages, which have 1,384 spaces.

The 228,000-sf One Glenwood, at 1 Glenwood Avenue, is almost fully occupied. The other, the 269,000-sf Tower 2 at Bloc 83, at 621 Hillsborough Street, is about one-third leased.

Tenants include **First Horizon Bank, Envestnet** and **WeWork.** The weighted average remaining lease term is almost 11 years.

Bloc 83 includes 50,000 sf of retail space at street level and two stand-alone stores in an outdoor plaza.

The buildings have floor-to-ceiling windows, conference rooms, meeting spaces, lounges and an outdoor terrace. There's also a high-end fitness center and a golf simulator.

The buildings are in the Glenwood South neighborhood, a former industrial area that has seen many properties converted to office, residential and retail space in recent years.

Overall occupancy in the Raleigh-Durham office market in the second quarter was 85%, according to the JLL report. Net absorption of almost 152,000 sf in that period was positive for the first time since the start of the pandemic and in line with the first quarter of 2020 — a trend expected to continue through the year, the report said. ❖

CAPITAL MARKETS

Delivering Exceptional Results

2021 Mid-Year Multifamily Capital Markets Highlights

PROJECT CARRERA - SENIORS HOUSING PORTFOLIO
Multi-state
36 Properties, 3,673 Units
Sold on behalf of:
Peak Management

NORTH STAR PORTFOLIO
Multi-state
7 Properties, 2,750 Units
Financed on behalf of:
Morgan Properties

SOUTHERN PIEDMONT PORTFOLIO
Multi-state
8 Properties, 2322 Units
Sold on behalf of:
McDowell Properties/
Angelo Gordon
Financed on behalf of:
Harbor Group International

DOMAIN AT LOFTS CITYCENTRE
Houston, TX
620 Units
Sold on behalf of:
JP Morgan
Financed on behalf of:
Madera Residential

TAPESTRY
Brentwood, TN
393 Units
Sold on behalf of:
Northwestern
Mutual Life

BROOKLYN BASIN
Oakland, CA
371 Units
Financed on behalf of:
Signature Development

THE RISE CENTRAL
Beaverton, OR
230 Units
Sold on behalf of:
Encore Capital
Management
Financed on behalf of:
St. Regis Properties

500 OCEAN
Boynton Beach, FL
341 Units
Sold on behalf of:
LeCesse Development
Financed on behalf of:
Avanti Residential

WENTWORTH HOUSE
Bethesda, MD
312 Units
Refinanced on behalf of:
LCOR

CREEKWOOD
Hayward, CA
309 Units
Sold on behalf of:
Bridge Investment
Group

South Dakota Rental Portfolio Listed

In a rare listing of a large apartment portfolio in South Dakota, **Tzadik Management** is offering a bundle of workforce-housing properties with a total estimated value of $108 million.

The 1,266-unit package consists of 23 properties in Sioux Falls. The portfolio-level occupancy rate is 93%, but the sales pitch is that a buyer could boost income by raising below-market rents as leases are renewed amid a strong economy and steady population growth.

At the estimated value of $85,000/unit, a buyer's initial annual yield would be sub-5%. **JLL** is shopping the portfolio for Miami-based Tzadik.

Bids can be made on the entire package or any one of three sub-portfolios.

The largest consists of 18 properties totaling 707 units. A buyer would have to assume a $47.4 million fixed-rate mortgage on those properties. The 12-year loan, originated in May 2020, carries a 3.17% coupon and requires interest-only payments through May 2024.

Another sub-portfolio comprises four properties totaling 439 units. It, too, comes with an assumable fixed-rate mortgage with 11 years of remaining term, a 3.17% coupon and interest-only payments through May 2024.

The third portion consists of a single property: the 120-unit Turning Leaf Apartments, at 1311 North Cleveland Avenue. The units are being offered free and clear of debt.

All of the properties were built from 1970 to 1998. Units range from studios to four bedrooms. The average apartment is 1,175 sf, with an average rent of $746. By comparison, the market average is $773.

The package is being pitched as a chance for a buyer to instantly achieve scale in Sioux Falls, an area that has grown rapidly in recent years. The metropolitan area has some 270,000 residents, up 17% since 2010. Marketwide, apartment occupancy is nearly 99.5%.

South Dakota's unemployment rate of 2.9% was one of the lowest in the nation in June. And the state, known as tax-friendly for businesses, is one of only 12 to have top credit ratings from all three major rating agencies.

The largest employers in the region are **Sanford Health** and **Avera Health.** Both have headquarters near the offered properties, according to marketing materials.

South Dakota has only three apartment trades in **Real Estate Alert's** Deal Database, which tracks deals of $5 million and up. The largest was the $20.3 million sale of a 232-unit property in June to an undisclosed buyer. JLL brokered the sale. ❖

NOTICE OF PUBLIC SALE OF COLLATERAL

NOTICE IS HEREBY GIVEN that pursuant to: (a) Section 9-610 of the Uniform Commercial Code ("UCC") as adopted in the State of New York, (b) that certain (each dated May 9, 2017) (i) Mezzanine Loan and Security Agreement (the "Mezzanine Loan Agreement"), by and among 76 Eleventh Avenue Mezz A LLC ("Mezzanine Borrower") and 11th Avenue Lender LLP ("Administrative Agent") as administrative agent for and on behalf of the lenders thereunder (the "Lenders") ("Secured Party"); (ii) Senior Loan and Security Agreement (the "Senior Loan Agreement"), by and among 76 Eleventh Avenue Property Owner LLC ("Mortgage Borrower"), Administrative Agent and Lenders; (iii) Building Loan and Security Agreement (the "Building Loan Agreement"), by and among Mortgage Borrower, Administrative Agent and Lenders; and (iv) Project Loan and Security Agreement (the "Building Loan Agreement"), by and among Mortgage Borrower, Administrative Agent and Lenders; and (v) Mezzanine Pledge and Security Agreement between Mezzanine Borrower and Administrative Agent (the "Mezzanine Pledge Agreement"), Secured Party will offer for sale to the public in a public auction to be conducted both in person (subject to the COVID pandemic and applicable laws, as outlined below) and via audio/video teleconference to the live auction (the "Auction"): (a) 100% of the limited liability company interests in 76 Eleventh Avenue Property Owner LLC a Delaware limited liability company (the "Pledged Entity"); and (b) certain related rights and property relating thereto (collectively, (a) and (b) are the "Pledged Collateral"). The Mezzanine Loan is subordinate to the senior loan ("Senior Loan") on the Property in the cumulative original principal amount of $595,000,000 (for the avoidance of doubt, which amount does not include accrued interest, default interest, late fees, enforcement costs or any additional amounts comprising the Senior Loan as of today's date).The Pledged Collateral is being sold on an "AS IS WHERE IS" basis pursuant to the following terms and conditions.

1. The sale of the Collateral will take place on October 28 , 2021 at 10.00am NY time, via audio/video teleconference, and, subject to the COVID-19 pandemic and applicable law (including any Executive Orders of the Governor of the State of New York) in the offices of Cushman & Wakefield, 1290 Avenue of the Americas, New York, NY 10104-6178. Qualified Bidders (as defined in the Terms of Public Sale for the Pledged Collateral that have timely made the Required Deposit (as defined in Terms of Public Sale) shall be provided with audio/video teleconference dial-in information necessary to participate in the Auction electronically and confirmation whether the public will also be held in person, subject to the foregoing provisions. The public sale will be conducted by either Richard B. Maltz, CAI, CES, licensed auctioneer (license no. 1240836) or David A. Constantino, licensed auctioneer (license no. 1424944), each of Maltz Auctions (the "Auctioneer").

2. The sale shall be a public auction to the highest qualified bidder. The Pledged Collateral will be sold as a block, and will not be divided or sold in any lesser amounts.

3. The successful bidder for the Pledged Collateral must be prepared to purchase all of the Pledged Collateral. The Pledged Collateral will be sold to the bidder that makes the highest and best bid at the Auction.

4. An online datasite for the Sale (the "Datasite") will include certain relevant information that Secured Party possesses concerning the Property, the Mezzanine Loan, the Pledged Entity, the Pledged Collateral, copies of the applicable agreements and other documents evidencing or relating to the Mezzanine Loan, the Senior Loan, and certain other related documents and information in Secured Party's possession. No information provided to a bidder whether provided in the Datasite or otherwise, shall constitute a representation or warranty of any kind with respect to such information, the Property, the Mezzanine Loan, the Pledged Entity or the Pledged Collateral, or the Auction. Bidders are encouraged to review all materials in the Datasite and perform such due diligence as they deem necessary in advance of the Auction. Access to the Datasite, which will be provided upon a request made to the contact listed at the end of this notice and will be conditioned upon execution of a confidentiality agreement which will be provided in connection therewith.

5. The Pledged Collateral is being sold on an "AS IS WHERE IS" basis, with all faults, and there is no warranty by the Secured Party relating to title, possession, quiet enjoyment, merchantability, fitness or the like in this disposition. Secured Party makes no guarantee, representation or warranty, express or implied, as to the existence or nonexistence of liens, the quantity, quality, condition or description of the Pledged Collateral, the value of the Pledged Collateral, the Debtor's rights in the Pledged Collateral or any other matter. The transfer of the Pledged Collateral will be made without recourse and without representation or warranty of any kind by the Secured Party, Lenders or any other person for or on behalf of Secured Party, subject to all defenses by the Secured Party and subject to the Senior Loan.

6. There are specific requirements for any potential bidder in connection with obtaining information, bidding on the Pledged Collateral, and purchasing the collateral (the "Requirements"), including without limitation, that (i) such bidder is a Qualified Bidder as that term is defined in the Terms of Public Sale, (ii) such bidder has satisfied all of the requirements set forth in Terms of Public Sale to be a Qualified Bidder and complied with the other qualifications and requirements of the Terms of Public Sale, (iii) such bidder is not a Prohibited Person as that term is defined in the Terms of Public Sale, and (iv) complying with the Pledged Entity's governing documents and the Senior Loan documents. To participate in the Auction, prospective bidders must confirm their ability to satisfy the Requirements in the manner described in the Terms of Public Sale, including, but not limited to a requirement to make a good-faith deposit against such bidder's payment of the purchase price. The Secured Party reserves the right (a) to reject all bids determined by it in its good faith to be unqualified or unacceptable bids, (b) to terminate the sale or to adjourn the sale to such other date, venue and/or time as the Secured Party may deem proper, by announcement prior to the date of sale or at the place and on the date of sale (but prior to the start of the bidding at the sale), and any subsequent adjournment thereof, without further publication, and (c) to impose any other commercially reasonable conditions upon the sale of the Pledged Collateral as the Secured Party may deem proper. The Secured Party further reserves the right to restrict prospective bidders to those who will represent that they are purchasing the Pledged Entity for their own accounts for investment and not with a view to the distribution or resale of such Pledged Entity, to verify that the certificate for the Pledged Entity to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act, and may not be disposed of in violation of the provisions of the Securities Act. The Secured Party reserves the right to credit bid all or any portion of its secured indebtedness then outstanding under the Mezzanine Loan Agreement.

7. All bids (other than credit bids of the Secured Party) must be for cash and the successful bidder must be prepared to deliver immediately federal funds (1) for the Second Deposit (as defined in Terms of Public Sale) in accordance with the time period set forth in the Terms of Public Sale and (2) for the balance of the purchase price of the Collateral on the closing date prescribed by the Terms of Public Sale and otherwise comply with the Requirements. The Successful Bidder shall be responsible for the payment of all transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Pledged Collateral.

All inquiries should be made to: Cushman & Wakefield to the attention of Amy Brooks (amy.brooks@cushwake.com; Direct: (212) 841-7728 / Mobile: (516) 578-2983).

Host Shopping Hotels in Boston, LA

Host Hotels & Resorts is separately pitching hotels in Boston and Los Angeles that have a combined valuation nearing $430 million.

On the block is the 1,220-room Sheraton Boston at 39 Dalton Street. The massive property is being shopped as a renovation opportunity. It's valued at roughly $200,000/room, or $244 million. **CBRE** has that listing.

On the West Coast, Host is pitching the leasehold interest in the 305-room W Hollywood at 6250 Hollywood Boulevard, at the corner of Vine Street. It's valued in the vicinity of $600,000/room, or $183 million. **Eastdil Secured** has the assignment.

Host, a Bethesda, Md., REIT, has been targeting acquisitions of high-quality and newer properties in popular domestic vacation markets, or those in areas with robust population growth. The offered properties are in prime urban locations, but in cities where hotel performance has been slower to recover from the downturn caused by the pandemic.

Each property needs to be updated, and that could appeal to investors eager to place equity in the hotel sector to capture future upside as markets improve.

The Sheraton Boston is connected via indoor walkway to the Hynes Convention Center. In general, hotels dependent on corporate and group business have been the slowest to recover.

In the first half of the year, hotels in Boston's Central Business District/Airport submarket were just 34.4% occupied, compared with 41% during the same period last year and 79.9% in 2019, according to **STR.** Rates averaged $159.54 January through June, down 7.7% from last year. Revenue was off 22.5% to an average of $54.91/room, representing about a quarter of the $201.08/room average in 2019.

The Sheraton's location makes it ripe for a potential renovation play, market pros said. It's in the tony Back Bay neighborhood, within a mile of Fenway Park — home of the **Boston Red Sox** baseball team — and less than 2 miles from the Financial District. The area benefits from its concentration of life-science and technology companies, universities and hospitals and research institutions.

Host acquired the hotel as part of a $3.7 billion deal with **Starwood Hotels and Resorts** in 2006.

Meanwhile, the luxury W Hollywood also is in a prime location, stretching between Vine Street and Argyle Avenue. Revenue is generated from some seven "super graphic" billboard signs and almost 11,000 sf of street-level retail space. It's available unencumbered by brand and management contracts. The ground lease for the hotel runs until 2106. A buyer would likely renovate it in hopes of capturing the upside when the market rebounds.

Luxury hotels in the Hollywood/Beverly Hills submarket were 41.3% occupied in the first six months of the year, down from 47% during the same period last year, and 78% in 2019, according to STR.

Room rates also continued to drop, posting a year-over-year decrease of 8.1% for an average of $386.83. The upshot: revenue fell 19.2% from last year to $159.78/room, substantially down from the $327.83/room average in 2019. The hotel, opened in 2010, was built atop the Hollywood/Vine subway station. Earlier this year, Host applied to convert a former nightclub at the property to additional guest rooms and meeting space. Host acquired the hotel in 2017 for $219 million. ❖

Long Island Apartments Offer Upside

JRK Property is shopping a value-added apartment complex on Long Island's South Shore.

The 214-unit Southpoint at Massapequa, in Massapequa, N.Y., is 97% occupied, but the 1970-vintage property is primed for upgrades to unit interiors and common areas. Bids are expected to come in around $110 million, or $514,000/unit.

At that price, a buyer's initial annual yield would be 4.25%. JRK, of Los Angeles, gave the listing to **JLL**.

The property, at 25 Weaver Drive, has a mix of one- to three-bedroom apartments plus townhouses. Units average 987 sf — larger than the property's competitive set — but the average rent is 12% below market rates.

JRK already has finished updating about 20% of the units, and about two-thirds of the apartments have new appliances. Some also have new granite counters and modern vinyl flooring. The pitch is that a buyer could boost income by completing the renovation program.

According to marketing materials, rents in surrounding Nassau County are up 4% over the past year — the biggest increase in a decade. Long Island's multi-family market is benefiting from an outflow of residents from New York City, as well as a limited supply of developable land.

The garden-style complex consists of 14 buildings on 14 acres. Amenities include a pool, a fitness center, a dog park and a grilling area. There are 286 surface parking spaces and 18 garage spaces.

Southpoint at Massapequa is less than 2 miles from two Long Island Rail Road stations with service to Midtown Manhattan, some 30 miles west. The property is near Jones Beach and Fire Island, two popular tourist destinations.

JRK bought the property in 2013 for $48.2 million from the asset-management unit of **Deutsche Bank** then known as **RREEF.** At the time, it had 248 units, valuing each apartment at $194,000. **CBRE** brokered that sale. ❖

Corrections

Broker-ranking articles in the July 28 and Aug. 4 issues incorrectly described part of **Real Estate Alert's** methodology for ranking brokers. Portfolio transactions are included if the package price is at least $25 million.

An Aug. 4 article, "Industrial Sales Surge; CBRE Leads Ranking," overstated the high end for valuations of industrial properties in Southern California. Pricing has topped $400/sf on a few deals in the region. ❖

HIG Lists Conn. Rentals With Upside

H.I.G. Realty is pitching an apartment building in downtown Stamford, Conn., with upside potential.

The 227-unit Summer House is 95% occupied, but bidders are being told that light renovations to unit interiors and common areas would allow a buyer to raise rents. Bids are expected to value Summer House at $98.5 million, or $433,000/unit. At that price, a buyer's projected year-one capitalization rate would be 4.6%.

Cushman & Wakefield is representing New York-based H.I.G., which developed the 22-story building in 2016 with local builder **F.D. Rich** and later bought out its partner.

The apartments range from studios to three-bedroom units, including 18 penthouse suites and 20 affordable-housing units. Apartments average 924 sf, and the average rent is $2,621.

By updating kitchen and bathroom finishes and renovating common areas, a buyer could raise the average rent to $2,870, according to marketing materials. The market average is $2,749.

Part of the pitch is that with apartment construction in the area driving up rents, a buyer could boost cashflow while still keeping rents below those of newer buildings.

Units feature open floor plans with 9-foot ceilings — 10 feet in the penthouses — and open kitchens with stainless-steel appliances and wood-plank flooring. Amenities include a rooftop pool with lounge area, an entertainment kitchen, a pet spa and a rooftop garden with grills and views of nearby Long Island Sound and the Manhattan skyline, 30 miles southwest.

According to marketing materials, Stamford's multi-family market is benefiting from rising rents driven by new development and an outflow of residents from New York. Downtown Stamford's population has jumped 82% in the past decade. The city's central business district has a live-work-play environment with some 13.8 million sf of offices and 3.2 million sf of retail space, including more than 100 restaurants.

The property, at 184 Summer Street, is a half-mile from the Stamford Transportation Center and Interstate 95. ❖

Apartment ... From Page 1

president of CBRE's capital markets multi-family division.

"It's a confluence of all these tailwinds joining together," he said. "All the positive conditions in the marketplace are amplifying each other to create this dynamic environment."

For buyers, that means fierce competition, with more firms crowding into the sector.

"We've never seen so many new investors chasing acquisitions," said **Joe Lubeck,** founder and chief executive of Tampa-based **American Landmark Apartments.** "I can't remember a time in my career, which now spans over 30 years, that I've seen so much equity in the market with a particular interest in multi-family."

Owners, meanwhile, are in the driver's seat.

"We have never seen better conditions for selling than we are seeing now," said **Blake Okland,** vice chairman and head of multi-family investment sales at Newmark. "We've gone from capital markets pricing through operational headwinds brought on by Covid, to perfect capital-market conditions with operational tailwinds."

McAuliffe said market conditions are "so perfect now that some owners are accelerating the disposition timetable of their investment strategies ... because they can achieve the projected value of their portfolios earlier than they originally thought in this current environment."

He said he expects "the second half of 2021 will be one of the strongest we've seen in the history of the multi-family sector." McAuliffe added: "There is tremendous motivation by apartment owners to take advantage of a very strong market that is very seller-friendly right now. It's unprecedented, and I don't see any slowdown whatsoever for the better part of the next six months."

Roberto Casas, senior managing director and co-lead of JLL's national multi-housing practice, noted that activity typically increases in the second half of the year. "And based on what we're seeing, our overall pipeline is materially up," he said. "If we're a proxy for the market, it would indicate we will be on par with 2019 for another record year."

Investors seeking safety have turned to apartments across the country, and particularly in coveted Southeast and Sun Belt areas. A flurry of large portfolios based in those regions hit the market in the first half.

CBRE is brokering a massive deal, expected to close in the fourth quarter, in which **Blackstone** would acquire **AIG's** interests in an affordable-housing portfolio for $5.1 billion. Among firms currently shopping giant apartment portfolios are **Starwood Capital** of Miami Beach; **Bell Partners** of Greensboro, N.C.; **Middle Street Partners** and family office **InTech Group,** both of Charleston, S.C.; and **Greystar Real Estate,** also of Charleston.

McAuliffe said he expects "the next 90 days to continue to be extremely active and robust with more offerings coming to market." He added: "There is a lot of motivation to have deals close in 2021, especially the types of deals that are more tax-rate sensitive," given the **Biden Administration's** consideration of increased taxes on capital gains and limitations on like-kind exchanges under Section 1031 of the **IRS** Code.

"No one is looking at taking a risk, waiting for what 2022 will be like compared to 2021 — almost to the point of people wondering, 'How could 2022 be better than 2021?' " McAuliffe said. "However, we have been saying that for the past several years."

For investors, navigating the rushing waters has become decidedly more challenging, as demand pushes prices up and capitalization rates down to market-peak levels.

Frank Roessler, founder and CEO of New York-based **Ashcroft Capital,** said, "Landing the deal you want at the price that makes sense these days feels like winning the lottery. It happens, but it's becoming more and more challenging."

Ashcroft owns 8,309 units in Florida, Georgia and Texas, and is looking to enter new Sun Belt markets such as the Carolinas.

Roessler said in the current climate, his firm expects to buy eight to 10 properties a year. To do that, however, "we're probably making 15 offers for every one property we acquire. And we're underwriting 400 or 500 properties per year," he said. "If at first you don't succeed, keep your head down and don't let the market push you to accept a good opportunity at the wrong price. Eventually, if you work hard enough, you'll get one that makes sense."

Helping fuel investor demand: Rents are growing at rates that haven't been seen in decades, said **Paul Fiorilla,** director of research at **Yardi Matrix.** Year to date through July, he said, the national average asking rent rose 8.3%. And in 13 of the top 30 metropolitan areas, asking rents were up by more than 10%, led by Phoenix (18.9%), Tampa (16.4%), Las Vegas (16.1%), California's Inland Empire (14.8%) and Atlanta (14.5%).

Not surprisingly, some of those markets were among the most active in the first half, according to the Deal Database. Leading the list were the Atlanta area, with $5.64 billion of sales (up 156%); Greater Phoenix, $5.25 billion (up 198%); and Central/Northern Florida, $5.04 billion (up 59%). The Denver area was fourth at $3.84 billion (up 115%), followed by North Carolina with $2.83 billion (up 59%).

There was a shift away from high-priced urban markets — most dramatically New York, where first-half sales plunged 45% to $1.1 billion. Once a perennial top market, and fourth last year, New York fell out of the top 10 for the first time, landing in 15th place. Among the 20 most active markets, it was the only one to see a drop in sales.

While rapid rent growth is encouraging buyers, it's causing some would-be sellers to hit the pause button.

"Some are saying we're capturing something pretty extraordinary right now, so we might as well take advantage of it and hold off on selling a little bit longer," Newmark's Okland said.

After selling $1.3 billion of apartment properties last year, Bahrain-based **Investcorp** is among those pumping the brakes on dispositions.

"We're net buyers this year, instead of sellers, because we had 18 months of flat rental rate growth and we want to take advantage of the 10% to 15% increases in rent we're [now] seeing,"

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RANKINGS

Top Brokers of Multi-Family Properties in the First Half

Brokers representing sellers in deals of at least $25 million

		1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)	1H-20 Amount ($Mil.)	No. of Properties	Market Share (%)	'20-'21 % Chg.
1	CBRE	$10,890.5	177	20.1	$8,766.3	144	26.8	24.2
2	Newmark	9,388.2	169	17.4	6,073.6	120	18.6	54.6
3	JLL	6,909.7	116	12.8	6,126.5	122	18.7	12.8
4	Eastdil Secured	5,227.0	63	9.7	1,435.6	23	4.4	264.1
5	Cushman & Wakefield	4,992.1	143	9.2	2,653.6	66	8.1	88.1
6	Berkadia	4,096.3	82	7.6	897.4	25	2.7	356.5
7	Walker & Dunlop	3,997.0	58	7.4	1,647.7	29	5.0	142.6
8	Marcus & Millichap IPA	3,988.3	82	7.4	2,017.4	43	6.2	97.7
9	NorthMarq	1,321.0	20	2.4	212.7	5	0.7	521.0
10	Colliers	809.3	23	1.5	456.0	17	1.4	77.5
11	Transwestern	485.5	7	0.9	183.0	3	0.6	165.3
12	Capstone Apartment Partners	304.1	9	0.6	465.1	18	1.4	-34.6
13	JBM Properties	250.0	4	0.5	0.0	0	0.0	
14	Rosewood Realty	245.4	11	0.5	154.0	2	0.5	59.3
15	ABI Multifamily	196.8	5	0.4	38.0	1	0.1	417.8
16	Meridian Capital	187.0	2	0.3	34.5	1	0.1	442.0
17	Greystone Brown Real Estate	168.6	4	0.3	0.0	0	0.0	
18	BlueGate Partners	144.8	2	0.3	0.0	0	0.0	
19	Mogharebi Group	107.0	3	0.2	126.2	4	0.4	-15.2
20	Kislak Co.	96.0	2	0.2	87.5	2	0.3	9.7
21	Hodges Ward Elliott	94.6	1	0.2	0.0	0	0.0	
22	NAI Global	45.2	3	0.1	0.0	0	0.0	
23	Avison Young	40.7	1	0.1	68.0	1	0.2	-40.1
24	Kiser Group	32.2	1	0.1	0.0	0	0.0	
25	Matthews Real Estate Investment	25.8	1	0.0	0.0	0	0.0	
26	Kidder Mathews	25.8	1	0.0	0.0	0	0.0	
27	Gebroe-Hammer Associates	25.0	1	0.0	134.0	15	0.4	-81.3
	OTHERS	0.0	0	0.0	1,114.7	22	3.4	-100.0
	Brokered Total	**54,093.6**	**982**	**100.0**	**32,691.6**	**660**	**100.0**	**65.5**
	No Broker	5,862.7	196		2,727.8	51		114.9
	TOTAL	**59,956.3**	**1,178**		**35,419.5**	**711**		**69.3**

Apartment ... From Page 14

said **Michael O'Brien,** co-head of North America real estate and head of residential at Investcorp. "We're holding on to our apartments to take advantage of that."

In July, Investcorp bought five multi-family properties totaling 2,228 units in Arizona, Georgia and Texas for approximately $420 million, bringing its total acquisitions over the past 10 months to over $1 billion.

O'Brien, a New York-based managing director, said the latest buzzword in investor circles is "new lease trade-outs" — a measure of the change in rent when one tenant vacates and another moves into that unit. In the early months of the pandemic, he said, "you would start every monthly call asking about collections. Now everyone's first question is, 'What is your new lease trade-out?' " He said that historically, potential buyers would underwrite 3% to 4% rental growth, but today, "people are underwriting 10% to 12% growth for your first year."

JLL's Casas said apartments in coveted Southeast and Southwest markets generally are seeing 5% to 20% spikes in new lease trade-outs.

While the unbridled enthusiasm may seem reminiscent of the runup to the financial crisis of 2007 to 2009, pros insist the market is not overheated, and aren't seeing any imminent risks.

"At the **National Multifamily Housing Council's** annual gathering in San Diego in June, we were trying to identify threats that should temper our positive attitude," CBRE's McAuliffe

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RANKINGS

Multi-Family Property Sales by Market in the First Half

Sales of at least $25 million

		1H-21 Amount ($Mil.)	No. of Properties	1H-20 Amount ($Mil.)	No. of Properties	'20-'21 % Chg.	Top Brokerage in 1H-21
1	Atlanta Area	$5,637.5	94	$2,204.1	61	155.8%	CBRE
2	Phoenix Area	5,253.9	92	1,762.2	32	198.1%	CBRE
3	Central/Northern Florida	5,043.8	87	3,167.2	52	59.2%	Newmark
4	Denver Area	3,840.3	45	1,785.1	27	115.1%	CBRE
5	North Carolina	2,825.2	58	1,775.9	47	59.1%	Newmark
6	Los Angeles Area	2,744.5	35	1,147.5	27	139.2%	Eastdil Secured
7	Dallas Area	2,565.3	47	2,232.1	50	14.9%	JLL
8	South Florida	2,439.0	82	962.5	14	153.4%	Newmark
9	Maryland's D.C. Suburbs	1,788.2	18	1,001.8	9	78.5%	CBRE
10	Baltimore Area	1,594.5	27	243.3	4	555.5%	CBRE
11	Tennessee	1,365.0	21	835.6	17	63.4%	Newmark
12	South Carolina	1,349.5	34	627.0	21	115.2%	Cushman & Wakefield
13	Las Vegas Area	1,303.6	21	494.0	7	163.9%	Newmark
14	Boston Area	1,206.2	20	914.1	17	32.0%	Walker & Dunlop
15	New York City	1,096.3	21	1,985.9	26	-44.8%	Newmark
16	Seattle Area	1,061.6	17	592.1	8	79.3%	Marcus & Millichap IPA
17	Portland Area	999.7	23	361.6	5	176.4%	CBRE
18	Northern Virginia	918.7	15	420.2	6	118.6%	Eastdil Secured
19	Westchester/Fairfield	912.3	13	311.1	6	193.3%	CBRE
20	Austin Area	873.1	14	690.4	15	26.5%	JLL
	OTHERS	15,138.5	394	11,905.9	260	27.2%	
	Total	**59,956.3**	**1,178**	**35,419.5**	**711**	**69.3%**	

Apartment ... From Page 15

said. "The one thing we came up with was the same concern we've all had for the past 10 years, which is rising interest rates or inflation. But no one sees that as a threat in the near term."

He added that "when you review the spread between going-in yields and borrowing costs, the positive leverage is consistent with historical spreads and returns ... and provides a current yield that is very attractive."

Even as cap rates tighten to historic levels, pros said, low borrowing rates make it possible to engineer acceptable returns.

"After sitting on the sidelines for most of 2020, bridge lenders are all hyper-aggressive to put out debt," Roessler said. "As much as people want to buy, debt shops need to lend, and they're offering excellent terms. That's part of how prices are being justified."

Still, some investors said they are treading carefully.

"As a seller, we are enjoying very successful exits — but as a buyer, we have to be more and more cautious that we don't get involved in bidding wars for properties," said Lubeck of American Landmark. "You have to be careful with each individual offer and each individual negotiation and not be too concerned about quote-unquote winning a deal."

Multi-Family Sales

	Amount ($Bil.)	No. of Prop.
2012	$43.3	918
2013	49.3	1,252
2014	67.1	1,503
2015	88.2	1,766
2016	96.7	1,834
2017	93.6	1,719
2018	110.6	2,047
2019	117.0	2,099
2020	88.6	1,695
1H-21	60.0	1,178

In the brokerage race, defending champion CBRE led with a 20.1% market share — but that was down from 26.8% a year earlier and 24% for full-year 2020. CBRE's first-half sales rose 24% to $10.89 billion, while Newmark's jumped 55% to $9.39 billion for a 17.4% share of brokered trades. JLL handled $6.91 billion of transactions, up 12.8% for a 12.8% share.

Eastdil closed $5.23 billion of deals for a 9.7% market share. Its first-half volume was up 264%, catapulting it from last year's seventh-place position to fourth. Cushman

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RANKINGS

Top Multi-Family Brokers by Market in the First Half

	Atlanta Area	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	CBRE	$1,634.1	24	29.4
2	Cushman & Wakefield	1,319.2	25	23.7
3	Newmark	1,019.7	13	18.3
4	Walker & Dunlop	876.5	14	15.7
5	Berkadia	309.5	8	5.6
6	Greystone Brown Real Estate	168.6	4	3.0
7	Eastdil Secured	107.3	2	1.9
8	Colliers International	34.4	1	0.6
9	Marcus & Millichap IPA	31.8	1	0.6
10	JLL	26.5	1	0.5
11	Capstone Apartment Partners	21.3	1	0.4
12	Transwestern	18.8	1	0.3
	Brokered Total	**5,567.5**	**95**	**100.0**

	Phoenix Area	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	CBRE	$1,734.8	22	33.9
2	Marcus & Millichap IPA	1,221.3	21	23.9
3	Newmark	436.5	10	8.5
4	Cushman & Wakefield	377.9	7	7.4
5	NorthMarq	363.4	9	7.1
6	Berkadia	356.3	8	7.0
7	ABI Multifamily	196.8	5	3.8
8	JLL	175.0	2	3.4
9	Colliers	140.9	4	2.8
10	Eastdil Secured	90.3	1	1.8
11	Bluegate Partners	18.8	1	0.4
	Brokered Total	**5,111.9**	**90**	**100.0**

	Central/Northern Florida	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	Newmark	$985.4	14	21.9
2	Walker & Dunlop	671.6	9	15.0
3	Eastdil Secured	505.4	7	11.3
4	JLL	452.5	7	10.1
5	Cushman & Wakefield	446.8	11	10.0
6	Marcus & Millichap IPA	440.2	7	9.8
7	Berkadia	352.9	8	7.9
8	JBM Properties	250.0	4	5.6
9	CBRE	242.1	6	5.4
10	NorthMarq	61.2	1	1.4
11	Capstone Apartment Partners	55.2	1	1.2
12	Rosewood Realty	26.6	3	0.6
	Brokered Total	**4,489.7**	**78**	**100.0**

	Denver Area	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	CBRE	$1,177.6	15	31.4
2	JLL	1,105.7	7	29.5
3	Newmark	666.3	9	17.8
4	Berkadia	370.5	6	9.9
5	Eastdil Secured	242.3	2	6.5
6	Transwestern	133.7	1	3.6
7	Colliers	29.0	1	0.8
8	Marcus & Millichap IPA	25.5	1	0.7
	Brokered Total	**3,750.5**	**42**	**100.0**

	North Carolina	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	Newmark	$1,181.8	24	47.6
2	Cushman & Wakefield	493.0	14	19.9
3	Eastdil Secured	212.2	3	8.5
4	JLL	203.8	4	8.2
5	Walker & Dunlop	152.7	2	6.1
6	CBRE	112.5	2	4.5
7	NorthMarq	82.0	1	3.3
8	Capstone Apartment Partners	45.1	2	1.8
	Brokered Total	**2,483.1**	**32**	**100.0**

	Los Angeles Area	1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	Eastdil Secured	$1,041.3	5	43.1
2	Marcus & Millichap IPA	458.4	14	19.0
3	Berkadia	284.2	3	11.8
4	Walker & Dunlop	274.1	3	11.3
5	CBRE	131.7	3	5.4
6	NorthMarq	83.7	2	3.5
7	JLL	74.2	1	3.1
8	Cushman & Wakefield	70.0	1	2.9
	Brokered Total	**2,417.5**	**32**	**100.0**

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RANKINGS

Top Multi-Family Brokers by Market in the First Half

Dallas Area		1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	JLL	$1,090.8	17	44.4
2	Newmark	559.9	12	22.8
3	Eastdil Secured	400.4	6	16.3
4	Walker & Dunlop	104.4	2	4.3
5	Marcus & Millichap IPA	80.6	2	3.3
6	Cushman & Wakefield	66.1	2	2.7
7	Rosewood Realty	63.0	1	2.6
8	NAI Global	45.2	3	1.8
9	Berkadia	24.5	2	1.0
10	CBRE	20.7	1	0.8
	Brokered Total	**2,455.5**	**48**	**100.0**

South Florida		1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	Newmark	$1,050.0	15	45.4
2	Walker & Dunlop	491.3	5	21.3
3	Cushman & Wakefield	319.2	31	13.8
4	JLL	194.9	3	8.4
5	Berkadia	160.9	3	7.0
6	Hodges Ward Elliott	94.6	1	4.1
	Brokered Total	**2,310.9**	**58**	**100.0**

Maryland's DC Suburbs		1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	CBRE	$884.0	7	52.5
2	Newmark	242.2	3	14.4
3	JLL	230.0	2	13.7
4	Eastdil Secured	170.2	2	10.1
5	Walker & Dunlop	80.8	1	4.8
6	Transwestern	76.0	1	4.5
	Brokered Total	**1,683.2**	**16**	**100.0**

Baltimore Area		1H-21 Amount ($Mil.)	No. of Properties	Market Share (%)
1	CBRE	$868.2	13	55.6
2	Transwestern	184.0	2	11.8
3	Berkadia	139.9	1	9.0
4	JLL	119.0	1	7.6
5	Newmark	98.8	5	6.3
6	Eastdil Secured	67.8	1	4.3
7	Cushman & Wakefield	55.5	2	3.6
8	Marcus & Millichap IPA	27.5	1	1.8
	Brokered Total	**1,560.6**	**26**	**100.0**

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was close behind with $4.99 billion, up 88% for a 9.2% share. **Berkadia** more than quadrupled its first-half sales to $4.1 billion and stood in sixth place.

NorthMarq, which has added 20 investment-sales teams over the last 24 months, made its debut as a top-10 broker by posting a 521% year-over-year increase to $1.32 billion, good for ninth place.

Broker rankings are based on single-property or portfolio transactions that closed in the first six months of 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. ❖

Newly Built SoCal Offices On the Block

Investors are getting a crack at a new office building in Culver City, Calif., leased long term to a large media company.

The property consists of 68,000 sf at 8888 Washington Boulevard. Bids are expected to come in around $95 million. A sale at that $1,400/sf valuation would give a buyer an initial annual yield in the low- to mid-4% range. **JLL** is marketing the property for local player **Runyon Group.**

The four-story building was completed this year. **Technicolor** occupies the office space, which totals just over 62,000 sf. The Paris company's U.S. arm has a lease that matures in July 2031 and is secured by a $4.5 million letter of credit.

Technicolor, which generated $3.5 billion of revenue in 2020, completed a bankruptcy reorganization last September and sold off part of its post-production business in May to strengthen its bottom line. The company is famous for its color-processing technology, which was used to produce early classics including "The Wizard of Oz," "Gone with the Wind" and "Fantasia."

The property has nearly 6,000 sf of ground-floor retail space occupied by **Jeremiah Brent Design** and **Juliette,** a French restaurant.

The building is near a light-rail station on the Metro Expo Line connecting to Los Angeles. It also is adjacent to the Platform, a complex of former industrial buildings that were redeveloped into shops and restaurants with outdoor spaces.

The property has rooftop solar panels, operable windows, balconies and automated parking in an underground garage with 213 spaces.

Culver City, the longtime home to **Sony Pictures,** has become a hub for media and entertainment companies. Local tenants include **Amazon, Apple** and **HBO,** all under long-term leases. Trophy office buildings in the city command rents up to $81/sf. ❖

Fully Leased Florida Rentals Offered

A developer is offering a new garden-apartment complex in Central Florida.

The 250-unit Lodge at Hamlin in Winter Garden is valued at roughly $82.5 million, or $330,000/unit. **Cushman & Wakefield** is marketing the property for local firm **Boyd Development.**

The lakeside complex was completed this year and is fully leased and 98% occupied, at an average rent of $2,033, or $1.89/sf. Marketing materials note there is a waiting list of more than 60 people.

The Lodge consists of 10 two- to four-story buildings on a 13-acre site at 6151 Lake Lodge Drive within the booming 21,000-acre Horizon West master-planned community.

Floor plans include a mix of one- to three-bedroom apartments, townhouses and carriage house units. They have granite counters, wood-style flooring, stainless-steel appliances, washer/dryers and oversized balconies. The average unit is 1,075 sf.

Amenities include a 15,000-sf clubhouse, a pool with a kitchen and a firepit, a two-story fitness center and a lakeside overlook deck with picnic tables and grills.

The property is less than a half-mile from State Route 429 and 7 miles from Walt Disney World. The Lodge is less than a mile from the Hamlin Town Center, home to a **Publix** supermarket, restaurants, a 10-screen movie theater and other entertainment venues. ❖

Valued-Added Offices in NC Shown

A portfolio of four office properties in the Raleigh-Durham area is being billed as a value-added leasing opportunity.

The offering consists of 409,000 sf spread across five buildings that are 65% occupied, with a weighted average remaining lease term of less than three years. The pitch is it offers steady income with the chance to boost returns by recruiting new tenants and lifting rents on expiring leases in improving submarkets.

Pricing is anticipated around $60 million, or $145/sf. A buyer could realize a stabilized capitalization rate of 10% by lifting occupancy above 90%. Seller **Continental Capital** of Virginia Beach would prefer to sell the portfolio intact but will consider offers on individual properties. **Stream Realty** has the listing.

While investors nationally mostly have favored core office plays since the onset of the pandemic, they're willing to take on more risk in regions benefiting from population growth and improving leasing fundamentals, which are largely in Sun Belt states.

Roughly three-quarters of the portfolio's space is in Research Triangle Park, known for its concentration of life-science and technology companies drawn to research universities in the area. Class-A office vacancy there decreased slightly to 90% compared with last year, but asking rents are up 30% since 2016, according to marketing materials.

The three properties in Research Triangle Park have average rents of $22.15/sf, below the Class-A submarket average asking rate of $27.93/sf. They are:

- Concourse (131,000 sf), 1 Copley Parkway, Morrisville. Occupancy: 81%.
- Park40 Plaza (122,000 sf), 1000 Park Forty Plaza, Durham. Occupancy: 70%.
- RDU Center 2 (62,000 sf), 3131 RDU Center Drive, Morrisville. Occupancy: 10%.

The remaining property is a two-building complex with 94,000 sf that's occupied mostly as medical-office space. North Park Medical Plaza 1 and 2 is at 11635 and 11640 Northpark Drive in Wake Forest, in the Six Forks/Falls of Neuse submarket. The property is 67% leased, well below the 97% average in the surrounding submarket, where Class-A vacancy tightened over last year.

Tenants across the portfolio include **Consilio, Duke University, GlobalFoundries, MetaMetrics, Raleigh Radiology, Spectrum** and **WakeMed Health and Hospitals.** ❖

Whole Foods in Santa Monica Pitched

A **Whole Foods** supermarket in Santa Monica, Calif., is on the block and expected to command just over $57 million.

The high-end grocer fully leases the 29,000-sf property under a triple-net lease with 16 years remaining. At the estimated value, a buyer's initial annual yield would be 3.25%. **JLL** is shopping the property for **Patrick Tooley,** a local investor.

Whole Foods has occupied the property since it was completed in 2017. Despite the lengthy lease term, there is some income growth: The rent increases 10% every five years from when the 20-year lease began. The supermarket chain is owned by **Amazon,** and the marketing campaign is touting the online giant's A1/AA/AA- credit rating from **Moody's, S&P** and **Fitch.**

The store is on 2 acres at 2121 Cloverfield Boulevard, near that road's intersection with Pico Boulevard, where 36,000 vehicles pass each day. It's also only a few blocks from Interstate 10. The store has 127 parking spaces.

There are 529,000 residents with an average annual household income of $167,000 living within 3 miles. **Santa Monica College,** which has 30,000 students, is nearby. The median residential home value is $1.3 million, and many houses sell for more than $3 million, according to marketing materials. ❖

Giants ... From Page 1

buyers this year, was acquired by **Ares Management** of Los Angeles in an $11.6 billion deal last month.

The portfolio is mostly well-occupied but includes six warehouses that are under construction and not yet leased. The lower occupancy set it apart from most huge warehouse offerings recently, which have had little vacancy — a feature now sought by some investors amid surging rental rates.

The buildings still under construction total 1.8 million sf. Two in Dallas account for just over half of that space, with the remainder in Tampa and Las Vegas. The rest of the portfolio was about 90% occupied when the listing launched, though pending leases are expected to boost that before a sale closes.

More than half of the buildings were built before 2000.

About a third of the space in the portfolio is in Texas, with warehouses in Dallas (1.5 million sf), San Antonio (792,000 sf), El Paso (360,000 sf) and Houston (168,000 sf). The other properties are in Atlanta (1.2 million sf), Chicago (1 million sf), Southern California (901,000 sf), Tampa (867,000 sf), Nashville (457,000 sf), Indianapolis (445,000 sf), Charlotte (351,000 sf), Las Vegas (310,000 sf), Jacksonville (283,000 sf) and Baltimore (278,000 sf).

This is the second time in recent weeks that Black Creek was the victor in a bidding war for a massive industrial portfolio. In July, the firm, via its Industrial REIT 4, paid San Francisco-based Prologis $920 million, or $114/sf, for an 8.3 million-sf package that was 96.4% leased. The portfolio, which was marketed by **CBRE** in four separate packages, initially totaled 8.1 million sf and was expected to fetch $855 million, or $106/sf.

If it closes, Black Creek's purchase of the Nuveen portfolio would be one of the largest U.S. industrial trades since 2019. A pending Blackstone purchase would be the largest, as previously reported by **Real Estate Alert** and sister publication **React News** of London. The New York investment titan agreed to pay **Cabot Properties** $2.2 billion, or just under $150/sf, for a 15 million-sf industrial portfolio last month. CBRE and Eastdil are advising Boston-based Cabot.

The Nuveen deal came just days after Ares finalized its acquisition of the longtime industrial player in a blockbuster deal that underscored the intense demand for presence in the sector. Black Creek owns 89.9 million sf of commercial real estate, of which 52.7 million sf is industrial, according to its website.

The crowded bidding field included the three top industrial players – Prologis, Blackstone, and EQT Exeter — as well as two that are making strides to build their market share. In December, San Francisco fund operator Stockbridge teamed up with South Korea's **National Pension Service** to acquire a 14.3 million-sf industrial portfolio from Dallas-based **Hillwood** for about $2 billion, or $140/sf. Meanwhile, Dalfen, a Dallas fund shop, is in expansion mode, with plans to quadruple its industrial assets under management to $10 billion within the next five years. ❖

Starwood ... From Page 1

renovations take place. Leases signed in July carry rates 15% higher than previous in-place levels, with the momentum showing no signs of slowing in August.

The portfolio is on the market as a rare opportunity to buy 12 Class-B workforce apartment communities, which cater to middle-income professionals. Residents typically include essential workers such as police officers, teachers and nurses, as well as employees of retail, lodging and leisure businesses.

That segment of the population often rents out of necessity due to high home-ownership costs, making workforce housing a resilient asset class with long-term tenant demand. Occupancy rates and rent growth in the sector have outperformed those of the overall multi-family market for years, with industry professionals historically viewing it as recession-proof.

Workforce-housing properties performed well through the Great Recession and have held up amid the coronavirus crisis. With the pandemic boosting tenant demand for less-expensive apartments, in turn, Starwood's listing is expected to attract strong investor interest.

The company has been active as a buyer and as a seller of multi-family properties this year. In addition to the Florida portfolio, it is shopping a bundle of 13 properties with 4,204 units in Colorado, Florida and Texas. That package has an estimated value of more than $1 billion, or $238,000/unit. **Eastdil Secured** has the listing.

In May, Starwood agreed to purchase a portfolio of mostly Sun Belt properties totaling roughly 5,200 units for $1.2 billion, or $231,000/unit, from Atlanta fund operator **Centennial Holding.**

Starwood's latest listing comes on the heels of at least a half-dozen massive offerings of multi-family portfolios this year. In most cases, sellers have been betting that buyers will pay premiums for bulk acquisitions that allow them to deploy allocations before yearend.

Meanwhile, competition from bidders has been fierce after more than a year of uncertainty stemming from the pandemic, with low interest rates, surging rents and high occupancy levels aiding their enthusiasm.

The largest apartment portfolio currently on the market, with a value topping $3.5 billion, contains nearly 10,000 units spread among 30 properties, mostly in Sun Belt and West Coast markets. Eastdil is advising the seller, **Greystar Real Estate** of Charleston, S.C.

Other giant offerings include a 3,400-unit package from **Bell Partners** of Greensboro, N.C., valued at roughly $1 billion, or $294,000/unit. The 11 properties are in Florida, Georgia, Maryland, Texas and Virginia. Eastdil has that listing as well.

Middle Street Partners and family office **InTech Group,** both of Charleston, also have teed up 4,102 units across 15 properties in the Carolinas, Georgia and Florida. That package has an estimated value around $152,000/unit, or $624 million. Eastdil has the assignment. ❖

Starwood Apartment Portfolio

Central Florida

Property	City	Built	Units
Twelve Oaks at Windermere, 6025 Oakshadow Street	Orlando	1991	560
Ashford at Altamonte Springs, 520 Terraceview Cove	Altamonte Springs	1988	496
Verona at Valencia Park, 1601 South Kirkman Road	Orlando	1992	370
Bishop Park, 3250 Bishop Park Drive	Winter Park	1991	324
Mission Bay, 3378 Mission Lake Drive	Orlando	1990	304
Heron's Run, 175 Herons Run Drive	Sarasota	1990	274
Perico, 11001 Bristol Bay Drive	Bradenton	1990	256
McIntosh, 4449 Mcintosh Park Drive	Sarasota	1990	212
Valencia Plantation, 4928 East Michigan Street	Orlando	1990	194
Springs Colony, 264 Springs Colony Circle	Altamonte Springs	1986	188

South Florida

Property	City	Built	Units
Gardens East, 2750 Rio Vista Boulevard	Palm Beach Gardens	1991	448
Park Place at Turtle Run, 3600 Terrapin Lane	Coral Springs	1989	350

ON THE MARKET

Multi-Family

Property	Size	Estimated Value	Owner	Broker	Color
840 Fulton Street, Brooklyn	39 units, 100% occupied	$30 million, $769,000/unit; Yield: 4.5%	Daten Group, New York	JLL	Completed in 2019, the seven-story elevator building has studio to two-bedroom units that average 692 sf. Average rent: $3,000, or $4.33/sf. The property has a tax abatement and 80% (31) of units are market-rate. The remainder will revert to market-rate upon expiration of the abatement. There's one ground-floor retail unit occupied by Wholesome Farms Market.

THE GRAPEVINE

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joined as head of capital markets and **Taryn Crawford** came aboard as a director. Both are in New York for Tampa-based American Landmark and report to global head of capital markets **David Tepperman.** Bauch was a partner overseeing real estate mandates at Mercury, a New York placement agent she joined in 2017. Her previous employers include **BlackRock** and **Merrill Lynch.** Crawford was a vice president at Mercury, where her clients included American Landmark.

Bridge Investment's new industrial unit, Bridge Logistics Properties, continues to expand, picking up another two investment pros last month. **Will Gilkeson** is based in New York and targets acquisitions and development in the Northeast. He came from **Lift Partners,** where he spent two-and-a-half years. Gilkeson also had stints at **Cushman & Wakefield** and **JLL.** Meanwhile, **Kelan Padgett** is based in Dallas and focuses on the Central U.S. He came from **Dalfen Industrial,** where he spent three years. Both are vice presidents. Bridge, of Salt Lake City, announced the industrial division in June and its hires include former **Brookfield** industrial executive **Jay Cornforth** as CEO.

Justin Burns joined **IDI Logistics** in New Jersey this month as a Northeast market officer. He came from **Penwood Real Estate Investment,** where he spent almost four years and left as a vice president of acquisitions. Burns also spent two years at **EQT Property** and had stints at **Chambers Street Properties** and **Vision Properties.** At Atlanta-based IDI, a joint venture between **Ivanhoe Cambridge** and **Oxford Properties,** Burns reports to **Matt Breaux,** a senior vice president. Breaux, the company's East region director, joined in March after 14 years at **Black Creek Group.**

Davis Cos. last month hired its first director of research. **Carlos Ortea** works with the firm's acquisitions, asset-management and development teams, based at the shop's Boston headquarters. He reports to co-president **Stephen Davis.** Ortea most recently served as head of real estate investment research for the Americas at **Aberdeen Standard Investments.** He had prior stints at **Bentall Kennedy** and **PGIM Real Estate.**

Josh Goldfiner joined **MJW Investments'** Santa Monica, Calif., headquarters last month as an acquisitions analyst focused on multi-family properties. He works with head of acquisitions **Tony Cianciolo,** who joined in May after nearly seven years at **Hamilton Zanze.** Goldfiner was previously at **Glacier Equities** of New York. MJW, which invests in urban-renewal projects focused on apartments and student housing, also hired **Dustin Young** last month as a vice president.

Lucern Capital added an analyst last week. **Matthew Sulfaro** joined the Red Bank, N.J., firm from **Benefit Street Partners,** where he worked for just over a year. Lucern is investing via its planned $25 million Lucern Philadelphia Value Fund 1, which targets multi-family and mixed-use properties in the Philadelphia area. Executive-search firm **J. Shaw Enterprises** arranged the hire.

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