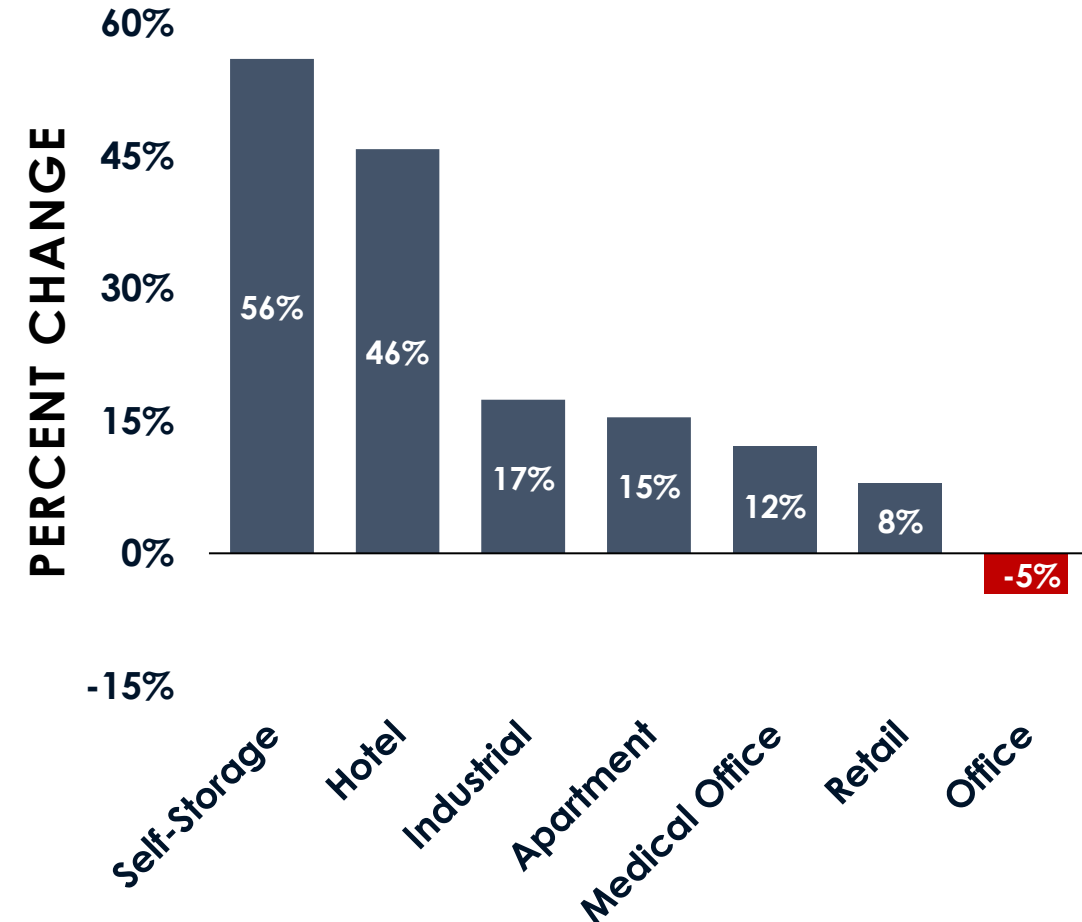


WILL 2021 DELIVER RECORD CRE TRANSACTIONS?

- **CRE Sales Activity Surpassing Pre-Pandemic Levels**
 - Through 3Q this year, CRE transactions are up 13% over same period in 2019; up 64% over same period in 2020
 - **Self-Storage** and **Hotel** transactions exceeded 2019 levels by 56% and 46%, respectively
 - Only **Office** is lagging below 2019 transactions, -5%, but **Medical Office** subsector is up by 12%
- **What's Driving Record CRE Transactions?**
 - Strong liquidity allows investors to resurrect delay and deferred transactions in 2020
 - Elevated inflation also drawing new investors as some property types can quickly adjust rents to offset inflation
- **Aggressive Sales Climate Putting Upward Pressure on Prices**
 - Average CRE prices are up 12% over 2019 levels; **Industrial** leads with a 22% rise, followed by **Apartment** at +12%
 - National cap rates down about 30 bps, some markets and property types seeing record low cap rates
 - While some subsectors are still recovering, overall CRE performance in 2021 has offset the hit in 2020

CRE Transactions in First 3 Quarters of 2021
Exceeding Same Period in 2019



Marcus & Millichap