Green Street

Real Estate Alert

THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

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THE GRAPEVINE

Former **Blackstone** executive **Olivia John** has resurfaced with her own apartment-investment shop, **Osso Capital**. John spent 13 years at Blackstone, most recently as a managing director in its U.S. multi-family business. She helped launch **LivCor,** Blackstone's portfolio company focused on apartments. John left the investment giant a year ago and just completed a 12-month gardening leave. At New York-based Osso, she is chief executive and chair of the

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Pros See Warehouse Mega-Deals on Upswing

Big industrial deals are back — in a big way.

Even as warehouse sales outperformed the other major property sectors last year, owners were reluctant to test the market with very large offerings, and lenders and buyers were cautious about making blockbuster bets amid economic uncertainty. But the tide began to turn in the fourth quarter — and 2021 already is seeing deals near $1 billion.

Market pros say surging investor demand in the sector is driving prices up and setting the stage for more large-scale transactions.

"Portfolios will hit the market in 2021, and there is probably an embedded premium that can occur on those deals," said **Jack Fraker, CBRE's** national industrial chief. "Smart aggregators that bought well-located industrial properties one at a time over the years are getting paid off for their diligence."

The sector is benefiting from an influx of new buyers, including foreign and

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Land Sales Dip 7%; CBRE Retakes Top Spot

Raw-land sales handled by commercial real estate brokerages fell 6.6% last year, a relative bright spot amid a down year for property sales.

Just over $5.5 billion of land deals closed in 2020, down from $5.9 billion a year earlier. It was still the second-best year since **Real Estate Alert** began tracking land sales of $10 million and up in 2017. The asset class outperformed the income-producing real estate market as a whole and trailed only the industrial sector, which saw a 2.5% drop in sales.

CBRE reclaimed its crown as the top broker, advising on $1.9 billion of sales, for a market share of 34.7%. **Cushman & Wakefield** came in second, working on $1.1 billion of sales, for a 19.1% share. The two firms have flipped the top two spots each year since Real Estate Alert began running the league table.

RBC — with just one massive deal — placed third, credited with $666.5 million and a 12% market share. **JLL** ($458.7 million, 8.3%), **Eastdil Secured** ($365.1 million, 6.6%) and **Newmark** ($334.2 million, 6.0%) rounded out the top six. No other firm

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Korean Group Acquiring Stake in DC Offices

A South Korean syndicate has agreed to buy a 49% stake in a Washington office complex in a deal that values the trophy property at $980 million.

The 869,000-sf Midtown Center is fully leased and includes **Fannie Mae's** headquarters. The pending sale would be the largest office transaction in Washington since the onset of the pandemic. **JLL** is representing the local owner and developer, **Carr Properties.**

The valuation of $1,128/sf would translate to a 4.7% capitalization rate for the syndicate of unidentified investors, based on in-place income when the property hit the market late last year. That's in line with comparable pre-pandemic trades: Top-tier office properties were selling at capitalization rates of 4.75% to 5% in the second half of 2019, according to a **CBRE** report.

The pricing reflects investors' continued exuberance for high-quality assets

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Venture Eyes Massive Office Spree

A nascent investment shop backed by **Monarch Alternative Capital** is planning an office-buying binge.

Tourmaline Capital Partners of New York was founded last month by former **Rubenstein Partners** pros **Brandon Huffman, Jeff Fronek** and **Jonathan Jacobs.** Monarch, a New York-based hedge fund manager, had $8.7 billion of assets under management at yearend.

The size of Monarch's commitment to Tourmaline is unclear, but market pros have been told that Tourmaline is looking to buy at least $2 billion of office buildings over the next 24 months.

Office sales cratered last year, with just $60.6 billion of large office properties changing hands, down 45% from $109.7 billion in 2019. That was the lowest volume of trades since 2012, when the market was recovering from the global financial crisis, according to **Real Estate Alert's** Deal Database, which tracks sales of $25 million and up.

Amid the economic fallout from the coronavirus crisis, office buyers gravitated toward single-tenant properties and those leased to technology, medical and life-science tenants. A lack of clarity around the potential for a long-term shift to working from home has made valuations for multi-tenant buildings unclear and thus has scared off many buyers.

Tourmaline is telling market pros that it's looking to take advantage of what it sees as temporary — and possibly short-lived — dislocation in the office market created by the pandemic. The shop sees the most opportunity in the Sun Belt and secondary markets, where the ongoing demographic shift that has accelerated since the crisis is expected to drive demand for office space.

While Tourmaline is targeting office buys, its first deal was for a loan on a redevelopment project in downtown Minneapolis. It recently formed a joint venture with **Crestlight Capital** to buy a $78 million performing mezzanine loan on the Dayton's Project, a 12-story former Macy's department store that is being converted to office and retail space by a **601W Cos.** partnership. It bought the loan on the 1.1 million-sf project from **Angelo, Gordon & Co.** of New York. The project, at 700 Nicollet Mall, is expected to cost around $400 million.

Tourmaline is telling market players that the mezzanine loan purchase demonstrates that it can invest up and down the capital stack. The partnership with Detroit-based Crestlight is an example of how the firm will look to partner with local and regional operators.

Chief executive Huffman and chief investment officer Fronek are managing principals at Tourmaline. Jacobs is a principal and chief operating officer.

At Philadelphia-based Rubenstein, Huffman was a managing principal and portfolio manager. He spent nearly 13 years at the firm, with a prior stint as an analyst at **Wachovia.**

Fronek was at Rubenstein for seven years, leaving as a director of acquisitions. He previously worked at **Merrill Lynch** and **Ernst & Young.**

Jacobs was at Rubenstein for nearly six years, leaving as a vice president. He has also worked at **KTR Capital** and **PricewaterhouseCoopers.**

Monarch Alternative Capital was founded in 2002 and spun off from **Quadrangle Group** in 2008. It is led by former **Lazard** executives **Andrew Herenstein**, **Christopher Santana** and **Michael Weinstock.** The shop focuses on opportunistic credit and distress across corporate debt, real estate and special situations. ❖

PGIM Lists Core DC Office Property

PGIM Real Estate is shopping a Class-A office building in Washington that is almost fully leased.

The 396,000-sf building at 1015 Half Street SE is expected to fetch bids in the vicinity of $220 million, or $556/sf. A sale at that valuation would produce an initial annual yield of about 5.5%. **Eastdil Secured** has the listing.

The property fits the core profile currently in high demand from investors. It has high-quality finishes and amenities, no near-term lease rollovers and a tenant roster consisting of credit-rated entities and government agencies.

The building is 96% occupied, with a weighted average remaining lease term of 6.8 years. Rents in the building are projected to be some 20% below average asking rates upon expiration.

The city government recently signed a deal to occupy the top floor of the 10-story building and will move into its space later this year. Washington's **Homeland Security and Emergency Management Agency** and **Office of the Deputy Mayor for Planning and Economic Development** also occupy space in the property, as do **Entercom Communications** and the **National Labor Relations Board.**

The 2011-vintage building includes a two-story lobby, a rooftop terrace with an urban garden, a high-end fitness center and 12,000 sf of ground-level retail space. The Navy Yard-Ballpark Metro station is within a block of the property.

Occupancy at 1015 Half is just slightly above the 95.4% average rate for offices in the Capitol Riverfront submarket, which has benefited from a surge of development in recent years. That has brought more offices, residences, shops and restaurants to the area, which includes the home stadium of the **Washington Nationals** baseball team.

PGIM acquired the property upon its completion. The firm briefly shopped the building in 2019 when it was 89% occupied but pulled it back to continue leasing up vacant space.

Since the pandemic struck a year ago, office sales have been weak in Washington and other major cities, where social-distancing requirements enacted to curb the virus' spread emptied out offices. But investors are returning to the table, with enthusiasm on the rise for core assets that don't require near-term leasing work or renovations. ❖

JLL: Big Yields on Small Warehouses

With the industrial sector running hot, small urban warehouses with multiple tenants are emerging as a big investment opportunity, according to **JLL.**

In a report to be released this week, the firm says those buildings can offer higher yields than the large, single-tenant distribution centers most in favor with investors currently. The brokerage studied "multi-use logistics" buildings that range from 20,000 sf to 100,000 sf and can contain distribution, showroom, research and development, and manufacturing space. They are often older, built in the 1960s to 1980s, and have multiple tenants, typically local businesses.

The niche accounts for only 15% of U.S industrial space overall, and has grown just 5.1% since 2010, compared with 12.2% for the entire sector, including flex space. The key reasons: Most industrial construction is focused on larger properties, and developable land is scarce in urban areas. Also, older warehouses are frequently converted into more valuable property types.

Those factors create "huge potential upside on rent growth", according to **John Huguenard,** co-head of JLL's national industrial capital markets team. Triple-net rents for multi-use logistics properties have increased 54.3% since 2010, outpacing the 41.8% growth overall. The niche has posted rent gains of 21% since 2017 alone. JLL projects the subset will continue outpacing the sector at large.

"With new yield-focused investors entering into the industrial space," Huguenard said, multi-use logistics buildings are "desirable as an alternative to the ever-tightening bulk industrial market."

Industrial properties have become a safe haven during the pandemic, drawing many new investors from other asset classes. But most have been focused on core assets — single-tenant, new-construction, big-box or "last-mile" distribution buildings — pushing down capitalization rates. The overall average cap rate for U.S. industrial properties was 5.67% last year, down from a 6.09% five-year average, according to JLL. The most-coveted distribution centers can command yields of 4% or lower in many markets.

That leaves an opening for yield hunters. In 2020, the average cap rate for multi-use logistics sales was 6.62%, not far off the 6.72% average for the past five years, JLL said.

The tenant profile of smaller, urban warehouses is also attractive. Many tenants serve the surrounding area and need to remain local, meaning they aren't likely to look for space elsewhere. Others are seeing sales growth as e-commerce has accelerated amid the pandemic. Leases on smaller properties are typically less than three years, allowing owners to capture rent growth in the near term, according to the report.

Multi-use logistics space was 93.3% occupied at yearend, up from 86.7% a decade earlier. The occupancy gain for all industrial in the same period was not as dramatic, moving to 94.5% from 90.6%, according to JLL.

The owners of such properties are typically private investors. Only 19% are owned by public REITs or institutional investors, compared with 49% for buildings over 200,000 sf, JLL said.

"The highly fragmented ownership … creates difficulties for investors attempting to enter the asset class with large amounts of capital," **Peter Kroner,** a manager in JLL's national industrial capital markets research group, said in the report. He added that "aggregating a portfolio of these types of holdings is a very tedious process."

JLL recently began shopping a portfolio of "multi-use" logistics buildings in the Houston market. The nine Class-B buildings, totaling 658,000 sf, are expected to fetch $87/sf, or $57.5 million, according to market pros. A sale at that price would give a buyer an initial annual yield of 5.5%.

The package is 97.3% leased, with the average tenant leasing 32,000 sf. In-place rents average 11.7% below market, and leases on 79% of the space mature within five years. The pitch is a buyer could raise rates upon rollover and lease up vacant space to boost net operating income 18% in five years. The buildings, spread across Houston's Northwest, Northeast and Southeast submarkets, were developed between 1973 and 1982. The seller is a partnership between **Triten Real Estate** of Houston and **Thackeray Partners** of Dallas.

Late last year, JLL also brokered the sale of a 282,000-sf multi-use logistics property in Atlanta for $38.5 million, or $137/sf. The buyer was Boston-based **Albany Road Real Estate,** and the seller was a joint venture among Atlanta-based **Ardent Cos.** and the New York firms **Taconic Capital** and **Axonic Capital.**

The four-building business park, in the Cumberland/Galleria submarket, was 87% leased to 36 tenants, with an average suite size of 6,500 sf. The sellers had recently renovated the property, which has ceiling heights of 14 to 18 feet, a new roof and 34 dock-high doors. ❖

Gulf Coast Rentals Up for Grabs

A developer is shopping a garden-apartment complex in Southwest Florida.

The 296-unit Milano Lakes, at 3713 Milano Lakes Circle in southeast Naples, could attract bids exceeding $79 million, or $267,000/unit. **Cushman & Wakefield** is representing owner **FL Star,** a Fort Myers, Fla., firm led by onetime **Toll Brothers** executives **Gary Hains** and **David Torres.**

The complex, completed in 2018, consists of eight four-story buildings. It is 94% occupied and 96% leased. The average unit has 1,190 sf and rents for $1,659, or $1.39/sf.

The apartments have one to three bedrooms and feature open floor plans, granite counters, stainless-steel appliances and washer/dryers. Amenities include a pool, a jacuzzi, two clubhouses and two dog parks.

The average household income within 1 mile is $109,293.

The complex is on a 23-acre site off Collier Boulevard, near U.S. Route 41 and Interstate 75. There are several high-end neighborhoods in the area, along with parks, golf courses, and shopping, dining and entertainment venues. ❖

Apartment Shop Forms Hotel Fund

Longtime apartment investor **Electra America** is stepping into the hotel game, seeking to capitalize on an expected wave of buying opportunities.

The firm is teaming up with **AKA,** a luxury, extended-stay hotel group owned by **Korman Communities** of Plymouth Meeting, Pa., to raise $500 million of equity for an opportunistic hotel investment fund.

The venture, called Electra America Hospitality Group, aims to acquire distressed properties at discounted prices. It started talking to investors five months ago and is about halfway to reaching its equity target. The fund is expected to close before December 2021. Based in Lake Park, Fla., the venture will be run by veteran hospitality pro **Russ Urban** as CEO.

With leverage, Electra America Opportunity Fund is expected to have some $1 billion in buying power. It will target a 20% return via acquisitions of distressed and foreclosed hotels over the next two years. "We think speed is important because of the dislocation in the market," Urban said.

The fund is focusing on independent hotels unencumbered by either brand or management agreements in urban gateway markets including Los Angeles, Miami, New York, Washington, Toronto and London — among the hardest hit in the current downturn. Target properties will have between 100 and 300 rooms.

The hotel business has been among the hardest hit amid the economic downturn triggered by the pandemic. Social-distancing requirements brought leisure and business travel to a halt starting last March, sending occupancy levels to new lows. Conditions are expected to improve in 2021, but market pros still expect to see a number of forced hotel sales and foreclosures.

"The most successful ventures I've been a part of in my career result from taking a somewhat contrarian approach and choosing acquisition targets before it's crystal clear when and where markets are going to recover," Urban said. "It comes down to a basis play. Our goal is to purchase at a significant discount to replacement cost and to pre-pandemic values."

While AKA will manage all the hotels and is a co-general partner with Electra in the fund, only selected properties will carry the AKA flag, Urban said.

Urban described the fund's acquisition strategy as "very flexible." He said the fund can buy distressed debt as a way of assuming control of properties. It could also consider properties on ground leases as well as tri-party agreements with existing lenders and owners.

Urban said the venture is also allocating funds to help support properties with operating shortfalls in the near term.

"It's going to take two to three years before we get back to a normalized operating level," he said. "Our entire business plan assumes that a large number of the hotels we buy will be closed, so not only are we going to have to budget dollars for operating deficits, but for interest reserves, and considerable money for capital improvements. A lot of hotels are capital-starved right now. … We're going to take advantage of the downtime in this operating cycle to renovate."

Electra America, also based in Lake Park, is a partnership between the **Lubeck** family and a subsidiary of Israel-based **Electra Real Estate,** which trades on the Tel Aviv Stock Exchange. **Joe Lubeck** is CEO of both Electra America and Tampa-based multi-family shop **American Landmark Apartments.** ❖

NYC Industrial Property Hits Market

A **Goldman Sachs Asset Management** team is marketing a fully leased warehouse near a major food distribution center in the Bronx.

The 145,000-sf property at 1080 Leggett Avenue will be used for "last-mile" grocery distribution by an unidentified Fortune 50 company. Bids are expected to hit $120 million, or $827/sf. **JLL** has the listing for Goldman and its partner, **Blumenfeld Development** of Syosset, N.Y.

The Goldman team recently completed a $6 million renovation of the warehouse, which has 19 loading docks, 22-foot ceilings and 60,000 sf of parking.

The tenant has a triple-net lease that matures in 2030. In-place rents are below market and increase 3% annually. The company has not taken occupancy as it is currently making $10 million of additional improvements to the property. Upgrades include converting a significant portion of the space to cold storage, a hot commodity among tenants and investors amid surging growth in online grocery sales.

The marketing campaign touts the property's location just 2 miles from the **Hunts Point Food Distribution Center,** the largest food distribution hub in the city, and adjacent to the **Oak Point Rail Yard.** The surrounding demographics are also strong: There are 10.3 million residents with an average income of $112,000 within 15 miles of the property, according to marketing materials.

Class-A and -B industrial space in the Hunts Point submarket is 98% leased, according to JLL. Class-A cold-storage space is fully occupied.

A sale at the estimated value would cap a strong play by the Goldman team. The duo paid **Advantage Wholesale Supply** $38.5 million, or $267/sf, for the property in May 2019, according to **Real Estate Alert's** Deal Database. **CBRE** and **Pinnacle Realty** brokered the deal. The Goldman team then landed the tenant to fully lease the vacant building.

Warehouses in land-starved New York City go up for grabs infrequently and thus command a premium. There were only 10 industrial trades worth at least $25 million in the city last year, totaling $709.4 million, according to the Deal Database. The average price on those transactions was $421/sf, more than four times the national average of $105/sf.

The New York City industrial market is relatively small for such a major market, as most local distribution space is in the suburbs. The city's outer boroughs have just 107 million sf of warehouse and distribution space, compared with 570 million sf in neighboring New Jersey, for example, according to JLL research reports. ❖

Harbor Pitches South Fla. Apartments

A luxury apartment property in South Florida is on the market with an estimated value of $210 million.

The complex, City Center on 7th, consists of 700 units at 10170 SW 7th Street in the southern Broward County city of Pembroke Pines. The estimated value comes to about $300,000/unit. **Cushman & Wakefield** is representing the owner, **Harbor Group International** of Norfolk, Va.

The property has 12 garden-style buildings with a combined 500 units and 28 townhouse buildings with 200 units. The one- to three-bedroom apartments are 96% occupied with an average rent of $1,996, or $1.75/sf.

The pitch is that a value-added investor could boost rents by renovating the units and amenities, which still have their original finishes.

The property was built in two phases in 2014 and 2015. The units average more than 1,143 sf, larger than most in the area, according to marketing materials. The apartments have nine-foot ceilings, open floor plans, walk-in closets and washer/dryers. The townhouses have direct-access garages.

Amenities include a clubhouse with a LEED gold designation, two pools, a fitness center, a business center and a demonstration kitchen.

The property is part of a 47-acre redevelopment area in downtown Pembroke Pines that includes a mix of retail, office and residential space. It is 18 miles southwest of Fort Lauderdale and 20 miles north of Miami.

Harbor bought City Center on 7th in 2017 from **AVR Realty** of Yonkers, N.Y., for $158.5 million, or $226,000/unit. Cushman also brokered that sale. ❖

Luxury Atlanta Hotel Up for Grabs

GEM Realty is quietly marketing the recently renovated W Atlanta Midtown hotel, with expectations that bids will reach about $175 million.

The Chicago fund operator has approached a handful of investors about a potential sale of the 466-room luxury property, with guidance at approximately $375,000/room. The pitch is that a buyer would be able to ramp up a recently renovated hotel in a prime location as the market recovery gains steam. **CBRE** has the listing.

The hotel is among the largest in North America to fly the W Hotel flag, a luxury chain operated by **Marriott International.** It opened in 2009, and GEM acquired it six years later for $100 million. In 2018, the fund operator launched a sweeping renovation of the property — its first major update in a decade.

In a nod to Atlanta's abundance of trees and its moniker, "a city in a forest," the lobby, lounge and common spaces were redesigned with lush green and floral motifs. The updates, which also included the restaurant, event space and guest rooms, were completed in mid-2019.

The hotel was just starting to accelerate operations after the renovations when the pandemic struck last year. Social-distancing and travel restrictions caused occupancy rates to plummet nationwide. Full-year tallies for luxury hotel performance in Atlanta's central business district aren't available due to missing data in April and May. But in June, occupancy in the submarket's top hotels was an abysmal 6.5%, according to **STR.** Last month, luxury hotels were 24.7% occupied, and rates were down 6.1% to an average of $227.78/room, as compared with January 2020. Revenue was down 65.4%, to an average of $56.35 per room.

The W Atlanta Midtown, at 188 14th Street NE, is within a block of Piedmont Park. It is in the city's Midtown submarket, where a growing cluster of technology firms has spurred development of offices, residences, shops and restaurants.

Hotel buyers are growing more bullish on prospects for a market recovery to start this year. They are particularly keen on properties in Sun Belt states, which, thanks to population growth, a balmy climate and accessibility by car, are expected to rebound faster than those in other parts of the country.

Case in point: **Crescent Real Estate** of Fort Worth, Texas, paid $157 million in September for the Hotel at Avalon, a 330-room luxury hotel in the Atlanta suburb of Alpharetta. **Hodges Ward Elliott** brokered the sale on behalf of the seller, local developer **Stormont Hospitality.** ❖

Builder Re-Lists South Fla. Rentals

A recently built apartment complex in Palm Beach County, Fla., is back on the market after the developer pulled an earlier listing amid the onset of the pandemic.

The 341-unit building, in downtown Boynton Beach, is expected to attract bids around $100 million, or $293,000/unit. **Newmark** is representing the seller, **LeCesse Development** of Altamonte Springs, Fla., which originally began marketing the property before the coronavirus outbreak last March. The pricing expectation is roughly the same as it was before the pandemic, market pros said.

LeCesse completed the six-story complex, called 500 Ocean, in 2018. The units are 95% occupied. In addition, there's 20,000 sf of commercial space that's almost fully occupied by a mix of retail tenants, including restaurants and a hair salon.

The average unit is 934 sf and rents for $1,850, or $2.01/sf. The apartments, ranging from one to three bedrooms, have nine- and 10-foot ceilings, stainless-steel appliances, granite counters, wood-style flooring and balconies. Amenities include a heated infinity pool, an outdoor kitchen, a bowling alley, a movie theater, a fitness studio, a business center and a package locker system.

The 4.7-acre property, at 101 South Federal Highway, is two blocks from the Intracoastal Waterway and less than a half-mile from the Atlantic Ocean. It is near a mixed-use redevelopment site called Town Square encompassing a new city hall, public library, fire station, cultural center, parking garages and residential and retail space. ❖

Seattle-Area Office Complex Shown

Kennedy Wilson is marketing a multi-tenant office campus in suburban Seattle that could command bids of about $125 million.

Eastgate Office Park consists of four buildings totaling 280,000 sf in the I-90 Corridor in Bellevue. At the estimated value of $447/sf, a buyer's initial annual yield would be about 5.6%. **CBRE** has the listing.

The marketing campaign is touting the potential to raise below-market rents upon rollover, while also highlighting the demand for suburban office properties amid the pandemic. The complex is "well positioned to benefit from the shift to the hub-and-spoke office model as companies de-densify and reduce employee commute times with multiple suburban offices," according to marketing materials.

Eastgate Office Center is 99% leased by 30 tenants, with a weighted average remaining term of 2.9 years. Major tenants include **Hasbro** (32,000 sf), **Seagull Scientific** (28,000 sf), **Beacon Health Options** (18,000 sf) and **Capital Benefits** (16,000 sf).

In-place rents average 15% below market rates, and leases on three-quarters of the space mature within five years. With office space in the I-90 submarket 93.1% leased, the pitch is a buyer could increase rents to boost income in the near term.

The property is in Seattle's Eastside office market, which has an average occupancy of 92.1% and has proven resilient during the pandemic. Since March 2020, rents have increased 2%. Meanwhile, vacancy has ticked up just 1.7 percentage points, with the Eastside market holding its ground better than Seattle overall (2.9 points) and other markets including Los Angeles (3.6 points), Denver (4.6 points) and San Francisco (10.1 points).

The development pipeline in Eastside is 98% pre-leased to **Amazon, Costco, Facebook, Google** and **Microsoft.** The average suite size sought by new tenants in the fourth quarter was 15,000 sf, putting the offered property in a strong position, according to marketing materials.

The **Bellevue City Council** is considering a rezoning proposal that would allow for an additional 611,000 sf of development at the 14-acre site. In January, the city's **Hearing Examiner's Office** recommended the council adopt the proposal. A decision is expected by midyear.

Eastgate Office Park is at 15325-15395 SE 30th Place. The two- and three-story buildings were developed from 1984 to 1985. The campus features walking trails; ponds; basketball, racquetball and squash courts; a yoga and barre studio; and nearby retail. There are 99,000 people with an average household income of $168,000 living within three miles. Two-thirds of the local population has at least a bachelor's degree.

Kennedy Wilson, a Beverly Hills fund shop, paid $74.8 million, or $269/sf, for the property in 2016. **Eastdil Secured** represented the seller, Boston-based **Beacon Capital.** ❖

RANKINGS

Land ... From Page 1

sold more than $300 million of land.

The year's largest sale boosted the numbers. CBRE and RBC co-brokered the $1.3 billion sale of 1 million acres in Colorado, Utah and Wyoming used for mineral, oil and gas production. (When two brokers share a deal, each receives half-credit in the league table.)

The largest deal for a real estate use was San Diego firm **Manchester Financial's** $230 million sale to **IQHQ,** also of San Diego, for an 8-acre waterfront site in that city. Cushman brokered the sale.

Overall, Real Estate Alert's Deal Database tracked 163 sales of undeveloped land, down from 220 deals a year earlier. Activity picked up in the fourth quarter, which saw a three-month sale record of $2.9 billion.

"We think we held up really well," said **Terry Jackson,** head of Cushman's land-advisory group. "It was a big push and comeback in the third and fourth quarters."

Jackson said the market is moving forward with "skeptical optimism," given the hopes for an economic rebound and the vaccination of millions of Americans.

"There is a strong belief we will get through this and there will be demand for product that needs to be developed," he said.

Steve Lehr, a managing director in CBRE's land-services group, said builders build — and that means buying in a down cycle to open buildings in an up cycle.

"In the development world, if we're not buying and closing, we're not developing," he said. "That's a big part of the mentality."

Raw-land sales were bolstered by the continued high demand for industrial properties. CBRE sold $788.8 million of parcels slated for development into warehouses and other industrial properties, up 41.6% from $557 million a year earlier. That accounted for 29% of the firm's land deals by dollar volume last year, down from 38.3% in 2019 and 33% in 2018.

The firm also logged steep growth in sales of parcels designated for residential or multi-family use. Those deals skyrocketed to $209.9 million last year, up nearly fourfold from $53.1 million in 2019.

With the industrial and housing markets drawing investors, Lehr sees little letup in demand. Both property types have benefited from the shift in supply and demand dynamics brought about by the pandemic, as e-commerce deliveries make it easier

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Top Brokers of Land Sales in 2020

Commercial real estate brokerages representing sellers in deals of at least $10 million

		2020 Amount ($Mil.)	No. of Properties	Market Share (%)	2019 Amount ($Mil.)	No. of Properties	Market Share (%)	'19-'20 % Chg.
1	CBRE	$1,924.8	47	34.7	$1,588.5	68	26.8	21.2
2	Cushman & Wakefield	1,059.2	36	19.1	1,776.3	63	29.9	-40.4
3	RBC	666.5	1	12.0	0.0	0	0.0	
4	JLL	458.7	22	8.3	1,054.6	21	17.8	-56.5
5	Eastdil Secured	365.1	9	6.6	259.6	7	4.4	40.6
6	Newmark	334.2	12	6.0	216.9	10	3.7	54.0
7	Colliers International	297.9	17	5.4	421.4	22	7.1	-29.3
8	Avison Young	221.1	8	4.0	136.3	6	2.3	62.3
9	Marcus & Millichap	97.0	5	1.8	25.8	2	0.4	276.7
10	Meridian Capital	41.5	1	0.7	0.0	0	0.0	
11	APR Investment	20.1	1	0.4	0.0	0	0.0	
12	Ariel Property	16.9	1	0.3	0.0	0	0.0	
13	Hanley Investment	14.5	1	0.3	0.0	0	0.0	
14	Transwestern	14.4	1	0.3	24.2	2	0.4	-40.4
15	Kidder Mathews	10.2	1	0.2	48.8	6	0.8	-79.1
	OTHERS	0.0	0	0.0	381.9	13	6.4	-100.0
	TOTAL	**5,542.1**	**163**	**100.0**	**5,934.2**	**220**	**100.0**	**-6.6**

RANKINGS

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to live farther away from urban centers.

"The e-commerce and warehouse-to-home movement is a trend that has got a lot of growth potential yet," he said. "I've been waiting for the other shoe to drop … but there's just a demand for industrial. There is a demand for residential, and the radius for primary homes is expanding."

Tom Kirschbraun, a managing director at JLL, said the question for 2021 will be whether developers can line up enough capital from institutional sources to continue closing deals.

"A forward-looking developer has no problem getting motivated to buy land in this period," he said. "The thing that is challenging is the herd instinct for providers of equity and debt that fund new development deals. … Uncertainty is a challenge when they're underwriting anything. What is the future of downtowns versus suburbs? What is the future of retail?"

One group of sellers Kirschbraun worked with in 2020 was corporate owners divesting surplus land, among other assets, to shore up their balance sheets.

"On the corporate side, some are saying, 'If we're going to take a hit on any of those assets, now is the time to do it while we're giving Wall Street bad news on everything,' " he said.

All told, land brokers remain hopeful that 2021 will see sales bounce back.

"I am bullish for the year," Kirschbraun said. "And so are developers, because they have to be, or they wouldn't be developers."

Real Estate Alert's ranking excludes properties with any significant existing structures, including buildings that buyers intend to tear down for ground-up development. The analysis also excludes sales of stakes in pending or ongoing construction projects, or the sale of land beneath an existing property.

The overwhelming majority of raw land sold via commercial real estate brokerages is earmarked for commercial development. But the firms also advise on the sale of land suitable for construction of single-family home communities, as well as such asset classes as energy, farmland and timberland. The ranking doesn't count unbrokered transactions. ❖

Large Land Transactions in 2020

Brokered sales

	Property	Buyer	Seller	Broker	Price ($Mil.)
1	Land in Colorado, Utah and Wyoming	Orion Finance	Occidental Petroleum	CBRE, RBC	$1,333.0
2	Manchester Pacific Gateway, San Diego, Calif.	IQHQ	Manchester Financial	Cushman & Wakefield	230.0
3	Culver Crossing, Culver City, Calif.	Apple	VPI Partners	Eastdil Secured	162.0
4	Waterfront Alameda (land portion), Alameda, Calif.	Stockbridge Capital	Hillwood	Eastdil Secured	155.0
5	918 Cranbury South River Rd., Monroe Twp., N.J.			Cushman & Wakefield	115.0
6	24282 Quail Ridge Lane, Aldie, Va.	Microsoft	St. John Properties, Chuck Kuhn	CBRE	93.7
7	Inland Empire Logistics Center, Beaumont, Calif.	USAA Real Estate		CBRE	75.7
8	7115 Greentree Road, Bethesda, Md.	Toll Brothers	Cumulus Media	CBRE	74.1
9	12551 Lee Highway, Manassas, Va.		General Growth Properties	Avison Young	70.0
10	South of Ladbrook Drive, Old Ox Road, Sterling, Va.	Waterstone Properties	Northwestern Mutual partnership	CBRE	63.0
11	8996 Etiwanda Avenue, Rancho Cucamonga, Calif.	Black Creek Group	GenOn Energy	Cushman & Wakefield	61.0
12	Kent Valley Land, Kent, Wash.	Blackstone	Boeing Co.	Newmark	60.0
13	SW corner of Lee Hwy., Univ. Blvd., Gainesville, Va.		Buchanan Partners	CBRE	60.0
14	955 East Higgins Road, Elk Grove Village, Ill.	Microsoft	Brennan Investment	CBRE	52.3
15	200 Old Chicago Drive, Bolingbrook, Ill.	Amazon	Cox Automotive	CBRE	50.5

Big Managers Ended Year in the Black

Four of the largest public investment shops posted positive gross returns on their real estate portfolios last year.

An analysis of public filings by advisory firm **Hodes Weill & Associates** found that returns ranged from 1% to 15%. The unexpected strong results from **Apollo Global, Ares Management, Blackstone** and **KKR** came despite each shop taking immediate write-downs as the pandemic struck the U.S. late in the first quarter of 2020.

Doug Weill, co-founder of the New York advisory shop, suggested that the positive annual returns are a sign of the strength of the biggest managers' portfolios, which are weighted to industrial, life-science and other property types that outperformed during the coronavirus pandemic. "I think the managers would point to their alpha," Weill said.

The biggest annualized return was on Ares' $4.4 billion U.S. real estate portfolio, which was up 15% last year, compared with 16.8% in 2019. Ares reported a 4.2% write-down in the first quarter, then showed gains of 3.4%, 6.4% and 9.2% in the second through fourth quarters.

KKR's global opportunistic platform reported a similar set of returns: negative-1% for the first quarter, followed by gains of 2.0%, 6.0% and 8.0%. KKR did not report a full-year return. The portfolio was up 24% in 2019.

Blackstone's global core-plus properties had the second-highest reported return for the year, at 7.9%, compared with 9.2% in 2019.

Hodes Weill's review is limited to the publicly announced commercial real estate returns of large managers. Many large public firms don't disclose those returns in filings, including **Brookfield, Carlyle Group** and **Colony Capital.** ❖

Real Estate Fund Performance

	AUM ($Bil.)	Gross Return (%) 1Q-20	2Q-20	3Q-20	4Q-20	2020	2019
Apollo Global Real Assets	$37.3	-6.5	1.4	3.4	3.1	1.0	16.2
Ares European Real Estate Equity	4.8	-3.5	4.4	1.7	4.5	1.8	12.7
Ares U.S. Real Estate Equity	4.4	-4.2	3.4	6.4	9.2	15.0	16.8
Blackstone Global Core+	52.9	-3.9	3.0	3.5	5.5	7.9	9.2
Blackstone Global Opportunistic	73.4	-8.8	1.6	6.4	4.3	3.4	17.6
KKR Global Opportunistic	14.0	-1.0	2.0	6.0	8.0	NA	24.0
MSCI/PREA U.S. Core OEF Index	237.1	1.2	-1.5	0.4	1.3	1.1	5.9

Source: Hodes Weill & Associates

Ares JV Lists Pa. Senior Housing

An **Ares Management** partnership is marketing an active-adult apartment community in suburban Philadelphia.

The 202-unit Heathergate at Oxford Valley, at 8101 Fonthill Court in Langhorne, Pa., is expected to attract bids of roughly $56 million, or $277,000/unit. Based on trailing three-month net operating income, the buyer's initial annual yield at that price would be 4.7%. **Newmark** is representing Los Angeles-based Ares and partner **LCOR,** a Berwyn, Pa., multi-family developer and operator.

Heathergate caters to healthy residents 55 years or older. The property is 97% occupied with average rents of $1,861, or $2.05/sf. It has maintained high occupancy since it was built in 2003, according to marketing materials.

The complex consists of seven two- and three-story buildings on 15.8 acres. The two-story buildings have private entrances to each unit. The three-story buildings have common entrances and elevators.

The one- and two-bedroom units, which average 907 sf, feature nine-foot ceilings, walk-in closets, washer/dryers and patios or balconies. Amenities include a clubhouse with a kitchen and a fireplace, a fitness center, a heated pool and a business center. There also are 74 detached garages and 34 storage units.

Over the past five years, Ares and LCOR have spent more than $1.5 million on improvements that included new water heaters and HVAC systems, plus upgrades to the property's common areas and amenities.

In 2017, 55% of the units received renovations that included the additions of stainless-steel appliances, granite counters, new faucets, new bathroom vanities, and kitchen and bathroom flooring. Those apartments command rent premiums averaging $115 to $120.

The pitch is that a buyer could increase its revenue by upgrading the remaining units.

The complex, in affluent Bucks County, is the only active-adult community within 15 miles. It is adjacent to the 1.1 million-sf Oxford Valley Mall. ❖

Offices ... From Page 1

occupied by stable, credit-rated tenants with long remaining lease terms.

Midtown Center checks those boxes. It was completed in 2018 on the former site of the **Washington Post.** Carr acquired the property in 2014, as the newspaper was preparing to relocate, then replaced the cluster of older buildings with a large complex and recruited Fannie Mae as the anchor tenant. The agency occupies 87% of the space on a lease that runs until 2033. The overall weighted average remaining lease term tops 13 years.

The U-shaped complex tops out at 14 stories, including penthouses. Its glass-clad wings are connected by three pedestrian bridges above a landscaped courtyard. A 45,000-sf retail plaza containing coffee shops and restaurants is slated to be fully open this year. There are 659 parking spaces, electric-car charging stations, a 1,300-sf bike room, a penthouse conference center and a rooftop terrace. The complex is designated LEED gold.

Midtown Center is at 1100 15th Street NW near the East End submarket border. It's among a cluster of buildings that, due to their proximity to the White House, tend to lease up faster and at higher rents than others in their submarkets. ❖

Equity Sought for NC Rental Project

A developer is seeking an equity partner for a $55 million townhouse rental project in Charlotte.

Catalyst Capital plans to build 210 units on 30 acres adjacent to an office park northeast of downtown. The estimated cost comes out to around $262,000/unit. The Charlotte-based firm has hired **Capstone** to line up a joint-venture or preferred-equity investor. It's seeking $15 million to $20 million, according to sources.

The project, dubbed the Wayford at Innovation Park, is slated to begin construction in July. Plans call for Class-A interior finishes, attached garages, a clubhouse, a fitness center, a pool and dog park.

The site is at IBM Drive and Neal Road, adjacent to Innovation Park, a 1.8 million-sf office campus that houses employers such as **Centene** and **Chime Solutions.** Companies in that location are expected to add more than 7,000 jobs in the coming years, according to marketing materials.

Catalyst recently partnered on a similar rental development about 9 miles away, at 525 Wayforth Road NW in the Charlotte suburb of Concord. That 150-unit complex, the Wayford at Concord, is in its initial lease-up period. ❖

KBS Shops Austin Industrial Space

KBS Realty is marketing a fully occupied industrial property in Austin that could attract bids of $80 million.

SouthPark Commerce Center totals 373,000 sf spread across four Class-A buildings at 4401 Freidrich Lane in the Southeast submarket. At the estimated value of $215/sf, the buyer's initial annual yield would be 4.9%. **JLL** is representing KBS, of Newport Beach, Calif.

JLL is touting the offering as a rare opportunity to acquire a large industrial property in booming Austin. The asset class saw only two sales of $25 million or more in the city last year, according to **Real Estate Alert's** Deal Database.

SouthPark Commerce Center has a weighted average remaining lease term of 4.4 years. With in-place rents averaging 13% below market, the pitch is that a buyer could raise rates upon rollover. On average, the tenants have been at the location for at least 15 years.

The property is within the SouthPark Commerce Business Park, where rents have grown 72% since 2011, according to marketing materials. Excluding owner-occupied buildings, the park has 1.9 million sf of Class-A space.

The offered complex, constructed in 1998, has ceiling heights of 24 feet. Marketing documents tout its location just southeast of the interchange of Interstate 35 and Highway 71, 5 miles from downtown Austin and 6 miles from Austin-Bergstrom International Airport.

There are 317,000 people, with an average household income of $91,000, living within 5 miles. That population has grown 29% since 2010 and is expected to increase another 13% by yearend 2025.

Austin has 54.2 million sf of industrial space, with an occupancy level of 94.9%, according to marketing materials. The largest industrial-property trade in the city last year was the November sale of the 226,000-sf Tech Ridge Five for $44.5 million, or $197/sf. ❖

Offices Near Salt Lake City Teed Up

An investment shop is pitching an office campus in a Salt Lake City suburb that could fetch about $37 million.

Lake Pointe Corporate Centre consists of two Class-A buildings totaling 182,000 sf in West Valley City, Utah. Bids are expected to hit $203/sf. The owner, **Felton Properties** of Portland, Ore., has given the listing to **Newmark.**

The complex, at 2850 and 2875 Decker Lake Drive in the Decker Lake Business Park, is 91% leased by five tenants, with a weighted average remaining term of 5.3 years. The roster includes **ADP, eHealth, Medical Institute Review of America** and **Progrexion.** On average, the tenants have been in place for 17 years.

Felton acquired the property in 2016 for an unspecified sum and has invested $3 million in capital improvements since 2018. Upgrades included a new roof and renovated lobbies, elevators, restrooms and corridors. The buildings were developed between 1995 and 1998 as the headquarters for **HBA,** a benefits-management company later acquired by ADP.

Lake Pointe Corporate Centre is on 15 acres just off Interstate 215. It is within a half-mile of two light-rail stations and 6 miles from downtown Salt Lake City. Included is a one-acre parcel facing Decker Lake Drive that could accommodate additional development of 10,000 sf of office space.

The property has nearly 1,200 parking spaces. The marketing campaign describes West Valley City as a hub for restaurants, shops, sports, theater and music. Decker Lake Park is the city's master-planned business district.

Utah has a strong economy, which helped drive down capitalization rates on office trades 25 bp last year despite the pandemic, according to marketing materials. ❖

NEW DEALS

Southeastern Virginia Apartments

A joint venture between **Blackfin Real Estate Investors** and **GMF Capital** has paid $35.5 million for two apartment properties in Portsmouth, Va. The unbrokered transaction, which closed this month, was for the 155-unit Pepperwood Townhomes and the 193-unit Towne Point Landing. The deal valued the properties at $102,000/unit. The seller was an unidentified private investor. Pepperwood Townhomes, at 3790 Pepperwood Court, and Towne Point Landing, at 3802 Towne Point Road, are across the street from each other, near the intersection of Interstate 664 and state Route 164. The surrounding Hampton Roads region has multiple military installations that drive residential occupancy. Arlington, Va.-based Blackfin is headed by founders **Andrew Buchanan** and **Doug Root.** GMF, based in New York, is led by Swiss billionaire **Gary Fegel.** ❖

Albany Road Finishes Fundraising

Albany Road Real Estate held a final close on its latest fund last month with $245 million of equity.

With leverage, the haul gives the Boston firm's Albany Road Real Estate Fund 3 some $750 million of buying power. The vehicle aims to produce returns in the mid-teens through purchases of core and core-plus industrial and office properties in the Northeast, Southeast and Southwest.

The fund, which also has capacity for some value-added deals, already is roughly 20% invested. Albany Road pursues purchases of $20 million to $50 million apiece, which it characterizes in marketing materials as an "inefficient range" too small for major institutional buyers and too big for local operators.

In December, for example, the firm paid a **Taconic Capital** partnership $38.5 million for 120 Interstate Northwest in Atlanta. The complex, at 120 Interstate North Parkway, encompasses four single-story industrial/flex buildings roughly a mile from Truist Park, home to the **Atlanta Braves** baseball team.

Albany Road closed on an initial round of equity for Fund 3 in February 2020 with $170 million. The total amount raised was in line with its $250 million equity goal despite a difficult marketing environment, as many investors pulled back from new commitments amid the coronavirus crisis. The firm didn't use a placement agent and instead directly approached wealthy individuals and family offices.

Albany Road was formed in 2012 by managing partners **Clark Callander, Christopher Knisley, Mark McInerney** and **Steve Strandberg.**

The firm's first fund, Albany Road Storage Fund 1, held its final close in 2015 with some $25 million of equity. It is fully liquidated. Albany Road Real Estate Fund 2 held its final close with $175 million in 2018 and is fully invested.

Overall, Albany Road has about $1.3 billion of assets under management. ❖

Correction

A Feb. 17 article, "Calif. Property Pitched as Lab Play," included the incorrect address of an office building for sale in San Francisco. The property is at 101 Utah Street. ❖

Pros ... From Page 1

large domestic players seeking a safe haven as other property types continue to face pandemic-related challenges. Drawn by robust rent growth, investors are hungry to scale up quickly, and in some cases willing to pay a premium to deploy large slugs of equity in one fell swoop.

Meanwhile, fund operators and other industrial players who assembled portfolios via smaller acquisitions in recent years see a chance to harvest investments at strong prices, with capitalization rates at historic lows in many markets. Among industrial trades of $25 million or more last year, the average valuation was $105/sf, according to **Real Estate Alert's** Deal Database. That was up 9.2% over the previous year and marked a 44% spike since 2015.

John Huguenard, co-leader of **JLL's** national industrial platform, said the rebound in debt markets is key to the return of large industrial deals, because rock-bottom rates can offset premium pricing.

"The debt is so inexpensive — I have never seen it like this," he said. "[Commercial] MBS is back in full speed and you can manufacture a pretty good return on a portfolio."

He said buyers of deals larger than $1 billion may have struggled to obtain 50% leverage last year but now can find lenders willing to push that to 65% or so.

"There will be big sellers because the timing is right," Huguenard said. "You will see more portfolio business in 2021 because people in our industry feel good about where things stand and they aren't as nervous as they were last year."

Market pros say that even where a seller might achieve better pricing by breaking up a portfolio into smaller offerings, there are advantages to going big. Dealing with well-capitalized, experienced players can reduce "execution risk" and ensure a quicker, assured closing.

In 2019, amid record-setting sales volume, there were 11 trades worth $500 million or more, including four between $1 billion and $3 billion, according to the Deal Database. However, in the first three quarters of last year, only two deals topped $500 million and none reached $1 billion. After clocking in at $95 million in 2019, the average transaction size hovered close to $60 million in the second and third quarters of 2020.

"In March, the big-deal department slowed down or stopped altogether," Huguenard said. "People weren't ready to test the market, and it was wait-and-see."

But small and midsize deals continued getting done, and as the year progressed, it became evident that pricing was holding up — even exceeding pre-pandemic levels in some cases.

The fourth quarter brought an explosion in industrial sales, accounting for just over half of 2020's $41.9 billion total. With that came a thaw in large deals, as three trades hit at least $800 million.

So far this year, at least one closed trade and one new listing have already exceeded last year's high-water mark of $835 million. **Blackstone** is involved in both, showing that one of the most-respected investors in the field sees this as a good time to buy and sell warehouses.

In January, the New York investment titan paid **LBA Logistics** of Irvine, Calif., roughly $960 million for a 60% stake in a 9.5 million-sf portfolio on the West Coast.

Meanwhile, Blackstone has tapped **Eastdil Secured** to shop a 5.5 million-sf portfolio in the Western U.S. that could command $850 million. The 41-property package is spread across six markets, with nearly half of the operating income generated by space in Reno, Nev., and over a third in California. At the estimated value of $155/sf, a buyer's initial annual yield would be in the low- to mid-4% range.

Stockbridge Capital is in the process of buying a giant warehouse portfolio. In December, the San Francisco firm announced the formation of a joint venture with South Korea's **National Pension Service,** and the partnership agreed to pay Dallas-based **Hillwood** about $2 billion, or $140/sf, for a 14.3 million-sf bundle of 23 warehouses in 11 markets.

The transaction is closing in stages. Two pieces — each topping $400 million — closed in December, leaving over $1 billion to close this year. The buildings are less than a year old on average, and many have e-commerce tenants under long-term leases.

The U.S. warehouse sector's biggest player, **Prologis,** also is expected to be a significant seller in 2021. In its earnings report last month, the San Francisco REIT said it and its partners could sell up to $2 billion of industrial properties this year. Most of that is expected to come in the U.S., as it prunes two big portfolios it assumed via massive corporate mergers in 2019. Market pros are watching whether that disposition plan will involve midsize portfolios, or produce a blockbuster offering or two. ❖

THE GRAPEVINE

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investment committee. She's joined by two other former Blackstone executives: senior managing director **Jack Dickens**, who oversees asset management, and co-founder **Spencer Vegosen,** an investment principal.

Cara Wright joined **Dermody Properties** last week as a senior investment manager in Southern California, where the industrial shop has been increasing its footprint. She is based in the company's Irvine office, reporting to partner **Matt Mexia**. Wright previously spent four years at **CenterPoint Properties** of Oak Brook, Ill., where she was an investment coordinator. Reno, Nev.-based Dermody focuses on logistics properties nationally.

Seasoned recruiter **George Gilmartin** joined New York-based **Sighthound Search** last week as a partner in the year-old firm. He previously was a managing consultant at **Korn Ferry** for almost six years, focusing on real estate and financial services. Before that, he spent nine years at **Ferguson Partners**, leaving as a senior director. At Ferguson, he worked with **James Dell'Olio** and **Tom Creamer**, who launched Sighthound in January 2020.

Marc Jason has returned to **DOTT Investments**, a Denver firm he founded in 2015 with business partner **Clint Walker.** Until yearend, Jason had been chief operating officer at San Francisco hedge fund shop **Farallon Capital,** where he spent three years. He is now based in Denver. His return to DOTT comes as the firm is looking to invest in single-family rentals. Before Farallon, Jason held chief financial officer posts at **Laramar Group** and **BayNorth Capital**.

Chris Morgan joined **Broadstone Net Lease** this month as a vice president in Dallas. He came from **Caddis Healthcare Real Estate**, where he spent five-and-a-half years and left as an acquisition manager. His experience also includes a two-year stint at **JLL**. Broadstone, a REIT based in Rochester, N.Y., owned 627 properties in 41 states and Canada that were worth $4 billion at the end of the third quarter, according to its website.

Ryan Lieberman joined New York investment manager **Prospect Ridge Advisors** as an associate this month. Lieberman previously spent nearly two years at **JLL,** which he joined via the brokerage's July 2019 acquisition of **HFF.**

Forged Real Estate, a brokerage startup in Plymouth Meeting, Pa., is seeking to hire a transactions coordinator with five years of commercial real estate experience. The recruit would assist in marketing campaigns for the firm, which represents buyers and sellers on net-lease deals and primarily focuses on retail and medical/retail properties. Forged is led by managing partners **Marc Mandel** and **Steve Schrenk**, who previously worked together at **HFF** and its successor, **JLL.** They left JLL in January and launched their business this month with a client roster that included shopping center owners and developers of single-tenant properties.

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Richard Quinn	Managing Editor	201-234-3997	rquinn@greenstreetnews.com
Sam Ali	Senior Writer	201-234-3989	sali@greenstreetnews.com
Alison Waldman	Senior Writer	201-234-3986	awaldman@greenstreetnews.com
Jeff Whelan	Senior Writer	201-234-3973	jwhelan@greenstreetnews.com
T.J. Foderaro	Editor-in-Chief	201-234-3979	tfoderaro@greenstreetnews.com
Ben Lebowitz	Executive Editor	201-234-3961	blebowitz@greenstreetnews.com
Dan Murphy	Deputy Editor	201-234-3975	dmurphy@greenstreetnews.com
Moira Dickinson	Deputy Editor	949-674-0293	mdickinson@greenstreetnews.com
John Harrington	Deputy Editor	949-674-0297	john.harrington@greenstreetnews.com
Jim Miller	Copy Editor	949-674-0295	jmiller@greenstreetnews.com
Michelle Lebowitz	Operations Director	201-234-3977	mlebowitz@greenstreetnews.com
Evan Grauer	Database Director	201-234-3987	egrauer@greenstreetnews.com
Robert E. Mihok	Database Manager	201-234-3974	rmihok@greenstreetnews.com
Mary E. Romano	Advertising Director	201-234-3968	mromano@greenstreetnews.com
Kait Hardiman	Advertising Manager	201-234-3999	khardiman@greenstreetnews.com
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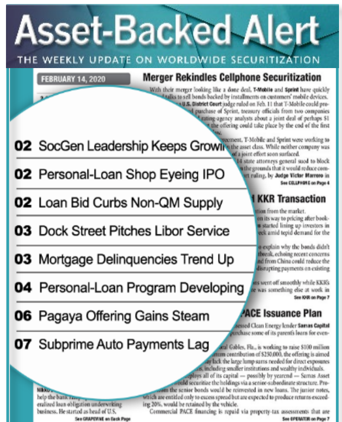

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