

IN THE NEWS



CAP RATES FACING DOWNWARD PRESSURE FOR MANY TYPES OF CRE

Attractive cap rate spreads have drawn investors to all types of commercial real estate, particular favored sectors such as industrial, apartment, and specialty sectors.

Source: *Globest.com*

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APARTMENT RENTS REACH HIGHEST LEVEL IN TWO YEARS

While rental rate increases have been generally very strong, there are large market disparities with smaller and Sunbelt markets performing the best while select gateway and California markets have struggled.

Source: *Globest.com*

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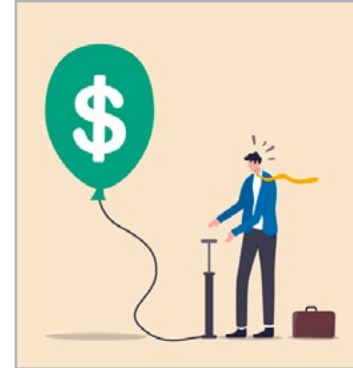


THE \$10 BILLION BRIGHT SPOT IN THE BATTERED WORLD OF OFFICE REAL ESTATE

Blackstone, KKR and other investors are betting on laboratory space as vaccines fuel the economic rebound.

Source: *Bloomberg*

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REAL ESTATE INVESTORS PIVOT FOR INFLATION, POST-COVID SHIFTS

The story of the post pandemic real estate boom is indeed sector and market specific highlighting the importance of active management and proper portfolio positioning.

Source: *Fundfire*

* login is required to read this article

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FEATURE STORY



SOARING WAREHOUSE DEMAND BOOSTS COMMERCIAL REAL ESTATE MARKET AS OFFICE VACANCIES MOUNT

Industrial real estate demand, driven by e-commerce, shows no signs of slowing down as fundamentals strengthen.

Source: *CNBC*

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QUOTES OF THE QUARTER

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“Investors flush with lots of capital are looking for properties to buy.”

John Chang,
Marcus & Millichap SVP and
Director of Research Services

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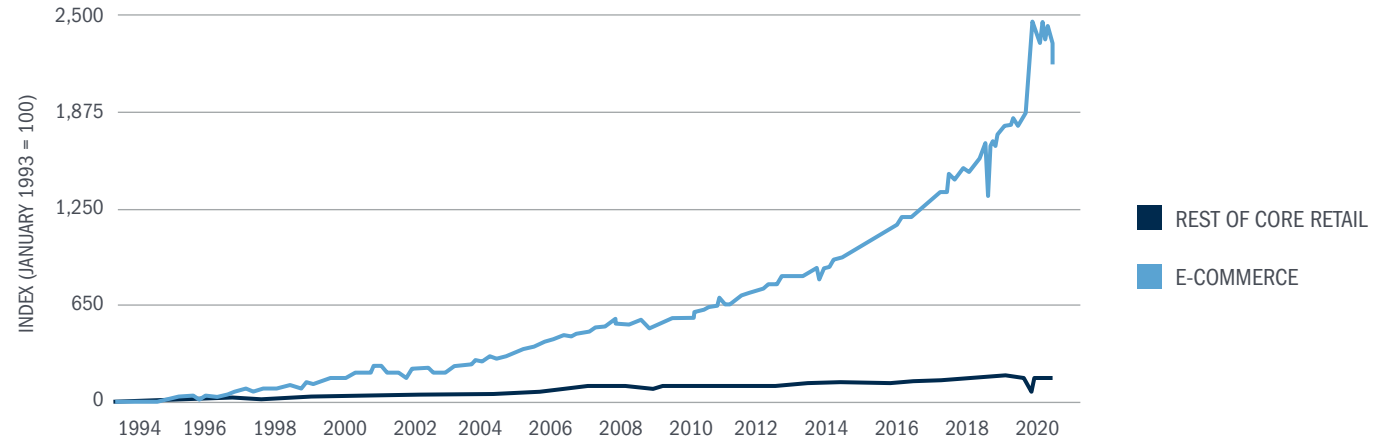
“Most asset [sectors] within real estate in prior cycles were highly correlated in terms of producing strong growth in a growing economy, and in terms of fundamentals and liquidity,” But in today’s world, there’s a much greater bifurcation across sectors and performance is really uneven. There’s a much greater differentiation between [sectors] and within sectors, so sector selection is much more important.”

Nadeem Meghji,
Head of Real Estate Americas at **Blackstone**

NEW DATA

E-commerce sales, the primary driver of industrial real estate demand, has been the primary driver of retail sales growth in the last 25 years.

RETAIL SALES GROWTH INDEX | 1994 - 2020



Source: Marcus and Millichap 2021 Investment Forecast

NEW RESEARCH

Full Report: Alternative Investments Could Be Key to Boosting Client Return This Year

BARRON'S

Alternative Investments
Could Be Key to Boosting
Client Returns This Year

READ FULL REPORT

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“Stocks are overvalued by many measures, and bond yields have risen since January. That’s a big reason why the drumbeat for alternative investments is growing louder. As we’ve seen this year, correlations between stocks and bonds means balanced portfolios won’t do investors any favors in terms of diversification. Also, returns are likely to be lower as this market cycle progresses. Capital market assumptions at many firms suggest single digit returns going forward, and hedge fund AQR Capital Management forecasts a real return of just 1.4% in the next five-to-10 years.”

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“Enter alternatives, which have the potential to achieve three key portfolio construction goals: income, diversification, and excess returns, or alpha. Demand is growing. According to research firm Preqin, assets in alternative investments could grow to \$17 trillion by 2025 from \$10.7 trillion last year.”