

Q1 2020 HEALTHCARE CAPITAL MARKETS

INVESTMENT INTELLIGENCE

In Q1 2020, transaction volume totaled \$2B, an increase from Q1 2019 which saw \$1.6B in transaction volume. The increase in sales volume could be due to the 10-year treasury rate, which decreased by 43 basis points to 1.37% in Q1 2020. Cap rates stayed steady at 6.6% throughout the quarter. February had the most transactions with 72 sales totaling almost \$600M in volume. There were 10 portfolio transactions totaling \$544.1M and almost 1.2M square feet across 93 properties. Private Sector and REIT investors were the most active buyers in Q1 2020.

Due to the COVID-19 crisis, there will likely be fewer active buyers in the months ahead, which will have an impact on pricing and transaction terms. The healthcare capital markets sector could see a temporary uptick in cap rates with fewer active investors seeking higher yields because of near-term uncertainty. However, as with other recessions, healthcare has rebounded rapidly with the flight to secure stable investments.

Q1 2020 TOP BUYERS

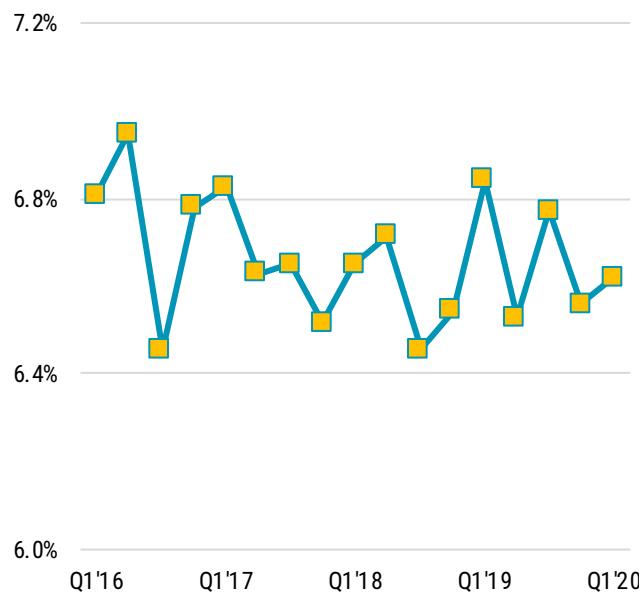
Buyer	# of Transactions	Total SF	Average Price
Welltower	14	536,751	\$13.7M
Global Medical REIT	3	247,323	\$18.0M
Healthcare Realty Trust	3	115,008	\$8.8M
MB Real Estate	3	76,160	\$10.2M

Q1 2020 NOTABLE PORTFOLIO SALES

Buyer	# of Properties	Total SF	Price
Welltower	11	344,528	\$144M
Urban Edge	2	339,549	\$165M
Citi Real Estate	2	28,820	\$32.8M

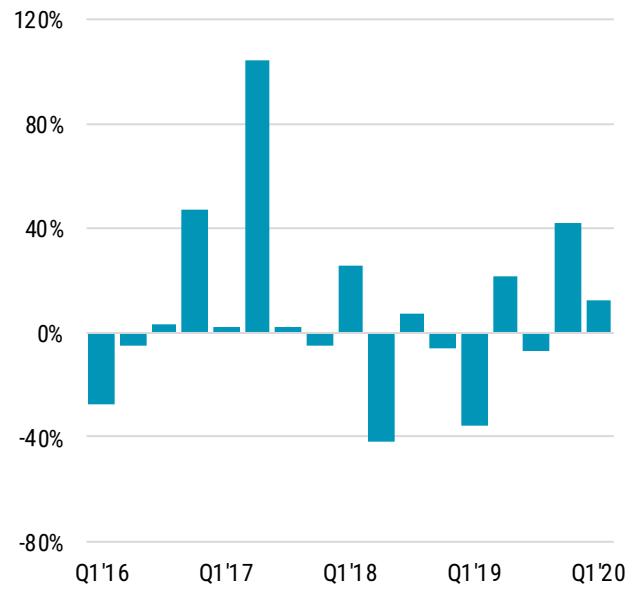
Source: Real Capital Analytics, CoStar

AVERAGE CAP RATE



CHANGE IN SALES

MEDICAL OFFICE Y/Y





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Newmark Knight Frank's Global Healthcare Services team is one of the largest and most experienced healthcare real estate teams in the country, advising healthcare clients seeking to maximize value on assets and implement long-term business strategies. The Global Healthcare Services team provides clients with a single-source solution for every phase of acquiring, financing, developing and disposing healthcare real estate. The team comprises real estate transaction and consulting professionals with more than 130 years of experience serving hospitals, health systems and medical office building owners throughout the U.S. and across the globe.

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