

# Q2 2020 HEALTHCARE CAPITAL MARKETS

## INVESTMENT INTELLIGENCE

In Q2 2020, transaction volume totaled \$1.6B, a \$2.1B decrease from Q2 2019 which saw \$3.8B in transaction volume. Average cap rates stayed steady at 6.6% throughout the quarter. June had the most transactions with 63 properties totaling over \$707M in volume. There were nine portfolio transactions totaling over \$631M and almost 1.8M square feet across 42 properties. Private Sector investors were the most active buyers in Q2 2020.

Due to the COVID-19 pandemic, there will likely be fewer transactions in the months ahead. Recent activity has been dominated by stabilized “core” trades where the pandemic has had little to no effect on pricing. The perception that value-add offerings will be discounted in the market today has caused many owners to hold properties until the market recovers. The mismatch of an increasing allocation to healthcare real estate capital pursuing a reduced supply of investments will likely keep cap rates low into the foreseeable future.

### Q2 2020 TOP BUYERS

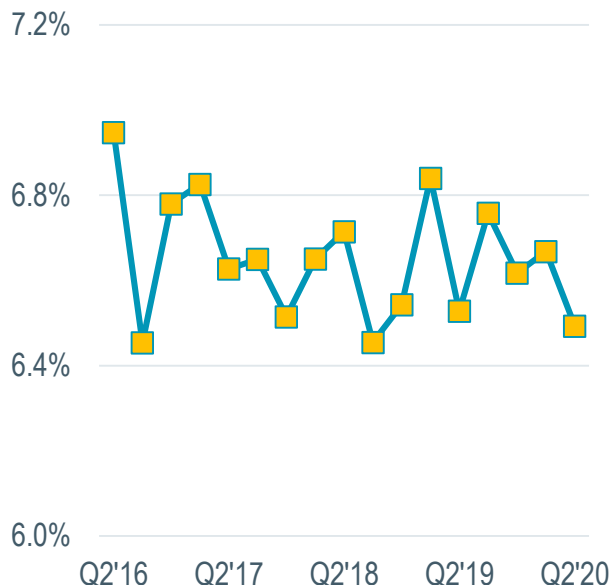
Buyer	# of Transactions	Average Price
Kayne Anderson	27	\$20.4M
MB Real Estate	14	\$17.8M
Ridgeline Cap Partners	9	\$3.1M
IRA Capital	8	\$16.1M

### Q2 2020 NOTABLE PORTFOLIO SALES

Buyer	# of Properties	Total SF	Price
Kanye Anderson	13	668,900	\$318M
Kayne Anderson & MBRE Healthcare	10	512,128	\$206M
NantWorks	5	254,525	\$54.2M

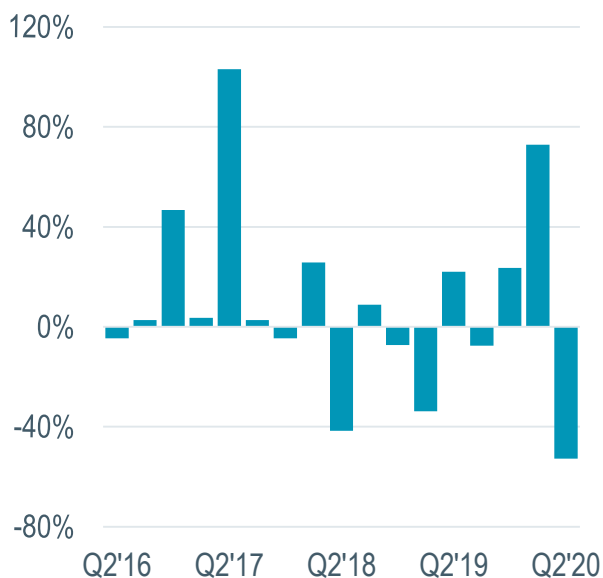
Source: Real Capital Analytics, CoStar

## AVERAGE CAP RATE



## CHANGE IN SALES

### MEDICAL OFFICE Y/Y





## ABOUT NEWMARK KNIGHT FRANK

Newmark Knight Frank (“NKF”), operated by Newmark Group, Inc. (“Newmark Group”) (NASDAQ: NMRK), is one of the world’s leading and most trusted commercial real estate advisory firms, offering a complete suite of services and products for both owners and occupiers. Together with London-based partner Knight Frank and independently-owned offices, NKF’s 18,000 professionals operate from approximately 480 offices on six continents. NKF’s investor/owner services and products include investment sales, agency leasing, property management, valuation and advisory, diligence, underwriting, government-sponsored enterprise lending, loan servicing, debt and structured finance and loan sales. Occupier services and products include tenant representation, real estate management technology systems, workplace and occupancy strategy, global corporate services consulting, project management, lease administration and facilities management.

## ABOUT GLOBAL HEALTHCARE SERVICES

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.

For further information about Newmark Knight Frank Global Healthcare Services, please contact:

### **TODD PERMAN, CCIM**

Vice Chairman, Global Healthcare Services | 404.806.2511 | [tperman@ngkf.com](mailto:tperman@ngkf.com)

[ngkf.com](http://ngkf.com)

[ngkfglobalhealthcare.com](http://ngkfglobalhealthcare.com)

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark Knight Frank has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark Knight Frank. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication, and should consult with professionals of the recipient’s choice with regard to all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark Knight Frank, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.