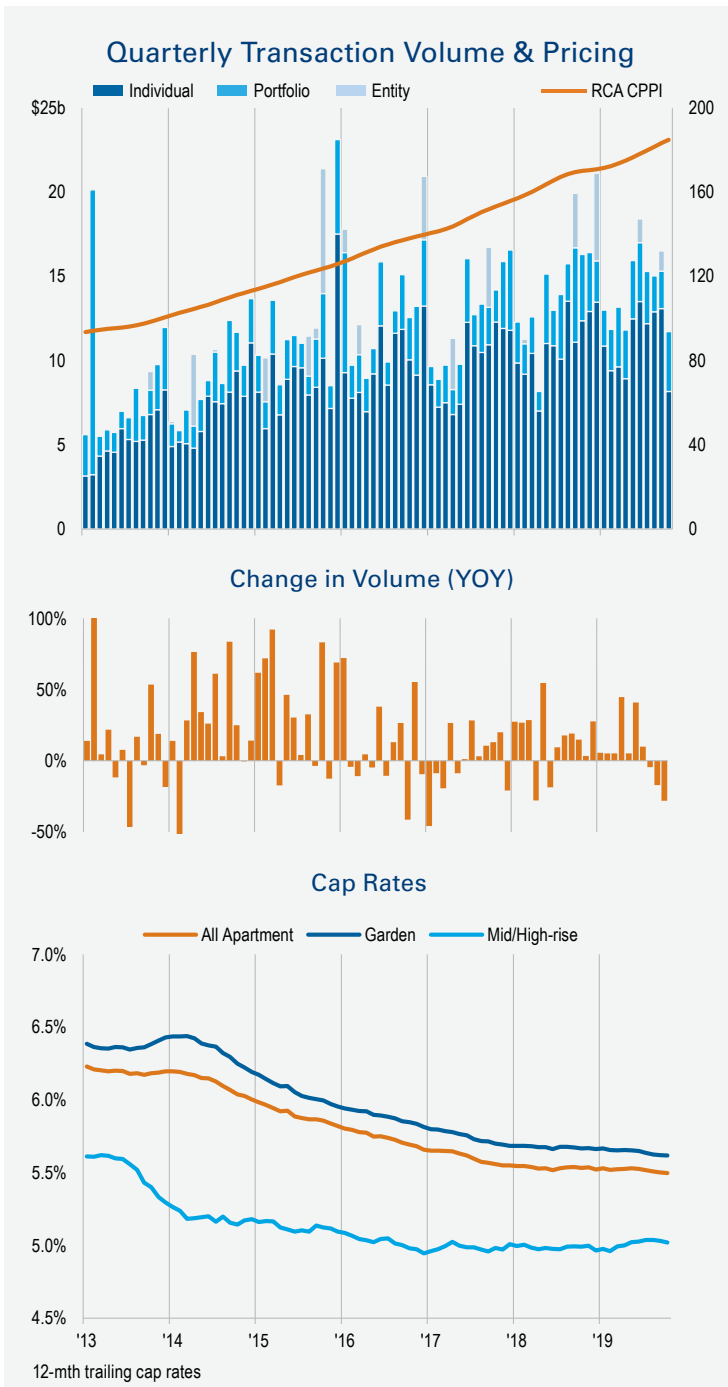


# US CAPITAL TRENDS | APARTMENT

Apartment deal activity fell sharply in October but is still at an elevated level. These statements might seem like a contradiction, but the combination speaks to the extraordinarily high levels of apartment deal activity in recent years.

**\$11.7b** Transaction volume  
**-28%** YOY volume change  
**8.7%** YOY price change



Deal volume for October has averaged \$8.9b for every year since 2001. So the \$11.7b in deal volume for October 2019 represents a level 32% higher than the long-term average. Still, deal activity is falling from the breakneck pace of recent years, towards levels seen in 2014.

The drop in deal activity for October was not a function of one portfolio or entity-level transaction last year. Sale volume for such megadeals was down 9% YOY for the month, with \$3.6b in portfolio sales and no entity-level transactions. Individual asset sales drove the bulk of the decline for the month.







The bedrock of the apartment market is the sale of individual assets where investors underwrite the risks of individual assets with respect to location, quality, and income growth. Such sales were down 34% YOY. One risk to income that has weighed on investors' minds is the introduction of extensive rent control regulations in New York.

Deal activity in New York City – Manhattan and the NYC Boroughs – has risen thanks to one portfolio deal. L&M Development Partners, a private investor in the New York region, partnered with Invesco on a joint venture to purchase a portfolio of four buildings in East Harlem and Roosevelt Island. Without this one deal, sale activity in New York would have been down 80% YOY given investor concerns about the new rent control regulations.

New York, though, did not hobble the apartment market nationally in October. Stripping out New York, there was a 31% YOY decline in individual asset sales. Investor hesitation in the face of new regulation in the Big Apple is a symptom felt in many markets where citizens have called for rent control in response to high rents.

Despite investor nervousness about certain markets, cap rates are largely unchanged from a year earlier, holding at 5.5% nationally. Individual results vary though, and cap rates are moving up in the markets most exposed to rent controls.

# Market Table | All Apartment

Apartment Transactions Reported Closed	Garden				Mid/Highrise				All Apartment			
	Volume	Price	Volume	Price	Volume	Price	Volume	Price				
YTD through Oct'19	\$m	# Props	\$/Unit	Avg Cap Rate	\$m	# Props	\$/Unit	Avg Cap Rate	\$m	# Props	\$/Unit	Avg Cap Rate
<b>Mid-Atlantic</b>												
 Baltimore	1,423.7	35	120,476	5.8%	397.6	10	204,507	5.6%	1,821.3	45	148,146	5.7%
DC	194.5	25	103,007	5.4%	1,004.4	20	399,254	5.1%	1,199.0	45	282,410	5.2%
DC MD burbs	778.3	28	140,826	6.0%	1,314.0	22	219,002	5.5%	2,092.3	50	183,696	5.8%
DC VA burbs	1,312.0	23	213,777	5.8%	2,150.7	27	297,677	4.8%	3,462.7	50	260,673	5.1%
Philadelphia	1,522.7	62	141,015	5.9%	868.8	31	241,252	5.7%	2,391.5	93	170,970	5.9%
Pittsburgh	171.3	10	120,948	6.0%	318.2	8	192,199	5.9%	489.5	18	159,889	6.0%
Richmond/Norfolk	793.0	52	107,120	6.0%	417.5	15	199,489	6.0%	1,210.5	67	128,081	6.0%
Tertiary Mid-Atlantic	837.9	74	100,329	6.0%	258.2	19	109,146	5.9%	1,096.1	93	101,713	6.0%
<b>Total</b>	<b>7,033.5</b>	<b>309</b>	<b>135,946</b>	<b>5.9%</b>	<b>6,729.5</b>	<b>152</b>	<b>249,766</b>	<b>5.4%</b>	<b>13,763.0</b>	<b>461</b>	<b>180,790</b>	<b>5.8%</b>
<b>Midwest</b>												
 Chicago	1,093.3	90	145,885	6.1%	1,352.8	63	235,762	5.4%	2,446.1	153	184,947	5.7%
Cincinnati	445.0	46	70,340	6.5%	4.3	3			449.3	49	69,664	6.5%
Cleveland	186.4	22	50,262	8.4%	119.0	7	58,332	6.1%	305.4	29	53,214	7.5%
Columbus	526.2	32	73,767	6.4%	103.1	3	212,258		629.3	35	82,954	6.4%
Detroit	295.2	20	75,660	6.7%	82.2	5	98,129	6.8%	377.4	25	79,696	6.7%
Indianapolis	465.0	33	75,081	6.2%	36.0	2		5.0%	501.0	35	76,011	6.1%
Kansas City	659.8	41	97,686	5.6%	142.2	9	158,042		802.1	50	102,098	5.6%
Minneapolis	736.3	75	148,357	5.6%	576.9	26	202,351	5.7%	1,313.2	101	167,838	5.6%
St Louis	383.2	29	76,473	6.5%	130.5	7	168,317		513.7	36	94,370	6.4%
Tertiary Midwest	2,223.1	272	69,461	6.6%	745.4	40	134,056	6.2%	2,968.5	312	77,563	6.6%
<b>Total</b>	<b>7,013.6</b>	<b>660</b>	<b>89,120</b>	<b>6.4%</b>	<b>3,292.5</b>	<b>165</b>	<b>189,581</b>	<b>5.7%</b>	<b>10,306.0</b>	<b>825</b>	<b>108,861</b>	<b>6.3%</b>
<b>Northeast</b>												
 Boston	1,089.2	37	264,120	5.3%	1,983.3	35	361,394	4.8%	3,072.4	72	327,274	5.0%
Hartford	135.2	21	108,269	6.6%	17.6	2		6.2%	152.8	23	105,233	6.5%
Long Island	682.5	12	295,539	5.3%	158.3	3	510,915		840.8	15	326,794	5.5%
Manhattan					4,455.0	131	550,207	4.4%	4,455.0	131	550,207	4.4%
No NJ	924.0	69	175,011	5.4%	1,712.4	72	311,538	5.3%	2,636.4	141	264,765	5.4%
NYC Boroughs	227.7	38	402,876	4.8%	2,740.3	162	331,304	5.0%	2,967.9	200	334,230	4.9%
Stamford	30.2	5	101,008	5.0%	317.8	8	289,980	5.2%	348.0	13	254,200	5.2%
Westchester	78.9	9	155,112	5.4%	433.2	14	316,036	5.9%	512.1	23	273,774	5.7%
Tertiary Northeast	943.8	84	109,443	6.2%	640.6	28	175,962	5.8%	1,584.5	112	130,865	6.1%
<b>Total</b>	<b>4,111.5</b>	<b>275</b>	<b>171,209</b>	<b>5.7%</b>	<b>12,458.5</b>	<b>455</b>	<b>367,378</b>	<b>5.1%</b>	<b>16,570.0</b>	<b>730</b>	<b>301,837</b>	<b>5.3%</b>
<b>Southeast</b>												
 Atlanta	4,988.9	212	108,172	5.6%	1,919.8	36	218,037	4.8%	6,908.7	248	123,615	5.5%
Broward	897.6	28	198,806	5.5%	542.4	10	266,280	5.0%	1,440.0	38	216,269	5.4%
Charlotte	1,308.0	58	128,513	5.7%	1,542.1	22	244,822	4.8%	2,850.1	80	169,546	5.6%
Jacksonville	970.0	44	96,565	5.8%	117.4	2	195,667		1,087.4	46	102,666	5.8%
Memphis	388.0	25	83,857	6.4%	48.4	2	135,955		436.4	27	89,053	6.3%
Miami	692.4	63	188,922	5.6%	487.3	11	255,940	5.1%	1,179.7	74	205,865	5.5%
Nashville	1,242.0	42	154,813	5.7%	565.6	9	261,848		1,807.6	51	180,171	5.6%
Orlando	1,934.2	49	160,580	5.2%	672.0	10	226,311	4.7%	2,606.2	59	174,152	5.2%
Palm Beach	663.1	26	163,503	5.6%	81.7	2	284,577		744.8	28	171,984	5.6%
Raleigh/Durham	1,702.2	66	134,983	5.2%	898.6	15	250,339	4.9%	2,600.9	81	162,931	5.1%
Tampa	2,108.1	69	145,236	5.5%	574.7	8	265,585	4.4%	2,682.8	77	162,225	5.4%
Tertiary Southeast	9,044.5	581	90,889	6.1%	1,483.6	46	163,571	5.6%	10,528.1	627	96,805	6.0%
<b>Total</b>	<b>25,938.9</b>	<b>1,263</b>	<b>113,871</b>	<b>5.7%</b>	<b>8,933.7</b>	<b>173</b>	<b>223,197</b>	<b>5.1%</b>	<b>34,872.6</b>	<b>1,436</b>	<b>129,758</b>	<b>5.7%</b>
<b>Southwest</b>												
 Austin	2,760.4	87	138,843	5.3%	1,127.6	18	333,191	5.1%	3,887.9	105	173,936	5.3%
Dallas	6,615.1	255	122,393	5.6%	1,727.3	30	205,944	4.7%	8,342.4	285	137,878	5.5%
Denver	2,796.1	98	216,171	5.3%	1,460.9	30	321,725	4.6%	4,257.0	128	244,420	5.2%
Houston	4,058.3	165	97,596	5.7%	1,104.7	18	203,235	4.5%	5,163.0	183	118,532	5.6%
Phoenix	5,407.0	194	151,244	5.2%	1,241.6	16	280,539	4.7%	6,648.6	210	164,269	5.1%
San Antonio	1,374.2	76	87,635	6.1%	450.9	9	204,049		1,825.1	85	101,751	6.1%
Tertiary Southwest	4,203.6	295	96,785	6.3%	384.0	14	143,115	5.2%	4,587.6	309	98,050	6.2%
<b>Total</b>	<b>27,214.7</b>	<b>1,170</b>	<b>132,450</b>	<b>5.7%</b>	<b>7,497.0</b>	<b>135</b>	<b>255,027</b>	<b>4.7%</b>	<b>34,711.7</b>	<b>1,305</b>	<b>149,616</b>	<b>5.6%</b>
<b>West</b>												
 East Bay	997.9	70	306,413	4.9%	1,001.8	27	472,164	4.0%	1,999.7	97	372,829	4.8%
Inland Empire	1,669.4	58	213,935	5.3%	44.5	3	150,253		1,713.9	61	211,459	5.3%
Las Vegas	2,336.8	64	152,993	5.3%	181.0	4	222,632	5.2%	2,517.8	68	156,859	5.3%
Los Angeles	4,245.3	513	268,778	4.6%	2,987.8	68	441,353	4.4%	7,233.2	581	319,770	4.6%
Orange Co	426.6	51	255,308	4.4%	320.1	4	294,425	4.0%	746.8	55	265,165	4.4%
Portland	1,006.7	70	194,374	5.4%	594.7	14	313,511		1,601.5	84	228,075	5.4%
Sacramento	882.3	56	165,454	5.2%	26.8	1			909.1	57	168,446	5.2%
Salt Lake City	349.7	30	147,910	5.4%	448.2	12	296,802	5.0%	797.9	42	246,931	5.4%
San Diego	1,223.7	128	259,202	4.6%	644.8	7	358,023	4.4%	1,868.5	135	286,757	4.6%
San Francisco	774.3	63	520,439	4.4%	1,455.0	25	682,047	4.0%	2,229.3	88	618,436	4.3%
San Jose	334.7	28	357,354	4.8%	1,044.8	6	580,494	4.2%	1,379.5	34	513,674	4.7%
Seattle	2,594.7	118	226,949	4.9%	2,454.8	70	378,601	4.4%	5,049.5	188	281,278	4.7%
Tertiary West	2,790.3	234	149,620	6.0%	475.8	19	205,548	4.9%	3,266.1	253	154,376	6.0%
<b>Total</b>	<b>19,690.0</b>	<b>1,494</b>	<b>212,701</b>	<b>5.0%</b>	<b>11,680.2</b>	<b>260</b>	<b>410,625</b>	<b>4.4%</b>	<b>31,370.2</b>	<b>1,754</b>	<b>259,793</b>	<b>4.9%</b>
<b>Total</b>												
<b>Total US</b>	<b>92,188.2</b>	<b>5,265</b>	<b>135,218</b>	<b>5.6%</b>	<b>50,591.4</b>	<b>1,340</b>	<b>293,533</b>	<b>5.1%</b>	<b>142,779.6</b>	<b>6,605</b>	<b>171,112</b>	<b>5.5%</b>

# Selected Recent Transactions

Property Name Address Location	SF Year Built Notes	Price \$/Unit Qualifier	Owner/Buyer Seller Broker
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## Mid-Atlantic

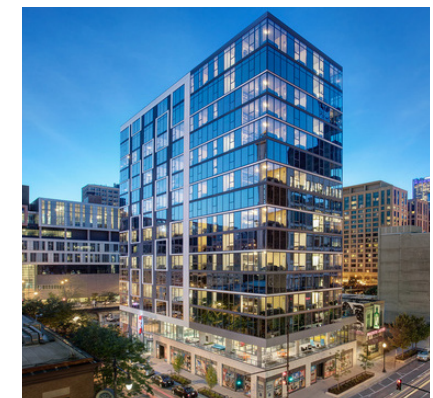
<b>The Thornton</b> 1199 S Washington St Alexandria, VA	439 2017 Garden	\$180,175,000 \$410,421 confirmed	Starwood Capital from Foulger Pratt by Eastdil Secured
<b>2000 West Creek</b> 2000 Broad Branch Cir Richmond, VA	373 2018 Mid/Highrise	\$103,000,000 \$276,139 approximate	Capital Square 1031 from Bristol Development by Colliers International
<b>Loren Falls Church</b> 6410 Arlington Blvd Falls Church, VA	185 2017 Mid/Highrise	\$70,000,000 \$378,378 confirmed	Blackfin Real Estate Investors JV Sachs Investing Co - Sachs Palin from JBG Smith by CBRE
<b>The Morgan</b> 12000 Chase Crossing Cir Rockville, MD	127 1996 Mid/Highrise	\$42,800,000 \$337,008 confirmed	Cove Property Management from The Meridian Group by CBRE
<b>Del Campo</b> 1011 N Hancock St Philadelphia, PA	33 1920 Mid/Highrise	\$10,630,000 \$322,121 approximate	Lucern Capital Partners LLC from Post Brothers



2000 West Creek  
Richmond, VA

## Midwest

<b>Prairie Shores</b> 2851 S Martin Luther King Dr Chicago, IL	1,675 1959 Mid/Highrise	\$168,350,000 \$100,507 approximate	Golub & Co JV Farpoint Development JV Goldman Sachs from Draper and Kramer by JLL
<b>30 East</b> 638 S Wabash Ave Chicago, IL	134 2017 Mid/Highrise	\$60,000,000 \$447,761 approximate	Greystar from Gilbane Properties
<b>Flux</b> 2838 Fremont Ave S Minneapolis, MN	216 2012 Mid/Highrise	\$54,000,000 \$250,000 confirmed	Nuveen (US) from AFL-CIO Building Investment by CBRE
<b>Tribeca</b> 5510 Pershing Ave Saint Louis, MO	165 2017 Mid/Highrise	\$44,000,000 \$266,667 approximate	Hamilton Zanze & Co by Colliers International from Asprient Properties
<b>Midtown Crossing Bldg</b> 3157 Farnam St Omaha, NE	132 2010 Mid/Highrise	\$21,000,000 \$159,091 confirmed	Commercial Investment Props by Colliers International from Mutual of Omaha



30 East  
Chicago, IL

## Northeast

<b>Roosevelt Landings</b> 510 Main St New York, NY	1,003 1969 Mid/Highrise	\$340,000,000 \$338,983 approximate	L&M Dev Ptnrs JV Invesco Real Estate from Brookfield Prop Ptnrs JV Urban American Mgmt Corp by Cushman & Wakefield
<b>The Highlands</b> 10 Lafayette Ave Morristown, NJ	217 2009 Mid/Highrise	\$97,975,000 \$451,498 confirmed	Pacific Urban from PGIM Real Estate by Cushman & Wakefield
<b>Riverbend on the Charles</b> 270 Pleasant St Watertown, MA	170 2013 Mid/Highrise	\$76,150,000 \$447,941 confirmed	Harbor Group Int'l from Berkshire Group by Walker & Dunlop
<b>Harlem Housing</b> 560 Lenox Ave New York, NY	214 1925 Mid/Highrise	\$75,500,000 \$352,804 confirmed	Fairstead Capital from Parkadon Dev by Ariel Property Advisors

# Selected Recent Transactions

Property Name Address Location	SF Year Built Notes	Price \$/Unit Qualifier	Owner/Buyer Seller Broker
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## Southeast

<b>Novel Stonewall Station</b> 400 E Stonewall St Charlotte, NC	<b>459</b> 2017 Mid/Highrise	<b>\$171,000,000</b> \$372,549 approximate	<span>Owner/Buyer</span> Lennar Multifamily Communities from <span>Seller</span> Crescent Communities by <span>Broker</span> CBRE
<b>Mirabella Waterford Lakes</b> 12101 Fountainbrook Blvd Alafaya, FL	<b>400</b> 2000 Garden	<b>\$77,000,000</b> \$192,500 confirmed	<span>Owner/Buyer</span> PRG from <span>Seller</span> H&R REIT by <span>Broker</span> CBRE
<b>Canopy Apartments</b> 6629 Gunn Hwy Tampa, FL	<b>318</b> 2018 Mid/Highrise	<b>\$69,400,000</b> \$218,239 confirmed	<span>Owner/Buyer</span> Blackstone from <span>Seller</span> Glenmont Capital Management JV Arlington Properties by <span>Broker</span> JLL
<b>The Bluestone</b> 4921 Bluffton Pkwy Bluffton, SC	<b>360</b> 2004 Garden	<b>\$69,300,000</b> \$192,500 confirmed	<span>Owner/Buyer</span> Continental Realty from <span>Seller</span> Blaze Partners JV Carlyle Group by <span>Broker</span> Iron Lion Realty
<b>Aspire Perimeter</b> 5385 Peachtree Dunwoody Sandy Springs, GA	<b>296</b> 1995 Garden	<b>\$69,250,000</b> \$233,953 confirmed	<span>Owner/Buyer</span> Broadstone Real Estate by <span>Broker</span> Moran & Co from <span>Seller</span> Lincoln Property Co JV AIG by <span>Broker</span> Moran & Co

## Southwest

<b>Lugano Cherry Creek</b> 9601 E Iliff Ave Denver, CO	<b>328</b> 2010 Mid/Highrise	<b>\$99,250,000</b> \$302,591 confirmed	<span>Owner/Buyer</span> Investors RE Trust from <span>Seller</span> Brass Enterprises by <span>Broker</span> Newmark Knight Frank
<b>Westhills Apartments</b> 453 Van Gordon St Lakewood, CO	<b>400</b> 1972 Garden	<b>\$92,000,000</b> \$230,000 confirmed	<span>Owner/Buyer</span> Priderock Cap Prtnrs from <span>Seller</span> Gelt Inc by <span>Broker</span> JLL
<b>Peak 16 Apartments</b> 5151 N 16th St Phoenix, AZ	<b>233</b> 2018 Garden	<b>\$65,250,000</b> \$280,043 confirmed	<span>Owner/Buyer</span> Virtu Investments from <span>Seller</span> VanTrust Real Estate by <span>Broker</span> Cushman & Wakefield
<b>The Boulders</b> 2850 Kalmia Ave Boulder, CO	<b>161</b> 1993 Garden	<b>\$62,500,000</b> \$388,199 confirmed	<span>Owner/Buyer</span> Heitman from <span>Seller</span> Broadshore Capital Partners by <span>Broker</span> Newmark Knight Frank
<b>The Retreat at Steeplechase</b> 11245 West Rd Houston, TX	<b>390</b> 1998 Garden	<b>\$49,600,000</b> \$127,179 approximate	<span>Owner/Buyer</span> Fogelman Mgmt Group JV DRA Advisors from <span>Seller</span> Willmax Capital by <span>Broker</span> JLL

## West

<b>Mosso</b> 900 Folsom St San Francisco, CA	<b>463</b> 2014 Mid/Highrise	<b>\$311,000,000</b> \$671,706 confirmed	<span>Owner/Buyer</span> Brookfield Prop Prtnrs from <span>Seller</span> Essex Property Trust JV CPP Investment Board by <span>Broker</span> Eastdil Secured
<b>The Weddington</b> 11116-11144 Chandler Blvd North Hollywood, Los Angeles, CA	<b>329</b> 2018 Mid/Highrise	<b>\$169,200,000</b> \$514,286 confirmed	<span>Owner/Buyer</span> Global Asset Capital from <span>Seller</span> Greystar JV Carlyle Group by <span>Broker</span> Eastdil Secured
<b>Issaquah Terrace</b> 906 NE Lilac St Issaquah, WA	<b>298</b> 2014 Mid/Highrise	<b>\$124,776,500</b> \$418,713 confirmed	<span>Owner/Buyer</span> Pacific Urban by <span>Broker</span> Colliers International from <span>Seller</span> Polygon Northwest by <span>Broker</span> Colliers International
<b>LINQ at Berryessa Station</b> 1700 Newbury Park Dr San Jose, CA	<b>230</b> 2016 Mid/Highrise	<b>\$103,825,000</b> \$451,413 confirmed	<span>Owner/Buyer</span> Stockbridge from <span>Seller</span> CORE Companies JV Republic Family of Cos by <span>Broker</span> JLL



**Westhills Apartments**  
Lakewood, CO

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**Jim Costello**, Senior Vice President [Contact](#)

**Robert M. White, Jr.**, Founder & President

**Alexis Maltin**, Senior Manager, Analytics

**Shane Omundsen**, Analyst

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## About Real Capital Analytics

Real Capital Analytics (RCA) is the authority on the deals, the players and the trends that drive the commercial real estate investment markets. Covering all markets globally, RCA delivers timely and reliable data with unique insight into market participants, pricing and capital flows. The most active investors, lenders and advisors depend on RCA's market intelligence to formulate strategy and to source, underwrite and execute deals. An industry pioneer since 2000, RCA has offices in New York, San Jose, London and Singapore. For more information, visit: [rcanalytics.com](http://rcanalytics.com)

## About Capital Trends

Capital Trends reports analyze and interpret trends in the global real estate market using RCA's comprehensive data. US Capital Trends is a monthly edition comprising an overview of the U.S. market and separate reports on the five main property types. Asia Pacific, Europe and Global Capital Trends are published quarterly.

## Methodology

Data based on properties and portfolios \$2.5m and greater unless otherwise stated. For RCA Hedonic Series methodology [click here](#).

For the most current data and even more options for analysis, visit: [rcanalytics.com](http://rcanalytics.com)