

Sales Surge 13% Overall; CBRE Top Broker

After two years of decline, large commercial-property sales jumped 13% last year, as **CBRE** retained the title of most-active broker.

Some \$280.2 billion of properties across the five major asset classes changed hands in 2018, up from \$248.8 billion in 2017 and just shy of the \$282.1 billion peak reached in 2015. The multi-family and industrial sectors both set volume records and hotel sales rose significantly, while office and retail trades were up slightly.

Eastdil Secured again took a solid second place among the brokers, but the horse race for the next three slots was the tightest since **Real Estate Alert's** Deal Database started tracking trades of \$25 million and up in 2001. Surging Cushman & Wakefield edged out HFF for third place by a fraction of a percent. Newmark placed fifth, followed by JLL.

Market pros remain confident in fundamentals and see no slackening of investor demand.

"I have not heard, in the many conversations that I've had with domestic or global capital, any diminution of allocation or commitment of either debt or equity," said **Christopher Ludeman**, global president of capital markets at CBRE. He said his firm is optimistic about continued growth: "We just don't see a monster under the bed during this next fiscal year."

Newmark president of brokerage services Jimmy Kuhn said that persistent talk of being "late in the cycle" hasn't dampened investor appetite, particularly as many major markets continue to see population and job growth along with rising rents. "Those markets are enough to sustain the momentum, based on the capital that has been raised," Kuhn said. "It may not be equally distributed across all the markets, but there is still a huge demand to buy in most of the sectors."

Cushman chief executive Brett White added that institutional investors continue to increase their allocations to commercial real estate because it offers outsize relative returns. "The yields that we're seeing on commercial real estate — even though cap rates are quite low right now — are better than most asset classes most institutions can invest in," he added.

Fears that interest rate increases could stifle trading volume have abated with the **Federal Reserve's** recent announcement

that it is pausing its rate hikes.

"We are encouraged by the continued strong economic growth we see, coupled with reduced concern over interest rates," said Eastdil president Michael Van Konynenburg. He added that growing interest in niche sectors is also a boon to the overall market. "We are seeing increased investor demand for non-traditional assets, including life-science, medical-office and technology/media-related properties," Van Konynenburg said.

CBRE won the composite broker crown for the second year in a row by handling \$59.2 billion of property sales, up 10% from 2017. That gave it a 23.7% share of brokered trades. Its market share was between 23% and 25% in each of the past four years.

Ludeman credits much of the firm's success to its investment of hundreds of millions of dollars annually in technology to "drive transparency and efficiency" in its deal execution and produce predictive analytics. "Our people have not only adopted those tools, but are embracing them to the benefit of our clients," he said.

Eastdil brokered \$44.9 billion of trades last year, up 10% from 2017. Its 18% market share was down just slightly from 18.6% the previous year, continuing a trend that has seen it fall each year since peaking at 26.9% in 2014.

Cushman surged from fifth place in 2017 to third in last year's photo finish, tallying \$31.609 billion of sales, a mere \$8 million more than HFF, which had been No. 3 for eight straight years. Each had a 12.7% market share — up from 9.4% the previous year for Cushman but down from 13.8% for HFF.

Cushman's volume was up 53% year-over-year, more than double the increase of any other "Big Six" brokerage. Last year was the first time since 2009 that Cushman cracked the top three. Two years ago, its market share was only 7.1%.

Its recent gains, and Eastdil's slippage, can be tied in large part to Cushman's 2016 hiring of Eastdil's former New York sales team, led by Douglas Harmon and Adam Spies. That same year, Cushman acquired Southeast apartment brokerage Multi Housing Advisors. Last year, Cushman added Eastdil alumni Robert Rubano in Los Angeles and Michael McDonald in

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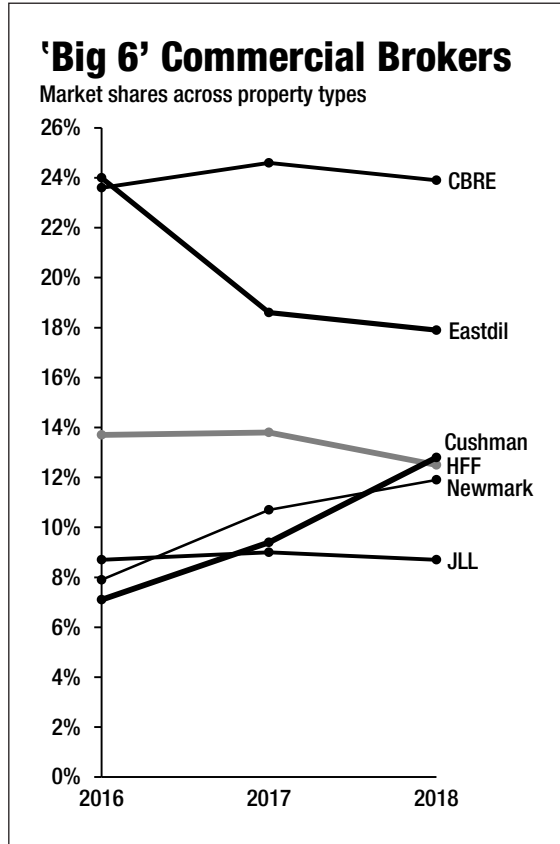
RANKINGS

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Atlanta as managing directors. “We are very focused on the amount of market share we are gaining and a little less focused on where we fit in the league tables,” White said. “One will take care of the other. What we’re really excited about . . . is that we see our market-share gains greatly outpace everybody. It tells us that the strategy we have is working.”

Eastdil — which is close to announcing a management buyout from parent Wells Fargo, to be backed primarily by Singapore sovereign wealth fund Temasek Holdings — is also actively looking to grow. In December, the brokerage added Gary Phillips as a managing director focused on equity sales and capital markets. Phillips was previously a New York-based managing director and head of acquisitions for Allianz Real Estate of America. Eastdil also is in talks to hire Will Silverman, a managing director at Hodges Ward Elliott in Manhattan. That potential hire was first reported by The Real Deal.

In addition, Van Konynenburg noted that Eastdil last year added two managing directors each in Asia and Europe. In London, the firm hired Max von Hurter from Lazard and Rob Weinberg from local investment manager Forum Partners. In Tokyo, Kazunori Sakai joined from Barclays and Ken Sakamoto moved over from Bank of America. “We added to our strong team in 2018 with key senior hires in . . . three of the world’s leading real estate transaction markets,” Van Konynen-



burg said.

Newmark saw the second-biggest sales jump among the top six brokerages — a 26% increase to \$29.4 billion — although it slipped one notch to fifth place due to Cushman’s rise. Newmark’s market share has increased every year since 2011, and Kuhn expects that to continue in 2019 as the firm capitalizes on recent hires.

Last May, Newmark launched a national hotel platform by poaching veteran Eastdil brokers Lawrence Wolfe, Mark Schoenholtz and Adam Etra in New York and Miles Spencer in Washington. And last month, Ryan Maconachy and Chad Lavender joined as vice chairmen of healthcare and alternative real estate assets. The duo previously were co-heads of HFF’s healthcare group, which includes senior housing and medical-office properties.

“We still have a lot of room” to gain market share, Kuhn said. “It’s always going to be competitive.

But we expect to continue to be able to grow our platform.”

Real Estate Alert’s broker rankings are based on property transactions that closed last year and involved full or partial stakes valued at \$25 million or more. When multiple brokers shared a listing, the dollar credit was divided evenly, but each broker was credited with one transaction. Only brokers for sellers were given credit. Portfolio transactions were included if the overall price was at least \$200 million or if at least one property in the portfolio had a value of at least \$25 million. ❖

Annual US Commercial Real Estate Sales

Transactions of at least \$25 million. Figures in billions of dollars.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Multi-Family	\$41.1	\$20.1	\$6.6	\$19.5	\$32.9	\$43.3	\$49.6	\$66.8	\$88.2	\$96.9	\$93.5	\$110.8
Office	135.5	43.5	12.6	34.2	49.1	60.1	75.0	91.3	112.1	103.2	93.9	96.2
Industrial	17.0	6.4	2.1	6.8	8.4	11.4	10.3	14.0	18.6	17.3	23.5	29.9
Retail	27.3	8.9	5.4	9.5	15.7	23.3	23.2	31.4	35.5	31.9	22.1	21.7
Hotel	20.5	6.8	1.2	7.4	14.1	10.9	15.2	21.8	27.7	21.7	15.8	21.6
TOTAL SALES	241.4	85.7	27.9	77.5	120.2	148.9	173.4	225.3	282.1	271.1	248.8	280.2
M&A	168.4	7.1	0.8	28.2	44.1	12.3	40.4	34.1	68.4	36.3	58.0	106.1
GRAND TOTAL	409.8	92.8	28.7	105.7	164.3	161.2	213.8	259.4	350.5	307.4	306.8	386.3

RANKINGS

Top Overall Brokers in 2018

Brokers representing sellers in deals of at least \$25 million. Figures in millions of dollars.

Broker	Multi-Family	Office	Industrial	Retail	Hotel	2018 Total	Market Share (%)	'17-'18 % Chg.
1 CBRE	\$25,982.3	\$14,889.0	\$12,426.6	\$4,310.0	\$1,578.7	\$59,186.6	23.7	9.6
2 Eastdil Secured	6,484.2	22,352.9	4,552.7	3,960.1	7,527.1	44,877.1	18.0	9.8
3 Cushman & Wakefield	10,477.3	14,598.5	3,737.8	2,468.9	326.2	31,608.6	12.7	53.3
4 HFF	14,758.0	10,301.5	2,007.3	2,977.1	1,557.0	31,601.0	12.7	4.4
5 Newmark	16,637.0	9,869.3	832.7	1,994.2	86.8	29,420.0	11.8	25.6
6 JLL	6,552.6	8,915.6	2,086.3	386.0	4,540.7	22,481.2	9.0	13.1
7 Marcus & Millichap	6,014.9	259.7	148.5	253.9	56.8	6,733.7	2.7	97.1
8 Berkadia	3,629.5	0.0	0.0	0.0	194.2	3,823.7	1.5	-10.3
9 Colliers International	1,198.2	1,014.5	913.0	35.2	46.0	3,206.9	1.3	-22.4
10 Moran & Co.	2,476.9	0.0	0.0	0.0	0.0	2,476.9	1.0	-26.6
11 Walker & Dunlop	2,343.5	0.0	0.0	0.0	0.0	2,343.5	0.9	-14.3
12 Hodges Ward Elliott	284.0	79.3	0.0	0.0	1,931.7	2,294.9	0.9	-12.8
13 Rosewood Realty	1,120.1	0.0	0.0	0.0	0.0	1,120.1	0.4	211.1
14 Transwestern	563.8	142.4	403.4	0.0	0.0	1,109.6	0.4	3.5
15 JBM	588.0	0.0	0.0	0.0	0.0	588.0	0.2	-34.9
16 Avison Young	110.5	198.5	139.6	0.0	63.7	512.2	0.2	73.4
17 Madison Partners	164.1	270.9	0.0	0.0	0.0	435.0	0.2	54.3
18 Savills Studley	110.1	89.1	0.0	118.1	58.0	375.2	0.2	-25.9
19 Kidder Mathews	113.9	108.3	135.1	0.0	0.0	357.3	0.1	-49.6
20 Mid-America Real Estate	0.0	0.0	0.0	294.2	0.0	294.2	0.1	-51.9
21 Westwood Realty Associates	270.0	0.0	0.0	0.0	0.0	270.0	0.1	56.1
22 Meridian Capital	220.0	0.0	39.0	0.0	0.0	259.0	0.1	-17.5
23 Lucescu Realty	0.0	0.0	0.0	230.3	0.0	230.3	0.1	
24 Greystone	206.7	0.0	0.0	0.0	0.0	206.7	0.1	
25 Kislak Co.	196.5	0.0	0.0	0.0	0.0	196.5	0.1	
26 Gebroe-Hammer Associates	169.2	0.0	0.0	0.0	0.0	169.2	0.1	-73.7
27 Tikijian Associates	164.3	0.0	0.0	0.0	0.0	164.3	0.1	356.3
28 Hunter Hotel Advisors	0.0	0.0	0.0	0.0	139.6	139.6	0.1	145.0
29 HK Group	136.5	0.0	0.0	0.0	0.0	136.5	0.1	
30 Lee & Associates	0.0	69.0	0.0	61.0	0.0	130.0	0.1	-58.7
31 RobertDouglas	0.0	0.0	0.0	0.0	116.5	116.5	0.0	41.6
32 BH HomeServices	0.0	0.0	0.0	0.0	109.0	109.0	0.0	
33 TerraCRG	0.0	53.0	0.0	53.0	0.0	106.0	0.0	300.0
33 SVN International	81.0	25.0	0.0	0.0	0.0	106.0	0.0	-49.6
35 Commercial Asset Advisors	98.5	0.0	0.0	0.0	0.0	98.5	0.0	
36 Plasencia Group	0.0	0.0	0.0	0.0	97.0	97.0	0.0	
37 National Realty	92.5	0.0	0.0	0.0	0.0	92.5	0.0	
38 A&G Realty	0.0	0.0	88.5	0.0	0.0	88.5	0.0	
39 NAI Global	30.1	56.4	0.0	0.0	0.0	86.5	0.0	-40.8
40 Voit Real Estate Services	0.0	85.8	0.0	0.0	0.0	85.8	0.0	95.0
OTHERS	791.6	466.8	94.8	362.9	66.5	1,782.5	0.7	-46.7
Brokered Total	102,065.7	83,845.4	27,605.3	17,504.9	18,495.3	249,516.6	100.0	13.6
No Broker	8,709.5	12,344.3	2,305.3	4,228.1	3,104.8	30,691.9		5.6
TOTAL	110,775.1	96,189.7	29,910.5	21,733.0	21,600.1	280,208.4		12.6