

Bender

COMMERCIAL

MARCH 2, 2023

26TH ANNUAL

MARKET OUTLOOK





ECONOMIC OVERVIEW

BY **REGGIE KUIPERS, SIOR**



A NEW ERA

- Market has been incentivized for investment for the last decade
 - Fiscal stimulus, quantitative easing, profitless innovation, negative real interest rates, unregulated crypto
- Fed Funds Rate moved from 0% to 5% in 2022
- Inverted yield curves
- Chinese spy balloons + China/Taiwan and Russia/Ukraine
- Value in the marketplace?



Purvis

The United States Department of the Treasury dropped new \$1 bills.



I ATE A POPSICLE



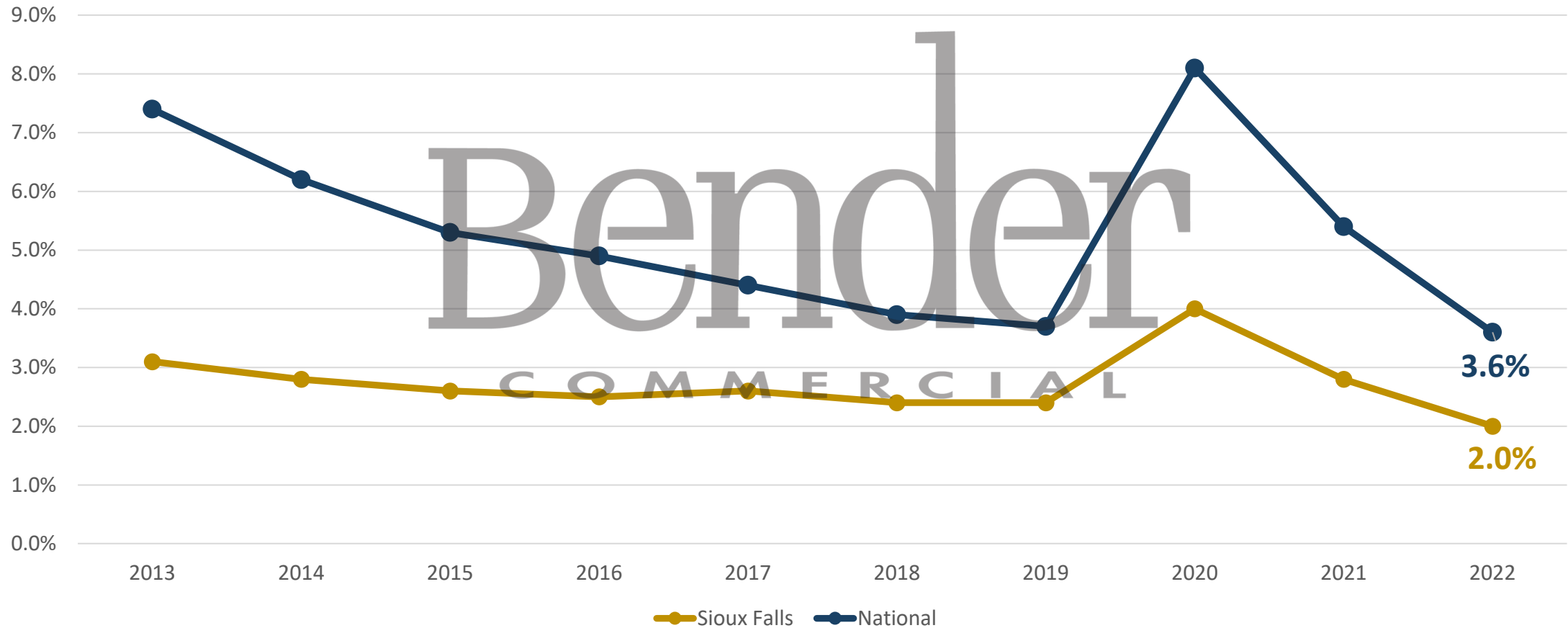
**AND ENDED UP
WITH \$38.00 IN LUMBER.**



MIXED SIGNALS

- Unemployment Rate
- Employment Growth
- Job Openings
- Inflation
- Bank Deposits
- Sioux Falls Economy

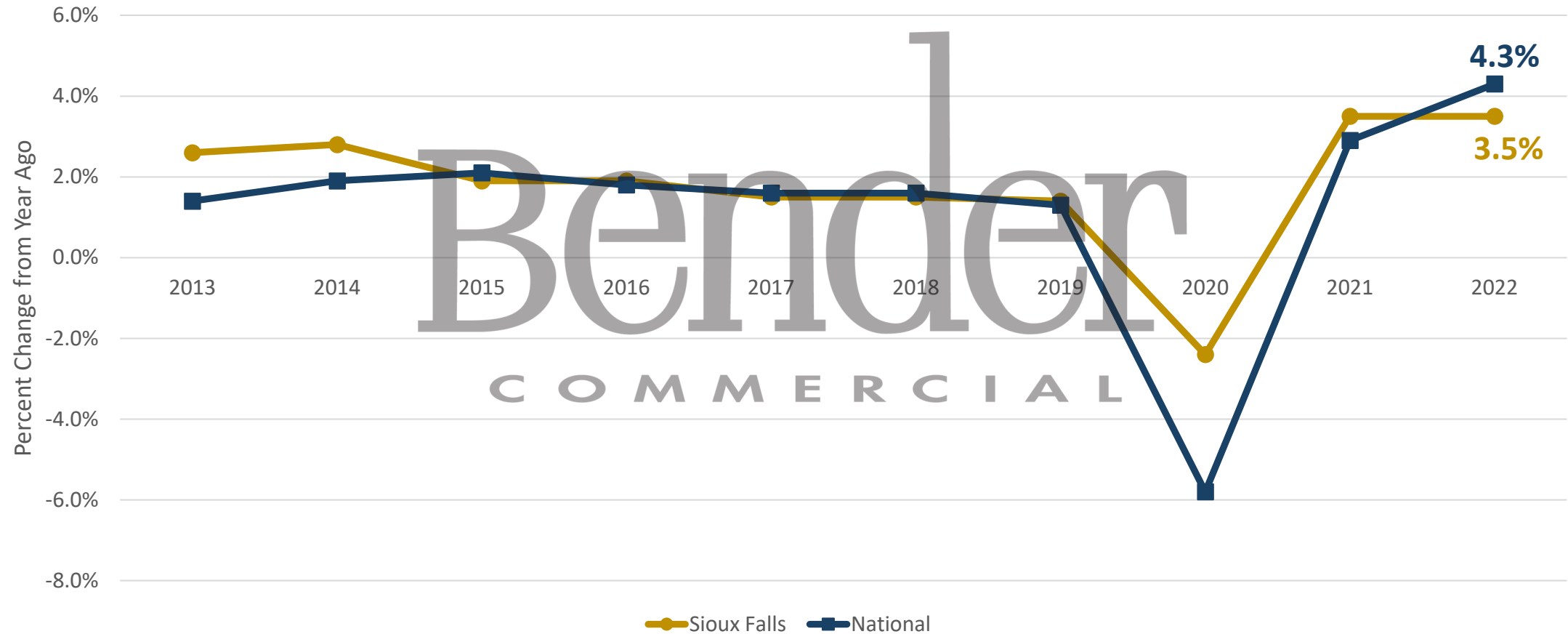
MIXED SIGNALS - UNEMPLOYMENT



Source: U.S. Bureau of Labor Statistics



MIXED SIGNALS – EMPLOYMENT GROWTH



Source: U.S. Bureau of Labor Statistics

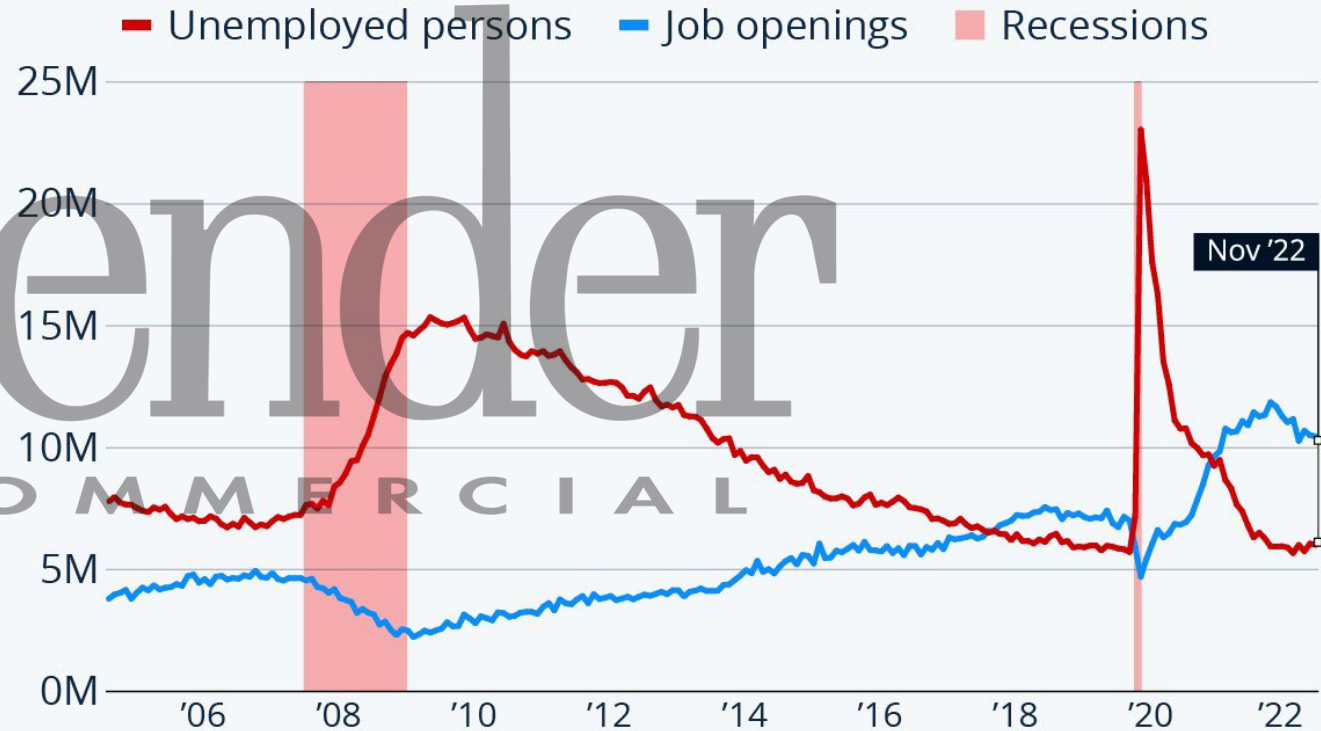


MIXED SIGNALS

JOB OPENINGS

U.S. Job Openings Edge Down, Still Outnumber Jobless By Far

Number of unemployed persons and job openings in the United States, seasonally adjusted



Source: U.S. Bureau of Labor Statistics



statista



WHITE COLLAR RECESSION?

Employers are hovering with their foot above the brake

Job layoffs in the top-five industries

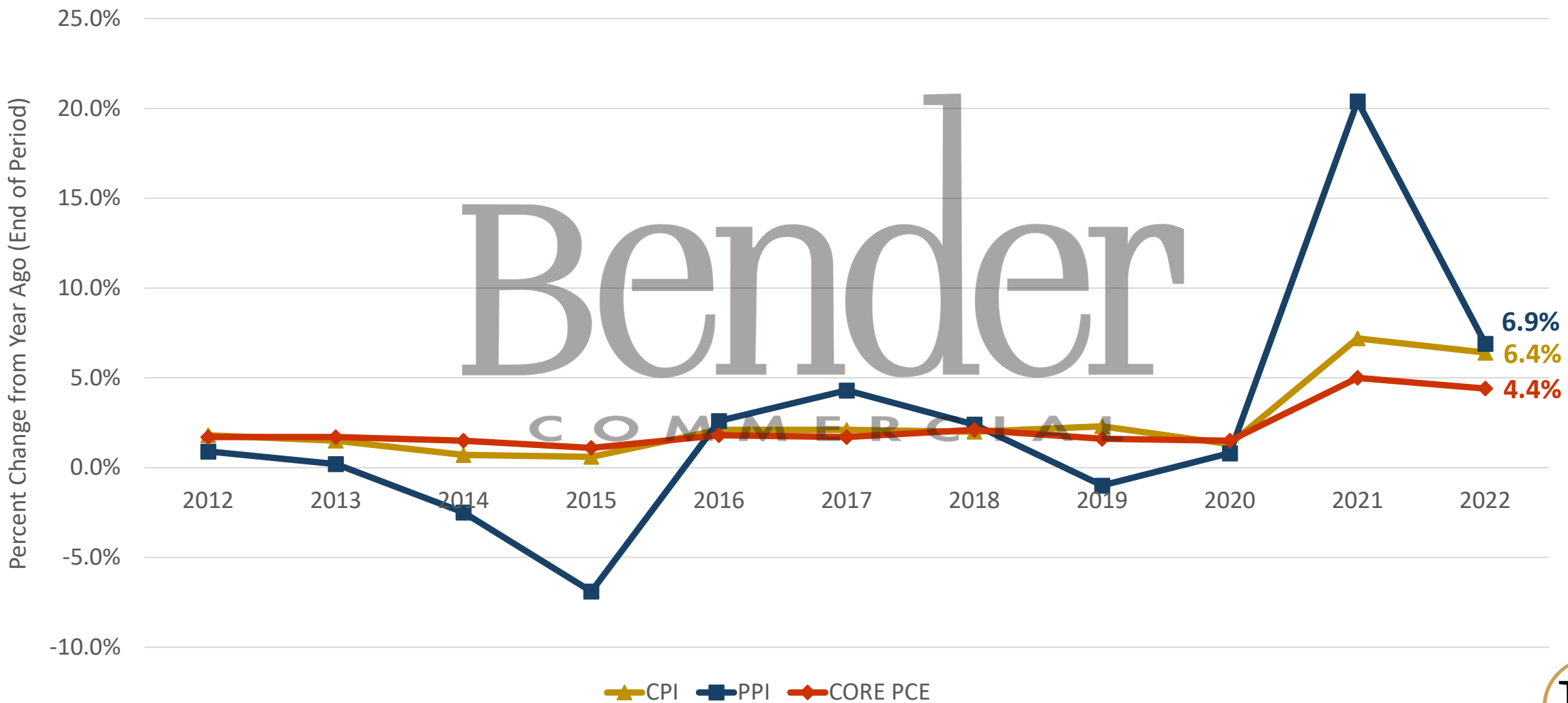


Source: Challenger, Gray & Christmas, Inc.

Commercial

Logos included in the collage: DOW JONES, BED BATH & BEYOND, McDonald's, IBM, Google, Microsoft, Amazon, Hasbro, SAP, Salesforce, 3M, GE, vimeo, Spotify, STITCH FIX, crypto.com, Goldman Sachs, CARVANA.

INFLATION



Source: FRED Economic Data | St. Louis FED

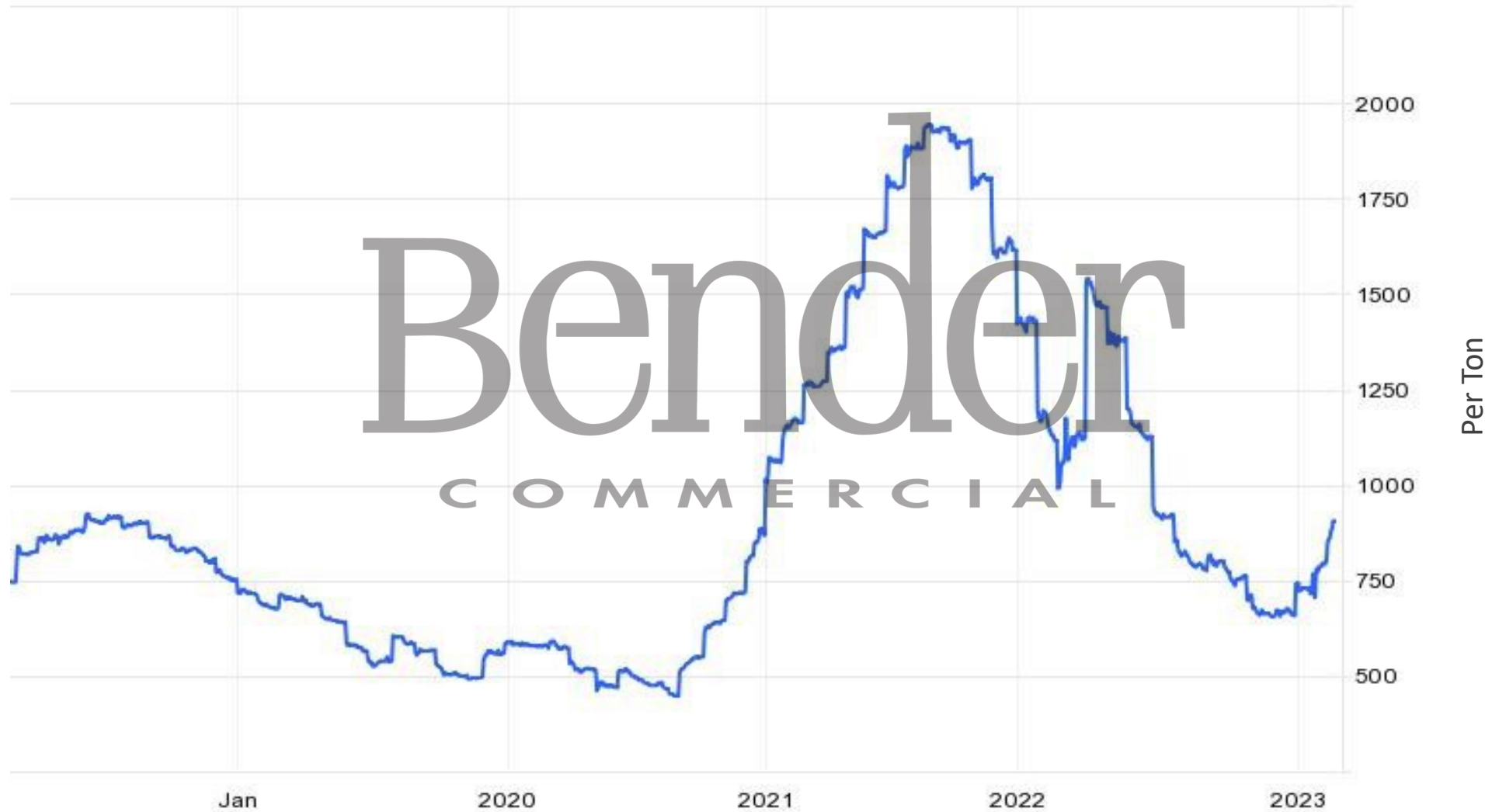


COMMODITY PRICES - LUMBER



COMMODITY PRICES - STEEL

Hot-Rolled Coil Steel

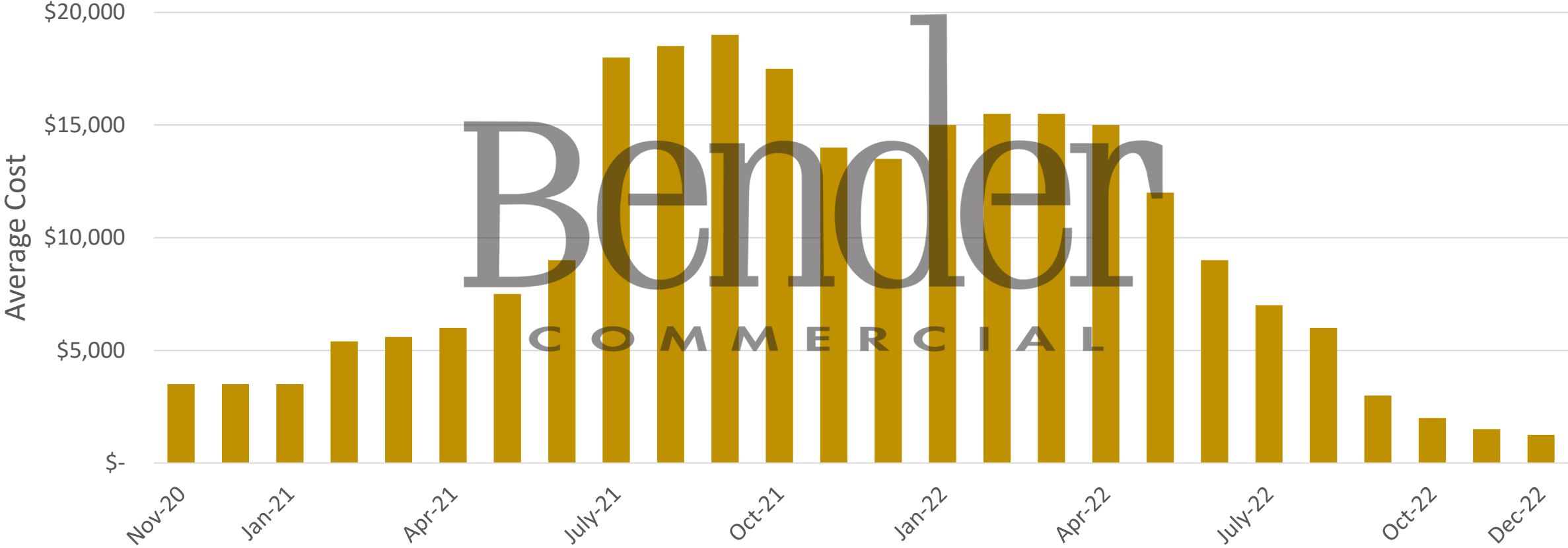


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TRANSPORTATION COSTS

AVERAGE FREIGHT OCEAN SHIPPING COSTS | CHINA TO U.S. WEST COAST



Source: Marcus & Millichap Research Services, Freightos

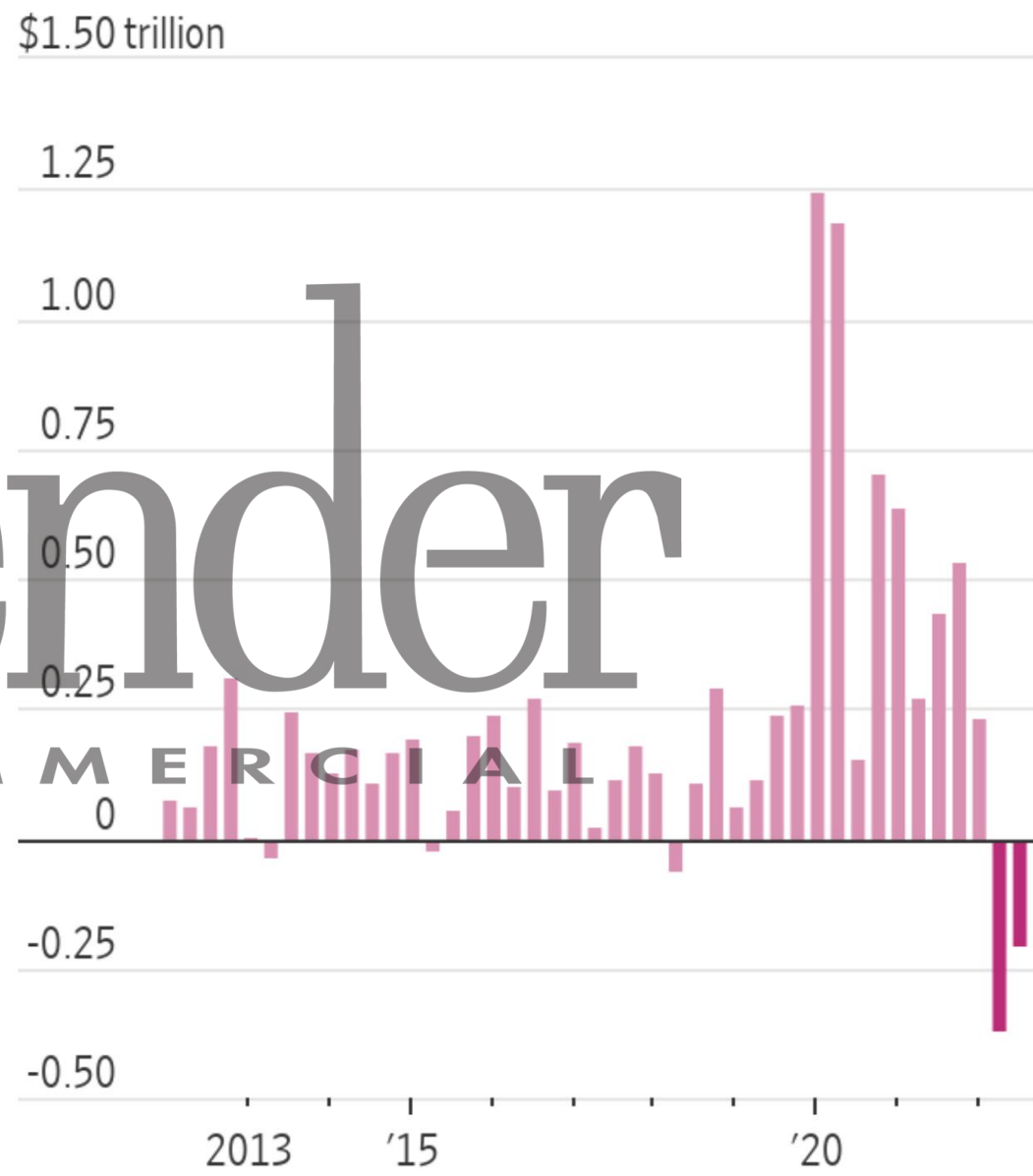


MIXED SIGNALS

BANK
DEPOSITS

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Quarterly change in deposits at U.S. banks



Source: Federal Deposit Insurance Corp



MIXED SIGNALS

WHERE IS THAT MONEY GOING?

Inflation Spending

US Treasuries

Fixed Income

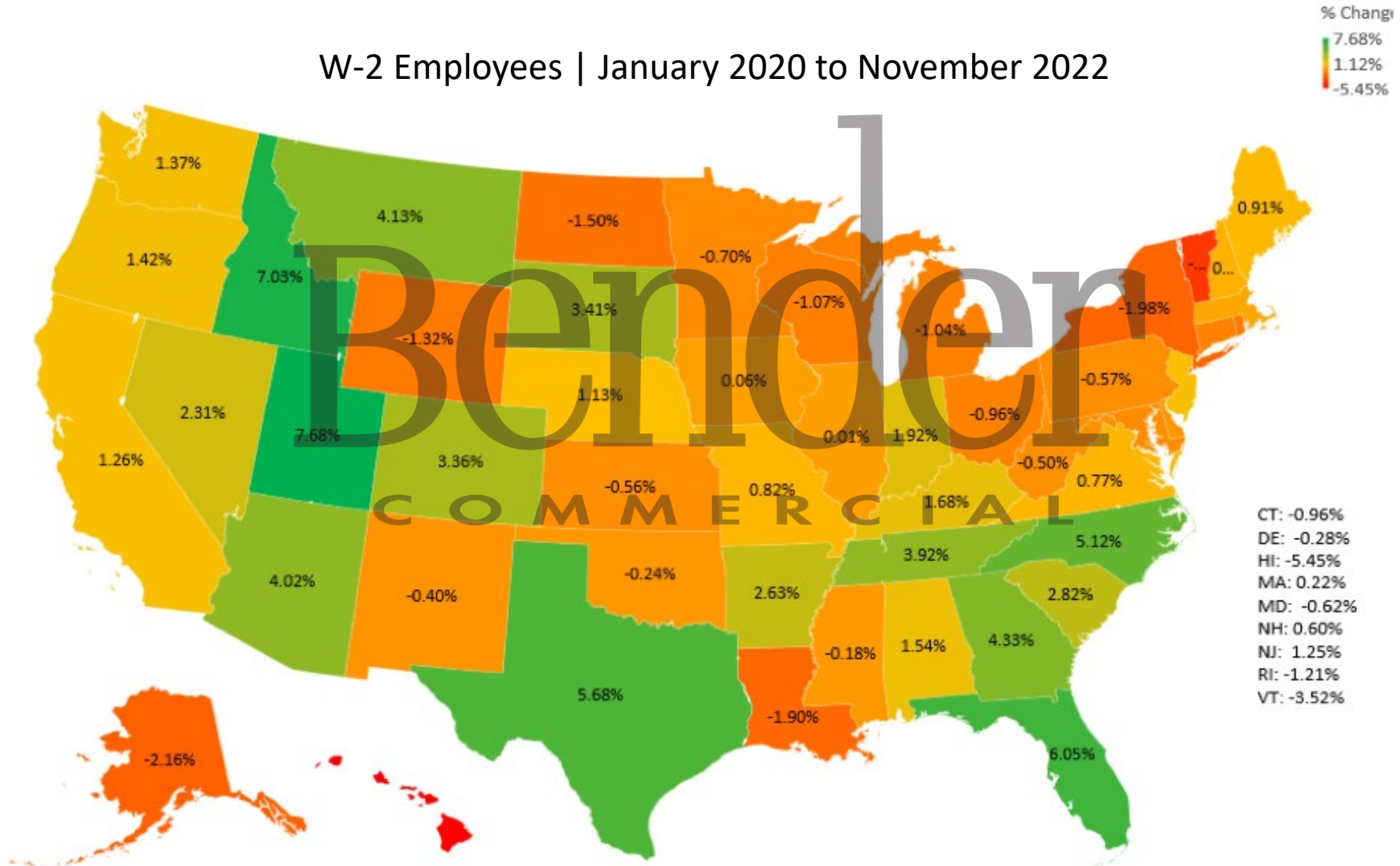
Money Market

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MIXED SIGNALS - STATE ECONOMY

W-2 Employees | January 2020 to November 2022

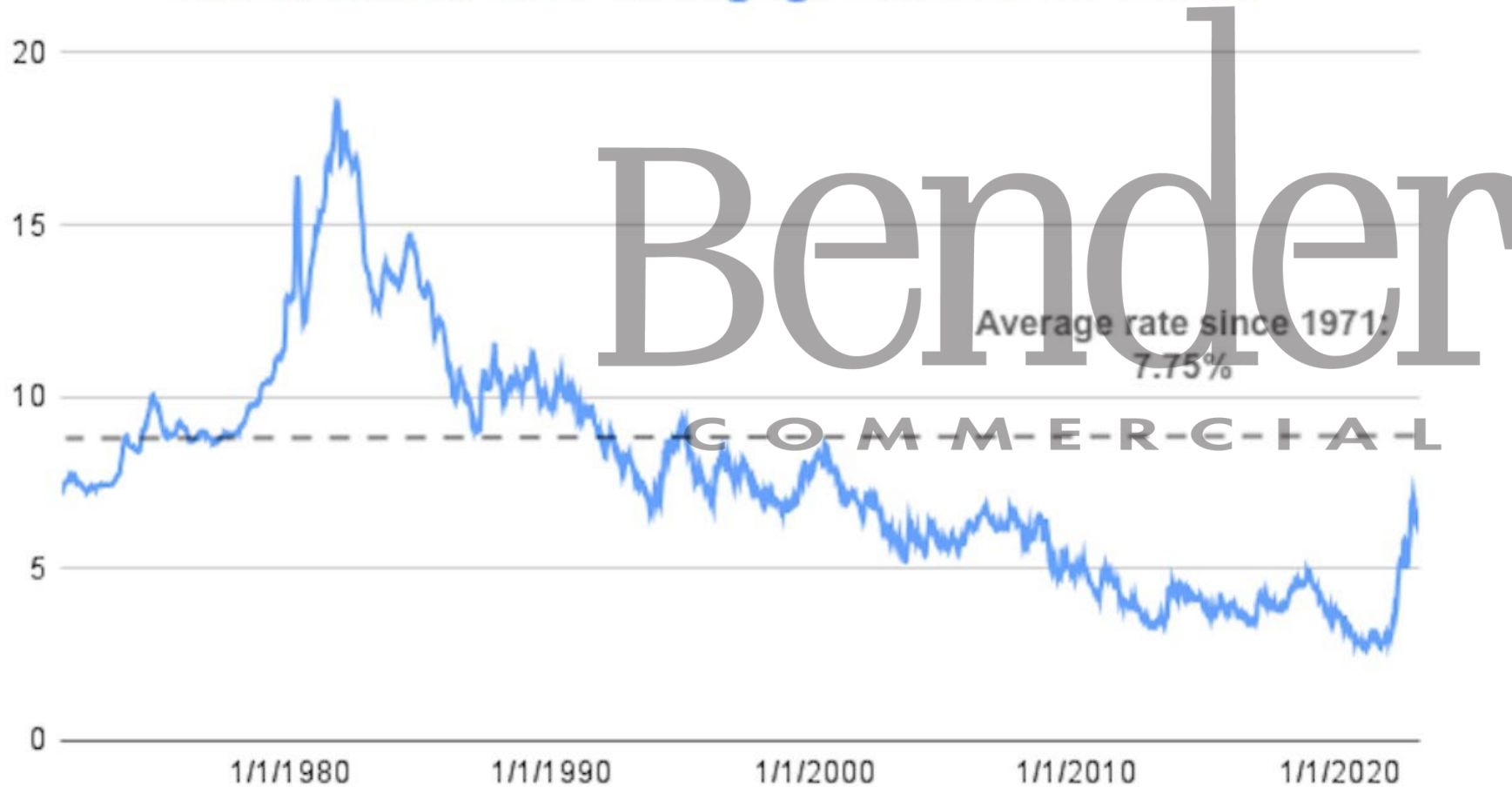


Source: National Association of REALTORS



RESIDENTIAL REAL ESTATE

Historical 30-Year Mortgage Rates: 1971-2023



JANUARY 2022
30-Year Mortgage Rate
3.22%
\$2,000/month =
\$460,000 home

DECEMBER 2022
30-Year Mortgage Rate
6.42%
\$2,000/month =
\$320,000 home

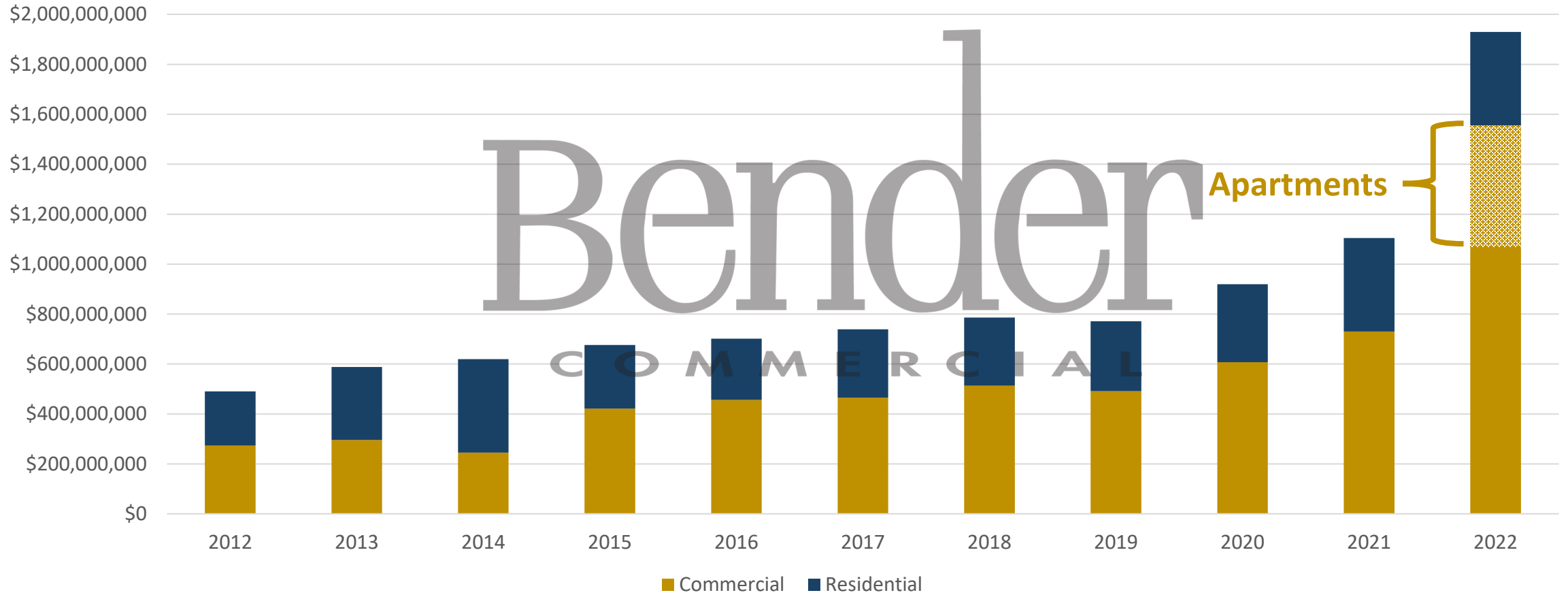
RESIDENTIAL CLOSINGS – MINNEHAHA/LINCOLN

January 2022

December 2022

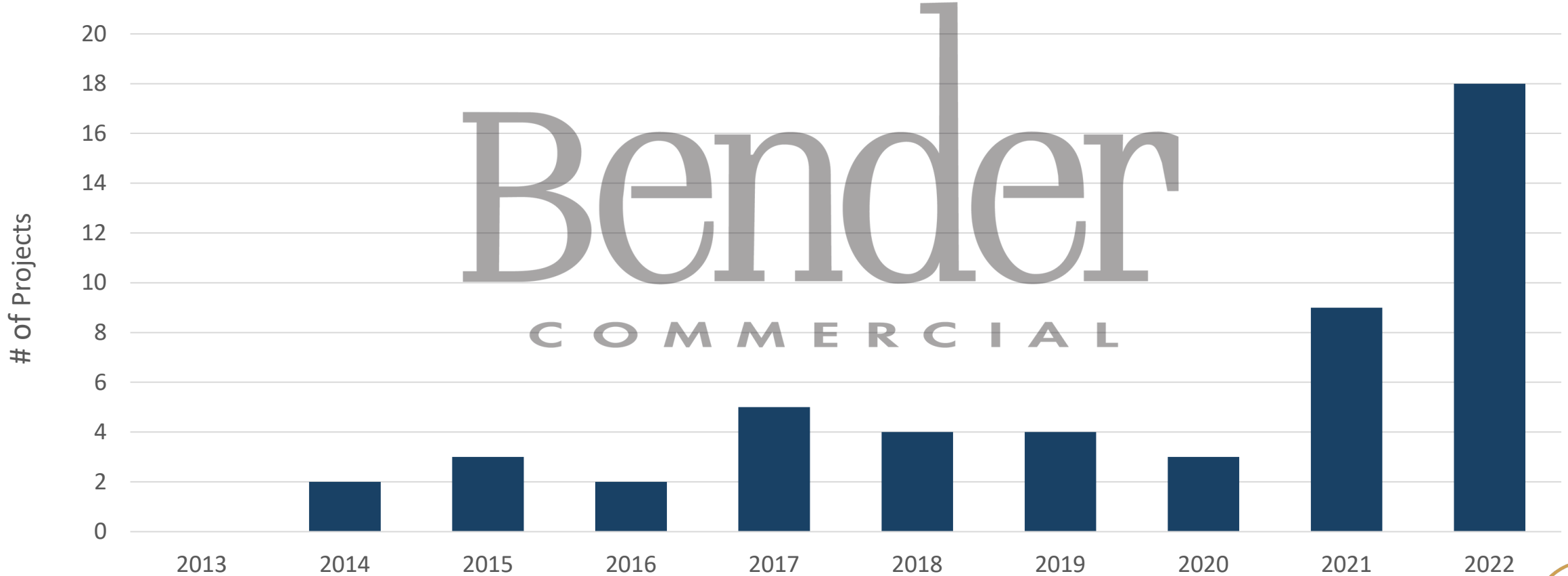


TOTAL VALUE OF BUILDING PERMITS

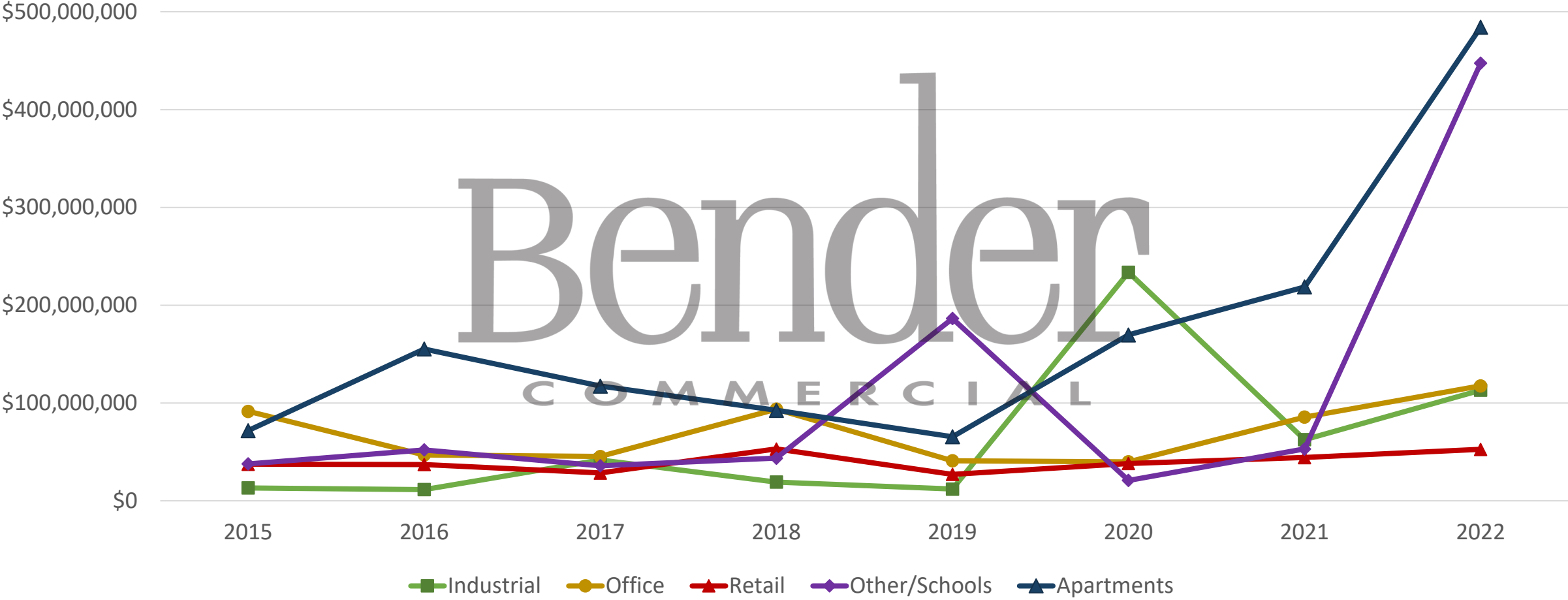


PROJECTS OVER \$20,000,000

Transition from BIG TOWN to SMALL CITY



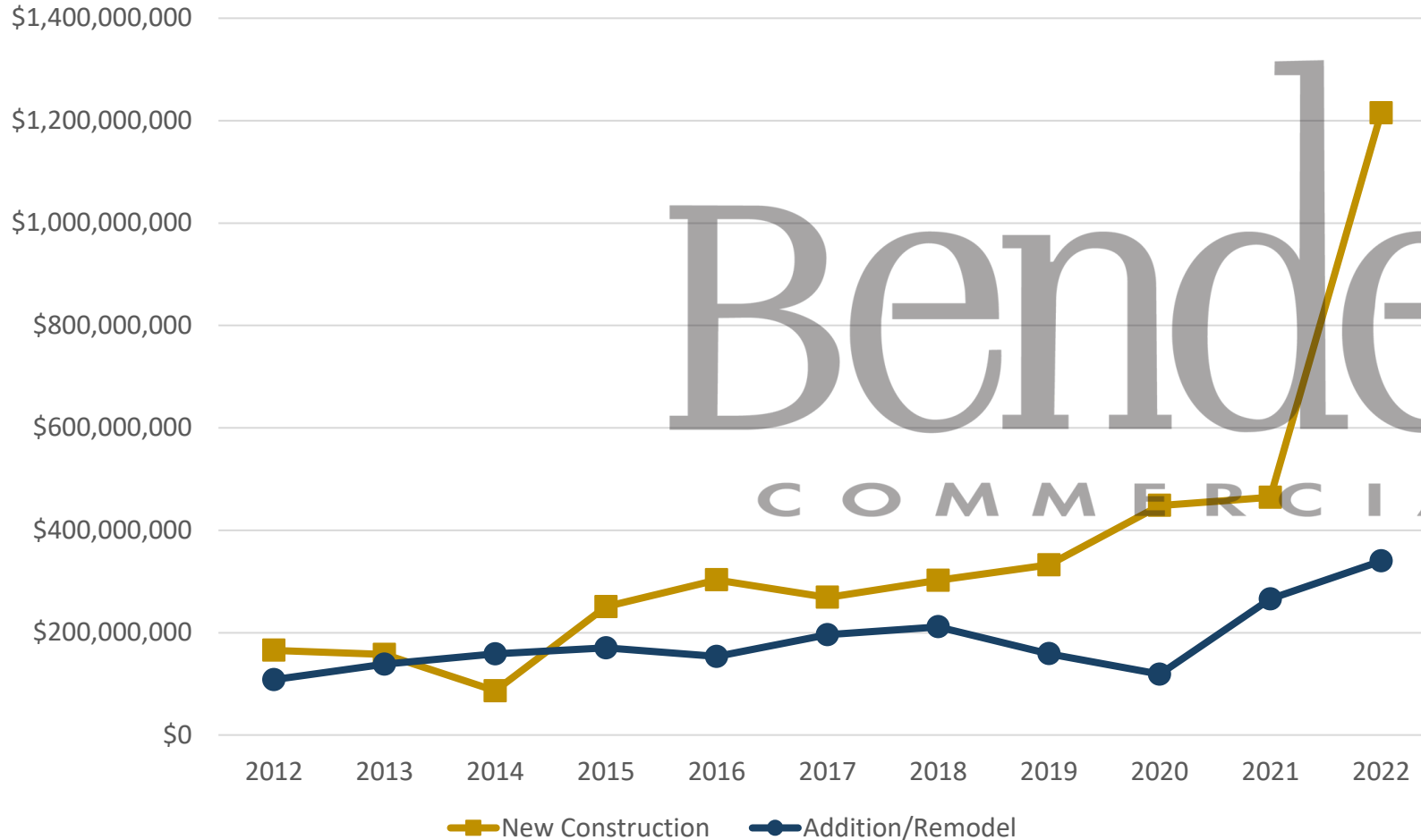
NEW COMMERCIAL CONSTRUCTION



Source: City of Sioux Falls, Planning



NEW COMMERCIAL CONSTRUCTION (New vs. Addition/Remodel)



Source: City of Sioux Falls, Planning

New Construction:

- SF Wastewater Plant - \$170.5M
- Cherapa Place - \$160.8M
- Airport Parking Ramp - \$62.6M
- Augustana Ice Arena - \$60M
- Steel District - \$51.1M

Addition/Remodel:

- Sanford Surgical Tower - \$90.0M
- RHS & WHS Additions - \$8.4M
- Augustana – Solberg Hall - \$7.0M
- Graco Expansion - \$5.8M



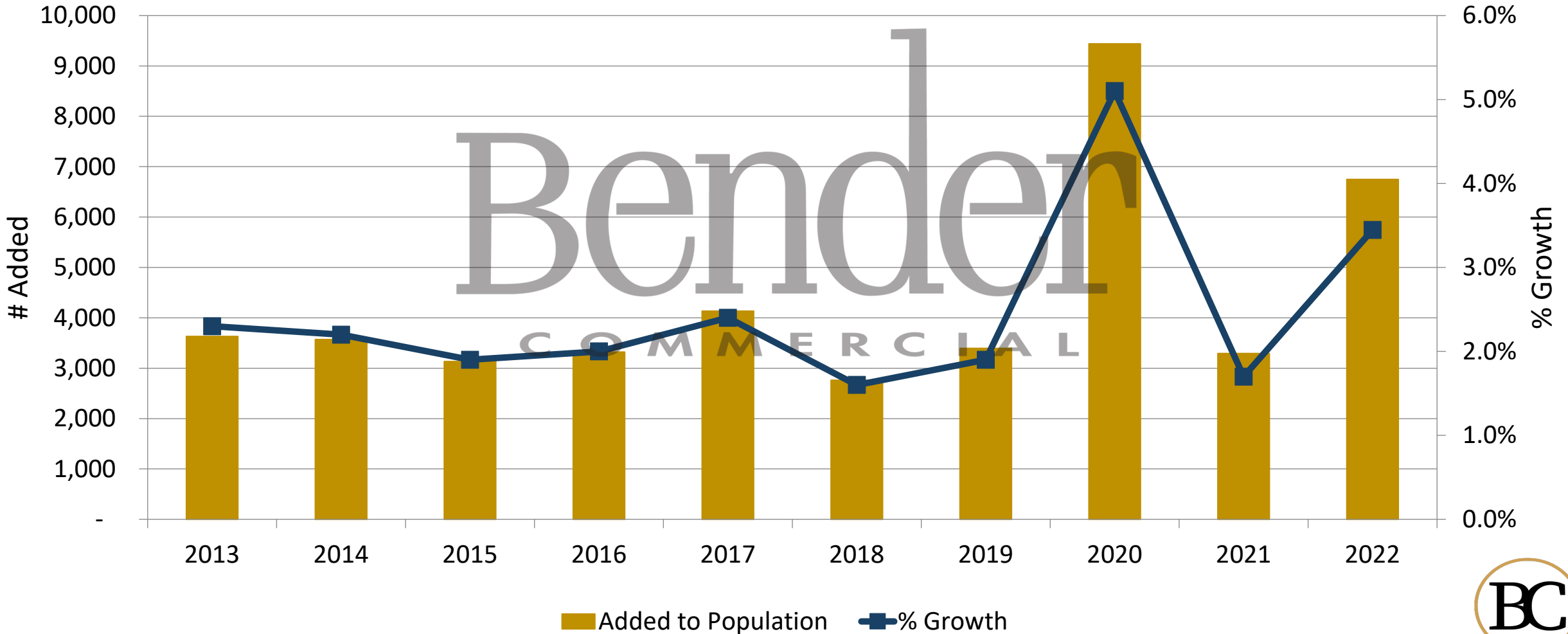
REGIONAL COMPARISON

City	Total Value of Permits	\$ Per Capita
Sioux Falls	\$1,930,003,807	\$9,526
Des Moines/West Des Moines/Ankeny	\$2,047,511,255	\$5,783
Lincoln	\$1,192,354,575	\$4,072
Fargo/West Fargo	\$1,017,173,690	\$6,151
Rochester	\$689,453,730	\$5,758
Rapid City	\$364,635,584	\$4,931



SIoux FALLS POPULATION

Sioux Falls Population = 203,278



PREDICTIONS

Recession Is Coming; Be Prepared to Take Advantage

South Dakota Business Climate Is SUNNY & 72

Fed Funds Rate Will Top Out at 5.5%; 10-year US Treasury to Remain Below 4.5%

Value in the Marketplace (FINALLY!!) –12-24 Months for Seller Expectations to Be Reset



LAND MARKET

MEMBER **BRADYN NEISES, SIOR**



LAND MARKET



UNIMPROVED
LAND SALES

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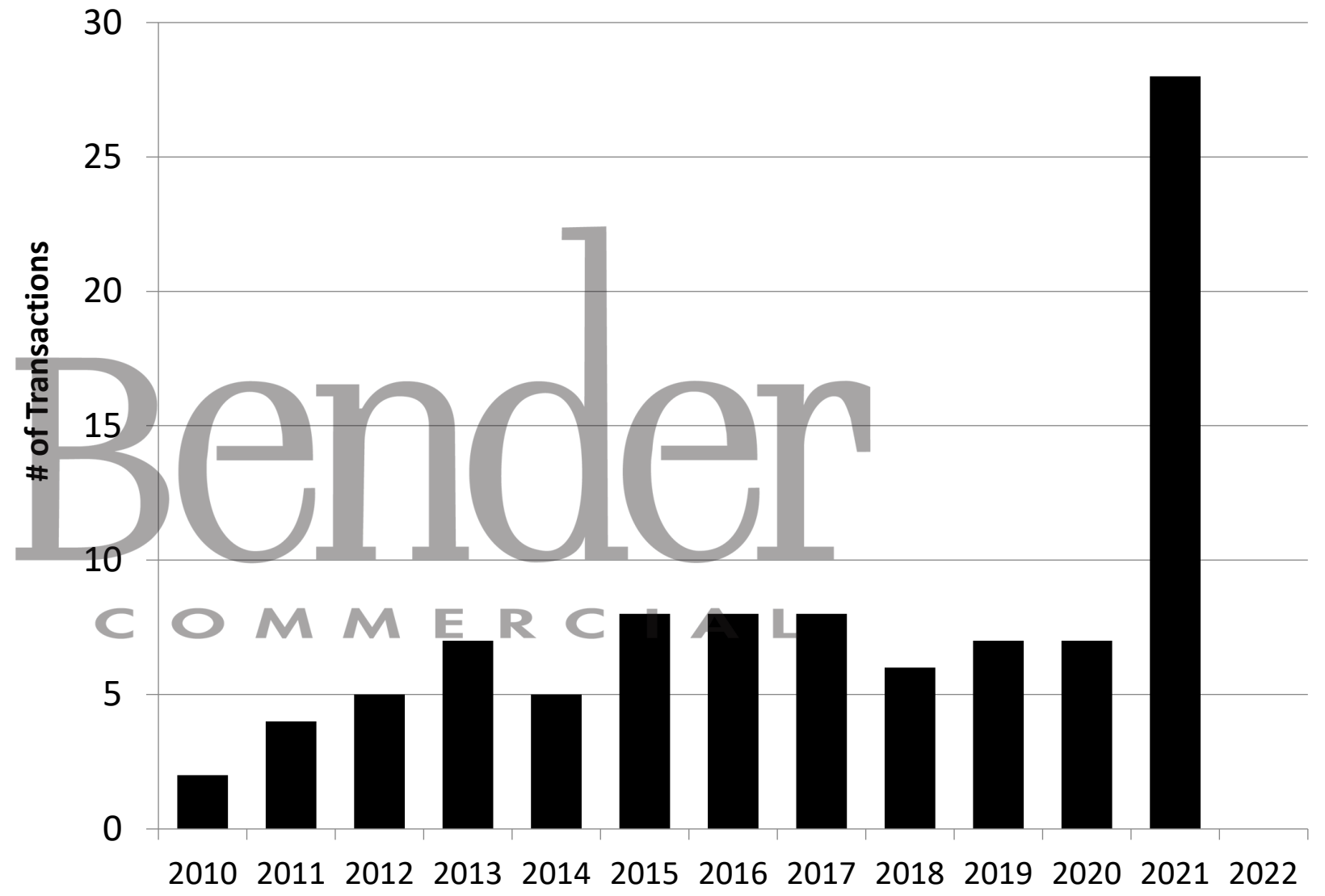
IMPROVED
LAND SALES

LAND PRICES

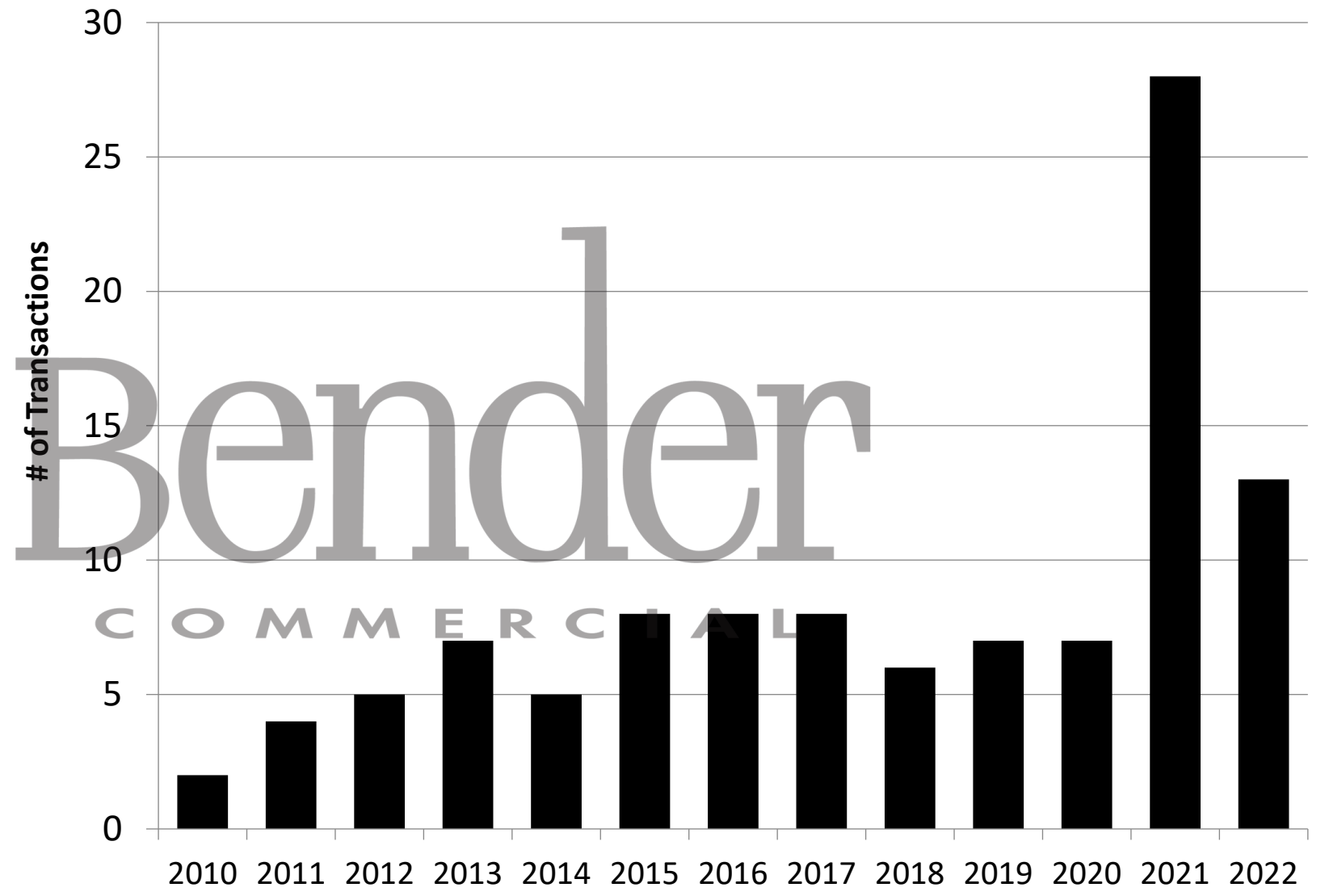


PREDICTIONS

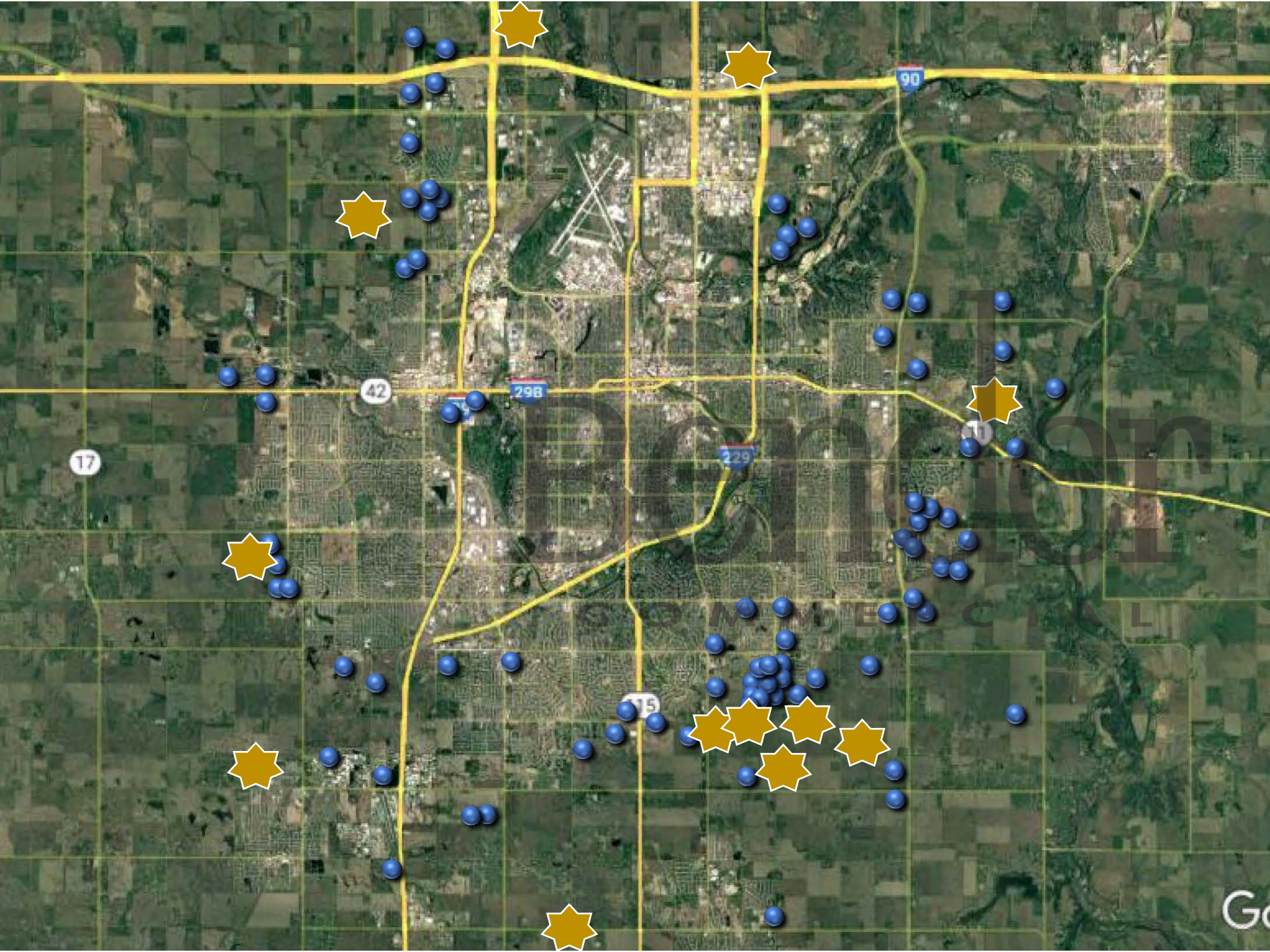
**UNIMPROVED
LAND SALES**



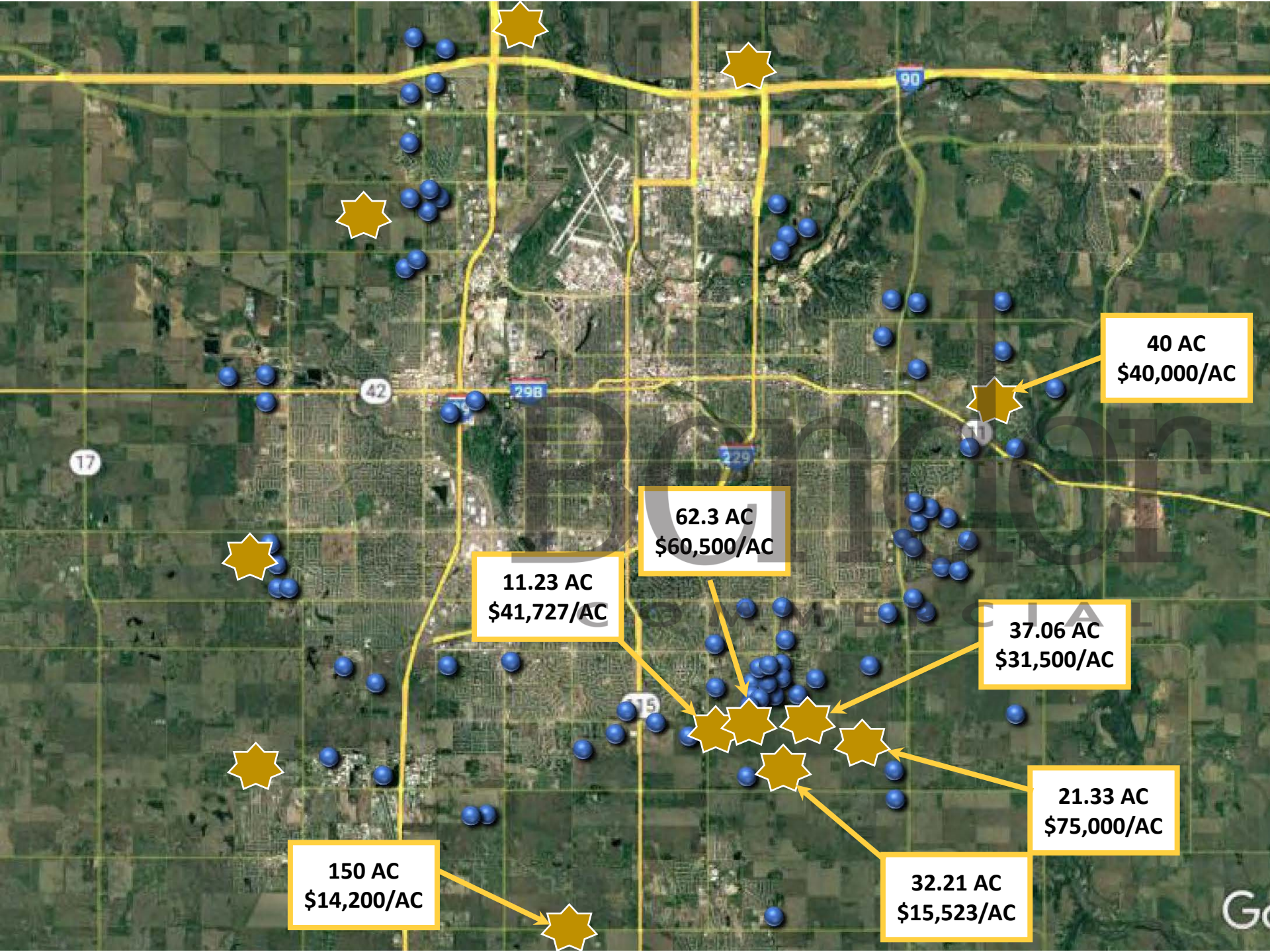
**UNIMPROVED
LAND SALES**



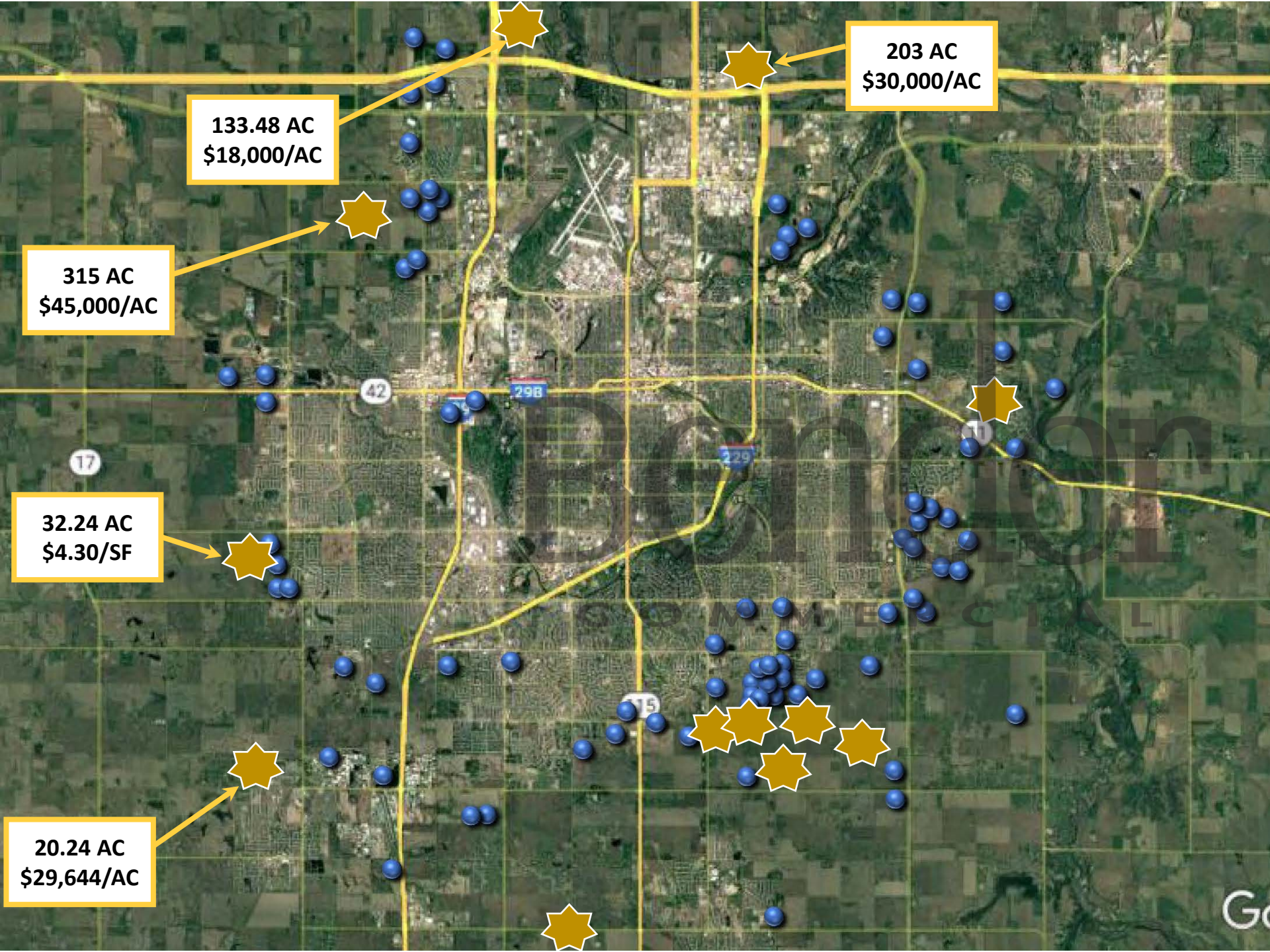
UNIMPROVED LAND SALES 2012 - 2022



UNIMPROVED LAND SALES 2012 - 2022



UNIMPROVED LAND SALES 2012 - 2022



NUMBER OF ACRES SOLD



INFRASTRUCTURE



DIRT WORK



CURB &
GUTTER

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WATER



UTILITIES



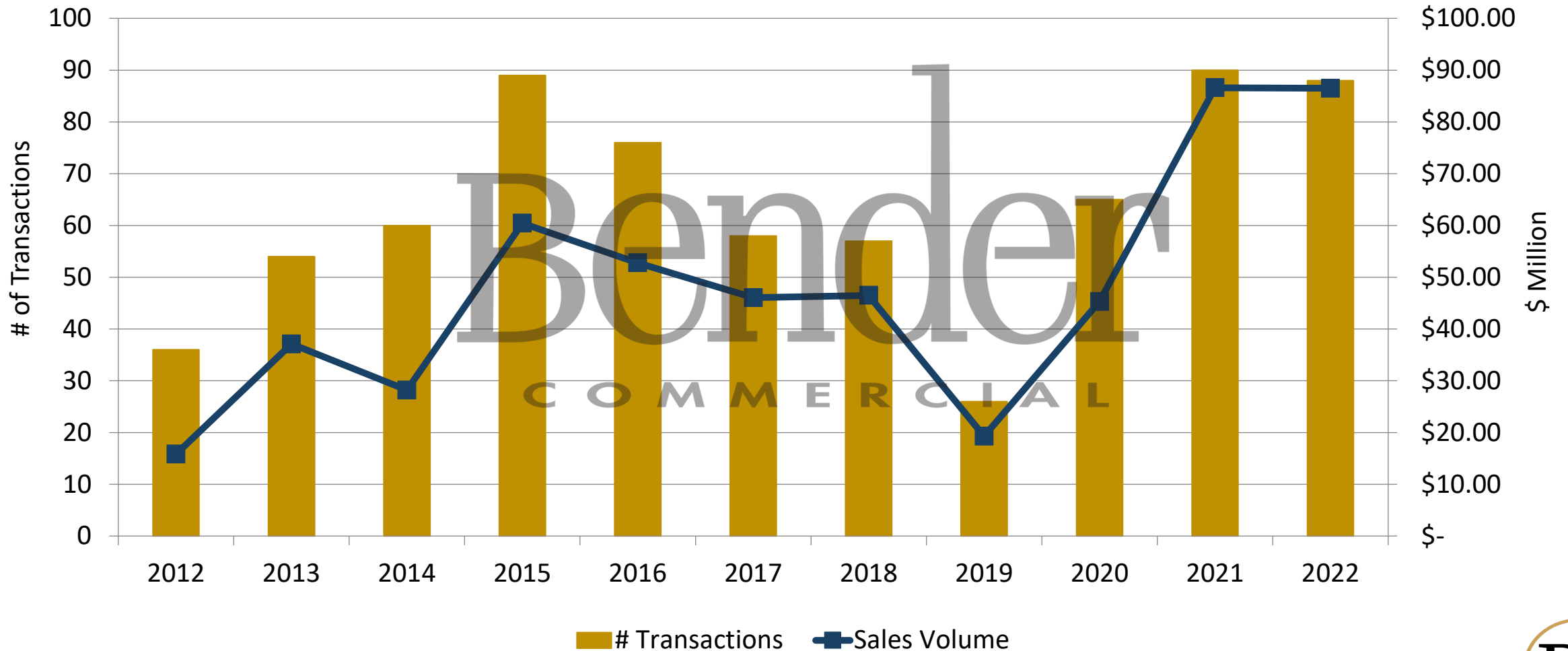
STREETS



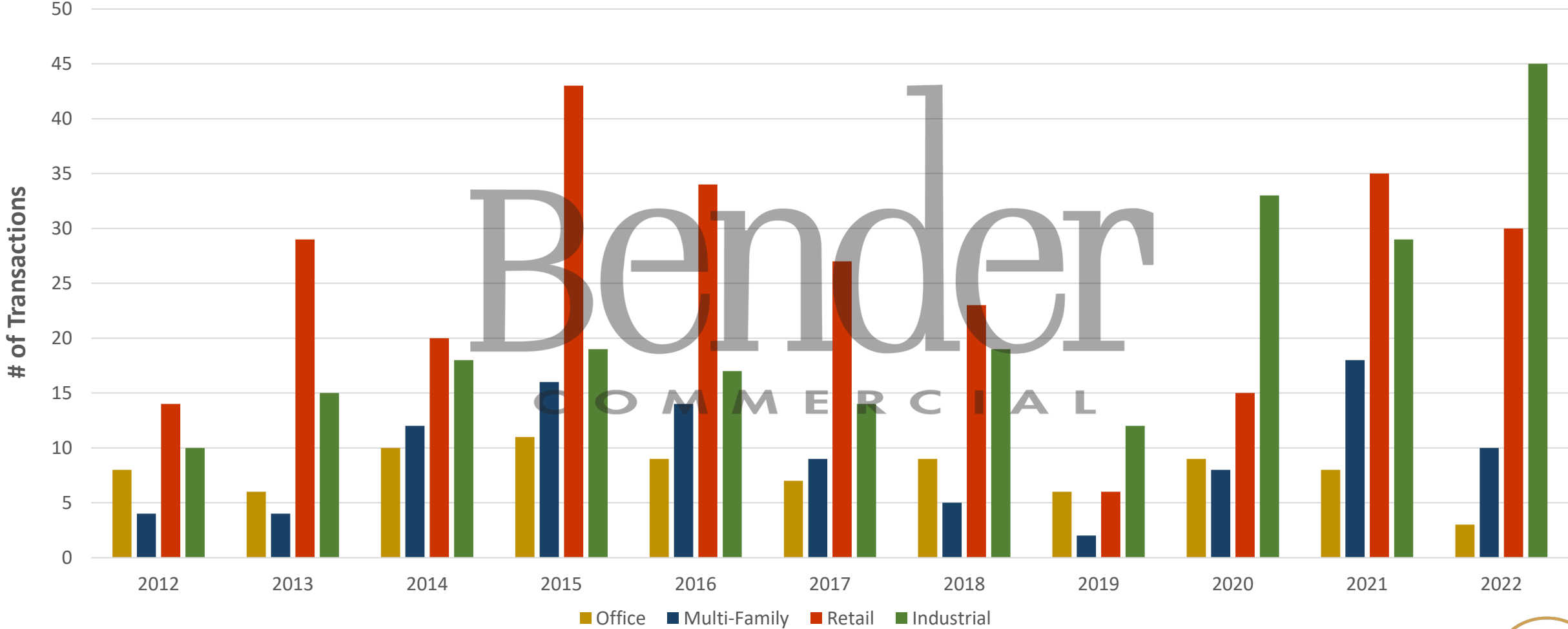
DETENTION
PONDS



IMPROVED LAND SALES



TRANSACTIONS BY LAND USE



LAND PRICING

	LOW	HIGH	2021 MEAN	2022 MEAN
Retail	\$3.50	\$26.20	\$12.25	\$12.13
Office	\$7.75	\$16.00	\$8.25	\$11.42
Multi-Family	\$1.53	\$12.15	\$4.30	\$5.16
Industrial	\$1.59	\$6.78	\$3.25	\$4.15



WHERE ARE ALL THE INDUSTRIAL LOTS?

Development Foundation's focus
on 10+ acre users

Less than 10-acre sites

15-month supply

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PREDICTIONS

Unimproved Land ↓

Industrial ↓

Retail ↔

C O M M E R C I A L

Office ↗

Multi-Family ↔



OFFICE MARKET

ALEX SOUNDY



OFFICE MARKET



NATIONAL
MARKET



SIOUX FALLS
MARKET



CENTRAL
BUSINESS
DISTRICT



SUBURBAN



PREDICTIONS

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WORK FROM HOME

EMPLOYER

EMPLOYEE



INVESTMENT IN OFFICE ENVIRONMENT

Fun Office Environment

Collaborative Spaces

Catered Office Lunches

Green Space

Office Happy Hours

Open Door Policy

NATIONAL TRENDS



OVERALL SIOUX FALLS OFFICE MARKET



Inventory

8.9M SF



Vacancy Rate

Overall 13.2% ↑

Class A 12.3% ↑

Class B 11.2% ↑

Class C 18.4% ↑



Net Absorption

49,485 SF

C O M M E R C I A L



Asking Lease Rates

Class A \$18.00 - \$30.00/SF NNN

Class B \$12.50 - \$18.00/SF NNN

Class C \$8.00 - \$12.50/SF NNN



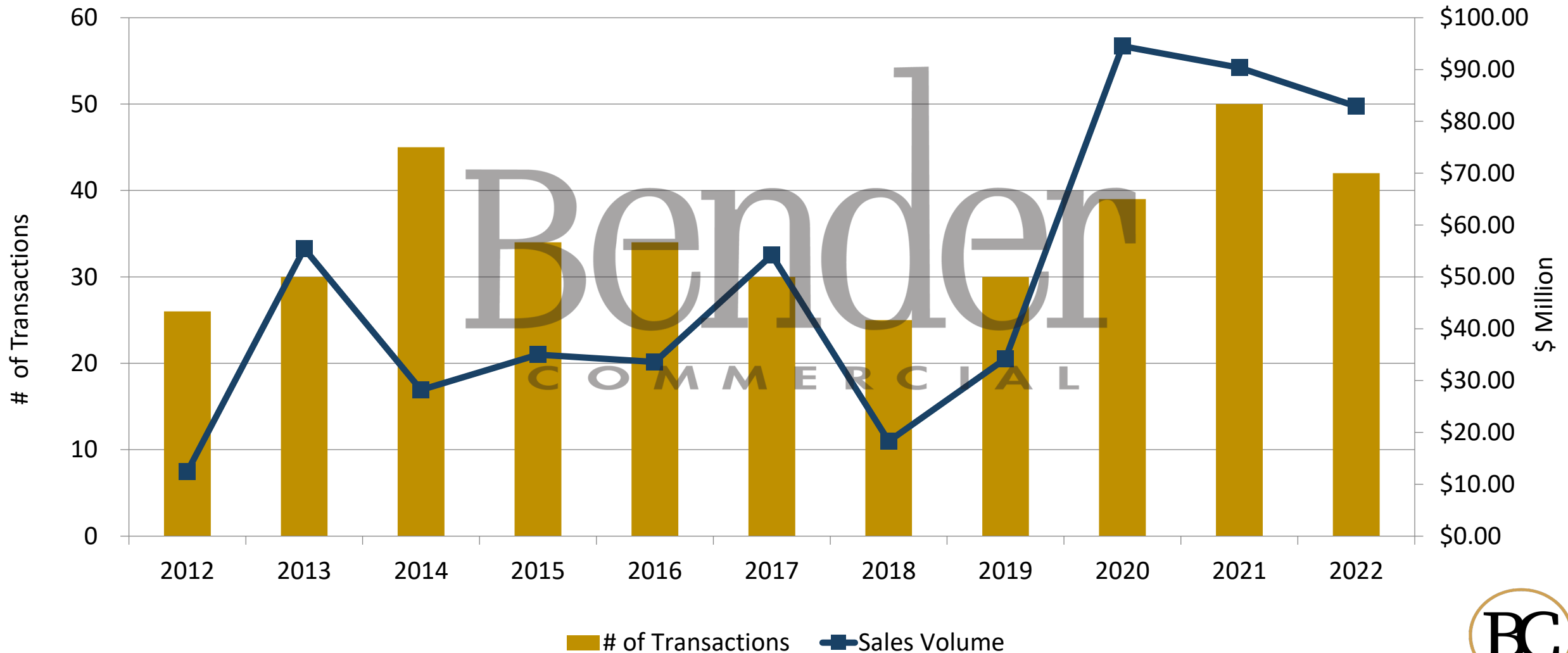
Office Sales

42 Transactions

\$82.9M



OFFICE PROPERTY SALES





BCIlder

COMMERCIAL
200 North Phillips Avenue

Local Owner-Occupied Transaction

- Chamber of Commerce Building
- \$5,700,000 (\$160/SF)
- March 2022





BEHNER

C O M M E R C I A L

3701 West 49th Street & 4309 South Louise Avenue

- \$4,200,000 (\$88/SF)
- July 2022

**Local
Value-Add
Transaction**





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C O M M E R C I A L

5000 & 5016 East 57th Street

- \$1,200,000 each (\$243/SF)
- December 2022

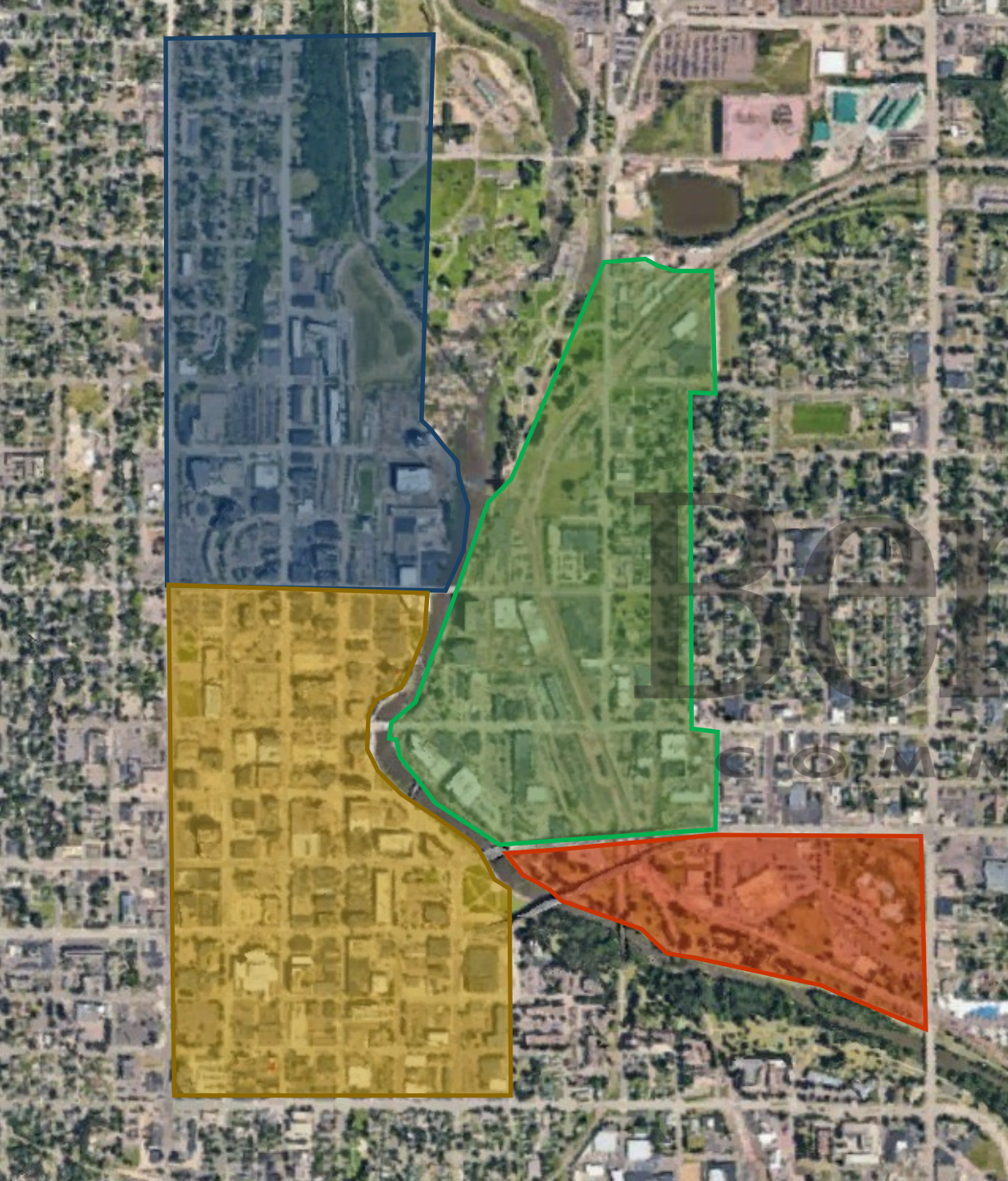
**Local
Investment
Transaction**





CHICAGO
COMMERCIAL

**CENTRAL
BUSINESS
DISTRICT**



SUBMARKETS

DOWNTOWN

UPTOWN

EAST BANK

RIVERLINE



CBD OFFICE MARKET



Inventory

2.67M SF



Vacancy Rate

Class A 11.2% ↑

Class B 9.5% ↑

Class C 4.5% ↓



Net Absorption

202,501 SF



Asking Lease Rates

Class A \$20.00 - \$30.00/SF NNN

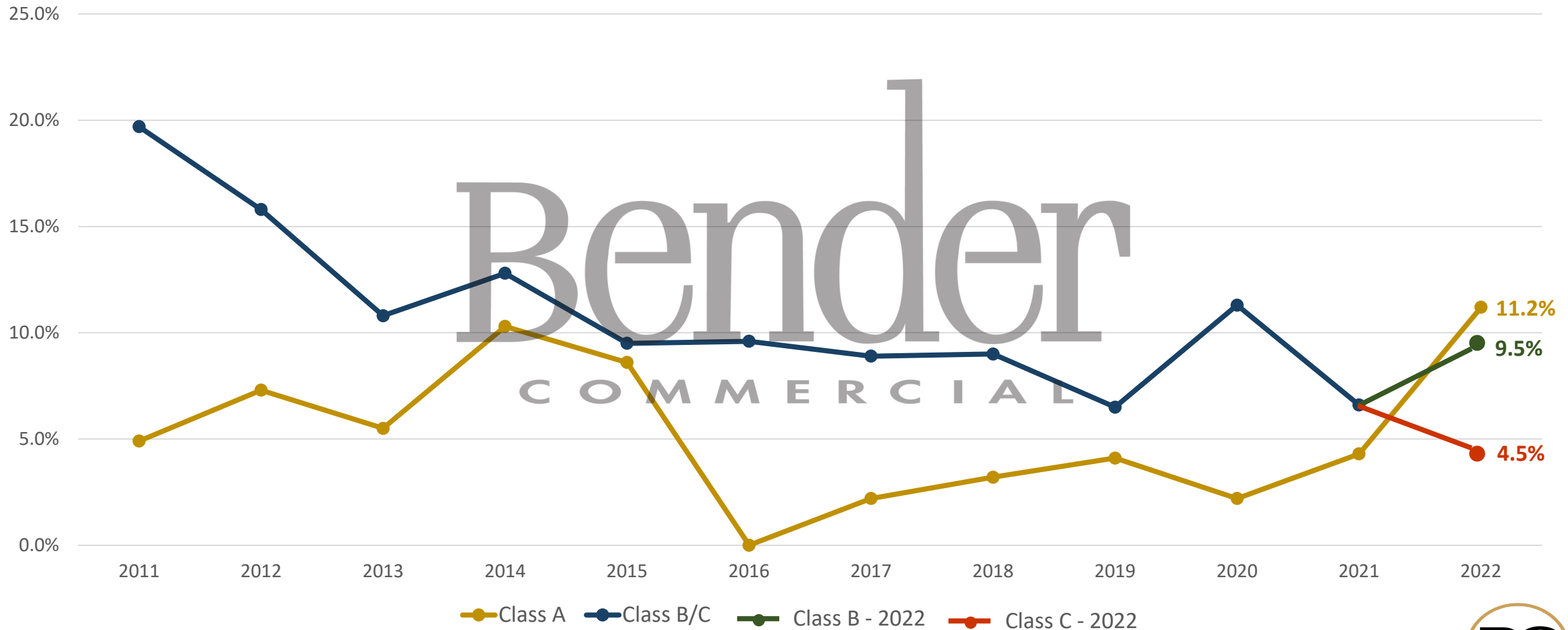
Class B \$14.50 - \$20.00/SF NNN

Class C \$10.00 - \$14.50/SF NNN

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CENTRAL BUSINESS DISTRICT VACANCY





ADDITIONS TO CBD – 320,000 SF





RIVERLINE DISTRICT



SUBURBAN OFFICE MARKET



Inventory

6.24M SF



Vacancy Rate

Class A	13.4% ↑
Class B	11.9% ↓
Class C	21.9% ↑



Net Absorption

(153,026 SF)



Asking Lease Rates

Class A	\$18.00 - \$26.00/SF NNN
Class B	\$12.50 - \$18.00/SF NNN
Class C	\$8.00 - \$12.50/SF NNN

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SUBURBAN VACANCY



CALL CENTER COLLAPSE

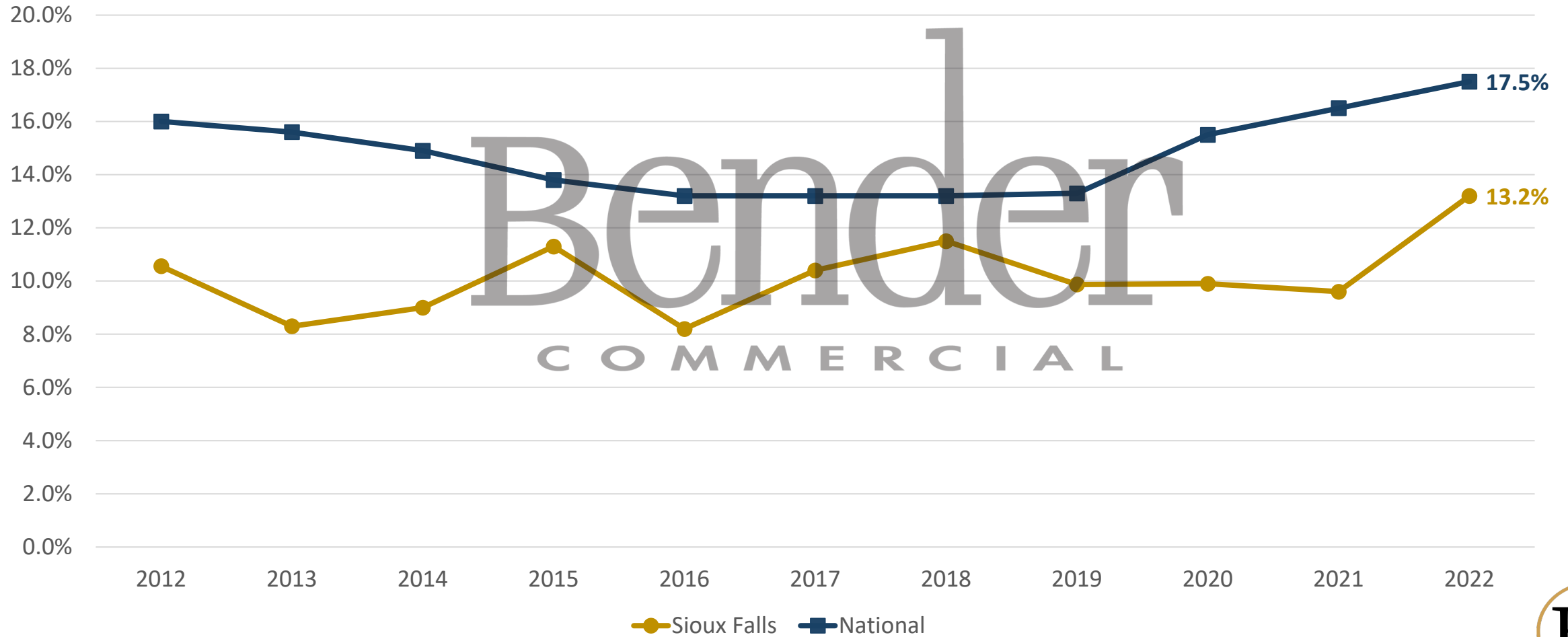
For Lease: 240,000 SF

For Sublease: 150,000 SF

For Sale: 200,000 SF

590,000 SF Available

OVERALL SIOUX FALLS VACANCY



OFFICE TRENDS & PREDICTIONS

Class A Lease Rates ↑

Class C Suburban Vacancy ↑

Call Center Vacancy ↑

Sales Transactions ↓

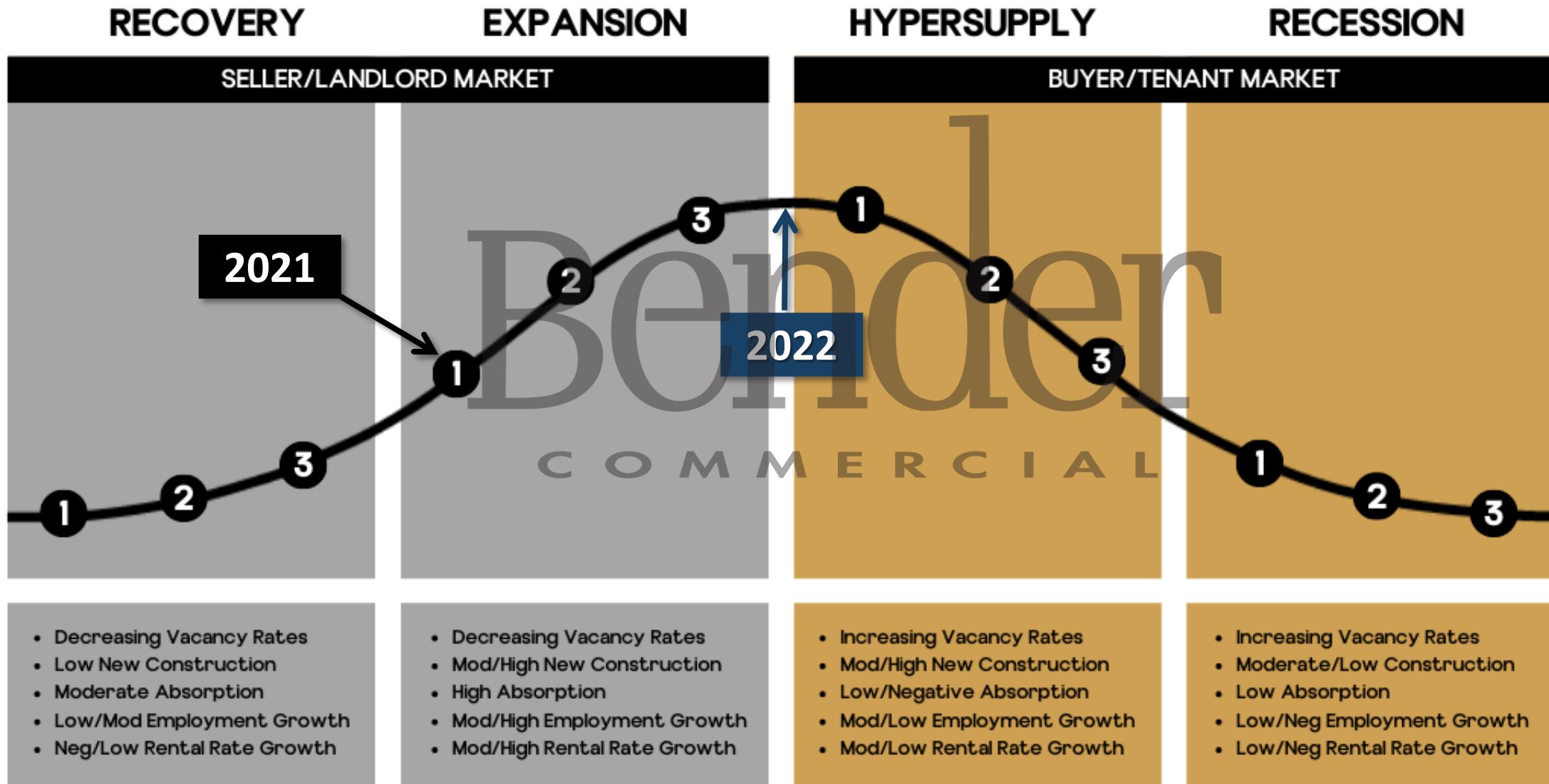
CBD Continued Momentum

Major Announcements for Riverline District

Strong Demand for Medical Office



OFFICE REAL ESTATE CYCLE



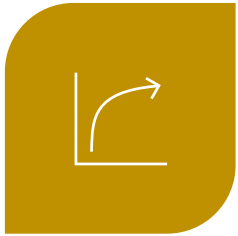


RETAIL MARKET

M E R **ROB KURTENBACH**



RETAIL MARKET



INFLATION



SALES
TAX



VACANCY
RATES



PROPERTY
SALES



TRENDS &
PREDICTIONS

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SHRINKFLATION

Paying the same...for less

The practice of reducing a product's amount or volume per unit while continuing to offer it at the same price

SKIMPFLATION

Quantity over Quality

The practice of reducing the quality of products while continuing to market them at the same price




SHRINKFLATION

Paying the same...for less


Darn you, shrinkflation

Rather than hike prices, brands are reducing serving size




9.75 oz → 9.25 oz

5 fewer chips per bag




4.1 oz → 3.8 oz

15 fewer uses per tube



22.6 oz → 20 oz

70 fewer raisins per can



264 sheets → 244 sheets

20 fewer sheets per roll

DATA: Quartz, Mouse Print



SHRINKFLATION

Paying the same...for less



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SKIMPFLATION

Quantity over Quality





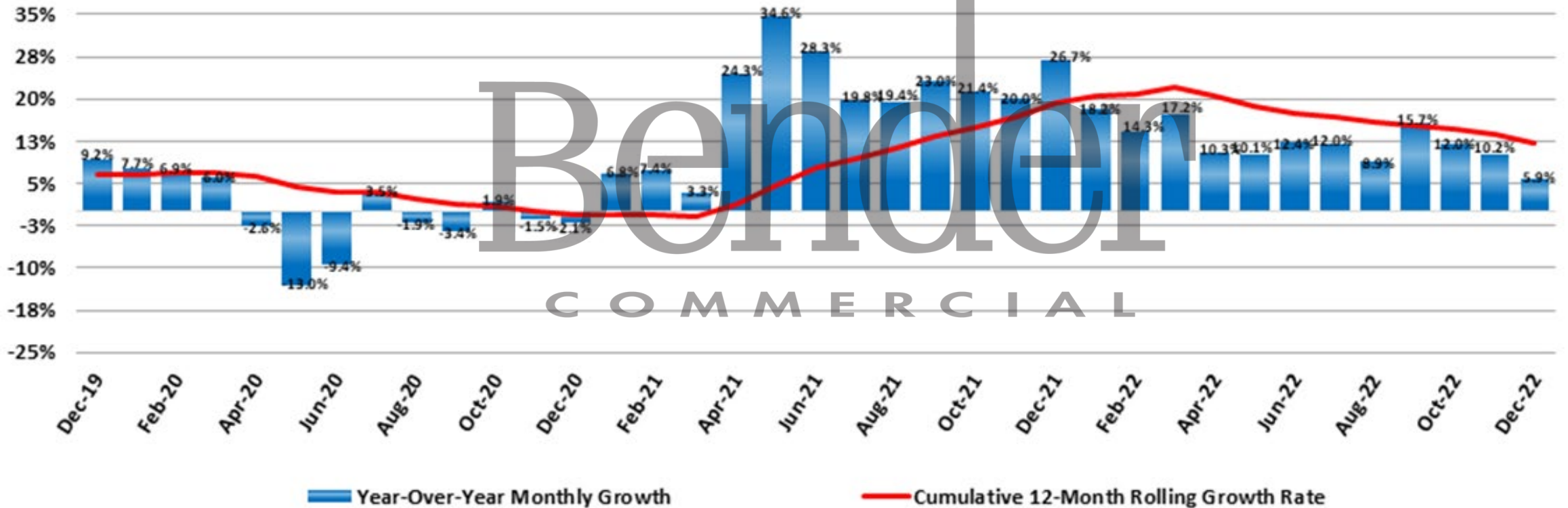
SKIMPFLATION

Quantity over Quality



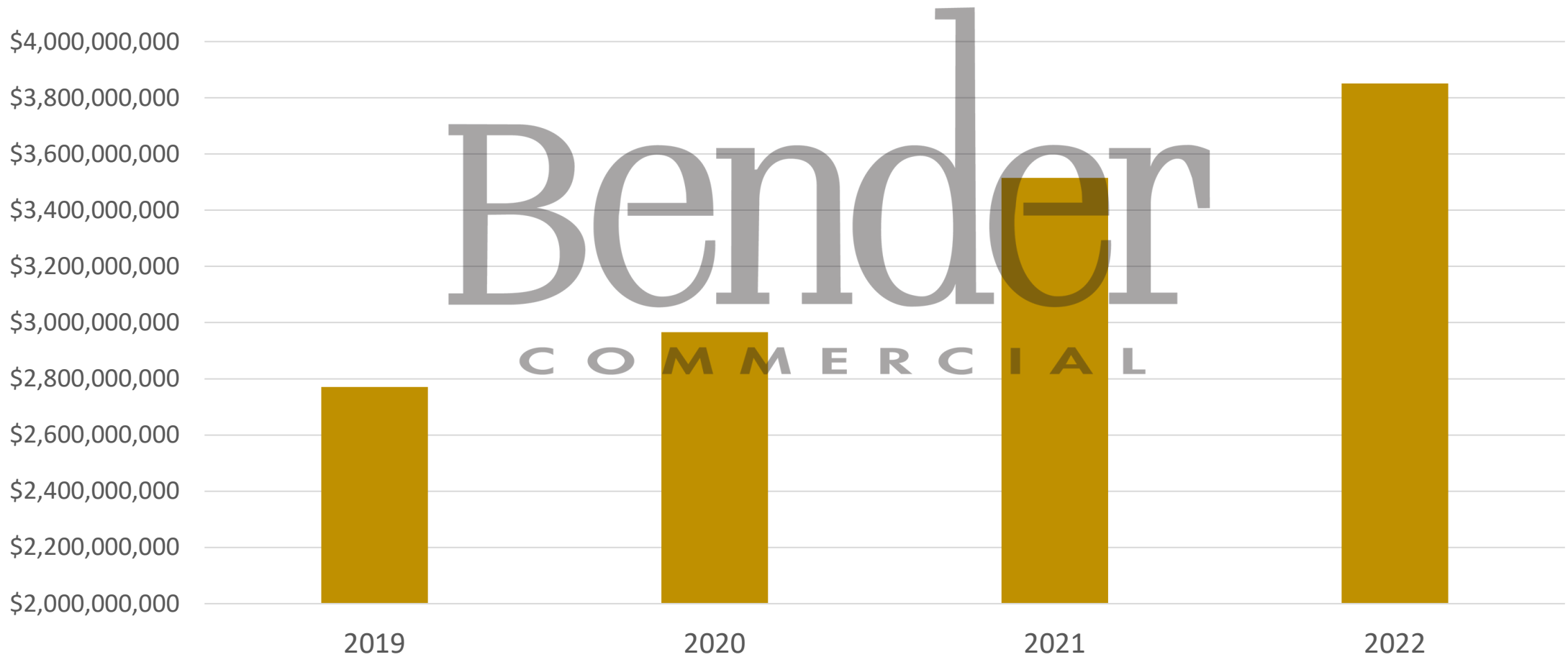
SALES TAX GROWTH – SIOUX FALLS

Sales Tax Collections w/out Audits
December 2019 - December 2022



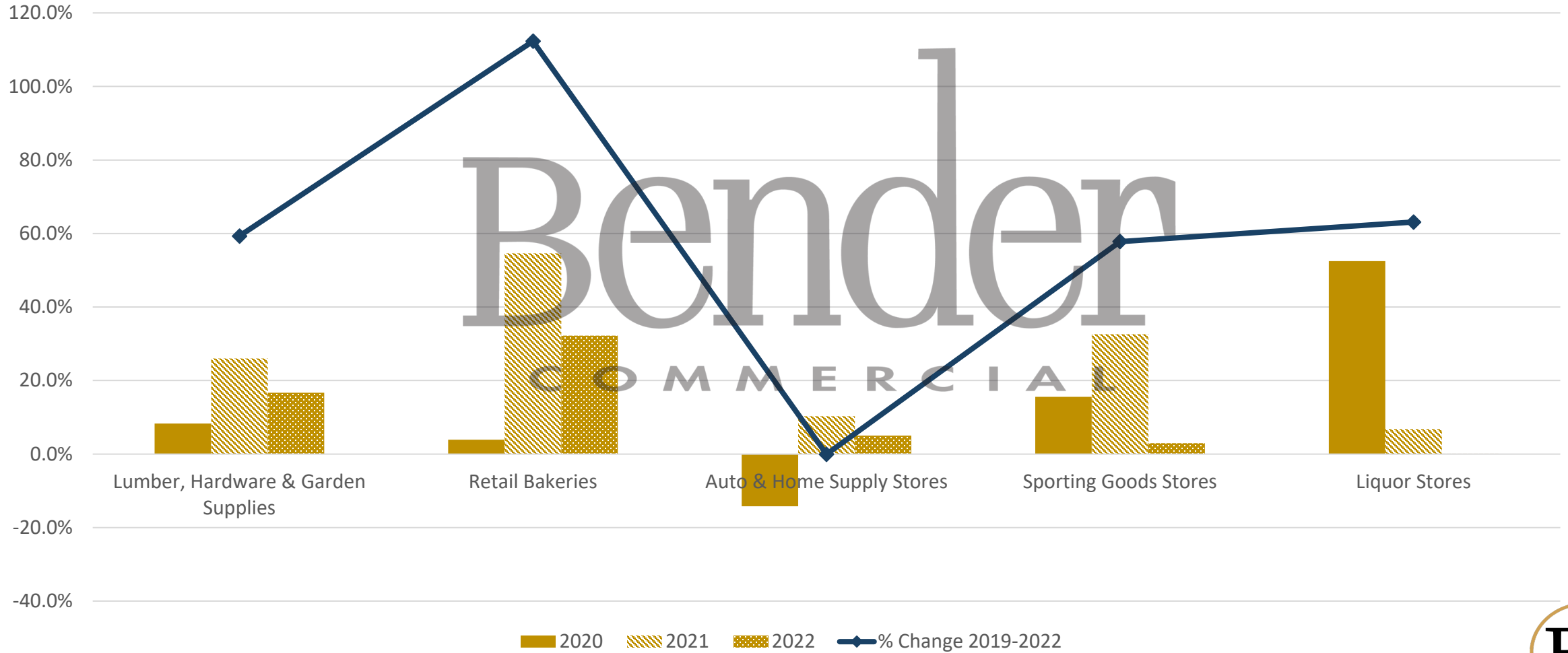
GROSS TAXABLE SALES – SIOUX FALLS

\$1,080,133,560 Growth 2019 - 2022



GROSS TAXABLE SALES – SIOUX FALLS

Year-Over-Year % Increase in Taxable Sales



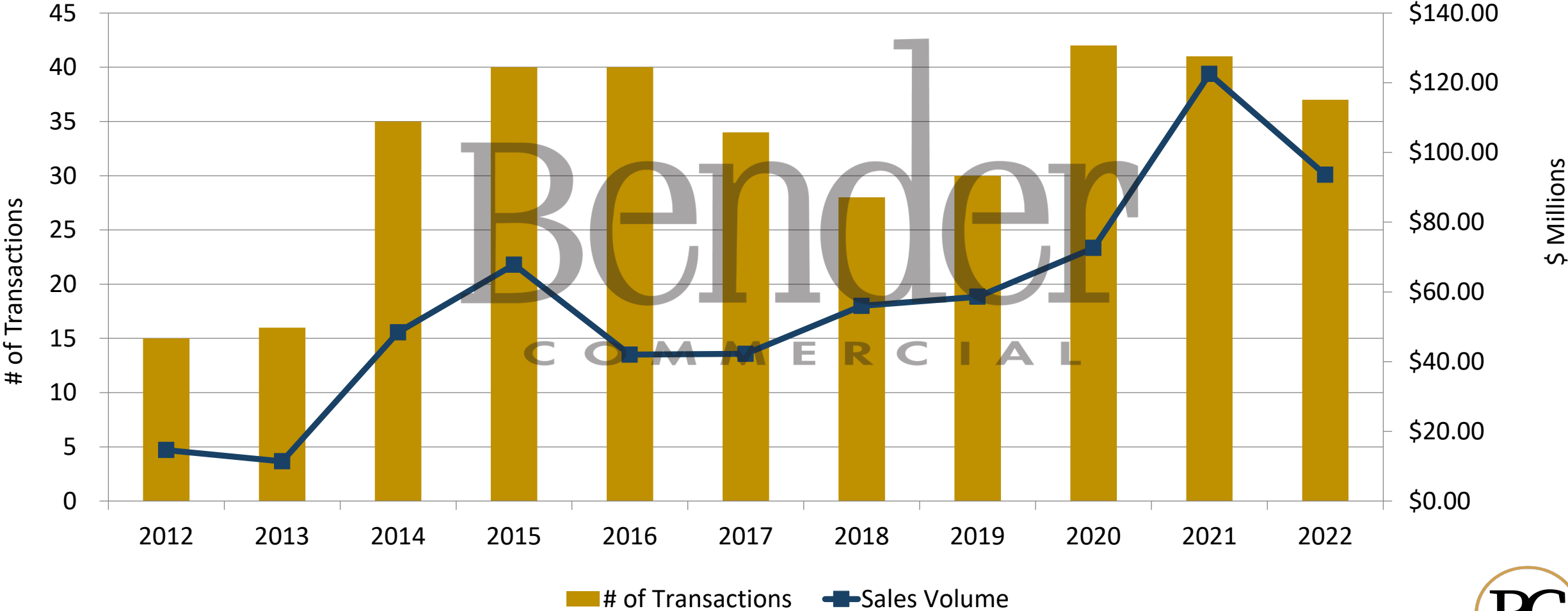
SIoux FALLS RETAIL MARKET

8.2% Vacancy
(↓ from 12.5% in 2021)

2022 New Construction \$52.6M



RETAIL PROPERTY SALES



LOCAL ANNOUNCEMENTS/HAPPENINGS



Dillard's
The Style of Your Life.



Kwik Trip™



cherapa
place



RETAIL TRENDS & PREDICTIONS

Retail Property Sales ↓

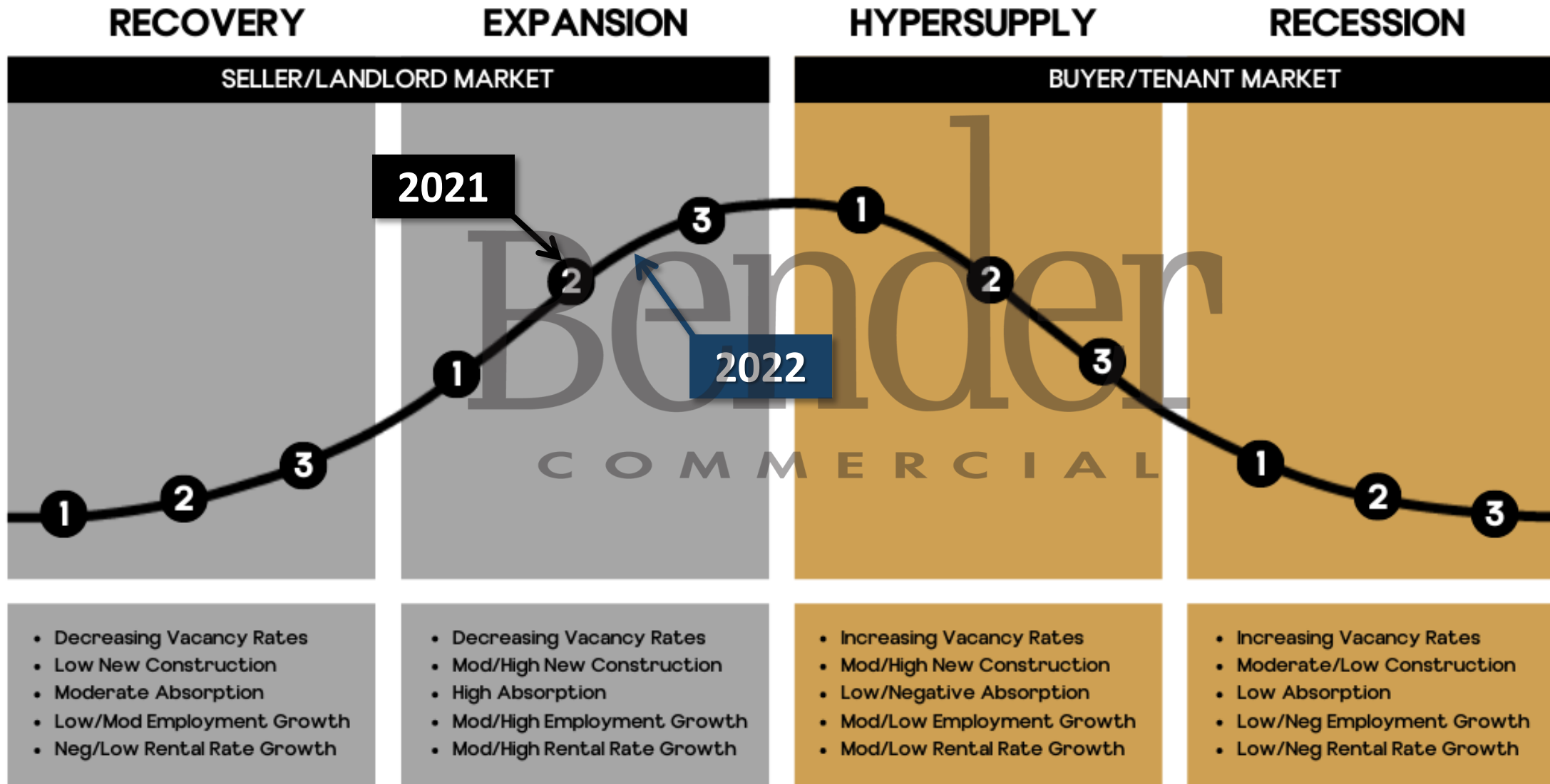
Vacancy Rate ↑

New Construction ↔

Customer Service/Experience to Improve

Consumerism Curtailment

RETAIL REAL ESTATE CYCLE





INDUSTRIAL MARKET

ER **ROB FAGNAN, SIOR**



INDUSTRIAL MARKET



MACRO
TRENDS



LOCAL
MARKET

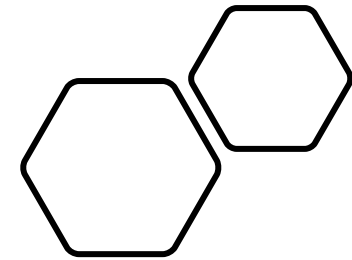


PREDICTIONS



REAL ESTATE
CYCLE





CODE OF HAMMURABI

ANCIENT SUPPLY CHAIN

1
Pender

An underwater photograph of a wooden shipwreck replica. The ship is constructed from dark, weathered wood with visible planking. It features a complex rigging system with ropes and masts. The scene is illuminated by a deep blue light, creating a somber and historical atmosphere. The ship is positioned diagonally across the frame, with its bow pointing towards the bottom left.

ANCIENT SUPPLY CHAIN



Source: "Uluburun Shipwreck seabed reconstruction" Flickr, September 18, 2011

SUPPLY CHAIN

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SUPPLY CHAIN

“...just a name we give to a nexus of logistics, inputs, processes, transportation, packaging, distribution, marketing, customer relations, vendor relations, and human capital that in the aggregate supports the supply and demand for every physical, digital, intellectual, or artistic artifact on the planet and in space. The supply chain is everywhere.”

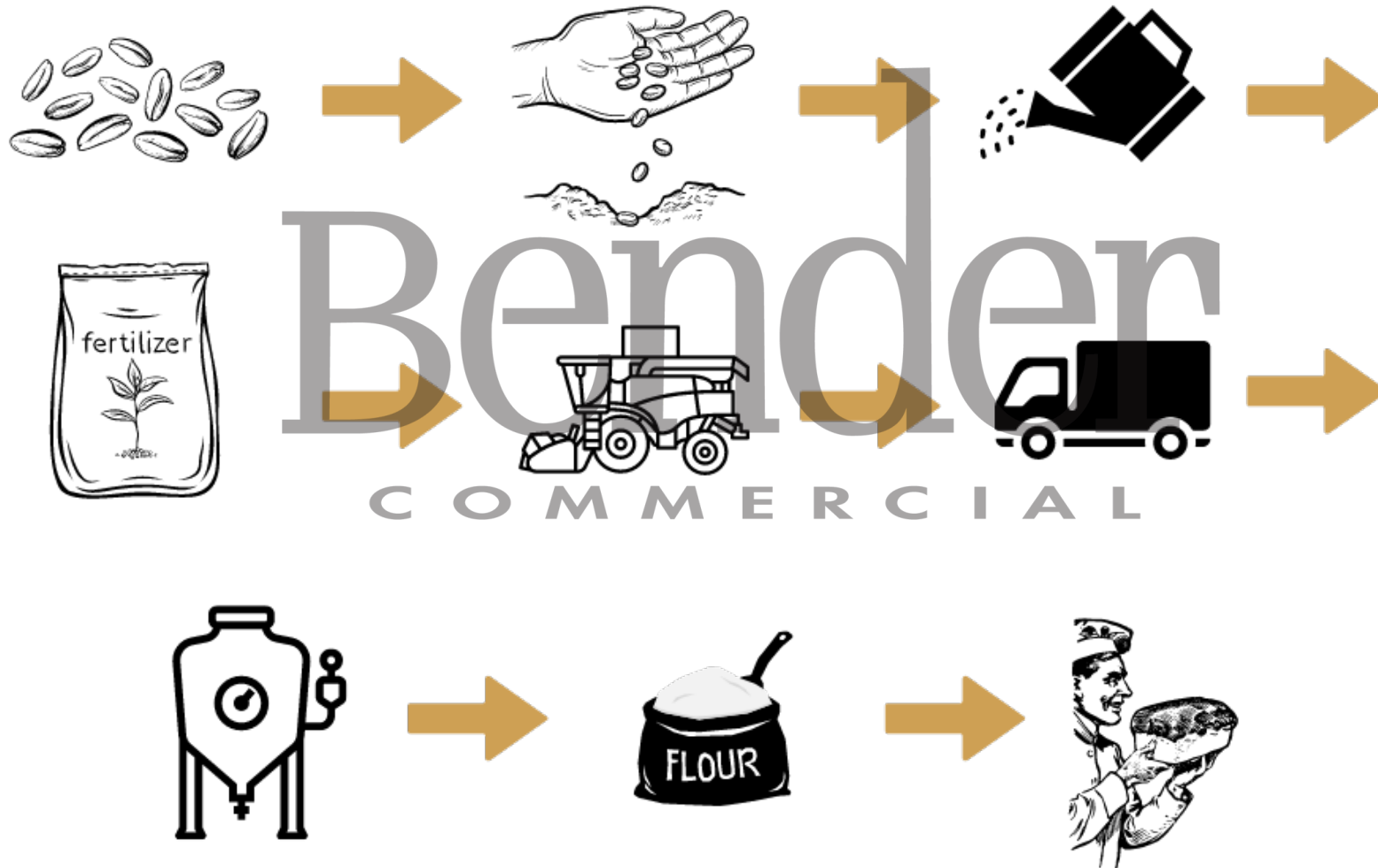
-James Rickards, “Sold Out”



SIMPLE SUPPLY CHAIN

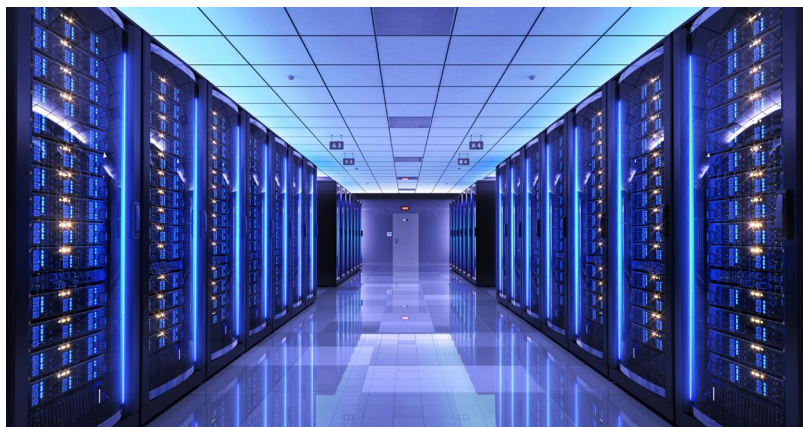


EXTENDED SUPPLY CHAIN



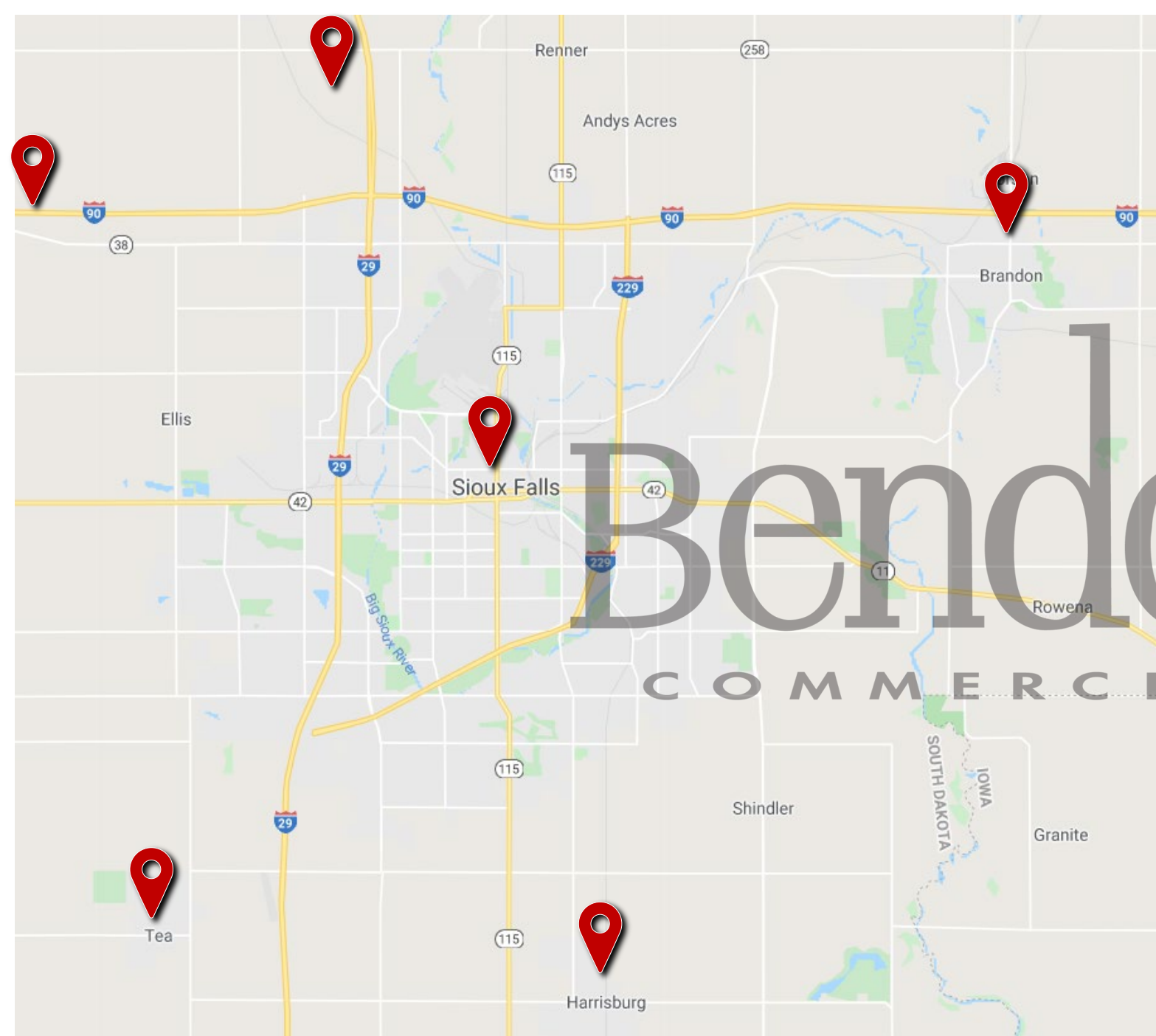
MODERN SUPPLY CHAIN





VARIOUS PRODUCT TYPES





INDUSTRIAL UNIVERSE

30.2M SF

5.4%↑

(28.7M SF in 2021)



200,870 SF



50,000 SF



145,200 SF

ALLOY ONE

117,000 SF



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90,780 SF



THORNTON
FLOORING + DESIGN CENTER

120,000 SF

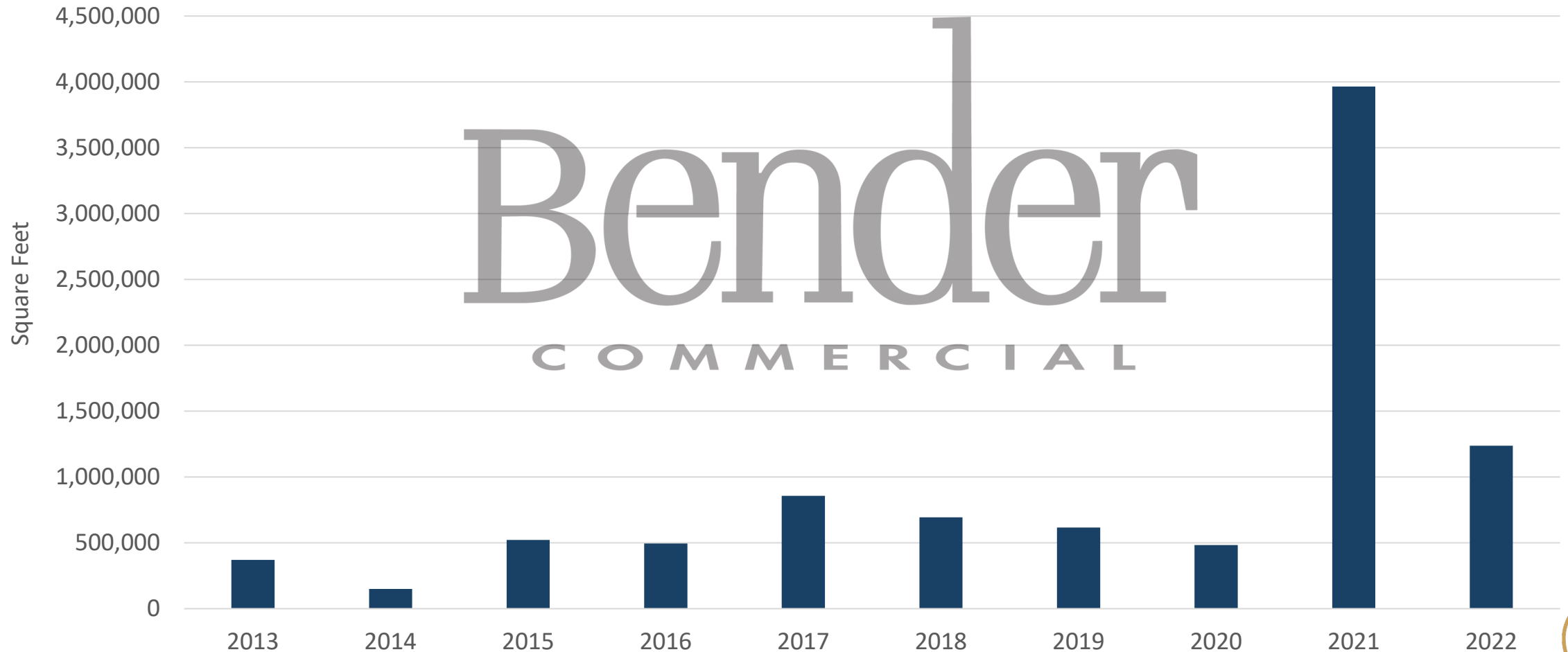


 **HEGG**



NEW CONSTRUCTION

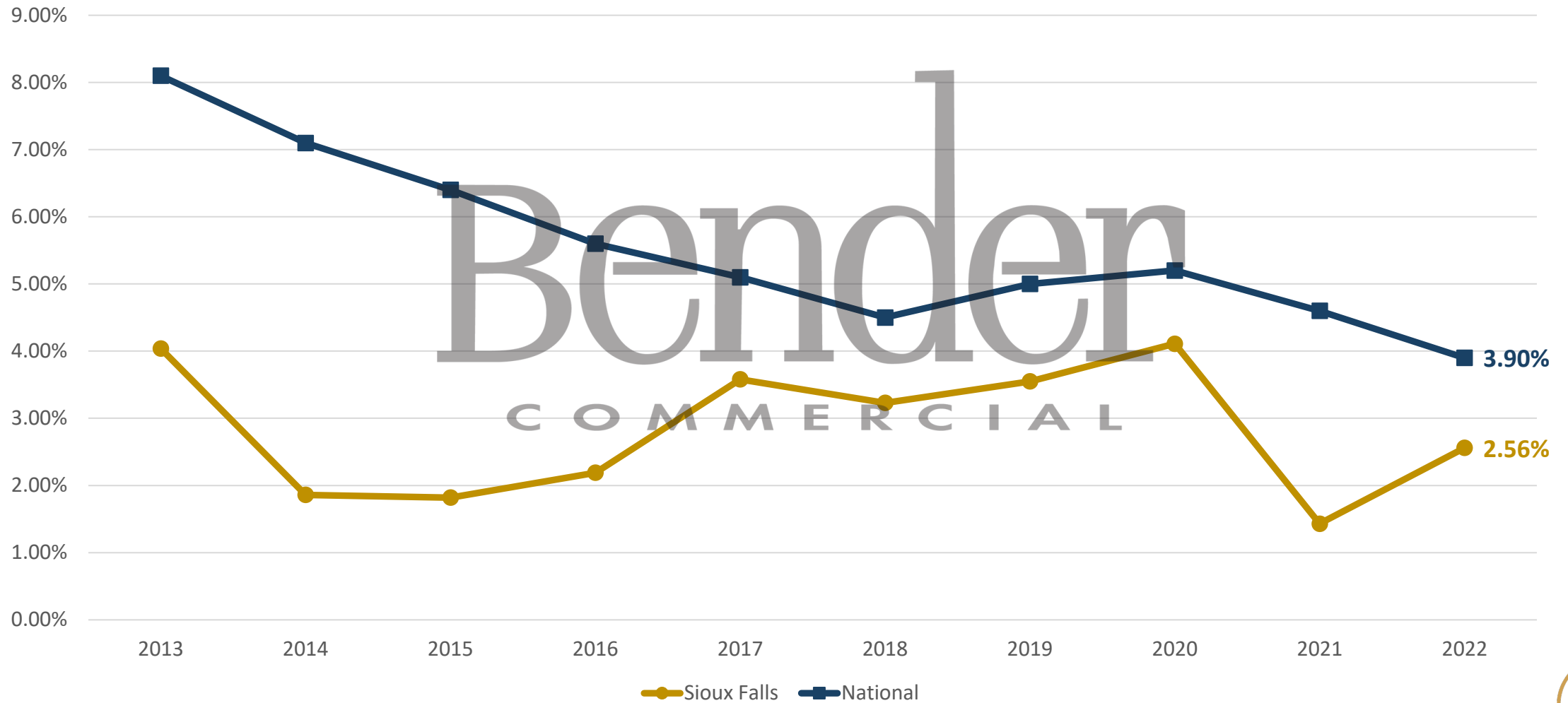
1,236,890 SF (68.8% ↓)



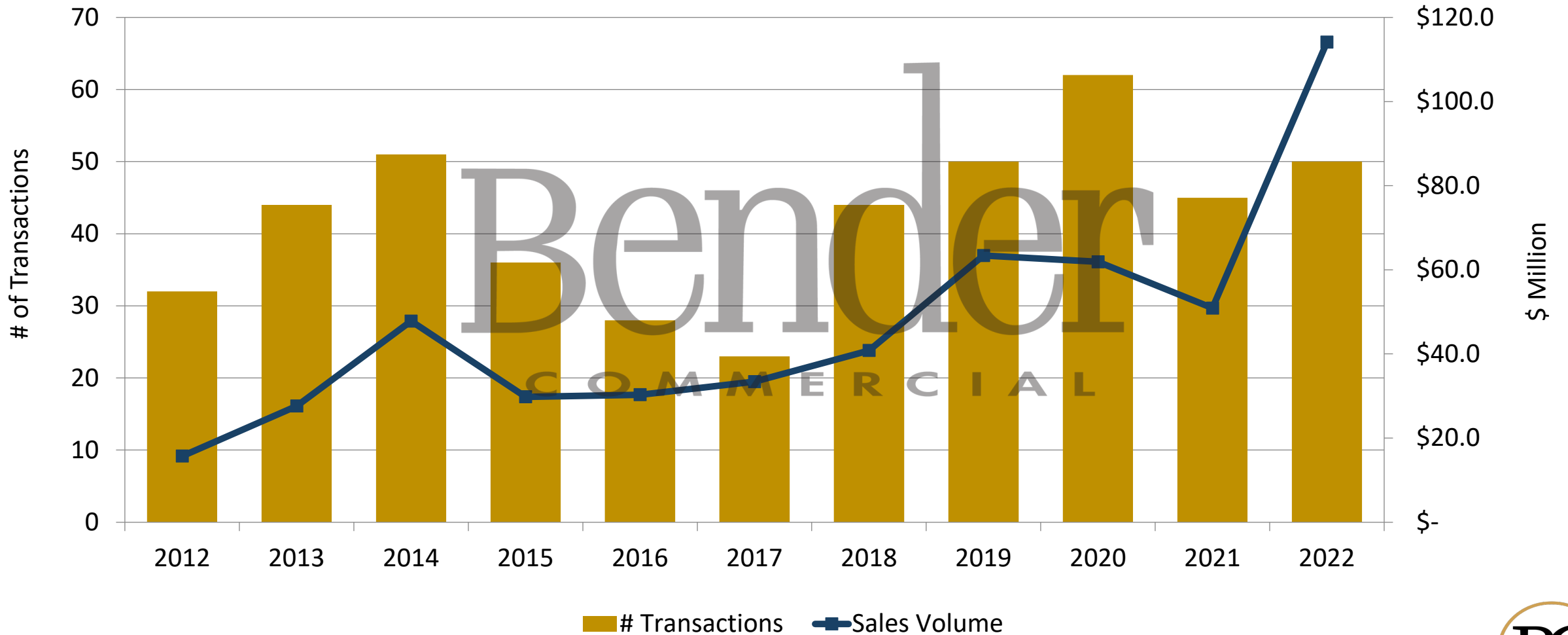
ABSORPTION



INDUSTRIAL VACANCY



INDUSTRIAL PROPERTY SALES



INDUSTRIAL PROPERTY SALES



1215 W. Cherokee Street
\$24/SF

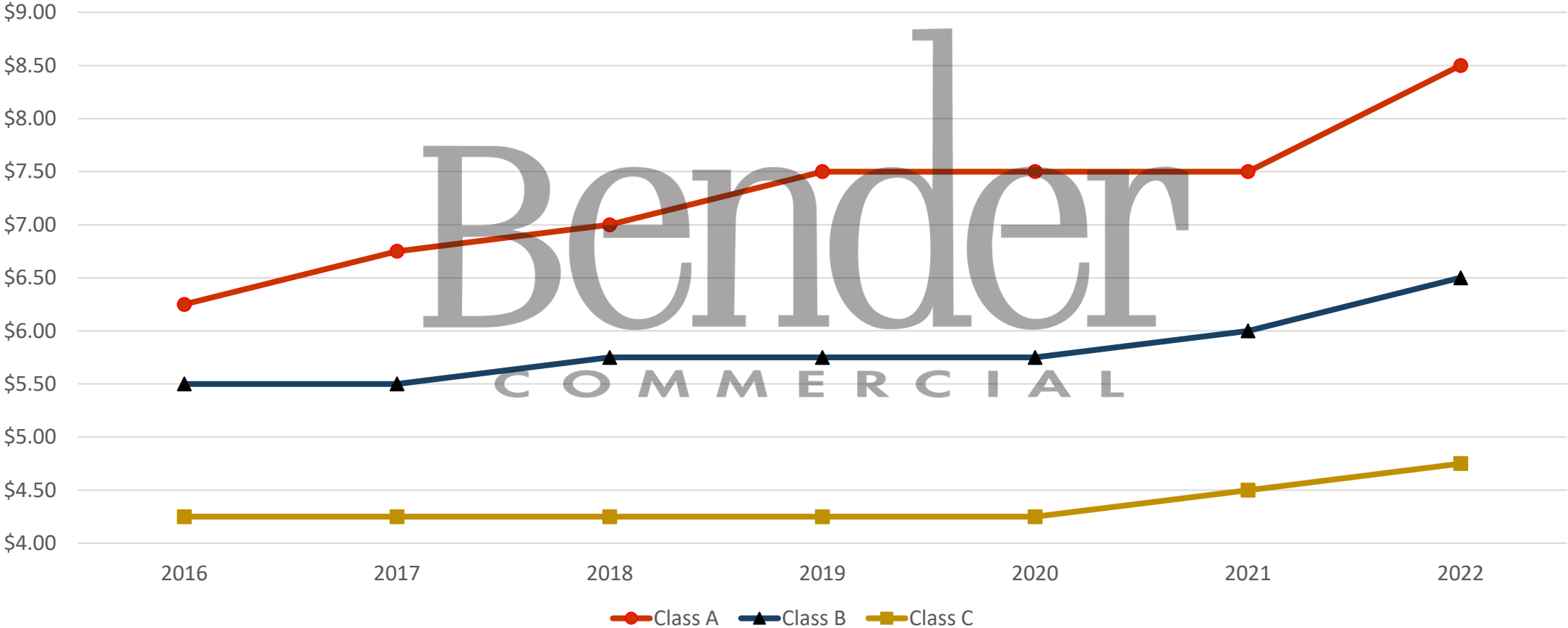


601 E. Benson Road
\$121/SF



1001 S. Stoakes Avenue
\$185/SF

ASKING LEASE RATES - NNN



INDUSTRIAL PREDICTIONS

New Construction ↔

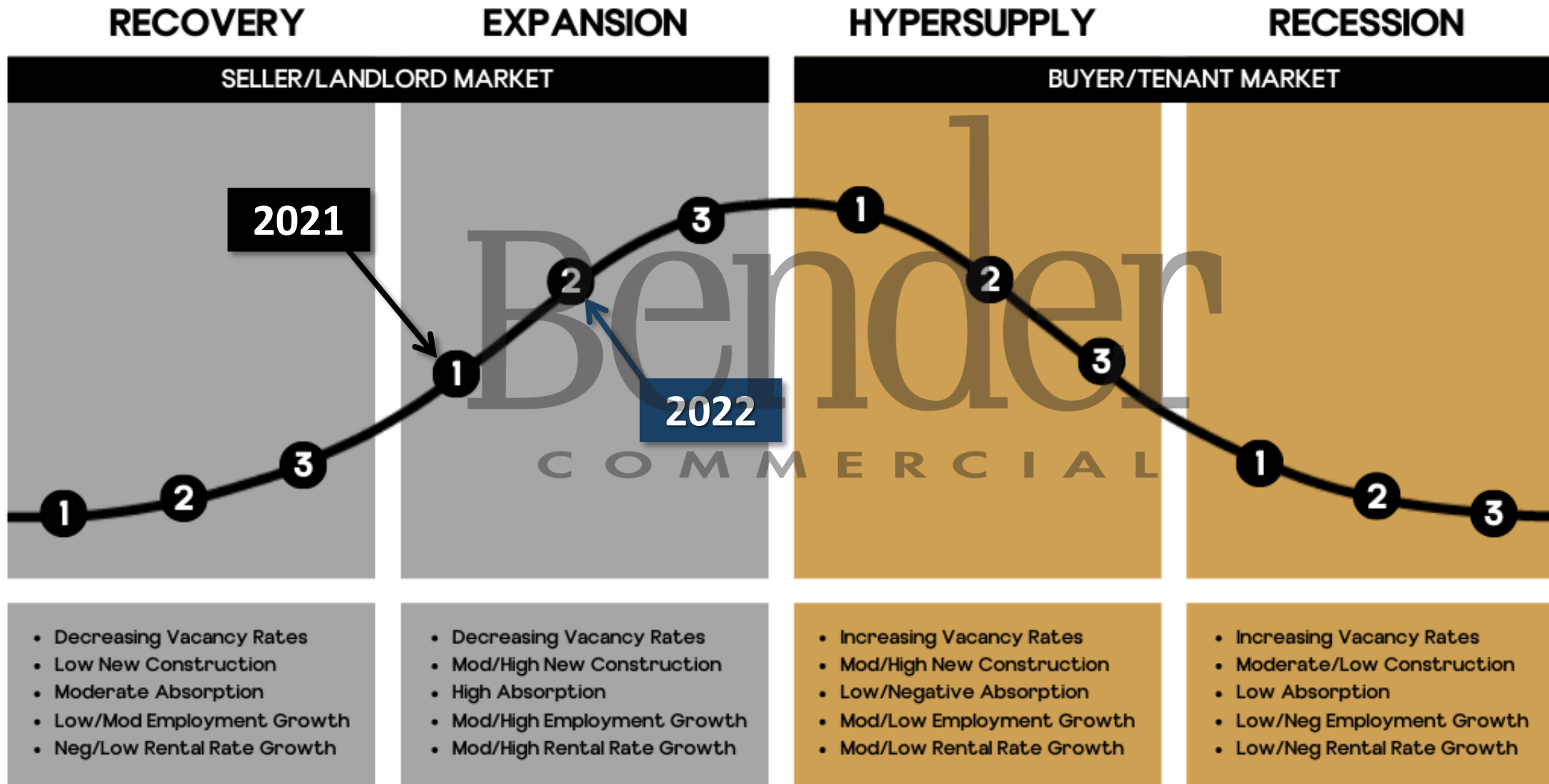
Vacancy ↔

Lease Rates & Sale Prices (\$/SF) ↑

Sales Transactions ↓

Supply Chain 2.0

INDUSTRIAL REAL ESTATE CYCLE





INVESTMENT MARKET

ER **NICK GUSTAFSON, CCIM**



INVESTMENT MARKET



MACRO
TRENDS



LOCAL
TRENDS



CAP RATES



PREDICTIONS

COMPETING ASSET CLASSES

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2022 RETURNS

Dow Jones	-9%
S&P 500	-19%
Nasdaq	-33%
Bitcoin	-65%
Gold	1%
Oil	19%
Lumber	-63%
Mercedes Benz G-Wagon (after market)	-33%



5-YEAR INFLATION RATE

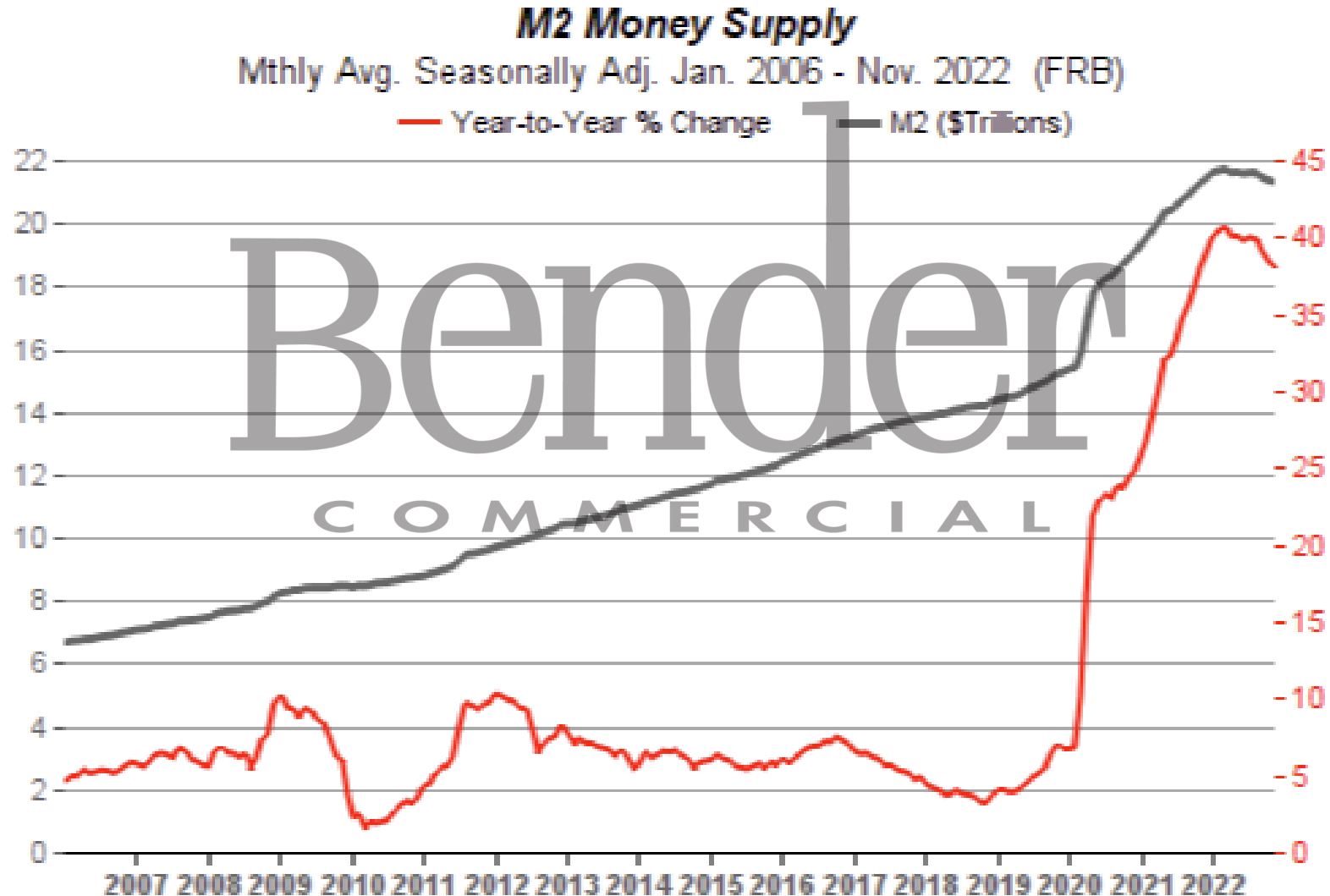
Consumer-price index, change from a year earlier



Source: Labor Department



MONEY SUPPLY



Published: Dec. 27, 2022

ShadowStats.com



YIELD

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U.S. money-market funds yields



INTEREST RATE ACCELERATION

	January 2022	June 2022	February 2023
Federal Funds Rate	0% - 0.25%	1.50% - 1.75%	4.50% - 4.75%
10-Year Treasury Rate	1.63%	2.94%	3.82%
SOFR (Secured Overnight Financing Rate)	0.05%	0.80%	4.55%

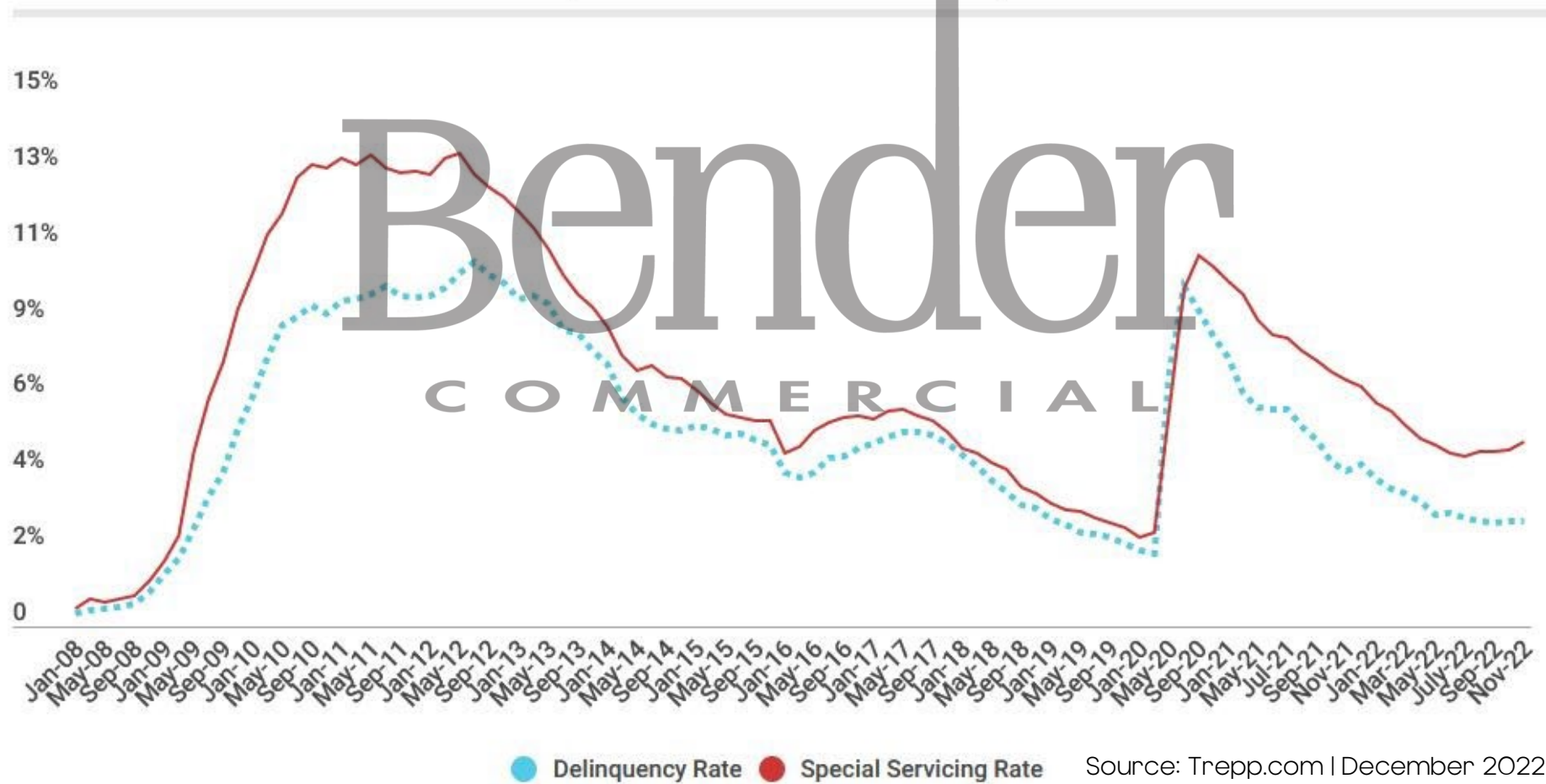
Source: EisnerAmper | 2022/2023



CMBS DELINQUENCY

CMBS Delinquency and Special Servicing Rates

(March 2008 - November 2022)



Source: Trepp.com | December 2022



CMBS DELINQUENCY RATE BY PROPERTY TYPE

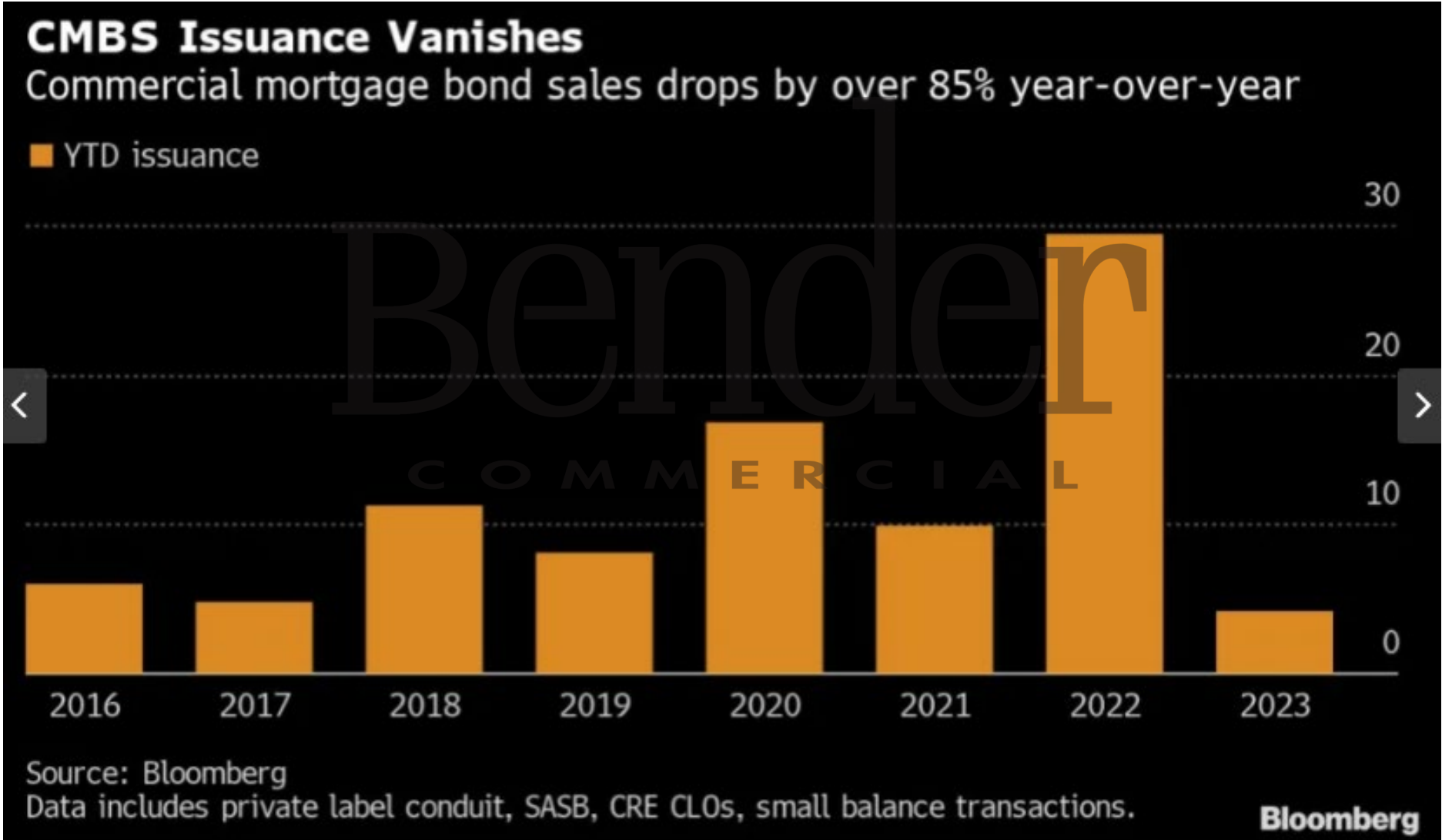
DELINQUENCY RATE BY PROPERTY TYPE (% 30 DAYS +)

	OCT-22	NOV-22	DEC-22
Overall	2.96	2.99	3.04
Industrial	0.43	0.41	0.42
Lodging	4.89	4.64	4.40
Multi-Family	0.85	1.81	2.17
Office	1.75	1.70	1.58
Retail	6.66	6.63	6.97

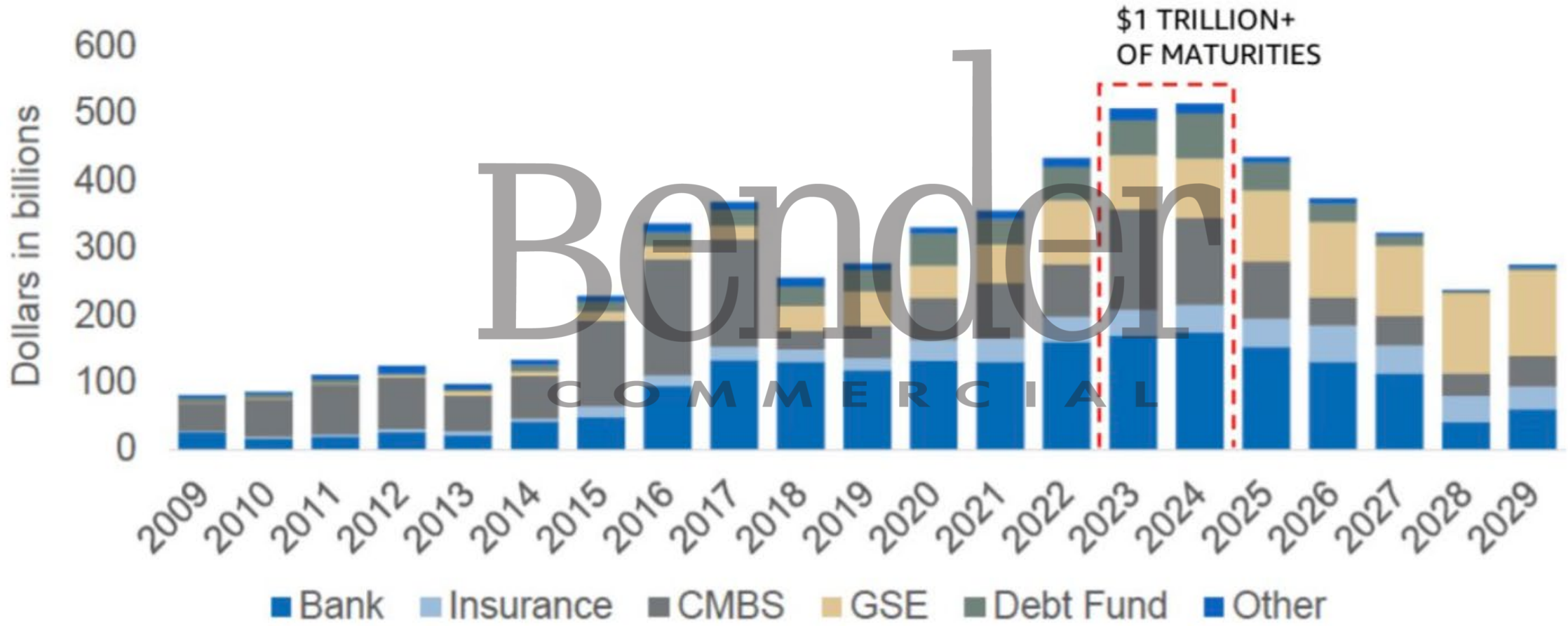
Source: Trepp.com | January 2023



CMBS ISSUANCE – JANUARY / FEBRUARY



LOAN MATURITIES



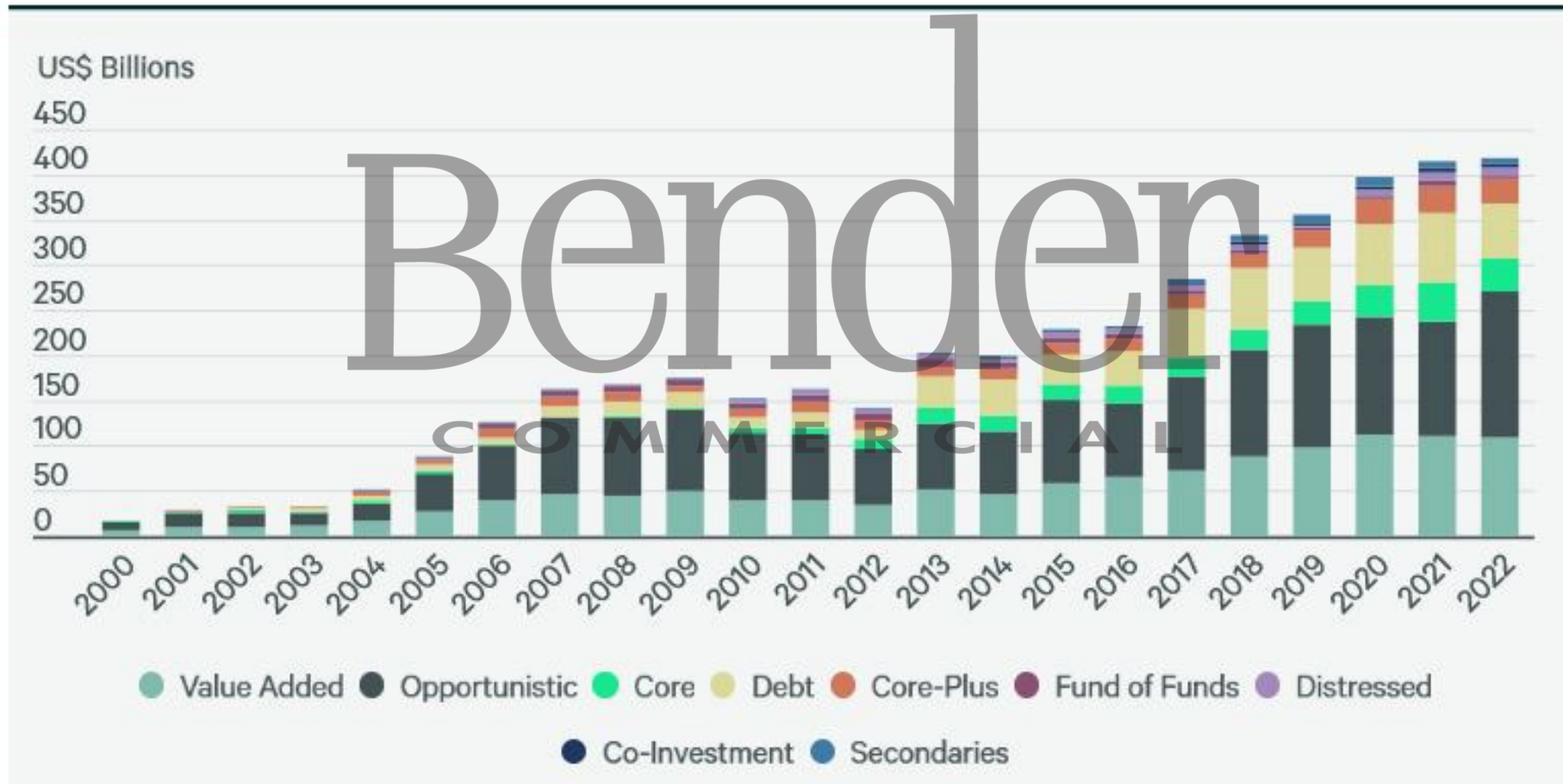
Source: FCA, Newmark Research

*Assumes that loans for which the maturity is unknown have the same maturity distribution as loans with known maturities.



DRY POWDER

Figure 4: Global Dry Powder by Sector

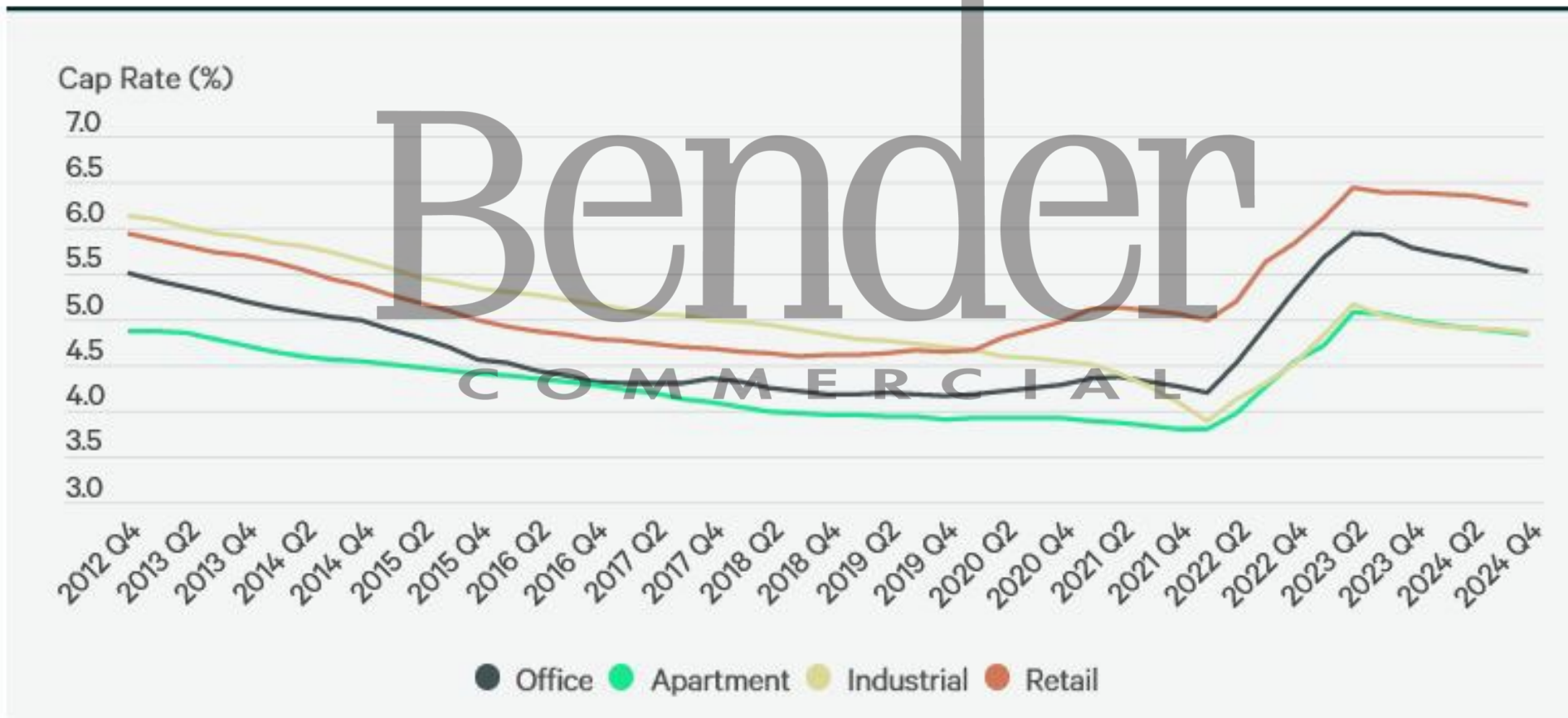


Sources: Preqin, CBRE Research, October 2022.



HISTORICAL NATIONAL CAP RATES

Figure 5: Historical Cap Rates & Forecast



Sources: CBRE Econometric Advisors, CBRE Research.



US COMMERCIAL REAL ESTATE INVESTMENT

Figure 7: Historical U.S. Commercial Real Estate Investment Volume & Forecast



Sources: CBRE Research, Real Capital Analytics, Q3 2022.



MACRO RECAP

2022 - 2nd Best Year in US Real Estate Investment Activity on Record

2023 - Significant Slow Down in National Sales Volume

What Will Force Sellers to “Mark Down” Asset Values and Sell at Discounts?



DON'T FIGHT THE FED

Price:	\$2,240,000
Cap Rate:	5.25%
Net Operating Income:	\$117,600
Rent Commencement Date:	10/1/2022 ¹
Lease Term:	10-year ²
Rental Escalations:	\$2.00 PSF every five years
Renewal Options:	Four 5-year
Tenant:	Starbucks Corporation
Credit Rating:	Investment Grade (S&P: BBB)
Year Built:	2022
Lease Type:	NN – Roof, Structure, Foundation ³
Building Size:	2,100 SF
Land Size:	1.00 AC

1) Tenant will start paying rent 120 days after rent commencement date (est. January 2023). Seller to credit buyer for the difference at closing.

2) No kickout clause.

3) Landlord is responsible for administering CAM; however, Tenant is responsible for the cost associated with CAM. Landlord can collect an "Administrative Fee" equal to 10% of Operating Costs, which is not currently included in the NOI.



Starbucks in Morton, IL

- 5.25% Cap Rate
- \$2,240,000
- 10 Year Lease



DON'T FIGHT THE FED

Starbucks in Morton, IL
January 2022 Math

- 5.25% Cap Rate
- \$2,240,000
- 10 Year Lease
- 25% Down
- 3% Interest Rate
- 25 Year Am
- 4% Cash on Cash
- Far Superior to 10 Year Treasury, CDs, Savings Account

Annual Property Operating Data Starbucks

Purpose	Interest Rate Test Fit	Price	\$2,240,000
Name	Starbucks	-Loans	1,680,000
Location	NNN Leased Property	Down Payment	560,000
Property Type	Retail	+Acq Costs	0
Date		+Loan Points	0
Square Feet	2,100	Investment	560,000

	\$/SqFt	% of GI	Annual \$
Gross Income			
Revenue		100.0%	\$117,600
Total Gross Income	\$56.00	100.0%	\$117,600
Less: Operating Expenses			
Net Operating Income	\$56.00	100.0%	\$117,600
Less: Debt Service			
Loan	45.52	81.3%	95,601
Total Debt Service	\$45.52	81.3%	\$95,601
Net Operating Cash Flow	\$10.48	18.7%	\$21,999

Capitalization Rate	5.25%
Gross Income Multiplier	19.05
Cash on Cash	3.93%
Debt Coverage Ratio	1.230
Price/SqFt	\$1,067



DON'T FIGHT THE FED

Starbucks in Morton, IL
February 2023 Math

- 5.25% Cap Rate
- \$2,240,000
- 10 Year Lease
- 25% Down
- 6.25% Interest Rate
- 25 Year Am
- -2.75% Cash on Cash
- Loss of \$15,389/year on \$560,000 investment
- Deal Doesn't Pencil

Annual Property Operating Data Starbucks

Purpose	Interest Rate Test Fit
Name	Starbucks
Location	NNN Leased Property
Property Type	Retail
Date	15 February 2023

Price	\$2,240,000
-Loans	1,680,000
Down Payment	560,000
+Acq Costs	0
+Loan Points	0
Investment	560,000

	% of GI	Annual \$
Gross Income		
Revenue	100.0%	\$117,600
Total Gross Income	100.0%	\$117,600
Less: Operating Expenses		
Net Operating Income	100.0%	\$117,600
Less: Debt Service		
Loan	113.1%	132,989
Total Debt Service	113.1%	\$132,989
Net Operating Cash Flow	(13.1%)	(\$15,389)

Capitalization Rate	5.25%
Gross Income Multiplier	19.05
Cash on Cash	-2.75%
Debt Coverage Ratio	0.884



DON'T FIGHT THE FED

Starbucks in Morton, IL
February 2023 Math

- 5.25% Cap Rate
- \$2,240,000
- 10 Year Lease
- 34% Down
- 6.25% Interest Rate
- 25 Year Am
- Cash Flows at Zero

Annual Property Operating Data Starbucks

Purpose	Interest Rate Test Fit
Name	Starbucks
Location	NNN Leased Property
Property Type	Retail
Date	15 February 2023

Price	\$2,240,000
-Loans	1,478,400
Down Payment	761,600
+Acq Costs	0
+Loan Points	0
Investment	761,600

	% of GI	Annual \$
Gross Income		
Revenue	100.0%	\$117,600
Total Gross Income	100.0%	\$117,600
Less: Operating Expenses		
Net Operating Income	100.0%	\$117,600
Less: Debt Service		
Loan	99.5%	117,031
Total Debt Service	99.5%	\$117,031
Net Operating Cash Flow	0.5%	\$569

Capitalization Rate	5.25%
Gross Income Multiplier	19.05
Cash on Cash	0.07%
Debt Coverage Ratio	1.005



DON'T FIGHT THE FED

Starbucks in Morton, IL
February 2023 Math

- 7.06% Cap Rate
- \$1,665,000
- 10 Year Lease
- Reduction of \$640,000 or 29% loss in value
- 25% Down
- 6.25% Interest Rate
- 25 Year Am
- 4.5% Cash on Cash

Annual Property Operating Data Starbucks

Purpose	Interest Rate Test Fit
Name	Starbucks
Location	NNN Leased Property
Property Type	Retail
Date	15 February 2023

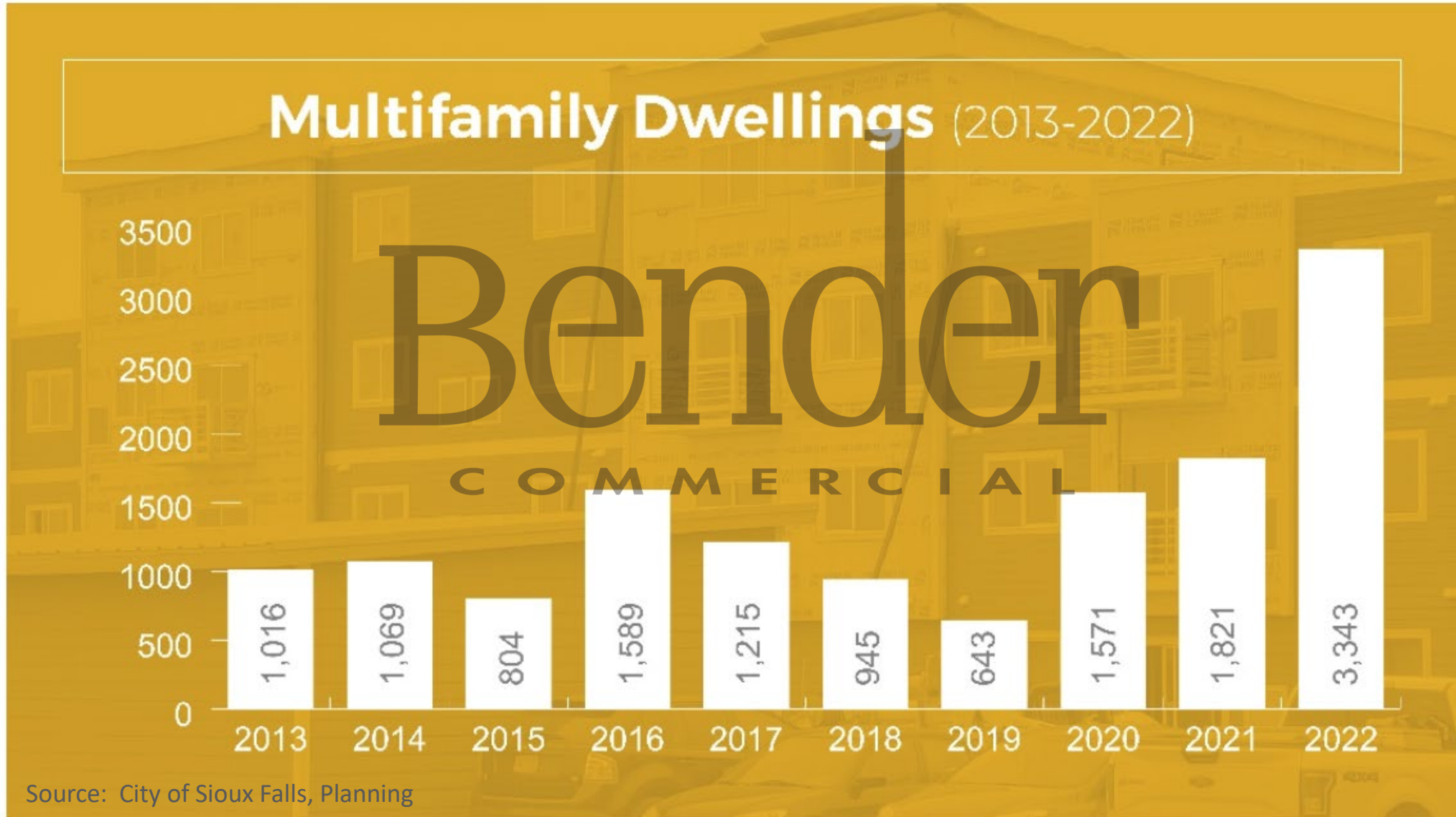
Price	\$1,665,000
-Loans	1,248,750
Down Payment	416,250
+Acq Costs	0
+Loan Points	0
Investment	416,250

	% of GI	Annual \$
Gross Income Revenue	100.0%	\$117,600
Total Gross Income	100.0%	\$117,600
Less: Operating Expenses		
Net Operating Income	100.0%	\$117,600
Less: Debt Service Loan	84.1%	98,852
Total Debt Service	84.1%	\$98,852
Net Operating Cash Flow	15.9%	\$18,748

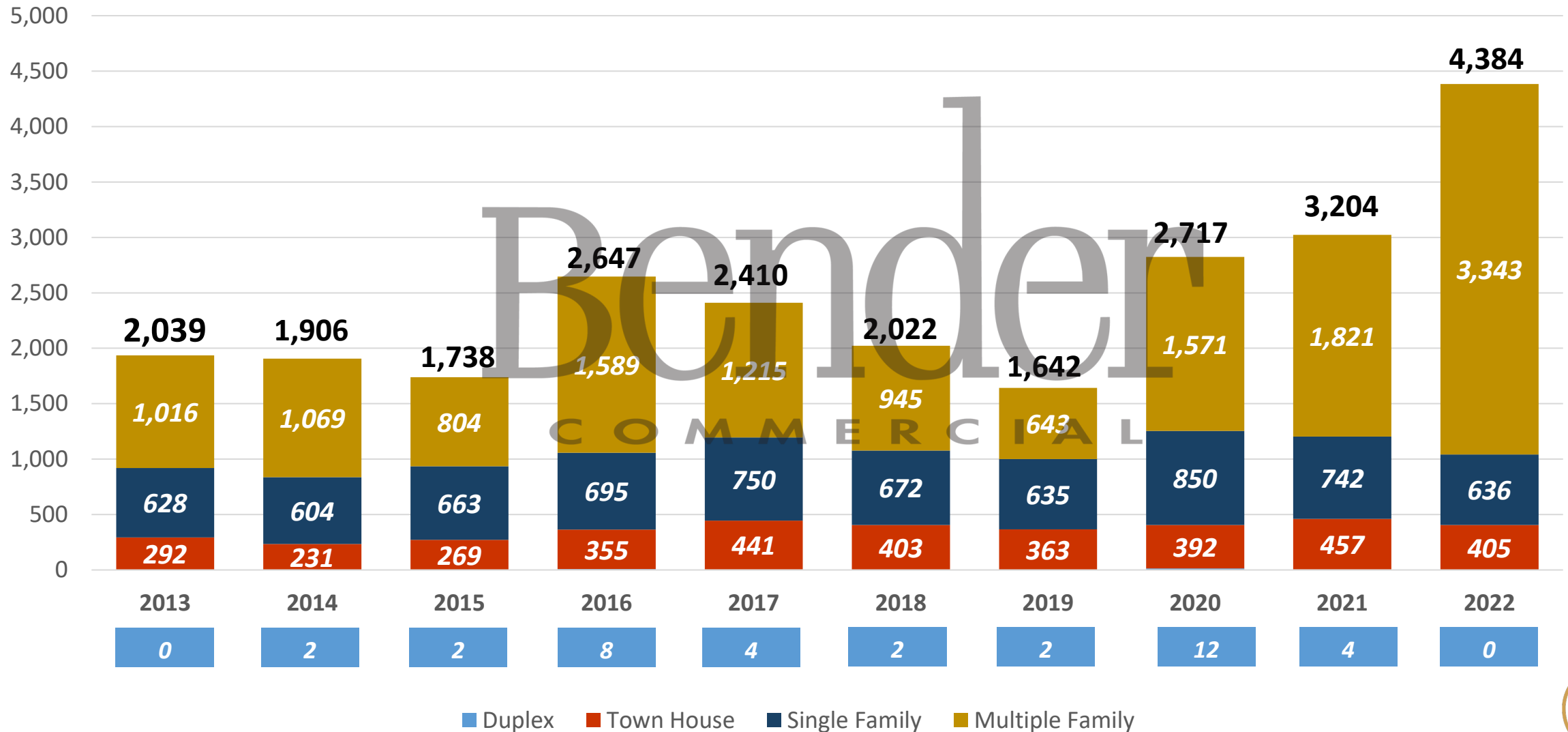
Capitalization Rate	7.06%
Gross Income Multiplier	14.16
Cash on Cash	4.50%
Debt Coverage Ratio	1.190



SIoux FALLS MULTI-FAMILY CONSTRUCTION



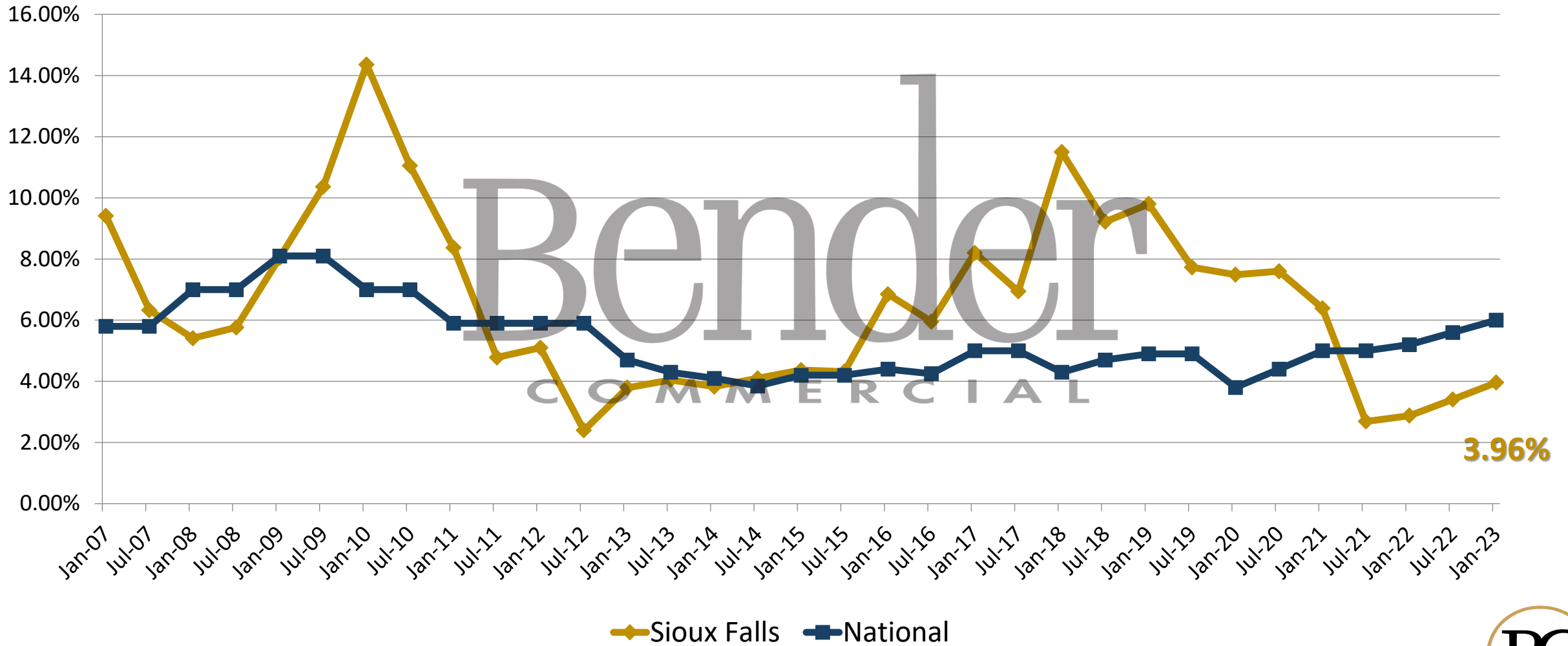
TOTAL CUMULATIVE UNITS (2013 - 2022)



Source: City of Sioux Falls, Planning



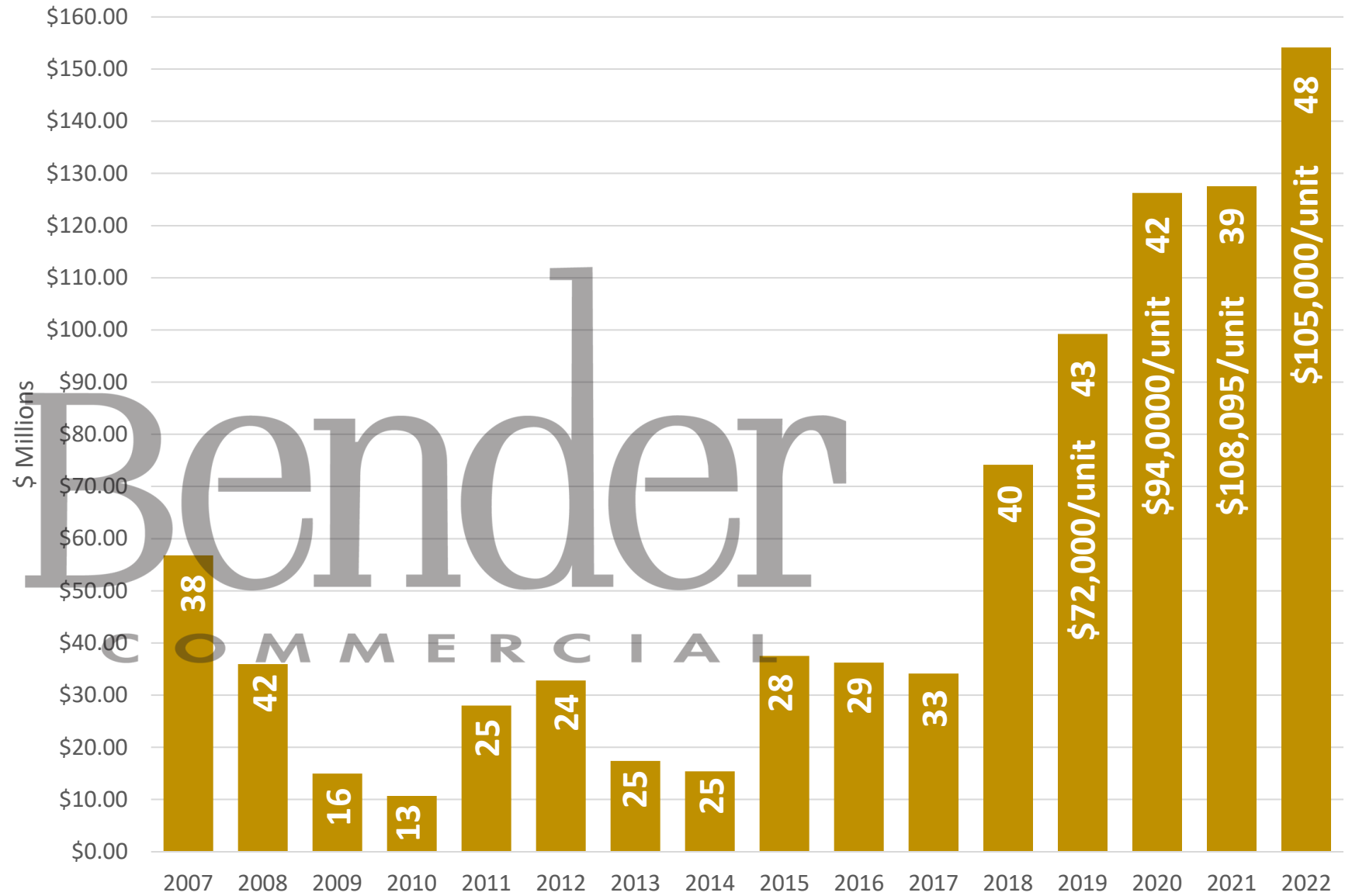
MULTI-FAMILY VACANCY RATE



Source: SDMHA Vacancy Study



SIoux FALLS MULTI-FAMILY SALES VOLUME





SOUTH WILLOW APARTMENTS

- 3600 S. Willow Avenue
- \$3,030,000
- \$84,167/unit
- 36 Units
- July 2022
- **5.97% Cap Rate**





LAKE PORT VILLAGE

- 5801 West Christopher Place
- \$3,665,000
- \$76,354/unit
- 48 Units
- February 2022
- **5.6% Cap Rate**





WEST 41ST COMMONS

- 3100 S. Ronsiek Avenue
- \$29,100,000
- \$174,251/unit
- 167 Units
- August 2022
- **4.51% Cap Rate**





DAWLEY RETAIL CENTER

- 1025 South Highline Place
- \$5,015,000
- 14,523 SF
- June 2022
- **6.03% Cap Rate**





LIBERTY SQUARE

- 85th Street & Minnesota Avenue
- \$12,050,000
- 2 Buildings – 29,156 SF
- August 2022
- **6.0% Cap Rate**





DORAL CENTER

- 101 West 69th Street
- \$5,750,000
- 31,286 SF
- December 2022
- **6.29% Cap Rate**





AVERA PROFESSIONAL PLAZA

- 2412 South Cliff Avenue
- \$2,550,000
- 11,620 SF
- April 2022
- **6.29% Cap Rate**





49TH STREET & LOUISE AVENUE

- 3701 West 49th Street
4305 South Louise Avenue
- \$4,200,000
- 2 Buildings - 47,533 SF
- July 2022
- **6.90% Cap Rate**





MICROTEL

- 2901 South Carolyn Avenue
- \$44,485/room
- **9.63% Cap Rate**





FED EX BUILDING

- 5051 W. Foundation Court
- \$64,944,693
- 340,204 SF
- July 2022
- **4.81% Cap Rate**





ALL SEASONS STORAGE

- Multiple locations
- \$4,000,000
- 233 units
- February 2022
- **7.58% Cap Rate**





STORAGE CENTER

- 3715 South Grand Slam Avenue
- \$7,895,000
- 528 units
- August 2022
- **6.52% Cap Rate**



PREDICTIONS

2023 Will be a “Pause” Year

Owner Occupant Transactions Will Accelerate

Macro Economic Trends Will Strongly Influence Market

Multi-Family Sales ↓

Multi-Family Construction ↓

Cap Rates ↑

Bender

COMMERCIAL

MARCH 2, 2023

26TH ANNUAL

MARKET OUTLOOK

