Green Street News

Real Estate Alert

DRA Offers Another Huge Industrial Portfolio

DRA Advisors is shopping 12.2 million sq ft of industrial properties worth a combined $1.3 billion.

The New York-based investment manager, already one of the year's top industrial sellers, is offering 78 properties in the Southeast, Midwest, Oklahoma and Texas via five separate portfolios. **CBRE** and **Cushman & Wakefield** are cooperating on the marketing campaign, and it is possible a single buyer will take down the entire package amid a revival of big industrial trades this year.

CBRE has the larger portion, comprising 50 properties totaling 7.4 million sq ft across 10 infill markets. The light-industrial warehouses are roughly 90% leased with a weighted average remaining term of around three years, and rents 15% to 20% below market.

Those properties are being offered via three separate listings that are similar in profile but split by geography. The heaviest concentration is in Texas, with 29 properties totaling 3.4 million sq ft. There also are 15 properties in the Midwest totaling

See INDUSTRIAL on Page 16

Rush of Dallas Office Listings To Test Appetite

Dallas office trades surged in the first half, but now the market's status as a top investment target is being stress-tested by a wave of new listings and buyer pushback on pricing.

At least $1.6 billion of local office sales worth $25 million or more have closed or gone under contract so far this year. That is up from just $395.6 million of sales during the first six months of 2025, according to **Green Street's** Sales Comps Database.

And that's just the start. June brought a flurry of new offerings that has the pipeline bursting at midyear. Now there are a dozen listings with a combined estimated value of $1.9 billion. If all trade at those levels, and even a few new sales surface, Dallas sales could approach the $4.1 billion record for annual volume set in 2016.

But pricing is coming in below expectations on many deals, with some listings

See DALLAS on Page 14

M&A Market on Track for Rare $100B+ Year

Real estate M&A is back.

Nine mergers and acquisitions valued at $25.84 billion closed in the red-hot first half, which is nearly double 2025's full-year volume.

With two pending megadeals set to close by yearend, the league table is likely to crack $100 billion for the first time since the cyclical peak of 2022 – and only the fourth time since **Real Estate Alert** began tracking the sector in 1996.

A bull run in REIT share prices, wide-open debt markets and the first meaningful public-to-public mergers in years have the market practically unrecognizable from a year ago, tracking early-year expectations of a rebound.

"It feels very active," said **Kristin Gannon,** a managing director at **Eastdil Secured,** which leads the league table at midyear, a year after winning it for the first time. "There's a wide variety of capital playing in these larger transactions, whether

See MARKET on Page 9

THE GRAPEVINE

CIM Group has snagged a net-lease specialist from **Eastdil Secured. Asa Yapa** joined the Los Angeles-based investment manager's real estate equity team this week as a managing director. She is based in New York, reporting to **Jason Schreiber,** a principal and co-head of real estate equity. Yapa works on sale-leasebacks, among other deal types, for retail and industrial properties. She spent almost 16 years at Eastdil, leaving as a director. She also has worked at **Spirit Realty Capital** and **Wachovia.**

Alex Gill has stepped down as president of **Viking Capital** to focus full-time on

See GRAPEVINE on Page 20

Big Rental Package Pitched in LA Area

Veritas Investments is exploring a sale or recapitalization of a mostly rent-controlled apartment portfolio in some of the Los Angeles area's most sought-after neighborhoods.

Bids for the 29-building, 671-unit portfolio are expected to value it around $240 million, or $358,000/unit. **Newmark** is representing San Francisco-based Veritas, which also is open to taking bids on pieces of the overall package.

The buildings are scattered throughout Los Angeles, Santa Monica, West Hollywood and Redondo Beach. They are mostly on the smaller end, averaging 23 units, and were built from 1925 to 1977, with an average vintage of 1966.

Marketing materials group the properties into six geographic clusters:

- Beverly Grove/Hollywood/Melrose/West Hollywood: 12 buildings totaling 298 units, making up 45% of all units, with an average vintage of 1964
- Santa Monica/West Los Angeles: Seven buildings totaling 174 units (1967)
- Palms/Culver City: Five buildings totaling 109 units (1971)
- Marina del Rey/Venice: Three buildings totaling 39 units (1965)
- Redondo Beach: A 33-unit building developed in 1960
- Miracle Mile: An 18-unit building constructed in 1971

All the properties are subject to local rent-control ordinances except for two buildings totaling 45 units in Marina del Rey and Redondo Beach, according to marketing materials. Those apartments fall under California's statewide rent cap,

See RENTAL on Page 17

Rare National Office Package Marketed

Franklin Street Properties has listed all but three of its office properties as the beleaguered REIT explores strategic options.

The offering encompasses 4.6 million sq ft across 11 properties in Texas, Colorado and Minnesota. The buildings are 61% occupied. It is being pitched to value-added investors as an opportunity to acquire underperforming buildings at a steep discount to replacement costs.

JLL and **Bank of America,** co-financial advisors for the Wakefield, Mass.-based REIT, launched the offering within the last few weeks. Bids are preferred for the entire package or regional subportfolios.

Valuing the package is tricky given the disparate nature of the markets and the lack of comparable large portfolio trades in the recovering sector. What's more, investors are leaning more into the offering as a basis play and are weighing return on costs versus a traditional capitalization rate, according to sources familiar with the listing.

Based on net operating income of $36 million, bids of $325 million to $335 million, or up to $73/sq ft, would produce an initial annual yield in the vicinity of 11%. Replacement costs are estimated to be in the range of $500/sq ft to $700/sq ft, sources said.

Investors are being told the capitalization rate would stabilize in the mid-teens with a renewed effort to improve the properties and boost occupancy above 80%, bringing them in line with their respective markets. The weighted average remaining lease term is 4.4 years.

The largest share of the portfolio is three Denver properties totaling 1.9 million sq ft. They include a 683,000 sq ft building at 1999 Broadway, which Franklin Street acquired for $183 million in 2013. It is now half vacant. A 652,000 sq ft building at 1001 17th Street is now 73% leased. The REIT bought it in 2013 as well, for $217 million. Meanwhile, Dominion Towers, a 612,000 sq ft complex, is just 38% occupied. Franklin Street acquired it for $154 million in 2016.

The second-largest portion of the package is 1.2 million sq ft in Houston spread across three properties. The largest, Towers at Westchase 1 and 2, with 629,000 sq ft, is 64% occupied. Franklin Street paid $154.8 million for the complex in 2012.

The rest of the portfolio is made up of three properties in Plano and Addison, near Dallas, totaling 717,000 sq ft, and two in Minneapolis with 757,000 sq ft.

Separately, Franklin is in talks to sell Greenwood Plaza in Englewood, Colo., to a company that would occupy the complex. Franklin acquired the 199,000 sq ft property in 2005 for $44 million.

Franklin Street, founded in 1997, became a REIT in 2005. It focuses on office properties in central business districts in the Sun Belt and Mountain West. The

See RARE on Page 17

Franklin Street Properties office portfolio

Property	City (market)	Sq ft (000)	Occ. (%)
Addison Circle One	Addison, Texas (Dallas)	289	65.0
Liberty Plaza 1 and 2	Addison, Texas (Dallas)	218	64.0
Legacy Tennyson Center 1 and 2	Plano, Texas (Dallas)	210	41.0
Towers at Westchase 1 and 2	Houston	629	64.0
Offices at Park 10	Houston	314	81.6
Eldridge Green	Houston	248	100.0
1999 Broadway	Denver	683	49.0
1001 17th Street	Denver	652	73.2
Dominion Towers	Denver	612	38.0
801 South Marquette Avenue	Minneapolis	427	79.7
Plaza Seven (PwC Plaza)	Minneapolis	330	41.9
Portfolio total/weighted average		**4,613**	**61.0**

Distressed Offices in DC on the Block

A historic Washington office building a block from the White House is up for grabs, with expectations that bids will be roughly a quarter of its peak value.

The 223,000 sq ft Commercial National Bank Building is expected to fetch bids of up to $50 million, or $224/sq ft, which would produce an initial annual yield of 18%. That eye-popping return is due to the short span of the property's existing leases.

Anchor tenant **Skadden Arps** occupies about 75% of the building. It has one lease, for 45% of the building, that will expire in 2028, while a lease for the rest expires in 2033. It is unclear if the firm will renew. There also are a few smaller subtenants in the property whose occupancy rates could not be learned.

Cushman & Wakefield has the listing. The expected pricing would reflect a deep discount to the $198 million that **Elecor Properties** of New York, formerly known as **Paramount Group,** paid for the building in 2013, when Skadden had just signed a 15-year renewal to occupy 95% of the property.

In 2022, Paramount lined up a $92.3 million senior loan from Germany-based lender **DekaBank.** The status of the debt is not known. In December, Paramount was acquired by **Rithm Capital** and later rebranded.

The 12-story building, completed in 1917 and recognized for its Stripped Classical design, is on the National Register of Historic Places. The property occupies most of its block, with entrances at 700 14th Street NW and 1420 New York Avenue NW. Skadden initially leased 400,000 sq ft in the building and in two adjacent properties.

The juicy capitalization rate means a buyer would see income as it navigates the law firm's lease. Should Skadden vacate, a new owner could explore repositioning the building to compete with more high-end offices, or convert it to another use, given its prime location.

Rents for new office space are at historic highs, while leases for renovated trophy offices are being signed at rates 15% higher than those inked during the pandemic, according to a Cushman report. Offices close to the White House in the East End and Central Business District submarkets tend to lease up faster and at higher rents than those in larger area submarkets.

Washington office sales continue at a steady pace, as sellers have capitulated on pricing, and more buyers interested in capturing upside have entered the market. The result has been several sales at steep discounts from pre-pandemic valuations. So far this year, seven properties totaling $567.3 million have changed hands, according to **Green Street's** Sales Comps Database. ❖

Newer Orlando Apartments Out for Bid

A developer is shopping a 2022-vintage apartment building in Orlando with an estimated value of $83 million.

The whisper price for the 307-unit Cannery at the Packing District comes out to $270,000/unit. The seller, **Embrey Partners** of San Antonio, has given the sales assignment to **Newmark.**

The Cannery's studio to three-bedroom units average 940 sq ft. Advertised rents range from $1,670 to $3,400. Units have quartz counters, soft-close cabinets and stainless-steel appliances. Half of the four-story building's apartments, those on the top and bottom floors, have 10-foot ceilings. Amenities include a 5,000 sq ft rooftop deck and a 3,000 sq ft fitness center.

The average resident income exceeds $115,000.

The Cannery is part of the mixed-use Packing District, a $700 million redevelopment project spanning 202 acres at the edge of the upscale College Park neighborhood. As the first residential project to break ground in the master-planned district – which at one time housed the citrus-packing operations of Florida businessperson Dr. Philip Phillips – it helped set off a wave of development that has included an adjacent shopping center anchored by a **Publix** grocery store, the **Great Southern Box Co.** food hall, a **YMCA** and a regional park.

Embrey also developed a second apartment phase, the 345-unit Citron, a few blocks away. That property began leasing in 2024 and was completed in 2025.

The Cannery is at 2501 North Orange Blossom Trail, 2 miles northwest of downtown Orlando and 4 miles southwest of Winter Park. The Kia Center and Camping World Stadium are nearby.

Marketing materials note that the area is home to Orlando's largest concentration of medical and professional employment, with more than 5,000 hospital beds and 28 million sq ft of office space. ❖

Two Office Listings Emerge in Denver

Two separately owned Denver office properties that are on the block could fetch $233 million and help the local sales market continue to claw its way toward recovery.

Both offerings are in Cherry Creek, a top-performing submarket where listings have been scarce. Part of the pitch is that each provides the opportunity to raise rents on lease renewals by 60%. **JLL** is running separate marketing campaigns for the properties, but market pros say they could go to a single buyer.

MetLife Investment Management is shopping the 117,000 sq ft Civica Cherry Creek, a trophy building expected to command $113 million, which would produce a 5.5% initial annual yield. A purchase at that price would pencil out to $970/sq ft, which would set a new high for a Denver-area office trade.

Meanwhile, a partnership between **Long Wharf Capital** and **Granite Properties** is marketing First Avenue Plaza at Cherry Creek, a two-building complex totaling 264,000 sq ft that's expected to fetch around $120 million. A trade at that $454/sq ft valuation would give a buyer an initial annual yield of 6.9%.

Denver's sales market has yet to fully rebound from post-pandemic lows. Local office trades of $25 million and up totaled $843 million last year, according to **Green Street's** Sales Comps Database. While that was more than the previous two years combined, it was still way below the $1.8 billion average from 2012 to 2022.

So far this year, the market has remained tepid. Sales year to date have totaled $221 million, and listings have been somewhat sparse. But local pros say the two new listings should draw strong investor interest for their upside potential and location.

JLL is touting Civica, completed in 2018, as the top asset in Cherry Creek. The building is 93% leased with a weighted average remaining term of five years. It features high-end amenities such as a second-floor great room with a fireplace and library, a rooftop terrace with seating and fireplaces, and an outdoor conference room.

With leases on 70% of the building expiring within six years, the pitch is that a new owner could raise rents on that space by 60% upon maturity.

MetLife paid $108 million, or $921/sq ft, for the seven-story building in 2021. In-place rents have since jumped 38% to $56/sq ft on a triple-net basis. However, that's below new construction rents, providing runway for a new owner to boost rates, investors have been told.

Civica Cherry Creek is at 250 Fillmore Street, on the same block as some of the city's most prominent restaurants. The property includes some restaurant infrastructure from its original design, and a new owner could add a new high-end dining establishment. Class-A and -B office occupancy is 97.8% in the surrounding Cherry Creek North area, compared to 63.5% for Denver's central business district.

Civica could surpass the record per-sq ft valuation that a nearby property fetched last month. In that transaction, a family office advised by **Lincoln Property Co.** paid **BMC Investments** $92.5 million, or $925/sq ft, for the 100,000 sq ft Fillmore Building at 255 Fillmore Street. That was the first significant office trade in Cherry Creek in four years, according to marketing materials.

Meanwhile, First Avenue Plaza is 96% leased with 4.2 years of weighted average remaining term. Granite, of Plano, Texas, paid $104.8 million, or $397/sq ft, for the property in 2022 and brought Boston-based Long Wharf in as a partner later that year.

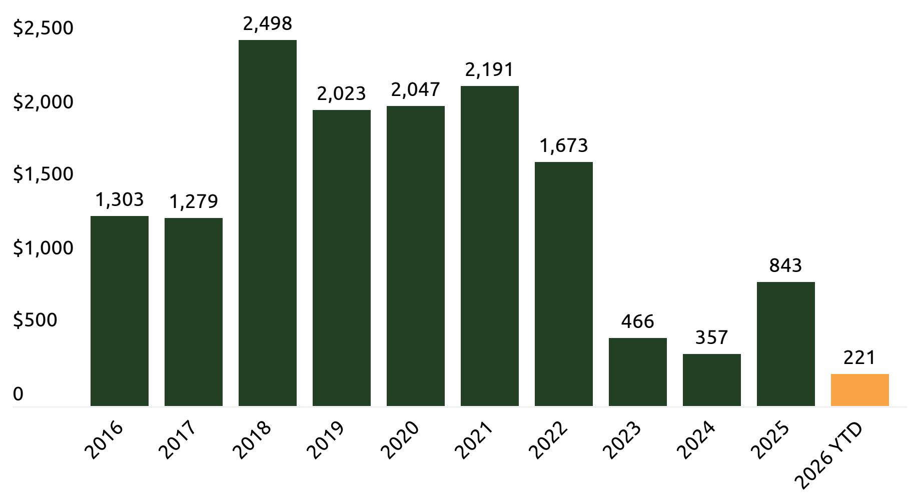
Since then, the duo has executed new and renewed leases on 209,000 sq ft, accounting for 80% of the property. They increased rents by 98%, with deals now getting signed at $42.50/sq ft on a triple-net basis, but the property still offers a big discount compared with rents at trophy Denver properties.

The pitch is there is more room to run for the next owner. With leases on 80% of the complex maturing in five years, a buyer could raise rents on that space by 60%. The buildings are at 44 Cook Street and 55 Madison Street.

There is more than $2 billion of redevelopment underway in the neighborhood. The Cherry Lane and Cherry Creek West projects will add 1.1 million sq ft of mixed-use space and 278,000 sq ft of new retail space by the end of 2033, according to marketing materials. ❖

Denver office market's annual sales volume

Deals of $25 million and up ($mil.)



IPA | INSTITUTIONAL PROPERTY ADVISORS

Unrivaled Access. Unmatched Results.

RECENT CLOSED TRANSACTIONS

Emerson at Red Oak
Red Oak, TX | **Units** 306

Alta Rise
Gilbert, AZ | **Units** 278

The Terraces
San Francisco, CA | **Units** 117

The Louvre
Edmonton, AB | **Units** 358

Cypress Run Apartments
Orlando, FL | **Units** 248

The Mark at Midlothian
Midlothian, TX | **Units** 236

Latitude
Everett, WA | **Units** 108

Upland Village Green
Upland, CA | **Units** 186

INSTITUTIONAL ADVISORS.COM

JV Shows Apartments Near Richmond

A development team is shopping a recently built apartment complex outside Richmond, Va., valued at roughly $110 million.

The 310-unit Bainbridge Midlothian, in Midlothian, was completed in 2024 and is 97% occupied. The estimated price of $355,000/unit pencils out to a 5.5% initial annual yield.

Newmark is representing Wellington, Fla.-based **Bainbridge Cos.** and local partner **LBD Investments.** Bainbridge Midlothian was the duo's first ground-up apartment project in the Richmond market.

Bainbridge Midlothian has four four-story buildings on nearly 26 acres. Units range from studio to three-bedroom apartments that average 1,017 sq ft. The average rent is $2,062, or $2.03/sq ft, which is among the lowest of comparable properties and roughly $600 below its top-priced competitor, according to marketing materials.

The property reached stabilization in 10 months, with 33 new leases per month in the final stretch, from March to July 2025. Since then, Bainbridge Midlothian has posted 10% blended rent growth: 7% on new move-ins and 12% on renewals, according to marketing materials.

Interiors have stainless-steel appliances, quartz counters, keyless entry, smart thermostats, wood-style plank flooring and oversize walk-in closets. Amenities include a saltwater pool, a fitness center, a pickleball court, a dog park with a pet spa, and a clubhouse with a business center. There are 481 parking spaces.

The property, at 12400 Dutton Road, is near several shopping centers. It's a half-mile from the **Wegmans**-anchored Stonehenge Village, a mile from Chesterfield Towne Center and 4 miles from Westchester Commons.

The complex is close to State Route 288 and State Route 60, also known as Midlothian Turnpike, which connects to downtown Richmond 11 miles east.

The average household income within 3 miles of the property is $154,000, according to marketing materials. ❖

Westchester Retail Center Takes Bids

Invesco Real Estate is shopping a grocery-anchored retail property in New York's Westchester County that it bought four years ago and fully leased up.

The 122,000 sq ft Cortlandt Crossing, in Mohegan Lake, is anchored by a **ShopRite** supermarket and **Homesense.** Invesco paid $65.5 million for the property in 2022, when it was roughly 95% occupied.

The property now is expected to fetch offers around $65 million. With roughly $3.8 million of in-place net operating income, a buyer's initial annual yield at that price would be 5.8%.

CBRE is running the sales campaign for Dallas-based Invesco, which bought it from developer **Acadia Realty Trust.**

ShopRite's lease runs though 2038, and marketing materials note the grocer's sales have climbed more than 21% since it opened at the property in 2019. Homesense's lease details are unknown. The retailer is owned by **TJX Cos.**

The two anchors account for 69% of the property's income. Other tenants include **Aspen Dental, Chipotle, Jersey Mike's, Pulse-MD Urgent Care** and **Verizon.** A **Dave's Hot Chicken** is opening soon, and there is a **Hudson Valley Credit Union** on a pad site added in 2022.

Marketing materials describe the rent roll, with a weighted average remaining lease term of 9.1 years, as a mix of "e-commerce-resistant national and local tenants" that draws from a roughly 10-mile trade area.

The sales pitch highlights that the property, built in 2018, has a roof warranty that extends to 2040, capping a major potential capital expenditure.

The property, at 3140 East Main Street, is directly across from the 800,000 sq ft Cortlandt Town Center, anchored by major tenants such as **Home Depot, Marshalls, Michaels, PetSmart** and **Walmart.** That complex draws 7 million-plus visits a year, according to marketing materials, serving as a shadow anchor of sorts.

Cortlandt Crossing is on the U.S. Route 6 corridor, where 19,000 vehicles pass daily. Within 5 miles, 88,000 residents have an average household income of $175,000.

The site is 40 miles north of Midtown Manhattan. ❖

Creative Offices Circulated in Charlotte

A creative-office building in Charlotte that's almost fully occupied is on the market with bids expected to come in at $54 million.

The 106,000 sq ft building at 1213 West Morehead Street, dubbed the Refinery, was completed in 2019 with high-end finishes that have helped push occupancy to 99%. A sale at the anticipated valuation of $509/sq ft would produce a 7.25% initial annual yield.

CBRE is marketing the five-story property on behalf of the owner, a venture of **Northridge Capital** and a wealthy foreign family. Washington-based Northridge developed the building with **Insite Properties** of Charlotte. The property was recapitalized in a 2021 deal that valued it at $55.3 million. The size of the stake that Northridge retained could not be learned.

Borrowing costs have spiked since, depressing valuations and pushing up capitalization rates. Still, investors increasingly are leaning back into the office sector, particularly for high-quality properties with stable rent rolls.

Tenants at Refinery include coworking space provider **Venture X,** insurance brokerage **HUB International, Pinnacle Bank** and infrastructure engineering firm **WK Dickson.** The building also includes street-level retail space.

Refinery has a brick, glass and steel facade, and a landscaped rooftop deck.

It is in FreeMoreWest, a neighborhood that borders the central business district, South End and Midtown. Its former mills and warehouses have been converted in recent years to boutique offices, trendy shops, breweries and restaurants after a light-rail line connecting to the South End opened in 2007. ❖

Charlotte Office Complex Snags Buyer

Crestlight Capital has struck a deal to pay roughly $90 million for a recently built office complex in Charlotte, where office sales are once again on the upswing.

The Detroit-based firm has agreed to pay about $450/sq ft for Station at LoSo, a two-building complex comprising 200,000 sq ft in the South End submarket. **JLL** is brokering the sale on behalf of **Beacon Partners,** the local firm that developed the property in 2023 and 2024.

Charlotte office sales finally are rebounding after two years of lackluster volume that lagged the national market. This year through May, $413.5 million of deals valued at $25 million or more had already closed, easily putting the market on course to surpass last year's $664 million total, according to **Green Street's** Sales Comps Database.

And with a pipeline of listings valued at more than $900 million, sales there could easily surpass $1 billion. That would be just the fifth time the market passed that mark, the last being in 2022.

Station at LoSo was a draw for investors due to its recent construction with trophy-level finishes, location and stable rent roll. It was 90% occupied when marketed earlier this year with a weighted average remaining lease term of 6.9 years.

It was pitched with potential upside via filling the remaining vacant space and bringing occupancy in line with the 95% average for so-called Tier-1 space in the South End, where development is limited and asking rents are approaching $70/sq ft.

The rent roll spans industries including entertainment, digital media, professional services, sports and technology. Tenants include architectural firm **CPL, Crete United** and **Skyla Credit Union.**

The five-story buildings of roughly equal size were designed as creative office space, with brick and steel warehouse-like features such as glass roll-up doors in the lobbies. Amenities include a fitness center, indoor bike storage and terraces on each floor. There are several restaurants in the property's ground-floor retail space.

The buildings, known as Station 3 and Station 4, were built on a 2-acre site at 3600 and 3700 South Boulevard as the first phase of a larger mixed-use development that eventually will include 500 residential units. Station 3 is virtually fully occupied while Station 4 is 82% leased.

This would be Crestlight's second play for a Charlotte office property. The firm, in a venture with an unknown institutional buyer, first entered the market in 2022 with the purchase of SouthPark Towers 1 & 2 for $192.5 million. But lender **Mesa West Capital** ended up foreclosing on that property after the venture defaulted on a $167.8 million loan three years later.

Crestlight targets office, industrial and mixed-use properties in markets near education or innovation clusters. ❖

Aldi Leads Retail Pitch on Long Island

A fully leased, grocery-anchored strip center on Long Island is being pitched with some upside.

The 119,000 sq ft Aldi Riverhead, named after its lead tenant, is in Riverhead, 68 miles east of Midtown Manhattan. The sales pitch is touting a raft of national tenants and strong growth in recent years in the surrounding submarket.

Bids are expected to come in around $36 million. **JLL** has the sales assignment for **Enclave Equities** of Purchase, N.Y.

Bidders are being told that national retailers account for 96% of in-place revenue, with just under 70% from investment-grade tenants including **Dick's Sporting Goods, Starbucks** and **TJX Cos.,** the parent of T.J.Maxx.

The **Aldi** store has posted 11% year-over-year foot-traffic growth, according to **Placer.ai** data cited in marketing materials. That outperforms every neighboring property in the surrounding retail corridor.

While Aldi drives traffic, the largest tenant by space is Dick's, which occupies nearly 40% of the property. The retailer has been at the property seven-plus years and has three five-year renewal options on its lease.

Other tenants include **Buffalo Wild Wings, Five Below, Shah's Halal Food, Vitamin Shoppe** and a nail salon. Aldi Riverhead has an overall weighted average remaining lease term of 5.8 years.

The marketing campaign touts the ability to subdivide and spin off the Starbucks and Vitamin Shoppe spaces at an advantageous capitalization rate, which would lower a buyer's basis in the property.

The pitch additionally boasts that a buyer would benefit from fundamentals in the surrounding Eastern Suffolk retail market, where occupancy averages 96.6%, 100 bp better than on Long Island as a whole.

Also, no retail deliveries larger than 10,000 sq ft have come online in the submarket since 2020, and asking rents average $55.10/sq ft versus $38.42/sq ft across Long Island.

The 2013-vintage center, on 13 acres at 1757 Old Country Road, is on County Route 58, a stretch that sees more than 34,000 vehicles daily. The corridor is supported by nearby retail hubs including Tanger Outlets, Riverhead Centre and the Shops at Riverhead, which together generate more than 2.3 million annual visits, according to marketing materials.

The property is adjacent to Riverhead Raceway, the only auto-racing venue on Long Island. The Hamptons are 20 miles east. ❖

Residential Site Available in Manhattan

A residential development site in New York's Murray Hill neighborhood is on the block with an asking price of $21 million.

The land, comprising two plots at 617-621 Second Avenue, is being pitched as suitable for a market-rate or mixed-income high-rise of up to 52,000 sq ft. To that end, marketing efforts highlight strong demand for residential space in the area, as well as transit connections to office hubs around Midtown Manhattan.

Avison Young is representing the unidentified private sellers. The asking price equates to slightly more than $400 per buildable sq ft.

The property currently houses two low-rise apartment buildings with street-level retail space. Marketing materials note that while the parcels have a combined by-right development approval of 43,000 sq ft, a buyer could push the footprint higher by adding an affordable-housing component.

Renderings suggest the development of a 13-story building with rooftop space. Marketing materials also highlight that a buyer would have flexibility to position the project as rentals or condominiums, as the area already has both types of properties.

The sites are at the southwest corner of East 34th Street and offer a combined 132 feet of frontage there and on Second Avenue. Avison Young has told bidders the corner location can accommodate separate entrances, a popular design.

The project is two blocks from **NYU Langone Health's** main campus and is eight blocks north of the city's planned Science Park and Research Campus in Kips Bay, a proposed $1.6 billion project described as a demand driver for the area.

Marketing materials also tout another planned extension of the Second Avenue subway line, though that project is not yet funded. A ferry terminal on the East River is two blocks east. ❖

RANKINGS

Market ... From Page 1

they're public or private."

Eastdil worked on six of the half's nine deals, good for $20.45 billion of credit and a market share of 79.1%. **Goldman Sachs** and **Morgan Stanley** tied for second, each receiving credit for $15.49 billion across three deals (60.0% share each).

Wells Fargo (two deals, $12.80 billion, 49.5% share) and **Bank of America** (three deals, $5.79 billion, 22.4% share) rounded out the top five. BofA narrowly edged out **JPMorgan Chase** (two deals, $5.60 billion, 21.7% share), which finished in sixth place. **KeyBank** finished seventh (two deals, $3.90 billion, 15.1% share). No other advisor had more than a 15% market share.

Only one deal that closed during the first half exceeded $3.5 billion, as the market currently is dominated by take-private transactions involving REITs with smaller capitalizations. To that end, in the second half, **Ares Management** is set to close its acquisition of **Whitestone REIT.** In addition, **Blue Owl Capital** this month completed its purchase of **Sila Realty Trust.**

The two transactions combined will total about $3.5 billion.

Andrew Warin, head of **Newmark's** strategic advisory group, attributed the activity in the smaller-REIT space to "healthy fundamentals, improved outlooks and robust [first-half] results from public companies setting up well for [the second half]."

"At the same time, meaningful public-to-private conversions and private capital availability have emerged as viable alternatives to growing earnings, a diversifying capital base and tapping into a large and liquid pool of outside capital sources," Warin said.

While smaller bets are driving the market, public-to-public deals also are swelling volume.

Public Storage's $10.5 billion purchase of **National Storage Affiliates Trust** was the first 11-figure M&A since 2023, when two closed. Also on tap is the mammoth tie-up of apartment REITs **AvalonBay Communities** and **Equity Residential,** which a **Green Street** report says would create the ninth-largest REIT by enterprise value.

That said, the stock-for-stock deal has received a rather muted reception, judging by each company's stock price, and few advisors expect the merger's closing to spur similar mega-deals.

Cedrik Lachance, director of research at Green Street, the parent of Real Estate Alert, said further transaction activity may be dampened by the fact that REIT share prices are up 15% to 20% on average this year.

"The odds of deals taking place in the second half are greatly diminished for companies of any real size," Lachance said.

Lachance pointed to hotel REITs as the extreme version of that shift. Most boards in the sector spent much of the last two years "complaining bitterly" about trading at steep discounts to NAV. Now, those stocks trade within a few percentage points of NAV.

"Twelve to 18 months ago, it was, 'take me out of this thing,' " he said. "Today it's, 'how do I grow – should I issue equity?' "

Eastdil's Gannon said one potential headwind to M&A volume is the huge scale of capital being pushed into data centers. A **BlackRock**-led partnership has agreed to a roughly $40 billion takeover of **Aligned Data Centers** that would be one of the largest deals ever, rivaling **Blackstone's** 2007 acquisition of

See MARKET on Page 10

Real estate M&A

	Amount ($bil.)	No. of deals		Amount ($bil.)	No. of deals
2007	$168.4	33	2017	$58.0	17
2008	7.1	5	2018	106.1	17
2009	0.8	2	2019	39.6	13
2010	28.2	7	2020	26.5	6
2011	44.1	9	2021	73.4	14
2012	12.3	11	2022	101.6	16
2013	40.4	14	2023	37.8	8
2014	34.1	11	2024	34.1	9
2015	68.4	25	2025	15.1	7
2016	36.3	16	1H-26	25.8	9

Real estate M&A advisors

Full credit given to all advisors to buyers and sellers

		1H-26 deals ($mil.)	No. of deals	Market share (%)
1	Eastdil Secured	$20,450.0	6	79.1
2	Goldman Sachs	15,493.8	3	60.0
2	Morgan Stanley	15,493.8	3	60.0
4	Wells Fargo	12,800.0	2	49.5
5	Bank of America	5,793.8	3	22.4
6	JPMorgan Chase	5,600.0	2	21.7
7	KeyBank	3,900.0	2	15.1
8	BMO Capital Markets	3,800.0	2	14.7
9	Citigroup	3,593.8	2	13.9
10	UBS	3,500.0	1	13.5
11	Moelis & Co.	2,100.0	1	8.1
12	Newmark	1,800.0	1	7.0
12	RBC Capital Markets	1,800.0	1	7.0
14	JLL	1,100.0	1	4.3
14	Raymond James Financial	1,100.0	1	4.3
16	CS Capital Advisors	1,050.0	1	4.1
	TOTAL	**25,843.8**	**9**	**100.0**

RANKINGS

Real estate mergers and acquisitions in the 1st half

Purchases of companies that primarily own U.S. commercial properties

Acquired entity	Seller	Buyer	Seller's advisors	Buyer's advisors	Price ($mil.)
National Storage Affiliates Trust	National Storage Affiliates Trust	Public Storage	Morgan Stanley	Eastdil Secured, Goldman Sachs, Wells Fargo	$10,500.0
Veris Residential	Veris Residential	Affinius Capital, Vista Hill Partners	JPMorgan Chase, Morgan Stanley	Goldman Sachs, UBS	3,500.0
Alexander & Baldwin	Alexander & Baldwin	Blackstone, DivcoWest, MW Group	Bank of America	Eastdil Secured, Wells Fargo	2,300.0
Plymouth Industrial REIT	Plymouth Industrial REIT	Ares Alternative Credit Management, Makarora	JPMorgan Chase, KeyBank	Citigroup, Moelis & Co.	2,100.0
ECHO Realty	Echo Realty	Norges Bank Investment Management, Public Sector Pension Investment Board, TPG Real Estate Partners, La Caisse	Bank of America	BMO Capital Markets, Eastdil Secured	2,000.0
CNL Healthcare Properties	CNL Healthcare Properties	Sonida Senior Living	KeyBank	BMO Capital Markets, RBC Capital Markets	1,800.0
Peakstone Realty Trust	Peakstone Realty Trust	Brookfield	Bank of America	Citigroup, Goldman Sachs, Morgan Stanley	1,493.8
City Office REIT	City Office REIT	Elliott Investment Management, Morning Calm Management	JLL, Raymond James Financial	Eastdil Secured	1,100.0
Vi Living	Vi Living	LCS Living	CS Capital Advisors, Eastdil Secured		1,050.0

Market ... From Page 9

Equity Office Properties for $39.90 billion.

The flow of capital into digital assets raises a question for the rest of the market: How much is left over for deals elsewhere?

"We haven't seen it yet," Gannon said. "But I do wonder if that impacts capital going to take-privates or other big transactions."

Steve Hentschel, a senior managing director and head of the M&A and corporate-advisory group at **JLL,** said his biggest concern for any slowdown is interest rates. Even with the recent uptick, 10-year Treasury yields have held from 4.3% to 4.6%, but renewed conflict in Iran, sticky inflation or any unforeseen macro event that pushes them higher could hamstring the pent-up demand of the last few years, he said.

"When you go through a period of very little M&A activity, it usually means that when the market gets stronger, all that activity you missed out on will happen when the market recovers," Hentschel said. "Everything is cyclical."

Real Estate Alert tallies acquisitions of entities that primarily own income-producing commercial properties in the U.S. It excludes single-property and portfolio transactions; sales of advisory, management or brokerage firms; roll-ups of investment vehicles; and other reorganizations involving affiliated entities in which ownership doesn't change substantially.

Advisors are given full credit for transactions if they represent either the buyer or the seller. As a result, two or more advisors often receive full credit for a deal. Investment banks are given credit only when expressly named as an "advisor" or "financial advisor" to a transaction. Advisors don't receive credit if their duties are limited to providing fairness opinions. ❖

TRANSACTIONS

Large single-property transactions in the 2nd quarter

Office

Price/ sq ft ($)	Price ($mil.)	Sq ft (000)	Property	Buyer	Seller
$1,056.9	$260.0	246	400 Bedford Avenue, Brooklyn	Douglas Emmett	Welltower
948.8	184.7	195	684 West Maude Avenue, Sunnyvale, Calif.	Apple	Metzler Real Estate, Union Investment Real Estate
824.4	110.0	133	One De Haro Street, San Francisco	Arizona State Retirement, Strada Investment	SKS Partners
694.9	378.0	544	575 Fifth Avenue, New York	Sovereign Partners	Beacon Capital Partners, MetLife
505.8	275.0	544	250 West 57th Street, New York	Namdar Realty Group	Empire State Realty Trust
501.9	134.5	268	201 Maple Street, Chelsea, Mass.	Allan Bailey Johnson Group	ACS Development
497.1	255.0	513	Bridgestone Tower, Nashville	Drawbridge Realty, KKR	Highwoods Properties
486.6	310.0	637	Great America Commons, Santa Clara, Calif.	Baupost, Ellis Partners	PGIM Real Estate
437.2	165.3	378	Rio Tech Office Park, San Jose	BGO	Washington Holdings
382.3	144.0	377	761 Main Avenue, Norwalk, Conn.		National Resources
359.9	135.7	377	CitySpire (Floors 2-23), New York	Delshah Capital, Realm, AM Property	GIC, Tishman Speyer
357.6	108.0	302	Berkeley Building, New York	Hamlin Ventures, Olmstead Properties, Vertex Properties	Mesa West Capital, Savanna
324.6	265.3	817	One Dag Hammarskjold Plaza, New York	601W Cos., David Werner Real Estate Investments	Wells Fargo
229.7	130.5	568	Bergstrom Tech Center, Buildings 310 & 312, Austin	Austin Community College	Boyd Watterson Asset Management
171.8	103.0	600	4025-4045 South Riverpoint Parkway, Phoenix	LXP Industrial Trust	Epic UK
147.2	210.0	1,427	Bank of America Plaza, Los Angeles	Capital Group	Trigild
127.0	180.0	1,417	Wells Fargo Center (North Tower), Los Angeles	601W Cos.	Citigroup
88.6	137.0	1,546	Citadel Center, Chicago	Kohan Retail Investment Group	TPG Angelo Gordon, Hines

Multifamily

Price/ apt. ($)	Price ($mil.)	Units	Property	Buyer	Seller
$1,065,071.8	$222.6	209	7 Dey Street, 185 Broadway, New York	GO Residential Real Estate Investment Trust	SL Green Realty
921,739.1	106.0	115	Access Culver City, Culver City, Calif.	Black Equities	Greystar
741,496.7	109.0	147	Acoya Shea, Scottsdale	Stonepeak Partners	Harrison Street
534,124.6	180.0	337	Harbour at New River, Fort Lauderdale	LeFrak Organization	Related Group, Rabina Properties
526,315.8	240.0	456	Cortland Uptown Boca, Boca Raton, Fla.	Property Reserve Inc.	Cortland
524,344.6	140.0	267	Flats on University, Fairfax, Va.		
513,888.9	152.6	297	Perry, Potomac, Md.	Sentinel Real Estate	Fougler Pratt
493,498.8	208.8	423	Commodore, Arlington, Va.	GID	Greystar
486,885.2	148.5	305	Metro Mission Valley, San Diego	GID	Blackstone
483,027.5	105.3	218	Meridian at Midtown, San Jose	Holland Partner Group	Essex Property Trust
461,682.2	148.2	321	Ivy Tower, New York	GO Residential Real Estate Investment Trust	Friedman Management
416,113.0	125.3	301	Riverbend at Port Imperial, West New York, N.J.	P3 Properties, Greyhill Group	PGIM Real Estate
413,330.8	109.9	266	Avida Aventura, Miami	Breevast	Fifield Cos.

Continued on Page 12

TRANSACTIONS

Large single-property transactions in the 2nd quarter ... From Page 11

Multifamily (cont.)

Price/ apt. ($)	Price ($mil.)	Units	Property	Buyer	Seller
$398,368.4	$151.4	380	Biscayne Shores, Miami	Cantor Fitzgerald, RPM Living	Integra Investments, Korgeous Group, DCL Capital
389,062.5	124.5	320	Tyler, Gilbert, Ariz.	Camden Property Trust	StreetLights Residential
385,674.9	140.0	363	475 Clermont, Brooklyn		
350,340.1	103.0	294	Ellison, Las Vegas	Bascom Group	Lyon Living, LandSpire Group
349,246.2	139.0	398	Next on Sixth, Los Angeles	Pacific Urban Investors	Equity Residential
343,213.7	220.0	641	Stamford Urby, Stamford, Conn.	Pantzer Properties	Urby
337,891.3	216.3	640	Shenandoah Crossing, Fairfax, Va.	DSF Group	AIR Communities
336,826.3	112.5	334	Bungalows on Camelback, Phoenix	Golden Horizon Enterprises	Cavan Cos.
329,602.0	132.5	402	Crystal View, Garden Grove, Calif.	Vistria Group, Eagle Partners	Bridge Investment Group
326,087.0	180.0	552	Grand Residences, Rockville, Md.	Orlo	Brookfield
312,500.0	170.0	544	Shores, Marina del Rey, Calif.		
310,344.8	108.0	348	Rise Flagler Village, Fort Lauderdale	Journey Capital	Encore Capital Management
299,132.9	103.5	346	Grand Central, Chicago	RPM Living	Waterton
278,000.0	166.8	600	Woodbridge Station, Woodbridge, Va.		
246,116.5	101.4	412	Cortland Arrowhead Summit, Glendale, Ariz.	NALS Apartment Homes	Blackstone, Cortland
233,748.3	169.0	723	East Village, Boston	Northeastern University	Phoenix Property Co.
149,775.8	167.0	1,115	Pavilion, Chicago	R.I.G. Capital	Brookfield

Retail

Price ($mil.)	Total sq ft (000)	Property	Buyer	Seller
$272.0	1,500	Annapolis Mall, Annapolis, Md.	Macerich	Centennial Real Estate, Kildare Partners, Atlas Hill Real Estate
200.0	420	Legacy Place, Palm Beach Gardens, Fla.	DLC Management, Temerity Strategic Partners	Hudson Advisors, Woolbright Development
122.0	442	1890 Ranch, Cedar Park, Texas	Cohen & Steers, Sterling Organization	Endeavor Real Estate

Hotel

Price/ room ($)	Price ($mil.)	Rooms	Property	Buyer	Seller
$1,259,842.5	$320.0	254	Cheeca Lodge & Spa, Islamorada, Fla.	Bass Pro Shops	Northwood Investors
1,032,138.4	835.0	809	JW Marriott Marco Island Beach Resort, Marco Island, Fla.	Trinity Investments, Sculptor Diversified Real Estate Income Trust	Barings
911,917.1	176.0	193	Park Hyatt Beaver Creek Resort & Spa, Beaver Creek, Colo.	Riller Capital, Sixth Street Partners	Braemar Hotels & Resorts
733,766.2	113.0	154	Lodge at Jackson Hole, Jackson, Wyo.		
648,562.3	203.0	313	Innside New York NoMad, New York	Melia Hotels International	Artimus Construction
600,558.7	107.5	179	Mayfair House Hotel & Garden, Miami	Elliott Investment Management, Lifestyle Hospitality Capital	Brookfield
572,390.6	170.0	297	Joseph Nashville, Nashville	Pizzuti Cos.	American National Insurance
514,459.9	124.5	242	Godfrey Hotel, Boston	Elliott Investment Management	Union Investment Real Estate

Continued on Page 13

TRANSACTIONS

Large single-property transactions in the 2nd quarter ... From Page 12

Industrial

Price/ sq ft ($)	Price ($mil.)	Sq ft (000)	Property	Buyer	Seller
$495.3	$132.3	267	Milmont Industrial, Fremont, Calif.	Clarion Partners	Hines, Oaktree Capital Management
422.0	100.4	238	800 Salem Street, Wilmington, Mass.	Fidelity Investments	Wheelock Street Capital, Camber Development
307.3	107.0	348	9750 Irvine Boulevard, Irvine, Calif.	Kurv Industrial	LBA Logistics, Link Logistics
306.2	352.2	1,150	Davie Business Center, Davie, Fla.	Prologis	IDI Logistics
302.4	107.0	354	2101 Joel East Road, Fort Worth, Texas	Principal Real Estate Investors	Miramar Capital, PGIM Real Estate
260.0	102.2	393	San Bernardino 1, San Bernardino, Calif.	Amazon	Transwestern Investment
203.4	171.5	843	8120 South Air Depot Boulevard, Oklahoma City		
199.5	219.5	1,100	20623 34th Avenue East, Spanaway, Wash.	Amazon	Ashley Furniture Industries
176.2	104.7	594	4555 Redlands Avenue, Perris, Calif.	Prologis	IDI Logistics
152.4	192.5	1,263	29 Ludwig Court, Shoemakersville, Pa.	Walmart	Keith Corp.
150.7	121.5	806	6227 Cajon Boulevard, San Bernardino, Calif.	Bridge Logistics Properties	EQT Real Estate
143.0	150.3	1,051	9295 & 9315 Prototype Drive, Reno, Nev.	Cannon Commercial	TPG Angelo Gordon
138.2	124.0	897	23301 Central Avenue, Monee, Ill.	Realty Income Corp.	Venture One Real Estate, Affinius Capital
125.5	128.7	1,026	Mark 4 Commerce Park, Fort Worth, Texas	Cabot Properties	Dalfen Industrial
125.1	139.5	1,115	2300 Enterprise Drive, Suffolk, Va.		
119.2	101.5	852	Legacy Park East, Rock Hill, S.C.	BGO	Scannell Properties
115.5	116.8	1,011	Northwest Spur Industrial Park, Houston	High Street Logistics Properties	Nuveen Real Estate
96.7	116.0	1,200	Cubes at Mesa Gateway, Building C, Mesa, Ariz.	Apollo Global Management	CRG
90.9	135.0	1,484	Hub at 202, Mesa, Ariz.	Axonic Capital, Miramar Capital, Machine Investment Group	MSD Partners, Madison Ventures, Wharton Equity Partners, Affinius Capital
86.7	140.0	1,614	4500 Academy Road, Cookeville, Tenn.	Tratt Properties	Middleton Partners

Dallas ... From Page 1

even being pulled amid disappointing bids, suggesting there is a limit to investor enthusiasm.

"Without a doubt, Dallas is a preferred market for investors looking to deploy capital into office," one veteran market pro said. "It is a safe place, and they will not get fired for investing here."

However, some confusion between buyers and sellers persists, the pro said. "When people are investing in an unpopular asset class, it becomes very nuanced, and the story and execution matter so much more than in times when momentum is behind you."

Case in point: Last week, bids for the 364,000 sq ft Victory Commons One came in with investors demanding a capitalization rate around 8%. That was roughly 125 bp above initial

See DALLAS on Page 15

Dallas office market facing flood of listings after active 1st half

$1.9 billion of properties worth $25 million and up are on the block, with $1.6 billion closed or under contract

On the market

Property	Seller	Hit market	Sq ft (000)	Estimated value ($mil.)	Price/ sq ft ($)	Broker
Lincoln Centre, Dallas	Nuveen Real Estate	June	1,700	$600	$364	Eastdil Secured
Victory Commons One, Dallas	Affinius Capital, Hillwood	April	364	240	659	JLL
Southstone Yards, Frisco	Crow Holdings	June	242	175	723	Newmark
Legacy Central 1-3, Plano	Bain Capital, Regent Properties	June	706	150	212	JLL
Ross Tower, Dallas	Bandera Ventures, Second City Real Estate	June	1,100	130	117	Cushman & Wakefield
International Plaza 3, Dallas	State Street, M-M Properties	June	356	120	337	JLL
Apex at Legacy, Plano	Monarch Alternative Capital, Tourmaline Capital	June	220	110	500	Newmark
Stack, Dallas	Hines, Westdale Asset Management, Ivanhoe Cambridge	July	200	95	475	JLL
Lakeside Square, Dallas	Acram Group	June	410	86	210	JLL
8080 NCX, Dallas	Intercontinental Real Estate	June	289	70	242	Cushman & Wakefield
300 Pearl, Dallas	JPMorgan Chase	June	225	63	280	JLL
One Hanover Park, Addison	New York Life Insurance	May	200	33	165	Newmark

Recent deals

Property	Buyer	Status	Sq ft (000)	Sale price ($mil.)	Price/ sq ft ($)	Broker
Towers at Williams Square, Irving (majority interest purchase)	Hillwood, TriPost Capital Partners, Vanderbilt Office Properties	May	1,400	$233	$166	Newmark
Colonnade, Dallas	Cross Ocean Partners, Lincoln Property Co.	Pending	1,079	180	167	Newmark
Pinnacle Tower, Dallas	Estein USA, Vanderbilt Office Properties	March	549	165	300	Eastdil Secured
Sherry Lane Place, Dallas	Shorenstein	Pending	302	163	540	JLL
Premier Place, Dallas	Lone Star Funds	Pending	458	153	333	JLL
Terraces, Dallas	Granite Properties, Highwoods Properties	January	172	109	633	Eastdil Secured
Tollway Plaza, Dallas	Tourmaline Capital	June	376	99	263	Newmark
Tennyson, Dallas	Shorenstein	June	273	92	337	Newmark
Providence Towers, Dallas	Canyon Creek Real Estate	Pending	524	75	143	JLL
2401 Cedar Springs, Dallas	Montclif	Pending	198	63	318	JLL
Urban Towers, Las Colinas (leasehold interest)	Koa Partners	March	852	50	59	Newmark
Churchill Tower, Dallas	Unknown	Pending	277	45	162	Newmark
Tower 2600, Richardson	Harkinson Investment Corp.	July	229	45	197	Newmark
Rambler Park, Dallas	Ascent Real Estate Advisors, Pillar Commercial	March	311	43	138	Newmark
Tollway North, Dallas	BH Properties	Pending	298	40	134	Newmark
8020 Park Lane, Dallas	DFW Land Holdings	May	121	33	273	Newmark

Dallas ... From Page 14

expectations when **Affinius Capital** and **Hillwood** put the property up for grabs in April with an estimated value of $240 million.

And that desire for a juicy yield wasn't for a 1980s-vintage commodity building in a weak submarket. Victory Commons One is a high-quality property that checked many boxes for investors. It was completed in 2022, and is located in Uptown, home to the three largest Dallas-area office trades last year, and a submarket where rents have soared 84% over the past 10 years.

However, Victory Commons One also was a core offering in an environment in which that type of capital is extremely sparse. The deal offered very little upside, which investors are hungry for to hit their yield targets amid high interest rates.

The building is 93% leased with a hefty weighted average remaining term of 12.2 years. At the initially expected pricing, it would have taken years for a buyer to get to a point where it could benefit from the strong Dallas leasing market and rent growth.

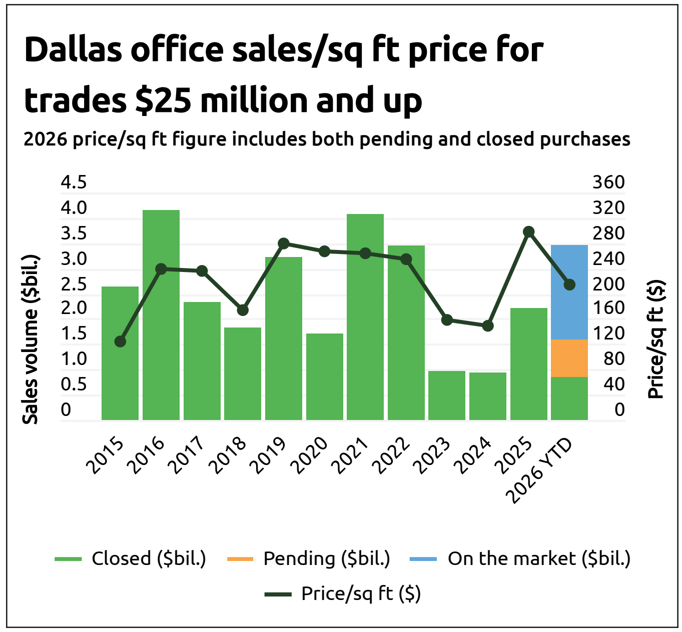
"There are a lot of eyeballs on Dallas, and a lot of product coming out," a senior broker said. "But what we are seeing is, if you don't have growth in the rent roll, it is going to impact your pricing. People need growth, they need mark-to-market, and those long WALT [weighted average lease term] deals are just hard to price aggressively."

The upside potential and rent growth story was key to another deal that recently went under contract. **Shorenstein** has agreed to pay **CBRE Investment Management** about $163 million, or $540/sq ft, for the 302,000 sq ft Sherry Lane Place in Preston Center. The property is 91% leased, but rents average 60% below market, and the weighted average remaining lease term is 6.6 years, almost half that of Victory Commons.

The deal should be a solid exit for CBRE Investment, which picked up Sherry Lane Place amid market dislocation during the pandemic, in January 2021. The New York-based fund operator paid **JPMorgan Asset Management** $132 million, or $437/sq ft. The building was 80% leased at the time. Shorenstein since has boosted occupancy and doubled the level for rents at which lease deals have been executed. Built in 1983, it was renovated in 2020.

Dallas' appeal and uptick in sales activity is rooted in its leasing market. In a March 27 report, Green Street said the Dallas/Fort Worth area "has been a clear winner of business relocations and expansions. High-quality buildings in desirable submarkets … have seen impressive rent growth," and Dallas "has become a top market for global capital."

Still, not every Dallas deal is landing a buyer at pricing sellers are willing to accept. A **TPG Angelo Gordon** venture put the 239,000 sq ft One West Village in Uptown up for grabs in January with a whisper price of $140 million, or $586/sq ft. But the listing later was pulled after bids came up short. That 11-year-old property had offered upside, with occupancy of just 64%, showing even deals with improvement potential are not immune to the bid-ask spread.



The story was similar after **Mapletree Investments** began marketing Galatyn Commons, a 794,000 sq ft complex in Richardson, with pricing expectations of around $200 million. That four-building property is 99% leased with a weighted average remaining term of 10 years. Developed from 1997 to 2000, the complex was renovated in 2024.

The marketing pitch focused on the property's 82% investment-grade rent roll and stable cashflow. But that core profile didn't fly with buyers hungry for yield. The listing was scrapped after investors demanded a capitalization rate more than 100 bp higher than the whisper level, which had been just under 8%.

A third pro said the national climate also is having an impact.

"The flood of product in the second quarter in the teeth of geopolitical unrest and [artificial intelligence] concerns has caused some office investors who were on the lip of the cup ready to deploy to step back a little," the executive said. "So, bidder pool depths have slimmed down, which certainly puts some pressure on pricing."

Another problem Dallas is working through: a backlog in the disposition pipeline. In 2023 and 2024, many Dallas office owners sat on their properties rather than bring them to market when pricing was depressed amid the runup in interest rates and the remote-work trend that upended the leasing market. Annual volume dipped below $1 billion in each of those years, something that hadn't happened locally since 2011.

But buyers' appetites for Dallas product only grew stronger. Indeed, the market has topped CBRE's annual investor survey across asset classes for five years running. When office sales rebounded and national sales volume jumped 35% year over year last year, Dallas snapped back even more sharply. Local trades of at least $25 million more than doubled to

See DALLAS on Page 16

Dallas ... From Page 15

$2.2 billion. The weighted average per-sq ft price on such deals also doubled to $298/sq ft.

Market pros say that jump may have given sellers too much confidence heading into 2026. This year, the average sales price has slipped back to $214/sq ft for closed and pending transactions. To get deals over the finish line, recent sellers already have had to modestly trim pricing goals. The five largest sales that have closed or gone under contract this year missed initial expectations by 4% to 8%.

And the pricing pushback could get even more aggressive amid a new flood of listings. Now that sellers are trying to play catch-up by opening the spigot wide, there is some sentiment that the burst could be too much at once.

"It is weirdly sobering for Dallas, which is an otherwise great market," the senior broker said. "We are running out of the quality and quantity of equity and debt for this tsunami of deals coming. This is stuff that should have cleared a few years ago." ❖

Industrial ... From Page 1

2.3 million sq ft and 18 properties in Oklahoma measuring 1.7 million sq ft.

Cushman's 4.8 million sq ft is divided into two listings separated by property type.

The larger comprises 26 infill warehouses totaling 3.1 million sq ft in the Southeast that is 90% leased. The weighted average remaining lease term is 2.9 years, and rents average 15% below market. The warehouses have average ceiling heights of 23 feet. They are in the Memphis (1.4 million sq ft), Atlanta (1.1 million sq ft), New Orleans (303,000 sq ft), Jacksonville (208,000 sq ft) and Tallahassee (90,000 sq ft) markets.

Cushman's other listing is for two bulk distribution properties totaling 1.7 million sq ft outside Memphis. They are 89% leased by three tenants with a weighted average remaining term of 5.1 years. In-place rents average 13% below market, and annual rent bumps average 2.7%. The warehouses have average clearance heights of 31 feet. The properties are 25 miles south of Memphis, in Olive Branch, Miss.

The new listings come amid a rebound in big industrial trades. At least nine warehouse sales of $500 million or more have closed or gone under contract this year, including two that topped $1 billion. They combine for $7.2 billion, compared with just six such trades adding up to $3.9 billion for all of 2025.

DRA is the seller in one of those pending deals. **TPG Angelo Gordon** last month agreed to pay DRA and Singaporean sovereign wealth fund **GIC** roughly $700 million, or $111/sq ft, for a 6.3 million sq ft industrial portfolio of shallow-bay warehouses in the Southeast, Midwest and West Coast regions. **Eastdil Secured** is brokering the deal.

But that transaction came only after DRA and GIC broke up a larger package. They initially put a 13 million sq ft portfolio up for grabs late last year with pricing expectations around $1.7 billion. However, the sellers used a dual-track marketing process in which investors could bid on the entire portfolio or on four subgroups.

That strategy came as a response to a trend in which buyers had been balking at megadeals in the preceding months, and it proved useful. When a buyer failed to emerge for the larger package, TPG stepped in to purchase the largest tranche, excluding properties in Texas.

Now, even though two deals this year have topped $1 billion, DRA's new offerings show it wants to employ a similar flexible strategy.

DRA's largest-ever U.S. industrial sale came in 2024. In that transaction, the company sold a 14.6 million sq ft portfolio to **Brookfield** for $1.26 billion, or $86/sq ft. ❖

Blockbuster industrial trades make a comeback

Industrial sales of $500 million or more so far in 2026

Buyer	Seller	Price ($mil.)	Sq ft (000)	Price/ sq ft ($)	Broker	Date closed
Kayne Anderson Real Estate, BKM Capital Partners	Blackstone	$1,810	8,944	$202	CBRE	May
PCCP, Stonemont Financial	Blackstone	1,100	6,000	183	Eastdil Secured	Pending
TPG Angelo Gordon	DRA Advisors, GIC	700	6,300	111	Eastdil Secured	Pending
Ares Management	EQT Real Estate	650	8,577	76	JLL	March
Clarion Partners	Los Angeles County Employees	592	3,757	158	CBRE	February
Clarion Partners	Undisclosed	592	2,200	269	CBRE	January
Ares Management	Abu Dhabi Investment Authority, PSP Investments	585	6,800	86	Eastdil Secured	Pending
Ares Management	Blackstone	584	4,312	135	Eastdil Secured	February
EQT Real Estate	Mapletree Investments	575	4,962	116	JLL	March

Rare ... From Page 2

REIT hired BofA a year ago as an advisor as it launched a strategic review amid a prolonged decline in its stock price and a steep drop in occupancy dating back to the pandemic. JLL was added as an advisor in April as the firm expanded its process to include portfolio and property-level sales.

When it reported a first-quarter net loss of $9.5 million, Franklin Street nodded to the "uneven" nature of the capital markets for office properties. "Buyer activity remains more heavily weighted toward private, opportunistic, and non-traditional capital, and pricing in many cases continues to reflect these dynamics rather than the underlying long-term value of institutional quality assets," the company wrote. "That said, we believe we are beginning to observe early signs of stabilization, which may represent the initial stages of a broader recovery over time."

Large trades of traditional office portfolios spanning multiple states have been scarce since 2022, when spiking borrowing costs and weaker performance combined to deflate sales volume. Just a dozen multistate office portfolios valued at $300 million or more have traded in the last four years, with seven of the transactions in niche sectors such as healthcare and life science, according to **Green Street's** Sales Comps Database. ❖

Rental ... From Page 2

which allows larger annual increases than local laws.

Marketing materials estimate that a new owner could reap $5.6 million of additional annual revenue by upgrading unrenovated units, which account for 56% of the portfolio.

Floor plans skew small as one-bedroom units account for 65% of the total, while 29% are two-bedroom apartments, 5% are studios, and 2% have three bedrooms. Apartments average 838 sq ft, with an average rent of $2,542, or $3.03/sq ft.

Average occupancy is 93%, but individual properties vary widely. Ten of the 29 buildings are fully occupied, while the low is 79% occupancy at a 14-unit building at 950 Venice Boulevard, in Venice.

Similarly, average rents range from a low of $1,912, or $2.62/sq ft, at a 39-unit building at 930 North Martel Avenue in Hollywood, to $3,488, or $3.38/sq ft, at a 48-unit building at 801 Second Street in Santa Monica.

The average household income across the portfolio is $224,000, which pencils out to a rent-to-income ratio of 14%.

Marketing materials note that the properties are in land-constrained neighborhoods that make new competing supply unlikely. Estimated per-unit construction costs in those areas are $585,000.

The pitch also is that rent growth is poised to rebound in Los Angeles, with renewed population growth, expanded film and TV tax credits, and the 2028 Summer Olympics two years away. ❖

Veritas rent-stabilized Los Angeles portfolio

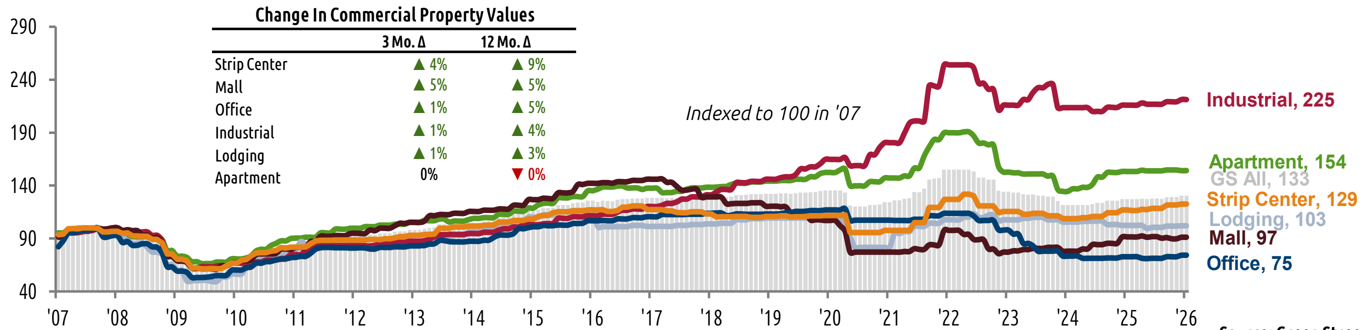
Address	Neighborhood	Units	Year built	Occ. (%)	Avg. rent ($)	Rent/sq ft ($)
110 South Swall Drive	Beverly Grove	21	1963	95	$3,099	$3.56
930 North Martel Avenue	Hollywood	39	1972	89	1,912	2.62
1333 North Martel Avenue	Hollywood	27	1966	96	1,973	2.56
33 Eastwind Street	Marina Del Rey	12	1968	100	3,075	4.03
514 North Hayworth Avenue	Melrose	10	1962	88	2,489	3.24
5403 West Eighth Street	Miracle Mile	18	1971	100	2,003	2.50
10795 Woodbine Street	Palms/Culver City	30	1977	100	2,162	2.75
10310 Regent Street	Palms/Culver City	24	1971	92	2,090	2.49
9400 Exposition Boulevard	Palms/Culver City	22	1977	91	2,291	2.70
3666 Cardiff Avenue	Palms/Culver City	17	1963	94	1,941	3.20
3637 Jasmine Avenue	Palms/Culver City	16	1959	94	1,932	2.32
343 Palos Verdes Street	Redondo Beach	33	1960	93	3,430	3.36
801 Second Street	Santa Monica	48	1971	84	3,488	3.38
950 Fourth Street	Santa Monica	48	1971	93	3,125	3.03
1128 Seventh Street	Santa Monica	15	1963	86	2,704	3.25
2921 Arizona Avenue	Santa Monica	12	1961	100	2,409	2.87
1118 11th Street	Santa Monica	11	1940	100	2,307	3.80
1022 Euclid Street	Santa Monica	10	1968	90	2,588	3.19
950 Venice Boulevard	Venice	14	1960	79	2,693	3.60
12707 Mitchell Avenue	Venice	13	1969	92	2,298	3.01
727 Westbourne Drive	West Hollywood	47	1974	84	2,552	4.07
7941 Selma Avenue	West Hollywood	35	1957	100	2,370	2.52
1545 North Laurel Avenue	West Hollywood	28	1956	93	2,774	3.57
8300 De Longpre Avenue	West Hollywood	27	1973	100	2,763	2.72
8741-8743 Shoreham Drive	West Hollywood	20	1925/1954	100	2,038	2.76
8220 Norton Avenue	West Hollywood	19	1960	100	2,419	3.04
1264 North Sweetzer Avenue	West Hollywood	15	1962	87	2,320	2.26
1140 North Ogden Drive	West Hollywood	10	1963	100	2,601	2.83
1525 Amherst Avenue	West Los Angeles	30	1969	93	2,142	3.06

MARKET MONITOR

SUMMARY

- Green Street's CPPI, a measure of institutional-quality property values, increased 4.1% over the last 12 months.
- Commercial real estate property values remain 14.2% below their March 2022 peak.
- Apartment property values are flat over the last 12 months.
- Apartment property values remain 19% below their March 2022 peak.

GREEN STREET COMMERCIAL PROPERTY PRICE INDEXES



Source: Green Street

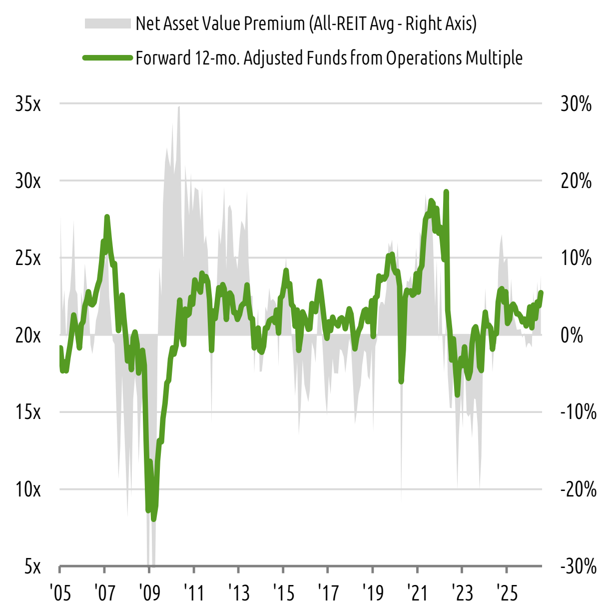
PUBLIC MARKET PERFORMANCE

	Total Returns*			Pricing Metrics			
	1 mo.	YTD	Last 12M	Nominal Cap	Implied Cap	Prem to NAV	Prem to Assets
RMZ	0%	18%	21%				
S&P	2%	11%	22%				
US 10-Yr.	-1%	-1%	3%				
Apartment	2%	8%	2%	5.2%	5.8%	-14%	-10%
Data Center	-1%	33%	31%	6.0%	5.9%	3%	2%
Healthcare	7%	22%	39%	7.0%	4.1%	110%	85%
Industrial	-3%	12%	28%	5.2%	4.9%	6%	5%
Lodging	0%	39%	44%	8.5%	8.6%	-2%	-1%
Mall	0%	22%	43%	6.9%	6.0%	23%	14%
Manu. Housing	-3%	1%	1%	4.8%	5.5%	-17%	-14%
Net Lease	2%	15%	16%	7.3%	6.4%	23%	14%
Office	2%	13%	1%	7.2%	7.7%	-15%	-7%
Storage	-2%	21%	9%	5.4%	5.5%	-2%	-1%
Strip Center	-2%	21%	25%	6.4%	6.4%	0%	0%
Wtd. Avg.	**0%**	**18%**	**21%**	**6.1%**	**5.8%**	**8%**	**5%**

**Pricing as of 07/13/2026*

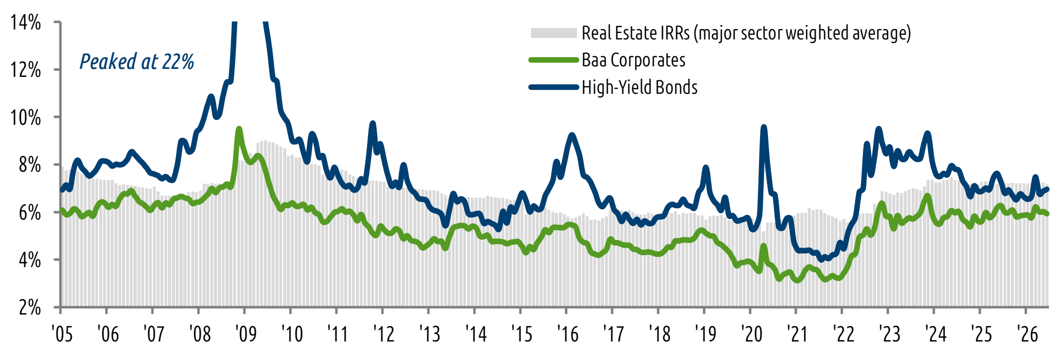
Sources: Bloomberg, Green Street

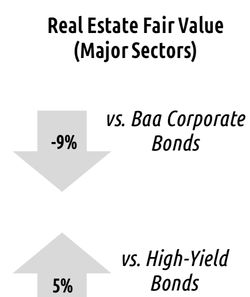
NAV PREM. AND REIT AFFO MULTIPLES



Source: Green Street

REAL ESTATE RETURNS VS. BOND YIELDS



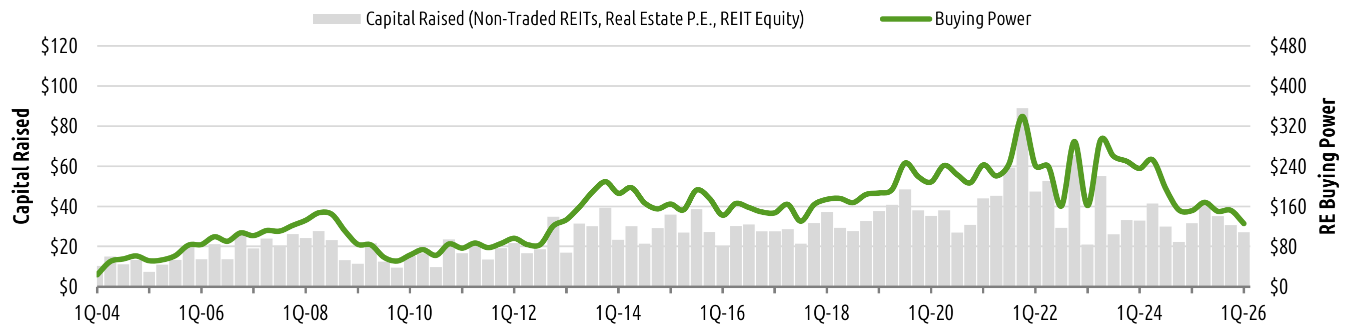


Sources: Bank of America, Moody's, Green Street

MARKET MONITOR

US REAL ESTATE CAPITAL RAISING AND BUYING POWER ($BIL.)

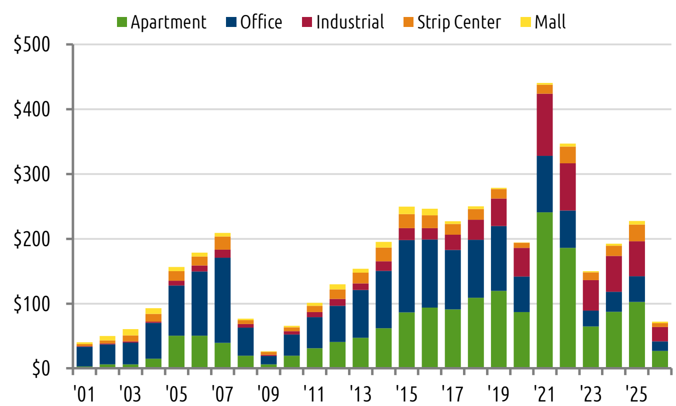
Buying power calculated as cash plus estimated incremental debt



Sources: Robert A. Stanger & Co., Preqin, SNL, Green Street

SALES VOLUME BY PROPERTY TYPE ($BIL.)

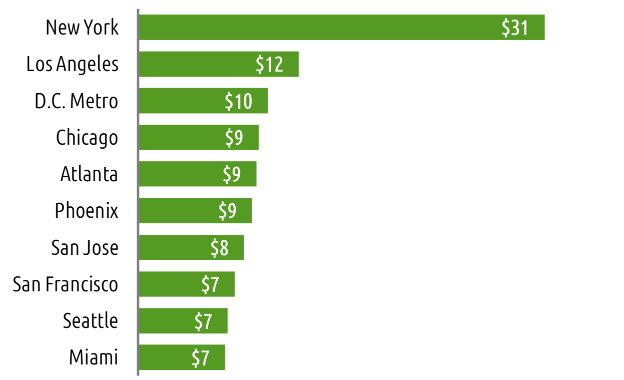
Volume representative of verified transactions $25 million or more



Source: Green Street

LAST 12 MONTHS TRANSACTION VOLUME ($BIL.)

Volume representative of verified transactions $25 million or more



Source: Green Street

NOTABLE RECENT TRANSACTIONS

Individual property transactions of $25 million or more. Excludes portfolios and partial-stake sales.

	Property Name	Date	Sector	Market	Price ($Mil.)	Sq Ft/ Units	Price Per Sq Ft/Unit	Buyer	Seller
1.	333 Southwest 12th Avenue	07/10/26	Industrial	Fort Lauderdale	$65.0	383K	$170	J.P. Morgan Investment Management	Blackstone Group Inc.
2.	390 Business Park Drive	07/09/26	Industrial	Winston-Salem	$34.0	526K	$65	Realty Income Corp.	Griffin Capital Co.
3.	Frontgate	07/09/26	Apartment	Louisville	$38.3	212	$180,425	Midloch Invest. Partners; Four Mile Capital	Overlook Development
4.	281 Park Avenue S	07/08/26	Office	New York	$81.5	43K	$1,918	Airbnb	RFR Holding
5.	727 East Cesar E. Chavez Boulevard	07/08/26	Office	San Antonio	$30.0	163K	$184	City of San Antonio	U.S. General Services Administration
6.	8665 Bird Road	07/08/26	Strip Center	Miami	$32.0	107K	$299	Agustin Herran	Isabell Amdur
7.	New Garden Crossing	07/07/26	Strip Center	Greensboro / Winston-Salem	$34.0	169K	$201	InvenTrust Properties (IVT)	Hackney Real Estate Partners
8.	SoNo East	07/06/26	Apartment	Chicago	$125.2	324	$386,420	RPM Living	PGIM Real Estate
9.	Barranca Business Park	07/06/26	Industrial	Orange County	$94.0	282K	$333	Borstein Enterprises	Northwestern Mutual Real Estate Investments
10.	2000 West Creek	07/02/26	Apartment	Richmond	$115.0	373	$308,311	Weinstein Properties	Capital Square

Visit the News Library to access previous Market Monitors.

Source: Green Street

THE GRAPEVINE

... From Page 1

Waterman Residential, the Miami-based multifamily investment firm he founded in 2021. He joined Vienna, Va.-based Viking in October with a mandate to scale the firm's portfolio from $1 billion to $3 billion in assets within three years. At Waterman, Gill is pursuing acquisitions across the Sun Belt. He has secured a $20 million commitment for a programmatic joint venture that will fuel the firm's growth in co-general partner investments. Gill has held senior positions at **Related Group, Holland Partner Group, Mill Creek Residential** and **Trammell Crow Residential.**

Hassan Ahmed has joined the real estate team at **North Carolina Investment Authority** as a portfolio manager. He relocated to Raleigh from Toronto for the job, which started last month. Ahmed spent nearly 10 years at Canadian pension fund manager **OPTrust,** leaving as a principal on its real estate team. Ahmed's resume also includes time at **State Street** and **Corey Macro Research.**

Multifamily developer **Embrey** this month welcomed **Mark Johnson** as an executive vice president. He serves as the leader of the company's Dallas/Fort Worth development team, working with the investment team to source and capitalize projects across North Texas. Johnson reports to chief development officer **Jimmy McCloskey,** who is based at the firm's San Antonio headquarters. Previously, Johnson spent almost two years at Dallas-based **Price Partners,** overseeing development projects in Kansas City, Colorado and Texas. Before that, he worked at **GenCap Partners.**

Andrew Joseph signed on at **Apres Hotels** on July 1 as a managing partner. He sources and underwrites acquisitions, and assists with asset management and raising capital. Joseph works with his brother, company founder **Ethan Joseph,** and **LeRoy Howard 2nd,** who joined last year. Andrew Joseph previously was a vice president at **Eldridge Acre Partners,** formerly **AECOM Capital Real Estate,** where he worked for nine years on structured investments across asset classes. His resume also includes a stint in **JPMorgan Chase's** global real estate group. Apres is building a portfolio of boutique hotels in Mountain West and coastal vacation markets, targeting underperforming or unbranded properties that can be repositioned.

Ryan Grove joined **STAG Industrial** as a vice president of asset management this week. He oversees the performance of properties in Dallas, where he is based, and in select Midwest and Southeast markets. Grove left **Ryan Cos.** in December after a nearly 10-year run. He was a vice president of development in San Diego. Prior to that, Grove worked on the brokerage side, logging six years at **JLL** following eight years at **Colliers.** His hire at STAG, a REIT focused on single-tenant industrial properties across the U.S., was arranged by executive-search firm **RETS Associates.**

REAL ESTATE ALERT **Visit REA Website**

Richard Quinn	Managing Editor	201-234-3997	rquinn@greenstreetnews.com
Alison Waldman	Assistant Managing Editor	201-234-3986	awaldman@greenstreetnews.com
Sam Ali	Senior Writer	201-234-3989	sali@greenstreetnews.com
Jeff Whelan	Senior Writer	201-234-3973	jwhelan@greenstreetnews.com
Matt Turner	Global Head of News	646-745-4921	mturner@greenstreet.com
T.J. Foderaro	Senior Editor	201-839-3233	tfoderaro@greenstreetnews.com
Ben Lebowitz	Executive Editor	201-839-3244	blebowitz@greenstreetnews.com
Jeremy Bogaisky	Deputy Editor	718-838-0607	jbogaisky@greenstreetnews.com
John Wilen	Deputy Editor	201-234-3982	jwilen@greenstreetnews.com
Samantha Ryan	Copy Desk Chief	201-377-3278	sryan@greenstreetnews.com
Jessica Coulon	Copy Editor	201-204-0822	jcoulon@greenstreetnews.com
David Delp	Copy Editor	201-377-3280	ddelp@greenstreetnews.com
Wendy Dopkin	Copy Editor	201-502-9305	wdopkin@greenstreetnews.com
Evan Grauer	VP, Data Operations	201-234-3987	egrauer@greenstreetnews.com
Robert E. Mihok	Director, Data Operations	201-234-3974	rmihok@greenstreetnews.com
Amanda Gerritsen	Manager, Data Operations	201-234-3966	agerritsen@greenstreetnews.com
Mary Romano	VP, Advertising Sales	201-839-3250	mromano@greenstreetnews.com
Joy Renee Selnick	Layout Editor	201-839-3252	jselnick@greenstreetnews.com