

# Q2 2019 HEALTHCARE CAPITAL MARKETS

## INVESTMENT INTELLIGENCE

With quarterly transaction volume in Q1'19 hitting only \$1.5 billion, many feared volume for 2019 would slip further below the highs we saw in volume in 2017. Good news: volume in Q2'19 bounced back with nationwide sales topping \$3.19 billion, which puts 2019 volume back on track to hit the estimated target of \$10B. The majority of the healthcare REITs are also trading significantly above their NAV and implied cap rates are compressed, allowing the REITs to be more competitive. This competition has seemingly driven price per square foot up (Q2'19 average of \$326 PSF) and cap rates down (Q2'19 average of 6.4%). These positive trends will help drive volume and competition throughout the rest of 2019.

### NOTABLE Q2'19 TOP BUYERS

#### Welltower (NYSE: WELL)

Acquired 50 properties with an average price of \$21.8M.

#### MBRE

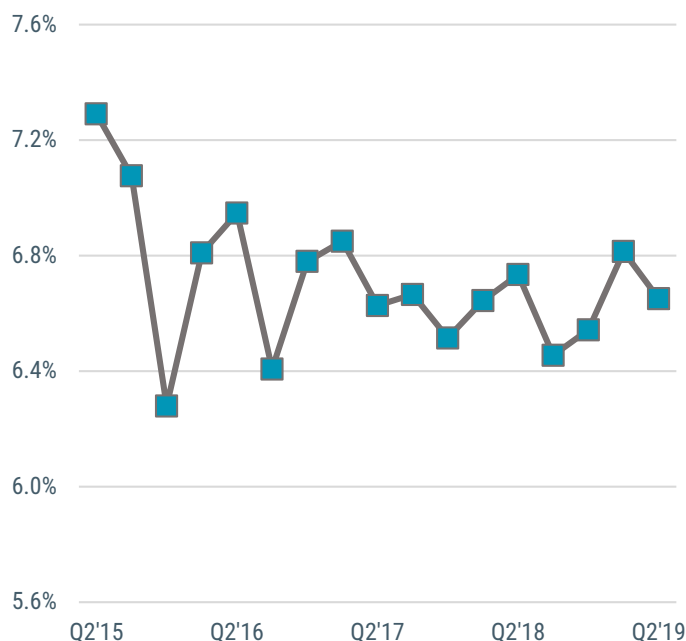
Acquired 24 properties with an average price of \$9.9M.

### NOTABLE Q2'19 DEAL

#### Medical Properties Trust

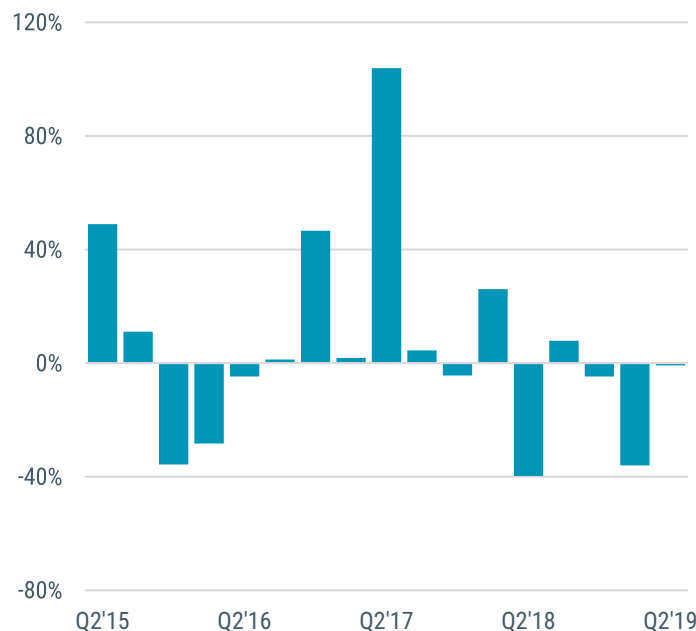
\$1.5B Sale Leaseback Transaction with Prospect Medical Holdings.

### AVERAGE CAP RATE



### CHANGE IN SALES

#### MEDICAL OFFICE Y/Y



Source: Real Capital Analytics



## ABOUT NEWMARK KNIGHT FRANK

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## ABOUT GLOBAL HEALTHCARE SERVICES

Newmark Knight Frank’s Global Healthcare Services team is one of the largest and most experienced healthcare real estate teams in the country, advising healthcare clients seeking to maximize value on assets and implement long-term business strategies. The Global Healthcare Services team provides clients with a single-source solution for every phase of acquiring, financing, developing, and disposing healthcare real estate. The team comprises real estate transaction and consulting professionals with more than 25 years of experience serving hospitals, health systems, and medical office building owners throughout the U.S. and across the globe.

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