



Q1'18

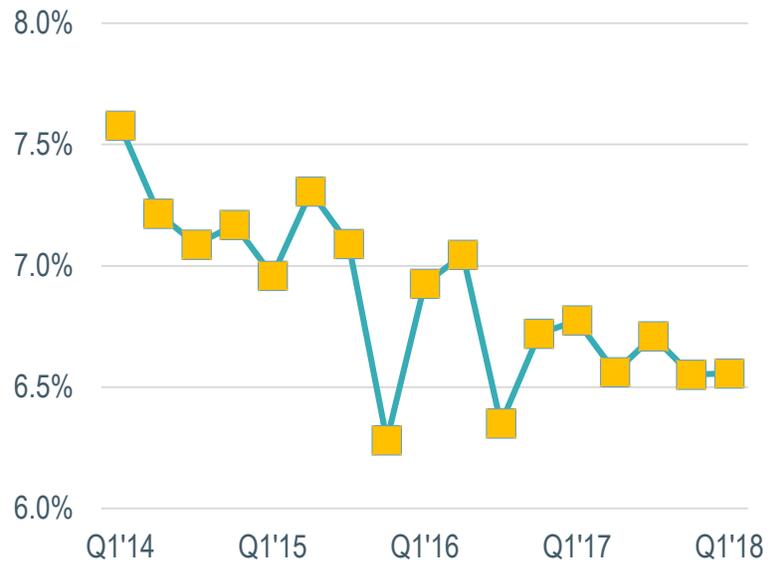
HEALTHCARE CAPITAL MARKETS

INVESTMENT INTELLIGENCE

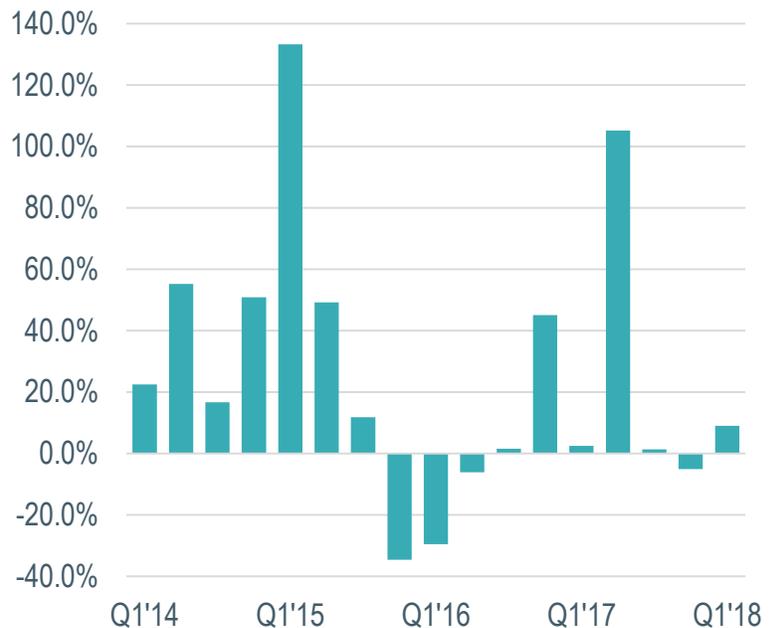
Quarterly transaction volume was up in Q1'18 nearly 9% over Q1 '17 volume at \$2.34 billion. February saw the greatest transaction volume in terms of dollars, with \$987 million in sales. While cap rates have remained aggressive in Q1'18, future interest rate hikes will cause them to retreat gradually. However, there are still strong opportunities and demand for quality assets, with buyers still able to attain favorable financing.

- **TRANSACTION VOLUME** – Q1'18 closed with \$2.34 billion in volume, an increase of 9% from Q1'17.
- **INVESTMENT DEMAND** – Cap rates only compressed slightly from Q1'17 to 6.6% for Q1'18.
- **BUYER PROFILE** – Private investors represented 49% of the MOB buyer pool followed by institutional / equity funds making up 27%.
- **VACANCY RATE** – The vacancy rate remained low at 7.7% in Q1'18.

AVERAGE CAP RATE



CHANGE IN SALES (Medical Office Y/Y)



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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. For further information, please visit www.ngkfglobalhealthcare.com.

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