

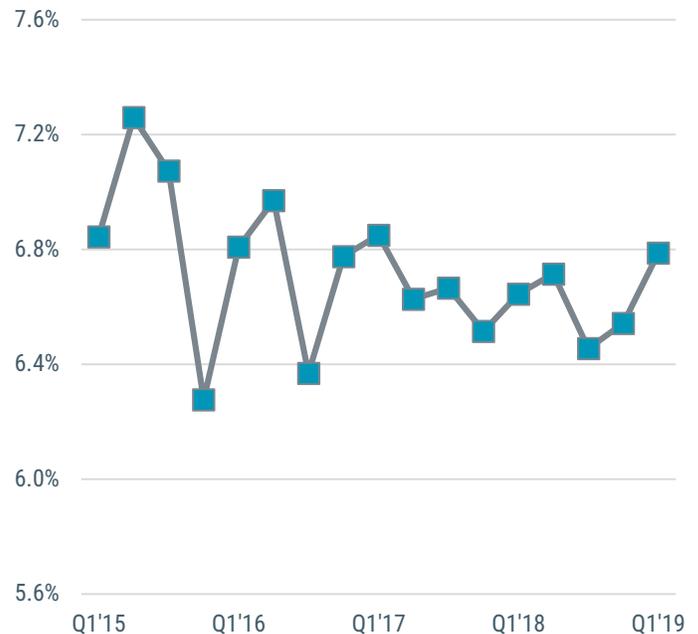
Q1 2019 HEALTHCARE CAPITAL MARKETS

INVESTMENT INTELLIGENCE

Quarterly transaction volume was down 39% in Q1'19 over Q1'18 volume at \$1.59 billion. January saw the greatest transaction volume in terms of dollars with \$653.91 million in sales. Although Q1'19 transaction volume is typically lower than the other quarters, we expect the volume to continue throughout the year, supported by anticipated portfolio closings. The Fed met in May 2019 and kept interest rates the same. Most analysts at this time are predicting zero to, at most, one rate increase this year as the Fed's overall stance has continued to soften over the last few months. The yield curve has flattened quite a bit over the last few months as longer term rates have dropped while shorter term rates have remained somewhat steady. This is a good sign for consistent demand for real estate investment.

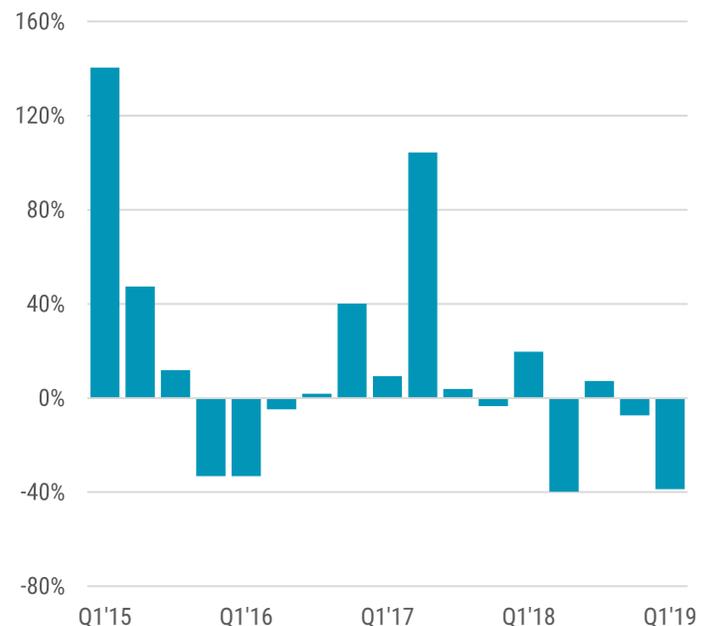
- **TRANSACTION VOLUME** – Q1'19 closed with \$1.595 billion in volume, a decrease of 39% from Q1'18.
- **INVESTMENT DEMAND** – Capitalization rates moved slightly, from 6.5% in Q1'18 to 6.8% in Q1'19.
- **BUYER PROFILE** – Private Investors represented 66% of the MOB buyer pool followed by institutional / equity funds making up 15%.
- **VACANCY RATE** – The vacancy rate slightly increased to 8.0% in Q1'19 from 7.9% in Q4'18.

AVERAGE CAP RATE



CHANGE IN SALES

MEDICAL OFFICE Y/Y





ABOUT NEWMARK KNIGHT FRANK

Newmark Knight Frank (“NKF”), operated by Newmark Group, Inc. (“Newmark Group”) (NASDAQ: NMRK), is one of the world’s leading and most trusted commercial real estate advisory firms, offering a complete suite of services and products for both owners and occupiers. Together with London-based partner Knight Frank and independently-owned offices, NKF’s 16,000 professionals operate from approximately 430 offices on six continents. NKF’s investor/owner services and products include investment sales, agency leasing, property management, valuation and advisory, diligence, underwriting, government-sponsored enterprise lending, loan servicing, debt and structured finance and loan sales. Occupier services and products include tenant representation, real estate management technology systems, workplace and occupancy strategy, global corporate services consulting, project management, lease administration and facilities management.

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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