

1st Quarter 2022 U.S. Net Lease Market Report

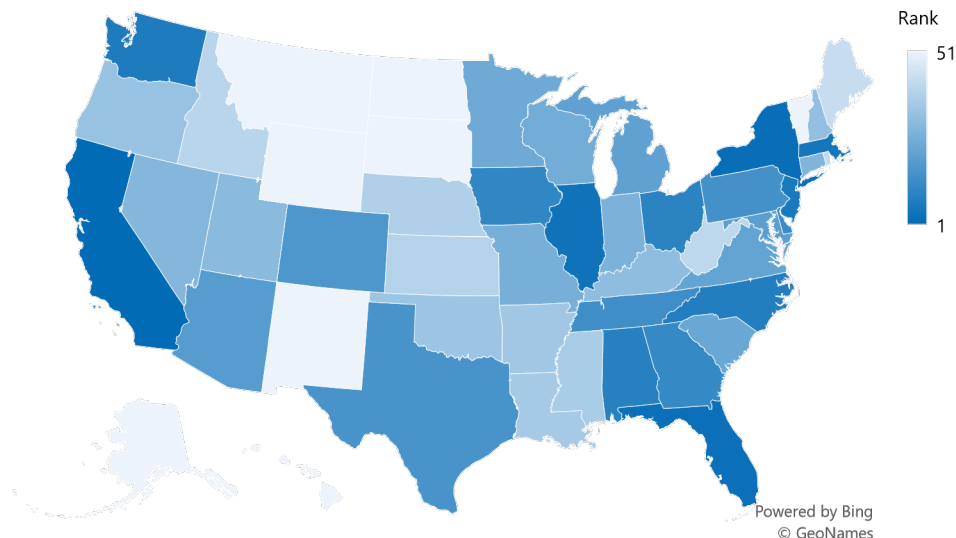
Current Market Trends

- Q1 2022 U.S. total net lease transaction volume was approximately \$16.92 billion (USD), a 1.68% increase from Q1 2021. CA, NY, FL, IL, MA, NJ, WA, NC, AL & OH were the most active states, each with more than \$400 million in net lease transaction volume in Q1 2022.
- The total number of net lease transactions was 856 in Q1 2022 compared to 1,258 in Q1 2021, a decrease of more nearly 32%.
- Net lease's share of total transaction volume was 23.9% in Q1 2022, a decrease of 7.03 percentage points from Q1 2021.
- Industrial accounted for more than 43% of all net lease transaction volume in Q1 2022 with \$7.32 billion in transaction volume, followed by Office with \$6.37 billion and Retail with \$3.23 billion.
- Private investors were the most active investors in Q1 2022, accounting for 43.7% of acquisition volume and 47.0% of disposition volume. Institutions (banks, insurance companies, retirement funds, etc.) were the next most active buyers, accounting for 25.0% of acquisition volume. Notably, Cross-Border investors were the second most active sellers, accounting for 18.7% of disposition volume in Q1 2022.
- Sale-leaseback volume was \$1.09 billion in Q1 2022, a decrease of 21% from Q1 2021. Sale-leasebacks accounted for 6.42% of total net lease transaction volume in Q1 2022.
- Average cap rates varied by asset type, with Industrial remaining at 5.51% followed by Retail at 5.87% and Office at 6.29% in Q1 2022.
- The average spread between blended net lease cap rates and the 10-year treasury continued to decrease in Q1 2022 after interest rates hit historic lows in 2021. The spread was approximately 394 basis points in Q1 2022, an 87 bps decline from Q1 2021.

U.S. Net Lease Market Summary (USD Billions)

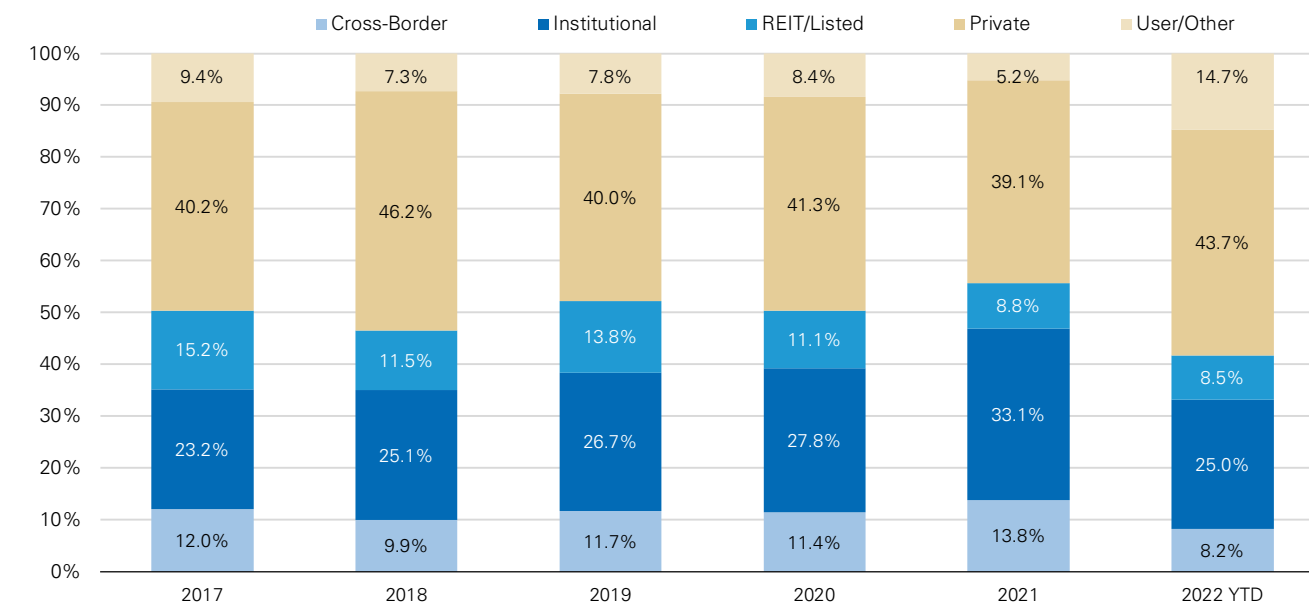
	Q1 2022	Q1 2021	Change (YOY)
Total Net Lease Transaction Volume	\$16.92	\$16.64	1.68%
Industrial Transaction Volume	\$7.32	\$6.99	4.72%
Retail Transaction Volume	\$3.23	\$3.34	-3.29%
Office Transaction Volume	\$6.37	\$6.30	1.11%
Total # of Net Lease Transactions	856	1,258	-31.96%
Sale-Leaseback % of Total Net lease	6.42%	8.23%	-21.99%
Net Lease Share of Total Volume	23.90%	30.93%	-22.73%

Q1 2022 State Rankings Net Lease Transaction Volume



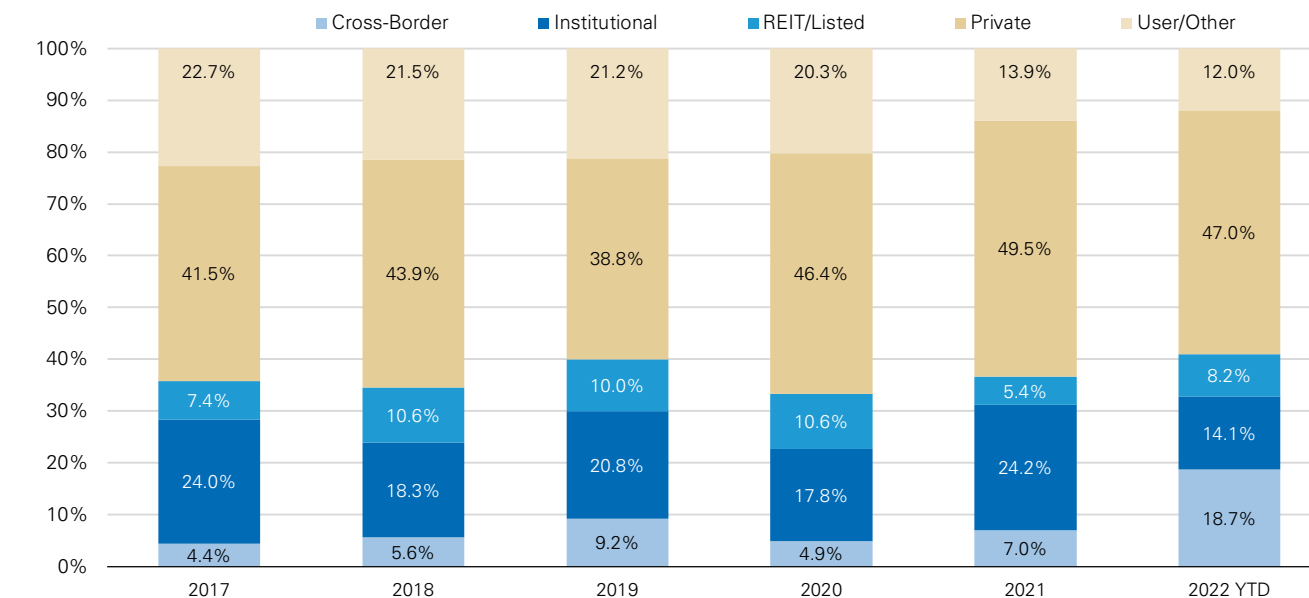
NET LEASE CAPITAL MARKETS

Buyer Profile Composition



Source: Real Capital Analytics

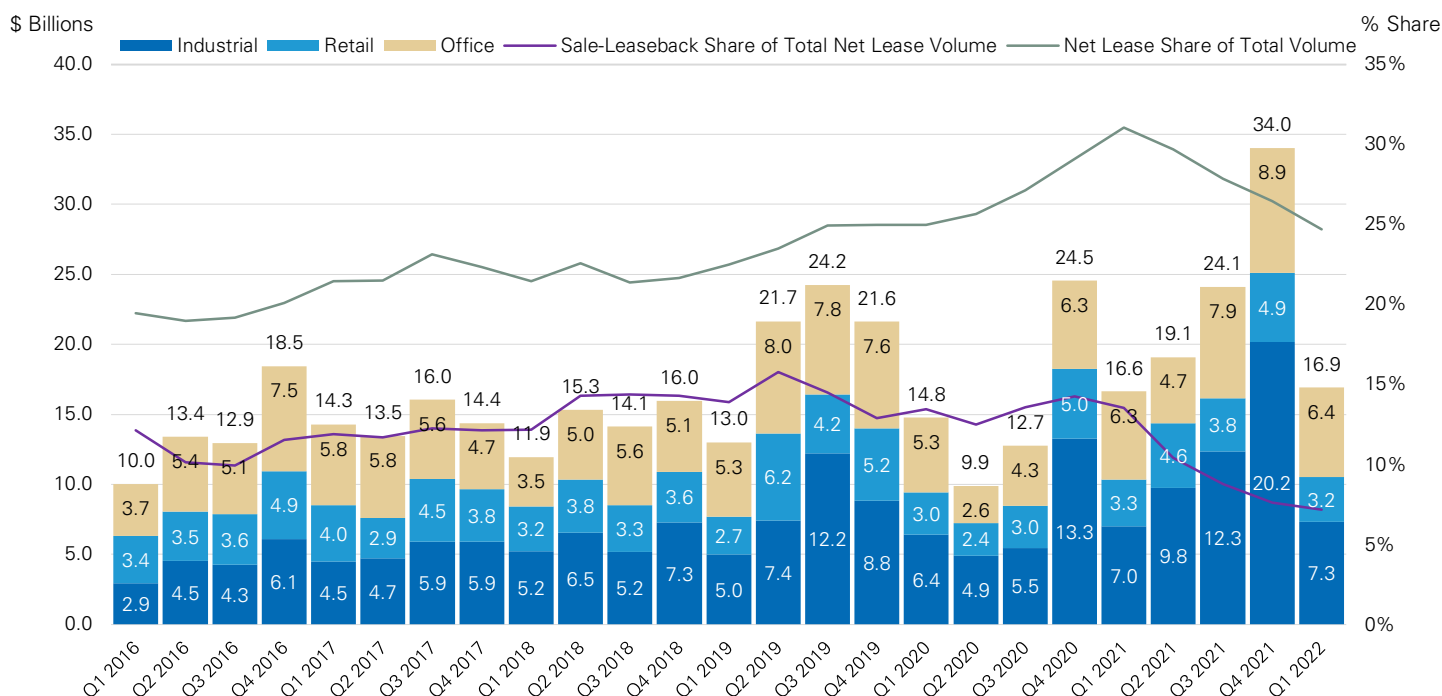
Seller Profile Composition



Source: Real Capital Analytics

NET LEASE CAPITAL MARKETS

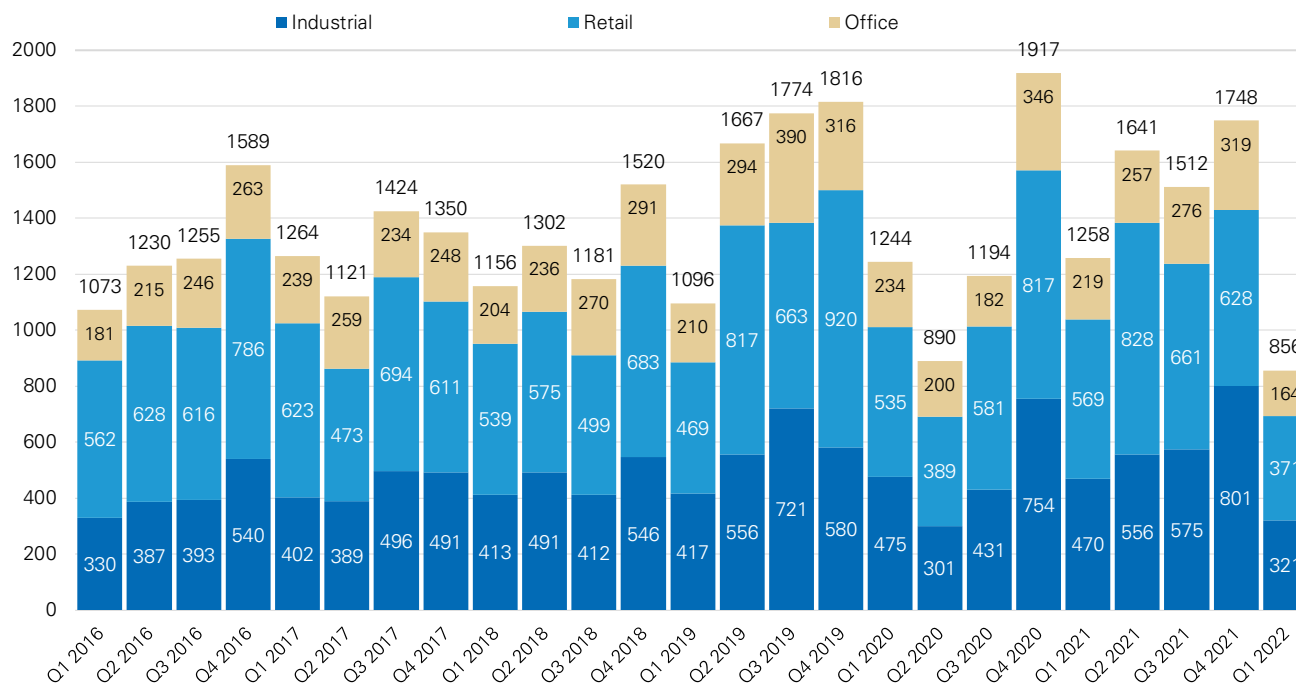
Quarterly Net Lease Transaction Volume in USD Billions (Industrial, Retail & Office)



Source: Real Capital Analytics

Notes: Sale-Leaseback % and Net Lease Share of Total Volume show a rolling 4 quarter average. Total Transaction Volume is understated as Real Capital Analytics does not track transactions <\$2.5 million USD.

Number of Quarterly Net Lease Transactions (Industrial, Retail & Office)

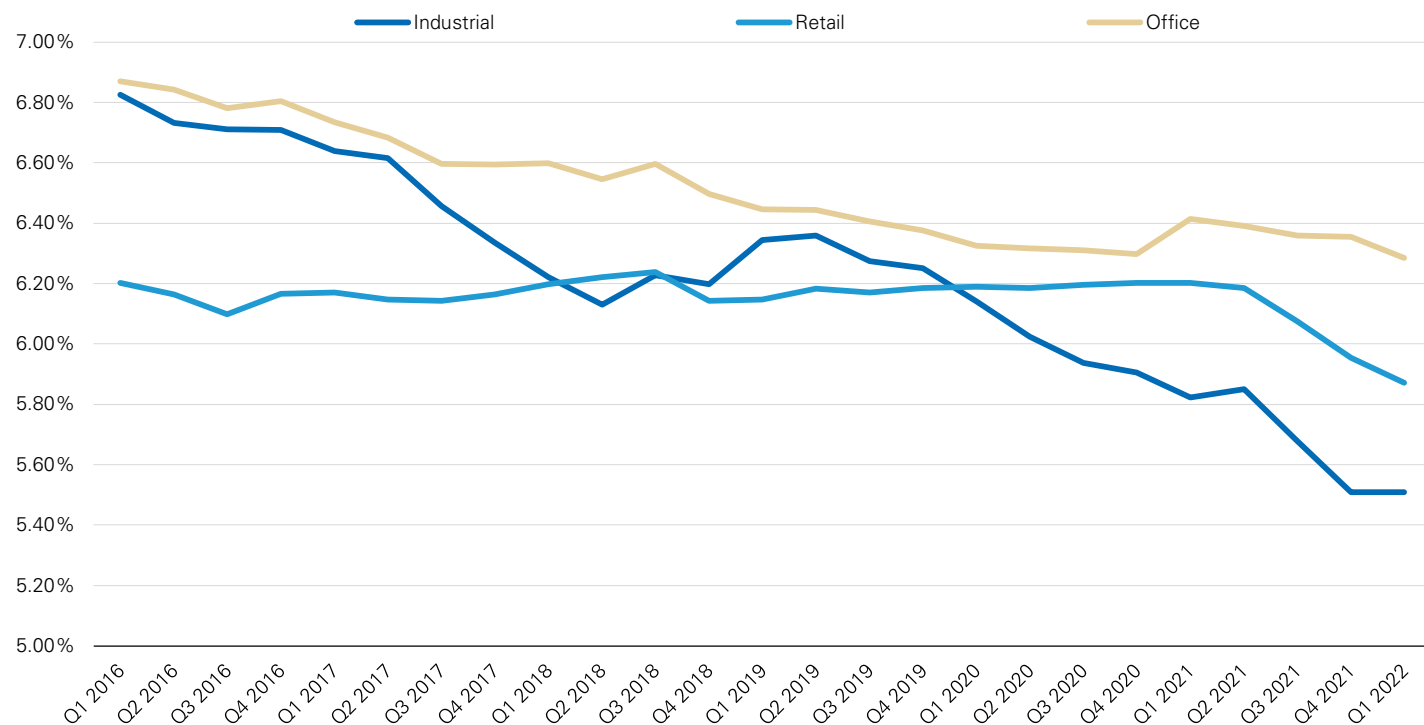


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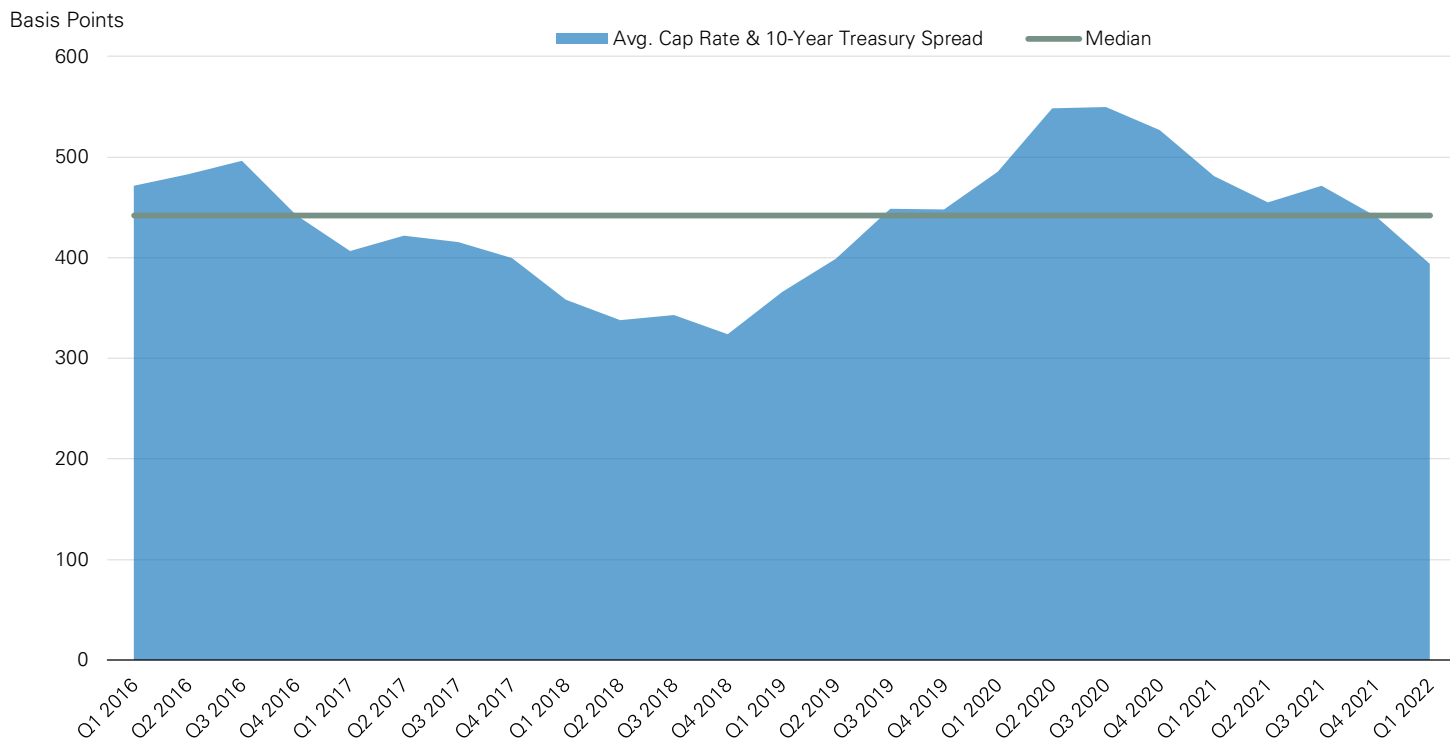
NET LEASE CAPITAL MARKETS

Average Net Lease Cap Rates



Source: Real Capital Analytics

Spread Between Average Net Lease Cap Rates & Yield on 10-Year Treasury



Source: Real Capital Analytics, The Board of Governors of the Federal Reserve System

NET LEASE CAPITAL MARKETS

Noteworthy Portfolio Transactions (Partial Representative List)

Type	Property / Tenant Name	Location	Price
Office (2 Properties)	Silverstein New York Office Portfolio	NY	\$809,700,000
Industrial (2 Properties)	Divco American Canyon	CA	\$158,900,000
Retail (4 Properties)	Hy-Vee Grocery Sale Leaseback	MN	\$88,000,000
Industrial (4 Properties)	New Mountain	CA	\$65,000,000
Office (8 Properties)	Fresenius Medical Office Portfolio	Various	\$56,500,000
Retail (5 Properties)	CVS Pharmacy	MO, NC, TX & VA	\$36,300,000

Noteworthy Industrial Transactions (Partial Representative List)

Type	Property / Tenant Name	Location	Price
Industrial	Amazon	Christiana, DE	\$392,000,000
Industrial	Amazon	Bondurant, IA	\$325,300,000
Industrial	Amazon	Romulus, MI	\$219,308,096
Industrial	Amazon	Huntsville, AL	\$188,081,481
Industrial Sale-Leaseback	Vigor Industrial	Seattle, WA	\$180,561,905
Industrial Sale-Leaseback	Kiss Products Inc	Piscataway, NJ	\$150,000,000
Industrial	Biagi Bros	American Canyon, CA	\$123,400,345
Industrial	Amazon	Orlando, FL	\$115,500,000
Industrial	Bob's Discount Furniture Warehouse	Aberdeen, MD	\$94,375,000
Industrial	Eddie Bauer and PacSun	Groveport, OH	\$90,500,000
Industrial Sale-Leaseback	Portobello America	Cookeville, TN	\$90,000,000
Industrial Sale-Leaseback	Essendant	Woburn, MA	\$88,500,000
Industrial	Amazon	Reading, PA	\$80,500,000
Industrial	Staples	Charlotte, NC	\$71,500,000
Industrial	Affordable Interior Systems, Inc.	Leominster, MA	\$66,500,000
Industrial	Macy's	Union City, CA	\$65,657,000
Industrial	Faraday Future	Los Angeles, CA	\$64,250,000
Industrial	Musician's Friend	Kansas City, MO	\$60,375,000
Industrial	Amazon	Jacksonville, FL	\$59,934,711
Industrial	Mars Petcare US, Inc.	Columbus, OH	\$58,000,000
Industrial	Universal Technical Institute	Lisle, IL	\$58,000,000
Industrial	Owens Corning	Hebron, OH	\$56,700,000
Industrial	Amazon	Fairview, OR	\$56,507,243
Industrial	Teledyne Reynolds	Los Angeles, CA	\$52,695,243
Industrial	KGP	Ontario, CA	\$52,000,000
Industrial	Mercedes-Benz U.S. International, Inc.	Vance, AL	\$51,700,000
Industrial	Saddle Creek Corporation	Walton, KY	\$49,000,000
Industrial	Harbor Freight Tools	Dillon, SC	\$47,500,000
Industrial	Suneva Medical, Inc.	San Diego, CA	\$46,500,000
Industrial	Goodyear	Stockbridge, GA	\$46,250,000
Industrial	Stryker Corporation	Fremont, CA	\$44,800,000
Industrial	Apple	Sunnyvale, CA	\$44,000,000
Industrial	Broadrange	Franklin, IN	\$43,500,000
Industrial	Arvato Digital Services	Newhall, CA	\$41,500,000
Industrial	ReallyCold	Londonderry, NH	\$41,116,000
Industrial	Fedex Warehouse	Crofton, MD	\$26,800,000
Industrial	American Tire Distributors	Jacksonville, FL	\$16,800,000
Industrial	Coca-Cola	Lakeland, FL	\$16,800,000
Industrial	Dr Pepper Snapple Group	Bethlehem, PA	\$10,100,000

Source: Real Capital Analytics

NET LEASE CAPITAL MARKETS

Noteworthy Retail Transactions (Partial Representative List)

Type	Property / Tenant Name	Location	Price
Retail	M&M's World Space	New York, NY	\$191,500,000
Retail	Home Depot	Watertown, MA	\$96,250,000
Retail	Los Angeles Athletic Club	Los Angeles, CA	\$44,000,000
Retail	Fleet Farm	Waukegan, IA	\$43,500,000
Retail	Walmart Neighborhood Market	Knoxville, TN	\$39,400,000
Retail	BJ's Wholesale Club	Philadelphia, PA	\$35,423,658
Retail	Nob Hill Foods	Mountain View, CA	\$28,000,000
Retail	Whole Foods	Alexandria, VA	\$27,000,000
Retail	AMC	Santa Monica, CA	\$26,860,000
Retail	Dierks Bentley's Whiskey Row	Denver, CO	\$23,500,000
Retail	Publix	Macon, GA	\$17,323,000
Retail	Dicks Sporting Goods	Columbia, MD	\$16,000,000
Retail	Nordstrom	Riverside, CA	\$14,600,000
Retail	Haugland Learning Center	Columbus, OH	\$14,500,000
Retail	Big Lots	Issaquah, WA	\$14,500,000
Retail	Walmart	Summerville, SC	\$14,475,000
Retail	Camping World	Fawn Creek, KS	\$14,364,441
Retail	Pick N Save	Waupaca, WI	\$14,300,000
Retail	Bobs Discount Furniture	Ontario, CA	\$13,150,000
Retail	Tractor Supply	Oakland, FL	\$10,000,000
Retail	Fresh Thyme Farmers Market	Westfield, IN	\$9,400,202
Retail	LA Fitness	Lawrenceville, GA	\$9,375,000
Retail	Petco Animal Supplies, Inc.	Denver, CO	\$9,125,000
Retail	Grocery Outlet	Bishop, CA	\$8,600,000
Retail	Best Buy	Peoria, IL	\$7,946,667
Retail	TD Bank	Coconut Creek, FL	\$7,500,000
Retail	Kohl's	Tucson, AZ	\$7,300,000
Retail	Office Depot	Eden Prairie, MN	\$7,000,000
Retail	Walgreens	Vacaville, CA	\$5,155,000

Noteworthy Office Transactions (Partial Representative List)

Type	Property / Tenant Name	Location	Price
Office	Sony Pictures	Culver City, CA	\$510,000,000
Office Headquarters	Sanofi	Green Knoll, NJ	\$260,650,000
Office	City of New York (Leasehold)	Brooklyn, NY	\$185,500,000
Office	Credit Suisse	Morrisville, NC	\$92,000,000
Office	Etrade Financial	Alpharetta, GA	\$80,000,000
Office	Beaver Medical Group	Redlands, CA	\$40,300,000
Office	State of Washington (Leasehold)	Tumwater, WA	\$39,750,000
Office	Parexel International Corp.	Waltham, MA	\$37,700,000
Office	Lockton Insurance	Denver, CO	\$35,000,000
Office	Gateway Mortgage	Jenks, OK	\$33,298,500
Office	Vocera Communications Data Center	San Jose, CA	\$33,000,000
Office Headquarters	GAI Consultants	Orlando, FL	\$32,500,000
Office	Chase Call Center	Springfield, MO	\$25,250,000
Office	Department of Employment Services	Washington, DC	\$14,750,000
Office	RE/Max Professionals	Reno, NV	\$14,000,000
Office	GEICO	Marlton, NJ	\$9,500,000
Office Headquarters	BETA	Lincoln, RI	\$7,100,000
Office	State Farm Mutual Auto Insurance Co	Silver Spring, MD	\$7,000,000
Office	NFP Insurance Solutions	Tucson, AZ	\$3,200,000

Source: Real Capital Analytics

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