Commercial real estate investors are increasingly targeting Los Angeles to put their money to work. The local commercial real estate investment sales market saw over $21.7 billion of property change hands last year, up 0.8% from the $21.5 billion traded in 2013, according to Real Capital Analytics. Last year was also the fifth straight year of increasing sales volume after reaching a nadir of $2.8 billion in 2009 and a high of $28.0 billion in 2007. While NGKF believes that 2015 will see a continued increase in sales volume over the 2014 level, this prediction relies heavily on the ability of investors to access cheap capital. This will occur if the Fed holds true to its guidance of holding interest rates steady in the first half of the year.

Heightened demand has been fostered by investors’ appetite for yield. Los Angeles office properties trading hands last year resulted in cap rates averaging 6.0%, with core and core-plus property yields reaching even lower. For example, UTA Plaza, the 185,699-square-foot fully-leased office building in Beverly Hills traded at a reported 4.4% cap rate in July. The transaction demonstrates that despite the tight market, institutional investors still seek the relative rewards of commercial real estate, especially when compared to the benchmark 10-Year U.S. Treasury Rate which ended 2014 at 2.17%.

Foreign investors remain focused on investing in gateway cities that offer attractive risk-adjusted returns and remain popular amongst the large institutional investor sect. According to the 23rd Annual Survey taken among the members of the Association of Foreign Investors in Real Estate (AFIRE) in Q4 2014, Los Angeles ranked fourth among U.S. cities, up from last year when it was ranked fifth. Los Angeles, benefited from its comparatively diverse growing economy, which overcame Washington D.C. for the fourth spot but remained behind Houston (#3), San Francisco (#2) and New York (#1).

NGKF believes Los Angeles has already risen this year, above Houston, to the number three ranking. The recent drop in oil prices will continue to adversely affect Houston’s economy through reduced investment and hiring, and thus, decreased demand for commercial real estate.

Foreign purchases in Los Angeles commercial real estate accounted for approximately $3.1 billion, or just over 14%, of total volume last year. While this is slightly down from the $3.6 billion invested in 2013, it is up considerably from the $2.2 billion invested in 2012.

Asian investors made up nearly 89% of all foreign investment in Los Angeles commercial real estate in 2014. Hong Kong-based institutional investor, HKMA, was the single largest foreign investor into Los Angeles having placed over $1.5 billion. The majority of this investment came as the result of a partial recapitalization with Hines and JP Morgan Asset Management in 2000 Avenue of the Stars and Century Plaza. The next largest foreign investment group was Chinese investors deploying just over $908 million into Los Angeles.

This last year we also witnessed the phenomenon of large Asian development companies leveraging overseas demand
PROVIDING UNRIVALED EXPERTISE IN GLOBAL CAPITAL MARKETS.

NGKF Capital Markets, the financial services division of Newmark Grubb Knight Frank, provides its clients with strategic solutions to their real estate capital concerns. Specializing in Institutional Investment Sales and Debt/Equity, our Southern California professionals deliver exceptional capital solutions to private, corporate and institutional clientele.
Real estate investment in the U.S. in 2015 will continue to provide a hedge against currency inflation, geographic diversification and favorable financing structures. According to a recent Knight Frank study, Chinese investors are faced with unfavorable borrowing costs domestically, as opposed to when investing in the U.S. For example, typical yields on Class A office in Beijing and Shanghai range from 5-6%, with borrowing costs above 8%. Yields for Class A office in Los Angeles range from 4-6%, with borrowing costs as low as 3%. As long as foreign capital can access these low borrowing rates, investment in the U.S. is incentivized.

What first started as sovereign funds making exploratory investments abroad has now proliferated into buying sprees by foreign developers, banks and institutional investors, such as insurance companies. The next wave will likely see increased interest among many foreign and domestic ultra high net worth individuals, small to mid-cap state-owned enterprises, and private developers drawn to risk adjusted Los Angeles commercial real estate yields.

The increasing foreign interest in North American based commercial real estate has created heightened competition. This, coupled with the massive availability of both debt and equity, will likely compress cap rates and heighten sales prices in Los Angeles this year. Preqin projects that funds targeting investments in North America are expected to raise about $1 billion of equity commitments in 2015, up from the $45 billion raised in 2014.

Further bolstering NGKF’s optimism regarding increased Los Angeles investment volume in 2015 is the potential funding gap within $25.2 billion of CMBS loan maturities occurring in the next three years. With rising interest rates, we suspect many borrowers will opt to prepay or defease their loans in conjunction with a sale. If interest rates stay low, investment sales volume may not increase as much as suspected with a bifurcation between properties that can be refinanced and those that cannot. Properties that can be refinanced will more likely be refinanced. Challenged properties will be forced into a sale, therefore creating a more liquid market.

YIELD IS RELATIVE

U.S. 10-Year Bond Shines On A Risk-Adjusted Basis

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<tr>
<th>Country</th>
<th>Yield</th>
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<tr>
<td>Japan</td>
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Source: www.tradingeconomies.com
Where has the recent growth come from and what will be the driver going forward?

**SELKE** Job creation or destruction provides insights into future demand for commercial real estate space. It wasn’t until early last year that Los Angeles experienced single digit unemployment. This trend is expected to continue downward with the greatest employment growth happening in Los Angeles’s most densely populated areas. We expect Professional, Scientific & Technical Services, Information, Leisure & Hospitality, Construction, and Administration & Support Services to lead the way. Manufacturing has contracted and the political risk surrounding Health Care & Social Assistance makes those sectors difficult to estimate.

**FULP** We also expect to see more spillover from the Bay Area and more of it at a greater clip. Just last month Google purchased 12 acres in Playa Vista, Yahoo signed a lease for 130,000 square feet in Playa Vista, and Uber leased 40,000 square feet in Santa Monica. Los Angeles is a resource-rich environment that is becoming increasingly attractive as San Francisco unemployment continues to tighten (it’s currently at 4.4%) and the cost of living increases. Right now, software engineers in San Francisco earn 20% more a year than those in Los Angeles, and rent for the average one-bedroom apartment in San Francisco is twice as expensive as Los Angeles.

Will lenders and investors pull back in 2015 now that values have exceeded past cycle peaks?

**FULP** Although property values feel lofty, we anticipate that lenders and equity investors will continue to compete more aggressively to lend on or invest in Los Angeles real estate as local market fundamentals improve and alternative investment options continue to lag.

**CARRICK** Real estate is historically regarded as one of the greatest wealth generation vehicles, and savvy investors will not be dissuaded by discrete anomalies. More than $180 billion has been raised by closed-end private real estate funds in the past two years alone, and it is expected that approximately 40% of such money will be invested in North America. Analysts also estimate that Private REITs will raise an additional $10 billion this year which is 50% more than 2014. As a coastal gateway city, Los Angeles is poised to be a prime beneficiary of this increasing capital appetite.

**LINDNER** While the occasional lender may decide to pull back, the primary concern lenders seem to have is that they are not growing market share fast enough due to the proliferation of competitive capital providers. As an example, CMBS originations are projected to grow from $90 billion in 2014 to $125 billion in 2015. But life companies, mortgage REITs, commercial banks, debt funds, and high net worth private funds will push aggressively for market share.

Is now a better time to buy or sell?

**CARRICK** Depending on each unique investment mandate, it may be a great time to buy, sell or even re-capitalise an asset. As cash flows associated with newly developed or rehabilitated properties improve, many private and institutional investors are taking the opportunity to realize gains and redeploys.

**LINDNER** It ultimately depends on an investor’s objectives, timeline and investment profile. Buyers will need to pay extra attention to their investment period and be wary of using capital that needs to be returned within a three year window. If the market moves downward, having an extra year or two to manage their investment can be the difference between winners and losers.

**FULP** Transaction activity, which can be a good barometer for market capitulation, is robust but it still has not reached last cycle’s peak. In 2007 transaction volume was $28 billion across all asset classes compared to just $21 billion in 2013 and another $21 billion last year.

**SELKE** This solid but still moderate transaction volume demonstrates that in many circumstances buyers are still exercising discipline while sellers are patiently letting prices appreciate.

What investment strategies will be most prevalent this year?

**FULP** The four major investment strategies are core, core-plus, value-add and opportunistic. We see plenty of interest in each space, but in Los Angeles we expect a majority of the capital to be funneled into value-add and opportunistic strategies as investors around the globe search for yield.

**SELKE** We have witnessed a high level of interest from investors willing to take risk by repositioning or even developing properties in core, urban locations. The good news is that there are plenty of older buildings in Los Angeles ready for repositioning or redevelopment.

**LINDNER** During the downturn, institutional investors lowered their minimum deployments to $8-10 million greatly increasing competition inside that dollar investment segment. Today, institutional investment funds have largely moved back up to a minimum deployment of $15 million while smaller sub-institutional investment funds have segmented themselves by seeking deals below $8 million. We believe capital will continue to stratify. That said, nature abhors a vacuum and money will continue to flow to that segment for attractive investment yields.

Who will be the most aggressive buyers in 2015?

**FULP** If it is a stabilized deal with long term cash flows backed by investment grade credit, private REITs will be very tough to beat in secondary markets while life companies, pension funds and international investors will be some of your more competitive buyers in core markets.

**SELKE** Global private equity funds, sovereign wealth funds and public REITs will be the most aggressive when it comes to buying opportunities in core locations. Regionally focused private equity funds and local investors will be the most aggressive in secondary and tertiary markets.
Improving Fundamentals and Robust Investor Appetite Fuels Sustained Performance of U.S. Commercial Real Estate Industry

STATE OF THE CAPITAL MARKETS

The sustained performance of the U.S. commercial real estate industry is expected to continue in 2015, fueled by improving fundamentals and robust investor appetite – both domestic and foreign, according to Emerging Trends in Real Estate 2015, co-published by PwC US and the Urban Land Institute (ULI).

“Unlike previous reports and previous cycles, we are seeing sustained growth,” said Mitch Roschelle, partner, U.S. real estate advisory practice leader, PwC. “In the past several years, we reported that real estate market participants’ main fears revolved around the uncertainty with the economy. Now, the trepidation in their eyes has more to do with the ability of the growing real estate markets to adapt to a series of mega trends impacting society and the global economy. These mega trends include accelerating urbanization, demographic shifts and the impact of distributive technological advancements.”

ULI Global Chief Executive Officer Patrick L. Phillips pointed to the continued rise of markets other than the largest coastal cities as top choices for overall real estate prospects. Houston and Austin, which are ranked first and second, respectively, topped San Francisco’s favorites for 2015; Charlotte N.C., in seventh place, is rated higher than Seattle and Boston; and Nashville, ranked at 14, tops Manhattan. “Investors are looking closely at opportunities beyond the core markets. These cities are positioning themselves as highly competitive, in terms of livability, employment offerings, and recreational and cultural amenities,” Phillips said.

PwC and ULI outline the top trends in real estate for 2015:

1. The 18-hour city comes of age – The urbanization of America has given rise to cities that had been historically nine-to-five. According to interviewees, no longer is it accepted that only the great cities can accommodate 24 hour schedules around the clock and on weekends. Downtown transformations have combined the key ingredients – living, working, dining, and walk-to-work offices to generate urban cores, spurring investment and development and raising the quality of life for a roster of cities. Buyers have more markets to consider now that the 18-hour centers are putting the elements in place to ratchet up their investment capital flows.

2. The changing age game – The millennials are an even larger cohort than their parents – the baby-boom generation. While the typical city of millennials to postpone homeownership and rent longer will affect the apartment sector over the next several years, many survey interviewees noted that investors should consider how the housing preference shift could change in the 2020s. Looking beyond the millennials, the report anticipates further industry changes resulting from the emergence of the smaller “Generation Z.” Planning for this eventuality would mean a repositioning of workforce entrants is the challenge ahead for a real estate industry with it. The report also notes that baby boomers – as workers and retirees – will continue to have a significant impact on real estate development and investment for at least two more decades.

3. Labor markets are trending toward a tipping point – The report states that forward-looking businesses are waking up to a realization that while we were worried about the “jobless recovery,” longer-term labor market trends were moving in exactly the opposite direction. Retirements will accelerate while the peak of millennial labor force entrants has already passed. Within a few years, the talk will be about labor shortages, not surpluses. The notion that “jobs are chasing people” will morph into a primary rule of the labor market. Survey respondents place job growth at the top of the list of most important issues for real estate, closely followed by the related concerns of wage and income growth.

4. Real estate’s love/hate relationship with technology – Intensities – No form of real estate is exempt from the exponential expansion of technology and the environment, opening new business paths, and cycling forward as a source of user demand in an era when more traditional industries may be sluggish. Technology is pushing change in space use, locations, and demand levels at an accelerated rate. It is now the norm to anticipate, strategize, and respond to new technological trends before they are mainstream. Over the fear factor about technological disruption is easing, according to surveyed respondents. E-commerce and crowdfunding, for example, are being viewed as an adaptation challenge, as retailers become “ omnichannel distribution” and e-tailers begin to open brick-and-mortar stores.

5. Event risk is here to stay – There is nothing new in seeing investors along the continuum from “core” to “opportunististic,” but the trend will be that such distinctions are heightened over time. 2015 looks to be a year when this will be especially evident, interviewees note. The reason is that the concern about “event risk” is trouble of brands and more and more interviewees (geopolitical risks, global unrest, and natural disasters) – The concern is why international investors are considered to be the best prospect for increasing investment volume in 2015, according to the survey.

6. A Darwinian market keeps the squeeze on companies – Competition is unrelenting, and the need to have a clear “brand identity” is important as firms seek to navigate in the swift stream of capital. The recent spin-off activities in the retail, office, and hospitality real estate investment trust (REIT) sectors sound a theme that will echo as a trend in 2015. The drive for efficiency and effectiveness in both service delivery and cost will filter from investor expectations down to the service providers, the report states.

7. A new 900-pound gorilla swings into view – Emerging Trends 2014 alerted readers to the establishment of the Defined Contribution Real Estate Council to help plan sponsors and their participants achieve better investment outcomes through the use of institutional quality real estate. With a combined $2.5 trillion in capital, individual retirement account (IRA) and defined contribution (DC) funds will be identifying and taking advantage of the benefits of having high quality commercial real estate property in a mixed-asset portfolio.

8. Infrastructure: time for the United States to get serious? – For all our vaunted technological innovations, the foundation of our commerce is crumbling around us. It’s not just bad roads – since 2009, spending on educational buildings and health care facilities (both public and private sectors) is down by one-third in real dollar terms.

9. Housing steps off the roller coaster – Housing seems to be putting the excesses of the bubble and the ensuing collapse behind it. The trend in residential real estate, according to interviewees, looks to be returning to the classic principles of supply and demand. As this major segment of the economy returns to a state of fundamentals, consider the residential sector should continue to rise come 2015, however, nearly half the respondents (48 percent) felt it would be smart to divest in 2015, while 30 percent consider it worthless while to hold for a longer period. Only 21 percent suggest this is a good time to buy. At the more moderate income level, that relationship was reversed. Only 28 percent recommend selling while holding and acquisition are more attractive, with 37 percent and 35 percent recommending these as opportunities in the year ahead.

10. Keeping an eye on the bubble – Since 2010, the industrial property sector has enjoyed a strong demand trend and supply additions that have not kept pace. Come 2015, however, industrialists are entering a period when projected construction is accelerating, but demand is anticipated to decelerate, according to surveyed participants. Last year, many interviewees really liked industrial – a feeling that has not changed for many. The industrial sector stands atop the sector rankings for investment.

Homes – The prospects for liquidity in the Interstate system, as up as 25 percent of the nation’s households live outside of an Interstate. These cities are positioning themselves as highly competitive, in terms of livability, employment offerings, and recreational and cultural amenities,” Phillips said.

Apartments – The analysis on the Emerging Trends survey respondents seem sharply divided. For high-end multifam-
ily, nearly half the respondents (48 percent) felt it would be smart to divest in 2015, while 30 percent consider it worthless while to hold for a longer period. Only 21 percent suggest this is a good time to buy. At the more moderate income level, that relationship was reversed. Only 28 percent recommend selling while holding and acquisition are more attractive, with 37 percent and 35 percent recommending these as opportunities in the year ahead.

Offices – One of the more powerful trends for offices – the live/work/play theme – is not new, but its recently been significant. The resurgence in downtown living is bolstering secondary office markets around the country. The drive toward space compression in office use is about at its end, and in the coming years the demand for space will be increasing. This is as opportunities in the year ahead.

Retail – Investment and development strength in the retail sector ranks the low-
est of all the sectors in the Emerging Trends survey. Just as the slow recovery in jobs has hindered many other economic growth indicators, some investment professionals made real estate professionals wary of calling a bounce back in retail. Optimism has not been predomi-
ant in the survey, more than 23 percent advising “sell.”

“In the past several years, we reported that real estate market participants’ main fears revolved around the uncertainty with the economy. Now, the trepidation in their eyes has more to do with the ability of the growing real estate markets to adapt to a series of mega trends impacting society and the global economy. These mega trends include accelerating urbanization, demographic shifts and the impact of distributive technological advancements.” MItCH RoSChElLe PwC

January 26, 2015

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for the second half of this decade should be of expectations exceeded.

Housing – Housing is well on the way back, according to survey respondents, and they rank urban/infill as the top opportunity for 2015. Yet, the aftereffect of the housing bubble has not fully dissipated, and this will partially shape demand for the next several years. Even with jobs on the rise, doubling up in either parents’ homes or with several roommates is an accepted norm, even if temporarily, for millennials. This version of a “new normal” is not forever, but it will linger because of the combination of high student loan indebtedness, meager wage and salary growth, and inadequate savings.

Now in its 36th year, Emerging Trends in Real Estate is one of the most highly regarded annual industry outlooks for the real estate and land use industry. It includes interviews and survey responses from more than 1,000 leading real estate experts, including investors, fund managers, developers, property companies, lenders, brokers, advisers, and consultants.

The Urban Land Institute (www.uli.org) is a nonprofit education and research institute supported by its members. Its mission is to provide leadership in the responsible use of land and in sustaining and creating thriving communities worldwide. Established in 1936, the Institute has nearly 30,000 members representing all aspects of land use and development disciplines.

Mesa West Capital: Sharp Focus and Established Platform

Mesa West Capital is a privately held portfolio lender with a capital base of more than $3.5 billion. Headquartered in Los Angeles with offices in New York City, Mesa West has an established debt platform that continues to provide flexible and reliable capital for real estate acquisitions, re-financings and re-capitalizations on office, retail, industrial, multifamily and hotels across the United States. With a decade of lending under its belt, and over $6.3 billion and counting of loans originated, Mesa West has cemented itself as one of the largest privately held portfolio lenders in the industry.

After a record year in 2013 with approximately $1.5 billion of loans originated by Mesa West, the Firm surpassed its 2013 milestone by originating over $2 billion of commercial real estate loans in 28 separate transactions in 2014. Mesa West’s team of 34 individuals is solely dedicated to the commercial real estate debt business. The firm’s geographic focus lies in the top 25 metropolitan statistical areas (MSAs) across the United States and loans range from $15 million up to $250 million.

Mesa West Capital experienced significant growth of its lending platform throughout 2014. The Firm worked on several high profile deals in Los Angeles including a $180 million total loan for the refinance of 444 South Flower, a class-A, 48-story, 891,000 square foot office building located in Downtown Los Angeles. This building is well located on the border between the Financial District and Bunker Hill and is home to tenants including Citigroup, the SEC and Morgan Stanley Smith Barney. In addition, Mesa West provided an Irish sponsor with $120 million in debt and preferred equity for their refinance of 336-346 N. Rodeo Drive in Beverly Hills. This property is in a prime location along Rodeo Drive, one of the most expensive and desirable retail streets in the country. Tenants at the Property include Tom Ford, Armani and Bally.

In late 2013, the Firm provided well-known Los Angeles based Sponsor Worthe Real Estate Group, partnered with a large San Francisco based private equity fund, with $220 million in debt to pay off their existing first mortgage and stabilize The Pointe, a 480,400 square foot trophy office building in the well-known Burbank Media District. The building is home to tenants including Warner Brothers, CBS and Legendary Pictures.

Outside of Los Angeles County, the Firm provided $185 million of debt to a large San Francisco based private equity sponsor for their March 2014 recapitalization of 140 New Montgomery, a class-A office building containing 295,200 square feet of rentable space located in the South Financial District submarket of San Francisco. Well-known tenants of the building include online review site Yelp, Bloomberg, TrueCar and Alibaba. The property is currently 100% occupied.

In late 2014, the Firm also provided a $35 million loan to a well-known multi-family owner/operator teamed up with a Los Angeles based private equity firm for their acquisition and subsequent planned stabilization of Indigo Creek Apartments, a 408 unit complex, located in the Glendale submarket of Phoenix, Arizona. The loan includes a future funding holdback to renovate unit interiors and improve common areas which will allow the Sponsor to increase rents at the property.

The Firm expects increased origination volume to continue throughout 2015 and hopes for another record year.

For more information, visit www.MesaWestCapital.com
Despite a slowing global economy, forward economic momentum in the U.S. should keep commercial real estate activity on firmer footing, according to the National Association of Realtors quarterly commercial real estate forecast.

Lawrence Yun, NAR chief economist, said commercial activity should progress at a gradual pace into 2015. “Solid economic growth late last year wasn’t an anomaly, as business spending increased, commercial construction rose and the labor market continued to make positive strides,” he said. “Job growth is the catalyst to improved demand for commercial real estate leasing and new construction projects.”

However, Yun does caution that softening in the global economy will likely widen the trade deficit in the U.S. and could trigger some weakening in the overall economy. GDP growth in the fourth quarter was sluggish at around 2 percent behind stalling exports. Although GDP will likely climb to near 3 percent in 2015, the current pace of job growth could slow and ultimately impact commercial real estate activity if sluggishness in the global economy persists,” he said.

National office vacancy rates are forecast to decrease 0.5 percent in 2015 due to job growth exceeding inventory coming onto the market. Improved manufacturing activity should lead to a declining vacancy rate for industrial space (0.4 percent), while retail space is forecast to decline 0.2 percent behind a boost in consumer spending from personal income gains and lower gas prices. Low housing inventory and the sizeable demand for rentals will continue to spur multifamily construction as well as keep rents rising above inflation through next year,” says Yun.

NAR’s latest Commercial Real Estate Outlook offers overall projections for four major commercial sectors and analyzes quarterly data in the office, industrial, retail and multifamily markets. Historic data for metro areas is provided by REIS Inc., a source of commercial real estate performance information.

**Office Markets**

Office vacancy rates are forecast to slightly decline from 15.7 percent in the fourth quarter of 2014 to 15.6 percent through the fourth quarter of 2015.

The markets with the lowest office vacancy rates in the fourth quarter were Washington, D.C., at 9.3 percent; New York City, 9.6 percent; Little Rock, Ark., 11.6 percent; San Francisco, 12.2 percent; and Seattle, at 12.8 percent.

Office rents were projected to increase 2.4 percent in 2014 and 3.3 percent this year. Net absorption of office space in the U.S., which includes the leasing of new space coming on the market as well as space in existing properties, totaled 35.6 million square feet last year and should jump to 18.9 million in 2015.

**Industrial Markets**

Industrial vacancy rates are expected to fall from 8.6 percent in the fourth quarter of 2014 to 8.4 percent in the fourth quarter of 2015.

The areas with the lowest industrial vacancy rates currently are Orange County, Calif., with a vacancy rate of 3.6 percent; Los Angeles, 3.7 percent; Seattle, 5.8 percent; Miami, 6.0; and Palm Beach, Fla., at 6.5 percent.

Annual industrial rents rose 2.4 percent in 2014 and should rise 2.9 percent in 2015. Net absorption of industrial space nationally was expected to total 110.7 million square feet in 2014 and 102.5 million square feet in 2015.

**Retail Markets**

Vacancy rates in the retail market are expected to decline from 9.7 percent currently to 9.5 percent in the fourth quarter of 2015.

Currently, the markets with the lowest retail vacancy rates include San Francisco, at 3.5 percent; Fairfield County, Conn., 3.9 percent; San Jose, Calif., 4.6 percent; Orange County, Calif., 5.2 percent; and Long Island, N.Y., at 5.3 percent.

Average retail rents were forecast to rise 2.0 percent in 2014 and 2.5 percent this year. Net absorption of retail space totaled 11.4 million square feet last year and 48.8 million in 2015.

**Multifamily Markets**

The apartment rental market – multifamily housing – should see vacancy rates slightly increase from 4.0 percent currently to 4.3 percent in the fourth quarter of 2015. Vacancy rates below 5 percent are generally considered a landlord’s market, with demand justifying higher rent.

Areas with the lowest multifamily vacancy rates currently are Orange County, Calif., and Sacramento, Calif., at 2.2 percent; Providence, R.I., and New Haven, Conn., at 2.3 percent; and Hartford, Conn., at 2.5 percent.

Average apartment rents were projected to rise 4.0 percent last year and 3.9 percent in 2015. Multifamily net absorption totaled 216,300 units in 2014 and is projected to be 171,200 in 2015.

The NAR commercial community includes commercial members; commercial real estate boards; commercial committees; subcommittees and forums; and the NAR commercial affiliate organizations – CCIM Institute, Institute of Real Estate Management, Realtors Land Institute, Society of Industrial and Office Realtors, and Counselors of Real Estate.

Approximately 70,000 NAR and institute affiliate members specialize in commercial brokerage and related services, and an additional 283,000 members offer commercial real estate services as a secondary business.