

Marcus & Millichap Releases Special Real Estate Capital Markets Report

Eventual rise in interest rates not expected to disrupt real estate markets.

CALABASAS, Calif.--(BUSINESS WIRE)-- Marcus & Millichap (NYSE:MMI), a leading commercial real estate investment services firm with offices throughout the United States and Canada, today released a special real estate capital markets report stating that positive economic trends moving the Federal Reserve toward action are the same trends that are lifting commercial real estate performance.

"Expanding payrolls and retail sales growth are supporting the economic expansion," said Hessam Nadji, senior executive vice president, Marcus & Millichap.

Commercial real estate investments continue to benefit from a range of positive economic trends, but the prospect of an increase in the federal funds rate has raised concerns about asset values and sales activity.

"I think it's expected that whether it is before the end of 2015 or into 2016, the Fed will begin its normalization of interest rates," Nadji recently told interviewers on CNBC's *Worldwide Exchange*. "That has been baked into the market, certainly in the commercial real estate investment market as well as on the consumer side. Ironically, a lot of people that have been on the sidelines will probably begin to jump back into the [residential and commercial property] marketplace once interest rates start to move."

Marcus & Millichap's special real estate capital markets report states that positive economic trends have supported performance gains for all major commercial real estate property types, and these trends are expected to continue even as the Federal Reserve moves to a more normalized fiscal climate. The report also points to limited new construction in most commercial property sectors and an overall balance between new building and renter demand in the apartment sector.

William E. Hughes, senior vice president with Marcus & Millichap Capital Corp. said, "The 10-year U.S. Treasury ended the third quarter in the low 2-percent range, held down by rising demand for low-risk, fixed income assets. As the markets prepare to digest a rate increase by the Federal Reserve, it is important to stress that long-term rates such as the 10-year Treasury are not directly tied to short-term rates, or the short end of the yield curve." According to the firm, readily available capital and a wide range of active lenders will keep interest rates competitive in the coming months, and the timing of the Fed action isn't expected to have a negative impact on commercial real estate lending.

For complete access to Marcus & Millichap's complimentary special real estate capital markets report, please visit: <http://bit.ly/1jxQaE0>. For access to Marcus & Millichap's recent appearance on CNBC's *Worldwide Exchange*, please visit: <http://www.marcusmillichap.com/about-us/news-events/videos/2015/09/29/cnbc>.

About Marcus & Millichap (NYSE: MMI)

With nearly 1,500 investment professionals located throughout the United States and Canada, Marcus & Millichap is a leading specialist in commercial real estate investment sales, financing, research and advisory services. Founded in 1971, the firm closed over 7,600 transactions in 2014 with a value of approximately \$33.1 billion. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. To learn more, please visit: www.MarcusMillichap.com

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