

Commercial Real Estate Shines Amid Market Volatility

Healthy property fundamentals, attractive yields, and extension of low interest rate period are likely to boost activity.

CALABASAS, Calif.--(BUSINESS WIRE)-- Marcus & Millichap (NYSE:MMI), a leading commercial real estate investment services firm with offices throughout the United States and Canada, will host a series of informational webcasts on the strength of commercial real estate amid market volatility, including in depth discussions on multifamily, office, industrial, retail and hospitality property types. In advance of the complimentary webcast series beginning on Sept. 22, the firm commented on the Federal Reserve's announcement today regarding interest rates and issued a special report titled, "*Commercial Real Estate Outperforms as Volatility Grips Stock Market.*"

This Smart News Release features multimedia. View the full release here:

<http://www.businesswire.com/news/home/20150917006637/en/>

"The Federal Reserve's decision not to raise interest rates was not unexpected given recent market volatility," said William E. Hughes, senior vice president of Marcus & Millichap Capital Corp. "It now raises the question of whether the Fed will raise interest rates this year. Their guidance has taken the steam out of any significant market reaction one way or the other. Still, many lenders have factored a rate increase into their pricing already so the Fed's decision not to raise rates should give borrowers a temporary reprieve from risks of rising rates."

"Given the strength in the U.S. economy and eventual inflation build up, investors should still expect interest rates to rise at some point in the near term, said Hessam Nadji, senior executive vice president of Marcus & Millichap, responsible for overseeing the firm's specialty divisions. "However strong occupancy gains of the past few years and lack of overbuilding in commercial real estate supports expectations for sold rent growth ahead which should offset higher interest rates when they do emerge eventually. Commercial real estate yields are incredibly competitive and will continue to attract capital in a low yield environment which just got an extension - at least for now."

Marcus & Millichap's commercial real estate webcast series will kick off on Tuesday, September 22.

- **Institutional-Multifamily: Tuesday, Sept. 22 – 9 a.m. PST / 12:00 p.m. EST**
Speaker: Brian Murdy, national director of Institutional Property Advisors (IPA), a division of Marcus & Millichap
Special Guests: Robert E. Hart, president & CEO of TruAmerica Multifamily and Gregory R. Pinkalla, chief operating officer, Fairfield Residential Company
- **Multifamily: Tuesday, Sept. 22 – 11 a.m. PST / 2:00 p.m. EST**
Speaker: John Sebree, national director of Marcus & Millichap's National Multi Housing

Group

- **Office & Industrial: Tuesday, Sept. 22 – 1:00 p.m. PST / 4:00 p.m. EST**
Speaker: Alan L. Pontius, senior vice president, commercial property groups, Marcus & Millichap
Special Guest: Ashley Powell, senior vice president of Bentall Kennedy
- **Retail: Thursday, Sept. 24 – 9:00 a.m. PST / 12:00 p.m. EST**
Speaker: Bill Rose, national director of Marcus & Millichap's National Retail Group
- **Hospitality: Thursday, Sept. 24 – 11:00 a.m. PST / 2:00 p.m. EST**
Speakers: Gregory LaBerge, chief administrative officer, Marcus & Millichap and Greg Nicols, new director of Marcus & Millichap's National Hospitality Group

Webcast registration can be accessed here: <http://www.marcusmillichap.com/about-us/news-events#/events>.

In advance of the webcasts, Marcus & Millichap has provided the following summaries of each of the major property types to be discussed.

Multifamily: Momentum in the apartment sector remains strong, with steady hiring of millennials supporting demand for rentals. Hurdles to homeowners continue to restrain first-time home purchases; apartment demand will likely outpace construction in most markets.

Office and Industrial: Slow ramp up of development has been a boon for office properties. Completions in 2015 will be about half of pre-recession levels, so vacancies will likely continue to tighten through the remainder of this year. The industrial sector is in the midst of a particularly strong growth cycle, although, construction has been slow to start. Space additions will be about two-thirds of the levels seen each year from 2005-2008, boding well for investors in markets nationwide.

Retail: Retailers are in the process of adapting to new behavior where consumers can shop prices with the tap of a finger on a mobile device, but traditional retail locations remain highly relevant to the emerging "omni-channel" retailer models.

Hospitality: The slow but steady pace of the economic recovery has worked in favor of hotel performance as the sector did not overheat and spark overly aggressive development. The record setting performance gains in hospitality, however, have sparked interest from a broader range of investors, lifting prices in major metros nationwide.

Marcus & Millichap's special report, "*Commercial Real Estate Outperforms as Volatility Grips Stock Market*" is available at:
<http://www.marcusmillichap.com/research/researchreports/reports/2015/09/02/special-report>

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

View source version on businesswire.com:

<http://www.businesswire.com/news/home/20150917006637/en/>

Marcus & Millichap

Gina Relva, 925-953-1716

Public Relations Manager

Source: Marcus & Millichap