

# Marcus & Millichap Releases Commercial Investor Sentiment for Third Quarter 2014

*Commercial investors intend to allocate more capital into the sector*

CALABASAS, Calif.--(BUSINESS WIRE)-- Marcus & Millichap (NYSE:MMI), a leading commercial real estate investment services firm with offices throughout the United States and Canada, reports that commercial investor sentiment remains near an all-time high. The firm's commercial Investor Sentiment Survey Index is calculated quarterly and rose three points to 179 in the third quarter, up slightly from first quarter 2014.

Marcus & Millichap reports 70 percent of commercial real estate investors who were surveyed plan to increase their commercial holdings over the next 12 months. An additional 24 percent expect investments to remain the same, and four percent expect their real estate portfolio to decrease over the next year.

"The Index is at such high levels currently that even if it hovers at this same range, it is a reflection of further occupancy increases, rent growth and value gains," says Hessam Nadji, chief strategy officer with Marcus & Millichap. "The fact that commercial real estate investor sentiment remains high is due in large part to the very attractive yields the commercial sector is delivering compared to alternative assets," Nadji continues. For a decade the Investor Sentiment Survey Index has been a reliable leading indicator of the broader economy. "Based on its track record, this reading should result in further strength in the commercial real estate sector into the coming year," concludes Nadji.

"Investors are looking at commercial real estate and recognizing an opportunity to borrow at a very low cost during a time when there is plenty of room for improvement in the financial performance of the asset," added William E. Hughes, senior vice president of Marcus & Millichap Capital Corp.

With a tremendous recovery already in its wake, the apartment sector leads the way in confidence among sectors, reporting expectation of a 5.8 percent rise in value over the next year. In the hotel sector, nearly two-thirds or 62 percent of respondents reveal expectations for hotel values to increase over the next 12 months by an average of 5.3 percent. The industrial sector shows 69 percent of industrial investors anticipate that the value of their properties will increase, with an average 4.6 percent improvement expected.

For complete access to Marcus & Millichap's complimentary Investor Sentiment Survey Third Quarter 2014, please visit: <http://bit.ly/1sQrdpl>.

To view a recent national television with interview with Marcus & Millichap's chief strategy officer as part of a panel of experts discussing the U.S. economy, real estate and stock market trends, and the latest reading on commercial real estate investor sentiment and its correlation to job growth and capital flows expected through the coming year, visit: <http://bit.ly/1tWME3u>.

### **About Marcus & Millichap (NYSE: MMI)**

*With over 1,300 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 6,600 transactions in 2013 with a value of approximately \$24 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](http://www.MarcusMillichap.com)*

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