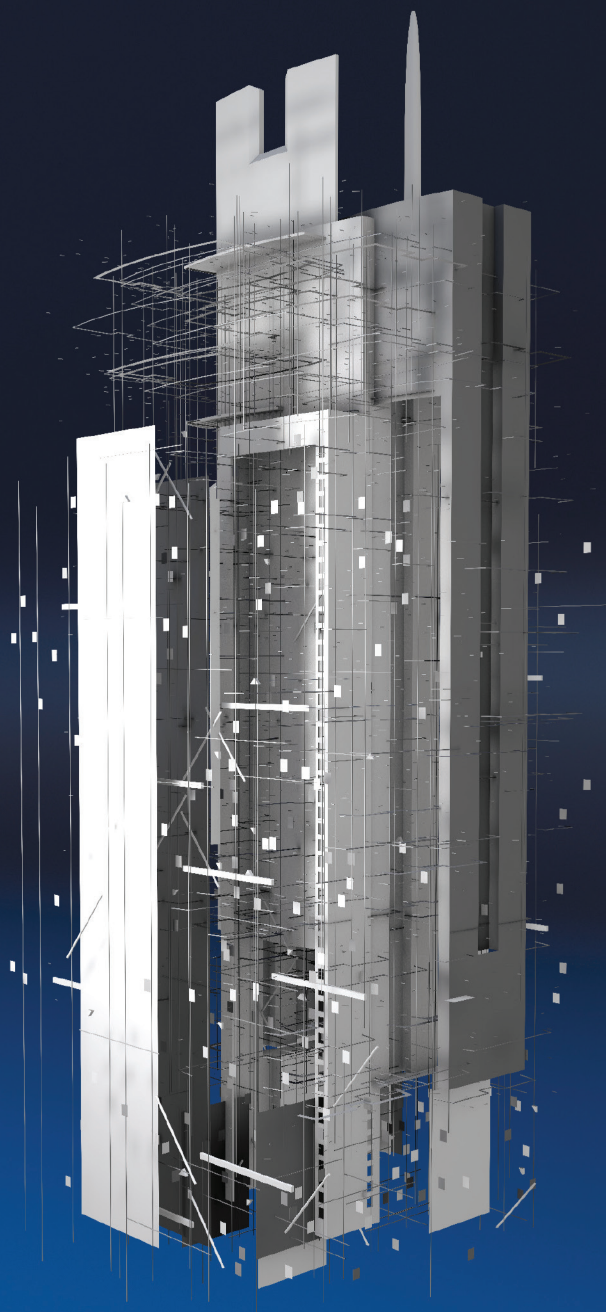
# DLA Piper 15th Global Real Estate Summit
# Annual State of the Market Survey



DLA PIPER

September 24, 2019

# Despite concerns about a possible recession and the impact of global trade conflict, a cautiously optimistic outlook exists in commercial real estate

The 2019 DLA Piper Annual *State of the Market Survey* ("State of the Market Survey"), conducted between July and August of 2019, revealed a moderately bullish outlook among real estate executives, as respondents feel challenged to balance evolving market conditions and the anticipated end of the current cycle.

June 2019 marked the 121st consecutive month of economic expansion in the US, breaking the previous record for the longest period of economic growth, recorded between 1991 and 2001.[1] The economy continued to expand through August and early September 2019, albeit at a slower pace.[2] Concerns about how long this period of economic growth will last have been raised by many market participants, and some of the current data and economic trends support these concerns. At the same time, developments in technology and innovation are reshaping much of the commercial real estate (CRE) industry and creating both challenges and opportunities for CRE investors. In addition, there is still an abundance of capital chasing CRE investments.

In the CRE industry, 2018 was a record high year for deals, with transaction volume reaching US$576.1 billion, an 18 percent increase year-over-year.[3] With such remarkable numbers, 2019 was always going to be a challenging year to see increased expansion in transaction volume. As markets slow globally, including in the UK, Germany and China, the prospect of increased tariffs on international goods has fueled worries about whether the US market will follow suit. The second quarter of 2019 saw a deceleration in GDP growth (2.1 percent), the weakest increase since Q1 2017.[4] Further, an unpredictable political landscape has led to increased anxiety over trade policy. US-imposed tariffs on Chinese imports, coupled with the approaching 2020 US presidential elections, are creating uncertainty over whether the trade wars may cause a recession at home.

Economists predict that once the GDP growth rate falls below 2 percent, the economy is more likely to fall into a recession in the face of an unforeseen shock.[5] The inversion of the yield curve, which started last December, has historically been regarded as a sign of a looming recession. However, an inverted yield curve has the ability be a positive force for CRE as it can drive bond investors out of the bond market and into the CRE market.

A growing sense of angst surrounding the economy is not necessarily a sign of what is to come. The economy continues to expand (although more slowly), and a cautious approach that recognizes potential frailty is not grounds for absolute pessimism.

## Could the good times still be rolling for the CRE market?

Even though the end of the current cycle may be nearing, the State of the Market Survey reveals that real estate leaders have a cautiously optimistic outlook on the CRE market. While many assumed the first half of 2019 would be a slow year for CRE, the *2019-2020 Global Investment Atlas* from Cushman & Wakefield forecasts that 2019 volumes will match 2018 results.

For the first time in the State of the Market Survey's history, DLA Piper analyzed the levels of optimism and apprehension in the CRE market. While bullish optimism outweighed bearish pessimism on a scale of one to 10 (one being the most bearish and 10 being the most bullish), the majority of respondents fell in the six- and seven-point range, indicating a more cautiously optimistic approach to the next 12 months. That being said, 38 percent of respondents have neutral positions with respect to their outlook for the CRE market and only 12 percent feel firmly bearish. In the aggregate, bullishness saw its first increase since the 2015 survey, with an uptick of 8 percent from the previous survey.

Several trends in the CRE space may account for this optimism. Specifically, capital in real estate remains robust and competitive.[6] Despite some slowing in transaction volumes, US commercial property prices increased by almost 6 percent year-over-year in the first quarter of 2019.[7] This aligns with the State of the Market Survey results, as "abundance of capital still chasing deals in the market" and the "continued strength of the US economy" rose to the top as reasons for confidence.

In addition to increased capital and pricing, new types of investment opportunities are on the rise. The State of the Market Survey found that Opportunity Zones continue to be attractive to investors, with 45 percent of respondents believing investments in Opportunity Zones will increase substantially in the coming year.

This sentiment could be a result of the new set of regulations for Opportunity Zones released in April 2019 by the IRS and the US Department of the Treasury. The guidelines were created in an effort to offer support to local city officials and provide developers and investors with the confidence to begin investing in these designated areas.[8]

Respondents remain enthusiastic about institutional investors in the CRE market, as the State of the Market Survey finds the most active investors in 2020 will be in private equity and pension funds/ endowments. Research from JLL supports this finding, with the private equity real estate sector posting the strongest fundraising figures since the Global Financial Crisis, raising US$39 billion in Q1 2019 alone.

The State of the Market Survey found that interest in life science/ biotech and senior housing have increased over the years. Similarly, PwC's *Real Estate Deal Insights: Q2 2019* reported growing investment in secondary markets, the increasing popularity of specialized sub-sectors (such as life sciences and single-family rental housing) and the emergence of socially-driven and socially-conscious investment strategies that will continue to drive M&A and capital raising activity in the coming quarters.

## Continued investment in key sectors, especially e-commerce and technology

Investment in CRE remains steady, including in sectors that were once considered "emerging." The influence of various technologies and technological solutions on the CRE market is clear, as investors continue to concentrate on areas impacted by e-commerce and PropTech – prioritizing sectors that are ripe for disruption.

E-commerce remains a major force within the US real estate market. Eighty-five percent of State of the Market Survey respondents confirmed conventional thinking that e-commerce would be the most impactful trend in the CRE market in the upcoming year, with continued evolution of logistics and warehousing expected to be similarly impactful. As next-day delivery and free shipping become even more ingrained in shopping habits, the real estate industry is prioritizing warehouses and distribution centers. According to a PwC research report, the expansion of e-commerce is far from over, and the need for warehouse, distribution and logistic facilities will only increase over time as retailers continue to shift to e-commerce platforms.[9]

The role of technology in CRE is still evolving, and investors see potential in PropTech. In just the first half of this year, venture investment in real estate tech companies and startups reached US$12.9 billion, passing the record-breaking US$12.7 billion in 2017.[10] A KPMG report found 93 percent of respondents believe traditional real estate organizations need to engage with PropTech companies in order to adapt to the changing global environment; however, 66 percent do not have a clear strategy when it comes to innovation.[11] Similarly, 55 percent of respondents in the State of the Market Survey said that PropTech will not be impactful in the upcoming year.

As PropTech continues to integrate with the real estate market and executives familiarize themselves with its impacts and opportunities, the massive investments in PropTech will likely pay off. PropTech has already demonstrated impact in construction management, building management systems and multifamily leasing activities, to name just a few. As with all technology adoption, there is a reskilling component. The US Bureau of Labor Statistics anticipates a 10 percent rise in the number of property and real estate manager jobs by 2026, and those jobs will rely on the integration of PropTech as this trend persists.[12]

With the influence of PropTech growing and affecting many aspects of construction, development and operation of buildings, State of the Market Survey respondents believe logistics and warehousing (58 percent), urban/transit oriented mixed-use development (51 percent) and multifamily (50 percent) will be the most attractive investment opportunities for US CRE when ranked on a scale from one to four (one being not impactful and four being very impactful). The role of technology and innovation in each of these key industries makes them appealing to investors. In particular, the mixed-use development sector is ready for disruption as community and connectivity become more important to consumers – where and how they live, work and play.

# Highlights of the State of the Market Survey

- Exactly half of respondents have a bullish outlook on the next 12 months – the first increase in bullishness since 2015 and a spike from the 42 percent who reported being bullish in the prior survey (which was conducted during the US government shutdown). Despite this year's increase in bullish sentiment, 38 percent of respondents are neutral, demonstrating a cautiously optimistic outlook.
- Optimism about the market stems primarily from strength in the US economy (48 percent) and abundance of capital still chasing deals (43 percent).
- While 41 percent agree that foreign investments in the US will continue to be strong during the next 12 months, it is not the cause of the bullish sentiment. Two percent selected foreign investments in the US as a reason for their optimism, remaining flat from the previous survey.
- Canada was cited by 55 percent of respondents as the most likely source of foreign investment, aligned with the last survey at 56 percent. Following Canada were Gulf countries (43 percent), Germany (28 percent) and Singapore (27 percent). Israel, which was ranked third in the last report, fell to seventh. China placed in the eighth spot for the second time after occupying the number one position in both the 2016 and 2017 surveys.
- Among those who are bearish, 37 percent cite domestic and/or international political uncertainty to be the reason for their pessimism, a 7 percent uptick from the last survey, and another 30 percent cite the inevitable end (or nearing end) of the current economic cycle.
- While the past survey found almost all (90 percent) expected interest rates to increase, this year 53 percent believe interest rates will decrease over the next 12 months. Among those predicting a decrease, the majority expect interest rates will decline only slightly.
- Thirty-seven percent of respondents agree that institutional buyers will find US property acquisitions that match their investment parameters and yield requirements during the next 12 months.
- Respondents selected e-commerce (85 percent), continued evolution of logistics and warehousing (78 percent) and the sharing economy (59 percent) as the most impactful elements on the CRE market in the upcoming year when ranked on a scale from one to four (one being not impactful and four being very impactful).
- Despite approximately 40 percent planning to use blockchain in the near or long term in the previous survey, adoption is slow as only 2 percent in this year's survey already use blockchain and another 2 percent anticipate using it in the very near future, with another 42 percent thinking implementation is further off and another 2 percent admit that they still do not understand it. If conventional thinking about the "hype" cycle of new technology is accurate, then we have reached a peak in hype, and the more difficult work of execution lies ahead for the application of blockchain to real estate (though it has great potential particularly in developing countries lacking reliable land registries).
- Boston, which ranked sixth in the prior survey, overtook Chicago as the top US city for investment in the coming year. Denver and Los Angeles are also in the top three, with Chicago falling from first to the number nine spot.
- At 45 percent, private equity is viewed as the most likely source of equity capital for CRE in 2020, followed by pension funds/endowments at 22 percent.
- Almost half (45 percent) agree that investment in Opportunity Zones will increase substantially in the next 12 months. The release of final regulations in early 2019 has paved the way for more investment in Opportunity Zones.
- There is overwhelming agreement (91 percent) that the replacement of LIBOR will work itself out as market forces will push to a solution. Only 7 percent feel the replacement of LIBOR will cause major market turbulence, and a mere 2 percent believe that borrowers will be harmed by LIBOR replacement.
- Only 8 percent of respondents believe Brexit developments will have the greatest impact on the global economy, and despite Brexit, London remains as the most attractive international city for investment during the next 12 months. Berlin, Frankfurt and Sydney were also highly ranked. This is similar to the last survey, but Mexico City replaced Hong Kong in the top five and Paris fell to the seventh spot.

# Verbatims

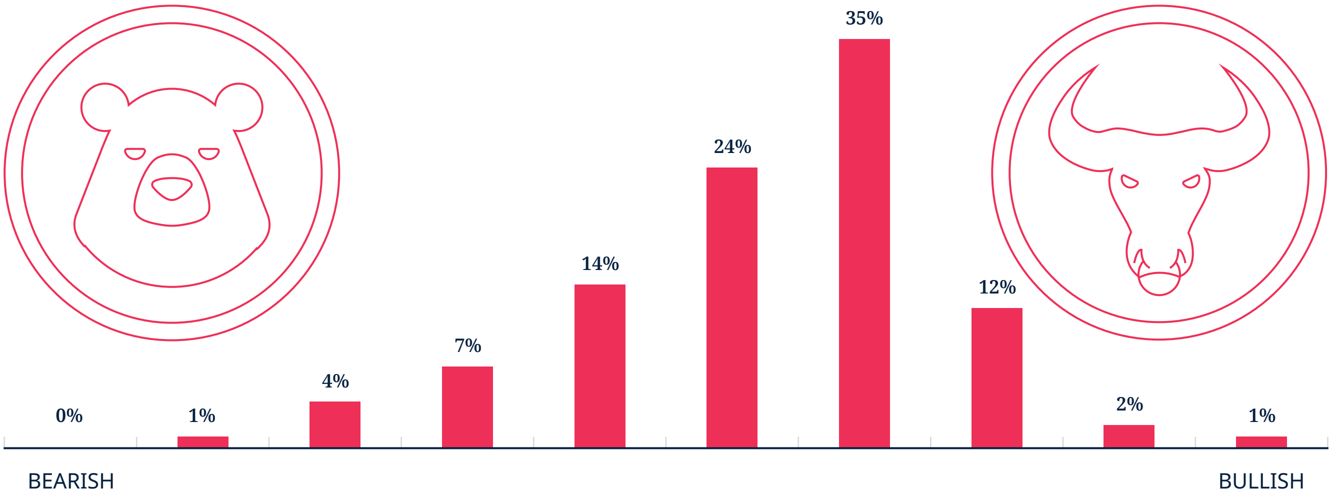
## What are you most excited about in the coming year when it comes to the commercial real estate market?

- The effect that coworking and ready-to-go space has on the national market. It has been a force in NYC and is growing in other major and secondary cities.
- Continued attractive interest rate environment, which may improve throughout the next 12 months.
- Technology in real estate, from resource management, utilization and human centric data.
- The resiliency of the US economy and disciplined underwriting in the financial system versus last cycle.
- Continued stable growth in multi-family and industrial/distribution and data centers.
- Banks selling distress and real opportunity to return to the market.
- Significantly lower interest rates, which will continue to drive activity.
- Strong industrial demand as e-commerce continues to ramp up.
- The impact of new business model innovations and new technologies on the valuation of core assets such as office, residential and hotel.
- The continued growth of multibillion dollar "unicorns" or disrupter companies as they expand across the US and globe.
- The effects of occupier trends in the CRE industry (expansion location and their effect on office and residential as they hire, warehouses for e-commerce and labs for biotech and more).

## What are you the most apprehensive about in the coming year when it comes to the commercial real estate market?

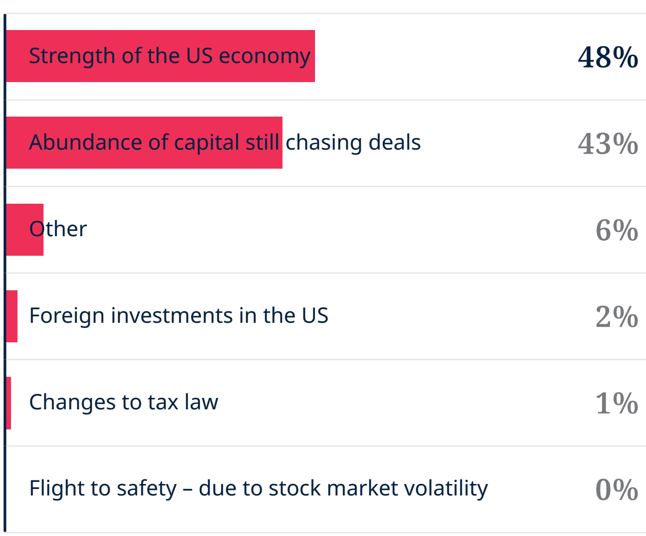
- US and global economy which appear to be nearing a tipping point.
- The amount of space that coworking continues to lease – it is a house of cards.
- Notwithstanding the low unemployment/high stock markets, in the absence of strong rental growth, it is hard to see how values and low cap rates can be sustained.
- Exogenous shocks: geopolitical conflict or war and continued flooding of coastal cities due to global warming as we enter the hurricane season.
- The coming recession and overall impact to CRE and the impact of coworking companies on the market as [I feel] it is an unsustainable business model.
- How aggressive China deals with the unrest in Hong Kong. A wholesale uprising by the general population would have far reaching effects on the global economy.
- Uncertainty and instability coupled with high property values point to a downturn.
- Too much liquidity in the debt capital markets resulting in higher leverage levels and more aggressive underwriting.
- The US economy given the trade wars, the Middle East and the election cycle, not to mention that the current expansion is the longest on record.
- Global political uncertainty will have a chilling effect on cross-border capital flows, particularly inbound to the US.

## 1. How would you describe your 12-month outlook for the US commercial real estate market on a scale of one to 10, where one is bearish and 10 is bullish?



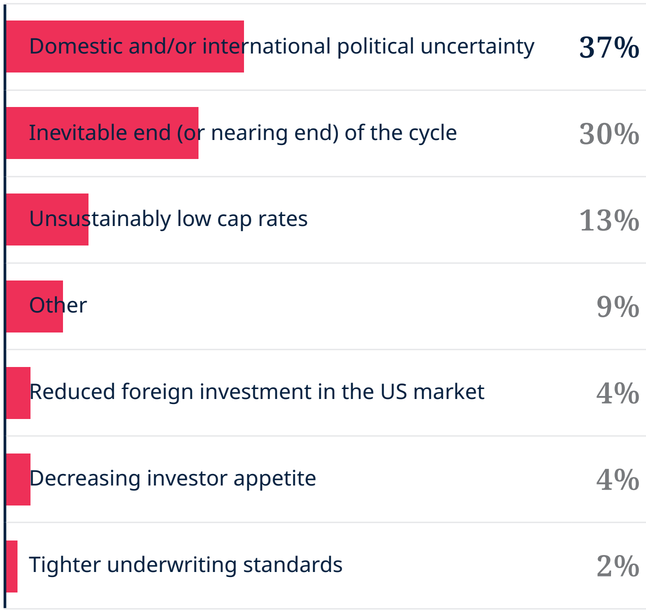

- For the first time in the State of the Market Survey's history, respondents were asked to rank their outlook on a scale from one to 10 (one being the most bearish and 10 being the most bullish). The majority of respondents cited their optimism at a six (24 percent) or seven (35 percent) on the scale. This demonstrates that while respondents are optimistic, they are being cautious in their attitude, with 38 percent feeling neutral.
- The State of the Market Survey, conducted between July and August of 2019, uncovered the first increase in bullish optimism since the 2015 report, with 50 percent of respondents describing their 12-month outlook on US CRE as bullish. This represents an increase in bullishness from the previous survey – fielded during the 2018 government shutdown – that had 42 percent feeling bullish.
- While the *Conference Board Consumer Confidence August 2019 Index* saw a slight dip from the previous month, optimism on the present market improved to its highest score since late 2000.[13]

## 2. What is the primary reason for your confidence?



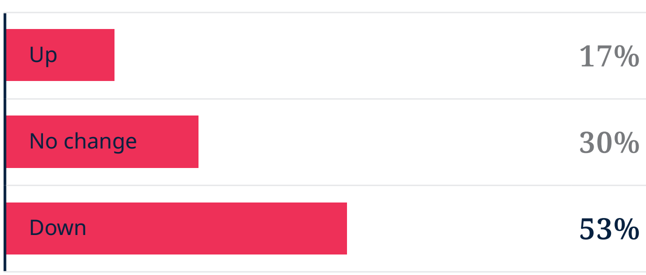

- The strength of the US economy (48 percent) and abundance of capital still chasing deals (43 percent) remain the top two reasons for the bullish outlook, although abundance of capital rated higher in the previous survey.
- Surprisingly, only 2 percent of respondents selected foreign investment in the US as a reason for confidence as 41 percent believe foreign investments in the US will continue to be strong during the next 12 months in question nine.
- Those who feel confident for other reasons pointed to low interest rates, weak alternative investments and strong absorption of new companies.

## 3. What is the primary reason for your lack of confidence?



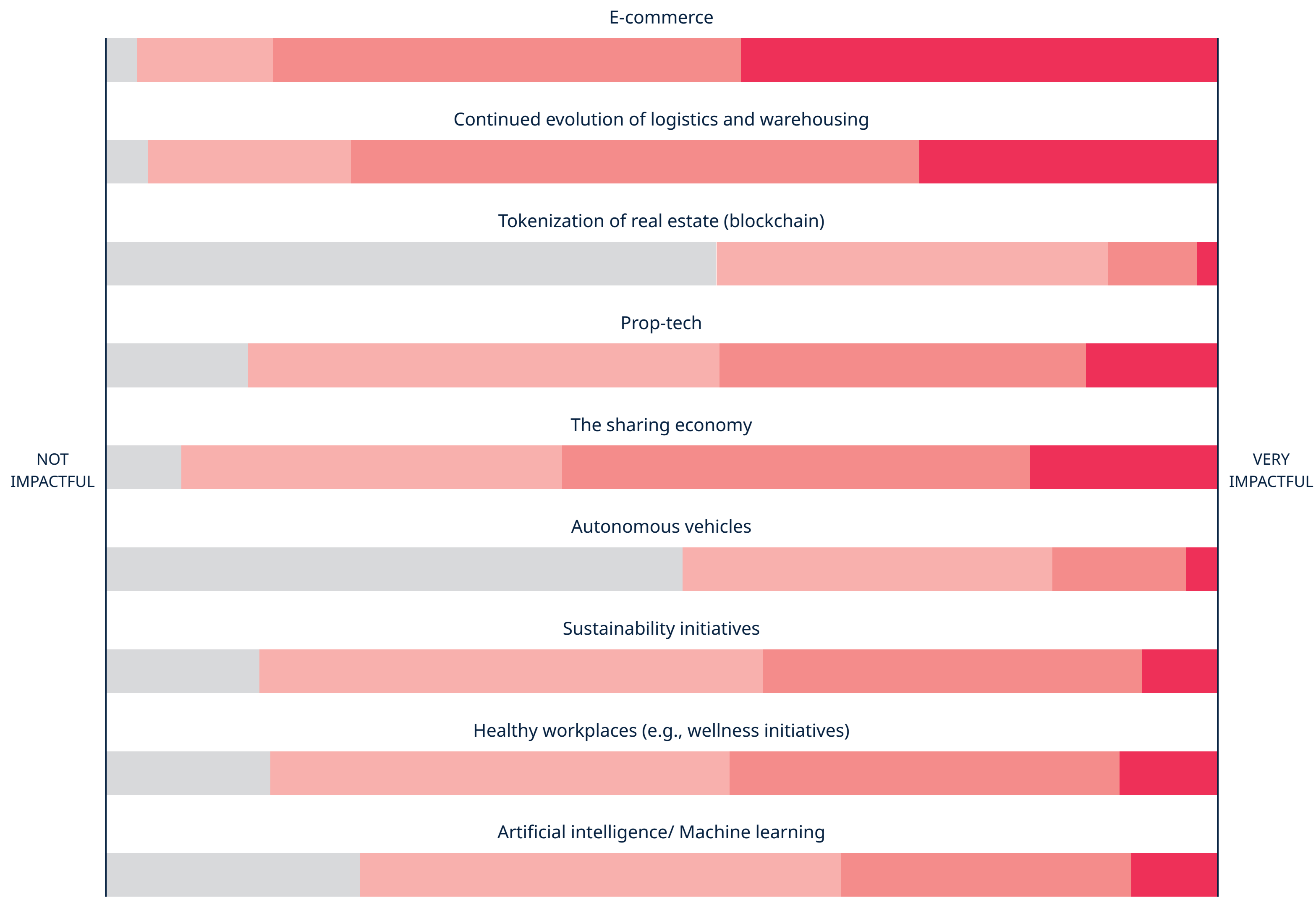

- Similar to the last survey, many of the respondents who indicate they have a bearish outlook identified domestic and/or international political uncertainty as the primary reason (37 percent, a slight increase from 30 percent). This sentiment is followed by an inevitable end (or nearing end) of the cycle (30 percent) and a similar response, unsustainably low cap rates (13 percent).
- Other concerns include an economic slowdown/recession, unrealistic pricing and a lack of underlying demand for most real estate. One respondent even noted, "All of the above."

## 4. Where do you think interest rates are headed in the next 12 months?




- Respondents of this year's State of the Market Survey have a dramatically different viewpoint on where interest rates are headed over the next 12 months compared to the last report. While 52 percent believe interest rates will decrease slightly, 85 percent anticipated a slight increase in rates in the previous survey.
- One potential cause for this shift is a change in public discourse around the economy. At the end of 2018, the US had experienced four consecutive interest rate hikes and the Federal Reserve forecasted two additional hikes in 2019.[14] However, the conversation this year has been around cutting interest rates.

## 5. Please rank each of these topics on a scale of one to four, where one means they will be “not impactful” and four means they will be “very impactful” on the commercial real estate market in the upcoming year.

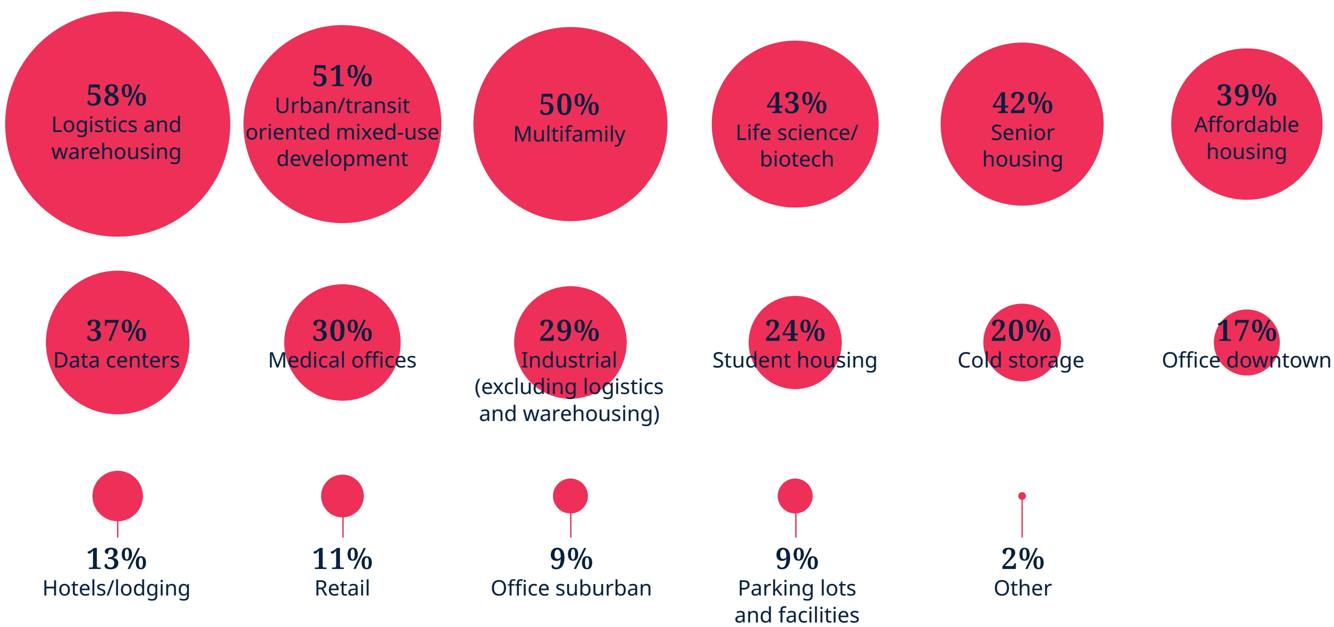



- E-commerce takes the lead in being the most impactful topic in the CRE market this year, with 85 percent ranking it as impactful. E-commerce is not only changing *the way* we shop, but also changing *where* we shop; therefore, 78 percent see the continued evolution of logistics and warehousing as impactful.
- The tokenization of real estate (blockchain) is not impactful, according to 53 percent of respondents, a surprising answer given the media buzz around blockchain. This might suggest blockchain simply remains misunderstood.

## 6. Do you anticipate using blockchain in your commercial real estate business?

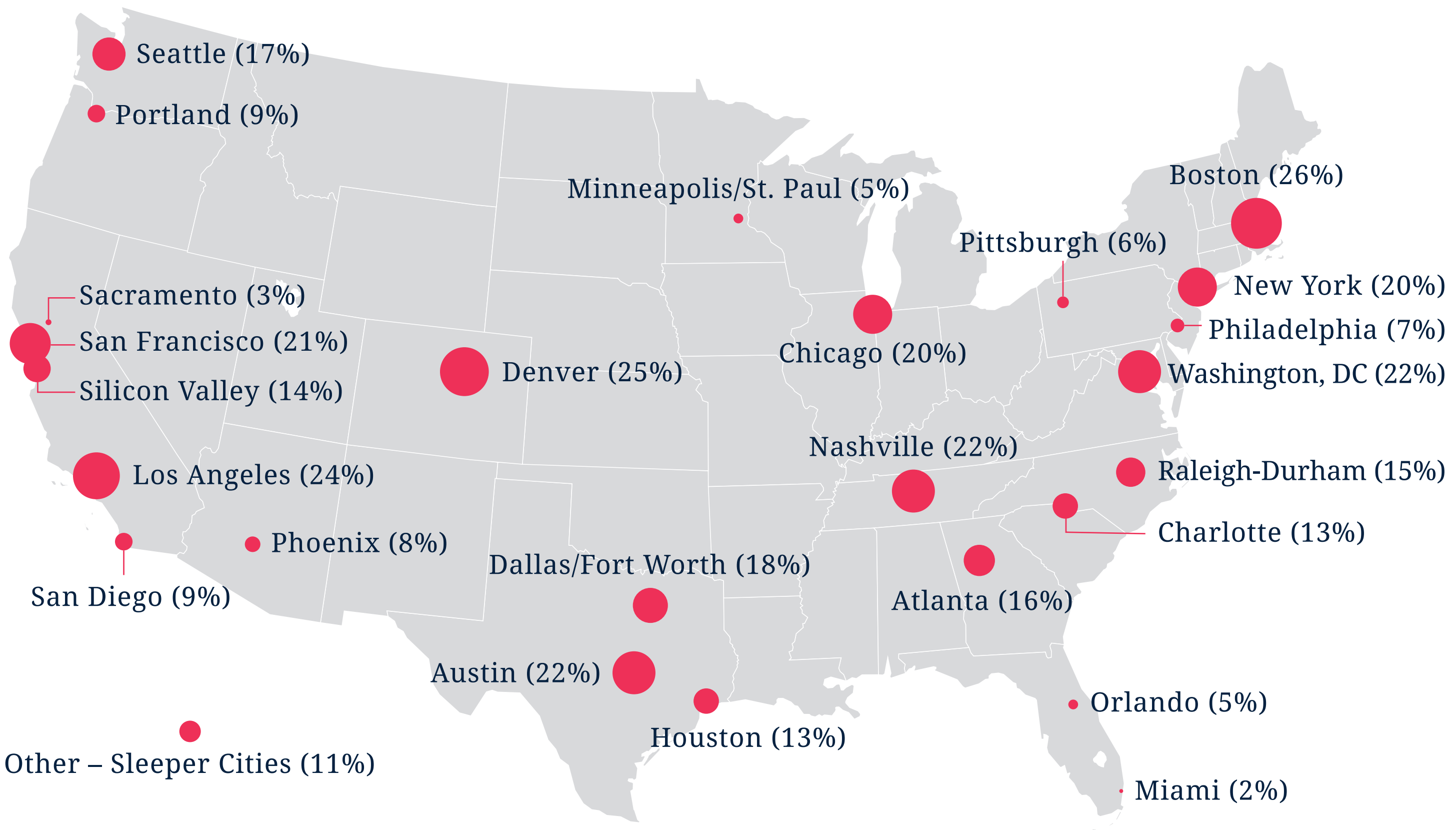

- Despite its potential to reconfigure core aspects of the industry, 42 percent of experts do not anticipate using blockchain in the near term, suggesting that there is still much to learn before it is ready for industry-wide implementation. The potential for longer term implementation of blockchain remains to be realized, though DLA Piper continues to see increasing interest from entrepreneurs and investors in the technology (across numerous sectors, including CRE).

## 7. Which asset classes present the most attractive opportunity for US real estate investors in the next 12 months? Select all that apply.



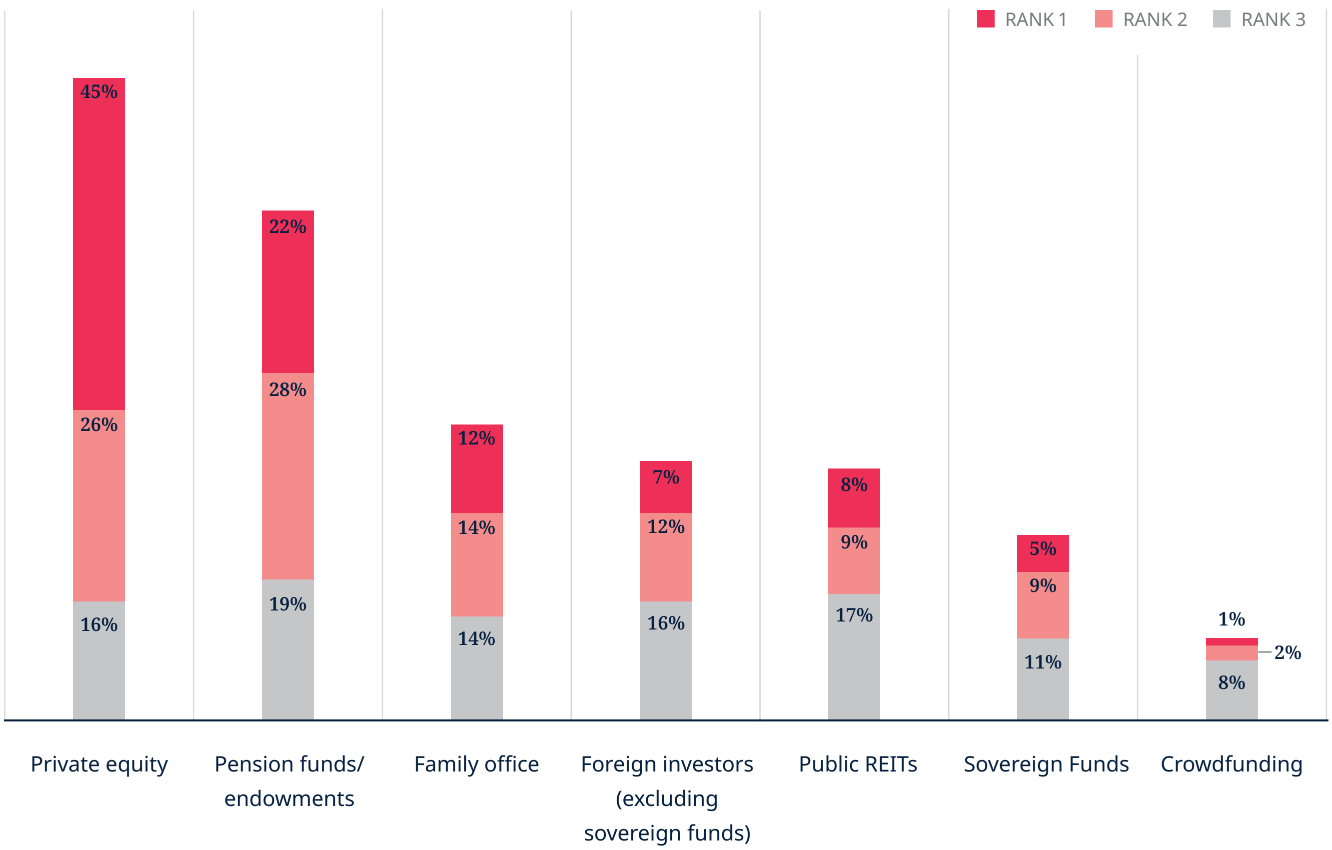

- When asked to select the most attractive areas for investors, logistics and warehousing leads the pack with 58 percent pointing to these as smart opportunities. That is no surprise as demand for warehouses continues to outpace development and shipping and delivery methods accelerate.[15]
- Urban/transit oriented mixed-use development rose to 51 percent from 43 percent from the previous survey, which reflects the importance of the consumer's experience in real estate.
- Consistent with years prior, multifamily is ranked in the top three. Multifamily as an asset class is a competitive investment because it experienced rising rents and high-income growth in the past year.[16]

## 8. Where are the top cities you will be investing in the year ahead? Select up to five.



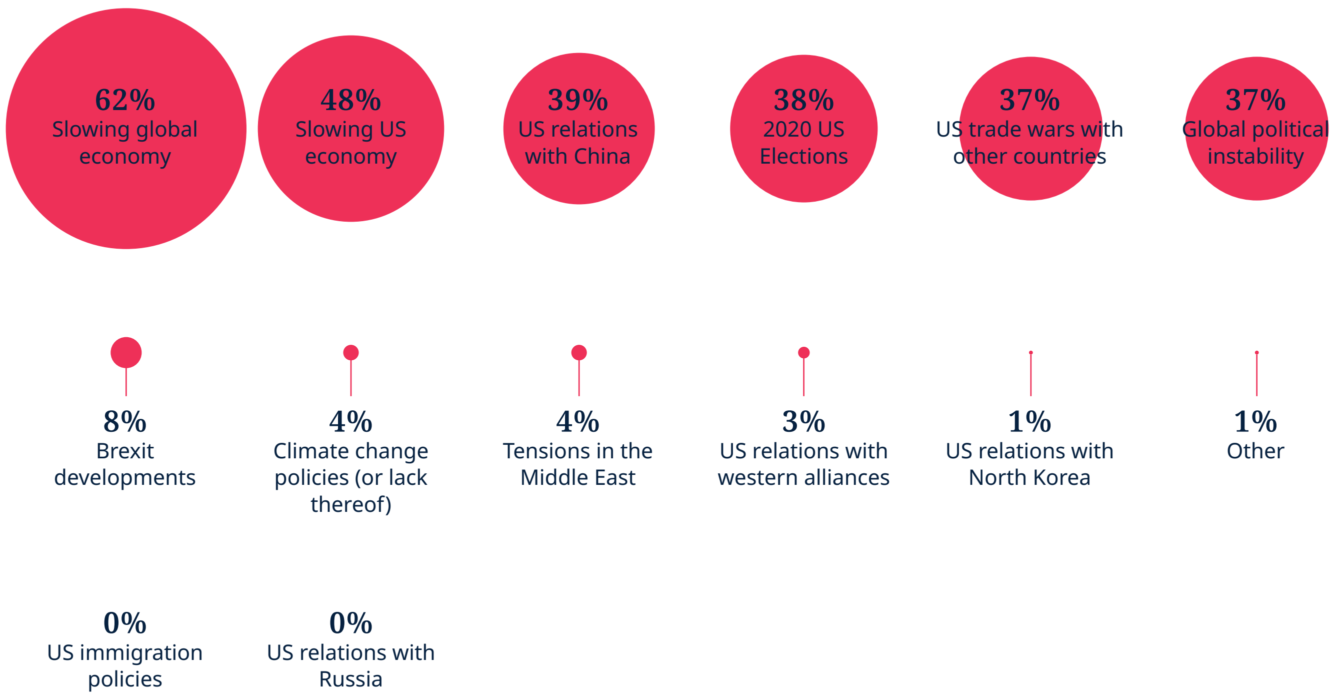

- This year, Boston is cited as the top city for investments (26 percent), an increase from placing sixth in the prior survey. Denver (25 percent) and Los Angeles (24 percent) are a close second and third.
- Tampa/St. Petersburg is the most popular write-in as a "sleeper city," followed by Salt Lake City.

## 9. What types of equity investors do you expect will be most active in the US in 2020? Rank your top three.



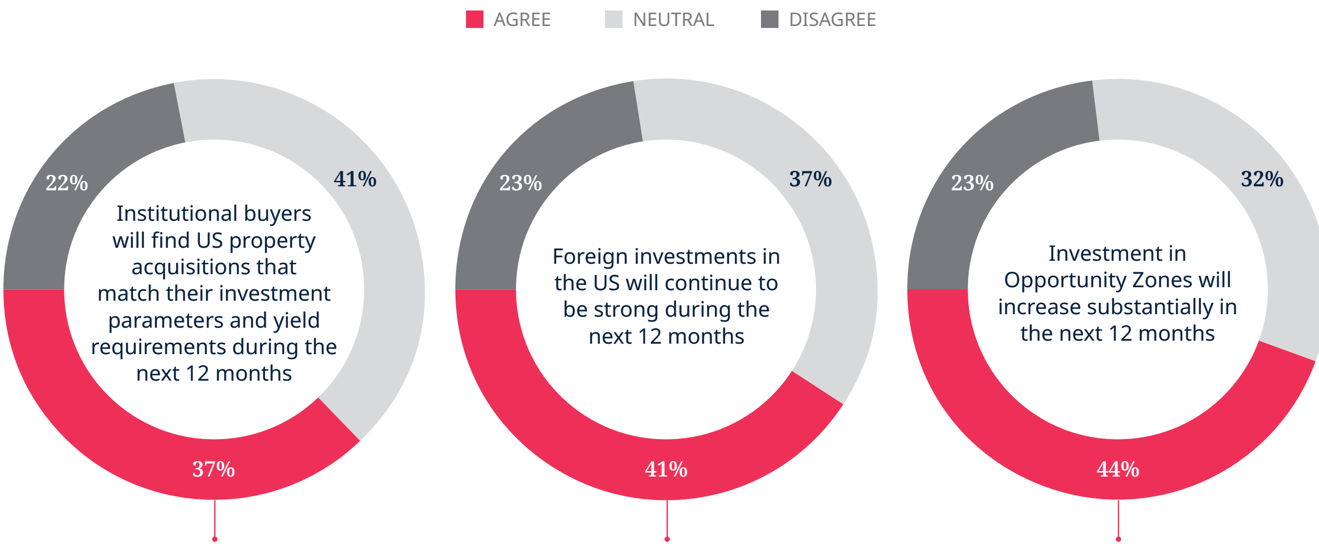

- With private equity dry powder reaching a record high of US$2 trillion,[17] 45 percent of respondents rank private equity as being the most active type of equity investors in the US in 2020.
- At 22 percent, pension funds/endowments are viewed as the second most active type of equity investors in 2020.
- Meanwhile, foreign investors are only ranked first by 7 percent of respondents. According to the Q2 2019 Real Capital Analytics *US Cross-Border Investment Compendium* released in August 2019, foreign investors purchased less than years prior and for the first time, sold more than they bought.

## 10. Which of the following factors will have the greatest impact on the global commercial real estate market? Select up to three.




- In alignment with the previous survey, the anticipated greatest impact on the global CRE market is a slowing global economy at 62 percent.
- This year, a slowing US economy dropped only 4 percentage points from 52 percent to 48 percent. *CNBC* reports findings from the National Bureau of Economic Research, which found that the US is in its longest period of expansion; however, fear that we are nearing the end of the growth cycle is causing concern.[18]
- Rounding out the top three was US relations with China at 39 percent. As the US-China trade war continues, it is posing a threat to the global economy and CRE investments worldwide, causing trepidation in the market.[19]

## 11. Listed below are statements that express a range of attitudes and opinions people may have about the real estate markets. Please indicate your sentiment on the following statements.

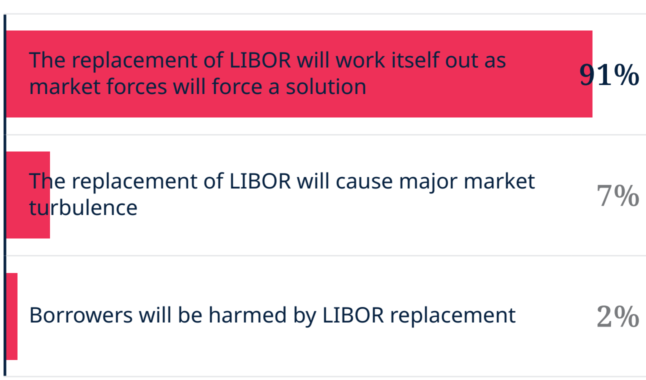



- Optimism that institutional buyers will find property acquisitions that match their investment parameters (37 percent) has fallen slightly since the previous survey, when 54 percent agreed or somewhat agreed that buyers will find their target properties and yield requirements. A neutral response in the last survey (27 percent) rose to 41 percent, indicative of an overall shift towards pessimism.

- In the previous survey, almost half (49 percent) of respondents agreed or somewhat agreed that foreign investment will be strong through 2019. That number declined to 41 percent this year, with more than two-thirds (70 percent) of respondents feeling neutral-to-positive about their outlook on foreign investments coming into the US. Though confidence fell, fewer respondents (23 percent) disagree with the statement compared to the prior survey, where 27 percent disagreed or somewhat disagreed.

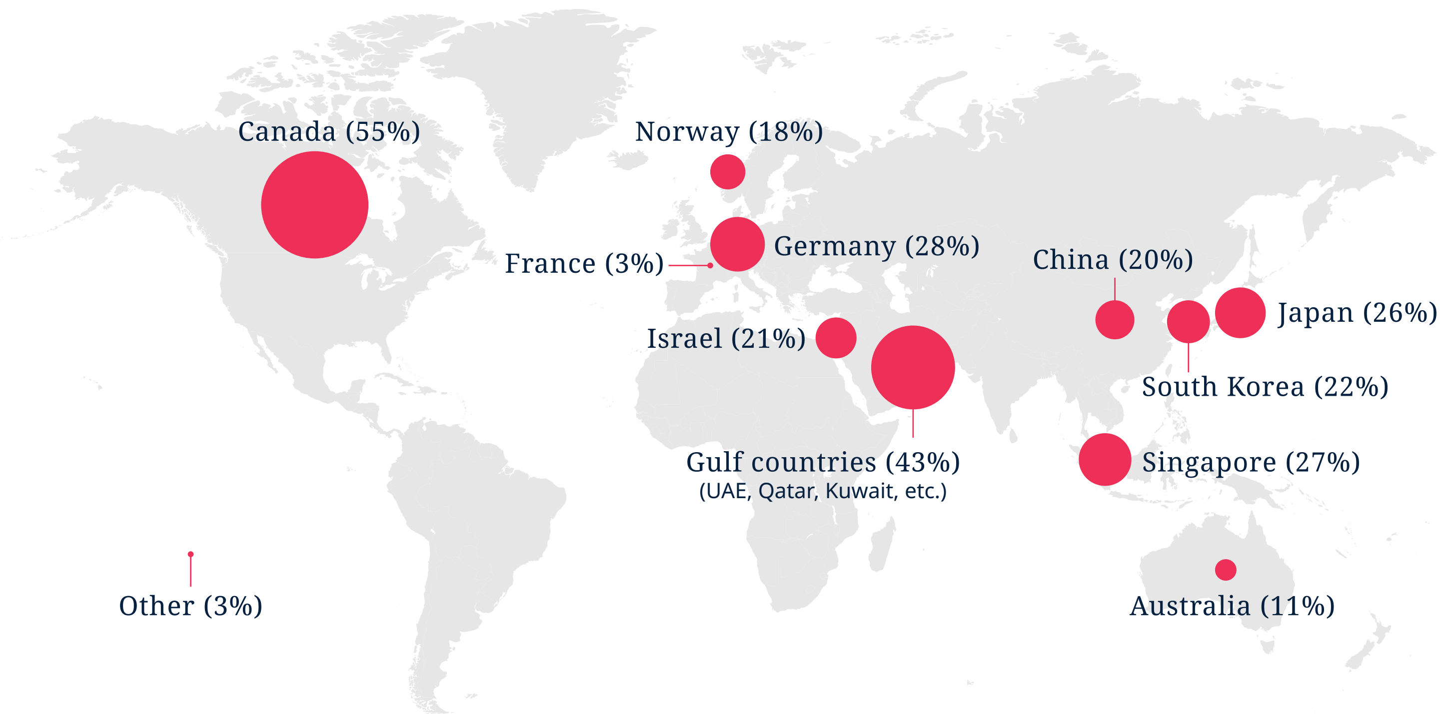
- Opportunity Zones continue to be of interest with 45 percent of respondents agreeing or completely agreeing that investment will substantially increase in the coming 12 months. The previous survey found 55 percent of respondents were likely or highly likely that they would invest in Opportunity Zones in the coming year.

## 12. Which of these statements regarding LIBOR do you agree with most?



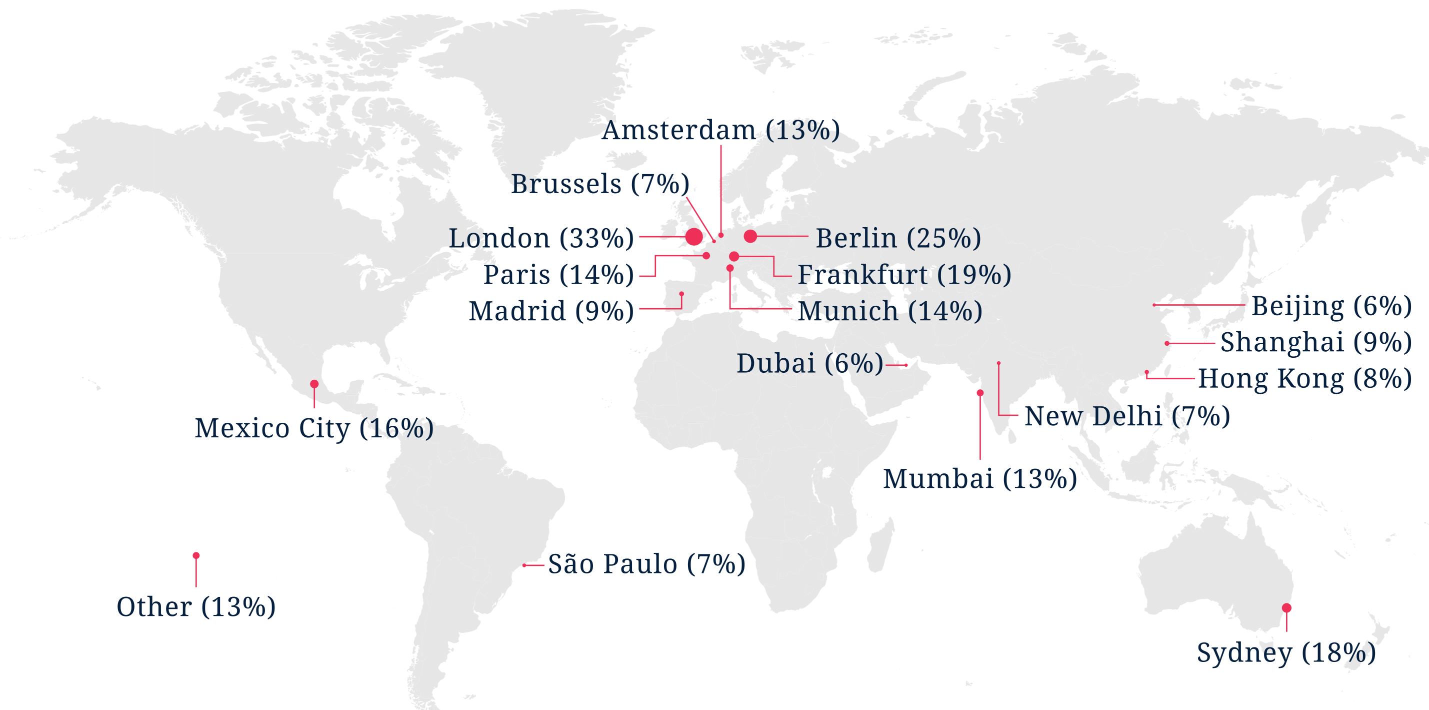

- Weighing in on the expected end of LIBOR in 2021, respondents are nearly unanimous in their belief that the replacement of LIBOR will not cause major market turbulence (91 percent) as market forces will find a solution. Leading banks have already begun to build out teams to aid the transition, which alleviated worry over the institution of a new system of measurement.[20]

## 13. Investors from which of the following countries will be most active in the US commercial real estate market during the next 12 months?




- Considering the US proximity to Canada, it is no surprise that Canada leads the pack in projected investment activity in the US in the coming year, falling only one percentage point from the last survey to 51 percent. The Gulf countries and Germany maintain their rankings in the top three, increasing by two and four percentage points, respectively.
- Beyond the leading investors in the US, the list remains relatively uniform to the last survey. The most significant movement is Japan, jumping from 14 percent to 26 percent. Japan has made significant investments in a US-based coworking company, which may have fueled this increase.
- As domestic policies and the trade war with the US stymied outbound capital, Chinese investment in global real estate hit a seven-year low in the first half of 2019.[21] Given this, it is not surprising that China held its eighth place spot from the last survey in terms of investment expectations.

### 14. Which of the following international cities are most attractive for investment during the next 12 months?




- Given respondents predict that Brexit will have little impact (per question 10 of this survey), it is not surprising to see that London remains as the number one most attractive international city for investment over the next 12 months.
- Similarly, research by JLL released in January 2019 ranked London as the largest CRE investment market in the world for the second year in a row. JLL's report found that investors favor familiar cities with well-established investment markets and high levels of transparency.
- Hong Kong (8 percent) fell dramatically to the thirteenth spot after being ranked fourth in the last survey. Anti-government protests, which began in the spring of 2019, increased in intensity during the time period that the survey was in the field, crippling the Asian financial center and igniting investor concerns. In fact, Hong Kong's government announced expectations to lower its 2019 GDP growth forecast to 0-1 percent.[22]

# Methodology

Between July 16, 2019 and August 20, 2019, DLA Piper distributed a survey via email to experts within the real estate industry, including CEOs, COOs, CFOs and others, among them real estate developers; real estate debt providers; real estate investors; and third-party brokerage, property and asset managers and other real estate professionals. The survey was completed by 180 respondents.[23] Due to rounding, percentages used in some of the questions may not equal 100 percent.

The survey coincides with DLA Piper's 2019 Global Real Estate Summit held in Chicago on September 24, 2019, which is attended by many of the executives included in the survey.

## Endnotes

1 "This is now the longest US economic expansion in history," *CNBC*, July 2, 2019

2 "Hiring Slowed in August, but Wage Gains Accelerated," *The New York Times*, September 6, 2019

3 "2018 Transaction Volume," *Commercial Property Executive*, April 29, 2019

4 *Gross Domestic Product, Second Quarter 2019 (Advance Estimate) and Annual Update*, Bureau of Economic Analysis, July 26, 2019

5 "Warning Signs Point to Global Slowdown," *The Wall Street Journal*, August 14, 2019

6 "End Of Cycle Or Not, CRE Capital Is Competitive And Ready To Deploy," Bisnow, June 19, 2019

7 "Market peak? What market peak?" *Crain's Chicago Business*, June 11, 2019

8 "The 7 Most Important Things We Learned From The Latest IRS Opportunity Zone Regulations," *Bisnow*, April 17, 2019

9 *Emerging Trends in Real Estate*, PwC, September 7, 2018

10 "Commercial Property Joins Tech Revolution as Spending Soars," *The Wall Street Journal*, July 2, 2019

11 *Global PropTech Survey* 2019, KPMG, September 19, 2018

12 *Occupational Outlook Handbook*, Bureau of Labor Statistics, June 18, 2019

13 US consumer confidence dips in August," *Reuters*, August 27, 2019

14 "Fed decision: Central bank lifts interest rates, lowers forecasts to two hikes in 2019," *USA Today*, December 19, 2018

15 "Warehouse Availability Stabilizes in Tight U.S. Logistics Market," *The Wall Street Journal*, April 18, 2019

16 "2019 Real Estate Report: How Does the Multifamily Market Look?" *Kiplinger*, December 5, 2018

17 *Global Private Equity Report 2019*, Bain & Company, 2019

18 Ibid., pp. 2

19 "Escalation in U.S.-China trade war threatens global economy, poses Trump reelection risk," *MarketWatch*, August 24, 2019

20 "Wall Street Prepares for the End of a Crucial Benchmark," Bloomberg, August 27, 2019

21 Chinese Investment Continues To Plummet On U.S. Trade War And Brexit, *Bisnow*, August 27, 2019

22 "Hong Kong leader says her government has not 'lost control' and will seek to restore law and order," *CNBC*, August 27, 2019

23 State of the Market Survey respondent demographic by region: Midwest US: 36%; Northeast US: 28%; West US: 18%; Southeast US: 12%; Southwest US: 3%; International: 3%

# Real Estate at a glance

## Recent representative matters

DLA Piper represents clients in many of the most significant recent commercial real estate transactions, among them:

- The Walt Disney Company in the real estate portion of its US$71.3 billion acquisition of 21st Century Fox, involving over 350 properties worldwide
- A pension fund in its acquisition of a 180-property US logistics portfolio and related management platform valued at approximately US$4.0 billion
- North American Properties in its US$2.5 billion residential, retail, entertainment, marina, office and hotel development project in New Jersey, one of the largest mixed-use projects in that state's history
- ASB Capital Management in the acquisition and subsequent sale of its US$1.8 billion US data center business
- Blackstone in the acquisition of a €536 million logistics portfolio in 40 locations across Cyprus, Germany, Hungary, Poland, Romania, Russia, Slovakia, Switzerland and the UK
- CBRE Global Investors in the refinancing of its logistics pan-European fund covering seven countries (France, Luxembourg, Germany, Spain, Portugal, the Netherlands and Belgium)
- Aareal Bank AG in an up to €1 billion pan-European real estate loan to Invesco Real Estate, used to refinance a portfolio of properties in France, Germany, Italy, the Netherlands, Poland, Spain and the UK, including an accordion facility
- Blackstone Real Estate Income Trust, Inc., and the underwriter, in connection with the issuance by Blackstone's first non-traded REIT of up to US$5 billion of common stock
- Harrison Street Real Estate Capital in its US$1.9 billion acquisition of Campus Crest Communities, Inc.
- Bank of Nova Scotia in the US$3.75 billion financing of the Las Vegas Sands in Macau, PRC and the US$1.25 billion financing of the Las Vegas Sands in Las Vegas, Nevada
- China Orient Asset Management in the acquisition and development of a resort in the Maldives through a leasehold structure, including entering into a BVI joint venture arrangement with a local Maldives entity
- Gaw Capital Partners in its acquisition of Ocean Towers, a 25-story Grade A office building located at People's Square in Shanghai
- Allianz Real Estate in its 50 percent stake in a portfolio of modern logistics assets in China which are owned by a Gaw Capital managed fund. The portfolio includes five projects in the areas of Shanghai, Jiaxing, Foshan, Wuhan and Shenyang
- Destination Brisbane Consortium in the development of its AU$3 billion integrated resort at Queens Wharf, Brisbane. The project will encompass a new integrated resort (including a casino), a residential development and five new hotel brands ,including a 6-star Ritz-Carlton and 5-star Rosewood and Dorsett Hotels

*"DLA Piper once again emerges from our research as the strongest firm in the world for Real Estate."*

*– Who's Who Legal*

## One of the largest Real Estate practices in the world

Over 200 Real Estate lawyers in the US

Over 500 Real Estate lawyers worldwide

## Accolades

Two-time winner of the *Chambers USA* Award for Excellence recognizing DLA Piper as the top Real Estate practice in the US

Global Real Estate Firm of the Year (*Who's Who Legal*, 2005 – 2019)

Ranked #2 as a Leading Real Estate Law Firm (*Commercial Property Executive and Multi-Housing News*, 2019)

Practice Groups of the Year, Hospitality (*Law360*, 2018)

Real Estate Team of the Year (*Legal Business Awards*, 2018)

Law firm of the year (*Property Investor Europe*, 2018)

# DLA Piper at a glance

DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific, positioning us to help clients with their legal needs around the world.

## Our clients

Our clients range from multinational, Global 1000 and Fortune 500 enterprises to emerging companies developing industry-leading technologies. They include more than half of the Fortune 250 and nearly half of the FTSE 350 or their subsidiaries. We also advise governments and public sector bodies.

At DLA Piper, we focus on the core services that our clients need us to deliver globally. Our diversified practice and sector focus allows us to work for the world's leading mature and emerging companies everywhere in the world.

## Global practice areas

- Corporate
- Employment
- Finance and Projects
- Intellectual Property and Technology
- Litigation and Regulatory
- Real Estate
- Restructuring
- Tax

## Global sectors

- Consumer Goods and Retail
- Energy and Natural Resources
- Financial Services
- Industrials
- Infrastructure, Construction and Transport
- Insurance
- Life Sciences
- Media, Sport and Entertainment
- Real Estate
- Technology

## Rankings

Global M&A deal volume for the ninth consecutive year (*Mergermarket* 2018)

Law firm for global reach and breadth of international work (*Law360* 2018)

Most powerful law firm brand in the United States (*Acritas* 2019)

Most powerful law firm brand in the world (*Acritas* 2018)

Law firm providing value for the dollar to in house counsel (*BTI Client Service A-Team* 2019)

Law firm for client service (*BTI Client Service A-Team* 2019)

Firm with superior client relationships (*BTI Industry Power Rankings* 2017)

Named one of the most innovative law firms in Europe in 2017 and North America in 2018 (*Financial Times*, Innovative Lawyers Report)

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## REALWORLD

DLA Piper REALWORLD is an online guide to legal issues in international real estate covering Europe, the US and Asia Pacific. It provides answers to the typical legal questions faced when entering overseas markets. Topics include sale and purchase, leases, real estate taxes, finance, construction, planning and zoning, and corporate structures for investments.
dlapiperrealworld.com

# Notes

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