



AMERICAN
BANKRUPTCY
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Annual Spring Meeting

Commercial Real Estate Update

Bradford J. Sandler, Moderator

Pachulski Stang Ziehl & Jones | Wilmington, Del.

Matthew Bordwin

Keen-Summit Capital Partners | New York

Craig T. Lutterbein

M&T Bank | Buffalo, N.Y.

Jennifer D. Raviele

Kelley Drye & Warren LLP | Chicago

Commercial Real Estate Market

April 25, 2025

Moderators

Bradford J. Sandler – Pachulski Stang Ziehl & Jones

Speakers

Matthew Bordwin – Keen-Summit Capital Partners

Jennifer D. Raviele – Kelley Drye & Warren LLP

Craig T. Lutterbein – M&T Bank



Commercial Real Estate Market Overview

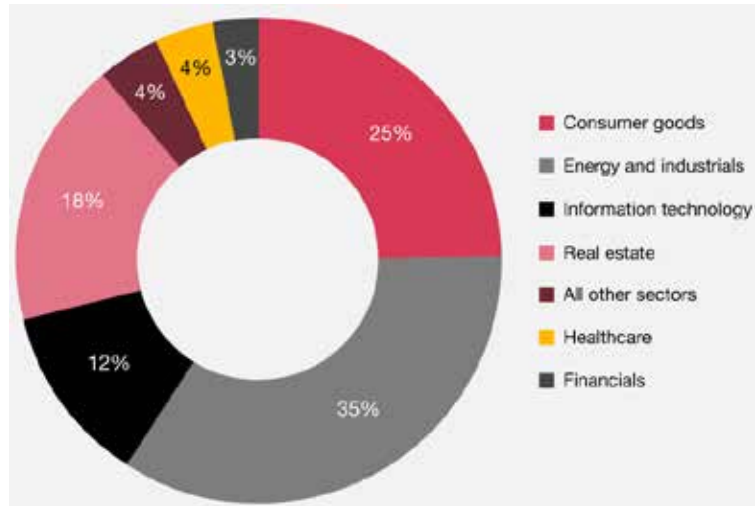


"If there's no more old business and no more new business, let's declare bankruptcy."

Chapter 11 Filings in 2024 Sector Activity

LEADERS:

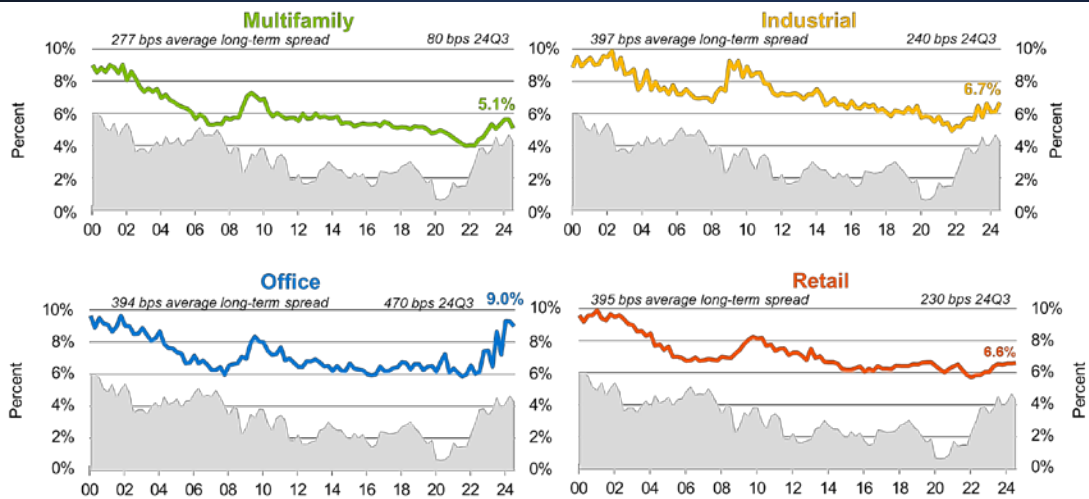
1. Consumer Goods
2. Energy and Industrials
3. Real Estate
4. Healthcare



Source: [PWC](#)

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Cap rates



Source: CoStar (Deals over \$10M; 4/5-star Multifamily over 50 units; industrial over 100,000 SF; 4/5-star office; retail deals over \$5M.)

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Sales by Property Category



Note: Niche comprises self-storage and data-center sectors

Source: [Real Estate Alert](#), Green Street, February 25, 2025

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Real Capital Analytics Commercial Property Price Indices US Commercial property price indexes, January 2025



The index has posted three consecutive monthly increases, and in January prices rose 0.5% from December, suggesting a faster annualized pace of growth of 6.5%. Since U.S. inflation peaked in mid-2022, rising borrowing costs, shifting market dynamics and evolving tenant preferences have driven uneven price paths across commercial real estate sectors.

- **RETAIL:** outperformed all property types over the past year, recording a 5.0% gain in January. The index rose 1.5% from the previous month, which when annualized suggests a larger increase for the sector of 18.9%. Retail was one of only two property sectors to post annual growth in January.
- **INDUSTRIAL:** rose 3.4% over the last year, marking the seventh consecutive month of ebbing annual growth.

Source: "RCA CPPI US Commercial Property Price Indexes" MSCI, January 2025

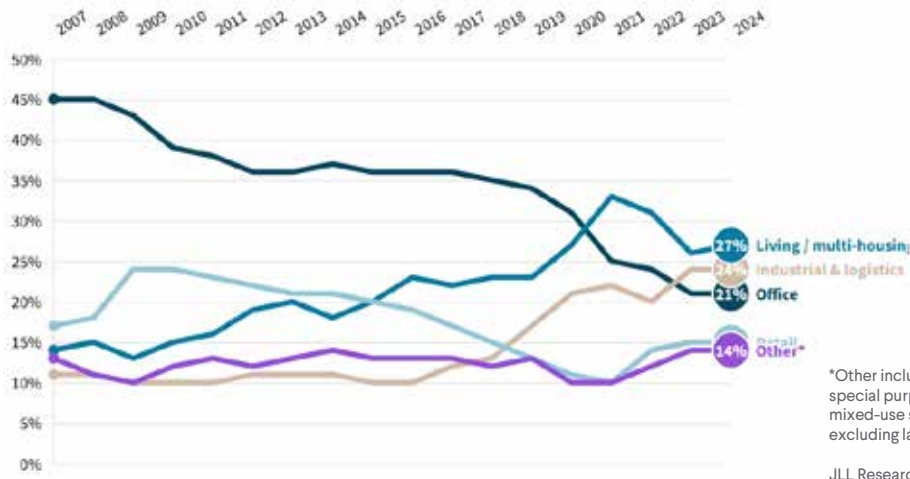
Change in RCA CPPI January 2025

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	-0.5%	-1.6%	-5.1%	-14.2%	-14.2%	7.2%
Office - CBD	-0.6%	-1.3%	-10.0%	-48.4%	-48.4%	-32.6%
Office - Sub	0.1%	-0.7%	-1.5%	-5.1%	-5.1%	18.2%
Industrial	0.0%	-0.2%	3.4%	47.1%	47.1%	107.9%
Retail	1.5%	3.9%	5.0%	15.6%	15.6%	23.8%
Commercial	0.2%	0.4%	0.5%	13.6%	13.6%	37.3%
Apartment	0.7%	1.6%	-1.6%	14.2%	14.2%	78.5%
All Types	0.5%	1.0%	0.3%	13.3%	13.3%	50.9%
6 Major Metros All Types	-0.4%	-1.5%	-4.1%	-2.4%	-2.4%	29.1%
Non-Major Metros All Types	0.6%	1.5%	0.8%	19.5%	19.5%	59.9%

- **APARTMENT:** prices dropped 1.6% in January from a year earlier and rose 0.7% from December. The 0.7% rise on the month suggests an 8.1% annualized rate of growth.
- **OFFICE:** prices continued to post the most severe declines of any property sector, falling 10.0% in January from a year ago and 0.6% from December. By contrast, suburban office prices fell 1.5% over the last year and rose 0.1% on the month. Prices in the Six Major Metros fell 4.1% YOY in January, while the Non-Major Metros rose 0.8%. The non-major areas also eclipsed the major metros on a month-over-month basis.

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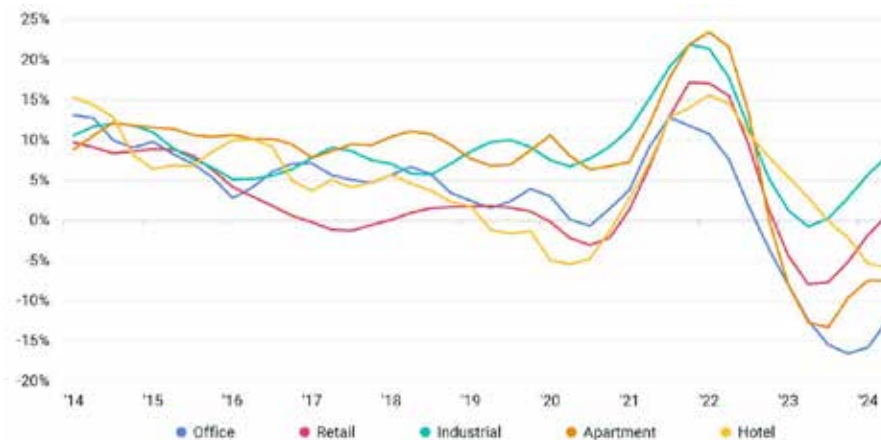
Global Real Estate Investment by Sector (%), 2007-2024 Share of total investment



Source: "Continued strength in transactions in Q4 2024; Global Real Estate Perspective February 2025" JLL Research

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US property-price declines have moderated



Annual change in RCA commercial-property price indexes (RCA CPPI). Data as of July 25, 2024.

Source: "Real Estate in Focus: Signs of Recovery After the Shocks," MSCI

- CPPI data for the U.S., which is finalized before global indexes, shows a moderation in price declines across most major property types. The industrial market weathered the interest-rate shock to pricing easily, with only modest drops in 2023, before surging into 2024 on the basis of healthy income growth and strong investor interest in the asset type.
- The office market faces stronger headwinds on both of those measures, but even there, the sharpest declines for U.S. offices came in late 2023, with the decreases moderating through midyear 2024. The overall composite index across property types for the U.S. was flat in the second quarter relative to a year earlier.
- If price declines are stabilizing, does it mean that all the storms from 2020 are in the past and smooth sailing is ahead? Not necessarily, as there are always other challenges on the horizon. In early August, fears over U.S. job growth led to concerns about a hard landing for the global economy. Such a hard landing would likely again erode demand for real estate but possibly drive lower interest rates and mortgage rates, perhaps allowing some property owners to refinance expensive loans. Still, the global commercial-real-estate markets have endured a difficult period and there were glimmers of good news in the second quarter.

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Property Prices Up More Than 3% This Year



The Green Street Commercial Property Price Index® increased 1.6% in August. The index - a measure of pricing for institutional quality properties - is up 3.3% this year.



Source: <https://www.greenstreet.com/insights/CPPI>

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Distressed Rates by Real Estate Type



Source: [Cred IQ](https://crediq.com)

From CRED iQ:

- The overall CRED iQ distress rate added 40 basis points and crossed into double digits for the first time this year at 10%. On a positive note, four of the six major property types that CRED iQ tracks saw decreases in November. The November print represents the third consecutive record high for the index. CRED iQ's specially serviced rate added 40 basis points to 9.1%. The CRED iQ delinquency rate rose from 7.2% to 7.8% in November.
- The office sector reached a new high this month as it jumped 70 basis points to 15.5%

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Commercial Property Pricing

As of February 2025, over the past twelve months, the all-property index has increased 4.5%

Green Street Commercial Property Price Index ("CPPI")



Change in CPPI Values by Property Type	Index Value	Past 12 Mos	Recent Peak
All Property	127.3	5%	-18%
Core Sector	128.2	6%	-20%
Apartment	153.4	12%	-20%
Industrial	215.9	1%	-15%
Mall	91.3	17%	-6%
Office	72.6	-1%	-36%
Strip Retail	116.4	7%	-12%
Data Center	109.7	5%	-15%
Health Care	125.4	4%	-17%
Lodging	102.5	-3%	-10%
Manufactured Home Park	278.5	1%	-14%
Net Lease	94.3	0%	-19%
Self-Storage	242.1	-2%	-23%

Source: [Green Street Commercial Property Price Index](#), as of February, 2025

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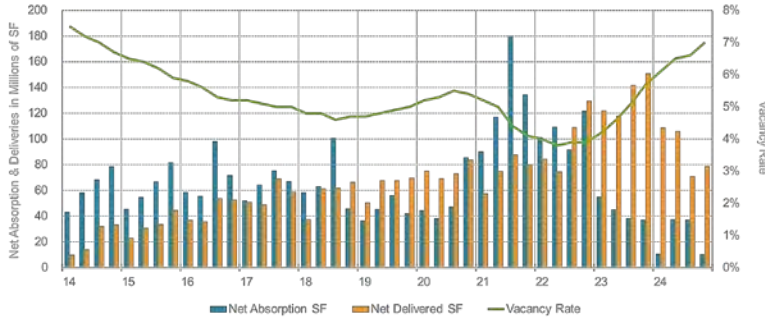
Industrial



Industrial vacancy rate rose to the highest level in a decade



Net Absorption, Deliveries & Vacancy



Source: CoStar

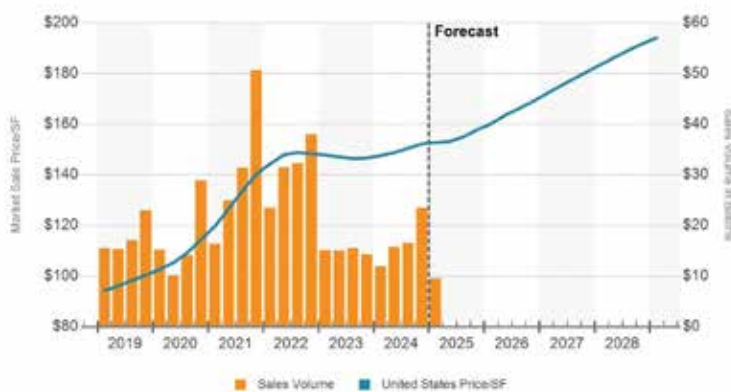
- Ten consecutive quarters of U.S. industrial vacancy rate increases have shifted market conditions more in tenants' favor and it could be another 12 to 18 months before owners have the leverage needed to raise rents at a more aggressive pace.
- Potential for the national vacancy rate to peak in late 2025 or early 2026
- Recent construction starts at 10-year lows
- Year-over-year rent growth has slowed to 2.3%, the slowest level since 2012.

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Industrial: Remains Strong



SALES VOLUME & MARKET SALE PRICE PER SF



Source: CoStar

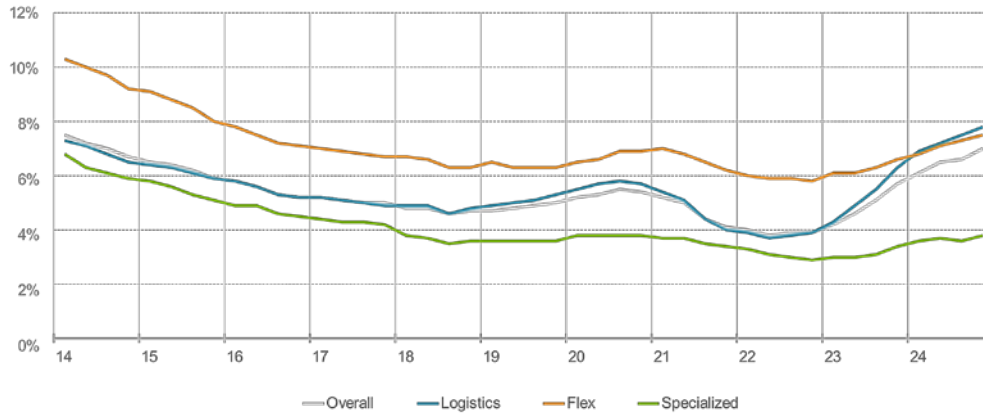
- Industrial sales topped \$65 billion in 2024, up 10% from the year prior
- Deal flow also turned around, with 11,766 transactions outpacing 2023's production by 6%

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Recent spec construction has pushed logistics vacancy higher



Vacancy Rates



Source: CoStar

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Industrial construction starts have plummeted



Under Construction SF & Construction Starts SF

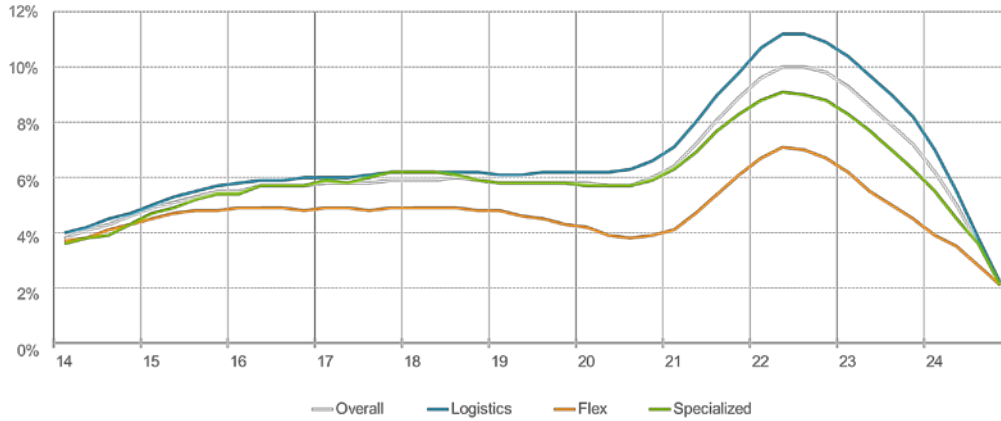


Source: CoStar

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Industrial rent growth stalls as occupancy declined

Annual Rent Growth

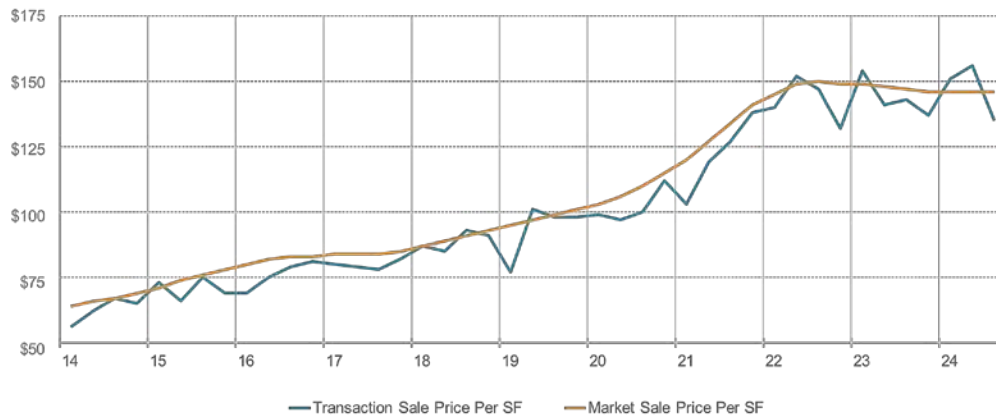


Source: CoStar

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While sales prices plateau amid higher interest rates

Transaction Price Per SF & Market Price Per SF



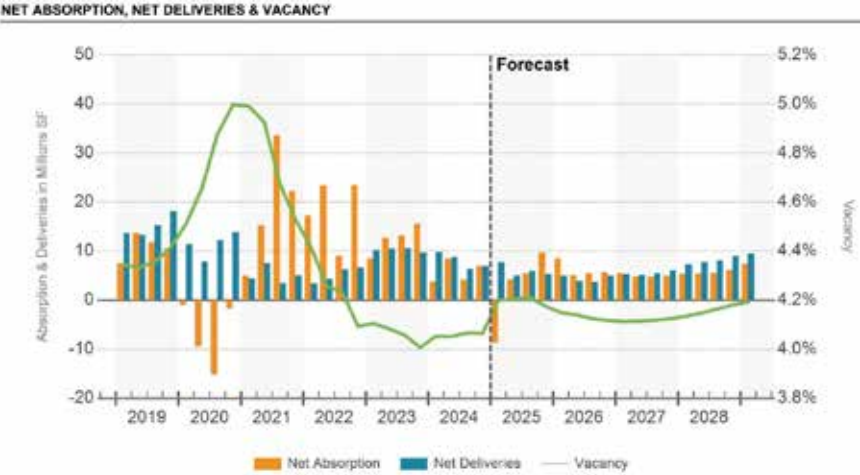
Source: CoStar

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Retail

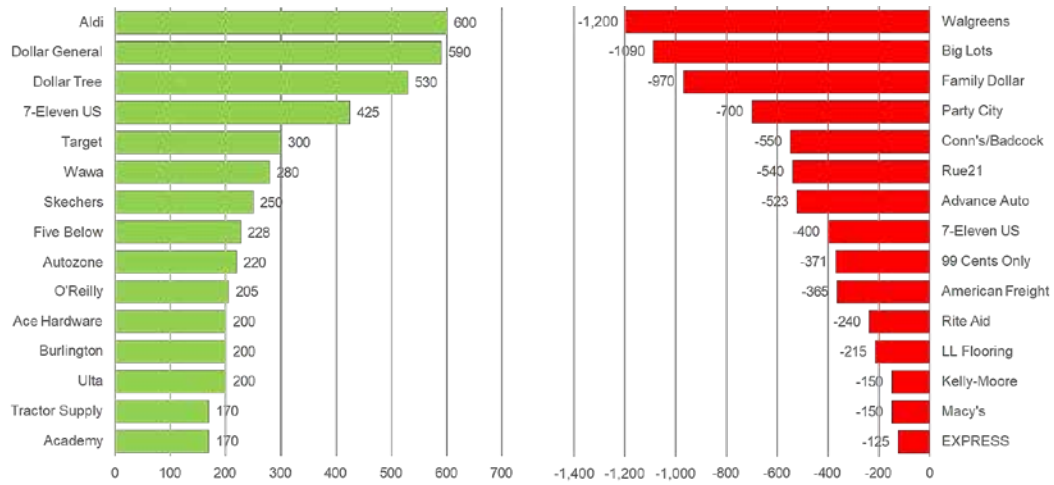


Retail



Source: CoStar

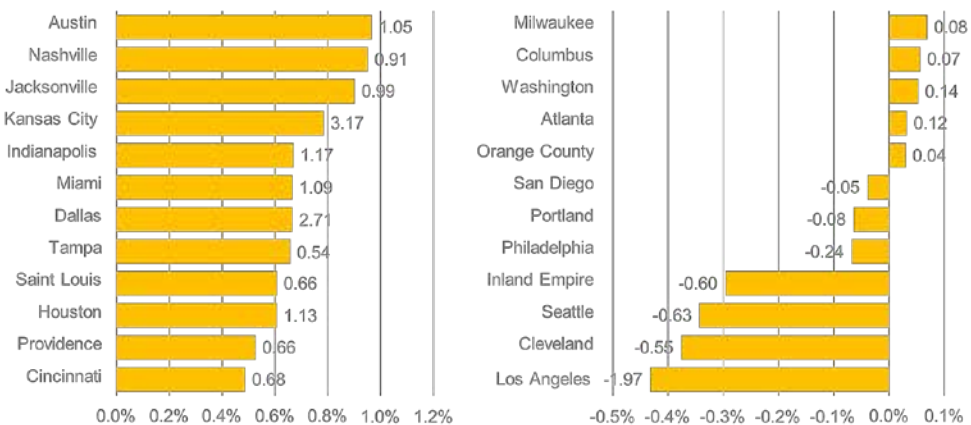
Announced store closures hit highest level since 2020



Source: Daily on Retail and CoStar
Note: Based upon openings and closing plans announced during the period regardless of the store opening or closing date

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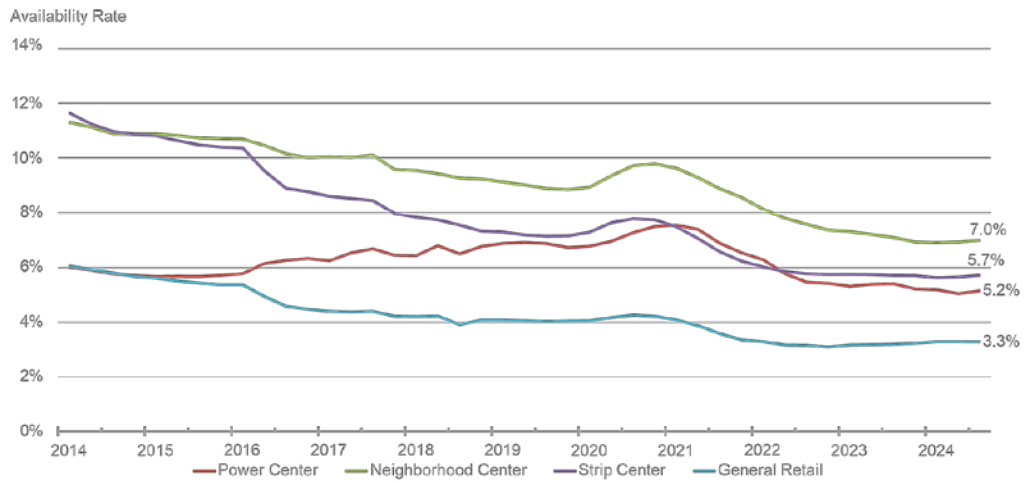
Rising tide of retail demand is no longer benefiting all markets



Source: Daily on Retail and CoStar
Note: Labels show trailing four-quarter absorption in millions of SF

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Retail Market Under Supplied



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Office



*"I told you we were in trouble financially.
Our building has been repossessed."*

NYC Rush Hour Morning Commute

Difference of 10 Months



Monday Morning NYC Subway Photo
May 6, 2024, 8:46 am
Southbound #1 Train at Cathedral Parkway Station



Monday Morning NYC Subway Photo
March 17, 2025, 8:33 am
Southbound #1 Train at Cathedral Parkway Station



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Office Buildings: In-Office Attendance Trends



BACK TO WORK BAROMETER
Weekly Occupancy Report from Kastle Access Control System Data

10-CITY DAILY ANALYSIS
Return to office rates vary significantly over the course of the week

OCCUPANCY OVER TIME - MARCH 4, 2020 TO MARCH 5, 2025



February 27, 2025 - March 5, 2025



Source: [Kastle, As of March 5, 2025](#)

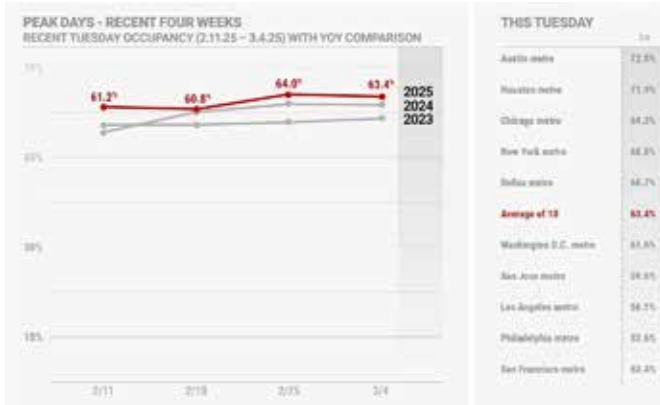
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Kastle Systems' Weekly Occupancy Data: Back to Work Barometer



PEAK DAY HYBRID INDEX

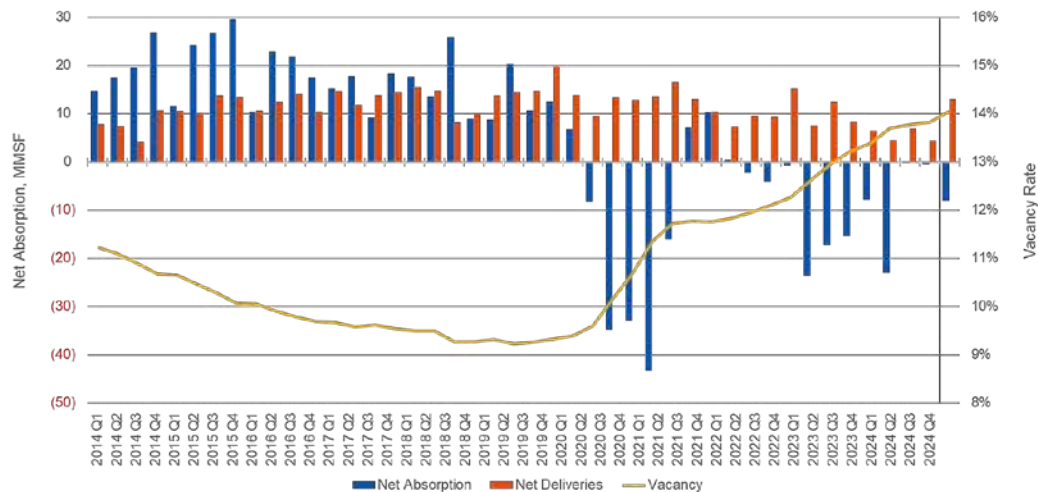
Hybrid work patters reveal office occupancy varies throughout the week and typically peaks on Tuesdays



Source: Kastle

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National Office: Net Absorption, Net Deliveries and Vacancy Rate



Source: CoStar, Year End 2024

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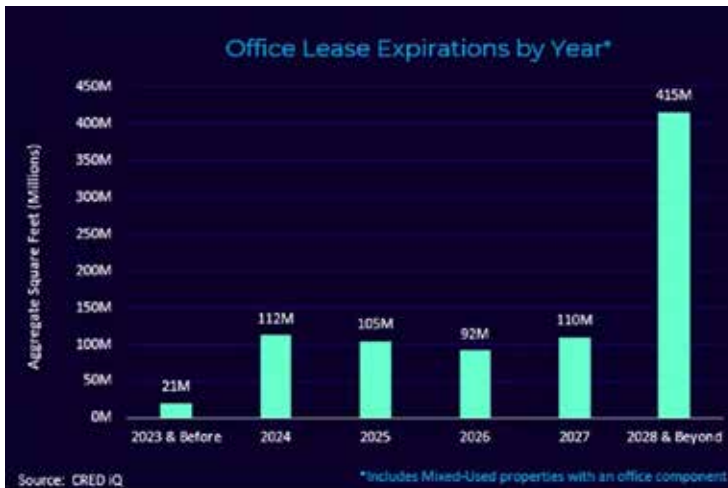
Office: Net absorption flips positive for first quarter since 2021



Source: "U.S. Office Market Dynamics, Q4 2024" JLL

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Office: Net absorption flips positive for first quarter since 2021



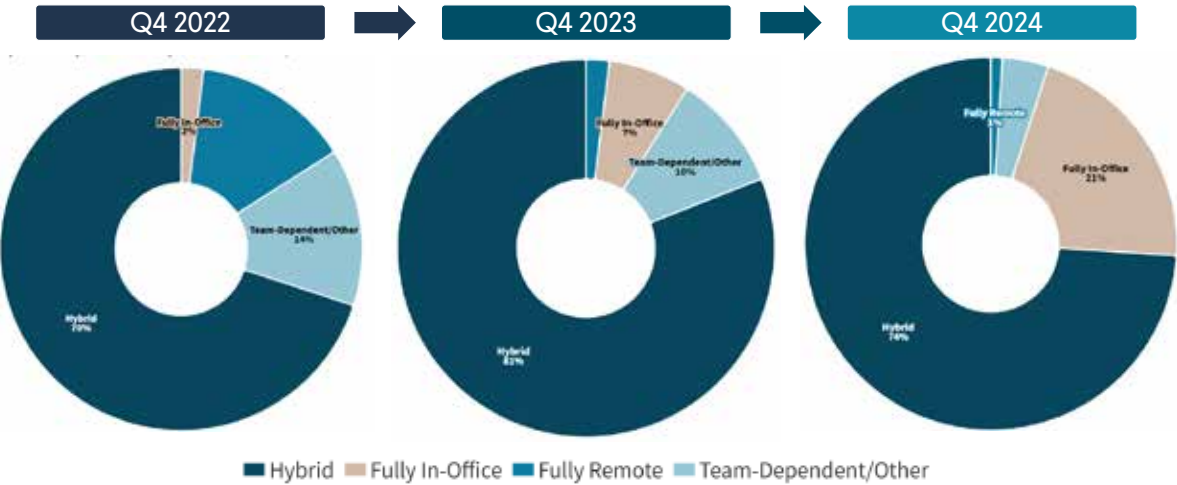
Source: "U.S. Office Market Dynamics, Q4 2024" JLL

The office sector unprecedented headwinds in 2024 and looming lease expirations were a major forecasting and risk management focus.

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Fortune 100 Office Attendance Policies

Hybrid employers still requesting more attendance



Source: "U.S. Office Market Dynamics, Q4 2024" JLL

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Office Inventory Removed

New supply will become even more scarce in 2025



Source: "U.S. Office Market Dynamics, Q4 2024" JLL

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2025 Office-to-Apartment Conversions Pipeline: 28% Growth Y-o-Y



Future apartment conversions reflect that are under construction, planned, and those currently under consideration for future development.
Source: KeenSummit's analysis of third-party data.

Keen-Summit Note:

Despite the press around office to residential conversion, the number of properties where this is even possible is a very small percentage of office properties

- The number of apartments set to be converted from office spaces has skyrocketed from 23,100 in 2022 to a record-breaking 70,700 in 2025.
- Office conversions now make up almost 42% of the nearly 169,000 apartments in future adaptive reuse projects.
- Adaptive reuse of newer buildings (built between the 1990s and 2010s) is on the rise, increasing from 1.27% of past projects to a projected 7% of future projects.
- The New York metro leads the nation in future office-to-apartment conversions with 8,310 units in its pipeline. It's followed by last year's #1, Washington, D.C. (6,533 units), and then Los Angeles in third place (4,388 units).

Source: "Record-Breaking 71K Apartments Set to Emerge from Office Conversions" RentCafe, February 10, 2025

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Future Office-to-Apartments by Metro Area



Metro Area	Office-to-Apartments Pipeline as of 2025	Change of Office-to-Apartments Pipeline (Y-o-Y)	Total Conversions Pipeline (All Building Types)	Share of Office-to-Apartments as of 2025
1 New York, NY	8,310	59%	15,710	53%
2 Washington, D.C.	6,533	12%	10,527	62%
3 Los Angeles, CA	4,388	80%	8,985	49%
4 Chicago, IL	3,606	28%	6,669	54%
5 Dallas, TX	2,725	-14%	3,451	79%
6 Atlanta, GA	2,239	57%	3,980	56%
7 Minneapolis, MN	1,873	40%	2,404	78%
8 Charlotte, NC	1,787	107%	3,260	55%
9 Cincinnati, OH	1,753	12%	2,768	63%
10 Kansas City, MO	1,676	11%	3,066	55%
11 Phoenix, AZ	1,634	19%	2,307	71%
12 Cleveland, OH	1,619	-20%	2,728	59%
13 Bridgeport, CT	1,473	71%	2,419	61%
14 Jacksonville, FL	1,418	150%	2,782	51%
15 Denver, CO	1,398	53%	2,741	51%
16 Omaha, NE	1,294	141%	1,528	85%
17 Pittsburgh, PA	1,250	54%	2,232	56%
18 Philadelphia, PA	1,232	26%	4,450	28%
19 Boston, MA	1,167	160%	3,026	39%
20 Detroit, MI	962	-10%	3,843	25%

Source: "Record-Breaking 71K Apartments Set to Emerge from Office Conversions" RentCafe, February 10, 2025

The optimal candidates for office-to-residential conversions are older, lower-end buildings with small floors (and high vacancy rates)

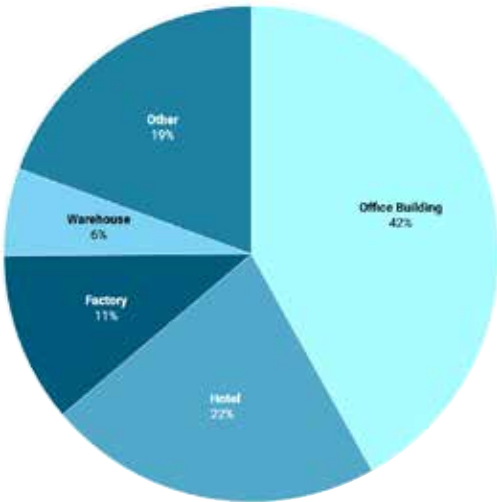
Impediments:

- Zoning and Political Impediments
- Lack of surrounding residential infrastructure (parks, schools, groceries, etc.)
- Inner-city crime
- Physical issues:
 - Non-operable windows
 - Minimal exterior exposures
 - Huge retrofit costs (related to plumbing, HVAC, elevators, electrical, etc.)

The data shows office-to-apartments currently under construction, planned or prospective.

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Share of Future Conversions by Building Category



Source: ["Record-Breaking 71K Apartments Set to Emerge from Office Conversions"](#) RentCafe, February 10, 2025

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Multi-Family



"The building has been sold. If we have any questions regarding repairs or painting, we should call our new landlord, Namaguchi Realty. In Tokyo."

Some cities and states saw major revisions to rent control laws in 2024



Some 305 localities have adopted a version of rent controls, including Los Angeles, Washington DC and NYC, where the prices of 960,000 apartments, nearly 1/3 of all housing, is price-regulated.

California Rent Control Laws

- Rent increases are limited to 5% plus the local inflation rate, or a 10% rent increase in 12 months, whichever is less.
- This applies to most residential rental properties with a certificate of occupancy 15 years or older (2009 or prior).
- Cities can create more restrictive caps.

New York City Rent Control Laws

- Property owners can now amortize up to \$30,000 of repair costs over 15 years or up to \$50,000 if the property was registered vacant in 2022, 2023, and 2024 or was previously occupied by a tenant for 25 years or longer.
- The Good Cause Eviction Law changes:
 - 30- to 90-day notices to tenants, depending on how long they have occupied the unit.
 - Rent-stabilized units must receive a lease renewal option 90 to 150 days prior to the end of a lease or be notified of nonrenewal if the property owner plans to use it for personal use.
 - Rent increases cannot go beyond 5% plus the CPI or 10% of the existing rent.
 - According to the latest rules, leases starting between October 1, 2024, and September 30, 2025:
 - Up to 2.75% increase for a one-year lease
 - Up to 5.25% increase for two-year leases
 - Under rent stabilization, you cannot have a lease beyond two years.

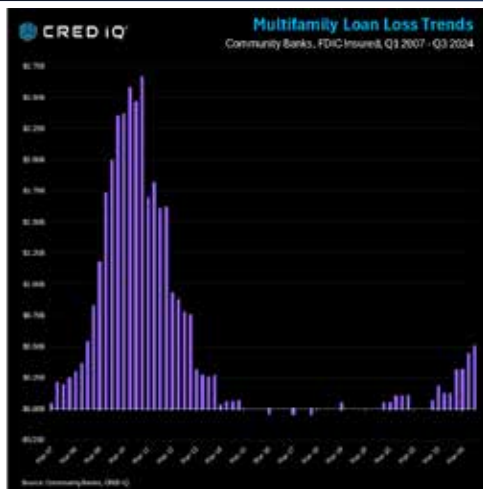
Washington D.C. Rent Control Laws

- As of 2024, rent is capped at the CPI plus 2%, or an increase of no more than 10% of the previous rent, whichever is less.
- Landlords also need to follow the cumulative two-year cap of 12%.
- The required notice for rental increases is now 60 days instead of 30.

Source: "How New Rent Control Laws Have Changed the Landscape" US News and World Report February 21, 2025;
 "Trump should put an end to rent control" Washington Examiner, March 17, 2025

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Community Bank loans dives deep into loan performance of the multifamily sector



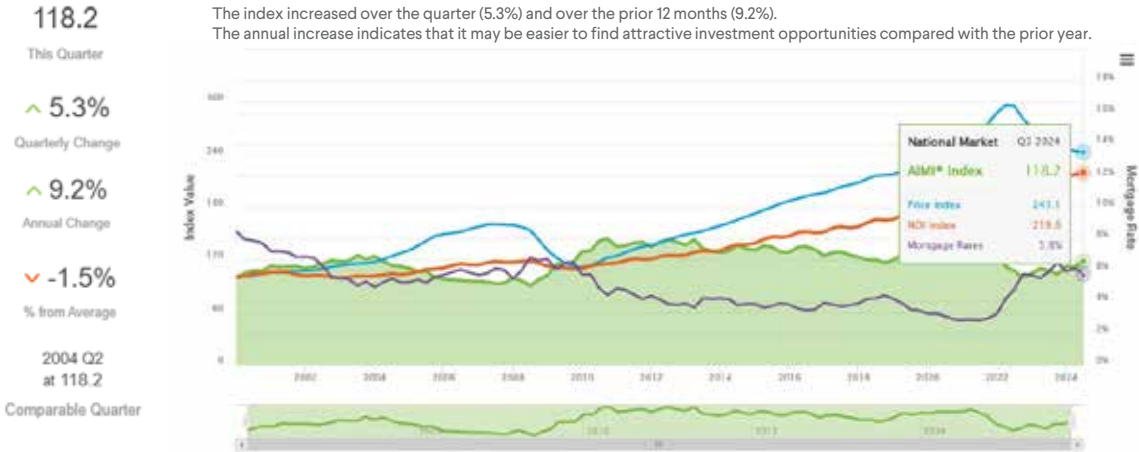
Source: [Crediq](#)

From CRED iQ:

- RED iQ's data shows that over \$6.1 billion of community bank loans secured by apartment buildings are delinquent.
- The \$6.1 billion of delinquent loans yields a 0.97% delinquency rate based on total multifamily loan amount of \$629.7 billion.
- The last time there was over \$6 billion of delinquent apartment loans held by community banks was in March 2012.
- During the peak in the great financial crisis of 2008-2010, apartment distress totaled \$12.7 billion in March 2010.
- At that time, multifamily's delinquency rate rose to 5.9%. It took about 4 years for the spike in delinquency to drop back down to less than 1.0%.

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FreddieMac Multifamily Apartment Investment Market Index (AIMI)



Source: [FreddieMac Multifamily – Apartment Investment Market Index](#)

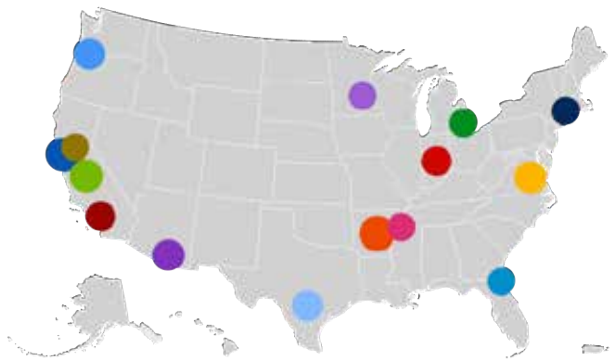
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Where multifamily construction declined most in 2024

Some of the largest declines occurred throughout California



- Among the 69 largest U.S. apartment markets, those with at least 50,000 apartment units, nearly 75% recorded a decline in construction starts



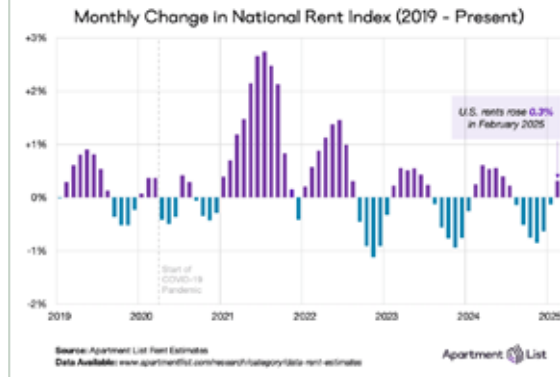
Rank	Change in Construction Starts
1 – Little Rock, AR	-100%
2 – San Francisco, CA	-92%
3 – Fresno, CA	-87%
4 – Richmond, VA	-83%
5 – Tucson, AZ	-82%
6 – Portland, OR	-77%
7 – San Antonio, TX	-76%
8 – Inland Empire, CA	-70%
9 – Indianapolis, IN	-70%
10 – Hartford, CT	-65%
11 – Detroit, MI	-63%
12 – Memphis, TN	-62%
13 – Jacksonville, FL	-62%
14 – Sacramento, CA	-61%
15 – Minneapolis, MN	-61%

Source: "Where multifamily construction activity has decreased the most" CoStar, March 17, 2025

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National Rent Report

National rent index flipped back to positive month-over-month rent growth, increasing by 0.3 percent in February following six straight monthly declines. Year-over-year growth also remains negative at -0.4 percent, but is slowly inching back toward positive territory. In dollar terms, the national median monthly rent now stands at \$1,375, up \$4 per month compared to last month, but down \$5 compared to February 2024



Rents are up 0.3% month-over-month, down 0.4% year-over-year



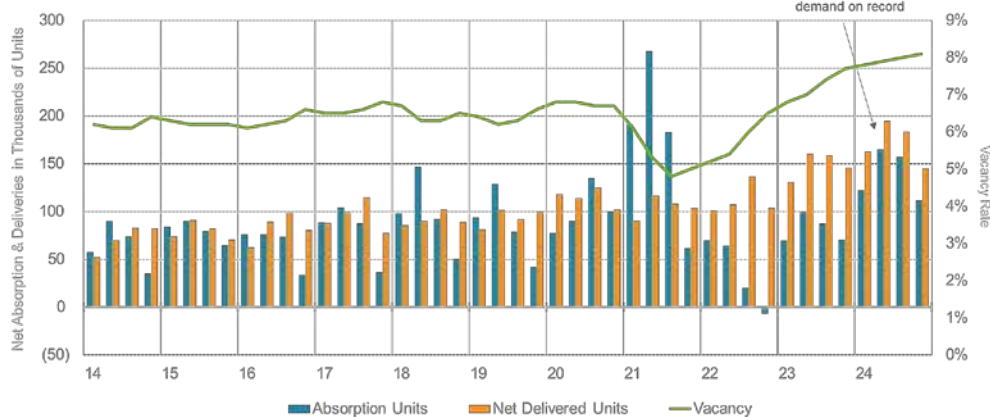
Multifamily vacancy rate hits 6.9%, a new peak

Source: "National Rent Report" Apartment List, March 2025

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Apartment supply continues to outstrip demand

Absorption, Net Deliveries & Vacancy



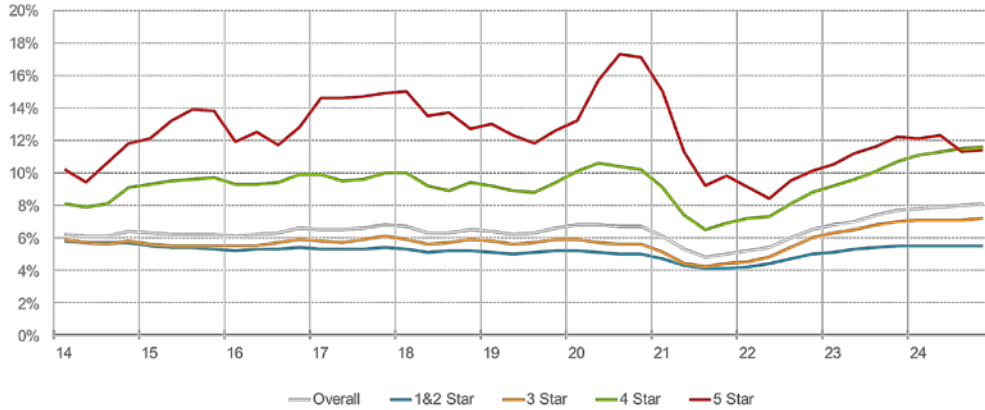
Source: CoStar

42

New supply pushes 4-Star vacancy higher; 5-Star vacancy cools



Vacancy Rates



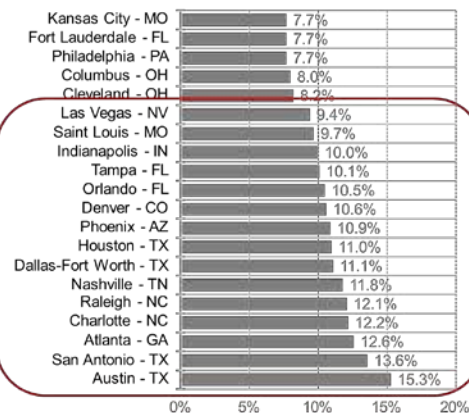
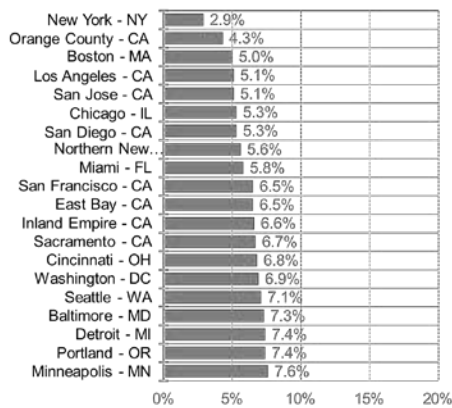
Source: CoStar

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Vacancy rates spike in Sun Belt as new supply exceeds demand



Vacancy Rate



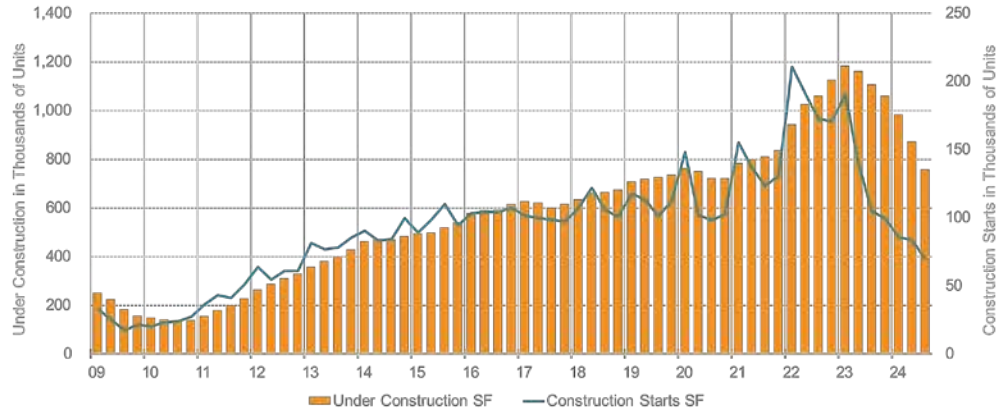
Source: CoStar

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Multifamily construction starts have pulled back sharply



Under Construction Units & Construction Starts Units



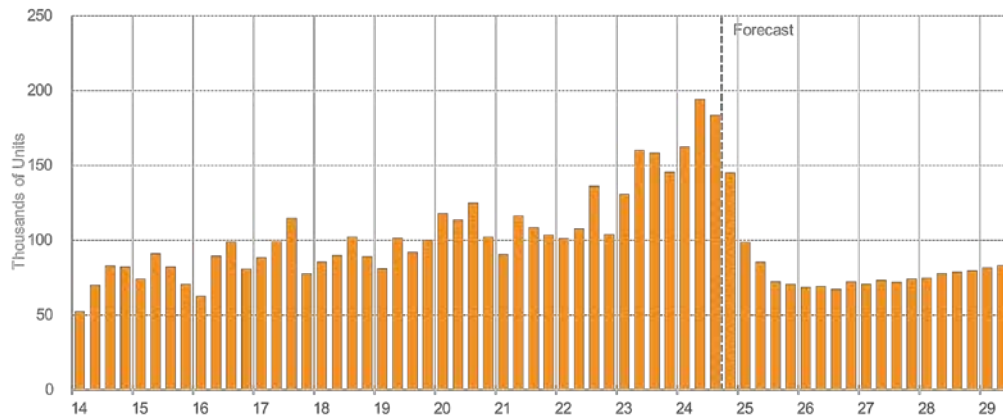
Source: CoStar

45

Which will bring relief on the supply-side in coming quarters



Net Delivered Units

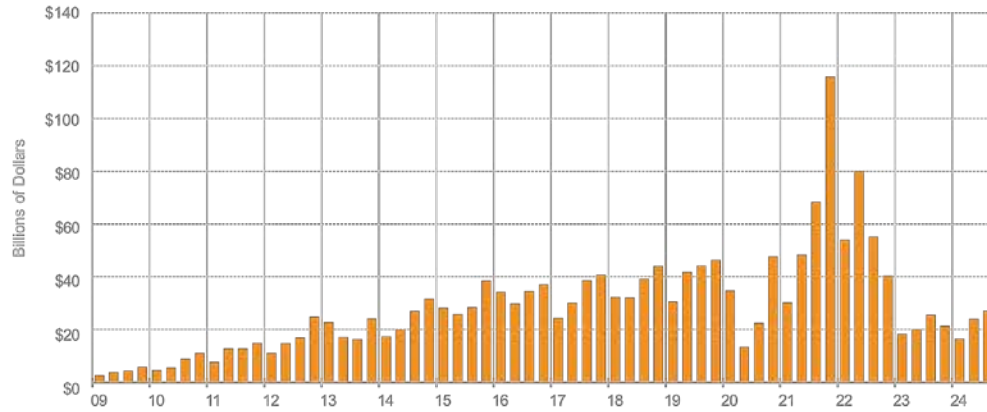


Source: CoStar

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Volume is down but capital is still willing to transact

Total Sales Volume



Source: CoStar

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Market pricing levels off as transaction prices tip higher

Transaction Price Per Unit & Market Price Per Unit



Source: CoStar

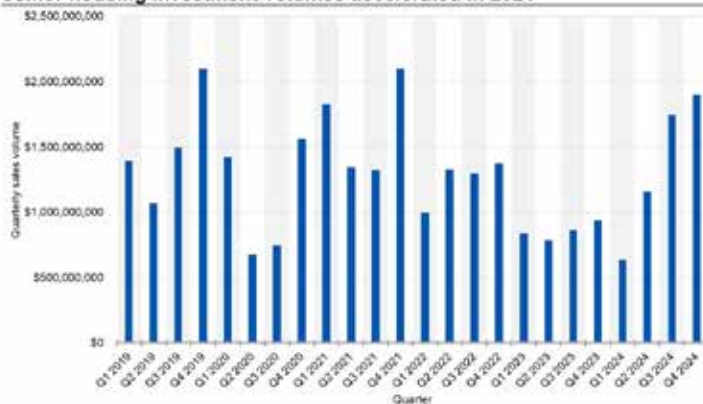
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Healthcare



Senior Housing Drivers: Demographic growth and the 'silver wave'

Senior housing investment volumes accelerated in 2024



Note: The senior housing segment includes assisted living, memory care and continuing care retirement properties

Source: "Demographics fuel surge in senior housing investment" CoStar, February 2025

Aging U.S. population and demand for senior housing =
Rising demand for seniors to relocate closer to their families.

Highlights:

- \$5.5 B in property sales in 2024
 - Q4 2024 was the strongest since 2021 (\$1.9 B)
 - \$3.5 B in property sales in 2023
 - Not as high as the all-time high in 2021 of \$6.6B
- 27 senior housing transactions in the U.S. over \$50 million, mostly portfolio deals.
 - One of the largest was Morgan Stanley's purchase of eight senior housing properties in Maryland, Pennsylvania and Rhode Island in November for \$315 million, roughly \$265,000 per unit
- Cap rates are generally higher for senior housing deals than in the multifamily space, with transactions over \$10 million typically pricing in the low-7% to mid-9% range in 2024.

Polsinelli | TrBk Distress Indices

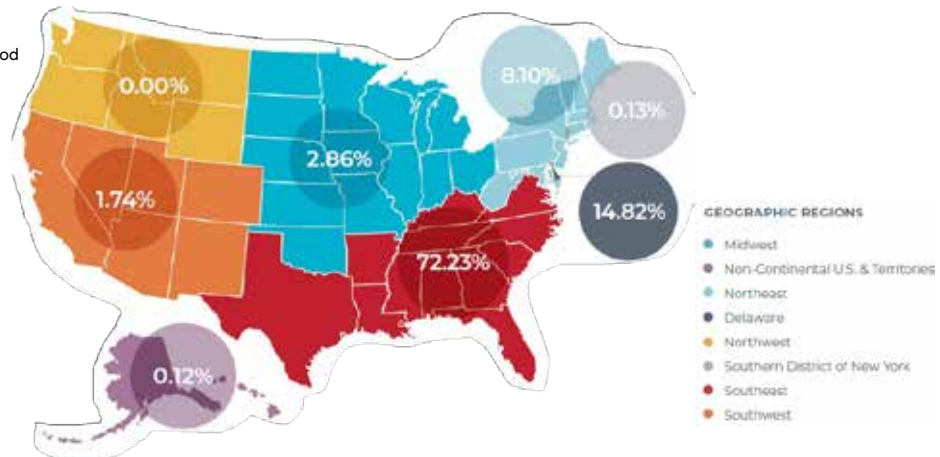
Health Care Services Distress Research Index

(subset of the Chapter 11 Distress Research Index)



Health Care Services: Distress Research Index by Geography

The percentage breakdown of index filings for the current period by geographic region is:



Source: "4th Quarter 2024 Chapter 11, Healthcare, And Real Estate Distress Indices" Polsinelli | TrBk Distress Indices" 4th Quarter 2024

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Polsinelli | TrBk Distress Indices

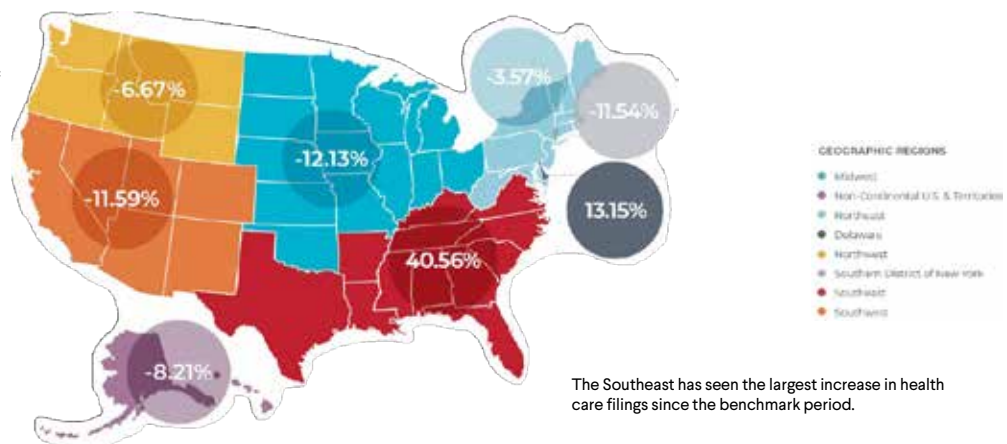
Health Care Services Distress Research Index

(subset of the Chapter 11 Distress Research Index)



Health Care Services: Distress Research Index Change in Geographic Distribution Since Benchmark Period

Looking at the difference in geographic breakdowns of index filings now versus the benchmark period of fourth quarter 2010, the relative change versus the benchmark is:



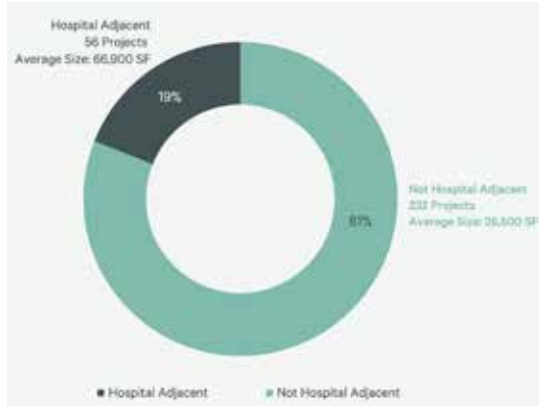
The Southeast has seen the largest increase in health care filings since the benchmark period.

Source: "4th Quarter 2024 Chapter 11, Healthcare, And Real Estate Distress Indices" Polsinelli | TrBk Distress Indices" 4th Quarter 2024

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Medical Outpatient Buildings (MOB)

Medical Outpatient Buildings (MOB) Under Construction & Hospital Campus Adjacency



Source: CBRE Econometric Advisors, CBRE Research, Q1 2024.

Source: "2025 U.S. Healthcare Real Estate Outlook" CBRE, November 12, 2024

Highlights:

- Annual MOB construction deliveries have been consistent over the past decade, demand has remained strong and is expected to increase in the near-term. CBRE expects that occupied MOB space will reach a record amount over the next year.
- The average size of a hospital-adjacent MOB is 66,900 sq. ft., allowing major healthcare centers to move outpatient services to off-campus facilities that are within walking distance of their primary hospital.
- 80% of new medical outpatient buildings are being developed farther away from hospital campuses in residential and retail districts. This allows institutional and private medical practices to bring healthcare closer to patients and can appeal to smaller and more specialized practitioners. Labor availability remains problematic for the U.S. healthcare system, contributing to a growing focus on new technologies like artificial intelligence to fulfill certain roles and help alleviate pressures on the healthcare workforce.

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Healthcare Leasing Activity

Healthcare System/Hospital Leasing Activity by Intended Use



Source: CBRE Research, Q2 2024.

Source: "2025 U.S. Healthcare Real Estate Outlook" CBRE, November 12, 2024

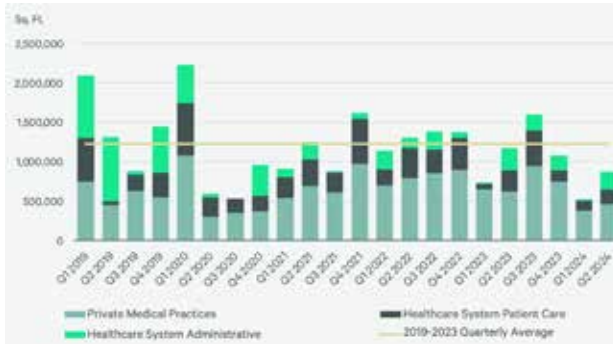
Highlights:

- Healthcare systems have accounted for 31% of all leasing activity by healthcare-related businesses since 2019.
- Large transactions for dedicated administrative space, which accounted for more than 2.2 million sq. ft. or 67 % of the total space leased by healthcare systems in 2019, dropped to 700,000 sq. ft. per year on average between 2020 and 2023.
- Conversely, space leased by healthcare systems for patient services rose from 1.1 million sq. ft. in 2019 to 1.2 million sq. ft. annually on average between 2020 and 2023.

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Healthcare Leasing Activity

New Healthcare Leasing by Occupier Type



Source: CBRE Research, Q2 2024.

Source: ["2025 U.S. Healthcare Real Estate Outlook"](#) CBRE, November 12, 2024

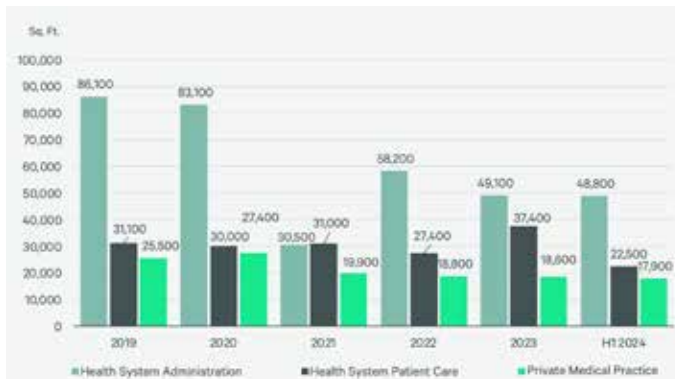
Highlights:

- Overall healthcare leasing activity remains below pre-pandemic levels, due in part to the absence of large healthcare systems signing leases for administrative space.
- Non-patient-facing operations dominated healthcare real estate requirements before the pandemic but have since been reduced due to the rise in hybrid working arrangements.
- As of Q2 2024, healthcare leasing was 72% of the 2019-to-2023 quarterly average. However, independent healthcare providers, including private medical practitioners, surgery centers and unaffiliated urgent care providers, grew their share of overall healthcare leasing.

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Healthcare Leasing Activity

Average Lease Sizes by Healthcare Occupier Type



Source: CBRE Research, Q2 2024.

Source: ["2025 U.S. Healthcare Real Estate Outlook"](#) CBRE, November 12, 2024

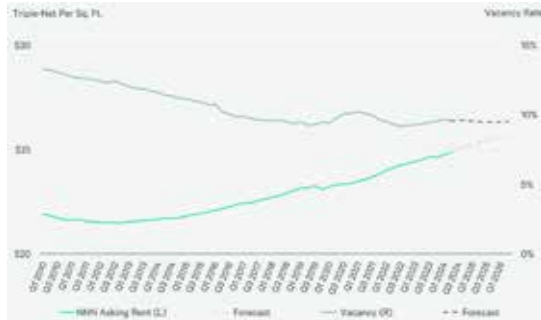
Highlights:

- Average lease sizes for administrative purposes have fallen by 37% to 53,900 from 86,100 sq. ft. in 2019.
- Downsizing has been less severe for patient-facing operations, ranging from a 5% drop for healthcare systems to a 20% drop for private medical providers.

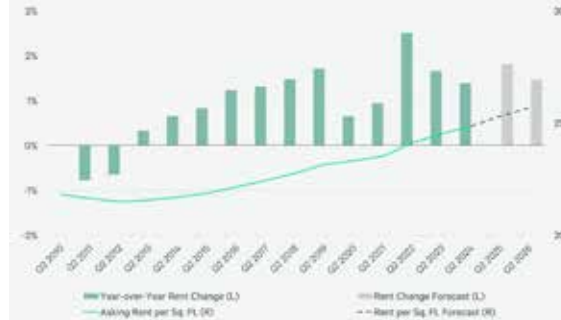
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Healthcare Supply & Demand Forecasts

MOB Average Asking Rent & Vacancy Rate



MOB Triple-Net Asking Rent



Highlights:

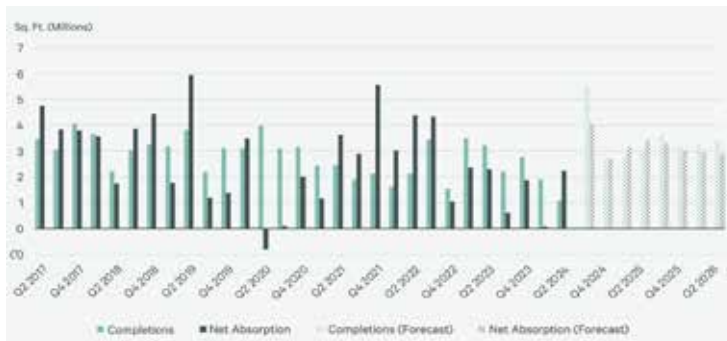
- Triple-net asking rents increased by 1.4% year-over-year in Q2 2024 to a record average of \$24.86 per sq. ft.
- Vacancy fell by 4 percentage points from 2010 to 2023 and has since been moderating.
- Rent growth of between 1.4% and 1.8% is expected over the next two years, while the vacancy rate is forecast to fall below 9.5%.

Source: "2025 U.S. Healthcare Real Estate Outlook" CBRE, November 12, 2024

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Healthcare Supply & Demand Forecasts

MOB Construction Completions & Net Absorption

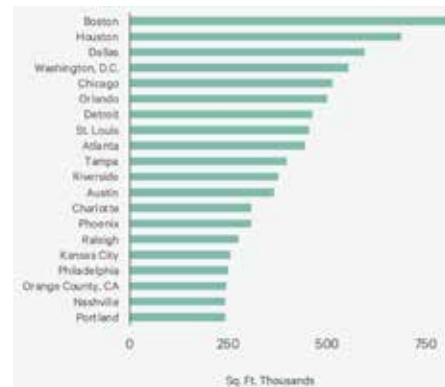


Highlights:

- Demand softened in 2023 after six consecutive quarters of absorption outpacing completions

Source: "2025 U.S. Healthcare Real Estate Outlook" CBRE, November 12, 2024

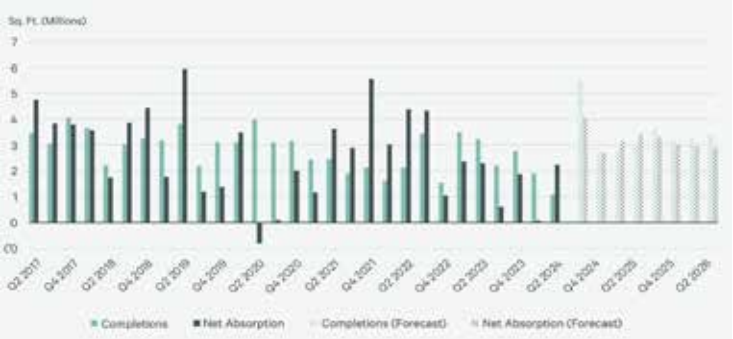
Top 20 Markets for Forecast Absorption in 2025



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Healthcare Supply & Demand Forecasts

MOB Construction Completions & Net Absorption

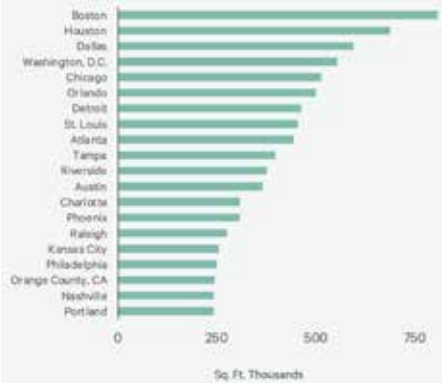


Highlights:

- Demand softened in 2023 after six consecutive quarters of absorption outpacing completions

Source: "2025 U.S. Healthcare Real Estate Outlook" CBRE, November 12, 2024

Top 20 Markets for Forecast Absorption in 2025



Concluding Thoughts

Thank You

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Jennifer D. Raviele is special counsel with Kelley Drye & Warren LLP in Chicago. For 15 years, she has helped clients around the country navigate their rights in bankruptcy and restructuring proceedings in the U.S. and abroad. In hundreds of retail and restaurant bankruptcy cases, Ms. Raviele has represented the owners and managers of shopping centers throughout the country and addressed the full spectrum of related issues, from lease assignments to rejections, from pre-packaged plans of reorganization to structured dismissals, and everything in between. Since the enactment of subchapter V in 2020, she has helped clients control their interests and assert their rights in these bankruptcy cases designed for small business debtors. She advises clients on how subchapter V cases differ from traditional chapter 11 cases, and how to protect themselves in this developing area of the law. Ms. Raviele is a member of ABI, the International Council of Shopping Centers and the National Association of Women Lawyers. She is admitted to practice in Illinois, Michigan and New York. Ms. Raviele received her B.S. from Fordham University Gabelli School of Business and her J.D. *magna cum laude* from New York Law School, where she served as associate managing editor of the *New York Law School Law Review*.

Bradford J. Sandler is a member of Pachulski Stang Ziehl & Jones LLP's Management Committee and co-chair of the firm's Creditors' Committee Practice Group in Wilmington, Del. He has experience representing debtors, committees, acquirers and fiduciaries, including receivers and trustees and other significant parties in interest in complex reorganizations and financially distressed situations, both in and out of court. Mr. Sandler's recent committee representations include Promise Healthcare, The Weinstein Co., Bon-Ton Department Stores, Woodbridge Group of Companies, Payless ShoeSource, BCBG Max Azria, Aeropostale, The Sports Authority and The Great Atlantic & Pacific Tea Co. (A&P). He also was lead counsel in the LifeCare Hospital case, which led to a substantial recovery to unsecured creditors after making a new "class skipping" law in the Third Circuit. Mr. Sandler has been listed in *The Best Lawyers in America* every year since 2013, and he is ranked among Bankruptcy/Restructuring attorneys by *Chambers USA*. He regularly speaks on insolvency topics around the U.S. Mr. Sandler received his B.S. and M.B.A. at Drexel University and his J.D. at Temple University, where he served as executive editor of the *Temple Environmental and Technological Law Journal*.