

Macroeconomic headwinds



Lending standards



Interest rates



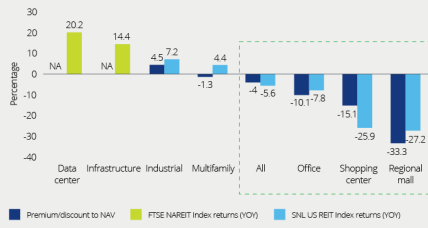
Property prices



Investor activism

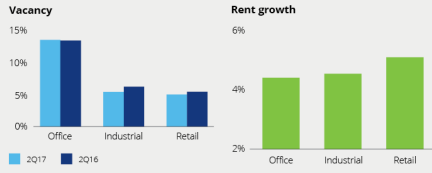
Negative returns and discounted REIT valuations

REIT valuation and returns by property type*

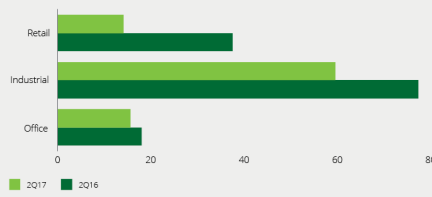


*Data center and Infrastructure returns are as of July 31, 2017 while all others are as of July 26, 2017. Source: S&P Global Market Intelligence, FTSE NAREIT US Real Estate Index Returns, NAREIT.

However, CRE fundamentals remain robust



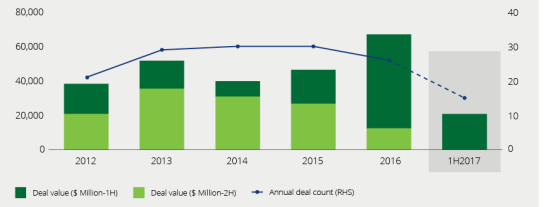
Net absorption (MSF)



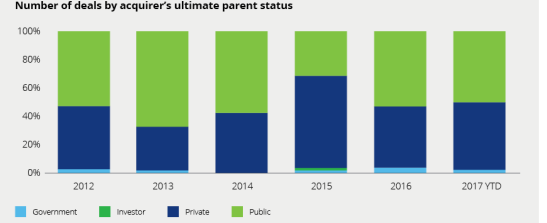
Source: Q2 2017 Office and Industrial MarketBeat, Cushman & Wakefield, US Retail Outlook Q2 2016 and Q2 2017, JLL

Active M&A market

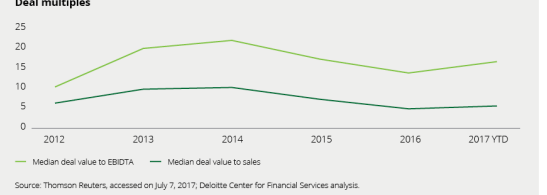
Deal value soared in 2016. 1H17 was slower than 1H16, but better than 2H16



Private acquirers give equal competition to public acquirers in 2017



Median deal multiples started to rise in 2017 after declining in the last two years



Source: Thomson Reuters, accessed on July 7, 2017; Deloitte Center for Financial Services analysis.