

Nontraded REIT Sales Decline to Less than \$11 Billion During 2015

According to the latest Q3 Nontraded REIT Industry Review report from Blue Vault Partners, "It now appears unlikely that industry sales for 2015 will exceed \$11 billion." The six new nontraded REIT offerings so far in 2015 do not appear to be raising capital at a pace that could reverse the recent trend, the firm says, "and the new shareholder statement rules due to be implemented in April, 2016, could be dampening sales."

The company's Q3 report notes that the volume of property acquisitions by nontraded REITs fell below that of the second quarter of 2015 as a total of 185 properties were purchased for an aggregate acquisition price of \$3.69 billion, a drop of 42 percent below the second quarter total of \$6.31 billion for 253 properties. "At the end of the quarter, all nontraded REITs had \$5.35 billion in cash on their balance sheets with which to fund acquisitions, and among effective REITs this total was \$1.43 billion, down from \$2.57 billion in cash among the open REITs at year-end 2014," the report says.

Property dispositions for all nontraded REITs, the report said, totaled \$534 million for 3Q 2015, down from the \$1.83 billion in 2Q 2015, and below the average quarterly totals for 2014 of \$1.63 billion.

The six most active REITs in terms of dispositions accounted for 77 percent of the industry total in 3Q 2015 and two REITs, Hines REIT and CNL Growth Properties, accounted for 49 percent of the total with just three property sales.

Check back with The DI Wire for more from this report including who the six most active REITs were in terms of dispositions and acquisitions. [To read part one, click here.](#)