

2018 Top Development Firms

Development Grows To Cycle Highs

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The U.S. economy is not only in the midst of its longest expansion since World War II, it is also in the process of reinventing itself through new technologies and a generational shift in the workforce. Throughout the current cycle, Millennials have driven and influenced growth, as well as design and location of new commercial and multifamily real estate. Gone are the days of CBDs dominating the office market while suburban areas control the residential market. Commuters in the hottest up-and-coming markets frequently travel in both directions, seeking the best environment for a growing live-work-play balance and lifestyle.

Office development is expected to peak in 2018 and will likely begin a slow leveling out in the coming years. While absorption has been strong and office-using employment continues to outpace overall non-farm payroll growth, secular trends such as coworking and a declining square foot per person have caused some office developers and investors to be extra cautious at this point in the cycle.

In today's gig economy, mobility and speed have become increasingly important. The emergence of e-commerce has completely changed the industrial real estate industry, and despite significant new development across most markets, demand continues to outweigh supply and absorption is rapid. Millennials are also known for their desire and willingness to relocate, and coupled with the migration of retiring Baby Boomers, that has caused self storage demand to skyrocket. The ensuing supply response has been significant, and many markets are seeing a readjustment of rents, but the long-term demographics of demand appear strong for the storage industry.

While supply levels in most asset classes are reaching a cycle peak, we don't anticipate a crash as much as a continued plateau of new supply followed by a slow and steady return to mid-cycle levels.

Rank	Company Name	Completed 2015-17 (SF)	Under Construction as of 6/30/18 (SF)	Regions	Property Sectors
1	Trammell Crow Co.	34,541,026	37,714,142	E, M, S, W	O, I, R, M, H, He, X
2	Hines	20,925,390	36,629,871	E, M, S, W, I	O, I, R, M, H, He
3	Related Cos.	7,000,000	28,200,000	E, M, S, W, I	O, R, M, H, X
4	Tishman Speyer	19,200,000	26,200,000	E, M, W, I	O, M
5	Duke Realty	25,605,808	12,336,836	E, M, S, W	I
6	The Related Group	4,518,345	12,358,014	S, I	R, M
7	Lincoln Property Co.	8,991,582	4,196,831	E, M, S, W, I	O, I, M
8	Majestic Realty Co.	14,260,000	6,450,000	E, M, S, W, I	O, I, R, H
9	The Wolff Co.	3,480,347	5,532,636	S, W	R, M
10	Liberty Property Trust	13,084,798	6,745,280	E, M, S, W, I	O, I
11	BlackRock	3,845,292	2,941,621	E, M, S, W, I	O, I, M, X
12	Gables Residential	2,873,900	2,592,996	E, S, W	R, M
13	McCraney Property Co.	4,176,533	6,016,344	E, S	I
14	PN Hoffman	1,045,440	2,178,000	E	O, R, M, H, X
15	Bozzuto Development Co.	4,000,000	2,275,000	E, S	R, M, H, X
16	Vulcan	1,063,552	2,336,000	W	O, R, M, X
17	MCR	6,500,000	600,000	E, M, S, W	H
17	Post Brothers Apartments	1,789,000	1,989,000	E	R, M
17	Transwestern Development Co.	13,100,000	7,500,000	E, M, S, W	O, I, R, He
20	The Michaels Org.	5,434,806	3,176,262	E, M, S, W	O, R, M
21	Kearny Real Estate Co.	1,631,373	16,557,860	W	O
22	EastGroup Properties	6,786,000	2,007,000	E, S, W	I
23	Concord Hospitality Enterprises	2,863,062	1,317,532	E, M, S, W, I	H
24	Flaherty & Collins Properties	2,682,643	2,528,094	E, M, S	O, R, M
25	Block Real Estate Services LLC	3,279,484	1,468,633	E, M, S, W	O, I, M, He
26	BRIDGE Housing	2,165,865	996,198	W	M, X
27	RD Management LLC	3,458,265	3,147,674	E, M, S	R, M, H
28	Hunt Cos.	8,002,159	957,469	E, S, W	R, M
29	Ashley Capital LLC	5,912,000	570,000	E, M, S	I
30	City Club Apartments	1,608,377	623,878	E, M	R, M

Note: SF for multifamily calculated on estimated 900-square-foot unit size. Multifamily square footage includes senior and student housing.

Key: Regions (E=East; M=Midwest; S=South; W=West; I=International). Property Sectors (O=Office; I=Industrial; R=Retail; M=Multifamily, including student and senior housing; H=Hospitality; He=Health care; X=Other).

To be included in upcoming surveys, email Jeff Hamann at jeffrey.hamann@cpe-mhn.com.

Methodology

The 2018 CPE-MHN Top 50 Developers ranking utilized self-reported data for all firms. The ranking is a weighted formula based on a variety of factors (only a few of which are specified here), including current and future plans, market value of projects completed and under construction, and geographic and property diversification. The ranking represents what we feel is a logical balance between firm growth and market share.

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