

U.S. Sale-Leaseback Volume Sets New Records

By Paul Bubny

Total U.S. sale-leaseback volume of 874 unique transactions during 2022 exceeded the prior record volume of 789 in 2021, according to SLB Capital Advisors, an advisory firm focused on sale-leasebacks and M&A-related real estate transactions.

Sale-leaseback transaction count for 2022 was 11% greater than prior highs reached in 2019 and 2021. Total dollar volume of \$31.4 billion also set a record, exceeding the 2019 volume of \$27.6 billion by 14%.

“Robust 2022 dealmaking was driven by multiple factors including the prior year’s record M&A activity, buyers’ strong appetite to deploy capital, and the sale-leaseback’s attractive cost compared to other forms of capital,” according to Scott Merkle, managing partner of New York-based SLB Capital Advisors.

He noted that while rates on high yield bonds and corporate debt have risen >400 basis points, increases in the cost of sale-leasebacks were comparatively muted, widening by approximately 100-150 bps.