

Intelligent Investment

United States
Cap Rate Survey
H1 2024

REPORT

Cap rate expansion has peaked, but uncertainty will delay sales volume recovery until 2025

CBRE RESEARCH
AUGUST 2024



CBRE

Introduction

The H1 2024 Cap Rate Survey provides a fresh perspective of where market sentiment is trending.

Welcome to CBRE's H1 2024 Cap Rate Survey (CRS). This survey comes at a unique time for real estate capital markets as limited investment volume has caused pricing uncertainty. The data driving this report was informed by deals that occurred throughout the first five months of 2024. We acknowledge that market conditions are fluid, but we believe that the CRS provides a useful base and unlocks important truths about how investor sentiment is changing.

The CRS captures 3,600 cap rate estimates across more than 50 geographic markets to generate key insights.

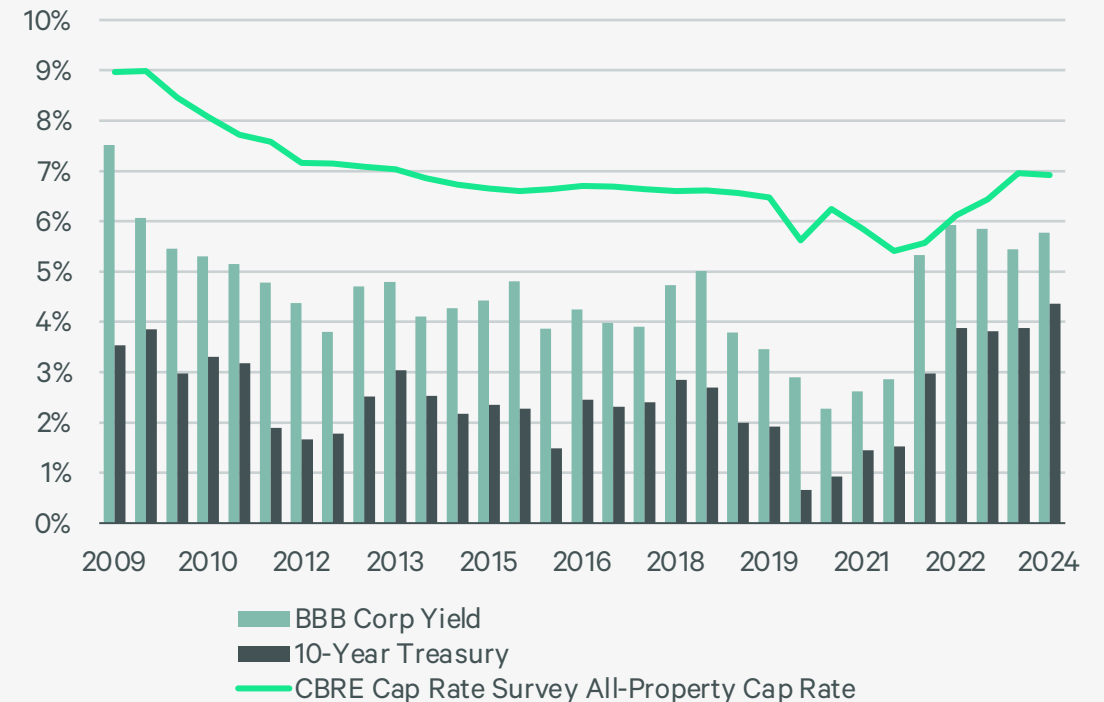
More than 250 CBRE real estate professionals completed the H1 2024 CRS with their real-time market estimates between May and June. Given the rapidly changing macro environment, survey results may not reflect recent exogenous events or current market conditions. Readers should view all cap rate estimates within this context.

Cap rates held steady during the first half of 2024

Treasury yields remained volatile during the first half of 2024, reacting to economic data that sent mixed signals about the outlook for inflation, Federal Reserve policy, and long-term interest rates. The 10-Year Treasury yield started the year below 4% and peaked at 4.7% in late April. Ultimately continued disinflation and expectations for a Fed rate cut were holding the 10-Year Treasury yield to 4.2% as of June.

The average survey cap rate held steady in H1 2024. Interestingly, different property types did not move in unison but rather reacted uniquely to changing fundamentals and capital markets drivers. For instance, industrial cap rates fell on average and office yields continued their climb.

FIGURE 1: Real Estate Cap Rate and Bond Yields, period average (%)



Source: CBRE Econometric Advisors.

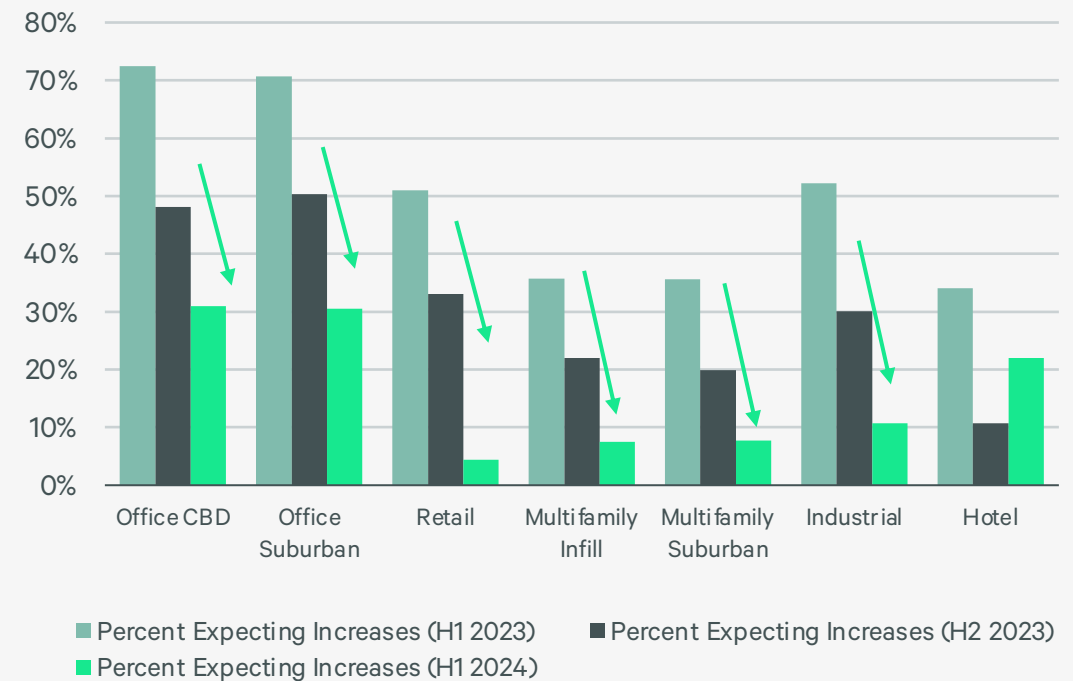
Most respondents believe that cap rates have peaked

Every CRS asks respondents to estimate the direction of cap rates and the magnitude of the expected change during the next six months. Figure 2 aggregates all answers by property type and displays the results as a fraction of responses expecting further yield increases. This quarter the most common response across all categories was “no change.”

The share of respondents expecting further devaluations was highest within the office sector, reflecting the uncertainty around market fundamentals. Expectations for hotels have been less consistent with a rising share of respondents expecting cap rates to increase in coming quarters.

The share of respondents who believe cap rates will increase during the next six months has fallen compared with our previous two CRS publications. This improved sentiment is likely driven by more accommodative signals from the Fed and the decline in bond yields from their October 2023 peak.

FIGURE 2: Share of Respondents Who Think Yields Will Increase During the Next Six Months by CRS Vintage



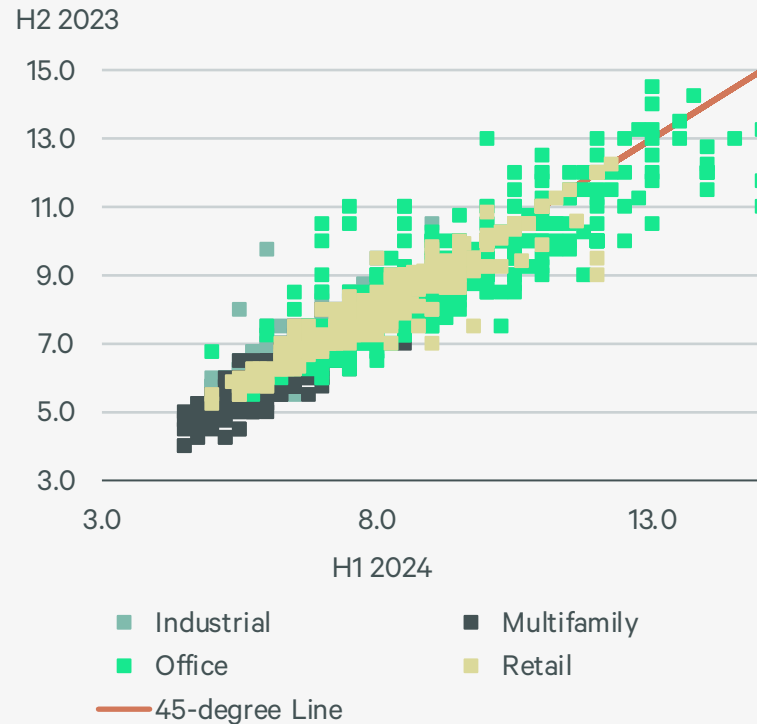
Source: CBRE Econometric Advisors.

Expansion continued for commodity office stock

Figure 3 compares stabilized cap rate estimates from the current CRS (horizontal axis) against H2 2023 estimates (vertical axis) for every property type and geographic market. Dots to the right of the 45-degree line represent markets where cap rates are higher than previous estimates. Yield expansion remained most pronounced in office properties, where yields increased by roughly 40 basis points, over the past six months. The estimated risk premium for Class A offices has widened considerably with cap rates exceeding 8%. Meanwhile, less competitive Class C spaces are seeing distressed pricing with cap rate estimates averaging in the low teens.

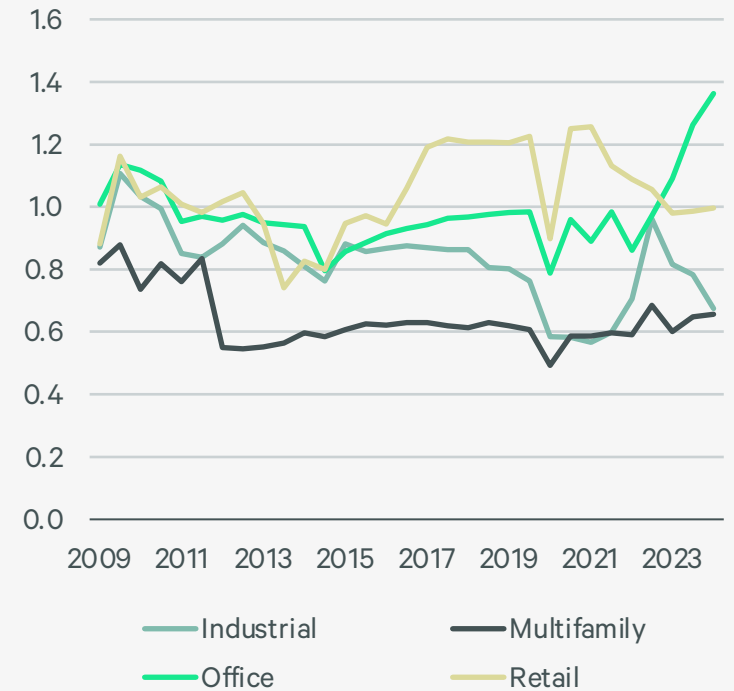
In addition to office cap rate estimates rising, the average spread between respondents' lower and upper estimates (for example: 6%-7% has a spread of 1.0) have increased considerably suggesting more uncertainty for the sector's pricing.

FIGURE 3: H1 2024 Stabilized Cap Rate Estimates Versus H2 2023 Estimates



Source: Macrobond, CBRE Econometric Advisors.

FIGURE 4: Average Difference Between Lower and Upper Estimate by Sector (Percentage Points)



Source: CBRE Econometric Advisors.

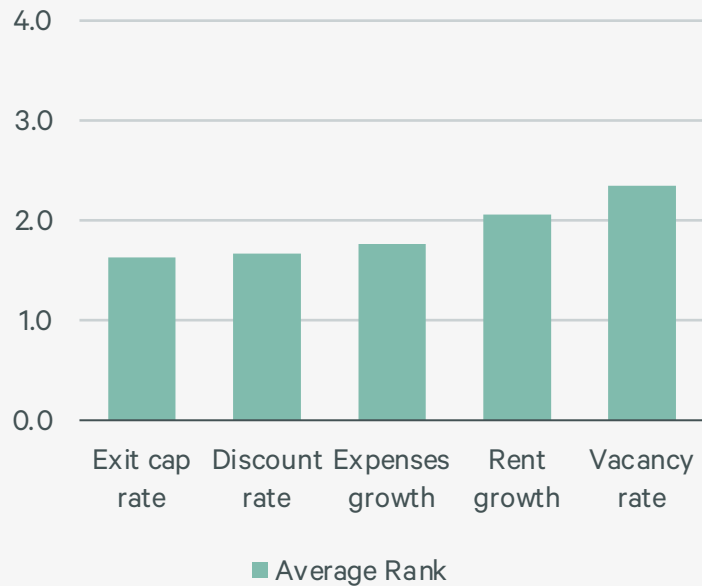
Uncertainty around values limits investment volume recovery

We asked CBRE capital markets and valuation professionals which underwriting variables market participants are most and least certain about. They say capital markets and valuation metrics are typically most difficult to estimate. Perhaps due to widespread price instability respondents believe changes in operating expenses are more difficult to gauge than space market fundamentals.

Predictably, respondents believe the office sector is facing the widest bid-ask spread. As price discovery proceeds in coming quarters this spread should shrink.

Persistent inflation and interest rates have delayed a recovery in sales volume. The previous CRS (H2 2023) pinned the recovery at late 2024. Today, most survey respondents do not expect the recovery to begin until 2025.

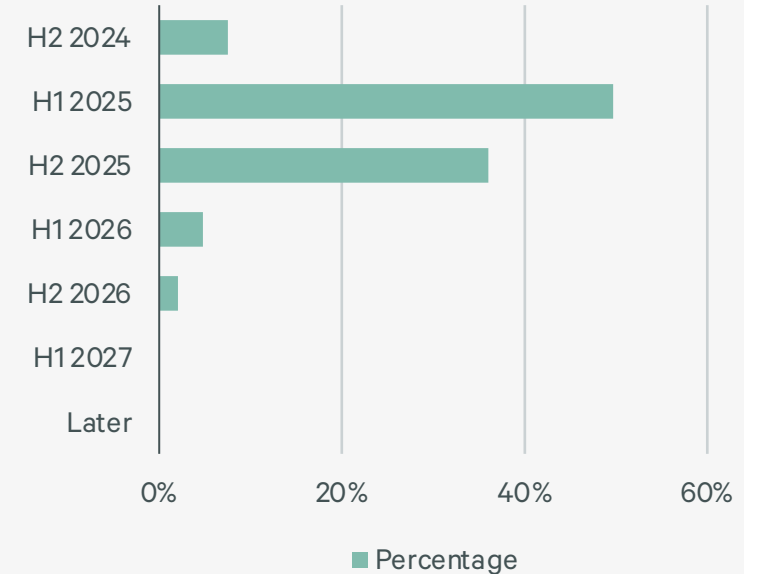
How certain respondents are of the outlook for key underwriting variables (1 = Least Certain)



How each sector ranks in terms of perceived bid-ask spread (1 = Widest Bid-Ask Spread)



Timing in which respondents believe transactions will begin to come back in a serious way



Definitions

- Markets conform to metropolitan area and metropolitan divisions as defined by U.S. Census Bureau.
- Cap rates presented in this report are based upon estimates by CBRE Capital Markets and Valuation professionals. These estimates are informed by recent trades within their markets and discussions with investors. The ranges represent the cap rates at which a given asset is likely to trade in the current market. Cap rates within each subtype vary, occasionally falling outside the stated ranges, based on asset location, quality and property-specific characteristics.
- Stabilized properties are assets leased at market rents with typical lease terms and have vacancy levels close to market averages.
- Stabilized cap rates are the ratio of stabilized net operating income (NOI) to the acquisition price of the asset.
- Value-add cap rates are the ratio of stabilized NOI after property enhancements to the acquisition price of the asset plus value-add capital.
- The NOI calculation is based on net income less operating expenses.



Additional Insights

Multifamily Infill

East

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Baltimore	5.5% - 6%	5.5% - 6.5%	5.5% - 6%	5.5% - 6.5%
Boston	4.75% - 5.25%	4.75% - 5.25%	5.5% - 6%	4.75% - 5.25%
Northern New Jersey	5.25% - 6%	5.25% - 5.75%	5.5% - 6.5%	5.5% - 6%
Philadelphia	5.25% - 5.5%	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%
Stamford	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%
Washington, D.C.	5.25% - 5.75%	5% - 5.75%	5.5% - 6%	5.25% - 5.75%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Chicago	5.5% - 6%	5.5% - 6%	5.5% - 6%	5.5% - 6%
Cincinnati	5.75% - 6.25%	5.5% - 6%	5.25% - 6%	5.25% - 5.75%
Detroit	6% - 6.5%	6% - 6.5%	6.25% - 7%	6.25% - 7%
Kansas City	5.5% - 6%	5.25% - 5.75%	5.5% - 6%	5.25% - 5.75%
Milwaukee	5.5% - 6%	5.5% - 6%	5.75% - 6.25%	6% - 6.5%
Omaha	6% - 6.5%	5.5% - 6.5%	-	-
St Louis	5.25% - 6%	5.5% - 6%	5.5% - 6%	6% - 6.5%

Source: CBRE Econometric Advisors, H1 2024

Multifamily Infill

South

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Atlanta	5% - 5.5%	4.75% - 5.5%	5.25% - 5.75%	4.75% - 5.5%
Austin	4.5% - 5%	4.5% - 5%	4.5% - 5%	4.5% - 5%
Charlotte	5% - 5.5%	5% - 5.5%	5% - 5.5%	5% - 5.5%
Dallas	5% - 5.5%	4.75% - 5.5%	5% - 5.5%	4.75% - 5.5%
Houston	5.25% - 5.75%	6% - 6.5%	5.5% - 6%	6% - 6.5%
Nashville	4.5% - 5%	4.75% - 5.75%	4.5% - 5.5%	4.5% - 5.5%
Oklahoma City	-	5.5% - 5.75%	-	5.75% - 6%
Orlando	5.25% - 6%	5.25% - 6.25%	5.5% - 6.5%	5.5% - 6.5%
Raleigh-Durham	4.75% - 5.5%	5% - 5.5%	4.75% - 5.5%	5% - 5.5%
Richmond	5.25% - 5.75%	5.5% - 6%	5% - 6%	5.5% - 6.25%
San Antonio	-	4.75% - 5.5%	-	4.75% - 5.5%
Tampa	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%

Source: CBRE Econometric Advisors, H1 2024

West

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Albuquerque	5.5% - 6%	5.5% - 6%	5.25% - 5.75%	5.25% - 5.75%
Boise	5.25% - 6%	5.5% - 6%	5.25% - 6%	5.5% - 6%
Denver	4.75% - 5.25%	4.75% - 5.25%	4.75% - 5.25%	4.75% - 5.25%
Las Vegas	5.25% - 5.75%	5.25% - 5.5%	5.5% - 5.75%	5.5% - 5.75%
Los Angeles	5% - 5.5%	5.5% - 6.75%	5% - 5.5%	4.75% - 5.5%
Oakland	5.5% - 6.5%	5.5% - 6.5%	5% - 6.5%	5% - 6.5%
Orange County	4% - 4.25%	4.5% - 4.75%	3.75% - 4%	4.75% - 5%
Phoenix	5% - 5.75%	4.5% - 5.25%	5.5% - 6%	5.25% - 6%
Portland	5.5% - 6%	6% - 7%	5.25% - 5.75%	5.75% - 6.75%
San Diego	4.75% - 5.25%	5% - 5.25%	5% - 5.5%	5.5% - 5.75%
San Francisco	4.5% - 5.5%	4.75% - 5.5%	5% - 5.75%	5.25% - 5.75%
San Jose	5% - 5.5%	5% - 5.5%	5% - 5.5%	5.25% - 5.5%
Seattle	4.75% - 5.25%	4.75% - 5.25%	5% - 5.5%	5% - 5.5%

Source: CBRE Econometric Advisors, H1 2024

Multifamily Suburban

East

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Baltimore	5.5% - 6.25%	5.5% - 6.25%	5.5% - 6%	5.5% - 6.5%
Boston	5% - 5.5%	5% - 5.5%	5.75% - 6.25%	5% - 5.5%
Northern New Jersey	5.5% - 6%	5.25% - 5.75%	5.5% - 6.5%	5.75% - 6.25%
Philadelphia	5% - 5.5%	5.5% - 6%	5% - 5.75%	5.5% - 6%
Stamford	5.25% - 5.75%	5.5% - 6%	5.75% - 6.25%	5.75% - 6.25%
Washington, D.C.	5.5% - 6%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Chicago	5.5% - 6%	5.25% - 6%	5.5% - 6%	5.25% - 6%
Cincinnati	6% - 6.25%	5.5% - 5.75%	5.75% - 6%	5.25% - 5.5%
Detroit	5.5% - 6%	5.5% - 6.25%	6% - 6.5%	6% - 6.5%
Kansas City	5.25% - 5.75%	5% - 5.5%	5.25% - 5.75%	5% - 5.5%
Milwaukee	5.75% - 6.25%	6% - 6.5%	5.75% - 6.5%	6% - 6.5%
St Louis	5.25% - 6%	5.5% - 6%	5.5% - 6.5%	6% - 6.5%

Source: CBRE Econometric Advisors, H1 2024

Multifamily Suburban

South

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Atlanta	5.25% - 5.75%	4.75% - 5.5%	5.5% - 6%	4.75% - 5.5%
Austin	4.75% - 5.25%	4.5% - 5.25%	4.75% - 5.25%	4.75% - 5.25%
Charlotte	5% - 5.5%	5% - 5.5%	5% - 5.5%	5% - 5.5%
Dallas	5.25% - 5.75%	4.75% - 5.5%	5.25% - 5.75%	4.75% - 5.5%
Houston	5.75% - 6%	6.25% - 6.75%	6% - 6.25%	6.25% - 6.75%
Nashville	4.75% - 5.5%	5.25% - 6.25%	5% - 5.75%	5% - 6%
Oklahoma City	-	5.75% - 6%	-	6% - 6.25%
Orlando	5% - 6.25%	5.25% - 6.25%	5.5% - 6.5%	5.5% - 6.5%
Raleigh-Durham	4.75% - 5.5%	5% - 5.5%	5.25% - 5.75%	5% - 5.5%
Richmond	5.5% - 6%	5.5% - 6.25%	5.5% - 6.5%	5.5% - 6.25%
San Antonio	-	4.75% - 5.5%	-	4.75% - 5.5%
Tampa	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%

Source: CBRE Econometric Advisors, H1 2024

West

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Albuquerque	5.5% - 6%	5.5% - 6%	5.75% - 6%	5.75% - 6%
Boise	5.5% - 6.25%	5.5% - 6%	6% - 6.5%	5.5% - 6%
Denver	4.75% - 5.25%	4.75% - 5.25%	4.75% - 5.25%	4.75% - 5.25%
Las Vegas	5.5% - 5.75%	5.25% - 5.5%	5.5% - 5.75%	5.5% - 5.75%
Los Angeles	5.25% - 5.75%	5% - 6.5%	5% - 5.5%	5% - 5.75%
Oakland	5.5% - 6.5%	5.5% - 6.5%	5.5% - 6.5%	5.5% - 6.5%
Orange County	4% - 4.25%	4.5% - 4.75%	-	4.75% - 5%
Phoenix	5% - 5.75%	5% - 5.5%	5.5% - 6%	5.5% - 6%
Portland	5.5% - 6%	5.75% - 6.5%	5.25% - 5.75%	5.5% - 6.25%
San Diego	4.5% - 5%	5% - 5.25%	4.75% - 5.25%	5.5% - 5.75%
San Francisco	4.75% - 5.5%	4.75% - 5.5%	5% - 5.75%	5% - 5.75%
San Jose	5% - 5.5%	4.75% - 5.25%	5% - 5.5%	5% - 5.5%
Seattle	5% - 5.5%	5% - 5.5%	5.5% - 6%	5.5% - 5.75%

Source: CBRE Econometric Advisors, H1 2024

Industrial

East

Market	Class A Stabilized		Class B Stabilized	
	H2 2023	H1 2024	H2 2023	H1 2024
Allentown	5.75% - 6.25%	5.25% - 5.75%	6.25% - 6.75%	6% - 6.5%
Baltimore / Washington, D.C.	5.75% - 6.25%	5.5% - 6%	6.5% - 7%	6.5% - 7%
Boston	5.75% - 6.25%	5.25% - 5.75%	6.25% - 6.75%	6% - 6.5%
Central New Jersey	5.5% - 5.75%	5% - 5.25%	6% - 6.5%	6% - 6.5%
Northern New Jersey	5.5% - 5.75%	5% - 5.25%	6% - 6.5%	6% - 6.5%
Philadelphia	5.75% - 6.25%	5.25% - 5.75%	6.25% - 6.75%	6% - 6.5%
Pittsburgh	6.5% - 7%	6.25% - 6.75%	7% - 7.5%	7% - 7.5%
Stamford	6% - 6.5%	5.5% - 6%	6.25% - 6.75%	6.25% - 6.75%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Market	Class A Stabilized		Class B Stabilized	
	H2 2023	H1 2024	H2 2023	H1 2024
Chicago	5.5% - 6%	5.5% - 6%	6.5% - 7%	6.5% - 7%
Cincinnati	5.75% - 6%	5.75% - 6.25%	6.75% - 7%	6.75% - 7%
Cleveland	6.5% - 7%	6.5% - 7%	7.5% - 8%	7.5% - 8%
Columbus	5.75% - 6%	5.5% - 6%	6.75% - 7%	6.75% - 7%
Detroit	6.25% - 6.75%	6.25% - 6.75%	7.25% - 7.75%	7.25% - 7.75%
Indianapolis	5.75% - 6%	5.75% - 6.25%	6.75% - 7%	6.75% - 7%
Kansas City	6% - 6.5%	6% - 6.5%	7% - 7.5%	7% - 7.5%
Milwaukee	6.25% - 6.75%	6.25% - 6.75%	7.25% - 7.75%	7.25% - 7.75%
Minneapolis	6% - 6.5%	5.75% - 6.25%	7% - 7.5%	7% - 7.5%
St Louis	6.25% - 6.75%	6.25% - 6.75%	7.25% - 7.75%	7.25% - 7.75%
Louisville	5.25% - 5.75%	5.75% = 6.25%	5.75% - 6.25%	6% - 6.5%

Source: CBRE Econometric Advisors, H1 2024

Industrial

South

Market	Class A Stabilized		Class B Stabilized	
	H2 2023	H1 2024	H2 2023	H1 2024
Atlanta	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%
Austin	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%
Charleston	5.75% - 6.25%	5.75% - 6.25%	5.75% - 6.25%	6.25% - 6.75%
Charlotte	5.25% - 5.75%	5.75% - 6.25%	5.75% - 6.25%	6.25% - 6.75%
Dallas	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%
El Paso	5.5% - 6%	5.75% - 6.25%	5.75% - 6.25%	6% - 6.5%
Houston	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.75% - 6.25%
Jacksonville	6.25% - 6.75%	5.5% - 6%	7% - 7.5%	6.25% - 6.75%
Memphis	5.75% - 6.25%	6.25% - 6.75%	6% - 6.5%	6.5% - 7%
Miami	5% - 5.5%	4.75% - 5.25%	5.5% - 6%	5.25% - 5.75%
Nashville	5.25% - 5.75%	5.5% - 6%	5.5% - 6%	6% - 6.5%
Norfolk	6% - 6.5%	5.75% - 6.25%	6.75% - 7.25%	6.75% - 7.25%
Oklahoma City	6.25% - 6.75%	6.25% - 6.75%	6.5% - 7%	6.5% - 7%
Orlando	5.25% - 5.75%	5.25% - 5.75%	5.75% - 6.25%	5.75% - 6.25%
Richmond	6% - 6.5%	5.75% - 6.25%	6.75% - 7.25%	6.75% - 7.25%
San Antonio	5.75% - 6.25%	5.75% - 6.25%	6% - 6.5%	6% - 6.5%
Savannah	5.5% - 6%	5.5% - 6%	5.75% - 6.25%	6% - 6.5%
Tampa	5.25% - 5.75%	5.25% - 5.75%	5.75% - 6.25%	5.75% - 6.25%
Tulsa	6.25% - 6.75%	6.25% - 6.75%	6.5% - 7%	6.5% - 7%

Source: CBRE Econometric Advisors, H1 2024

West

Market	Class A Stabilized		Class B Stabilized	
	H2 2023	H1 2024	H2 2023	H1 2024
Boise	5.75% - 6.25%	5.5% - 6%	6% - 6.5%	5.75% - 6.25%
Denver	5.25% - 5.75%	5.25% - 5.75%	5.5% - 6%	5.5% - 6%
Honolulu	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Central Valley	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Las Vegas	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Los Angeles	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%
Orange County	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%
Inland Empire	5.5% - 6%	5% - 5.5%	5.75% - 6.25%	5.5% - 6%
Oakland	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%
Phoenix	5.75% - 6.25%	5.5% - 6%	6% - 6.75%	5.75% - 6.5%
Portland	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Reno	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Sacramento	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
Salt Lake City	5.5% - 6%	5.25% - 5.75%	5.75% - 6.25%	5.5% - 6%
San Diego	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%
Seattle	5.25% - 5.75%	5% - 5.5%	5.5% - 6%	5.25% - 5.75%

Source: CBRE Econometric Advisors, H1 2024

Office Downtown

East

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Boston	6.25% - 6.75%	7.5% - 8%	7% - 8%	8% - 8.5%
New York City	6% - 6.5%	6.25% - 7.5%	6.75% - 7.5%	7.25% - 9%
Philadelphia	8.25% - 9.25%	8.25% - 9.75%	9.75% - 11.25%	9.75% - 12%
Stamford	7.75% - 8.25%	8% - 8.5%	10% - 10.5%	9.75% - 10.25%
Washington, D.C.	7.25% - 9%	8% - 9.25%	9% - 11%	9.5% - 10.75%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Chicago	8% - 9%	7.5% - 8.5%	8.75% - 9.75%	7.75% - 8.75%
Detroit	8% - 9.25%	8.5% - 11%	8.5% - 10.25%	9% - 12%
Minneapolis	9% - 10%	10% - 12%	11% - 12%	12% - 14%
St. Louis	8.75% - 10%	9.5% - 10.5%	9.5% - 11%	11% - 12%

Source: CBRE Econometric Advisors, H1 2024

Office Downtown

South

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Atlanta	7.25% - 8.5%	6% - 7%	9% - 10%	6.5% - 7.5%
Austin	7% - 8.25%	7.5% - 8.75%	8.5% - 9.5%	8.5% - 10%
Charlotte	7.5% - 8.5%	7.75% - 8.75%	9.5% - 11%	9.25% - 11%
Dallas	6.5% - 7.5%	7.5% - 8%	8.5% - 9.5%	9.5% - 10.25%
Houston	7.75% - 8.5%	8.75% - 9.5%	-	11.5% - 12.5%
Nashville	7.25% - 8.75%	7.5% - 8.75%	7.5% - 10.25%	8.5% - 10.5%
Oklahoma City	-	8% - 9%	-	10% - 12%
Orlando	6.25% - 7.75%	7.5% - 9%	7.25% - 8.5%	8% - 9.5%
Raleigh-Durham	7.5% - 8.5%	8.5% - 9.5%	8% - 9%	9% - 9.5%
Richmond	7% - 8.5%	7.75% - 9.5%	7.5% - 9%	8% - 9.5%
San Antonio	8% - 8.75%	8.25% - 9.25%	-	11% - 12.75%
Tampa	6.5% - 7.5%	7% - 7.5%	7.25% - 8.5%	7.5% - 8%

Source: CBRE Econometric Advisors, H1 2024

West

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Albuquerque	8.25% - 8.75%	8.25% - 8.75%	-	-
Denver	6.75% - 7%	7% - 7.5%	7.25% - 7.5%	7.5% - 7.75%
Las Vegas	7.5% - 8.5%	7.5% - 8.25%	8.5% - 9.5%	7.75% - 8.5%
Los Angeles	7.5% - 8.5%	8% - 9%	8% - 9%	8.5% - 10%
Oakland	8.5% - 10.5%	7% - 7.5%	9% - 11%	8% - 8.5%
Orange County	7.25% - 8.5%	7% - 9%	8% - 9%	8% - 9%
Phoenix	6.5% - 7%	7.5% - 8%	7% - 7.25%	9% - 10%
Portland	7.5% - 8.5%	7.75% - 9.25%	9.5% - 11.5%	10% - 12%
Sacramento	7% - 8%	7.5% - 8.25%	8% - 9%	8.25% - 9.25%
Salt Lake City	7% - 8%	8% - 8.25%	8.25% - 8.5%	7% - 7.5%
San Diego	-	8.5% - 9.5%	-	11.5% - 12.5%
Seattle	7.75% - 9%	8% - 9%	9.5% - 10.75%	9.25% - 11%

Source: CBRE Econometric Advisors, H1 2024

Office Suburban

East

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Boston	7.25% - 7.5%	8.5% - 9%	7.5% - 8%	9% - 10%
Northern New Jersey	8.25% - 9%	8.5% - 9.25%	8.5% - 9%	8.75% - 9.25%
Philadelphia	8.75% - 9.75%	9% - 10.5%	10.5% - 12%	11% - 13%
Stamford	8.5% - 9%	8.75% - 9.25%	10.75% - 11.25%	10.5% - 11%
Washington, D.C.	7.75% - 9.5%	8.75% - 10%	8.75% - 10.5%	9.75% - 11%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Chicago	8.75% - 9.75%	8.5% - 10%	9.25% - 10.5%	9.25% - 11%
Detroit	8% - 9%	7.5% - 9.5%	8.5% - 10%	8% - 11%
Minneapolis	9% - 10%	10% - 12%	11% - 12%	12% - 14%
St. Louis	8% - 8.75%	9% - 9.75%	8.5% - 9.5%	9.5% - 10.5%

Source: CBRE Econometric Advisors, H1 2024

Office Suburban

South

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Atlanta	7.75% - 9%	8% - 9%	9.25% - 11.5%	8.5% - 10%
Austin	7% - 8.5%	8.25% - 10%	8.75% - 10%	9.25% - 11.25%
Charlotte	8.5% - 9.5%	8.5% - 9.5%	10% - 11.5%	9.5% - 11.25%
Dallas	6.5% - 7.75%	7.5% - 8.5%	8.75% - 10%	10% - 11%
Houston	8% - 8.75%	9.25% - 10%	12.5% - 13.5%	12% - 13%
Nashville	8.5% - 9.5%	8.5% - 9.5%	10.5% - 11.5%	10.5% - 11.5%
Norfolk	-	6.5% - 7.5%	-	-
Oklahoma City	-	8% - 9%	-	10% - 11%
Orlando	7% - 9%	8% - 9%	8.25% - 9%	8.5% - 9.5%
Raleigh-Durham	9% - 10%	9% - 10%	10% - 11%	9.5% - 10.5%
Richmond	7.75% - 9.25%	8% - 9.5%	8% - 9.5%	8% - 9.5%
San Antonio	8.25% - 9%	7.5% - 8.75%	12.5% - 13.5%	10.5% - 13%
Tampa	7.75% - 8.5%	7.5% - 8%	8% - 9%	8% - 8.5%

Source: CBRE Econometric Advisors, H1 2024

West

Market	Class A Stabilized		Class A Value-add	
	H2 2023	H1 2024	H2 2023	H1 2024
Albuquerque	8.25% - 8.75%	8.25% - 8.75%	-	-
Denver	7.25% - 7.75%	7.5% - 8%	8% - 8.5%	8.25% - 8.75%
Inland Empire	7.75% - 8.75%	8.25% - 8.75%	9% - 10%	10% - 11%
Las Vegas	7.5% - 8.5%	7.5% - 8%	8.5% - 9.5%	7.75% - 8.75%
Los Angeles	7% - 7.5%	7.5% - 8.5%	8% - 9%	9% - 10%
Oakland	9% - 11%	7% - 7.5%	9.5% - 11.5%	8% - 8.5%
Orange County	7.5% - 8.5%	7.5% - 9%	9% - 10%	-
Phoenix	7% - 7.5%	7.5% - 8.5%	7.5% - 8.25%	9.5% - 11%
Portland	7.75% - 8.5%	8% - 10%	9% - 11%	10% - 12%
Sacramento	7% - 7.75%	7.5% - 8.25%	7.75% - 8.5%	8.5% - 9%
Salt Lake City	7.5% - 8.25%	8% - 8.5%	8.5% - 9.25%	7.25% - 7.75%
San Diego	7.5% - 9%	7.75% - 8.75%	7.5% - 9%	10.5% - 11.5%
Seattle	8% - 9.5%	8.5% - 10%	10% - 11.25%	10% - 11.5%

Source: CBRE Econometric Advisors, H1 2024

Retail

East

Class A Neighborhood Center Stabilized

Market	H2 2023	H1 2024
Boston	6.25% - 6.75%	5.75% - 6.5%
New York City	5.75% - 6.25%	5.5% - 6.25%
Northern New Jersey	5.75% - 6.25%	6% - 6.5%
Stamford	5.75% - 6.25%	6% - 6.5%
Washington, D.C.	6.5% - 7%	6.25% - 6.75%

Source: CBRE Econometric Advisors, H1 2024

Midwest

Class A Neighborhood Center Stabilized

Market	H2 2023	H1 2024
Chicago	6.25% - 7.25%	6.5% - 7.5%
Cincinnati	7.25% - 8.25%	7.25% - 8.25%
Cleveland	7.25% - 8.25%	7.25% - 8.25%
Columbus	7.25% - 8.25%	7.25% - 8.25%
Detroit	7% - 8%	7% - 8%
Indianapolis	7.25% - 8.25%	7.25% - 8.25%
Kansas City	7.25% - 8.25%	7.25% - 8.25%
Louisville	7.25% - 8.25%	7.25% - 8.25%
Milwaukee	7.25% - 8.25%	7.25% - 8.25%
Minneapolis	6.25% - 7.25%	6.25% - 7.25%
St Louis	7% - 8%	7.25% - 8%

Source: CBRE Econometric Advisors, H1 2024

Retail

South

Class A Neighborhood Center Stabilized

Market	H2 2023	H1 2024
Atlanta	5.25% - 6.25%	5% - 6%
Austin	5.5% - 6.25%	5.5% - 6.25%
Charlotte	6% - 7%	6% - 6.75%
Dallas	7% - 8%	6.25% - 7%
Fort Lauderdale	5.75% - 6.25%	5.5% - 6.25%
Jacksonville	6.25% - 6.75%	5.75% - 6.25%
Miami	5.75% - 6.25%	5.5% - 6.25%
Norfolk	6.5% - 7.5%	6.25% - 6.75%
Orlando	6% - 6.75%	5.75% - 6.5%
Richmond	-	6% - 7.5%
San Antonio	-	7% - 7.5%
Tampa	5.75% - 6.25%	5.75% - 6.25%
West Palm Beach	5.75% - 6.25%	5.5% - 6.25%

Source: CBRE Econometric Advisors, H1 2024

West

Class A Neighborhood Center Stabilized

Market	H2 2023	H1 2024
Albuquerque	7.25% - 7.75%	7.25% - 7.75%
Denver	5.5% - 6%	5.5% - 6%
Inland Empire	-	5.75% - 6%
Los Angeles	-	5.5% - 6.25%
Phoenix	6.25% - 6.75%	5.75% - 6.5%
Portland	-	6.25% - 7.75%
Salt Lake City	6% - 7.5%	6% - 7.5%
Seattle	5.75% - 7%	5.75% - 7.25%

Source: CBRE Econometric Advisors, H1 2024

Hotel

Market	Full Service / Branded			Limited Service / Branded		
	Luxury Destination Resort	City Center	Other	Drive-To Resort	City Center	Other
Austin	6% - 7.5%	6.5% - 7.5%	7% - 8%	6.5% - 7.5%	7% - 8%	7.5% - 8.5%
Dallas	6.25% - 7.75%	6.75% - 7.75%	7.25% - 8.5%	7% - 8%	7.25% - 8.5%	7.75% - 9%
Denver	7% - 8%	8% - 9%	8% - 9%	7.5% - 8.5%	7.5% - 8.5%	8% - 9%
Detroit	-	7.5% - 8%	8% - 9%	-	8% - 9%	8% - 10%
Houston	7% - 8.5%	7.25% - 8.25%	7.5% - 8.5%	7.5% - 8.5%	7.75% - 8.75%	8.25% - 9.25%
Kansas City	-	7.75% - 9%	8% - 9.5%	7.5% - 9%	8% - 9.25%	8.25% - 9.5%
Las Vegas	7.5% - 8.5%	8% - 8.5%	8.5% - 9.5%	7.5% - 8.5%	8.5% - 10%	9% - 10%
Los Angeles	4.25% - 6%	6% - 7.25%	6% - 7.25%	6% - 7%	6.75% - 8%	7% - 8%
New Orleans	7% - 8.5%	7.25% - 8.5%	7.75% - 9%	7.5% - 8.5%	7.75% - 9%	8.25% - 9.5%
New York City	5.5% - 7.5%	6% - 7%	7% - 9%	6.5% - 8.5%	6.5% - 7.5%	7.5% - 9.5%
Phoenix	6.5% - 10%	6% - 10%	6% - 9.5%	6.5% - 9.5%	6.5% - 10%	6% - 10%
Sacramento	5.5% - 7%	6.5% - 8%	6.5% - 8%	5.5% - 7%	7% - 8.5%	7.5% - 9%
San Antonio	6.75% - 8.25%	7.25% - 8.25%	7.75% - 8.75%	7.25% - 8.25%	7.75% - 8.75%	8.25% - 9.25%

Source: CBRE Econometric Advisors, H1 2024

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