

CBRE NORTH AMERICA **CAP RATE SURVEY**

FIRST HALF 2016

A CBRE RESEARCH PUBLICATION



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OVERVIEW

KEY OBSERVATIONS | CANADA

- The Canadian national average cap rate reached a record low of 5.99% in the first half of 2016, yet commercial real estate remains attractive on a yield-spread basis. The gap between cap rates and the 10-year government bond yield (1.06%) grew to a record 493 basis points (bps).
- Cap rate changes from the previous survey were largely isolated to three major markets, with specific trends impacting each: Alberta was negatively influenced by the continued decline in oil prices, while Toronto and Vancouver benefited from inflows of foreign capital and constrained supply.

KEY | UNITED STATES

- Cap rates edged upward for all CBD office classes and tiers in H1 2016 with the exception of Tier II and III Class AA properties. Overall, the increases for both stabilized and value-add acquisitions were generally modest at 7 and 10 bps, respectively.
- Suburban office cap rates for stabilized assets and expected returns on cost for value-add acquisitions increased across all classes and, in most cases by a greater amount than those for CBD properties. Stabilized cap rates rose 15 bps, while value-add expected returns on cost increased 12 bps.
- Industrial cap rates were essentially flat for acquisitions of stabilized assets in H1 2016. The overall rate was 6.71%. Cap rates for stabilized Class A industrial space dropped 5 bps to 5.49%; Class B remained flat at 6.59%; and Class C increased 7 bps to 8.10%. The expected return on cost for value-add assets was stable at 7.69%.
- Cap rates in the retail sector were relatively stable in H1 2016. A slow-down in cap rate compression among prime assets suggests that they may have

reached a cyclical low in 2015. Meanwhile, modest cap rate expansion for Class B properties in both the neighborhood/community and power center segments signals investor concern about the future of non-prime assets in increasingly competitive retail markets.

- Multifamily properties have the lowest overall cap rates of any major sector at 5.26% for stabilized infill and 5.67% for stabilized suburban assets.
- The H1 2016 survey revealed virtually unchanged cap rate conditions for stabilized infill and suburban multifamily acquisitions. The only notable movement of cap rates for stabilized assets was slightly downward in both infill and suburban Tier III rates, and in Class C suburban cap rates. Investors are still moving out the risk curve in terms of location and product, and still find value-add assets very attractive.
- The upward shift of hotel cap rates that began in H1 2015 continued in the first half of 2016, with rates rising across most categories. Movements in hotel cap rates among most CBD and suburban property types showed minimal changes. Low barrier-to-entry hotel categories, such as economy and select-service, experienced slightly larger increases.
- Hotels recorded the highest increases in cap rates of any property sector. Cap rates for CBD hotels rose modestly from 5 to 15 bps, while those for suburban hotels rose 8 to 22 bps.
- For all property types, little to no change is anticipated over the next six months in more than 60% of the markets tracked by CBRE Research. In markets where change is anticipated, cap rates are more likely to increase rather than decrease. Approximately 20% of markets may experience increases of up to 25 bps, versus only 10% of markets that may experience decreases. Less than 5% of markets are likely to experience movement greater than 25 bps in either direction.



OVERVIEW CONT.

KEY OBSERVATIONS | UNITED STATES CONT.

CBRE NORTH AMERICA CAP RATE SURVEY

The following survey reflects the knowledge and collaboration of CBRE Research, Capital Markets and Valuation & Advisory professionals, who provided their estimation of cap rate ranges based on recent transactions and interactions with active investors in their market.

At the heart of the survey are current cap rates for stabilized acquisitions, expected returns on cost for value-add acquisitions, cap rate trends since the previous survey and expectations of cap rate movements over the next six months. The survey also presents cap rate maps, cap rates for Canada's principal metropolitan areas, cap rate averages for metro tier groupings, and various tables and charts summarizing cap rate values.



OVERVIEW CONT.

FIGURE 1. UNITED STATES NATIONAL-LEVEL CAP RATES AND EXPECTED RETURNS ON COST BY PROPERTY TYPE, SECTOR, CLASS AND/OR SEGMENT

PROPERTY TYPE	SECTOR	CLASS/ SEGMENT	STABILIZED PROPERTY ACQUISITIONS					VALUE-ADD PROPERTY ACQUISITIONS				
			CAP RATE			SPREAD OVER 10-YEAR TREASURY RATE (BPS)		EXPECTED RETURN ON COST			SPREAD OVER 10-YEAR TREASURY RATE (BPS)	
			H2 2015 (%)	H1 2016 (%)	CHANGE (BPS)	H2 2015 (% EOP)	H1 2016 (% EOP)	H2 2015 (%)	H1 2016 (%)	CHANGE (BPS)	H2 2015 (% EOP)	H1 2016 (% EOP)
						2.27	1.49				2.27	1.49
OFFICE	CBD	ALL	6.54	6.61	7	427	512	8.13	8.22	10	586	673
		AA	5.19	5.19	0	292	370	-	-	-	-	-
		A	5.86	5.95	9	359	446	7.03	7.12	9	476	563
		B	6.78	6.85	7	451	536	7.90	8.02	11	563	653
		C	8.50	8.61	11	623	712	9.76	9.83	7	749	834
	SUBURBAN	ALL	7.49	7.65	15	522	616	9.10	9.22	12	683	773
		AA	6.08	6.20	12	381	471	-	-	-	-	-
		A	6.80	6.96	16	453	547	8.00	8.06	6	573	657
		B	7.81	7.97	17	554	648	9.05	9.21	16	678	772
		C	9.14	9.30	16	687	781	10.33	10.45	13	806	896
INDUSTRIAL	ALL	ALL	6.71	6.71	0	444	522	7.70	7.69	0	543	620
		A	5.53	5.49	-5	326	400	6.31	6.32	1	404	483
		B	6.59	6.59	0	432	510	7.58	7.53	-5	531	604
		C	8.06	8.10	5	579	661	9.25	9.29	4	698	780
		ALL	6.88	6.94	6	461	545	7.86	7.92	6	559	643
RETAIL	NEIGHBORHOOD/ COMMUNITY CENTER	A	5.63	5.62	-1	336	413	6.62	6.59	-4	435	510
		B	6.72	6.83	11	445	534	7.63	7.82	19	536	633
		C	8.37	8.39	2	610	690	9.41	9.36	-5	714	787
	POWER	ALL	7.28	7.37	9	501	588	8.19	8.26	7	592	677
		A	6.09	6.12	3	382	463	7.16	7.21	5	489	572
B		7.20	7.31	11	493	582	8.03	8.06	4	576	657	
	HIGH STREET	A	4.24	4.23	-1	197	274	-	-	-	-	-

Source: CBRE, U.S. Department of the Treasury. EOP = end of period.

(FIGURE 1. continues on next page)



OVERVIEW CONT.

FIGURE 1. CONT. UNITED STATES NATIONAL-LEVEL CAP RATES AND EXPECTED RETURNS ON COST BY PROPERTY TYPE, SECTOR, CLASS AND/OR SEGMENT

PROPERTY TYPE	SECTOR	CLASS/ SEGMENT	STABILIZED PROPERTY ACQUISITIONS					VALUE-ADD PROPERTY ACQUISITIONS				
			CAP RATE			SPREAD OVER 10-YEAR TREASURY RATE (BPS)		EXPECTED RETURN ON COST			SPREAD OVER 10-YEAR TREASURY RATE (BPS)	
			H2 2015 (%)	H1 2016 (%)	CHANGE (BPS)	H2 2015 (%) EOP	H1 2016 (%) EOP	H2 2015 (%)	H1 2016 (%)	CHANGE (BPS)	H2 2015 (%) EOP	H1 2016 (%) EOP
						2.27	1.49				2.27	1.49
MULTIFAMILY	INFILL	ALL	5.26	5.26	0	299	377	5.93	5.96	2	366	447
		A	4.57	4.60	3	230	311	5.23	5.34	11	296	385
		B	5.17	5.15	-1	290	366	5.77	5.78	2	350	429
	SUBURBAN	C	6.09	6.06	-3	382	457	6.80	6.75	-5	453	526
		ALL	5.70	5.67	-3	343	418	6.22	6.33	11	395	484
		A	4.99	5.00	2	272	351	5.54	5.62	8	327	413
		B	5.56	5.52	-3	329	403	6.04	6.15	12	377	466
		C	6.57	6.48	-9	430	499	7.10	7.22	12	483	573
		ALL	7.72	7.84	12	545	635	-	-	-	-	-
HOTEL	CBD	LUXURY	6.78	6.83	5	451	534	-	-	-	-	-
		FULL-SERVICE	7.40	7.55	14	513	606	-	-	-	-	-
		SELECT-SERVICE	7.79	7.94	15	552	645	-	-	-	-	-
	SUBURBAN	ECONOMY	8.94	9.08	14	667	759	-	-	-	-	-
		ALL	8.23	8.39	17	596	690	-	-	-	-	-
		LUXURY	7.34	7.42	8	507	593	-	-	-	-	-
		FULL-SERVICE	7.88	8.07	19	561	658	-	-	-	-	-
		SELECT-SERVICE	8.24	8.46	22	597	697	-	-	-	-	-
		ECONOMY	9.42	9.59	16	715	810	-	-	-	-	-

Source: CBRE, U.S. Department of the Treasury. EOP = end of period.



OVERVIEW CONT.

FIGURE 2. CANADA NATIONAL-LEVEL CAP RATES BY PROPERTY TYPE, SECTOR, CLASS AND/OR SEGMENT

PROPERTY TYPE	SECTOR	CLASS/ SEGMENT	STABILIZED PROPERTY ACQUISITIONS			SPREAD OVER - 10-YEAR BOND YIELD (BPS)	
			CAP RATE		CHANGE (BPS)	H2 2015	H1 2016
			H2 2015 (%)	H1 2016 (%)		(%) EOP	(%) EOP
						1.39	1.06
OFFICE	CBD	AA	5.08	5.08	0	369	402
		A	5.77	5.78	1	438	472
		B	6.52	6.53	1	513	547
	SUBURBAN	A	6.48	6.44	-4	509	538
		B	7.27	7.22	-5	588	616
INDUSTRIAL	ALL	A	5.92	5.86	-6	453	480
		B	6.89	6.86	-3	550	580
RETAIL	NEIGHBORHOOD/ COMMUNITY CENTER	ALL	6.17	6.27	10	478	521
	POWER	ALL	6.05	6.13	8	466	507
MULTIFAMILY	INFILL	A	4.39	4.20	-19	300	314
	SUBURBAN	B	5.45	5.38	-7	406	432
HOTEL	CBD	FULL-SERVICE	7.84	7.84	0	645	678
	SUBURBAN	SELECT-SERVICE	9.17	9.17	0	778	811

Source: CBRE, Bank of Canada. EOP = end of period.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



OFFICE | OVERVIEW

CANADA

Cap rates declined in most categories of CBD office properties over the past year. The sharpest declines occurred among CBD Class B and Class AA product, falling 11 bps to 6.53% and 7 bps to 5.08%, respectively. Suburban Class A cap rates declined 6 bps nationally to 6.44%, representing the only decline in the suburban office category.

The compression in CBD cap rates was driven, in large part, by Canada's two primary markets, Vancouver and Toronto. Cap rates for Class AA product compressed 25 bps in each of these markets to reach new lows of 4.25% in Vancouver and 4.50% in Toronto. Unsurprisingly, Calgary recorded increases across all office classes. Increases in cap rates for the oil-rich market ranged from as low as 25 bps for Class AA product, which increased to 5.50%, to 63 bps for Class B product, reaching 8.13%—the highest level for each since midyear 2012.

UNITED STATES | CBD

Cap rates for stabilized CBD office properties increased for all classes in H1 2016 with the exception of those for Class AA assets, which were unchanged at 5.19%. The largest increase occurred among Class C properties, which registered an 11 bps increase to 8.61%. Cap rates rose in all classes in Tier I markets and in all classes except Class AA for both Tier II and III markets.

Reflecting weak fundamentals in Houston, cap rates there rose for stabilized properties across all classes. Many Tier III metros also posted broad-based increases in cap rates, such as Baltimore, Charlotte, Jacksonville, Oklahoma City and San Antonio. Conversely, many other Tier III cities registered some of the largest decreases in cap rates, including multiple classes in Raleigh, Pittsburgh, Cleveland and Cincinnati. No cap rate movement occurred in most Tier I markets.

The average expected return on cost for CBD value-add acquisitions rose slightly in Tier I and II markets. Tier I markets experienced a 15 bps increase, while Tier II markets rose 7 bps. Tier III markets experienced a very small (5 bps) decline. The average returns on cost by class were Class A 7.12% (+9 bps from H2 2015), Class B 8.02% (+11 bps) and Class C 9.83% (+7 bps).

Despite the uptick in cap rates across many markets and classes in H1 2016, CBD office cap rates for stabilized assets are expected to remain unchanged in most U.S. markets, as 71% of the forecasts indicate stable rates in H2 2016. Of the markets that

FIGURE 3. OFFICE CBD - CAP RATES FOR STABILIZED PROPERTIES

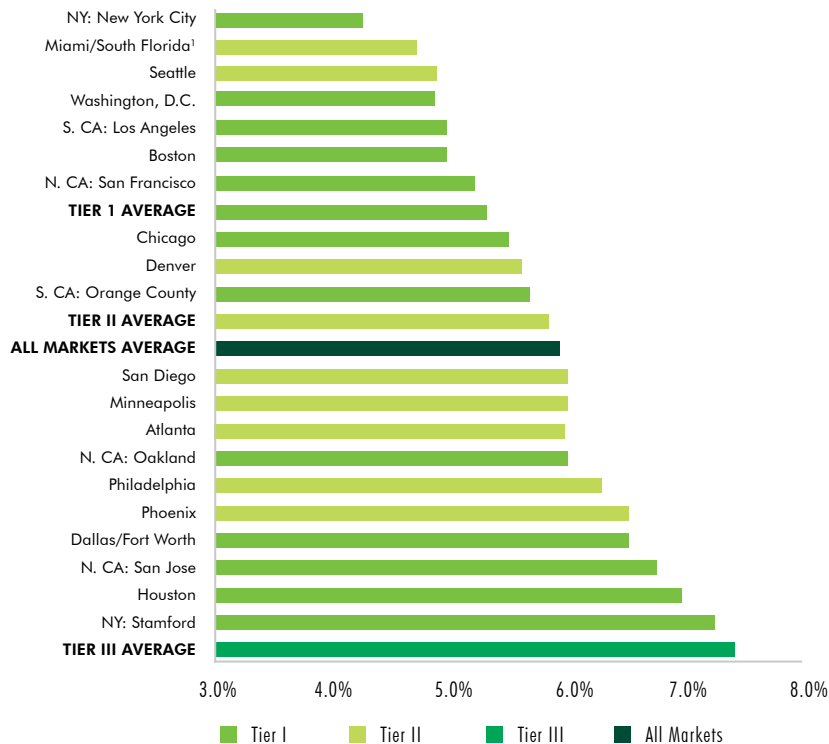
METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	6.54	6.61	7
	I	5.74	5.81	7
	II	6.64	6.68	4
	III	8.12	8.17	5
I	AA	4.68	4.72	3
	A	5.17	5.27	10
	B	6.05	6.09	4
II	C	7.69	7.80	11
	AA	5.44	5.42	-2
	A	5.80	5.82	2
III	B	6.85	6.93	7
	C	8.37	8.46	9
	AA	6.55	6.48	-7
III	A	7.37	7.40	3
	B	8.25	8.30	5
	C	9.72	9.79	7

Source: CBRE. Note: Data is subject to historical revision.

OFFICE | OVERVIEW CONT.

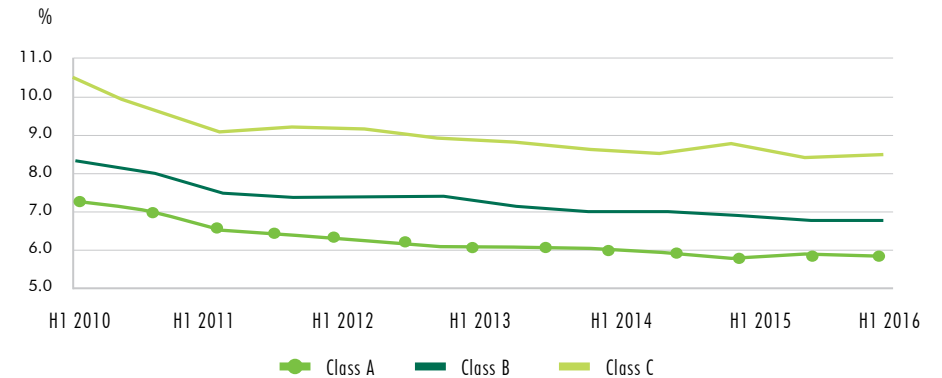
anticipate change, a larger percentage expect cap rate increases rather than decreases (21% vs. 8%). At the metro level cap rates are expected to rise in most or all classes in Boston, Houston, Las Vegas, New York, San Jose and Stamford, although the increases are generally expected to be modest (less than 25 bps). Markets where cap rates are likely to fall across multiple classes include Pittsburgh, Portland and Sacramento.

FIGURE 4. OFFICE CBD - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



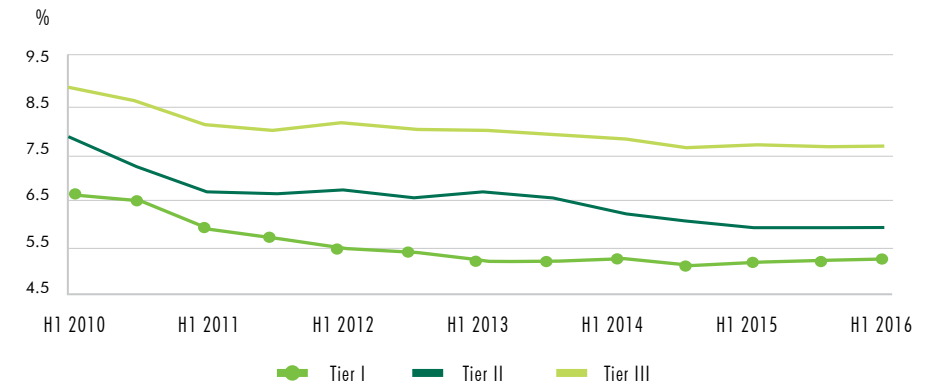
¹Covers the three-county Miami area. Note: Data is subject to historical revision.
 Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 5. OFFICE CBD - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions. Note: Data is subject to historical revision.

FIGURE 6. OFFICE CBD - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions. Note: Data is subject to historical revision.

OFFICE | OVERVIEW CONT.

UNITED STATES | SUBURBAN

Cap rates for stabilized suburban assets increased for all classes and by a greater amount than their respective CBD counterparts in H1 2016. Cap rates for Class AA suburban assets recorded the smallest increase (12 bps), while those for Class A, B and C assets rose by 16 to 17 bps.

Cap rate increases were most pronounced for Tier I and II properties, with particularly large increases of 30 and 34 bps for Tier II Class A and B properties, respectively. Tier III markets registered much smaller increases, while Tier III Class B properties were the only suburban segment to register a decrease, albeit of just

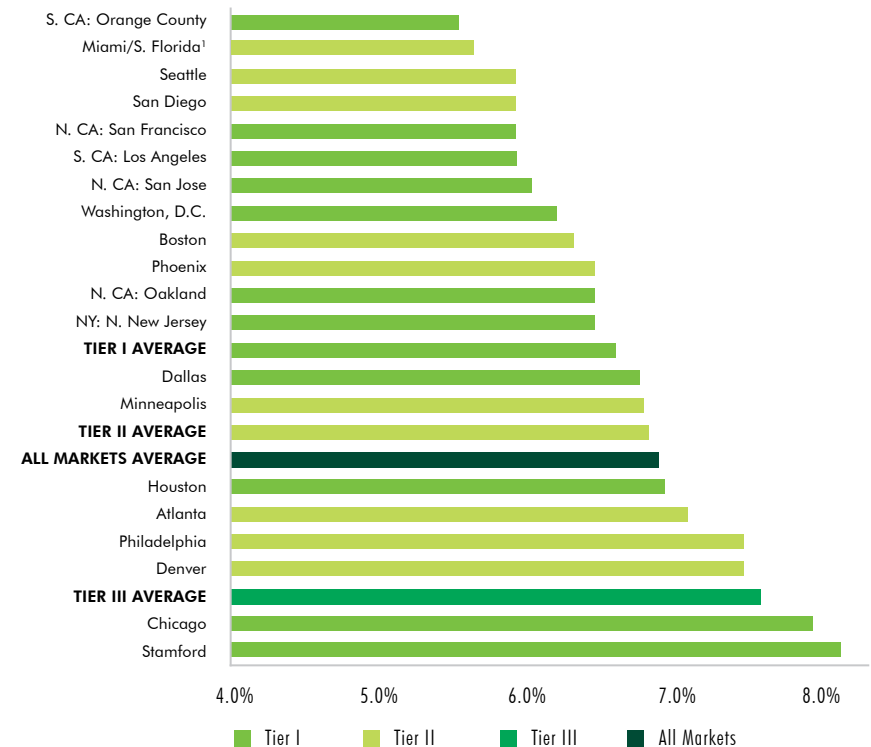
FIGURE 7. OFFICE SUBURBAN - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	7.49	7.65	15
	AA	6.08	6.20	12
	A	6.80	6.96	16
	B	7.81	7.97	17
	C	9.14	9.30	16
I	AA	5.84	5.99	15
	A	6.46	6.62	16
	B	7.54	7.74	20
II	C	8.79	9.01	22
	AA	5.94	6.03	9
	A	6.49	6.79	30
III	B	7.57	7.90	34
	C	8.99	9.21	21
	AA	6.79	6.85	6
III	A	7.54	7.59	5
	B	8.39	8.38	-1
	C	9.72	9.75	3

Source: CBRE. Note: Data is subject to historical revision.

1 bp. Markets with cap rate increases across multiple classes included Denver, Houston, Stamford and Los Angeles, whereas Cleveland, Sacramento, Tampa and Las Vegas registered broad decreases.

FIGURE 8. OFFICE SUBURBAN - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



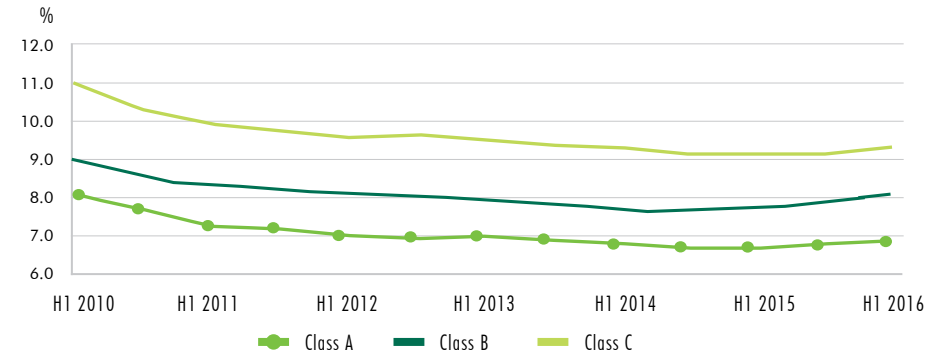
¹Covers the three-county Miami area. Note: Data is subject to historical revision.
 Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

OFFICE | OVERVIEW CONT.

Cap rates for most stabilized suburban assets are expected to remain unchanged in H2 2016 (64%). Upward movement in cap rates is expected in 24% markets versus downward movement in only 8%. Cap rates for Class B and C properties are expected to increase more than those for Class A.

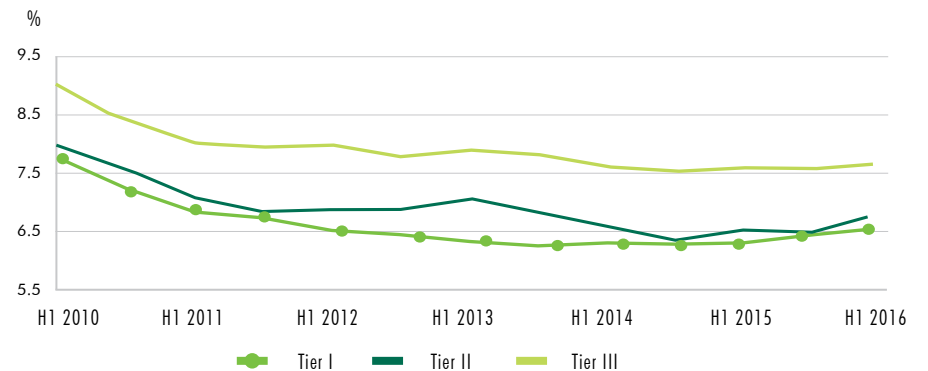
Markets projected to record broad-based cap rate increases for both stabilized and value-add acquisitions during H2 2016 include Boston, Chicago, Houston, Las Vegas, San Jose, Seattle and Stamford. The largest increase is expected among Class C properties in Orange County at more than 50 bps. Sizeable cap rate increases (25-49 bps) are also expected Class B and C properties in Boston, Denver and Orange County.

FIGURE 9. OFFICE SUBURBAN - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions. Note: Data is subject to historical revision.

FIGURE 10. OFFICE SUBURBAN - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions. Note: Data is subject to historical revision.

Click below to access the [interactive cap rate maps](#).



OFFICE CBD | UNITED STATES KEY RATES

		CLASS AA			CLASS A			CLASS B			CLASS C				
TIER I	City	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹
		BOSTON	4.25 - 5.00	↔	4.50 - 5.50	▼	6.00 - 7.00	↔	5.00 - 6.00	↔	7.00 - 9.00	↔	—		—
	CHICAGO	4.50 - 5.00	▼	5.25 - 5.75	▲	6.75 - 7.25	▲	6.25 - 7.25	▲	7.75 - 8.75	▲	7.50 - 8.50	↔	8.50 - 10.50	↔
	N. CA: OAKLAND	4.50 - 5.25	▼	5.75 - 6.25	▼	6.75 - 7.75	▼	7.00 - 7.50	▼	8.50 - 9.50	▼	8.50 - 9.50	↔	9.50 - 11.50	▼
	N. CA: SAN FRANCISCO	4.50 - 5.00	↔	5.00 - 5.50	▲	5.50 - 6.00	↔	5.50 - 6.00	↔	6.50 - 7.00	↔	6.00 - 6.50	↔	7.00 - 8.50	↔
	N. CA: SAN JOSE	—		6.25 - 7.25	▲	7.25 - 8.25	▲	6.75 - 8.00	▲	7.75 - 8.75	▲	7.75 - 8.75	▲	6.25 - 10.25	▼
	NY: NEW YORK CITY	3.75 - 4.25	↔	4.00 - 4.50	↔	4.50 - 5.50	↔	4.50 - 5.00	↔	4.50 - 5.50	↔	—		—	
	NY: STAMFORD	—		7.00 - 7.50	▲	8.50 - 9.00	▲	7.75 - 8.25	▲	9.50 - 10.00	▲	9.00 - 9.50	▲	10.50 - 11.00	▲
	ORLANDO	5.25 - 6.00	▲	5.50 - 6.50	↔	6.50 - 7.00	↔	7.00 - 7.50	▼	7.50 - 8.50	▼	8.00 - 9.00	↔	8.50 - 9.50	▲
	SEATTLE	4.25 - 4.75	↔	4.50 - 5.25	↔	5.75 - 7.00	↔	5.25 - 6.00	↔	6.50 - 7.50	↔	6.50 - 7.00	↔	7.50 - 9.00	↔
	S. CA: LOS ANGELES	3.50 - 4.50	↔	4.50 - 5.50	▲	6.00 - 7.00	↔	5.50 - 6.50	▲	7.00 - 8.00	↔	7.00 - 7.50	▼	8.00 - 9.00	▲
	S. CA: ORANGE COUNTY	5.00 - 5.50	↔	5.25 - 6.00	↔	6.00 - 6.50	↔	6.25 - 7.00	↔	6.50 - 7.00	▲	7.25 - 8.50	▲	7.50 - 8.50	↔
	S. FLORIDA ² : MIAMI	—		4.25 - 5.25	▲	5.25 - 6.00	↔	6.00 - 6.75	▲	6.50 - 7.50	↔	7.25 - 8.25	▲	7.50 - 9.00	↔
	WASHINGTON, D.C.	4.50 - 4.75	▼	4.75 - 5.00	▼	6.00 - 7.00	↔	5.00 - 5.50	▼	6.50 - 8.00	↔	6.00 - 6.50	↔	7.00 - 8.00	↔

		CLASS AA			CLASS A			CLASS B			CLASS C				
TIER II	City	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹
		ATLANTA	5.25 - 5.75	↔	5.75 - 6.25	↔	6.50 - 7.25	↔	6.75 - 7.75	↔	7.25 - 8.50	↔	8.25 - 9.75	↔	8.50 - 11.00
	AUSTIN	5.00 - 5.50	▲	5.00 - 5.75	▼	7.00 - 8.00	↔	5.50 - 6.50	▼	7.50 - 8.50	↔	6.25 - 7.00	↔	8.75 - 9.50	↔
	DALLAS/FORT WORTH	5.25 - 6.25	▼	6.00 - 7.00	▼	8.00 - 9.00	↔	8.25 - 9.00	▼	9.25 - 10.25	↔	9.00 - 11.00	↔	11.00 - 12.00	↔
	DENVER	5.00 - 5.50	↔	5.25 - 6.00	↔	6.50 - 7.50	▲	6.50 - 7.25	▲	7.00 - 8.00	▲	7.50 - 8.50	↔	8.25 - 9.25	↔
	HOUSTON	6.50 - 6.75	▲	6.75 - 7.25	▲	8.00 - 9.00	▲	7.75 - 8.25	▲	9.00 - 10.00	▲	8.75 - 9.25	▲	11.25 - 12.25	▲
	MINNEAPOLIS	5.00 - 5.50	↔	5.50 - 6.50	↔	7.00 - 8.00	↔	7.50 - 8.50	↔	9.00 - 10.00	↔	9.00 - 10.00	↔	11.00 - 12.00	↔
	PHILADELPHIA	5.50 - 6.25	▼	6.00 - 6.50	↔	7.50 - 8.50	↔	7.00 - 7.50	↔	8.50 - 9.50	▲	8.50 - 9.50	▲	10.00 - 11.00	↔
	PHOENIX	5.75 - 6.25	↔	6.25 - 6.75	↔	6.50 - 7.00	↔	6.75 - 7.50	↔	7.25 - 8.25	↔	9.00 - 10.00	↔	11.00 - 12.00	↔
	PORTLAND	4.75 - 5.00	▼	5.50 - 6.50	▼	6.50 - 7.50	↔	6.50 - 7.50	▼	7.50 - 8.50	▼	7.50 - 8.50	↔	9.00 - 10.00	↔
	SAN DIEGO	5.25 - 5.75	↔	5.75 - 6.25	↔	6.25 - 6.75	▲	6.25 - 6.75	▲	6.75 - 7.25	▲	7.25 - 7.50	▲	8.00 - 8.50	▲

▲ INCREASE ▼ DECREASE ↔ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. ²Covers the three-county Miami area. Note: Data is subject to historical revision.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

OFFICE CBD | UNITED STATES KEY RATES CONT.

		CLASS AA			CLASS A			CLASS B			CLASS C				
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹		
TIER III	ALBUQUERQUE	8.00 - 8.50	◄	8.00 - 9.00	◄	8.75 - 9.50	◄	8.75 - 9.50	◄	10.00 - 12.00	▲	9.75 - 11.50	◄	10.50 - 13.00	◄
	BALTIMORE	7.00 - 7.50	▲	7.50 - 8.50	▲	8.00 - 9.25	◄	8.50 - 9.00	▲	9.00 - 10.00	▲	9.75 - 10.25	▲	9.50 - 10.00	▲
	CHARLOTTE	5.50 - 6.25	◄	6.25 - 6.75	▲	8.00 - 8.75	◄	6.75 - 7.75	▲	8.75 - 9.25	◄	8.25 - 8.75	▲	10.00 - 11.00	◄
	CINCINNATI	—		8.00 - 8.50	▼	8.75 - 9.25	▼	8.75 - 9.25	▼	9.25 - 9.75	▼	10.00 - 10.50	◄	10.00 - 11.00	◄
	CLEVELAND	7.75 - 8.25	▼	8.25 - 8.75	▼	8.75 - 9.75	▼	8.00 - 9.00	▼	9.75 - 10.75	▼	9.75 - 11.75	▼	10.75 - 12.75	▼
	COLUMBUS	—		7.25 - 8.25	▲	8.00 - 9.50	◄	8.50 - 9.50	◄	9.75 - 10.75	◄	10.00 - 11.50	◄	11.00 - 12.00	◄
	DETROIT	—		8.50 - 9.25	◄	8.75 - 9.50	▲	9.25 - 10.00	◄	9.50 - 10.50	◄	11.75 - 12.50	◄	12.25 - 13.00	◄
	INDIANAPOLIS	—		7.50 - 8.50	◄	8.50 - 10.00	◄	8.50 - 9.25	◄	9.50 - 11.00	◄	10.00 - 12.00	◄	10.50 - 11.00	◄
	JACKSONVILLE	—		8.50 - 9.00	▲	9.00 - 10.00	▼	9.50 - 10.00	▲	10.50 - 11.00	◄	10.50 - 11.50	▲	10.50 - 13.00	◄
	KANSAS CITY	—		7.50 - 8.00	◄	8.50 - 9.00	◄	9.00 - 10.00	▲	10.00 - 11.00	▲	10.50 - 11.50	◄	11.00 - 12.00	◄
	LAS VEGAS	6.75 - 7.25	◄	7.25 - 7.75	◄	8.00 - 9.00	◄	7.25 - 7.75	◄	9.00 - 10.00	◄	8.00 - 10.00	◄	10.00 - 12.00	◄
	MEMPHIS	8.50 - 9.00	◄	8.50 - 9.00	▼	9.25 - 10.00	▼	9.00 - 10.00	▼	10.50 - 11.50	▼	11.00 - 13.00	▲	10.00 - 14.00	▼
	NASHVILLE	6.00 - 6.50	◄	6.25 - 6.75	◄	6.25 - 6.75	◄	7.50 - 8.00	◄	7.75 - 8.50	◄	8.25 - 9.25	◄	7.75 - 9.00	◄
	OKLAHOMA CITY	—		6.75 - 7.75	▲	7.25 - 8.25	▲	7.75 - 9.75	▲	8.25 - 9.25	▲	9.50 - 11.00	◄	10.00 - 11.00	◄
	PITTSBURGH	6.75 - 7.25	▼	7.25 - 7.50	▼	8.50 - 9.50	◄	8.25 - 8.75	▼	10.00 - 12.00	◄	10.00 - 12.00	◄	12.00 - 14.00	◄
	RALEIGH-DURHAM	5.50 - 6.25	▼	6.25 - 7.00	▼	8.50 - 9.50	▼	7.50 - 8.00	▼	9.00 - 9.50	▼	8.50 - 9.00	◄	10.00 - 11.00	▼
	RICHMOND	—		6.50 - 8.00	◄	7.00 - 8.50	◄	7.00 - 9.00	◄	8.50 - 10.25	◄	8.75 - 10.25	◄	9.50 - 11.00	◄
	SACRAMENTO	5.75 - 6.50	◄	6.25 - 7.00	◄	7.00 - 8.00	▼	7.00 - 8.00	▲	8.00 - 9.00	▼	8.00 - 9.00	▲	9.00 - 10.25	◄
	SALT LAKE CITY	5.50 - 5.75	◄	6.00 - 6.75	◄	6.25 - 7.00	◄	7.00 - 7.75	◄	7.25 - 8.00	◄	8.00 - 9.50	◄	8.50 - 9.50	◄
	SAN ANTONIO	—		6.75 - 7.75	▲	8.00 - 9.00	◄	8.25 - 9.00	▲	9.25 - 10.25	◄	9.25 - 10.25	▲	9.75 - 10.75	◄
ST. LOUIS	—		8.50 - 9.00	◄	8.75 - 9.25	▼	9.25 - 9.75	◄	9.00 - 9.50	◄	10.00 - 10.50	◄	10.50 - 11.25	◄	
TAMPA	—		6.25 - 6.75	◄	6.75 - 7.75	◄	7.00 - 7.75	◄	7.50 - 8.75	◄	8.00 - 8.50	◄	8.50 - 9.50	◄	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Note: Data is subject to historical revision.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



OFFICE CBD | CANADA KEY RATES

		CLASS AA		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	4.25 - 4.75	▼	4.50 - 4.75	▼	4.75 - 5.25	▼
	VANCOUVER	4.00 - 4.50	◄	4.25 - 4.75	▼	4.50 - 5.00	◄

		CLASS AA		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	5.25 - 5.75	◄	6.25 - 7.00	▲	7.75 - 8.50	◄
	EDMONTON	5.50 - 6.00	◄	6.50 - 7.00	◄	7.75 - 8.50	▲
	MONTREAL	4.75 - 5.50	◄	5.50 - 6.00	◄	6.00 - 6.75	◄

		CLASS AA		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	—		6.25 - 6.75	▲	7.00 - 7.50	◄
	KITCHENER - WATERLOO	—		6.00 - 7.00	◄	6.50 - 7.25	◄
	LONDON - WINDSOR	—		6.50 - 8.50	▼	7.50 - 8.00	◄
	OTTAWA	5.00 - 5.75	◄	5.25 - 6.00	◄	5.50 - 6.25	◄
	WINNIPEG	—		5.50 - 6.00	◄	6.50 - 7.00	◄

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE.

OFFICE CBD | UNITED STATES FORECAST TRENDS

		CLASS AA		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	
TIER I	BOSTON	Stable		Increase		Increase		Increase	
	CHICAGO	Increase		Increase		Stable		Stable	
	N. CA: OAKLAND	Decrease		Decrease		Stable		Stable	
	N. CA: SAN FRANCISCO	Stable		Stable		Stable		Stable	
	N. CA: SAN JOSE	Increase		Increase		Increase		Increase	
	NY: NEW YORK CITY	Stable		Increase		Increase		Increase	
	NY: STAMFORD	Increase		Increase		Increase		Increase	
	ORLANDO	Stable		Stable		Stable		Stable	
	SEATTLE	Stable		Stable		Increase		Increase	
	S. CA: LOS ANGELES	Stable		Stable		Stable		Stable	
	S. CA: ORANGE COUNTY	Stable		Increase		Increase		Increase	
	S. FLORIDA ² : MIAMI	Stable		Stable		Stable		Stable	
	WASHINGTON, D.C.	Decrease		Decrease		Stable		Stable	

		CLASS AA		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	
TIER II	ATLANTA	Stable		Stable	Increase	Stable		Increase	
	AUSTIN	Stable		Stable	Stable	Stable		Stable	
	DALLAS/FORT WORTH	Decrease		Decrease	Decrease	Stable		Stable	
	DENVER	Decrease		Stable	Increase	Increase		Increase	
	HOUSTON	Increase		Increase	Increase	Increase		Increase	
	MINNEAPOLIS	Stable		Stable	Stable	Stable		Stable	
	PHILADELPHIA	Stable		Stable	Stable	Stable		Stable	
	PHOENIX	Stable		Stable	Stable	Stable		Stable	
	PORTLAND	Decrease		Stable	Decrease	Decrease		Decrease	
	SAN DIEGO	Stable		Stable	Stable	Stable		Stable	

■ INCREASE
 ■ DECREASE
 ■ STABLE
 — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016. ²Covers the three-county Miami area.
 Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



OFFICE CBD | UNITED STATES FORECAST TRENDS CONT.

		CLASS AA		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	
TIER III	ALBUQUERQUE								
	BALTIMORE								
	CHARLOTTE								
	CINCINNATI	—			DECREASE	DECREASE		DECREASE	
	CLEVELAND								
	COLUMBUS								
	DETROIT	—							
	INDIANAPOLIS								
	JACKSONVILLE			DECREASE					
	KANSAS CITY								
	LAS VEGAS	INCREASE		INCREASE		INCREASE		INCREASE	
	MEMPHIS								
	NASHVILLE								
	OKLAHOMA CITY	—		INCREASE		INCREASE		INCREASE	
	PITTSBURGH	DECREASE		DECREASE		DECREASE		DECREASE	
	RALEIGH-DURHAM								
	RICHMOND								
	SACRAMENTO	DECREASE		DECREASE		DECREASE		INCREASE	
	SALT LAKE CITY								
	SAN ANTONIO	—							
ST. LOUIS	—								
TAMPA									

INCREASE DECREASE STABLE — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

OFFICE SUBURBAN | UNITED STATES KEY RATES

	CLASS AA			CLASS A			CLASS B			CLASS C					
	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹				
			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			
TIER I	BOSTON	5.75 - 6.25	▲	6.00 - 6.75	▲	7.00 - 8.00	◄	7.50 - 8.50	▲	9.00 - 10.25	▲	—	—		
	CHICAGO	7.25 - 7.75	▲	7.50 - 8.50	▲	8.75 - 10.50	▲	8.25 - 9.75	▲	10.25 - 12.50	▲	9.25 - 10.50	▲	10.25 - 13.00	▲
	N. CA: OAKLAND	5.75 - 6.75	▼	6.00 - 7.00	◄	7.50 - 8.00	◄	7.00 - 8.00	◄	8.00 - 9.00	◄	8.50 - 10.00	◄	10.00 - 12.00	◄
	N. CA: SAN FRANCISCO	5.00 - 6.00	◄	5.50 - 6.50	◄	6.50 - 7.50	▼	6.50 - 7.50	◄	8.25 - 9.25	◄	7.50 - 8.50	◄	9.50 - 10.50	◄
	N. CA: SAN JOSE	5.00 - 5.75	▲	5.75 - 6.50	▲	6.75 - 7.50	▲	6.25 - 7.50	▲	7.50 - 8.50	▲	7.75 - 8.75	▲	9.25 - 10.25	▲
	NY: N. NEW JERSEY	5.50 - 6.00	▼	6.25 - 6.75	◄	7.50 - 8.00	◄	8.00 - 8.50	▲	9.00 - 9.00	◄	9.00 - 10.00	▲	10.50 - 11.00	◄
	NY: STAMFORD	—		8.00 - 8.50	▲	10.00 - 10.50	▲	8.75 - 9.25	▲	11.00 - 11.50	▲	9.75 - 10.25	▲	12.50 - 13.00	▲
	SEATTLE	5.25 - 5.75	▲	5.75 - 6.25	▲	6.50 - 7.50	▲	6.50 - 7.00	▲	7.25 - 8.25	▲	7.25 - 8.00	▲	7.50 - 8.50	▲
	S. CA: LOS ANGELES	5.00 - 5.50	◄	5.50 - 6.50	▲	6.50 - 7.50	▼	6.50 - 7.50	▲	7.50 - 8.50	▲	7.50 - 8.50	▲	8.50 - 9.50	▲
	S. CA: ORANGE COUNTY	5.00 - 5.75	◄	5.25 - 6.00	◄	6.25 - 6.75	▼	6.25 - 7.00	◄	6.50 - 7.25	▲	7.25 - 8.50	▲	7.50 - 8.50	◄
	S. FLORIDA ² : MIAMI	—		5.25 - 6.25	▲	6.00 - 7.00	◄	6.25 - 7.25	▲	7.00 - 8.00	◄	7.75 - 8.75	▲	9.00 - 10.00	◄
WASHINGTON, D.C.	5.25 - 5.50	◄	5.75 - 6.75	◄	6.75 - 8.00	◄	6.60 - 7.75	◄	7.25 - 9.75	◄	8.50 - 9.00	◄	9.00 - 10.00	◄	

	CLASS AA			CLASS A			CLASS B			CLASS C					
	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹				
			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)			
TIER II	ATLANTA	6.00 - 6.50	▲	6.75 - 7.50	▲	7.25 - 8.00	▲	7.50 - 8.50	▲	8.25 - 9.75	▲	8.50 - 10.25	▲	9.25 - 12.25	▲
	AUSTIN	6.00 - 6.75	▲	6.25 - 7.00	▼	7.75 - 8.50	▼	7.00 - 7.50	◄	8.00 - 9.00	▼	8.00 - 8.75	◄	9.00 - 9.75	▼
	DALLAS/FORT WORTH	5.50 - 6.50	▼	6.25 - 7.00	▼	7.00 - 8.00	▼	7.75 - 8.25	◄	8.50 - 9.75	▼	9.00 - 11.00	◄	10.75 - 11.50	◄
	DENVER	5.75 - 6.25	◄	7.00 - 8.00	▲	7.75 - 8.75	▲	8.00 - 8.75	▲	8.25 - 9.25	▲	8.75 - 9.50	▲	9.25 - 10.25	▲
	HOUSTON	6.25 - 6.75	▲	6.75 - 7.25	▲	8.00 - 9.00	▲	8.00 - 8.50	▲	9.00 - 10.00	▲	9.00 - 10.00	◄	11.00 - 12.00	◄
	MINNEAPOLIS	—		6.25 - 7.25	◄	8.50 - 9.50	◄	7.75 - 8.75	◄	9.50 - 10.50	◄	10.00 - 11.00	◄	12.00 - 13.00	◄
	PHILADELPHIA	6.25 - 6.75	◄	7.00 - 8.00	▲	8.00 - 9.00	▲	9.00 - 10.00	▲	10.00 - 12.00	▲	10.00 - 11.00	◄	11.00 - 12.50	▲
	PHOENIX	5.75 - 6.25	◄	6.25 - 6.75	◄	6.50 - 7.00	◄	6.75 - 7.50	◄	7.25 - 8.25	◄	9.00 - 10.00	◄	11.00 - 12.00	◄
	PORTLAND	6.00 - 7.00	◄	6.50 - 7.50	▼	8.00 - 9.00	◄	7.00 - 8.00	▼	8.00 - 9.00	▼	8.00 - 9.00	▼	9.00 - 10.00	◄
	SAN DIEGO	5.25 - 5.75	▲	5.75 - 6.25	▲	6.50 - 7.00	▲	7.00 - 7.50	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	▲

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. ²Covers the three-county Miami area. Note: Data is subject to historical revision. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

OFFICE SUBURBAN | UNITED STATES KEY RATES CONT.

		CLASS AA			CLASS A			CLASS B			CLASS C				
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹
TIER III	ALBUQUERQUE	7.50 - 8.25	◄	7.50 - 8.75	◄	9.00 - 9.75	◄	8.75 - 9.50	◄	9.75 - 10.75	◄	9.75 - 11.25	◄	10.25 - 12.50	◄
	BALTIMORE	6.75 - 7.50	▲	7.25 - 8.25	▲	8.50 - 9.00	◄	8.00 - 9.00	◄	8.50 - 9.50	◄	9.75 - 10.25	▲	9.50 - 10.00	▲
	CHARLOTTE	—		6.50 - 7.00	◄	8.50 - 9.50	◄	7.25 - 8.25	◄	9.00 - 10.00	◄	8.50 - 9.00	◄	10.00 - 11.00	◄
	CINCINNATI	—		8.00 - 8.50	▼	9.25 - 9.75	▼	9.00 - 9.50	◄	10.00 - 11.00	◄	10.00 - 11.00	◄	11.00 - 12.00	◄
	CLEVELAND	—		8.25 - 8.75	▼	8.75 - 9.25	◄	8.00 - 9.00	▼	9.75 - 10.75	◄	9.00 - 11.00	▼	11.00 - 12.00	◄
	COLUMBUS	—		7.25 - 8.25	▲	8.00 - 9.00	◄	8.50 - 10.00	◄	9.25 - 9.75	◄	10.50 - 11.00	◄	11.50 - 12.50	◄
	DETROIT	—		8.00 - 9.00	▲	8.50 - 9.25	◄	8.50 - 9.25	◄	9.25 - 9.75	◄	10.00 - 12.00	◄	11.00 - 13.00	◄
	INDIANAPOLIS	—		8.00 - 9.00	◄	9.50 - 10.50	◄	9.00 - 10.00	◄	10.00 - 12.00	◄	10.00 - 12.00	◄	12.00 - 13.00	◄
	JACKSONVILLE	—		7.00 - 8.00	◄	9.50 - 10.00	▼	8.00 - 9.00	◄	9.50 - 11.00	▼	9.50 - 10.50	▼	11.00 - 11.00	◄
	KANSAS CITY	6.50 - 7.25	▲	7.25 - 7.75	▲	7.75 - 8.25	◄	8.50 - 9.00	▲	9.25 - 9.75	◄	9.25 - 10.25	◄	10.25 - 12.00	◄
	LAS VEGAS	6.50 - 7.00	▼	7.00 - 7.50	▼	8.00 - 9.00	▲	7.25 - 7.75	◄	9.00 - 10.00	▲	8.00 - 10.00	◄	10.00 - 12.00	◄
	MEMPHIS	6.75 - 7.25	◄	7.25 - 7.75	◄	8.50 - 9.00	◄	8.50 - 9.00	◄	10.00 - 10.50	◄	10.00 - 11.00	▲	11.50 - 13.00	▲
	NASHVILLE	6.25 - 6.75	▲	6.50 - 7.00	▲	7.25 - 7.75	◄	7.50 - 8.00	◄	7.75 - 8.50	◄	8.25 - 9.25	◄	7.75 - 9.00	◄
	OKLAHOMA CITY	—		7.25 - 8.25	▲	8.25 - 9.25	▲	8.25 - 9.75	▲	9.00 - 10.25	▲	9.00 - 11.00	◄	10.00 - 11.00	◄
	ORLANDO	6.00 - 6.50	◄	7.00 - 7.50	◄	7.50 - 8.00	◄	7.50 - 8.00	◄	8.00 - 8.50	◄	8.50 - 9.00	▲	9.00 - 9.50	▲
	PITTSBURGH	7.00 - 8.00	◄	7.75 - 8.50	◄	9.00 - 10.00	◄	8.50 - 9.00	◄	10.00 - 12.00	◄	11.00 - 12.00	◄	11.00 - 12.00	◄
	RALEIGH-DURHAM	7.25 - 7.75	▲	7.50 - 8.00	▲	9.50 - 10.00	▲	7.75 - 9.25	▲	9.50 - 10.00	▼	9.00 - 9.50	▲	10.00 - 11.50	▼
	RICHMOND	—		6.75 - 8.25	◄	8.00 - 9.50	◄	7.75 - 9.00	◄	8.75 - 10.25	◄	8.50 - 10.50	◄	9.50 - 12.00	◄
	SACRAMENTO	6.50 - 7.25	▼	7.00 - 7.75	▼	8.25 - 8.50	◄	8.00 - 8.50	▼	8.75 - 9.50	▼	8.75 - 9.50	▼	9.75 - 10.75	▼
	SALT LAKE CITY	5.75 - 6.00	◄	6.00 - 6.75	◄	6.25 - 7.00	◄	7.00 - 7.75	◄	7.25 - 8.00	◄	8.00 - 9.50	◄	8.50 - 9.50	◄
SAN ANTONIO	—		7.00 - 8.00	▲	8.25 - 9.25	◄	8.25 - 9.00	▲	9.75 - 10.75	◄	9.50 - 10.50	▲	9.75 - 10.75	◄	
ST. LOUIS	6.75 - 7.25	◄	7.25 - 8.25	◄	8.25 - 8.75	◄	8.00 - 8.50	◄	9.00 - 10.00	◄	9.00 - 9.50	◄	10.00 - 12.00	◄	
TAMPA	6.00 - 6.50	◄	6.50 - 6.75	◄	7.25 - 7.75	◄	7.50 - 8.00	◄	7.75 - 8.50	◄	8.25 - 9.25	◄	7.75 - 9.00	◄	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Note: Data is subject to historical revision.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

OFFICE SUBURBAN | CANADA KEY RATES

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	5.75 - 6.25	◄►	6.75 - 7.25	▼
	VANCOUVER	5.00 - 5.75	▼	5.75 - 6.25	▼

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	6.25 - 6.75	◄►	7.25 - 8.00	◄►
	EDMONTON	6.75 - 7.25	◄►	7.25 - 7.75	◄►
	MONTREAL	5.75 - 6.75	▼	7.00 - 7.75	◄►

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	6.50 - 7.50	◄►	7.50 - 8.00	▲
	KITCHENER - WATERLOO	6.25 - 7.50	◄►	7.00 - 7.50	◄►
	LONDON - WINDSOR	7.50 - 8.00	◄►	8.00 - 8.50	◄►
	OTTAWA	6.25 - 7.00	◄►	7.00 - 7.50	◄►
	WINNIPEG	5.50 - 6.00	◄►	6.50 - 7.00	◄►

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE.

OFFICE SUBURBAN | UNITED STATES FORECAST TRENDS

		CLASS AA		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER I	BOSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	CHICAGO	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	N. CA: OAKLAND	DECREASE	DECREASE	DECREASE	DECREASE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN FRANCISCO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN JOSE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	NY: NORTHERN NEW JERSEY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	NY: STAMFORD	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	SEATTLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. CA: LOS ANGELES	STABLE	DECREASE	DECREASE	DECREASE	STABLE	STABLE	STABLE	STABLE
	S. CA: ORANGE COUNTY	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. FLORIDA ² : MIAMI	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	WASHINGTON, D.C.	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE

		CLASS AA		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER II	ATLANTA	STABLE	INCREASE	STABLE	INCREASE	STABLE	INCREASE	STABLE	INCREASE
	AUSTIN	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	DALLAS/FORT WORTH	DECREASE	DECREASE	DECREASE	DECREASE	STABLE	STABLE	STABLE	STABLE
	DENVER	DECREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	HOUSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	MINNEAPOLIS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PHILADELPHIA	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	PHOENIX	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PORTLAND	STABLE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	SAN DIEGO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE

■ INCREASE
■ DECREASE
■ STABLE
 — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

²Covers the three-county Miami area.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



OFFICE SUBURBAN | UNITED STATES FORECAST TRENDS CONT.

		CLASS AA		CLASS A		CLASS B		CLASS C		
		CAP RATES FOR STABILIZED PROPERTIES		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE									
	BALTIMORE									
	CHARLOTTE									
	CINCINNATI	—								
	CLEVELAND									
	COLUMBUS									
	DETROIT	—								
	INDIANAPOLIS									
	JACKSONVILLE									
	KANSAS CITY									
	LAS VEGAS									
	MEMPHIS									
	NASHVILLE									
	OKLAHOMA CITY	—								
	ORLANDO									
	PITTSBURGH									
	RALEIGH-DURHAM									
	RICHMOND									
	SACRAMENTO									
	SALT LAKE CITY									
SAN ANTONIO	—									
ST. LOUIS										
TAMPA										

■ INCREASE ■ DECREASE ■ STABLE — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

INDUSTRIAL | OVERVIEW

CANADA

Cap rates for the industrial asset class compressed further to a new record low at the national level of 6.36%. This represents a decline of 5 bps compared to the same period one year ago. Cap rates for Class A product led the way with an 8 bps drop to a new average low of 5.86%, while those for Class B assets declined a modest 2 bps, also representing a new record low of 6.86%.

The largely undersupplied industrial market of Vancouver had the steepest cap rate declines among Class A product, which compressed 38 bps to 5.13%. Class A product in Calgary proved resilient as well, despite the local economy’s dependence on the energy industry, recording a decline of 25 bps compared to one year ago. Conversely, Class B industrial cap rates in Edmonton rose 38 bps to 7.13%.

UNITED STATES

On average, industrial cap rates were unchanged in the first half of 2016 for acquisitions of stabilized assets, with an overall rate of 6.72%. Class A cap rates dropped 5 bps to 5.49%; Class B fell 1 basis point to 6.59%; and Class C increased 5 bps to 8.10%.

Cap rates in Tier I markets decreased slightly, while those in Tier II and Tier III markets were stable. Tier I fell 1 basis point to 6.07%, while Tier II (6.76%) and Tier III (7.62%) were virtually unchanged.

Of the 50 markets tracked, 12 have cap rates at or below 5% for stabilized Class A properties, which is two more than the previous period. The markets with the lowest cap rates are in Northern and Southern California, Seattle and Northern New Jersey.

The expected return on cost for value-add industrial acquisitions remained stable at 7.69%. For Class A value-add acquisitions, the average expected return on cost rose slightly to 6.32%, while that for Class B decreased 5 bps to 7.53% and

FIGURE 11. INDUSTRIAL - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	6.71	6.71	0
	A	5.53	5.49	-5
	B	6.59	6.59	0
	C	8.06	8.10	5
I	A	4.82	4.76	-6
	B	5.97	5.93	-4
	C	7.44	7.53	9
II	A	5.71	5.71	0
	B	6.69	6.66	-3
	C	8.08	8.09	0
III	A	6.47	6.39	-8
	B	7.44	7.51	8
	C	8.95	8.97	1

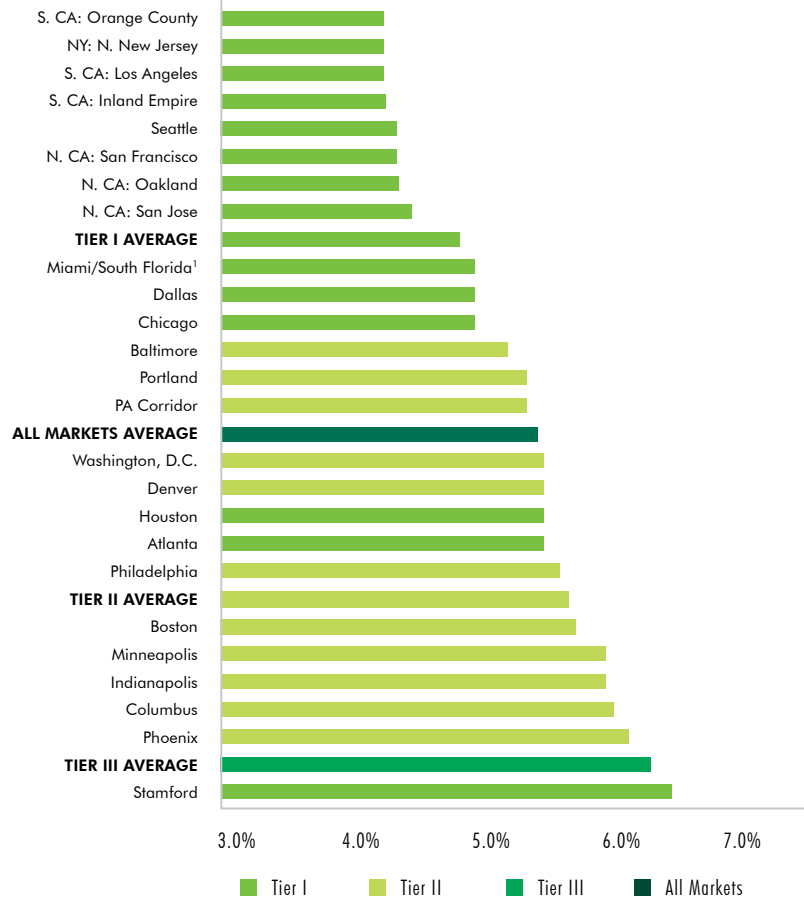
Source: CBRE.

Class C increased 4 bps to 9.29%. The slight upward movement reflects investors’ concerns about slowing user demand for the older, less-functional properties that comprise the Class C segment.

The gradual tightening of Class A and B industrial cap rates for stabilized assets has continued, but at a much slower pace, as shown in the charts below representing the historical series. The spreads among the classes have changed minimally since CBRE began conducting its semi-annual survey. After reaching a recent low of 232 bps between Class A and Class C in early 2014, the spread has widened slightly due to further declines in Class A cap rates and more stable pricing among Class C properties. In H1 2016, the spread was 263 bps.

INDUSTRIAL | OVERVIEW CONT.

FIGURE 12. INDUSTRIAL - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



¹Covers the three-county Miami area. Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau’s combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

The historical analysis of cap rate averages by metro tier reveals a clear, sustained pricing premium for Class A assets in Tier I markets. Tier I Class A assets have been priced at an average of 98 bps under those in Tier II markets and 162 bps under those in Tier III markets.

For Class A assets, the H1 2016 survey revealed a very slight widening of the spread between Tier I and II markets of 2 bps, and a 15 bps increase in the spread between Tier I and Tier III markets.

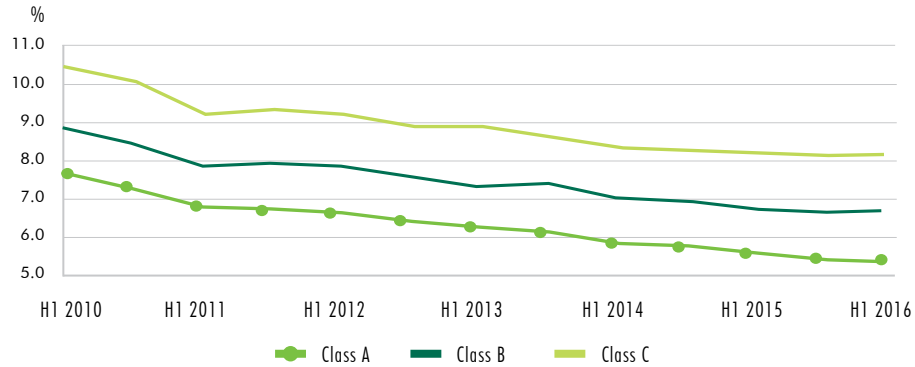
Industrial cap rate spreads over the 10-year U.S. Treasury Rate increased during H1 2016 from 444 bps to 522 bps, as the benchmark interest rate edged downward. For Class A stabilized acquisitions, the spread averaged approximately 400 bps at the end of H1 2016, compared to 326 at the end of H2 2015. Most of the increases in the spreads were due to the lower 10-year Treasury Rate.

The spread of value-add cap rates over the 10-year U.S. Treasury Rate also widened, growing to 620 bps—an increase of 76 bps from H2 2015. For Class A value-add expected returns on cost, the spread averaged 483 bps at the end of H1 2016, compared to 404 at the end of H2 2015.

Looking ahead, a majority of markets expect no change in cap rates for stabilized or value-add properties over H2 2016, which is unsurprising given the extended period of cap rate compression in the industrial market since 2009. Further compression in cap rates for stabilized properties is expected in about 20% of markets, due in large part to the expectation of continued rent growth. Rate increases greater than 25 bps are generally only expected among stabilized Class C assets in Houston, Oklahoma City and Sacramento, as well as Class C value-add acquisitions in El Paso, Houston and Oklahoma City. Houston, Northern New Jersey and Oklahoma City are the only markets with modest increases (generally less than 25 bps) anticipated across all asset classes.

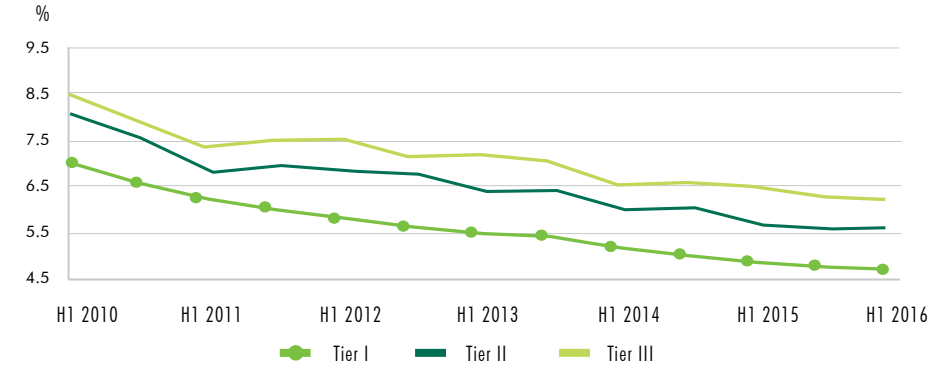
INDUSTRIAL | OVERVIEW CONT.

FIGURE 13. INDUSTRIAL - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions.

FIGURE 14. INDUSTRIAL - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.

Click below to access the [interactive cap rate maps](#).



INDUSTRIAL | UNITED STATES KEY RATES

		CLASS A				CLASS B				CLASS C			
TIER I		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
	ATLANTA	5.25 - 5.75	▼	5.75 - 6.50	▲	6.25 - 7.00	▲	7.25 - 8.00	▲	8.25 - 9.25	▲	9.00 - 10.50	▲
	N. CA: OAKLAND	4.00 - 4.75	◄	4.75 - 5.50	◄	5.00 - 5.75	◄	5.75 - 6.50	▲	6.50 - 7.25	◄	7.00 - 8.00	◄
	N. CA: SAN FRANCISCO	4.00 - 4.75	◄	4.75 - 5.50	◄	5.00 - 5.75	◄	5.75 - 6.50	◄	6.50 - 7.25	◄	7.00 - 8.00	◄
	N. CA: SAN JOSE	4.00 - 5.00	◄	4.75 - 6.50	◄	5.00 - 6.00	◄	5.75 - 7.00	◄	6.50 - 7.50	◄	7.00 - 8.00	◄
	CHICAGO	4.75 - 5.25	▼	5.50 - 6.00	◄	6.25 - 6.75	▼	7.25 - 8.25	▼	8.00 - 9.00	▼	9.00 - 11.00	◄
	DALLAS/FORT WORTH	4.75 - 5.25	◄	5.25 - 6.00	◄	5.75 - 6.25	◄	6.25 - 7.25	◄	7.00 - 8.25	◄	8.00 - 11.00	◄
	HOUSTON	5.25 - 5.75	◄	5.75 - 6.25	◄	6.50 - 7.00	◄	7.00 - 7.75	◄	7.50 - 8.50	▲	8.50 - 9.00	◄
	MIAMI/S. FLORIDA ²	4.75 - 5.25	◄	5.50 - 6.50	◄	5.50 - 6.25	◄	6.25 - 7.25	◄	7.00 - 8.50	◄	7.50 - 9.00	◄
	NY: N. NEW JERSEY	4.00 - 4.50	▼	5.00 - 5.50	◄	5.25 - 5.75	◄	6.25 - 6.75	◄	7.00 - 8.00	◄	8.50 - 9.50	▼
	NY: STAMFORD	6.25 - 6.75	▲	8.00 - 8.50	▲	7.00 - 7.50	▲	9.00 - 9.50	▲	8.50 - 9.00	▲	9.75 - 10.50	▲
	S. CA: INLAND EMPIRE	4.00 - 4.50	◄	4.75 - 5.25	◄	4.75 - 6.00	◄	5.50 - 6.50	◄	6.00 - 7.25	◄	6.50 - 7.50	◄
	S. CA: LOS ANGELES	4.00 - 4.50	◄	4.75 - 5.25	◄	4.75 - 6.00	◄	5.50 - 6.50	◄	6.00 - 7.25	◄	6.50 - 7.50	◄
	S. CA: ORANGE COUNTY	4.00 - 4.50	◄	4.75 - 5.25	◄	4.75 - 6.00	◄	5.50 - 6.50	◄	6.00 - 7.25	◄	6.50 - 7.50	◄
	SEATTLE	4.00 - 4.75	▼	5.25 - 6.00	▼	4.75 - 5.50	▼	6.00 - 6.75	▼	5.75 - 6.50	◄	7.50 - 8.50	◄
	WASHINGTON, D.C.	5.00 - 6.00	▲	5.75 - 6.50	▲	6.00 - 7.50	▲	7.00 - 8.00	▲	7.25 - 7.75	▲	8.00 - 9.00	▲

		CLASS A				CLASS B				CLASS C			
TIER II		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
	BALTIMORE	5.00 - 5.50	◄	6.00 - 6.75	◄	6.00 - 6.50	▼	6.50 - 7.00	▼	7.50 - 8.00	◄	8.50 - 9.00	▼
	BOSTON	5.50 - 6.00	◄	7.00 - 8.00	◄	6.50 - 7.50	◄	8.00 - 9.25	◄	—	—	—	—
	COLUMBUS	5.75 - 6.25	◄	7.00 - 7.50	◄	7.00 - 7.50	◄	8.00 - 9.00	◄	8.50 - 9.50	◄	9.00 - 9.00	▼
	DENVER	5.25 - 5.75	▼	5.75 - 6.25	▼	5.75 - 6.25	▼	6.25 - 7.25	▼	7.50 - 8.00	◄	9.00 - 10.00	▲
	INDIANAPOLIS	5.75 - 6.25	◄	6.25 - 7.00	◄	6.75 - 7.25	◄	8.25 - 9.25	◄	8.50 - 9.00	◄	9.00 - 11.00	◄
	MINNEAPOLIS	5.75 - 6.25	◄	6.25 - 7.00	◄	6.75 - 7.25	◄	7.50 - 8.50	◄	8.50 - 9.00	◄	9.00 - 11.00	◄
	PA. CORRIDOR	5.00 - 5.75	—	5.75 - 6.25	—	6.00 - 6.50	—	6.50 - 7.00	—	7.25 - 8.00	—	8.50 - 10.00	—
	PHILADELPHIA	5.25 - 6.00	▲	6.00 - 6.50	▲	6.25 - 6.75	▲	6.75 - 7.25	▲	7.50 - 8.25	▲	8.75 - 10.25	▲
	PHOENIX	5.75 - 6.50	◄	6.50 - 7.00	◄	6.50 - 7.50	◄	7.50 - 8.25	◄	7.50 - 8.50	◄	8.50 - 11.00	◄
	PORTLAND	5.25 - 5.50	▼	6.50 - 7.00	▲	5.50 - 6.25	▼	7.00 - 8.00	◄	7.00 - 8.00	◄	8.00 - 10.00	◄

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. ²Covers the three-county Miami area.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

INDUSTRIAL | UNITED STATES KEY RATES CONT.

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER III	ALBUQUERQUE	7.50 - 8.00	◄	—		—		—		—		—	
	AUSTIN	5.00 - 6.00	▼	6.00 - 7.00	▼	6.25 - 7.25	▼	6.25 - 7.75	▼	7.50 - 8.25	◄	8.50 - 9.50	◄
	CHARLOTTE	5.50 - 6.00	▼	6.50 - 7.00	▼	6.50 - 7.00	▼	7.25 - 7.75	▼	8.00 - 9.00	▼	9.00 - 10.50	▲
	CINCINNATI	5.75 - 6.25	◄	6.75 - 7.25	◄	6.75 - 7.25	◄	8.00 - 9.00	◄	8.50 - 9.25	▼	10.00 - 11.50	▼
	CLEVELAND	6.75 - 7.25	◄	7.50 - 8.00	◄	7.50 - 8.50	◄	9.00 - 10.00	◄	8.50 - 9.50	▼	10.00 - 12.00	◄
	DETROIT	6.50 - 7.50	◄	7.50 - 8.50	▲	8.00 - 9.00	▲	8.75 - 10.00	▼	9.50 - 10.50	▲	10.50 - 12.00	▲
	EL PASO	7.00 - 7.50	◄	7.50 - 8.00	◄	7.75 - 8.75	◄	9.50 - 10.00	◄	9.50 - 10.00	◄	11.50 - 12.00	◄
	HONOLULU	5.00 - 5.50	◄	6.00 - 7.00	◄	6.00 - 6.50	◄	6.75 - 7.50	▼	7.50 - 8.00	◄	8.00 - 11.00	◄
	JACKSONVILLE	6.00 - 7.00	▼	7.00 - 7.50	◄	7.25 - 7.75	◄	8.25 - 9.00	◄	9.00 - 9.50	◄	10.50 - 12.50	▲
	KANSAS CITY	5.75 - 6.25	▼	7.00 - 7.50	◄	7.00 - 7.50	◄	8.00 - 9.00	◄	8.50 - 9.50	◄	9.00 - 11.00	◄
	LAS VEGAS	5.50 - 5.75	▼	6.00 - 6.50	▼	6.00 - 6.50	▼	7.00 - 7.75	▼	6.50 - 7.25	▼	8.00 - 9.00	▲
	LOUISVILLE	6.00 - 6.50	◄	6.50 - 7.00	▲	7.00 - 7.50	◄	7.75 - 8.00	▼	8.25 - 9.25	◄	9.00 - 10.00	▼
	MEMPHIS	6.15 - 6.50	▼	6.75 - 7.25	▼	7.00 - 7.50	◄	8.00 - 8.50	◄	9.00 - 10.00	▲	10.50 - 11.00	▲
	NASHVILLE	5.75 - 6.25	◄	6.50 - 7.00	◄	7.75 - 8.00	▲	8.25 - 8.75	▲	8.00 - 8.25	▼	10.00 - 11.00	▲
	OKLAHOMA CITY	7.00 - 7.50	◄	7.50 - 8.50	◄	7.50 - 8.50	◄	9.25 - 10.25	▲	9.25 - 10.50	▲	10.25 - 12.50	▲
	ORLANDO	5.50 - 6.00	▼	6.00 - 7.75	▲	6.50 - 7.00	◄	7.00 - 8.00	◄	8.00 - 9.00	▼	9.00 - 9.50	▼
	PITTSBURGH	7.25 - 8.00	◄	8.00 - 9.00	◄	8.50 - 9.50	◄	9.00 - 10.00	◄	9.50 - 10.50	◄	10.50 - 12.00	◄
	RALEIGH-DURHAM	6.25 - 7.00	◄	7.50 - 8.00	◄	7.25 - 8.25	◄	7.75 - 8.75	◄	8.50 - 9.50	◄	9.00 - 10.50	◄
	RICHMOND	6.25 - 7.25	◄	6.75 - 7.50	◄	6.75 - 8.25	◄	7.50 - 9.00	◄	8.50 - 9.50	◄	9.00 - 12.00	◄
	SACRAMENTO	6.00 - 6.50	▼	7.25 - 8.00	▲	6.75 - 7.75	▼	8.25 - 9.00	▲	8.50 - 9.25	▲	9.50 - 11.25	▲
SALT LAKE CITY	5.75 - 6.25	◄	6.00 - 6.75	◄	6.50 - 7.00	◄	7.25 - 7.75	◄	8.00 - 8.50	◄	8.50 - 10.00	◄	
SAN ANTONIO	6.00 - 6.50	▼	6.75 - 7.25	◄	7.25 - 8.00	◄	7.75 - 8.50	◄	8.50 - 9.50	◄	9.00 - 12.00	◄	
SAN DIEGO	5.25 - 6.00	◄	6.00 - 6.50	◄	6.00 - 6.50	◄	6.25 - 6.75	◄	7.00 - 7.50	◄	8.00 - 9.50	▼	
ST. LOUIS	6.00 - 6.75	▲	7.00 - 8.00	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	9.00 - 10.00	▲	9.00 - 11.00	◄	
TAMPA	6.00 - 6.50	▼	6.50 - 7.00	▼	6.50 - 7.50	▼	7.25 - 8.25	▼	8.00 - 9.50	▼	8.50 - 10.50	▼	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

INDUSTRIAL | CANADA KEY RATES

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	5.00 - 5.50	↔	6.50 - 7.50	↔
	VANCOUVER	4.75 - 5.50	↔	5.25 - 6.25	↔

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	5.25 - 5.75	▼	6.25 - 6.75	▼
	EDMONTON	5.50 - 6.00	↔	6.75 - 7.50	↔
	MONTREAL	5.75 - 6.50	↔	6.75 - 7.75	▼

		CLASS A		CLASS B	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	6.50 - 7.00	↔	7.25 - 7.75	↔
	KITCHENER - WATERLOO	5.90 - 6.50	▼	6.75 - 7.25	▼
	LONDON - WINDSOR	7.00 - 8.00	▼	7.75 - 9.00	▼
	OTTAWA	6.00 - 6.25	↔	6.50 - 7.25	↔
	WINNIPEG	6.00 - 6.50	↔	6.50 - 7.25	↔

▲ INCREASE ▼ DECREASE ↔ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE.

INDUSTRIAL | UNITED STATES FORECAST TRENDS

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER I	ATLANTA	Stable	Decrease	Stable	Stable	Stable	Stable
	N. CA: OAKLAND	Stable	Stable	Stable	Stable	Stable	Stable
	N. CA: SAN FRANCISCO	Stable	Stable	Stable	Stable	Stable	Stable
	N. CA: SAN JOSE	Stable	Stable	Stable	Stable	Stable	Stable
	CHICAGO	Stable	Stable	Decrease	Stable	Increase	Increase
	DALLAS / FORT WORTH	Stable	Stable	Stable	Stable	Stable	Stable
	HOUSTON	Stable	Increase	Increase	Increase	Increase	Increase
	MIAMI / SOUTH FLORIDA ²	Stable	Increase	Increase	Increase	Increase	Increase
	NY: NORTHERN NEW JERSEY	Stable	Increase	Stable	Increase	Increase	Increase
	NY: STAMFORD	Stable	Stable	Stable	Stable	Stable	Stable
	S. CA: INLAND EMPIRE	Stable	Stable	Decrease	Decrease	Decrease	Decrease
	S. CA: LOS ANGELES	Stable	Stable	Decrease	Decrease	Decrease	Decrease
	S. CA: ORANGE COUNTY	Stable	Stable	Decrease	Decrease	Decrease	Decrease
	SEATTLE	Decrease	Decrease	Decrease	Decrease	Stable	Stable
WASHINGTON, D.C.	Stable	Stable	Increase	Increase	Increase	Increase	

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER II	BALTIMORE	Decrease	Decrease	Stable	Stable	Stable	Stable
	BOSTON	Stable	Stable	Increase	Increase	Stable	Stable
	COLUMBUS	Stable	Stable	Stable	Stable	N/A	N/A
	DENVER	Decrease	Stable	Decrease	Stable	Stable	Stable
	INDIANAPOLIS	Stable	Stable	Stable	Stable	Stable	Stable
	MINNEAPOLIS	Stable	Stable	Stable	Stable	Stable	Stable
	PHILADELPHIA/PA CORRIDOR	Stable	Stable	Stable	Stable	Stable	Stable
	PHOENIX	Stable	Stable	Stable	Stable	Stable	Stable
	PORTLAND	Decrease	Stable	Decrease	Stable	Decrease	Stable
	SAN DIEGO	Stable	Stable	Stable	Stable	Stable	Stable

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

²Covers the three-county Miami area.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



INDUSTRIAL | UNITED STATES FORECAST TRENDS CONT.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE	—	—	—	—	—	—
	AUSTIN	DECREASE	DECREASE	DECREASE	DECREASE	STABLE	STABLE
	CHARLOTTE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	CINCINNATI	STABLE	STABLE	DECREASE	DECREASE	STABLE	STABLE
	CLEVELAND	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	DETROIT	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	EL PASO	DECREASE	DECREASE	DECREASE	DECREASE	INCREASE	INCREASE
	HONOLULU	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	JACKSONVILLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	KANSAS CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	LAS VEGAS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	LOUISVILLE	STABLE	—	STABLE	—	—	—
	MEMPHIS	DECREASE	DECREASE	STABLE	STABLE	STABLE	STABLE
	NASHVILLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	OKLAHOMA CITY	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	ORLANDO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PITTSBURGH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	RALEIGH-DURHAM	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	RICHMOND	DECREASE	DECREASE	DECREASE	INCREASE	INCREASE	INCREASE
	SACRAMENTO	DECREASE	DECREASE	INCREASE	INCREASE	INCREASE	INCREASE
SALT LAKE CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	
SAN ANTONIO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	
ST. LOUIS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	
TAMPA	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



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APPENDIX



RETAIL | OVERVIEW

CANADA

Overall, the national average retail cap rate was virtually unchanged from H1 2015 to H1 2016. On closer inspection, however, the retail asset class had mixed results. Cap rates for power centers posted the largest gains year-over-year, up 11 bps to 6.13%. Non-anchored strip plazas followed suit, increasing 2 bps to 7%, reaching a level not seen since 2014. Regional malls and grocery-anchored plazas were in greater demand, compressing to new lows of 5.31% and 5.98%, respectively.

Cap rates for retail properties in Vancouver compressed to new record lows, but none more so than strip plazas, which declined 62 bps to 5.13%. Regional malls recorded the lowest cap rates in Vancouver's retail sector, down 25 bps to 4.75%, representing the only sub-5% retail cap rate in the nation. Montreal also witnessed strong demand in the strip plaza category, as cap rates declined by 25 bps to 5.88%.

UNITED STATES | NEIGHBORHOOD/COMMUNITY

Grocery-anchored neighborhood/community centers recorded a modest 6 bps expansion in cap rates. The rise was driven primarily by Class B assets in Tier II metros, where cap rates rose 18 bps to 6.92%. Class C product in Tier II markets registered an increase of 11 bps, likely reflecting investor concern over rising competition between grocers in already crowded markets.

At the market level, Class A properties in Honolulu have the lowest cap rates at 4.5%, although rates for both Class A and B assets rose slightly from H2 2015. All other markets with sub-5% Class A cap rates are located in California, with the exception of Austin, Texas, where cap rates Class A properties compressed 12 bps to 4.88%.

Returns on cost for value-add acquisitions of neighborhood/community centers rose only among Class B assets (19 bps), while those for Class A and Class C properties fell by 4 bps and 5 bps, respectively.

FIGURE 15. RETAIL NEIGHBORHOOD/COMMUNITY CENTER - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	6.88	6.94	6
	A	5.63	5.62	-1
	B	6.72	6.83	11
	C	8.37	8.39	2
I	A	5.33	5.32	-1
	B	6.45	6.51	6
	C	8.02	8.02	1
II	A	5.61	5.61	0
	B	6.74	6.92	18
	C	8.44	8.55	11
III	A	6.09	6.06	-3
	B	7.10	7.23	13
	C	8.81	8.80	-1

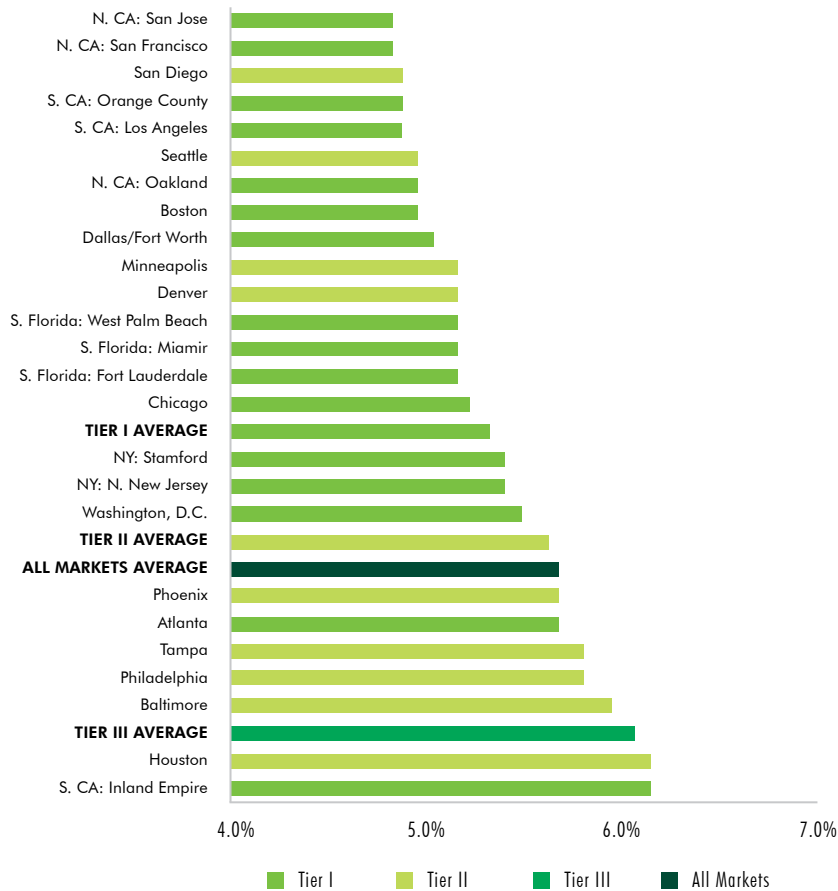
Source: CBRE.

The historical cap rate trends for Class A and B product diverged slightly in H1 2016, although the difference was minor. Cap rates for Class B properties increased, while those for Class A continued to decrease, resulting in a spread of 121 bps—the highest since 2012. Meanwhile, rates for Class C properties have remained relatively stable since H2 2014.

Comparing tiers, the historical trends reveal an ongoing similarity between Class A properties in Tier I and Tier II markets, which are separated by only 28 bps. Though larger, the gap between Tier II and III markets remains relatively low at 45 bps, suggesting that pricing in this segment is driven more by asset class than geography.

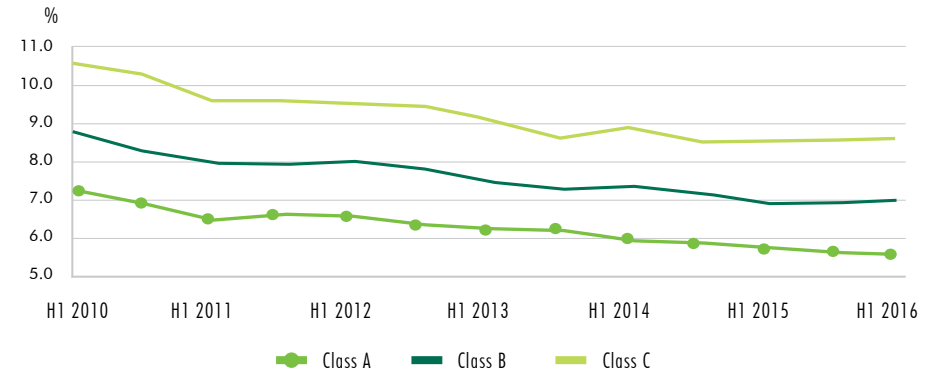
RETAIL | OVERVIEW CONT.

FIGURE 16. RETAIL NEIGHBORHOOD/COMMUNITY CENTER - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



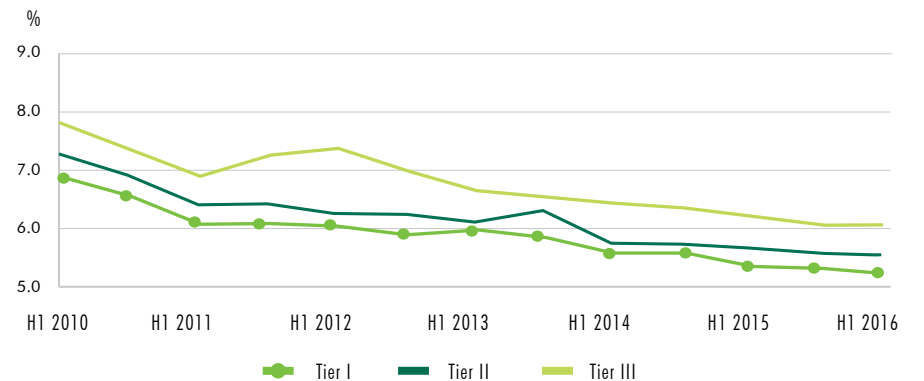
Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 17. RETAIL NEIGHBORHOOD/COMMUNITY CENTER - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions.

FIGURE 18. RETAIL NEIGHBORHOOD/COMMUNITY CENTER - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.



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APPENDIX



RETAIL | OVERVIEW CONT.

Looking ahead, CBRE professionals anticipate that cap rates for stabilized neighborhood/community centers will remain relatively stable from H1 to H2 2016. About 11% of markets expect cap rates for Class A product to decrease up to 25 bps. Among Class B and C stabilized properties, between 13% and 14% of markets expect cap rates to move in the opposite direction, increasing by up to 25 bps.

UNITED STATES | POWER CENTERS

Cap rates among stabilized power centers rose 9 bps overall. Increases were recorded across all classes and tiers, with the exception of Class A and C assets in Tier I markets. The bulk of the decline was driven by Class C properties, for which cap rates fell 16 bps. Class B and C assets in Tier II markets recorded more substantial increases of 22 bps and 30 bps, respectively.

Honolulu stands out as the sole market reporting a sub-5% cap rate, which compressed 38 bps over H1 2016. Other significant cap rate compression occurred for Class A and B assets in Seattle and Memphis. Conversely, cap rate expansion occurred for Class A and B assets in Tampa and Orlando, as well as Class B and C assets in Minneapolis. Among Class C product, Denver had the strongest expansion of 100 bps.

The H1 2016 survey reveals no appreciable change in returns on cost for value-add power center acquisitions. The spread between stabilized power center cap rates and expected returns on cost for value-add assets remains among the lowest of any property type.

FIGURE 19. RETAIL POWER CENTER - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	7.28	7.37	9
	A	6.09	6.12	3
	B	7.20	7.31	11
	C	8.72	8.70	-3
I	A	5.89	5.89	-1
	B	6.96	7.04	9
	C	8.48	8.31	-16
II	A	6.08	6.14	6
	B	7.25	7.47	22
	C	8.61	8.91	30
III	A	6.56	6.62	7
	B	7.71	7.78	7
	C	9.25	9.36	11

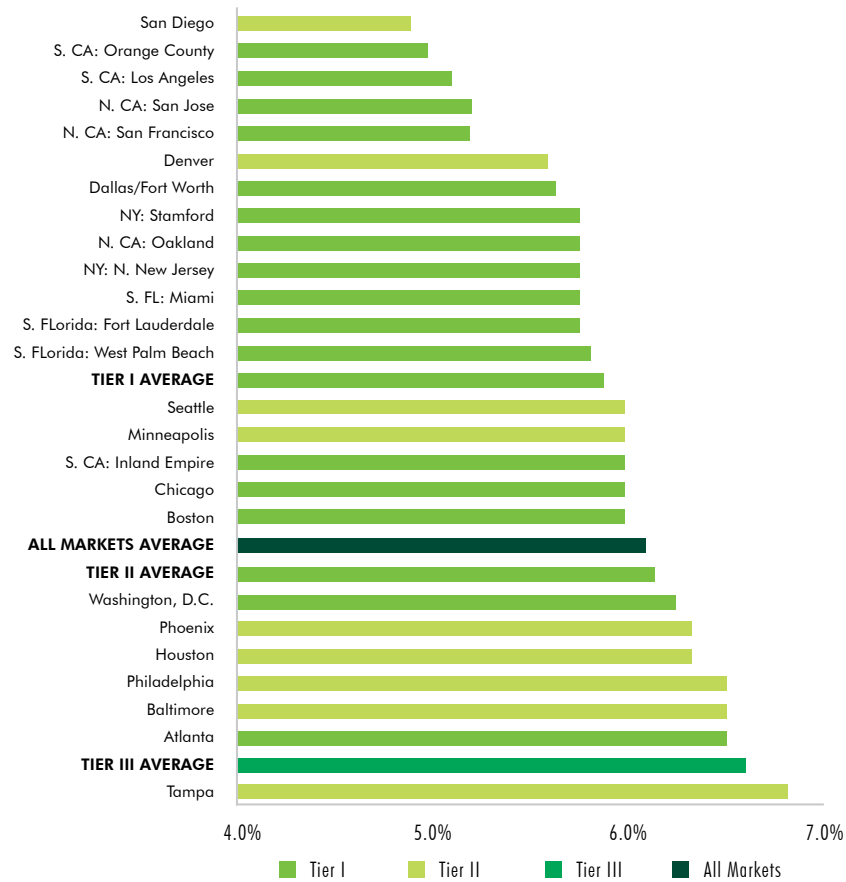
Source: CBRE.

The historical cap rate charts reveal a slight divergence from the normally parallel trend between Class A and B centers; as Class A cap rates remained relatively stable, Class B cap rates inched upwards. Meanwhile, rates for Class C product remained stable.

Over H2 2016, cap rates for power centers across all classes are expected to remain stable. For stabilized assets, 76% of all cap rates are forecast to remain unchanged, while approximately 20% are forecast to increase (most less than 25 bps). The balance (4%) should see slight compression.

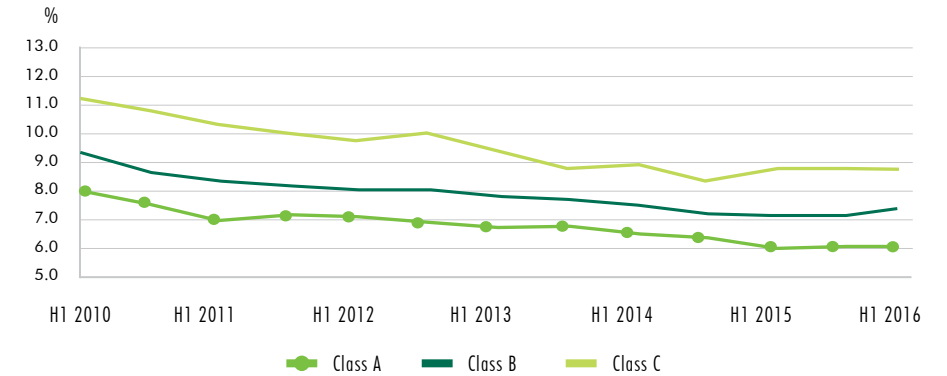
RETAIL | OVERVIEW CONT.

FIGURE 20. RETAIL POWER CENTER - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



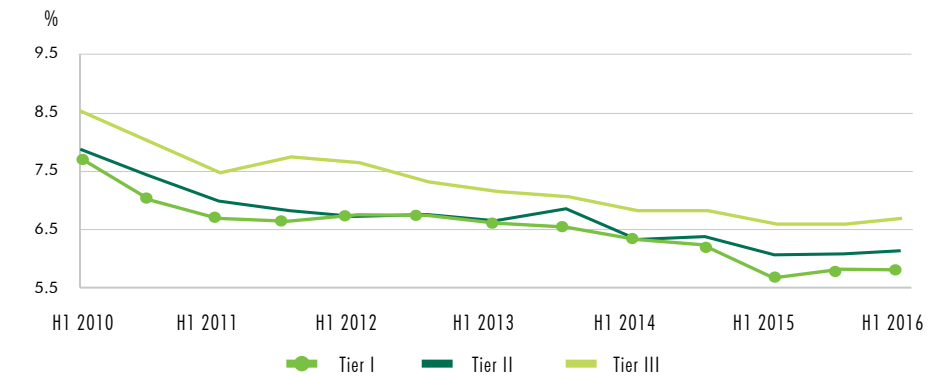
Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 21. RETAIL POWER - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions.

FIGURE 22. RETAIL POWER - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.

RETAIL | OVERVIEW CONT.

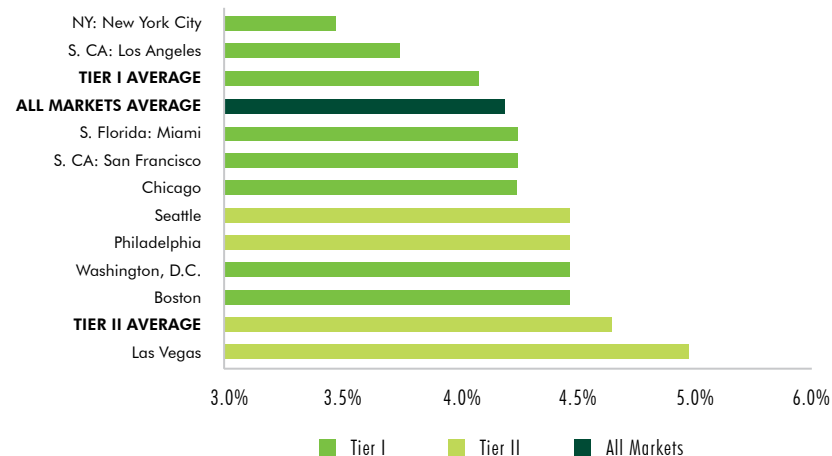
UNITED STATES | HIGH STREET

High street cap rates, which are generally the lowest tracked by this survey, showed a divergent trend in Tier I and II markets. Compared to H2 2015, Tier I cap rates posted a slight increase of 3 bps to 4.11%, while those in Tier II compressed 17 bps to 4.67%.

Among high street markets, Manhattan had the lowest cap rate (3.5%) in H1 2016, while Las Vegas had the highest (5%). The majority of high street markets saw no change from H2 2015; the few exceptions included Seattle and Philadelphia, which both experienced a 25-bps decrease.

Looking ahead to H2 2016, cap rates for stabilized high street retail assets are expected to compress up to 25 bps in Boston and Seattle, but expand by the same amount in San Francisco and Las Vegas. Rates in all other high street markets are expected to remain unchanged.

FIGURE 23. RETAIL HIGH STREET- CLASS A CAP RATES H1 2016 - TIER I & II METROS



Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

Click below to access the [interactive cap rate maps](#).



INTERACTIVE
CAP RATE MAPS
& DOWNLOADS

RETAIL NEIGHBORHOOD/COMMUNITY CENTER | UNITED STATES KEY RATES

	CLASS A				CLASS B				CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		
		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹	
TIER I	BOSTON	5.75 - 6.25	◄	7.50 - 8.00	◄	7.50 - 8.00	◄	10.00 - 11.00	◄	8.75 - 10.50	◄	12.00 - 15.00	◄
	CHICAGO	5.00 - 5.55	▲	5.75 - 6.25	◄	6.50 - 7.00	▲	7.25 - 7.75	▲	7.75 - 8.50	▲	8.25 - 8.75	▲
	DALLAS/FORT WORTH	4.90 - 5.25	▼	5.25 - 5.75	◄	6.25 - 7.25	▼	6.75 - 7.75	▲	8.00 - 10.00	▼	8.50 - 10.50	▼
	N. CA: OAKLAND	4.50 - 5.50	▼	6.25 - 7.25	▼	6.00 - 7.00	▼	7.00 - 7.75	▼	7.00 - 8.00	▼	7.75 - 8.75	▼
	N. CA: SAN FRANCISCO	4.00 - 5.50	▼	6.00 - 7.25	▼	5.50 - 7.00	▼	7.00 - 8.00	▼	7.00 - 8.50	▼	8.50 - 10.50	◄
	N. CA: SAN JOSE	4.00 - 5.50	▼	6.00 - 6.75	◄	5.05 - 7.00	▼	7.00 - 8.80	▲	7.00 - 8.50	▼	8.00 - 9.50	◄
	NY: NORTHERN NEW JERSEY	5.00 - 5.75	◄	6.25 - 6.75	◄	6.25 - 7.00	▲	7.50 - 8.00	▲	8.00 - 9.00		8.50 - 10.00	
	NY: STAMFORD	5.00 - 5.75	◄	6.25 - 6.75	◄	6.25 - 7.00	▲	7.50 - 8.00	▲	—		—	
	S. CA: INLAND EMPIRE	5.75 - 6.50	◄	5.50 - 6.50	◄	5.50 - 6.50	◄	6.00 - 7.50	◄	7.00 - 7.50	◄	7.50 - 8.50	▼
	S. CA: LOS ANGELES	4.50 - 5.25	◄	5.50 - 6.50	◄	5.50 - 6.50	◄	6.00 - 7.50	◄	7.00 - 7.50	◄	7.50 - 8.50	▼
	S. CA: ORANGE COUNTY	4.50 - 5.25	◄	5.50 - 6.50	◄	5.50 - 6.50	◄	6.00 - 7.50	◄	7.00 - 7.50	◄	7.50 - 8.50	▼
	S. FLORIDA: FORT LAUDERDALE	4.75 - 5.75	▲	6.25 - 6.50	▲	6.00 - 6.75	▲	6.75 - 8.00	▲	7.50 - 8.50	▲	8.00 - 8.50	◄
	S. FLORIDA: MIAMI	4.75 - 5.75	▲	6.25 - 6.50	▲	6.00 - 6.75	▲	6.75 - 8.00	▲	7.50 - 8.50	▲	8.00 - 8.50	◄
	S. FLORIDA: WEST PALM BEACH	4.75 - 5.75	▲	6.25 - 6.50	▲	6.00 - 6.75	▲	6.75 - 8.00	▲	7.50 - 8.50	▲	8.00 - 8.50	◄
WASHINGTON, D.C.	5.00 - 6.00	◄	6.00 - 7.00	◄	6.50 - 8.00	▲	8.25 - 9.25	▲	8.00 - 9.50	▲	11.00 - 12.00	▲	

	CLASS A				CLASS B				CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		
		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹	
TIER II	ATLANTA	5.25 - 6.00	◄	5.50 - 6.25	◄	6.25 - 7.50	▼	6.50 - 7.75	▲	7.25 - 10.00	▼	7.50 - 10.00	▲
	AUSTIN	4.50 - 5.25	▼	5.50 - 6.50	◄	6.00 - 7.00	▼	6.50 - 7.50	▲	8.00 - 10.25	▲	8.50 - 10.00	◄
	BALTIMORE	5.50 - 6.50	▼	6.50 - 7.50	▲	7.50 - 8.50	▲	9.50 - 10.50	▲	8.75 - 10.00	▲	11.25 - 12.50	▲
	DALLAS/FORT WORTH	4.90 - 5.25	▼	5.25 - 5.75	◄	6.25 - 7.25	▼	6.75 - 7.75	▲	8.00 - 10.00	▼	8.50 - 10.50	▼
	DENVER	5.00 - 5.50	◄	5.50 - 6.00	◄	6.50 - 7.00	◄	6.50 - 7.50	◄	8.50 - 9.00	▲	9.00 - 10.00	▲
	HOUSTON	5.50 - 6.75	▲	7.50 - 7.75	▼	7.00 - 7.75	▲	8.25 - 9.00	▲	8.50 - 11.00	◄	11.00 - 12.00	◄
	LAS VEGAS	6.00 - 6.75	◄	7.00 - 8.00	▼	6.75 - 7.50	▲	7.50 - 9.50	◄	7.50 - 9.00	▼	8.50 - 10.00	▼
	MINNEAPOLIS	5.00 - 5.50	◄	5.75 - 6.25	◄	6.50 - 7.00	▲	7.25 - 7.75	▲	7.75 - 8.50	▲	8.50 - 9.00	▲
	ORLANDO	5.25 - 6.25	▲	6.50 - 7.00	▲	6.75 - 7.50	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	8.50 - 9.50	▼
	PHILADELPHIA	5.25 - 6.25	▼	6.50 - 7.25	▼	6.25 - 7.00	◄	7.50 - 8.75	▲	7.25 - 8.25	▲	9.00 - 9.75	▲
	PHOENIX	5.25 - 6.00	◄	7.00 - 7.50	◄	6.75 - 7.25	▲	8.00 - 8.50	▲	8.00 - 8.50	◄	8.50 - 9.50	◄
	PORTLAND	5.50 - 6.50	▼	7.00 - 8.00	◄	6.75 - 7.75	◄	7.75 - 8.75	◄	8.00 - 9.00	◄	9.00 - 10.00	◄
	SAN DIEGO	4.50 - 5.25	◄	5.50 - 6.50	◄	5.50 - 6.50	◄	6.00 - 7.50	◄	7.00 - 7.50	◄	7.50 - 8.50	▼
	SEATTLE	4.50 - 5.50	▼	6.50 - 6.75	◄	5.50 - 7.00	▼	7.25 - 8.25	◄	7.50 - 8.50	▼	9.00 - 10.50	◄
TAMPA	5.25 - 6.25	▲	6.50 - 7.00	▲	6.75 - 7.50	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	8.50 - 9.50	◄	

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

RETAIL NEIGHBORHOOD/COMMUNITY CENTER | UNITED STATES KEY RATES CONT.

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER III	ALBUQUERQUE	6.00 - 7.25	▲	6.50 - 7.75	▲	7.50 - 8.50	◄	8.50 - 9.50	◄	8.75 - 9.50	◄	9.25 - 9.75	◄
	CHARLOTTE	5.50 - 6.00	▲	6.50 - 7.25	◄	6.25 - 7.00	◄	7.25 - 8.25	◄	8.25 - 9.50	▲	9.00 - 10.00	◄
	CINCINNATI	5.50 - 6.00	◄	6.25 - 6.75	◄	6.75 - 7.25	▲	7.50 - 8.00	▲	8.00 - 8.50	▲	8.50 - 9.00	▲
	CLEVELAND	6.50 - 7.00	◄	6.50 - 7.00	◄	7.25 - 7.75	◄	8.00 - 8.50	◄	8.50 - 9.50	◄	9.00 - 9.50	◄
	COLUMBUS	5.50 - 6.00	▼	6.25 - 6.75	◄	6.75 - 7.25	▲	7.50 - 8.00	▲	8.00 - 8.50	▲	8.50 - 9.00	▲
	DETROIT	6.50 - 7.25	▼	7.75 - 8.75	▼	7.75 - 9.00	◄	8.50 - 9.75	◄	9.50 - 11.00	◄	10.00 - 12.00	◄
	HONOLULU	4.00 - 5.00	▲	5.00 - 6.00	◄	5.00 - 6.00	▲	6.00 - 7.00	◄	7.00 - 8.00	▲	7.50 - 8.50	◄
	INDIANAPOLIS	5.50 - 6.00	◄	6.25 - 6.75	◄	6.75 - 7.25	▲	7.50 - 8.00	▲	8.00 - 8.50	▲	8.50 - 9.00	▲
	JACKSONVILLE	5.25 - 6.25	▼	6.50 - 7.00	◄	6.75 - 7.50	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	8.50 - 9.50	◄
	KANSAS CITY	5.50 - 6.00	▼	6.25 - 6.75	◄	6.75 - 7.25	▲	7.50 - 8.00	▲	8.00 - 8.50	▲	8.50 - 9.00	▲
	MEMPHIS	7.00 - 7.50	◄	8.00 - 8.50	◄	7.50 - 8.00	◄	8.50 - 9.00	◄	9.50 - 10.00	◄	10.50 - 11.00	◄
	NASHVILLE	6.25 - 6.50	◄	8.00 - 8.50	◄	6.75 - 7.25	◄	8.50 - 9.00	◄	7.50 - 8.00	◄	9.00 - 11.00	◄
	PITTSBURGH	6.50 - 7.00	▼	8.50 - 9.00	▼	7.25 - 7.75	▼	10.00 - 10.25	◄	10.50 - 11.00	▲	12.00 - 12.25	◄
	SACRAMENTO	5.75 - 6.50	◄	7.00 - 8.00	◄	7.00 - 8.00	▲	8.25 - 9.25	▲	8.25 - 9.50	▼	9.50 - 11.00	▲
	SALT LAKE CITY	6.00 - 7.00	◄	6.25 - 7.25	◄	6.75 - 7.75	◄	7.00 - 8.00	◄	8.50 - 9.00	◄	9.00 - 10.00	◄
	SAN ANTONIO	4.80 - 6.00	▼	6.00 - 7.00		6.50 - 7.50	▼	7.00 - 7.75		8.50 - 9.50	▼	9.00 - 10.00	
ST. LOUIS	5.50 - 6.00	▲	6.25 - 7.00	◄	6.75 - 7.25	▲	7.50 - 8.00	▲	8.00 - 8.50	◄	8.50 - 9.00	▲	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



RETAIL NEIGHBORHOOD/COMMUNITY CENTER | CANADA KEY RATES

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	5.25 - 6.25	◄►
	VANCOUVER	5.00 - 5.75	◄►

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	5.25 - 5.75	◄►
	EDMONTON	5.75 - 6.25	◄►
	MONTREAL	7.00 - 7.75	◄►

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	6.75 - 7.75	▲
	KITCHENER - WATERLOO	6.00 - 6.50	◄►
	LONDON - WINDSOR	6.25 - 7.50	▼
	OTTAWA	5.75 - 6.50	◄►
	WINNIPEG	6.50 - 7.00	◄►

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2016. Changes less than 15 bps considered stable. Source: CBRE.

RETAIL NEIGHBORHOOD/COMMUNITY CENTER | UNITED STATES FORECAST TRENDS

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER I	BOSTON						
	CHICAGO						
	N. CA: OAKLAND						
	N. CA: SAN FRANCISCO						
	N. CA: SAN JOSE						
	NY: NORTHERN NEW JERSEY					—	—
	NY: STAMFORD					—	—
	S. CA: INLAND EMPIRE						
	S. CA: LOS ANGELES						
	S. CA: ORANGE COUNTY						
	S. FLORIDA: FORT LAUDERDALE						
	S. FLORIDA: MIAMI						
	S. FLORIDA: WEST PALM BEACH						
WASHINGTON, D.C.							

■ INCREASE
■ DECREASE
■ STABLE
— N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER II	ATLANTA						
	AUSTIN		—		—		—
	BALTIMORE						
	DALLAS/FORT WORTH						
	DENVER						
	HOUSTON						
	LAS VEGAS						
	MINNEAPOLIS						
	ORLANDO						
	PHILADELPHIA						
	PHOENIX						
	PORTLAND						
	SAN DIEGO						
	SEATTLE						
TAMPA							

RETAIL NEIGHBORHOOD/COMMUNITY CENTER | UNITED STATES FORECAST TRENDS CONT.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE						
	CHARLOTTE						
	CINCINNATI						
	CLEVELAND						
	COLUMBUS		—	—	—	—	—
	DETROIT						
	HONOLULU						
	INDIANAPOLIS						
	JACKSONVILLE						
	KANSAS CITY						
	MEMPHIS						
	NASHVILLE						
	PITTSBURGH						
	SACRAMENTO						
	SALT LAKE CITY						
SAN ANTONIO							
ST. LOUIS							

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

RETAIL POWER | UNITED STATES KEY RATES

	CLASS A					CLASS B					CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
TIER I	BOSTON	5.75 - 6.25	↔	7.50 - 8.00	↔	7.50 - 8.00	↔	10.00 - 11.00	↔	8.75 - 10.50	↔	12.00 - 15.00	↔		
	CHICAGO	5.75 - 6.25	▲	6.50 - 7.00	▲	7.00 - 7.50	▲	7.75 - 8.25	▲	8.00 - 9.00	▲	8.75 - 9.75	▲		
	N. CA: OAKLAND	5.25 - 6.25	▼	7.00 - 7.50	↔	6.50 - 7.25	▼	7.75 - 8.25	↔	7.25 - 8.25	▼	8.25 - 10.00	▼		
	N. CA: SAN FRANCISCO	5.00 - 5.75	↔	6.75 - 7.25	↔	6.50 - 7.25	↔	7.25 - 8.00	↔	7.50 - 9.00	↔	8.50 - 9.00	↔		
	N. CA: SAN JOSE	5.00 - 5.75	↔	6.25 - 7.25	↔	6.50 - 7.50	↔	6.75 - 7.75	↔	7.00 - 8.50	↔	8.25 - 9.00	↔		
	NY: NORTHERN NEW JERSEY	5.50 - 6.00	↔	6.50 - 7.00	↔	6.25 - 7.00	▲	6.50 - 7.50	▼	7.00 - 8.00		8.00 - 9.00			
	NY: STAMFORD	5.50 - 6.00	↔	6.50 - 7.00	↔	6.25 - 7.00	▲	7.50 - 8.00	▲	—		—			
	S. CA: INLAND EMPIRE	5.75 - 6.25	↔	6.75 - 7.25	↔	6.50 - 7.50	↔	7.00 - 7.75	↔	8.00 - 8.75	↔	7.75 - 9.00	↔		
	S. CA: LOS ANGELES	4.75 - 5.50	▼	6.25 - 7.25	↔	6.50 - 7.50	↔	7.00 - 7.75	↔	7.75 - 8.50	↔	7.50 - 8.50	↔		
	S. CA: ORANGE COUNTY	4.50 - 5.50	▼	6.00 - 7.00	▼	6.50 - 7.50	↔	6.50 - 7.50	▼	7.00 - 8.00	▼	7.50 - 8.50	▼		
	S. FLORIDA: FORT LAUDERDALE	5.50 - 6.00	▼	6.50 - 7.00	▼	6.25 - 6.75	▼	7.00 - 7.50	▼	7.25 - 8.25	▼	8.50 - 9.00	▼		
	S. FLORIDA: MIAMI	5.50 - 6.00	↔	6.50 - 7.00	↔	6.25 - 6.75	↔	7.00 - 7.50	↔	7.25 - 8.25	↔	8.50 - 9.00	↔		
	S. FLORIDA: WEST PALM BEACH	5.50 - 6.25	↔	6.50 - 7.25	↔	6.25 - 7.00	↔	7.00 - 7.75	↔	7.25 - 8.75	↔	8.50 - 9.50	↔		
WASHINGTON, D.C.	5.50 - 7.00	↔	7.25 - 8.25	↔	7.00 - 8.50	▲	9.00 - 10.00	▲	8.00 - 9.50	▲	11.50 - 12.50	▲			

	CLASS A					CLASS B					CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
TIER II	ATLANTA	6.00 - 7.00	↔	6.25 - 7.00	↔	7.00 - 7.75	↔	7.25 - 8.00	▲	7.50 - 10.00	↔	7.50 - 10.00	↔		
	AUSTIN	4.80 - 5.50	▼	6.25 - 7.25	↔	6.75 - 8.00	▲	7.25 - 8.50	↔	8.50 - 11.00	▲	9.00 - 11.00	↔		
	BALTIMORE	6.00 - 7.00	▲	7.50 - 8.50	▲	7.50 - 8.50	▲	9.50 - 10.50	▲	9.00 - 10.00	▲	11.50 - 12.50	▲		
	DALLAS/FORT WORTH	5.30 - 6.00	↔	6.75 - 8.25	↔	6.75 - 8.25	↔	6.75 - 8.25	↔	8.75 - 11.00	↔	8.75 - 12.00	↔		
	DENVER	5.25 - 6.00	↔	5.75 - 6.25	↔	7.00 - 7.75	▲	8.00 - 9.00	▲	9.00 - 10.00	▲	10.00 - 11.00	▲		
	HOUSTON	6.00 - 6.75	▲	6.75 - 7.50	▲	7.50 - 9.00	▲	8.75 - 9.25	▲	9.25 - 11.50	▲	11.25 - 12.50	▲		
	LAS VEGAS	6.50 - 6.75	▲	7.00 - 8.00	↔	6.75 - 7.50	↔	7.50 - 9.00	↔	7.50 - 9.00	↔	8.50 - 10.50	↔		
	MINNEAPOLIS	5.75 - 6.25	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	▲	8.50 - 9.50	▲	9.25 - 10.25	▲		
	ORLANDO	6.25 - 7.25	▼	7.00 - 8.00	↔	7.00 - 7.75	▼	7.75 - 8.75	↔	8.00 - 9.00	▲	9.00 - 10.00	▲		
	PHILADELPHIA	6.00 - 7.00	▼	7.00 - 8.00	▼	6.75 - 7.50	↔	8.00 - 9.00	▲	7.50 - 8.75	▲	9.25 - 10.25	▲		
	PHOENIX	6.00 - 6.75	↔	8.00 - 8.50	↔	6.75 - 7.50	↔	8.50 - 9.00	↔	7.75 - 8.75	↔	9.50 - 10.00	▼		
	PORTLAND	6.00 - 7.00	↔	7.75 - 8.75	↔	7.25 - 8.25	▲	8.50 - 9.25	↔	8.50 - 9.50	▲	9.50 - 10.00	↔		
	SAN DIEGO	4.50 - 5.25	▼	6.25 - 7.25	↔	6.50 - 7.50	↔	7.00 - 7.75	↔	7.50 - 8.50	▼	7.75 - 8.50	▼		
	SEATTLE	5.50 - 6.50	▼	7.00 - 8.00	↔	6.50 - 7.50	▼	8.00 - 9.00	↔	7.50 - 9.50	▼	9.00 - 10.00	↔		
	TAMPA	6.25 - 7.25	▲	7.00 - 8.00	▲	7.00 - 7.75	▲	7.75 - 8.75	↔	8.00 - 9.00	▲	9.00 - 10.00	↔		

¹Compared to H2 2015. Changes less than 15 bps considered stable.
 Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

▲ INCREASE ▼ DECREASE ↔ STABLE — N/A

RETAIL POWER | UNITED STATES KEY RATES CONT.

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER III	ALBUQUERQUE	6.50 - 7.50	◄	7.00 - 8.00	◄	7.75 - 9.25	▲	8.75 - 9.50	◄	9.00 - 10.50	◄	9.25 - 10.50	▲
	CHARLOTTE	6.00 - 6.75	▲	7.25 - 8.00	◄	7.00 - 7.50	▲	8.00 - 8.75	◄	8.00 - 8.50	▲	9.00 - 10.50	◄
	CINCINNATI	6.50 - 7.00	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	◄	8.50 - 9.50	▲	9.25 - 10.25	▲
	CLEVELAND	7.00 - 7.50	◄	7.75 - 8.25	◄	7.75 - 8.75	◄	8.50 - 9.25	◄	9.00 - 11.00	◄	9.75 - 12.00	◄
	COLUMBUS	6.50 - 7.00	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	▲	8.50 - 9.50	◄	9.25 - 10.25	▲
	DETROIT	6.75 - 7.50	◄	7.75 - 8.50	◄	7.75 - 9.00	◄	8.50 - 9.50	◄	9.50 - 11.00	◄	10.00 - 12.00	◄
	HONOLULU	4.25 - 4.75	▲	5.50 - 6.50		5.50 - 6.50		6.00 - 7.00		6.00 - 7.00		7.00 - 8.00	
	INDIANAPOLIS	6.50 - 7.00	▲	7.25 - 7.75	▼	7.50 - 8.00	▼	8.25 - 8.75	▼	8.50 - 9.50	▲	9.25 - 10.25	▲
	JACKSONVILLE	6.25 - 7.25	▲	7.00 - 8.00	◄	7.00 - 7.75	▲	7.75 - 8.75	◄	8.00 - 9.00	◄	9.00 - 10.00	◄
	KANSAS CITY	6.50 - 7.00	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	▲	8.50 - 9.50	▲	9.25 - 10.25	▲
	MEMPHIS	7.25 - 7.75	▼	8.25 - 8.75	◄	8.25 - 8.75	▼	9.50 - 10.00	◄	10.50 - 11.00	◄	11.00 - 11.50	◄
	NASHVILLE	6.50 - 7.25	◄	8.00 - 8.50	◄	7.50 - 8.00	▲	9.00 - 9.50	▲	8.50 - 9.50	▲	10.00 - 12.00	▲
	PITTSBURGH	6.50 - 7.00	▲	8.50 - 8.75	◄	8.50 - 9.00	▲	10.00 - 10.25	◄	12.00 - 12.50	▲	12.00 - 12.50	▲
	SACRAMENTO	6.00 - 6.75	▼	7.00 - 8.00	◄	7.25 - 8.25	▲	7.75 - 9.00	▼	8.75 - 10.00	◄	9.25 - 11.00	◄
	SALT LAKE CITY	6.25 - 6.75	◄	6.50 - 7.00	◄	7.00 - 7.50	◄	7.25 - 7.75	◄	8.50 - 9.25	◄	8.75 - 9.50	◄
	SAN ANTONIO	5.50 - 6.50		6.50 - 7.50		7.00 - 8.00		7.50 - 8.50		8.00 - 9.00		8.50 - 9.50	
ST. LOUIS	6.50 - 7.00	▲	7.25 - 7.75	▲	7.50 - 8.00	▲	8.25 - 8.75	▲	8.50 - 9.50	▲	9.25 - 10.25	▲	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

RETAIL POWER | CANADA KEY RATES

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	5.50 - 6.50	◄►
	VANCOUVER	5.50 - 6.00	◄►

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	5.75 - 6.25	◄►
	EDMONTON	5.75 - 6.25	◄►
	MONTREAL	5.75 - 6.75	◄►

ALL CLASSES

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	6.25 - 7.00	▲
	KITCHENER - WATERLOO	5.75 - 6.50	◄►
	LONDON - WINDSOR	6.25 - 7.00	▼
	OTTAWA	5.75 - 6.50	◄►
	WINNIPEG	6.00 - 6.50	◄►

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2016. Changes less than 15 bps considered stable. Source: CBRE.

RETAIL POWER | UNITED STATES FORECAST TRENDS

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER I	BOSTON						
	CHICAGO						
	N. CA: OAKLAND						
	N. CA: SAN FRANCISCO						
	N. CA: SAN JOSE						
	NY: NORTHERN NEW JERSEY					—	—
	NY: STAMFORD					—	—
	S. CA: INLAND EMPIRE						
	S. CA: LOS ANGELES						
	S. CA: ORANGE COUNTY						
	S. FLORIDA: FORT LAUDERDALE						
	S. FLORIDA: MIAMI						
	S. FLORIDA: WEST PALM BEACH						
	WASHINGTON, D.C.						

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER II	ATLANTA						
	AUSTIN						
	BALTIMORE						
	DALLAS/FORT WORTH						
	DENVER						
	HOUSTON						
	LAS VEGAS						
	MINNEAPOLIS						
	ORLANDO						
	PHILADELPHIA						
	PHOENIX						
	PORTLAND						
	SAN DIEGO						
	SEATTLE						
	TAMPA						

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

RETAIL POWER | UNITED STATES FORECAST TRENDS CONT.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE	Stable	Stable	Stable	Stable	Stable	Stable
	CHARLOTTE	Increase	Increase	Increase	Increase	Increase	Increase
	CINCINNATI	Stable	Stable	Stable	Stable	Stable	Stable
	CLEVELAND	Stable	Stable	Stable	Stable	Stable	Stable
	COLUMBUS	Increase	N/A	N/A	N/A	N/A	N/A
	DETROIT	Stable	Stable	Stable	Stable	Stable	Stable
	HONOLULU	Stable	Stable	Stable	Stable	Stable	Stable
	INDIANAPOLIS	Stable	Stable	Stable	Stable	Stable	Stable
	JACKSONVILLE	Stable	Stable	Stable	Stable	Stable	Stable
	KANSAS CITY	Stable	Stable	Stable	Stable	Stable	Stable
	MEMPHIS	Stable	Stable	Stable	Stable	Stable	Stable
	NASHVILLE	Decrease	Decrease	Increase	Increase	Increase	Increase
	PITTSBURGH	Stable	Stable	Stable	Stable	Stable	Stable
	SACRAMENTO	Decrease	Increase	Increase	Decrease	Decrease	Increase
	SALT LAKE CITY	Stable	Stable	Stable	Stable	Stable	Stable
	SAN ANTONIO	Stable	Stable	Stable	Stable	Stable	Stable
ST. LOUIS	Stable	Stable	Stable	Stable	Stable	Stable	

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

RETAIL HIGH STREET | UNITED STATES KEY RATES

CLASS A

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	BOSTON	4.00 - 5.00	◄►
	CHICAGO	3.50 - 5.00	▼
	S. CA: LOS ANGELES	3.00 - 4.50	◄►
	S. FLORIDA: MIAMI	3.50 - 4.25	▼
	NY: NEW YORK CITY	3.00 - 4.00	▼
	N. CA: SAN FRANCISCO	3.75 - 5.00	◄►
	WASHINGTON, D.C.	4.00 - 5.00	◄►

CLASS A

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	LAS VEGAS ²	4.50 - 5.50	◄►
	PHILADELPHIA	4.50 - 5.00	▼
	SEATTLE	4.25 - 5.25	◄►

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. ²For the purposes of high-street retail, Las Vegas is considered a Tier II market.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

RETAIL HIGH STREET | UNITED STATES FORECAST TRENDS

		CLASS A	
		CAP RATES FOR STABILIZED PROPERTIES	
TIER I	BOSTON		
	CHICAGO		
	S. CA: LOS ANGELES		
	S. FLORIDA: MIAMI		
	NY: NEW YORK CITY		
	N. CA: SAN FRANCISCO		
	WASHINGTON, D.C.		

		CLASS A	
		CAP RATES FOR STABILIZED PROPERTIES	
TIER II	LAS VEGAS ²		
	PHILADELPHIA		
	SEATTLE		

■ INCREASE
 ■ DECREASE
 ■ STABLE
 — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016. ²For the purposes of high-street retail, Las Vegas is considered a Tier II market.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

MULTIFAMILY | OVERVIEW

CANADA

Nationally, the multifamily market has displayed consistent cap rate compression in each sub-category. Tight vacancy rates and keen investor demand continue to drive overall apartment cap rates to new lows. Calgary is the only exception.

Cap rates for all multifamily property categories in Vancouver and Toronto remain well below 5%. Most notably, the infill category in Vancouver declined by 100 bps to reach an all-time low of 2.75%. Cap rates for Toronto’s infill apartments were unchanged from one year ago at 3.63%. The province of Alberta saw cap rates diverge in its two largest multifamily property markets: those in Calgary increased overall, while those in Edmonton declined.

UNITED STATES | INFILL

Overall, the average cap rate for all stabilized infill multifamily assets was 5.26% in H1 2016, unchanged from the previous survey. Behind the overall average, there was some movement—both up and down—in average rates by class, tier and/or market, but the changes were minimal.

Class A rates remained at the historically low level of 4.6%. The average reflected a minor, but statistically insignificant, rise of 3 bps. Class B and C cap rates were also essentially unchanged at 5.15% and 6.06%, respectively—both also low on a historical basis.

Tier I and II metros experienced no significant change. The Tier I cap rates averaged 4.8%, up 2 bps from the previous survey, while the Tier II cap averaged 5.45%, down 1 bp during the same period. The average cap rate for Tier III metros was 6.31%, which reflected a small but notable 9 bps decline from the previous survey.

One of the most significant trends was the slight cap rate widening in Class A product in Tier I and II metros (4 and 5 bps, respectively, to 4.2% and 4.78%). Conversely, cap rates for Tier III Class A assets compressed slightly, dropping 5 bps to 5.5%. Class C assets in Tier III markets experienced a more significant decline of 17 bps to 7.33%. For opportunity and value, some capital is still moving out the risk curve.

Among stabilized Class A infill assets, San Francisco and Los Angeles have the lowest cap rate averages at about 3.75%, followed closely by San Jose, San Diego, Orange County and New York, all at or below 4%. Cap rates averages in Oakland, Portland, Seattle, Miami, West Palm Beach and Northern New Jersey were all in the 4-to-4.5% range.

FIGURE 24. MULTIFAMILY INFILL - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	5.26	5.26	0
	A	4.57	4.60	3
	B	5.17	5.15	-1
	C	6.09	6.06	-3
I	A	4.17	4.20	4
	B	4.69	4.70	1
	C	5.58	5.57	-1
II	A	4.73	4.78	5
	B	5.45	5.43	-2
	C	6.12	6.12	0
III	A	5.55	5.50	-5
	B	6.19	6.10	-9
	C	7.50	7.33	-17

Source: CBRE.

MULTIFAMILY | OVERVIEW CONT.

FIGURE 25. MULTIFAMILY INFILL - CLASS A CAP RATES, H1 2016 - TIER I & II METROS

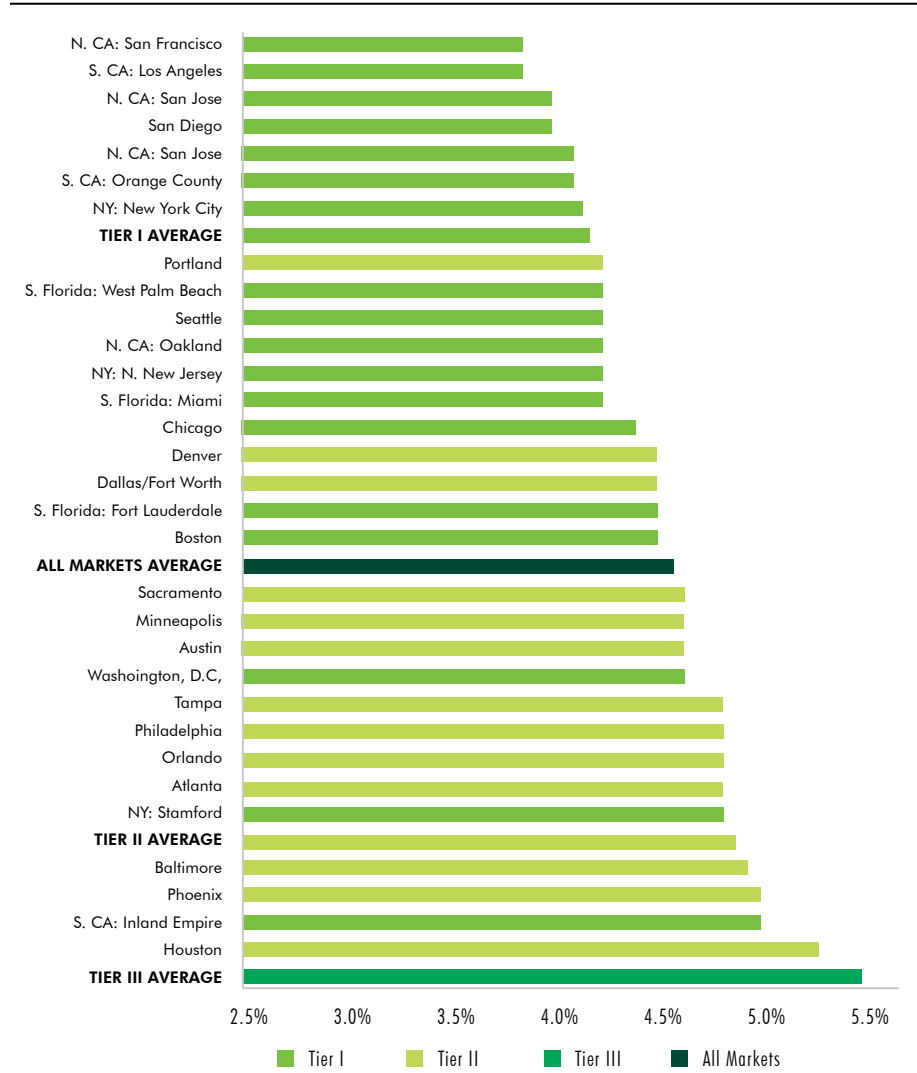
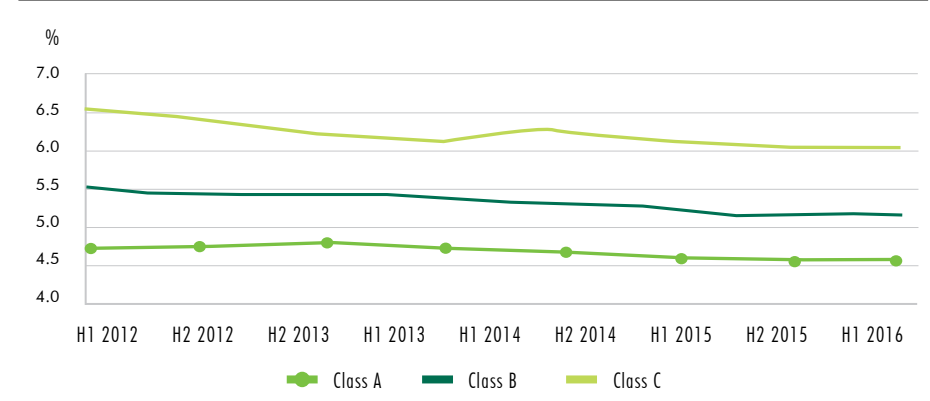
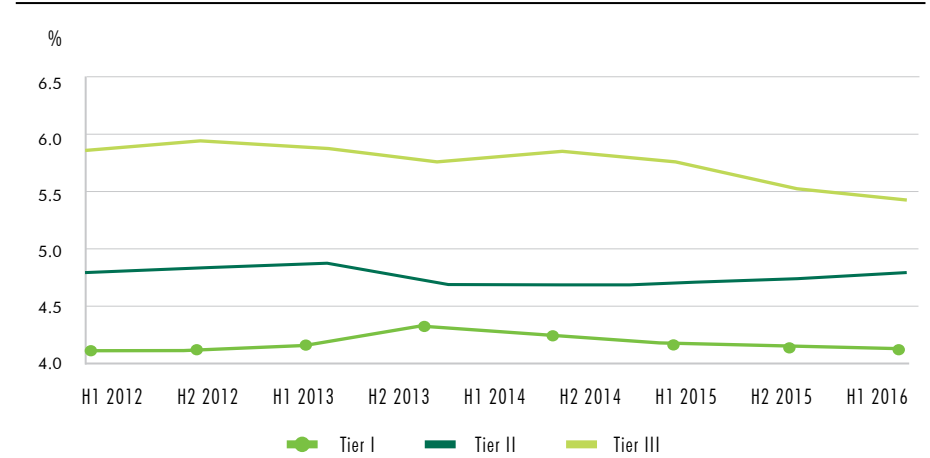


FIGURE 26. MULTIFAMILY INFILL - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions.

FIGURE 27. MULTIFAMILY INFILL - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.

Source: Figure 21, left. CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



MULTIFAMILY | OVERVIEW CONT.

For multifamily infill value-add acquisitions, the overall expected return on cost averaged 5.96% in H1 2016, essentially unchanged from the prior survey. Cap rate movement by tier was also relatively small and reflected essentially stable pricing.

While there were minimal changes by class, the changes were more significant than those by tier. The expected return on cost for Class A assets averaged 5.34%, up 11 bps from the prior survey. Class B assets averaged 5.78%, relatively unchanged. The average rate for Class C assets reflected a 5 bps drop to 6.75%.

The largest expected return on cost changes were the 12-bps decline for Class C apartments in Tier I metros to 6.21% and the 14-bps rise in Class A apartments in Tier II metros.

For acquisitions of stabilized, infill multifamily assets, CBRE professionals expect the majority of markets (76%) to experience no cap rate change in H2 2016. About 10% of forecasts reflect small declines, while 13% indicate slight upward movement. Cap rates for Class A and B assets are more likely to move downward, while Class C rates are more likely to move upward. Portland is the only market where cap rates for infill stabilized assets are expected to compress in all classes.

For expected returns on cost, CBRE professionals anticipate generally stable pricing conditions; 78% of the forecasts indicate no change in H2 2016. The likelihood of compression in returns on cost is higher than potential widening: 14% vs. 9% of forecasts. This is especially true for Class A and Class B value-add acquisitions.

UNITED STATES | SUBURBAN

Cap rates for stabilized suburban multifamily properties were essentially unchanged. They averaged 5.67% in H1 2016, down an insignificant 3 bps from the prior survey.

FIGURE 28. MULTIFAMILY SUBURBAN - CAP RATES FOR STABILIZED PROPERTIES

METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	5.70	5.67	-3
	A	4.99	5.00	2
	B	5.56	5.52	-3
I	C	6.57	6.48	-9
	A	4.53	4.57	4
	B	5.10	5.09	-1
II	C	6.09	6.02	-7
	A	5.16	5.17	1
	B	5.77	5.69	-7
III	C	6.62	6.52	-9
	A	5.70	5.64	-6
	B	6.22	6.15	-7
	C	7.50	7.35	-15

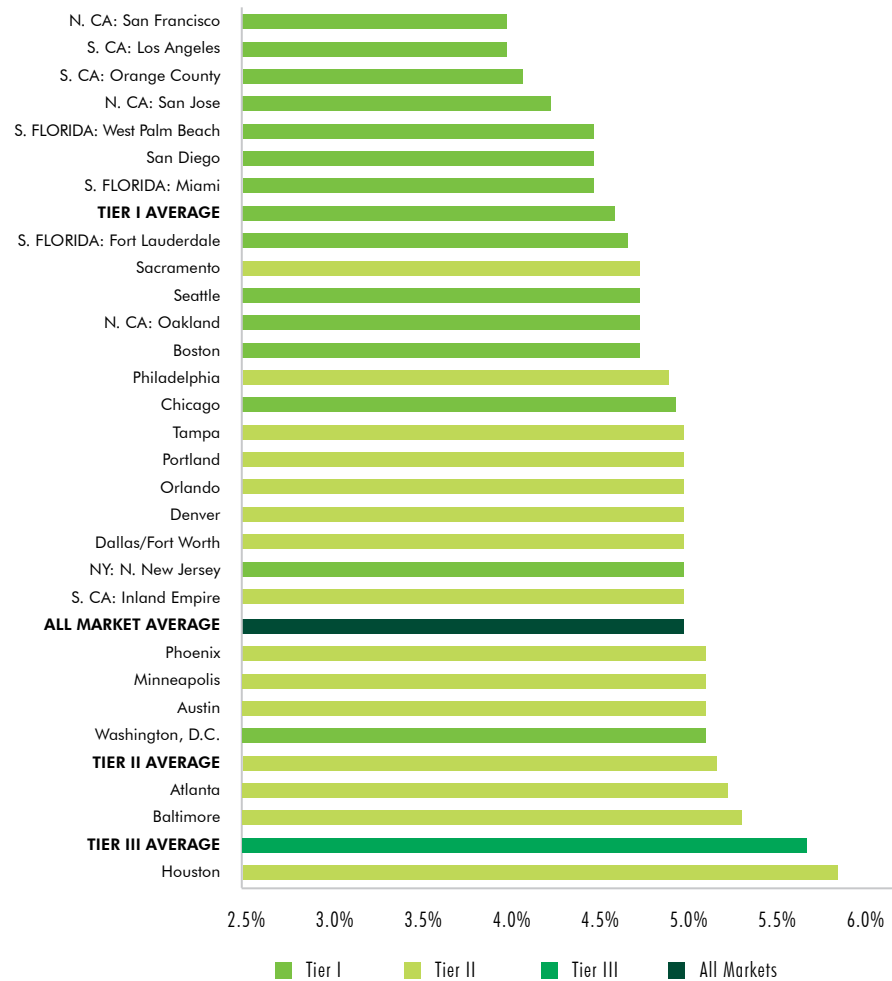
Source: CBRE.

Movement in cap rates for Class A stabilized suburban properties was very small, rising only 2 bps to 5%. The average Class B cap rate of 5.52% reflected a downward change of 3 bps, also insignificant. Class C cap rates dropped a small but more notable 9 bps to 6.48%.

A similar pattern emerged among the tiers. Tier I markets, whose cap rates averaged 5.23%, experienced no change from the prior survey; Tier II markets compressed very slightly (5 bps) to 5.8%. Cap rate compression was larger for Tier III markets; the average rate was 6.38% in H1 2016, a decline of 9 bps.

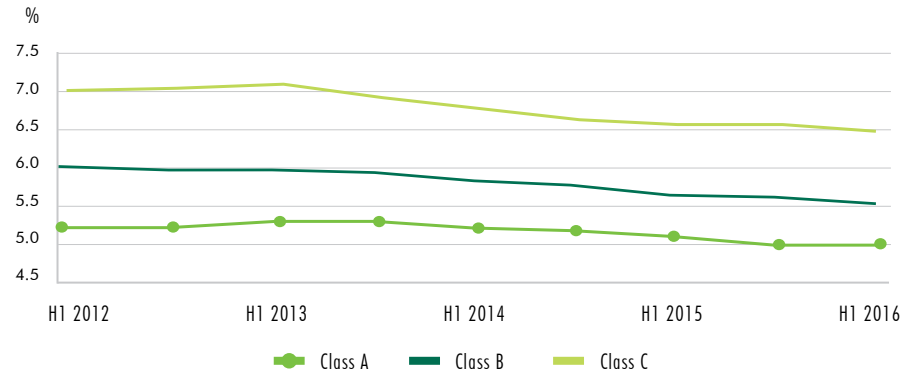
MULTIFAMILY | OVERVIEW CONT.

FIGURE 29. MULTIFAMILY SUBURBAN - CLASS A CAP RATES, H1 2016 - TIER I & II METROS



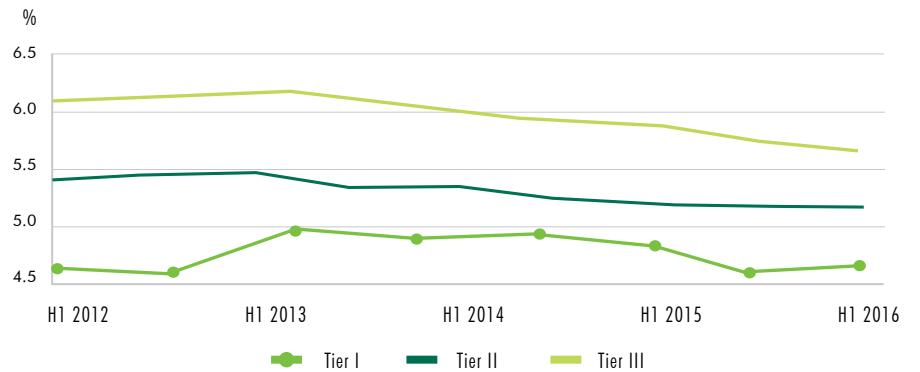
Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 30. MULTIFAMILY SUBURBAN - HISTORICAL CAP RATES BY CLASS



Source: CBRE for stabilized property acquisitions.

FIGURE 31. MULTIFAMILY SUBURBAN - HISTORICAL CLASS A CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



MULTIFAMILY | OVERVIEW CONT.

The group with the largest cap rate compression was Class C assets in Tier III markets. Cap rates fell 15 bps to 7.35%. Conversely, Class A properties in Tier I markets (average 4.57%) had the largest increase of just 4 bps, suggesting virtually stable pricing conditions.

In a trend reversal from the prior survey, expected returns on cost for suburban value-add multifamily acquisitions experienced modest upward movement. The return on cost averaged 6.33%, up 11 bps, suggesting a slightly less competitive marketplace.

The largest increases were observed in Tier I markets. In these metros, the expected return on cost for Class A was 5.19% (+16 bps), Class B 5.77% (+19 bps) and Class C 6.65% (+23 bps).

Looking ahead, the key takeaway is that H2 2016 is likely to experience predominantly stable pricing conditions, but some changes are anticipated; the most notable is modest downward movement expected for value-add acquisitions.

For acquisitions of stabilized suburban multifamily assets, CBRE professionals expect the majority of cap rates (74%) to experience no change in H2 2016. About

14% of forecast cap rates (all classes) reflect small declines, while 12% will likely experience slight upward movement. Class A cap rates are the most likely to stay unchanged (83%). Cap rates for Class B assets are also likely to remain at their current levels, but 17% of the forecasts call for slightly lower levels, versus 11% for higher. Expectations for Class C cap rates for stabilized suburban assets vary, with 17% predicted to decline slightly, 66% expected to remain stable and 17% expected to inch upward. Cap rates for stabilized suburban product are expected to compress slightly in all classes in only three markets: Portland, Cleveland and Philadelphia.

Expected returns on cost for value-add acquisitions are also projected to remain the same for most acquisitions (72% of forecasts), while 20% indicate lower expected returns on cost. This is especially true for Class B apartments, where 29% of the forecasts indicate lower expected returns on cost in H2 2016, versus only 8% higher. The outlook for returns on cost for Class B value-add acquisitions leans towards declining vs. rising (25% vs. 6%). Class C also leans toward declining rates (19% decline and 15% rise), while Class A is balanced at 9% decline and 9% rise.

Click below to access the **interactive cap rate maps**.



INTERACTIVE
CAP RATE MAPS
& DOWNLOADS

MULTIFAMILY INFILL | UNITED STATES KEY RATES

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER I	BOSTON	4.25 - 4.75	▲	6.00 - 6.25	▲	4.50 - 5.00	◄	6.00 - 6.00	◄	—		6.25 - 6.75	◄
	CHICAGO	4.35 - 4.60	▲	4.75 - 5.25	▲	4.85 - 5.10	▲	5.25 - 5.75	▲	5.50 - 6.00	◄	6.50 - 7.00	▲
	N. CA: OAKLAND	4.00 - 4.50	◄	4.00 - 4.50	◄	4.25 - 4.50	◄	4.25 - 4.50	◄	4.50 - 5.00	◄	4.50 - 5.00	◄
	N. CA: SAN FRANCISCO	3.50 - 4.00	◄	3.50 - 4.00	◄	3.75 - 4.25	◄	3.75 - 4.25	◄	4.00 - 4.50	◄	4.00 - 4.50	◄
	N. CA: SAN JOSE	3.75 - 4.25	◄	3.75 - 4.25	◄	4.00 - 4.50	◄	4.00 - 4.50	◄	4.50 - 5.00	◄	4.50 - 5.00	◄
	NY: NORTHERN NEW JERSEY	4.00 - 4.50	◄	5.00 - 5.50	◄	4.50 - 5.00	◄	5.50 - 6.00	◄	5.50 - 6.00		—	
	NY: NEW YORK CITY	3.75 - 4.50	◄	4.75 - 5.50	◄	4.25 - 5.00	◄	5.00 - 5.50	◄	5.25 - 5.75	◄	5.50 - 6.00	◄
	NY: STAMFORD	4.50 - 5.00	◄	5.50 - 6.00	◄	5.50 - 6.00	◄	6.00 - 6.50	◄	—		—	
	S. CA: INLAND EMPIRE	4.75 - 5.25	◄	5.25 - 5.75	▲	5.00 - 5.50	◄	5.50 - 6.00	◄	6.00 - 6.50	◄	7.00 - 7.50	▲
	S. CA: LOS ANGELES	3.50 - 4.00	◄	4.00 - 4.50	◄	4.00 - 4.75	▼	4.50 - 5.25	▼	4.75 - 6.00	▼	5.25 - 6.75	◄
	S. CA: ORANGE COUNTY	3.85 - 4.40	◄	4.85 - 6.15	▲	4.35 - 5.15	▲	5.75 - 7.00	▲	5.10 - 5.75	▲	6.60 - 8.40	◄
	S. FLORIDA: FORT LAUDERDALE	4.25 - 4.75	◄	4.75 - 5.25	◄	4.50 - 5.00	◄	5.00 - 5.50	◄	5.75 - 6.50	◄	6.50 - 7.25	◄
	S. FLORIDA: MIAMI	4.00 - 4.50	◄	4.75 - 5.25	◄	4.25 - 4.75	◄	5.00 - 5.50	◄	5.50 - 6.25	◄	6.50 - 7.25	◄
	S. FLORIDA: WEST PALM BEACH	4.00 - 4.50	◄	4.75 - 5.25	◄	4.25 - 4.75	◄	5.00 - 5.50	◄	5.50 - 6.25	◄	6.50 - 7.25	◄
SAN DIEGO	3.75 - 4.25	◄	4.50 - 5.00	▲	4.25 - 4.75	◄	5.00 - 5.50	◄	4.75 - 5.25	◄	5.50 - 6.00	◄	
SEATTLE	4.00 - 4.50	◄	4.50 - 5.00	◄	4.75 - 5.25	◄	5.00 - 5.50	◄	5.50 - 6.00	◄	5.25 - 6.25	◄	
WASHINGTON, D.C.	4.25 - 5.00	▲	4.75 - 5.50	▲	5.00 - 5.75	▲	5.25 - 6.50	▼	6.25 - 7.00	◄	7.50 - 8.50	◄	

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER II	ATLANTA	4.50 - 5.00	◄	5.75 - 6.25	◄	5.00 - 5.75	▼	6.00 - 6.75	▼	6.25 - 6.75	◄	7.00 - 7.50	◄
	AUSTIN	4.75 - 5.00	◄	4.25 - 5.00	▼	4.75 - 5.25	◄	4.75 - 5.25	◄	5.25 - 5.75	◄	5.00 - 5.75	◄
	BALTIMORE	4.75 - 5.00	◄	5.00 - 5.50	▲	5.00 - 5.75	◄	6.50 - 7.25	▼	6.50 - 7.50	▲	8.00 - 9.00	◄
	DALLAS/FORT WORTH	4.25 - 4.75	◄	5.00 - 5.50	▲	5.00 - 6.00	◄	5.00 - 6.00	◄	6.00 - 6.50	▼	6.00 - 7.50	▲
	DENVER	4.25 - 4.75	▼	6.00 - 7.00	◄	5.00 - 5.50	◄	6.50 - 7.50	◄	5.50 - 6.00	▼	7.00 - 8.50	◄
	HOUSTON	5.25 - 5.50	▲	5.00 - 5.25	▲	5.75 - 6.00	▼	5.50 - 5.75	▼	6.00 - 6.50	◄	6.50 - 7.00	◄
	MINNEAPOLIS	4.50 - 4.75	▲	5.00 - 5.50	▲	5.00 - 5.25	▼	5.50 - 6.00	◄	5.00 - 5.50	◄	5.75 - 6.25	◄
	ORLANDO	4.50 - 5.00	◄	—		5.25 - 5.75	◄	5.75 - 6.25	◄	6.00 - 6.50	◄	7.00 - 7.50	◄
	PHILADELPHIA	4.50 - 5.00	◄	6.50 - 7.00	◄	5.75 - 6.25	▲	7.25 - 8.00	▲	6.50 - 7.00	▲	7.75 - 8.25	▲
	PHOENIX	4.75 - 5.25	◄	6.00 - 6.50	◄	5.00 - 5.50	◄	6.25 - 6.75	◄	5.75 - 6.25	◄	7.00 - 7.50	◄
	PORTLAND	4.00 - 4.50	◄	4.00 - 4.50	◄	4.50 - 5.00	▲	4.25 - 4.75	◄	4.75 - 5.25	◄	4.50 - 5.00	◄
	SACRAMENTO	4.25 - 5.00	◄	—		4.75 - 5.25	◄	5.00 - 5.50	◄	5.25 - 5.75	◄	5.75 - 6.25	◄
	SAN DIEGO	3.75 - 4.25	◄	4.50 - 5.00	▲	4.25 - 4.75	◄	5.00 - 5.50	◄	4.75 - 5.25	◄	5.50 - 6.00	◄
	TAMPA	4.50 - 5.00	◄	5.00 - 5.50	◄	5.25 - 5.75	◄	5.50 - 6.00	◄	6.25 - 6.75	◄	6.75 - 7.25	◄

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

MULTIFAMILY INFILL | UNITED STATES KEY RATES CONT.

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)		CAP RATES FOR STABILIZED PROPERTIES (%)		EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER III	ALBUQUERQUE	5.50 - 5.75	▼	6.25 - 6.50	▼	5.75 - 6.25	▼	6.75 - 7.25	▼	6.75 - 7.50	◄	8.00 - 9.00	◄
	CHARLOTTE	4.50 - 5.00	◄	4.50 - 5.00	◄	5.00 - 5.50	◄	5.00 - 5.50	◄	5.50 - 6.00	◄	5.50 - 6.00	◄
	CINCINNATI	5.25 - 5.75	▲	6.00 - 7.50	◄	5.75 - 6.25	◄	7.00 - 8.50	◄	7.50 - 8.50	▲	9.00 - 10.00	◄
	CLEVELAND	6.00 - 6.50	▼	7.00 - 8.00	◄	7.00 - 8.00	▼	8.50 - 8.75	◄	8.00 - 9.00	▼	9.00 - 11.00	◄
	COLUMBUS	5.00 - 5.50	▼	6.00 - 6.50	◄	6.00 - 7.00	▼	7.25 - 7.75	▲	7.50 - 9.50	◄	8.75 - 9.25	◄
	DETROIT	6.50 - 8.00	▼	7.25 - 8.25	▼	7.25 - 8.00	▼	7.75 - 8.75	▼	9.50 - 10.50	▼	9.50 - 11.00	▼
	HONOLULU	3.00 - 4.25	▲	—	—	4.25 - 4.50	◄	—	—	3.00 - 4.00	—	—	—
	INDIANAPOLIS	5.25 - 5.50	▲	6.00 - 6.50	▲	5.50 - 5.75	▼	6.25 - 6.75	▲	6.75 - 7.50	◄	7.50 - 10.00	◄
	JACKSONVILLE	4.25 - 5.25	▲	5.50 - 6.00	▲	5.00 - 5.50	▲	5.50 - 6.50	◄	6.00 - 6.50	◄	6.50 - 7.00	◄
	KANSAS CITY	5.00 - 5.50	◄	5.50 - 6.00	◄	5.25 - 5.75	◄	5.75 - 6.25	◄	5.50 - 6.00	◄	6.00 - 6.50	◄
	NASHVILLE	4.50 - 5.00	◄	5.50 - 6.00	◄	5.50 - 5.75	▲	6.00 - 6.25	▲	6.25 - 6.50	▲	7.00 - 7.25	▲
	OKLAHOMA CITY	5.50 - 5.95	▲	7.50 - 8.00	▲	5.75 - 6.25	▲	8.25 - 9.25	▲	7.75 - 8.75	▲	9.25 - 10.25	▲
	PITTSBURGH	5.50 - 6.50	▼	6.50 - 7.00	◄	6.50 - 7.00	◄	7.00 - 7.50	◄	7.50 - 8.00	◄	8.50 - 9.00	◄
	RALEIGH-DURHAM	4.25 - 4.75	▼	4.75 - 5.25	◄	5.00 - 5.25	◄	5.25 - 5.50	◄	6.00 - 6.50	◄	6.50 - 7.00	◄
	RICHMOND	5.75 - 6.25	◄	6.00 - 7.00	◄	6.00 - 6.75	▼	6.50 - 8.00	◄	7.00 - 8.00	◄	7.50 - 9.00	◄
	SALT LAKE CITY	5.00 - 5.50	◄	5.50 - 5.75	◄	5.25 - 5.75	◄	5.75 - 6.25	◄	6.00 - 6.50	◄	6.00 - 6.50	◄
SAN ANTONIO	4.75 - 5.25	▼	4.75 - 5.25	▼	5.25 - 5.75	▼	5.50 - 6.00	▼	5.75 - 6.25	▼	5.75 - 6.25	▼	
ST. LOUIS	5.50 - 5.75	◄	—	—	6.00 - 6.50	◄	—	—	7.50 - 8.50	◄	—	—	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

MULTIFAMILY INFILL | CANADA KEY RATES

INFILL CLASS A (HIGH RISE A)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	3.25 - 4.00	◄►
	VANCOUVER	2.50 - 3.00	▼

INFILL CLASS A (HIGH RISE A)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	4.50 - 5.00	◄►
	EDMONTON	4.25 - 4.75	▼
	MONTREAL	4.25 - 5.00	▼

INFILL CLASS A (HIGH RISE A)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	4.75 - 5.25	▼
	KITCHENER - WATERLOO	4.50 - 5.00	◄►
	LONDON - WINDSOR	5.00 - 5.50	◄►
	OTTAWA	3.75 - 4.50	◄►
	WINNIPEG	—	—

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE.



OVERVIEW



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HOTEL



APPENDIX



MULTIFAMILY INFILL | UNITED STATES FORECAST TRENDS

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
		TIER I	BOSTON	INCREASE	STABLE	INCREASE	STABLE
	CHICAGO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: OAKLAND	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN FRANCISCO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN JOSE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	NY: NORTHERN NEW JERSEY	INCREASE	STABLE	INCREASE	STABLE	INCREASE	—
	NY: NEW YORK	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	NY: STAMFORD	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. CA: INLAND EMPIRE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. CA: LOS ANGELES	DECREASE	STABLE	INCREASE	DECREASE	DECREASE	DECREASE
	S. CA: ORANGE COUNTY	DECREASE	STABLE	STABLE	STABLE	DECREASE	STABLE
	S. FLORIDA: FORT LAUDERDALE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. FLORIDA: MIAMI	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. FLORIDA: WEST PALM BEACH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	SAN DIEGO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	SEATTLE	STABLE	DECREASE	STABLE	DECREASE	STABLE	DECREASE
	WASHINGTON, D.C.	STABLE	STABLE	INCREASE	STABLE	INCREASE	INCREASE

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
		TIER II	ATLANTA	STABLE	STABLE	STABLE	DECREASE
	AUSTIN	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	BALTIMORE	STABLE	STABLE	STABLE	STABLE	INCREASE	INCREASE
	DALLAS/FORT WORTH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	DENVER	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	HOUSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	MINNEAPOLIS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	ORLANDO	INCREASE	STABLE	INCREASE	STABLE	INCREASE	INCREASE
	PHILADELPHIA	STABLE	STABLE	INCREASE	INCREASE	INCREASE	INCREASE
	PHOENIX	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PORTLAND	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	SACRAMENTO	DECREASE	—	INCREASE	INCREASE	INCREASE	INCREASE
	TAMPA	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE

MULTIFAMILY INFILL | UNITED STATES FORECAST TRENDS CONT.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE	Stable	Decrease	Stable	Stable	Stable	Stable
	CHARLOTTE	Stable	Stable	Increase	Increase	Increase	Increase
	CINCINNATI	Stable	Stable	Stable	Stable	Stable	Stable
	CLEVELAND	Decrease	Decrease	Decrease	Decrease	Stable	Stable
	COLUMBUS	Stable	Stable	Stable	Stable	Stable	Stable
	DETROIT	Stable	Stable	Decrease	Decrease	Decrease	Decrease
	HONOLULU	Stable	N/A	Decrease	N/A	Stable	N/A
	INDIANAPOLIS	Stable	Stable	Decrease	Decrease	Decrease	Decrease
	JACKSONVILLE	Stable	Stable	Stable	Stable	Stable	Stable
	KANSAS CITY	Stable	Decrease	Stable	Decrease	Stable	Decrease
	NASHVILLE	Stable	Stable	Stable	Stable	Stable	Stable
	OKLAHOMA CITY	Stable	Stable	Stable	Stable	Stable	Stable
	PITTSBURGH	Stable	Stable	Stable	Stable	Stable	Stable
	RALEIGH-DURHAM	Stable	Stable	Stable	Stable	Increase	Increase
	RICHMOND	Stable	Stable	Stable	Stable	Stable	Stable
	SALT LAKE CITY	Stable	Stable	Stable	Stable	Increase	Increase
SAN ANTONIO	Stable	Stable	Stable	Stable	Decrease	Stable	
ST. LOUIS	Stable	Stable	Stable	Stable	Stable	Stable	

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

MULTIFAMILY SUBURBAN | UNITED STATES KEY RATES

	CLASS A				CLASS B				CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	
TIER I	BOSTON	4.50 - 5.00	↔	5.75 - 6.25	↔	5.00 - 5.50	▼	6.50 - 7.00	▼	6.25 - 6.75	↔	7.00 - 7.50	↔
	CHICAGO	4.85 - 5.10	▲	5.75 - 6.25	▲	5.50 - 5.75	↔	6.50 - 7.00	▲	6.50 - 7.00	↔	7.50 - 8.00	▲
	N. CA: OAKLAND	4.50 - 5.00	↔	4.50 - 5.00	↔	4.75 - 5.25	↔	4.75 - 5.25	↔	5.00 - 5.50	↔	5.00 - 5.50	↔
	N. CA: SAN FRANCISCO	3.75 - 4.25	↔	4.00 - 4.50	↔	4.25 - 4.75	↔	4.25 - 4.75	↔	4.75 - 5.25	↔	4.50 - 5.00	↔
	N. CA: SAN JOSE	4.00 - 4.50	↔	4.00 - 4.75	↔	4.25 - 4.75	↔	4.25 - 5.00	↔	4.50 - 5.00	↔	4.50 - 5.25	↔
	NY: NORTHERN NEW JERSEY	4.75 - 5.25	↔	5.75 - 6.25	↔	5.50 - 6.00	↔	6.50 - 7.00	↔	6.00 - 7.00		—	
	NY: STAMFORD	5.50 - 6.00	↔	6.25 - 6.75	↔	6.25 - 6.75	↔	6.75 - 7.25	↔	—		—	
	S. CA: INLAND EMPIRE	4.75 - 5.25	↔	5.25 - 5.75	▲	5.00 - 5.50	↔	5.50 - 6.00	↔	6.00 - 6.50	↔	7.00 - 7.50	▲
	S. CA: LOS ANGELES	3.75 - 4.25	↔	4.25 - 4.75	↔	4.25 - 5.00	▼	4.75 - 5.50	▼	5.00 - 6.25	▼	5.50 - 6.75	▼
	S. CA: ORANGE COUNTY	3.85 - 4.40	▼	4.85 - 6.15	▲	4.35 - 5.15	▲	5.75 - 7.00	▲	5.10 - 5.75	▼	6.60 - 8.40	▲
	S. FLORIDA: FORT LAUDERDALE	4.25 - 5.00	↔	5.00 - 5.50	↔	4.75 - 5.00	↔	5.00 - 5.50	↔	6.25 - 7.00	↔	6.75 - 7.50	↔
	S. FLORIDA: MIAMI	4.25 - 4.75	↔	5.00 - 5.50	↔	4.50 - 5.00	↔	5.00 - 5.50	↔	6.00 - 6.75	↔	6.75 - 7.50	↔
	S. FLORIDA: WEST PALM BEACH	4.25 - 4.75	↔	5.00 - 5.50	↔	4.50 - 5.00	↔	5.00 - 5.50	↔	6.00 - 6.75	↔	6.75 - 7.50	↔
	SAN DIEGO	4.25 - 4.75	▲	4.75 - 5.25	▲	4.75 - 5.25	↔	5.25 - 5.75	▲	5.25 - 5.75	↔	5.75 - 6.25	▲
SEATTLE	4.50 - 5.00	↔	4.75 - 5.00	↔	5.00 - 5.50	↔	5.25 - 5.75	↔	5.75 - 6.25	↔	5.75 - 6.25	▼	
WASHINGTON, D.C.	4.75 - 5.50	▲	5.00 - 5.75	↔	5.50 - 6.00	▲	6.00 - 6.75	▲	6.00 - 6.75	↔	6.75 - 7.75	↔	

	CLASS A				CLASS B				CLASS C				
	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	
TIER II	ATLANTA	5.00 - 5.50	↔	6.25 - 6.75	↔	5.50 - 6.25	▼	6.25 - 7.00	▼	6.50 - 7.00	↔	7.25 - 7.75	↔
	AUSTIN	4.75 - 5.50	↔	4.50 - 5.25	▼	5.00 - 6.00	↔	4.75 - 5.75	▼	5.25 - 6.25	▼	5.25 - 6.00	↔
	BALTIMORE	5.00 - 5.65	▲	5.25 - 5.85	▲	5.35 - 5.80	▲	6.75 - 7.50	▲	6.25 - 7.50	▲	8.00 - 9.00	▲
	DALLAS/FORT WORTH	4.75 - 5.25	▼	4.50 - 5.50	↔	5.50 - 6.00	▼	5.50 - 6.25	▲	6.25 - 6.75	▼	9.00 - 9.00	▲
	DENVER	4.75 - 5.25	▼	6.00 - 7.00	↔	5.25 - 5.75	▼	6.75 - 7.50	↔	5.75 - 6.25	↔	7.50 - 9.00	↔
	HOUSTON	5.50 - 6.00	▲	5.50 - 6.00	▲	6.00 - 6.50	↔	5.75 - 6.25	↔	7.25 - 7.75	↔	7.00 - 7.50	↔
	MINNEAPOLIS	5.00 - 5.25	↔	5.50 - 5.75	↔	5.25 - 5.75	↔	5.75 - 6.25	▼	6.00 - 6.50	▼	6.25 - 6.75	▼
	ORLANDO	4.75 - 5.25	↔	—		5.50 - 6.00	↔	6.25 - 6.75	↔	6.50 - 7.00	↔	7.50 - 8.00	↔
	PHILADELPHIA	4.75 - 5.00	▲	6.00 - 6.50	▼	5.25 - 6.00	▼	6.50 - 6.75	▼	6.00 - 6.75	↔	7.25 - 7.75	↔
	PHOENIX	5.00 - 5.25	↔	6.25 - 6.50	↔	5.00 - 5.50	↔	6.25 - 6.75	↔	5.75 - 6.25	↔	7.00 - 7.50	↔
	PORTLAND	4.75 - 5.25	↔	4.50 - 5.00	↔	5.00 - 5.50	↔	4.75 - 5.25	↔	5.25 - 5.75	↔	5.00 - 5.50	↔
	SACRAMENTO	4.50 - 5.00	▲	5.00 - 5.50	↔	5.00 - 5.75	↔	5.75 - 6.25	▲	5.75 - 6.50	▲	6.25 - 7.00	↔
	SAN DIEGO	4.25 - 4.75	▲	4.75 - 5.25	▲	4.75 - 5.25	↔	5.25 - 5.75	▲	5.25 - 5.75	↔	5.75 - 6.25	▲
	TAMPA	4.75 - 5.25	↔	5.25 - 5.75	↔	5.50 - 6.00	↔	6.00 - 6.50	↔	6.50 - 7.00	↔	7.00 - 7.50	↔

▲ INCREASE ▼ DECREASE ↔ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

MULTIFAMILY SUBURBAN | UNITED STATES KEY RATES CONT.

		CLASS A				CLASS B				CLASS C			
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES (%)	CHANGE ¹
TIER III	ALBUQUERQUE	5.50 - 5.75	▼	6.25 - 6.50	▼	5.75 - 6.25	◄	6.75 - 7.25	▼	6.75 - 7.50	◄	8.00 - 9.00	◄
	CHARLOTTE	5.00 - 5.25	◄	5.00 - 5.25	◄	5.25 - 5.75	◄	5.25 - 5.75	◄	6.00 - 6.50	◄	6.00 - 6.50	◄
	CINCINNATI	5.50 - 6.00	▲	7.00 - 8.00	◄	6.00 - 6.75	▼	8.00 - 9.00	▲	8.00 - 9.50	◄	9.00 - 10.00	◄
	CLEVELAND	6.25 - 7.00	◄	7.50 - 8.50	◄	6.75 - 7.75	◄	7.75 - 8.75		8.00 - 9.00	▼	9.00 - 11.00	◄
	COLUMBUS	5.50 - 6.50	◄	6.25 - 6.75	◄	6.50 - 7.50	◄	7.25 - 7.75	◄	7.75 - 9.00	◄	8.75 - 9.25	◄
	DETROIT	6.25 - 7.00	◄	6.75 - 8.00	◄	6.75 - 7.50	◄	7.00 - 7.75	▼	7.75 - 8.75	▼	8.50 - 10.00	▼
	HONOLULU	3.50 - 4.50		—		4.50 - 5.50		—		5.50 - 6.50		—	
	INDIANAPOLIS	5.50 - 5.75	▲	6.25 - 6.50	◄	5.75 - 6.00	▼	6.50 - 7.00	▼	7.00 - 8.25	◄	8.00 - 10.00	◄
	JACKSONVILLE	4.50 - 5.50	▲	5.25 - 6.00	◄	5.75 - 6.75	◄	6.50 - 7.00	▲	6.75 - 7.75	◄	7.50 - 8.00	◄
	KANSAS CITY	5.25 - 5.75	▲	5.50 - 6.00	▼	5.25 - 5.75	▲	5.75 - 6.25	▲	5.75 - 6.25	▼	6.50 - 7.00	▼
	LAS VEGAS	5.00 - 5.25	◄	5.25 - 5.50	◄	5.25 - 5.75	◄	5.50 - 6.00	◄	6.25 - 6.75	▼	6.50 - 6.50	▼
	NASHVILLE	5.25 - 5.50	▲	6.00 - 6.25	▲	5.75 - 6.00	▲	6.25 - 6.50	▲	6.25 - 6.50	▲	7.00 - 7.25	▲
	OKLAHOMA CITY	5.50 - 6.00	◄	7.50 - 8.00	◄	5.50 - 6.00	◄	8.00 - 8.50	◄	7.50 - 8.50	◄	8.50 - 9.50	◄
	PITTSBURGH	6.00 - 6.50	◄	6.50 - 7.00	◄	6.50 - 7.00	◄	7.00 - 7.50	◄	7.50 - 8.00	◄	8.50 - 9.00	◄
	RALEIGH-DURHAM	4.50 - 5.00	▼	4.95 - 5.45	◄	5.00 - 5.75	◄	5.50 - 6.00	▲	6.50 - 7.00	◄	7.00 - 7.50	▼
	RICHMOND	5.75 - 6.25	◄	6.25 - 7.00	◄	6.00 - 6.50	▼	6.75 - 8.00	◄	7.25 - 8.25	▼	8.00 - 10.00	◄
	SALT LAKE CITY	5.00 - 5.50	◄	5.50 - 5.75	◄	5.25 - 5.75	◄	5.75 - 6.25	◄	6.00 - 6.50	◄	6.00 - 6.50	◄
SAN ANTONIO	5.50 - 5.75	▼	4.75 - 5.25	▼	5.25 - 5.75	▼	5.25 - 5.75	▼	5.75 - 6.25	▼	5.75 - 6.25	▼	
ST. LOUIS	5.50 - 5.75	◄	—		6.00 - 6.75	◄	—		7.25 - 8.25	◄	—		

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.
 Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

MULTIFAMILY SUBURBAN | CANADA KEY RATES

SUBURBAN CLASS B (LOW RISE B)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	4.25 - 5.00	◄
	VANCOUVER	3.25 - 4.25	▼

SUBURBAN CLASS B (LOW RISE B)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	5.25 - 5.75	◄
	EDMONTON	5.75 - 6.50	▼
	MONTREAL	5.75 - 6.75	◄

SUBURBAN CLASS B (LOW RISE B)

		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	5.50 - 6.00	◄
	KITCHENER - WATERLOO	5.50 - 6.00	◄
	LONDON - WINDSOR	6.00 - 7.25	◄
	OTTAWA	4.75 - 5.50	◄
	WINNIPEG	5.75 - 6.00	◄

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE.

MULTIFAMILY SUBURBAN | UNITED STATES FORECAST TRENDS

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER I	BOSTON	INCREASE	STABLE	STABLE	STABLE	STABLE	STABLE
	CHICAGO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: OAKLAND	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN FRANCISCO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	N. CA: SAN JOSE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	NY: NORTHERN NEW JERSEY	INCREASE	STABLE	INCREASE	STABLE	STABLE	—
	NY: STAMFORD	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. CA: INLAND EMPIRE	STABLE	STABLE	STABLE	DECREASE	DECREASE	DECREASE
	S. CA: LOS ANGELES	STABLE	STABLE	STABLE	DECREASE	DECREASE	DECREASE
	S. CA: ORANGE COUNTY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. FLORIDA: FORT LAUDERDALE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. FLORIDA: MIAMI	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	S. FLORIDA: WEST PALM BEACH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	SAN DIEGO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	SEATTLE	STABLE	DECREASE	STABLE	DECREASE	STABLE	DECREASE
WASHINGTON, D.C.	STABLE	STABLE	INCREASE	STABLE	INCREASE	INCREASE	

■ INCREASE
■ DECREASE
■ STABLE
— N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER II	ATLANTA	STABLE	DECREASE	DECREASE	DECREASE	STABLE	STABLE
	AUSTIN	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	BALTIMORE	STABLE	STABLE	STABLE	STABLE	INCREASE	INCREASE
	DALLAS/FORT WORTH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	DENVER	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	HOUSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	MINNEAPOLIS	STABLE	STABLE	DECREASE	DECREASE	DECREASE	DECREASE
	ORLANDO	INCREASE	STABLE	STABLE	STABLE	STABLE	STABLE
	PHILADELPHIA	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	PHOENIX	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PORTLAND	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	SACRAMENTO	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	TAMPA	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



MULTIFAMILY SUBURBAN | UNITED STATES FORECAST TRENDS CONT.

		CLASS A		CLASS B		CLASS C	
		CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES	CAP RATES FOR STABILIZED PROPERTIES	EXPECTED RETURN ON COST FOR VALUE-ADD PROPERTIES
TIER III	ALBUQUERQUE	DECREASE	DECREASE	STABLE	STABLE	STABLE	STABLE
	CHARLOTTE	STABLE	STABLE	INCREASE	INCREASE	INCREASE	INCREASE
	CINCINNATI	STABLE	STABLE	STABLE	STABLE	INCREASE	INCREASE
	CLEVELAND	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	COLUMBUS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	DETROIT	STABLE	STABLE	DECREASE	DECREASE	DECREASE	DECREASE
	HONOLULU	STABLE	—	—	DECREASE	—	DECREASE
	INDIANAPOLIS	STABLE	STABLE	DECREASE	DECREASE	DECREASE	DECREASE
	JACKSONVILLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	KANSAS CITY	STABLE	DECREASE	STABLE	DECREASE	STABLE	DECREASE
	LAS VEGAS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	NASHVILLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	OKLAHOMA CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	PITTSBURGH	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	RALEIGH-DURHAM	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	RICHMOND	STABLE	STABLE	DECREASE	DECREASE	INCREASE	INCREASE
SALT LAKE CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	
SAN ANTONIO	STABLE	STABLE	STABLE	STABLE	DECREASE	STABLE	
ST. LOUIS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

HOTEL | OVERVIEW

CANADA

All hotel categories recorded cap rate compression from H2 2015 to H1 2016. Cap rates for CBD full-service properties matched their 2013 low of 7.84%. Robust travel and tourism in Canada’s three largest cities, as well as the country’s capital, seem to be driving cap rates downward in the hotel sector.

Vancouver, Toronto, Montreal and Ottawa all realized declining cap rates in the hotel segment from H2 2015 to H1 2016. Cap rates for CBD full-service hotels in Canada’s two primary markets of Vancouver and Toronto compressed the most, each declining 50 bps to 6.5%. Cap rates for suburban select-service hotels in Vancouver and Toronto declined as well, falling to 7.5% and 7.75%, respectively. In Canada’s capital, Ottawa, suburban select-service hotel cap rates compressed 38 bps to 8.63%. The lowest hotel cap rates in Ottawa were among CBD full-service assets, which reached a record low of 7.5%.

UNITED STATES | CBD

While cap rates rose for most property types have been essentially flat since H2 2015, the current survey reveals that U.S. hotel cap rates rose uniformly in H1 2016, although the increases were small. Cap rates for stabilized, CBD hotels rose by 12 bps on average, while those for economy properties rose 14 bps. The overall average was pulled down by a modest 5 bps increase in CBD luxury hotel cap rates.

Cap rates in Tier II cities led the way with a 17-bps increase, while those in Tier I and III cities experienced 11-bps and 10-bps upticks, respectively. Also noteworthy was the increase in CBD select-service hotel cap rates in Tier I and II cities by 20 and 17 bps, respectively. These movements, while relatively strong, are not surprising because construction activity in this segment and in these locations has been strong.

FIGURE 32. HOTEL CBD - CAP RATES FOR STABILIZED PROPERTIES

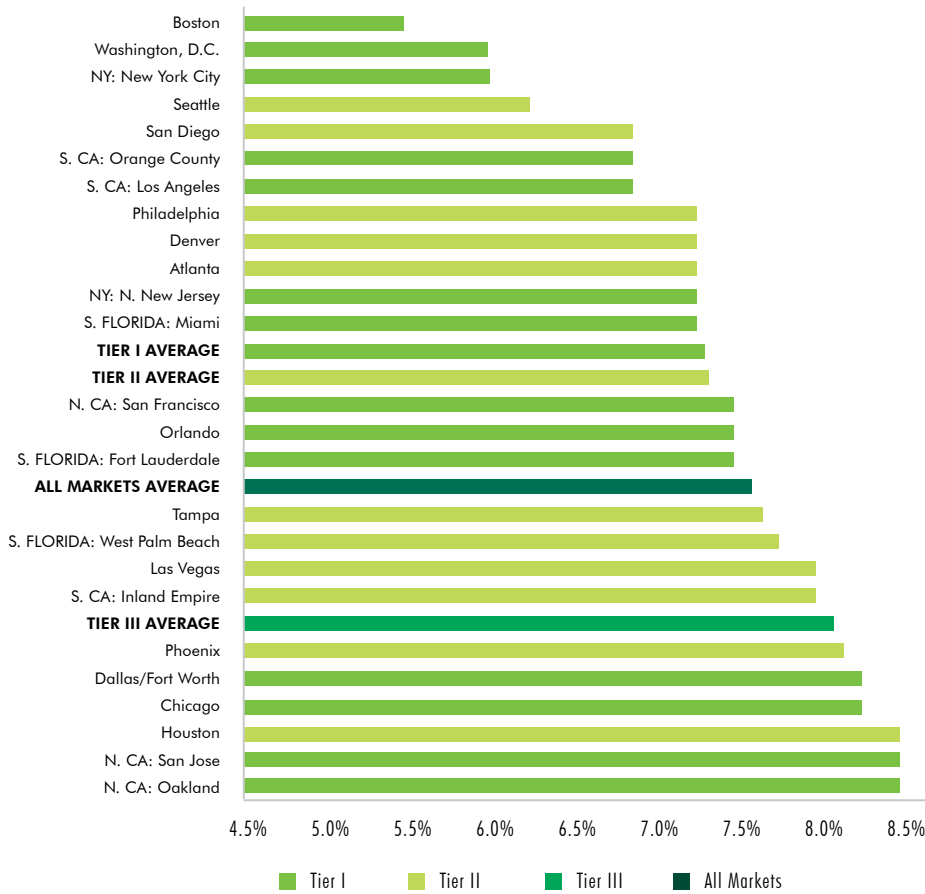
METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	7.72	7.84	12
	LUXURY	6.78	6.83	5
	FULL-SERVICE	7.40	7.55	14
	SELECT-SERVICE	7.79	7.94	15
I	ECONOMY	8.94	9.08	14
	LUXURY	6.53	6.50	-3
	FULL-SERVICE	7.13	7.28	15
	SELECT-SERVICE	7.61	7.81	20
II	ECONOMY	8.78	8.89	11
	LUXURY	6.62	6.73	11
	FULL-SERVICE	7.28	7.46	18
	SELECT-SERVICE	7.70	7.87	17
III	ECONOMY	8.85	9.09	23
	LUXURY	7.38	7.54	15
	FULL-SERVICE	8.02	8.11	9
	SELECT-SERVICE	8.20	8.24	4
	ECONOMY	9.33	9.47	14

Source: CBRE.

Hotel cap rates are historically more volatile at the city-level than at the national- and tier-level, and the findings in this report are no exception. Most movements in city-level CBD hotel cap rates were less than 50 bps. Notable increases above 50 bps were recorded in Fort Lauderdale (full-and select-service), Los Angeles (select), West Palm Beach (select) San Diego (economy) and Indianapolis (full). Hotel cap rates declined by 50 bps or more in a few markets, including Inland Empire (luxury, economy),

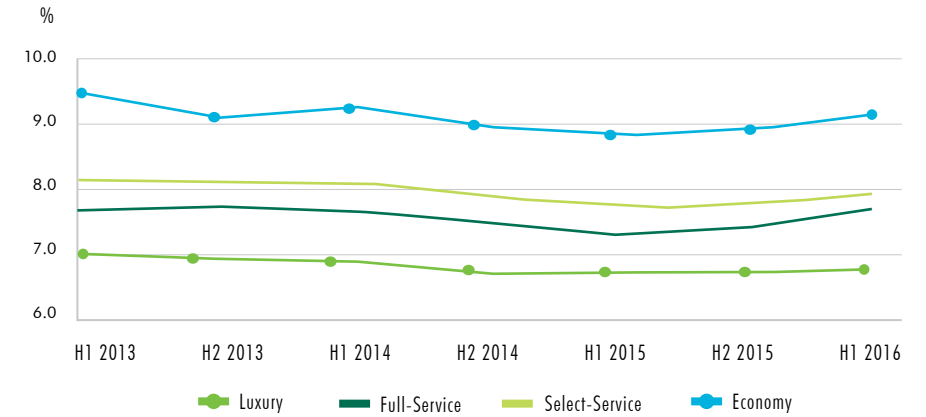
HOTEL | OVERVIEW CONT.

FIGURE 33. HOTEL CBD - FULL SERVICE CAP RATES, H1 2016 - TIER I & II METROS



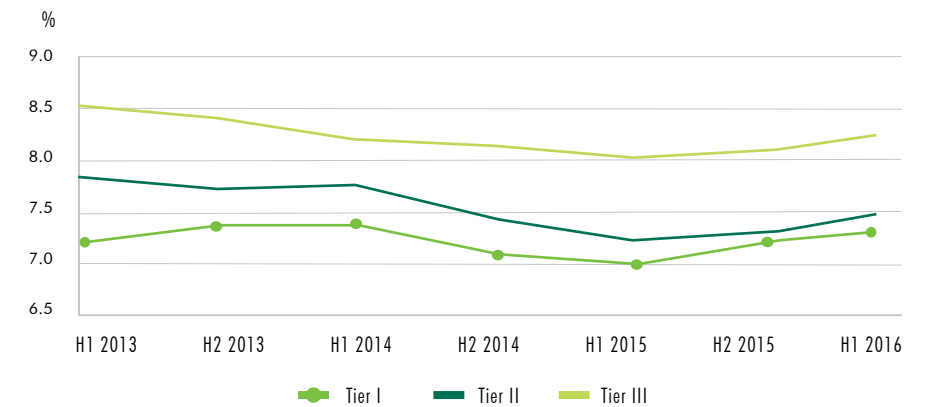
Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 34. HOTEL CBD - HISTORICAL CAP RATES BY HOTEL TYPE



Source: CBRE for stabilized property acquisitions.

FIGURE 35. HOTEL CBD - HISTORICAL CLASS A FULL-SERVICE CAP RATE BY TIER



Source: CBRE for stabilized property acquisitions.

HOTEL | OVERVIEW CONT.

Orange County (luxury) and Las Vegas (luxury). Boston, Washington, D.C., and New York City CBDs have the lowest hotel cap rates at 6% or lower.

The historical charts reveal moderate downward movement in CBD hotel cap rates until H1 2015, followed by a reversal during the most recent periods. The historical data by tier shows similar trends. It also reveals that full-service CBD cap rates recently fluctuated more in Tier I and II markets than in Tier III. Part of the explanation for this is the movement of capital in and out of these markets, with less attention from investors in Tier III cities.

Looking ahead to the second half of 2016, 49% of markets expect no change in cap rates, while 32% anticipate increases of up to 25 bps. Increases greater than 50 bps are expected only among economy hotels in Boston and Indianapolis. Further compression is expected in about 10% of markets. Widespread decreases across all hotel types are expected only in Jacksonville, Orlando and Tampa. Overall, CBRE professionals expect some downward pressure on all hotel cap rates resulting from the slide in the 10-year U.S. Treasury Rate, as hotel cap rates are highly correlated with this benchmark. Upward pressure on CBD hotel cap rates will continue in locations that are dependent on the energy industry and for market segments receiving an overweighting of construction, such as select-service.

UNITED STATES | SUBURBAN

On average, stabilized suburban hotels had slightly stronger cap rate appreciation than their urban counterparts, with rates for nearly every tier and property type moving upward in H1 2016. These increases were relatively modest, with most changes less than 25 bps.

FIGURE 36. HOTEL SUBURBAN - CAP RATES FOR STABILIZED PROPERTIES

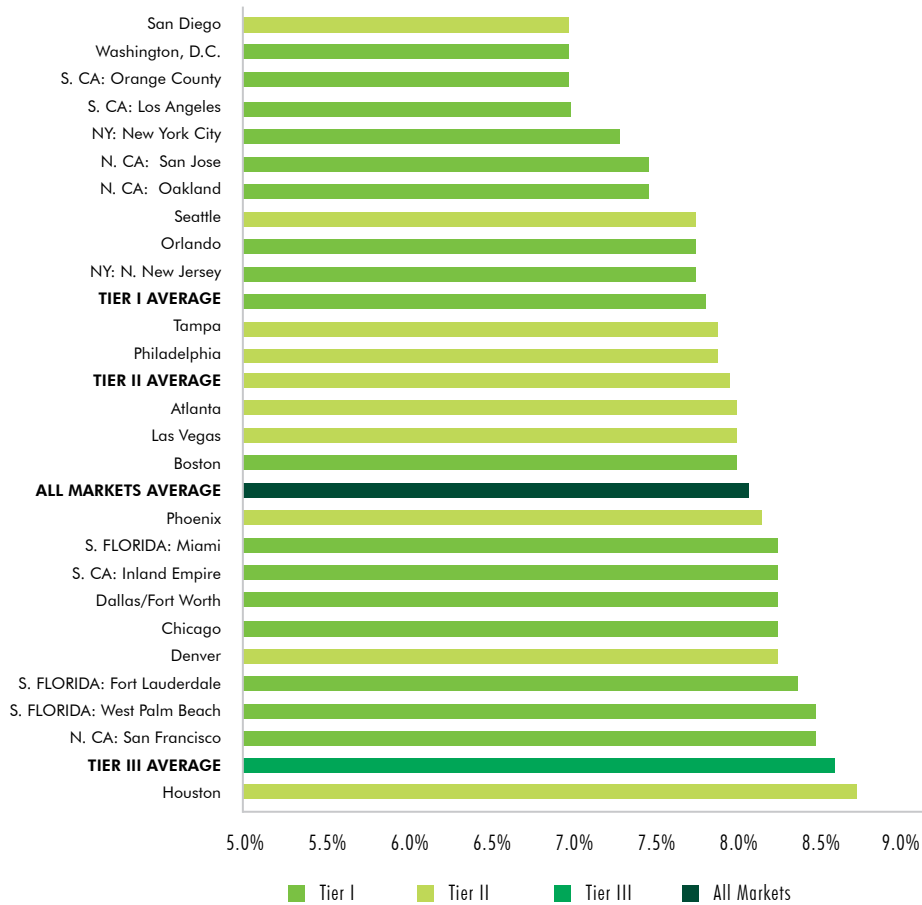
METRO TIER	CLASS	H2 2015 (%)	H1 2016 (%)	CHANGE (bps)
ALL	ALL	8.23	8.39	17
	LUXURY	7.34	7.42	8
	FULL-SERVICE	7.88	8.07	19
	SELECT-SERVICE	8.24	8.46	22
I	ECONOMY	9.42	9.59	16
	LUXURY	7.22	7.25	3
	FULL-SERVICE	7.65	7.81	16
	SELECT-SERVICE	8.13	8.36	23
II	ECONOMY	9.27	9.45	17
	LUXURY	7.04	7.18	14
	FULL-SERVICE	7.66	7.99	33
	SELECT-SERVICE	8.01	8.34	34
III	ECONOMY	9.47	9.58	11
	LUXURY	7.84	7.98	14
	FULL-SERVICE	8.45	8.59	14
	SELECT-SERVICE	8.61	8.72	12
	ECONOMY	9.66	9.85	19

Source: CBRE.

A notable increase occurred among suburban select-service hotels, which saw cap rates increase by 34 bps in Tier II markets to 8.34%. Nationally, the average select-service cap rate reached 8.46%, up 22 bps. The geographic sources of this movement are not clustered and include the city suburbs of Pittsburgh, San Diego, Washington, D.C., and Indianapolis, with increases of 100 bps or more. Conversely, cap rates for select-service hotels declined by 200 bps in suburban Sacramento.

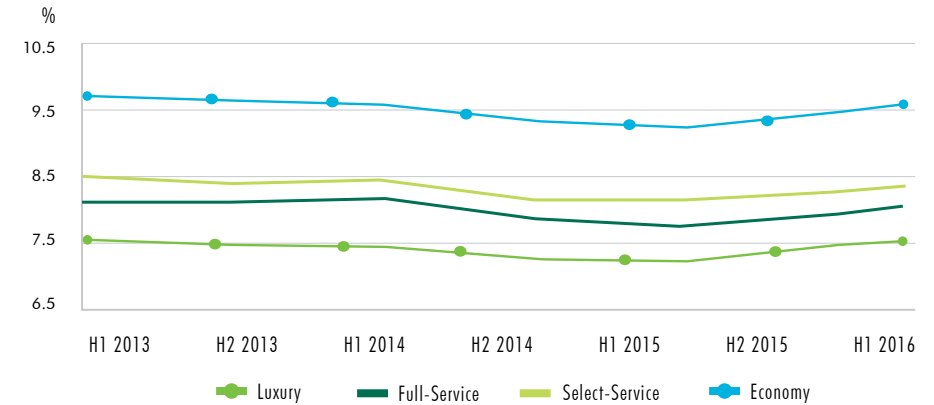
HOTEL | OVERVIEW CONT.

FIGURE 37. HOTEL SUBURBAN - FULL-SERVICE CAP RATES, H1 2016 TIER I & II METROS



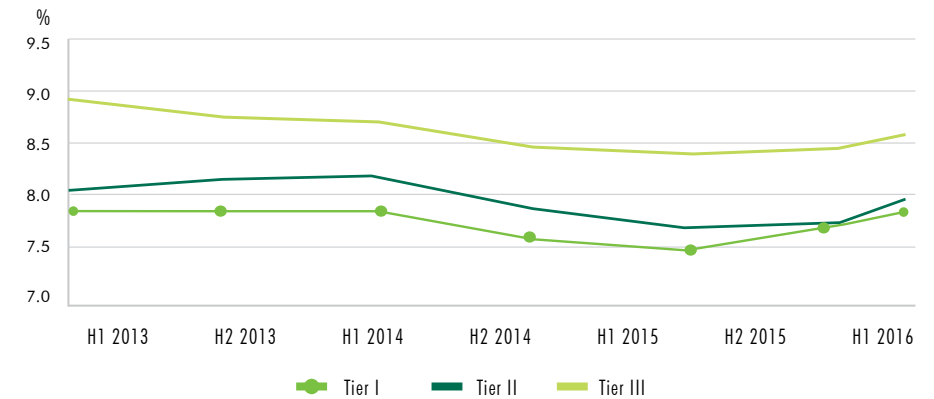
Source: CBRE for stabilized property acquisitions. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

FIGURE 38. HOTEL SUBURBAN - HISTORICAL CAP RATES BY HOTEL TYPE



Source: CBRE for stabilized property acquisitions.

FIGURE 39. HOTEL SUBURBAN - HISTORICAL FULL-SERVICE CAP RATES BY TIER



Source: CBRE for stabilized property acquisitions.



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APPENDIX



HOTEL | OVERVIEW CONT.

The suburban hotel cap rate picture of H1 2016 was highlighted by large increases (>100 bps) among economy hotels in Indianapolis and Pittsburgh and large declines (>100 bps) among suburban luxury hotels in Southern California. It should be noted that the suburban luxury hotel market is thin. Generalizing about the direction of suburban hotel cap rates becomes difficult at the local level. In most markets, these rates are flat. However, in markets where movements were seen, the lower end of the quality spectrum experienced increases, while the upper end experienced declines during H1 2016.

The decline in suburban hotel cap rates in 2014 and H1 2015 is reflected in the historical cap rate charts along with the recent reversal of those trends, the exception being suburban luxury hotels. The charts also reveal compression between Tier I and II markets.

Cap rate movement for CBD and suburban hotels appears to be synchronized. Hotel cap rates across market segments and locations where supply additions are accelerating will experience upward pressure. High-priced local markets and those with fundamental issues, such as dependency on the energy industry, will also experience upward pressure.

Click below to access the **interactive cap rate maps**.



INTERACTIVE
CAP RATE MAPS
& DOWNLOADS

HOTEL | UNITED STATES KEY RATES

		LUXURY				FULL-SERVICE			
TIER I		CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
		BOSTON	5.00 - 6.00	◄►	6.50 - 7.50	—	5.00 - 6.00	◄►	7.50 - 8.50
	CHICAGO	6.50 - 7.00	▲	7.50 - 8.50	▲	7.25 - 9.25	▲	7.75 - 8.75	▲
	N. CA: OAKLAND	7.50 - 8.50	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	7.00 - 8.00	▲
	N. CA: SAN FRANCISCO	6.00 - 7.00	▲	7.00 - 8.00	▲	7.00 - 8.00	▲	8.00 - 9.00	▲
	N. CA: SAN JOSE	7.50 - 8.50	▲	7.50 - 8.50	▲	8.00 - 9.00	▲	7.00 - 8.00	▲
	NY: NEW YORK CITY	3.75 - 5.25	▲	5.75 - 7.25	▲	5.50 - 6.50	▲	6.50 - 8.25	▲
	NY: N. NEW JERSEY	6.00 - 6.50	▲	7.00 - 7.50	▲	6.75 - 7.75	▲	7.00 - 8.50	◄►
	SAN DIEGO	5.00 - 7.00	▼	6.50 - 7.50	◄►	6.00 - 7.50	▼	6.50 - 7.50	▼
	SEATTLE	5.75 - 6.25	▲	6.25 - 7.25	▲	6.00 - 6.50	▲	7.25 - 8.25	▲
	S. CA: INLAND EMPIRE	7.00 - 8.00	▼	7.50 - 8.50	▼	7.50 - 8.50	◄►	7.50 - 9.00	◄►
	S. CA: LOS ANGELES	5.00 - 7.00	▼	5.50 - 7.00	▼	6.00 - 7.50	▲	6.50 - 7.50	◄►
	S. CA: ORANGE COUNTY	5.00 - 7.00	▼	5.50 - 7.00	▼	6.00 - 7.50	▼	6.50 - 7.50	◄►
	S. FLORIDA: FORT LAUDERDALE	6.00 - 7.00	▲	6.75 - 7.75	▲	7.00 - 8.00	▲	7.75 - 9.00	▲
	S. FLORIDA: MIAMI	6.00 - 7.00	▲	6.75 - 7.75	▲	6.75 - 7.75	▲	7.75 - 8.75	▲
	S. FLORIDA: WEST PALM BEACH	6.25 - 7.50	▲	7.00 - 8.00	▲	7.25 - 8.25	▲	8.00 - 9.00	▲
	WASHINGTON, D.C.	4.75 - 6.25	▼	7.00 - 8.00	▲	5.50 - 6.50	◄►	6.50 - 8.50	▲

▲ INCREASE
▼ DECREASE
◄► STABLE
— N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		LUXURY				FULL-SERVICE			
TIER II		CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
		ATLANTA	6.25 - 7.00	▲	6.75 - 7.50	▲	6.75 - 7.75	▲	7.50 - 8.50
	AUSTIN	6.50 - 7.75	▲	6.75 - 8.00	▲	7.25 - 7.75	▲	7.50 - 8.50	▲
	BALTIMORE	6.50 - 7.50	◄►	8.00 - 9.00	◄►	7.00 - 8.00	◄►	8.00 - 9.00	◄►
	DALLAS/FORT WORTH	7.25 - 8.25	◄►	7.25 - 8.25	◄►	7.75 - 8.75	▲	7.75 - 8.75	▲
	DENVER	6.50 - 7.00	◄►	7.00 - 7.50	◄►	7.00 - 7.50	◄►	8.00 - 8.50	▲
	HOUSTON	7.50 - 8.50	▲	7.75 - 8.75	▲	8.00 - 9.00	▲	8.25 - 9.25	▲
	LAS VEGAS	7.00 - 8.00	◄►	7.00 - 8.00	◄►	7.50 - 8.50	◄►	7.50 - 8.50	◄►
	MINNEAPOLIS	6.50 - 8.00	▲	7.00 - 8.00	▲	6.50 - 8.50	▲	7.50 - 9.50	▲
	NASHVILLE	7.25 - 7.50	▲	—	—	7.25 - 8.25	▲	7.75 - 8.75	▲
	ORLANDO	6.00 - 7.50	▼	6.25 - 7.75	▼	6.75 - 8.25	▼	7.00 - 8.50	▼
	PHILADELPHIA	5.75 - 6.25	◄►	6.25 - 6.75	◄►	7.00 - 7.50	▲	7.50 - 8.25	▲
	PHOENIX	6.50 - 7.25	▲	6.50 - 7.25	▲	7.75 - 8.50	▲	7.75 - 8.50	▲
	PITTSBURGH	6.50 - 7.50	▲	7.00 - 8.00	▲	7.50 - 8.50	◄►	8.00 - 9.50	▲
	PORTLAND	6.75 - 7.50	▲	7.50 - 8.00	▲	6.75 - 7.50	▲	7.50 - 8.00	▲

HOTEL | UNITED STATES KEY RATES CONT.

		LUXURY				FULL-SERVICE			
		CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	ALBUQUERQUE	7.25 - 8.00	▲	7.75 - 8.50	▲	7.75 - 9.00	▲	8.25 - 9.25	▲
	CHARLOTTE	6.00 - 8.00	▼	6.00 - 8.00	▼	6.00 - 8.00	▼	6.00 - 8.00	▼
	CINCINNATI	7.50 - 8.25	▲	7.50 - 8.25	▲	8.00 - 8.50	▲	8.00 - 9.00	◄
	CLEVELAND	7.50 - 8.25	▲	7.50 - 8.25	▲	8.00 - 8.50	▲	8.00 - 9.00	◄
	COLUMBUS	7.50 - 8.25	▲	7.50 - 8.50	▲	8.00 - 8.50	▲	8.00 - 9.00	▼
	DETROIT	8.00 - 8.50	◄	8.00 - 9.00	◄	8.00 - 9.00	◄	8.75 - 10.00	▲
	HONOLULU	5.00 - 7.00	▲	—	—	—	—	7.00 - 9.50	▲
	INDIANAPOLIS	7.75 - 9.00	▲	8.50 - 9.50	▲	8.00 - 10.00	▲	9.00 - 11.00	▲
	JACKSONVILLE	6.50 - 7.75	▼	6.75 - 7.75	▼	7.25 - 8.25	▼	7.50 - 8.50	▼
	KANSAS CITY	7.50 - 8.50	◄	8.00 - 8.75	◄	8.00 - 9.25	◄	8.25 - 9.50	◄
	OKLAHOMA CITY	7.75 - 8.75	▲	8.00 - 8.75	◄	8.25 - 9.50	▲	8.50 - 9.75	▲
	SACRAMENTO	—	—	—	—	8.00 - 9.00	▼	9.00 - 10.00	▼
	SALT LAKE CITY	5.75 - 7.75	◄	6.50 - 8.50	◄	7.75 - 8.50	◄	8.00 - 9.00	◄
	SAN ANTONIO	7.75 - 8.75	◄	7.75 - 8.75	◄	8.00 - 9.00	◄	8.00 - 9.00	◄
	ST. LOUIS	7.00 - 9.00	◄	7.50 - 9.50	◄	7.50 - 10.50	◄	8.00 - 10.50	◄
TAMPA	6.25 - 7.50	▼	6.50 - 7.75	▼	7.00 - 8.25	▼	7.25 - 8.50	▼	

▲ INCREASE ▼ DECREASE ◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

HOTEL | UNITED STATES KEY RATES CONT.

		SELECT-SERVICE				ECONOMY			
		CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	BOSTON	5.50 - 6.50	◀▶	7.50 - 8.50	◀▶	6.50 - 7.50	◀▶	8.00 - 9.50	◀▶
	CHICAGO	8.00 - 9.00	▲	7.75 - 8.75	▲	8.50 - 10.50	▲	9.00 - 11.00	▲
	N. CA: OAKLAND	8.50 - 10.50	▲	8.00 - 9.00	▲	9.50 - 11.50	▲	9.50 - 11.50	▲
	N. CA: SAN FRANCISCO	8.00 - 9.00	▲	9.50 - 10.50	▲	8.50 - 10.50	▲	9.50 - 11.50	▲
	N. CA: SAN JOSE	8.50 - 10.50	▲	8.00 - 9.00	▲	9.50 - 11.50	▲	9.50 - 11.50	▲
	NY: NEW YORK CITY	5.75 - 7.50	▲	7.50 - 9.00	▲	7.75 - 8.25	▲	8.75 - 10.75	▲
	NY: N. NEW JERSEY	7.75 - 8.75	▲	8.50 - 9.00	◀▶	8.00 - 9.00	▲	9.00 - 10.50	▲
	SAN DIEGO	6.50 - 8.00	▲	7.00 - 8.50	▲	7.50 - 8.50	▲	7.50 - 9.00	▼
	SEATTLE	6.25 - 6.75	▲	7.25 - 8.25	▲	8.00 - 9.00	▲	9.00 - 10.00	▲
	S. CA: INLAND EMPIRE	7.50 - 9.00	▲	7.50 - 9.00	◀▶	8.00 - 9.50	◀▶	8.00 - 10.00	▲
	S. CA: LOS ANGELES	6.50 - 8.00	▲	7.00 - 8.50	▲	7.50 - 8.50	▼	7.50 - 9.00	▼
	S. CA: ORANGE COUNTY	6.50 - 8.00	▲	7.00 - 7.50	▼	7.50 - 8.50	▼	7.50 - 9.00	▼
	S. FLORIDA: FORT LAUDERDALE	7.75 - 8.75	▲	8.25 - 9.25	▲	8.50 - 9.00	◀▶	9.00 - 10.00	▲
	S. FLORIDA: MIAMI	7.50 - 8.50	▲	8.50 - 9.50	▲	9.00 - 10.00	▲	9.25 - 10.00	▲
S. FLORIDA: WEST PALM BEACH	7.75 - 9.00	▲	8.50 - 9.50	▲	9.00 - 10.00	▲	9.25 - 10.00	▲	
WASHINGTON, D.C.	6.00 - 7.00	◀▶	7.75 - 9.00	▲	7.00 - 8.00	▲	8.50 - 9.00	▲	

▲ INCREASE
▼ DECREASE
◀▶ STABLE
— N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		SELECT-SERVICE				ECONOMY			
		CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CBD CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	ATLANTA	7.75 - 8.50	◀▶	8.00 - 8.75	◀▶	8.25 - 9.00	▲	9.00 - 10.00	▲
	AUSTIN	6.75 - 7.75	▲	7.25 - 8.25	▲	8.00 - 10.50	▲	8.50 - 11.00	▲
	BALTIMORE	7.00 - 8.00	◀▶	8.50 - 9.50	◀▶	7.50 - 9.00	◀▶	8.00 - 9.50	◀▶
	DALLAS/FORT WORTH	7.25 - 8.25	◀▶	7.25 - 8.25	◀▶	8.50 - 11.00	▲	8.50 - 10.50	▲
	DENVER	7.50 - 8.00	◀▶	8.50 - 9.00	▲	8.50 - 9.00	◀▶	9.00 - 10.00	▲
	HOUSTON	7.75 - 8.75	▲	8.25 - 9.25	▲	8.50 - 11.25	▲	8.75 - 11.25	▲
	LAS VEGAS	8.00 - 9.00	◀▶	8.00 - 9.00	◀▶	9.00 - 10.00	◀▶	9.00 - 10.00	◀▶
	MINNEAPOLIS	7.50 - 9.00	▲	8.00 - 10.00	▲	7.50 - 10.00	▲	8.50 - 10.50	▲
	NASHVILLE	7.75 - 8.50	▲	8.00 - 9.25	▲	—	—	9.00 - 9.50	▲
	ORLANDO	8.00 - 9.00	▼	8.25 - 9.25	▼	9.50 - 10.50	▼	9.50 - 10.75	▼
	PHILADELPHIA	7.25 - 8.25	▲	7.75 - 8.50	▲	8.75 - 9.25	▲	9.75 - 10.25	▲
	PHOENIX	7.75 - 8.75	▲	7.75 - 8.75	▲	9.25 - 10.50	▼	9.25 - 10.50	▼
	PITTSBURGH	8.00 - 9.00	◀▶	8.50 - 10.00	▲	8.50 - 10.00	▲	9.00 - 11.00	▲
	PORTLAND	7.25 - 8.00	▲	7.50 - 8.25	▲	8.25 - 9.00	▼	8.50 - 9.25	▲
TAMPA	8.00 - 9.00	▼	8.50 - 9.25	▼	9.50 - 10.50	▼	9.50 - 10.75	▼	

HOTEL | UNITED STATES KEY RATES CONT.

		SELECT-SERVICE				ECONOMY			
		CBD CAP RATES FOR STABILIZED PROPERTIES (%)		SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)		CBD CAP RATES FOR STABILIZED PROPERTIES (%)		SUBURBAN CAP RATES FOR STABILIZED PROPERTIES (%)	
			CHANGE ¹		CHANGE ¹		CHANGE ¹		CHANGE ¹
TIER III	ALBUQUERQUE	8.00 - 8.75	◄►	8.50 - 9.00	◄◄	9.00 - 10.00	▲	9.00 - 10.00	▲
	CHARLOTTE	6.25 - 8.50	▼	6.25 - 8.50	▼	8.00 - 10.00	◄►	8.00 - 10.00	◄►
	CINCINNATI	8.25 - 9.00	▲	8.75 - 9.25	▲	9.00 - 10.00	▲	10.00 - 11.00	▲
	CLEVELAND	8.25 - 9.00	▲	8.75 - 9.25	▲	9.00 - 10.00	▲	10.00 - 11.00	▲
	COLUMBUS	8.25 - 9.00	▲	8.75 - 9.25	▲	9.00 - 10.00	▲	9.50 - 10.00	▼
	DETROIT	8.25 - 9.50	▼	8.75 - 9.75	▼	9.50 - 11.00	◄►	9.75 - 11.00	▲
	HONOLULU	—		8.50 - 11.50	▲	—		9.50 - 12.50	▲
	INDIANAPOLIS	8.00 - 9.50	▲	8.75 - 11.00	▲	10.00 - 12.00	▲	11.00 - 13.00	▲
	JACKSONVILLE	8.25 - 9.00	▼	8.50 - 9.25	▼	9.50 - 10.50	▼	9.50 - 10.75	◄►
	KANSAS CITY	7.75 - 8.75	◄►	8.00 - 9.00	◄►	9.00 - 11.00	◄►	9.25 - 11.50	◄►
	OKLAHOMA CITY	7.75 - 8.75	◄►	8.25 - 9.25	▲	9.25 - 11.25	▲	9.50 - 11.50	▲
	SACRAMENTO	8.00 - 9.00	▼	8.00 - 9.00	▼	8.50 - 10.00	▼	8.50 - 10.00	▼
	SALT LAKE CITY	6.75 - 7.75	◄►	7.00 - 8.00	◄►	7.75 - 8.75	◄►	8.00 - 9.00	◄►
	SAN ANTONIO	7.75 - 8.75	◄►	7.75 - 8.75	◄►	8.75 - 11.00	◄►	8.75 - 11.00	◄►
	ST. LOUIS	8.00 - 10.00	◄►	8.00 - 10.00	◄►	9.00 - 10.00	◄►	9.00 - 10.00	◄►
TAMPA	8.00 - 9.00	▼	8.50 - 9.25	▼	9.50 - 10.50	▼	9.50 - 10.75	▼	

▲ INCREASE ▼ DECREASE ◄► STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable.
 Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

HOTEL | CANADA KEY RATES

		CBD FULL-SERVICE		SUBURBAN SELECT (LIMITED) SERVICE	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER I	TORONTO	6.00 - 7.00	◄◄	7.00 - 8.50	◄◄
	VANCOUVER	6.00 - 7.00	◄◄	7.00 - 8.00	◄◄

		CBD FULL-SERVICE		SUBURBAN SELECT (LIMITED) SERVICE	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER II	CALGARY	7.75 - 8.75	◄◄	9.25 - 10.25	◄◄
	EDMONTON	7.75 - 8.75	◄◄	10.00 - 10.50	◄◄
	MONTREAL	7.50 - 8.50	◄◄	9.00 - 10.00	◄◄

		CBD FULL-SERVICE		SUBURBAN SELECT (LIMITED) SERVICE	
		CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹	CAP RATES FOR STABILIZED PROPERTIES (%)	CHANGE ¹
TIER III	HALIFAX	8.75 - 9.75	◄◄	9.50 - 10.50	◄◄
	KITCHENER - WATERLOO	8.25 - 9.00	◄◄	8.50 - 9.00	◄◄
	LONDON - WINDSOR	8.25 - 9.00	◄◄	8.50 - 9.50	◄◄
	OTTAWA	7.00 - 8.00	◄◄	8.25 - 9.00	◄◄
	WINNIPEG	8.00 - 9.00	◄◄	9.50 - 10.50	◄◄

▲ INCREASE ▼ DECREASE ◄◄ STABLE — N/A

¹Compared to H2 2015. Changes less than 15 bps considered stable. Source: CBRE.



OVERVIEW



OFFICE



INDUSTRIAL



RETAIL



MULTIFAMILY



HOTEL



APPENDIX



HOTEL | UNITED STATES FORECAST TRENDS

		LUXURY		FULL-SERVICE		SELECT-SERVICE		ECONOMY	
		CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES
TIER I	BOSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	CHICAGO	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	N. CA: OAKLAND	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	N. CA: SAN FRANCISCO	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	N. CA: SAN JOSE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	NY: NEW YORK CITY	STABLE	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	NY: N. NEW JERSEY	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	SAN DIEGO	STABLE	INCREASE	STABLE	INCREASE	—	INCREASE	INCREASE	INCREASE
	SEATTLE	STABLE	INCREASE	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. CA: INLAND EMPIRE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. CA: LOS ANGELES	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. CA: ORANGE COUNTY	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. FLORIDA: FORT LAUDERDALE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	S. FLORIDA: MIAMI	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
S. FLORIDA: WEST PALM BEACH	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
WASHINGTON, D.C.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	

- INCREASE
- DECREASE
- STABLE
- N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.

Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.

		LUXURY		FULL-SERVICE		SELECT-SERVICE		ECONOMY	
		CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES
TIER II	ATLANTA	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	AUSTIN	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	BALTIMORE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	DALLAS/FORT WORTH	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	DENVER	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	HOUSTON	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	LAS VEGAS	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	MINNEAPOLIS	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	NASHVILLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	ORLANDO	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	PHILADELPHIA	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	PHOENIX	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	PITTSBURGH	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	PORTLAND	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE

HOTEL | UNITED STATES FORECAST TRENDS CONT.

		LUXURY		FULL-SERVICE		SELECT-SERVICE		ECONOMY	
		CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES	CBD CAP RATES FOR STABILIZED PROPERTIES	SUBURBAN CAP RATES FOR STABILIZED PROPERTIES
TIER III	ALBUQUERQUE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	INCREASE	INCREASE
	CHARLOTTE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	STABLE	STABLE
	CINCINNATI	INCREASE	—	—	—	—	—	—	—
	CLEVELAND	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	COLUMBUS	INCREASE	—	—	—	—	—	—	—
	DETROIT	STABLE	STABLE	STABLE	INCREASE	STABLE	STABLE	STABLE	INCREASE
	HONOLULU	STABLE	STABLE	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	INDIANAPOLIS	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	JACKSONVILLE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	KANSAS CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	OKLAHOMA CITY	STABLE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	SACRAMENTO	—	—	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	SALT LAKE CITY	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	SAN ANTONIO	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
	ST. LOUIS	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE
TAMPA	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	

■ INCREASE
 ■ DECREASE
 ■ STABLE
 — N/A

¹Forecasts represent the opinions of CBRE professionals of where rates are likely to trend in H2 2016.
 Source: CBRE. Markets represent metropolitan areas. For larger metros, tier designation is based on the U.S. Census Bureau's combined statistical area (CSA) definitions. Note that MSAs retain the same tier designation as the CSA to which they belong. See tier methodology for further explanation.



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APPENDIX



APPENDIX | DEFINITIONS

Capitalization Rates (Cap Rates) for Stabilized Properties

Cap rate ranges are best estimates provided by CBRE professionals based on recent trades in their respective markets, as well as communications 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 will vary, occasionally falling outside the stated ranges, based on asset location, quality and property-specific opportunities for NOI enhancement.

Stabilized properties (vs. value-add) are assets leased at market rents with typical market lease terms, and have vacancy levels close to market averages.

The cap rate is the ratio of the net operating income (NOI) to the acquisition price of the asset (NOI divided by acquisition price) as shown in the following examples. The NOI calculation is based on net income less operating expenses. For all property types, except multifamily, the first year projected net rental income is used for the income calculation. For multifamily assets, the trailing 90-day income (annualized) is used in the cap rate calculation.

CAP RATE CALCULATION EXAMPLE - OFFICE, INDUSTRIAL, RETAIL AND HOTEL (Based on 100,000 sq. ft. asset)

	\$/SQ. FT./YEAR	TOTAL
PURCHASE PRICE	\$200.00	\$20,000,000
NET OPERATING INCOME (NOI)		
INCOME		
Potential Rental Income (Year 1 of holding period)	21.00	2,100,000
Vacancy	8.00%	(1.68)
Credit Loss	1.00%	(0.21)
NET RENTAL INCOME	19.11	1,911,000
OTHER INCOME		
Parking	0.67	67,000
Other Income	0.08	8,000
Expense Reimbursements	2.44	244,000
EFFECTIVE GROSS INCOME	22.30	2,230,000
OPERATING EXPENSES (Estimated year 1 of holding period)	9.62	962,000
NET OPERATING INCOME (NOI)	\$12.68	\$1,268,000
CAP RATE (NOI divided by purchase price)		6.3%

Source: CBRE.

[Click here for more detailed calculations for each property type.](#)

APPENDIX | DEFINITIONS CONT.

**CAP RATE CALCULATION EXAMPLE - MULTIFAMILY
(Based on 125-unit community)**

	\$/UNIT/YEAR	TOTAL
PURCHASE PRICE	\$80,000	\$10,000,000
NET OPERATING INCOME (NOI)		
EFFECTIVE GROSS INCOME (Trailing 90-day income annualized)	7,015	876,875
OPERATING EXPENSES (Estimated year 1 of holding period)	2,577	322,125
NET OPERATING INCOME (NOI)	\$4,438	\$554,750
CAP RATE (NOI divided by purchase price)		5.5%

Source: CBRE.

[Click here for more detailed calculations for each property type.](#)

Expected Return on Cost for Value-Add Properties

Expected returns on cost are best estimates provided by CBRE professionals based on recent trades in their respective markets, as well as communications with investors. The ranges represent the expected returns for value-add assets after the property improvements have been made and the property has been leased to market levels (occupancy and rent). Returns on cost within each subtype can vary widely depending, in particular, on the extent of the capital improvements and upgrades made on the asset. The expected return on cost is the ratio of the net operating income (NOI) at stabilization to the total investment in the property (to stabilization) as shown in the following examples.

Value-add assets are properties that have below-market rents and/or higher-than-average vacancy levels. They are properties that are acquired with the intention of making physical improvements or bringing more effective property management to significantly improve property performance and create value.

APPENDIX | DEFINITIONS CONT.

**EXPECTED RETURN ON COST FOR VALUE-ADD ACQUISITIONS
CALCULATION EXAMPLE - OFFICE, RETAIL, INDUSTRIAL AND HOTEL
(Based on 100,000 sq. ft. asset)**

	\$/SQ. FT./YEAR	TOTAL
PURCHASE PRICE	\$100	\$10,000,000
NET OPERATING INCOME (NOI) AT STABILIZATION		
INCOME		
Potential Rental Income	20.00	2,000,000
Vacancy	8.00% (1.60)	(160,000)
Credit Loss	1.00% (0.20)	(20,000)
NET RENTAL INCOME	18.20	1,820,000
OTHER INCOME		
Parking Income	0.67	67,000
Other Income	0.08	8,000
Expense Reimbursements	2.44	244,000
EFFECTIVE GROSS INCOME AT STABILIZATION	21.39	2,139,000
OPERATING EXPENSES	9.62	962,000
NET OPERATING INCOME (NOI) AT STABILIZATION	11.77	1,177,000
INVESTMENT IN PROPERTY		
PURCHASE PRICE	100.00	10,000,000
CAPITAL EXPENDITURES (Including TIs and commissions)	31.00	3,100,000
TOTAL INVESTMENT THROUGH STABILIZATION	\$131.00	\$13,100,000
EXPECTED RETURN ON COST (NOI at stabilization divided by total investment through stabilization)		9.0%

Source: CBRE.

**EXPECTED RETURN ON COST FOR VALUE-ADD ACQUISITIONS
CALCULATION EXAMPLE - MULTIFAMILY
(Based on 125-unit community)**

	\$/UNIT/YEAR	TOTAL
PURCHASE PRICE	\$28,000	\$3,500,000
NET OPERATING INCOME (NOI) AT STABILIZATION		
INCOME		
Potential Rental Income	7,015	876,875
Vacancy	8.00% (561)	(70,150)
ADJUSTED RENTAL INCOME	6,454	806,725
Vacancy	10.00% (645)	(80,673)
Credit Loss	1.00% (65)	(8,067)
EFFECTIVE GROSS INCOME AT STABILIZATION	5,744	717,985
OPERATING EXPENSES (Including reserves)	3,500	437,500
NET OPERATING INCOME (NOI) AT STABILIZATION	2,244	280,485
INVESTMENT IN PROPERTY		
PURCHASE PRICE	28,000	3,500,000
CAPITAL EXPENDITURES THROUGH STABILIZATION	5,200	650,000
TOTAL INVESTMENT THROUGH STABILIZATION	\$33,200	\$4,150,000
EXPECTED RETURN ON COST (NOI at stabilization divided by total investment through stabilization)		6.8%

Source: CBRE.

[Click here for more detailed calculations for each property type.](#)



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METHOD FOR ASSIGNING METROS TO TIERS

Metropolitan areas in the CBRE North America Cap Rate Survey are divided into three peer groups, primary (Tier I), secondary (Tier II) and tertiary (Tier III).

The groups were determined for each property type by ranking all markets according to five fundamentals: rent, total investment, cross-border investment, GDP and population. Weights were then assigned to each fundamental to calculate a weighted average score for each market. The weights depended on how strongly each fundamental was correlated with pricing for each property type—the stronger the correlation, the larger the weight. By nature, the weights, as well as the metros that comprise each tier, vary across the five property types monitored in the survey.

The division into tiers was determined by the most significant natural breaks in the list of final scores. In a small minority of cases, markets were assigned to a different tier than that suggested by the final score because idiosyncrasies placed the metro among others that might not normally be considered its peers. An excellent example

is Honolulu—while often priced as a Tier I market, it has the fundamentals of a Tier III market. Since our objective is to rank markets based on what we believe are the key drivers of pricing, as opposed to pricing itself, Honolulu lands in Tier III.

The geographical boundaries for U.S. metros are primarily based on the U.S. Census Bureau's definition of the combined statistical area (CSA) for large markets and the metropolitan statistical area (MSA) for other markets. A CSA combines the core MSA with adjacent MSAs that have a high degree of economic and social integration with the core MSA. For example, the Los Angeles CSA is composed of three MSAs: Los Angeles-Long Beach-Anaheim, Riverside-San Bernardino and Oxnard-Thousand Oaks. Four of the largest CSAs in the cap rate survey—New York, Los Angeles, San Francisco and Miami—include cap rate data for key MSAs within the CSA, providing greater depth in investment pricing for these very large metropolitan regions. Note that MSAs retain the same tier designation as the CSA to which they belong.



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CBD

Central business district or downtown.

Class AA

The best-quality assets in the most desirable locations, fully leased, or near fully leased, at or above market rents, to tenants of acceptable credit to investors of high-quality real estate, on lease terms also acceptable to the same. Typically the top 5-10 Class A properties in a given market.

Class A

Properties competing for higher-quality tenants/residents, with above-average rental rates for the area, along with high-quality finishes, state-of-the-art systems, exceptional accessibility and a definite market presence.

Class B

Buildings competing for a wide range of tenants/residents, with rents in the average range for the area. Building finishes are fair to good for the area and the systems are adequate, but the building does not compete with Class A in terms of price.

Class C

Buildings competing for tenants/residents requiring functional space at rents below the average for the area.

Suburban

The portion of a metropolitan area that is outside the city center with a less concentrated population and typically lower density land use than is typically found in the metro's urban areas.

Value-Add

Properties which have below market rents and/or higher-than-average vacancy levels. Value-add assets are assets acquired with the intention of significantly improving market performance and creating value through capital improvements and better management.

RETAIL-SPECIFIC DEFINITIONS

High Street

The primary walkable retail shopping thoroughfare in the premier location of an urban submarket, serving as a focal point for high-end shops and luxury retailers.

Neighborhood/Community Center (Grocery Anchored)

Open-air retail center that is anchored by a grocery store and, in the case of community centers, a second major retail anchor. Size range from 75,000 to 350,000 sq. ft.

Power Center

Open-air retail center typically occupied by large-format, big-box and value-oriented retailers, with very limited small-shop tenant space. Size range from 100,00 sq. ft. to more than 600,000 sq. ft.

MULTIFAMILY-SPECIFIC DEFINITIONS

Infill

Multifamily properties that are typically located in the denser parts of metropolitan areas. They represent higher-density product—mid-rise and high-rise—and are most commonly found in mature neighborhoods close to the city center. Infill multifamily product can also be found in higher density suburban neighborhoods.

Suburban

In addition to being located in the suburbs, properties that are typically garden-style construction and lower density than infill.



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HOTEL-SPECIFIC DEFINITIONS

Economy

Hotel properties priced at 40% or less than average room rates, according to Smith Travel Research (STR). Economy (also budget) properties, both chain-affiliated and independent, are generally compatible with the STR chain scale 'Economy.'

Full-Service

Hotel properties typically having more than 150 rooms, room service, an on-site restaurant and concierge service. Full-service properties, both chain-affiliated and independent, are generally compatible with the STR chain scales 'Upper Upscale' and 'Upscale.'

Luxury

Hotel chains that are priced in the top 15% in terms of average annual room rates, according to STR. Luxury properties, both chain-affiliated and independent, are generally compatible with the STR chain scale 'Luxury.'

Select-Service

Hotel properties typically having less than 150 rooms, no room service, no on-site restaurant and no concierge service. Select-Service properties, both chain-affiliated and independent, are generally compatible with the STR chain scales 'Upper Midscale' and 'Midscale.' Generally equivalent to limited-service properties in Canada.

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