

Investors Note Encouraging Market Trends

PwC Investor Survey

Second Quarter 2025



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National Highlights

Investors Note Encouraging Market Trends

The U.S. commercial real estate (CRE) industry is undergoing a gradual but evident transition, and many surveyed investors are noticing encouraging trends that are helping to restore confidence and reawaken deal activity across property types and geographies. When analyzing the real estate cycle positions across 274 metro areas and four key property types—office, retail, industrial, and multifamily—the largest portion of metros (35.8%) is in recession by year-end 2025. However, the outlook brightens notably in subsequent years. By 2026, nearly half of all metros (46.7%) are expected to enter recovery. Additionally, the share of metros in expansion is projected to grow from just 6.2% in 2025 to 27.7% by year-end 2028. This upward trend suggests a broad-based stabilization and growth trajectory, especially for sectors like industrial and multifamily, which are better aligned with evolving economic and demographic patterns. Reflecting this momentum, many investors report seeing positive shifts in leasing, selling, lending, and investing.

Throughout the survey’s national and city-specific office markets, investors are beginning to recognize signs that suggest the early stages of markets rebounding—despite lingering challenges. Leasing activity is gradually picking up, driven by return-to-office mandates, renewed tenant decision-making, and a modest uptick in new demand, particularly at Class-A properties in core cities and high-quality Class-B space. “Tenant activity is increasing,” says an investor. “Sales are closing,” adds another. These trends agree with this quarter’s real estate barometer forecast, which projects the share of markets in recovery to rise from 29.8% in 2025 to 66.7% in 2028. At the same time, the proportion in recession is expected to fall sharply from 49.1% to just 17.5%. While few metros are anticipated to enter expansion in the near term, the ongoing shift from recession to recovery supports the cautious optimism brewing among office investors.

For warehouse, investors note strong fundamentals and long-term resilience as positive factors driving ongoing interest from buyers, particularly in prime markets with high occupancy and limited new supply. Investors’ perspectives match our cycles forecast, which shows a high share of industrial metros leaving contraction for either recovery or expansion by year-end 2026 through 2028. In the multifamily sector, a similar cycles forecast exists due to a significant slowdown in construction. “New supply is the lowest I’ve seen since 2016,” says an investor. “Absorption has turned positive,” adds another. From now through 2028, more multifamily metros are forecasted to enter the expansion and recovery phases with fewer in distress, signaling a broad movement toward stabilization for this sector, as well as the CRE industry. Overall, this gradual yet unmistakable strengthening should bolster investor confidence, resulting in enhanced price discovery and heightened investment activity across the marketplace.

Dominant Real Estate Cycle Position by Sector for 2026*

Office	Retail	Industrial	Multifamily
Recovery	Recovery	Recovery	Recovery
51%	59%	44%	34%

*% represents the cycle position with the largest portion of metros [out of 57, 80, 55, and 82, respectively]

Overall Cap Rate Analysis

For the second quarter of 2025, the average overall capitalization (cap) rate increases in 16 Survey

markets, declines in 21, and holds in two compared to last quarter. For all markets, the quarterly aver-

age shift is a one-basis-point decrease. The average annual change is a four-basis-point decrease.

Table 1
OVERALL CAPITALIZATION RATE ANALYSIS
Second Quarter 2025

	OVERALL CAP RATES			BASIS-POINT CHANGE		EXPECTED SHIFT (IN SIX MONTHS) ⁽¹⁾		
	Low	High	Average	Quarterly	Year Ago	Increase	Decrease	Hold Steady
National Markets								
Regional Mall	4.75%	10.00%	7.13%	21	- 125	0%	25%	75%
Power Center	5.50%	7.75%	6.75%	- 13	3	25%	25%	50%
Strip Shopping Center	5.50%	10.00%	6.91%	- 49	- 42	14%	0%	86%
CBD Office	5.00%	9.50%	7.28%	0	34	25%	0%	75%
Suburban Office	5.00%	10.00%	8.16%	21	162	40%	0%	60%
Net Lease	6.25%	9.00%	7.42%	- 12	- 9	33%	0%	67%
Medical Office Buildings	5.50%	10.00%	7.16%	- 4	- 23	20%	0%	80%
Secondary Office	6.50%	10.25%	8.40%	- 9	- 8	40%	0%	60%
Self Storage	4.50%	7.50%	6.06%	24	6	22%	33%	44%
Student Housing	4.50%	7.00%	5.81%	- 23	- 23	0%	25%	75%
Warehouse Markets								
National	4.00%	6.50%	5.17%	9	- 31	17%	8%	75%
East Coast Region	4.05%	6.00%	5.22%	15	18	20%	0%	80%
East North Central Region	4.75%	5.75%	5.24%	5	11	50%	0%	50%
Pacific Region	4.75%	6.25%	5.28%	- 10	- 32	0%	0%	100%
Apartment Markets								
National	4.00%	6.25%	5.30%	5	- 14	0%	0%	100%
Mid-Atlantic Region	4.00%	6.50%	5.46%	- 8	- 23	14%	0%	86%
Pacific Region	4.50%	6.50%	5.31%	1	10	20%	40%	40%
Southeast Region	4.00%	6.25%	5.40%	- 23	- 14	0%	17%	83%
Individual Office Markets								
Atlanta	7.00%	12.50%	9.47%	26	29	40%	40%	20%
Austin	6.25%	12.00%	8.85%	- 25	- 19	33%	0%	67%
Boston	5.10%	10.00%	7.16%	- 4	- 19	0%	0%	100%
Charlotte	Insufficient data			Insufficient data				
Chicago	7.00%	13.00%	9.79%	- 27	- 32	33%	0%	67%
Dallas	6.00%	13.00%	10.38%	30	96	50%	50%	0%
Denver	6.50%	12.00%	8.86%	- 2	- 4	0%	0%	100%
Houston	7.00%	12.00%	9.85%	- 39	21	50%	0%	50%
Los Angeles	6.50%	11.00%	8.78%	- 44	6	0%	0%	100%
Manhattan	5.20%	9.00%	6.66%	- 17	- 15	0%	33%	67%
Northern Virginia	7.25%	10.00%	8.00%	17	58	33%	0%	67%
Pacific Northwest	6.25%	12.00%	8.84%	- 31	- 18	0%	0%	100%
Philadelphia	8.00%	13.00%	9.75%	29	37	33%	0%	67%
Phoenix	6.00%	9.75%	8.16%	- 8	- 76	25%	0%	75%
San Diego	Insufficient data			Insufficient data				
San Francisco	6.50%	10.00%	8.24%	- 10	- 65	33%	0%	67%
Seattle	6.25%	10.00%	7.42%	- 18	- 53	0%	0%	100%
Southeast Florida	6.00%	10.00%	8.38%	0	5	0%	0%	100%
Washington, DC	6.00%	10.00%	8.13%	13	29	0%	0%	100%
Lodging Markets								
Full Service	7.00%	10.00%	8.68%	20	- 16	40%	20%	40%
Limited-Service Midscale & Economy	8.00%	11.00%	9.38%	- 12	- 100	0%	50%	50%
Luxury/Upper Upscale	6.00%	10.00%	8.38%	38	- 2	50%	0%	50%
Select Service	8.50%	11.00%	9.81%	77	68	50%	25%	25%
Average (all markets)	5.78%	9.54%	7.60%	- 1	- 4	21%	10%	69%

(1) Percentage of participants that foresee the following directional shift in overall cap rates

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Looking forward

Over the next six months, most investors expect overall cap rates to hold steady in the greatest portion of markets (30 of them). In contrast, at the start of last year, most investors anticipated rates increasing.

Breakout of Key Indicators

Overall cap rates, discount rates, and residual cap rates for the CBD and suburban submarkets

of each individual office market are presented in Table 2.

While most average overall cap rates remain lower for CBD submarkets than for their suburban counterparts, two of the 16 city-specific office markets with CBD and suburban components post the reverse this quarter. These markets are Dallas and Seattle. This quarter, the spread between the average

cap rates for the CBDs versus the suburbs expands to 51 basis points.

As many office markets work through oversupply issues, return-to-work mandates, and changes to national and local economic policies, the most significant changes in overall cap rates continue to post for the survey's national and local office markets.

Table 2

BREAKOUT OF KEY INDICATORS

Second Quarter 2025

CBD of	DISCOUNT RATE			OVERALL CAPITALIZATION RATE			RESIDUAL CAPITALIZATION RATE		
	Low	High	Average	Low	High	Average	Low	High	Average
Atlanta	8.00%	14.00%	9.83%	7.00%	11.00%	8.91%	7.00%	10.00%	8.34%
Austin	7.50%	12.00%	9.06%	6.25%	10.00%	8.38%	6.50%	9.00%	7.75%
Boston	6.50%	9.00%	7.75%	5.10%	9.00%	6.64%	6.25%	10.00%	7.21%
Charlotte	insufficient data			insufficient data			insufficient data		
Chicago	8.50%	12.00%	10.75%	7.00%	11.00%	9.08%	7.00%	12.00%	9.08%
Dallas	6.00%	13.00%	10.08%	6.00%	13.00%	10.50%	7.00%	13.00%	9.83%
Denver	8.00%	12.00%	10.15%	6.50%	12.00%	8.72%	6.65%	10.00%	8.05%
Houston	8.00%	14.00%	10.50%	7.00%	12.00%	9.67%	7.00%	12.00%	9.13%
Los Angeles	7.50%	12.00%	9.39%	6.50%	11.00%	8.68%	6.50%	10.00%	8.15%
Manhattan	6.00%	9.50%	7.67%	5.20%	9.00%	6.66%	5.75%	9.00%	7.00%
Pacific Northwest	7.75%	12.00%	9.79%	6.25%	12.00%	8.66%	6.75%	10.00%	8.13%
Philadelphia	8.00%	12.00%	9.50%	8.00%	12.00%	9.50%	8.00%	12.00%	9.63%
Phoenix	7.50%	12.00%	9.96%	6.00%	9.25%	8.02%	6.75%	10.00%	8.21%
San Diego	insufficient data			insufficient data			insufficient data		
San Francisco	8.00%	12.00%	9.63%	6.50%	10.00%	8.17%	6.25%	10.00%	8.04%
Seattle	7.75%	12.00%	9.22%	6.25%	10.00%	7.77%	6.75%	9.50%	7.72%
Southeast Florida	8.00%	12.00%	10.17%	6.00%	10.00%	7.67%	6.00%	10.00%	7.50%
Washington, DC	8.00%	12.00%	10.13%	6.00%	10.00%	8.13%	5.00%	10.00%	7.97%
Nat'l Secondary Office	8.00%	14.00%	10.64%	6.50%	10.00%	8.13%	6.50%	10.00%	8.00%

Suburbs of	DISCOUNT RATE			OVERALL CAPITALIZATION RATE			RESIDUAL CAPITALIZATION RATE		
	Low	High	Average	Low	High	Average	Low	High	Average
Atlanta	8.00%	15.00%	11.38%	8.00%	12.50%	10.03%	7.50%	12.00%	9.03%
Austin	8.00%	15.00%	11.08%	7.00%	12.00%	9.33%	7.00%	10.00%	8.29%
Boston	7.00%	10.00%	8.38%	6.00%	10.00%	7.69%	6.75%	11.00%	8.31%
Charlotte	insufficient data			insufficient data			insufficient data		
Chicago	9.00%	15.00%	11.83%	8.00%	13.00%	10.50%	8.50%	13.00%	10.75%
Dallas	8.00%	13.00%	10.00%	6.00%	13.00%	10.25%	7.00%	11.00%	9.00%
Denver	8.00%	13.00%	10.50%	6.50%	12.00%	9.00%	6.65%	11.50%	8.64%
Houston	8.50%	15.00%	11.56%	7.00%	12.00%	10.03%	7.50%	12.00%	9.13%
Los Angeles	7.50%	12.00%	9.61%	6.50%	11.00%	8.88%	6.50%	10.00%	8.30%
Northern Virginia	8.50%	11.00%	9.67%	7.25%	10.00%	8.00%	7.50%	9.00%	8.17%
Pacific Northwest	7.50%	12.00%	10.03%	6.25%	12.00%	9.03%	6.50%	12.00%	8.71%
Philadelphia	8.00%	14.00%	10.67%	8.00%	13.00%	10.00%	8.50%	13.00%	9.83%
Phoenix	9.00%	12.00%	10.15%	7.50%	9.75%	8.30%	7.00%	12.00%	8.78%
San Diego	insufficient data			insufficient data			insufficient data		
San Francisco	8.00%	11.25%	9.63%	7.25%	9.50%	8.31%	7.25%	10.25%	8.38%
Seattle	7.50%	12.00%	9.21%	6.25%	8.00%	7.06%	6.50%	10.00%	7.73%
Southeast Florida	8.00%	11.50%	10.04%	7.00%	10.00%	9.08%	6.00%	10.50%	8.83%
Nat'l Secondary Office	8.75%	13.00%	11.23%	7.50%	10.25%	8.68%	7.50%	10.00%	8.53%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 3
BUYERS vs. SELLERS
 Second Quarter 2025

	Buyers' Market	Sellers' Market	Neutral Market*		Buyers' Market	Sellers' Market	Neutral Market*
National Markets				Office Markets			
Regional Mall	0%	0%	100%	Atlanta	100%	0%	0%
Power Center	50%	0%	50%	Austin	100%	0%	0%
Strip Shopping Center	17%	33%	50%	Boston	100%	0%	0%
CBD Office	100%	0%	0%	Charlotte	insufficient data		
Suburban Office	100%	0%	0%	Chicago	100%	0%	0%
Net Lease	100%	0%	0%	Dallas	50%	0%	50%
Medical Office Buildings	60%	0%	40%	Denver	75%	0%	25%
Secondary Office	60%	0%	40%	Houston	100%	0%	0%
Self Storage	44%	22%	33%	Los Angeles	100%	0%	0%
Student Housing	0%	50%	50%	Manhattan	100%	0%	0%
				Northern Virginia	100%	0%	0%
Warehouse Markets				Pacific Northwest	100%	0%	0%
National	36%	27%	36%	Philadelphia	67%	0%	33%
East Coast Region	20%	0%	80%	Phoenix	100%	0%	0%
East North Central Region	25%	25%	50%	San Diego	insufficient data		
Pacific Region	25%	0%	75%	San Francisco	100%	0%	0%
				Seattle	100%	0%	0%
Apartment Markets				Southeast Florida	100%	0%	0%
National	40%	0%	60%	Washington, DC	100%	0%	0%
Mid-Atlantic Region	43%	14%	43%				
Pacific Region	20%	20%	60%				
Southeast Region	17%	0%	83%				
Lodging Markets							
Full Service	40%	20%	40%				
Limited-Service Midscale & Economy	50%	0%	50%				
Luxury/Upper Upscale	25%	0%	75%				
Select Service	50%	0%	50%				

Note: Figures may not total 100% due to rounding; figures represent Survey participants' opinions relating to market favorability.

* A neutral market equally favors buyers and sellers.

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 4
VACANCY ASSUMPTIONS: OFFICE MARKETS

Second Quarter 2025

Market	MONTHS VACANT ON ROLLOVER			TENANT RETENTION RATE			YEAR AGO			UNDERLYING VACANCY & CREDIT LOSS		
	Range	Average	Range	Range	Average	Average	Range	Average	Range	Range	Average	Average
National CBD Office	6 – 36	14	6 – 36	50.0% – 75.0%	65.6%	65.6%	50.0% – 75.0%	65.6%	0.5% – 12.0%	7.7%	0.5% – 12.0%	7.4%
National Suburban Office	9 – 48	19	5 – 20	30.0% – 70.0%	56.5%	56.5%	20.0% – 70.0%	55.5%	1.0% – 16.0%	10.5%	1.0% – 16.0%	9.1%
National Secondary Office	5 – 15	10	5 – 15	55.0% – 75.0%	66.0%	66.0%	55.0% – 75.0%	66.0%	3.0% – 15.0%	7.2%	3.0% – 15.0%	7.2%
Atlanta Office	5 – 24	12	5 – 24	40.0% – 75.0%	60.5%	60.5%	40.0% – 75.0%	60.4%	1.0% – 12.0%	6.3%	3.0% – 12.0%	7.4%
Austin Office	5 – 12	10	5 – 12	50.0% – 70.0%	65.0%	65.0%	50.0% – 70.0%	65.0%	5.0% – 14.0%	9.0%	5.0% – 15.0%	9.2%
Boston Office	8 – 13	11	3 – 12	25.0% – 70.0%	56.7%	56.7%	25.0% – 70.0%	52.3%	3.0% – 20.0%	10.7%	4.0% – 20.0%	8.8%
Charlotte Office	insufficient data	insufficient data	6 – 15	insufficient data	insufficient data	insufficient data	40.0% – 70.0%	61.3%	insufficient data	insufficient data	2.0% – 15.0%	7.6%
Chicago Office	10 – 24	16	9 – 24	40.0% – 70.0%	57.5%	57.5%	40.0% – 70.0%	58.8%	7.5% – 20.0%	14.2%	7.5% – 20.0%	14.7%
Dallas Office	6 – 18	12	6 – 18	50.0% – 75.0%	60.8%	60.8%	50.0% – 75.0%	60.8%	5.0% – 15.0%	10.4%	5.0% – 15.0%	9.0%
Denver Office	6 – 30	15	6 – 30	25.0% – 70.0%	52.5%	52.5%	25.0% – 70.0%	52.5%	5.0% – 20.0%	12.4%	5.0% – 20.0%	12.3%
Houston Office	8 – 36	16	6 – 36	40.0% – 75.0%	60.0%	60.0%	40.0% – 75.0%	60.0%	5.0% – 20.0%	12.5%	5.0% – 20.0%	11.6%
Los Angeles Office	5 – 24	12	5 – 24	50.0% – 75.0%	62.0%	62.0%	50.0% – 75.0%	61.0%	7.0% – 30.0%	15.5%	7.0% – 20.0%	13.5%
Manhattan Office	8 – 12	10	4 – 12	25.0% – 70.0%	56.7%	56.7%	25.0% – 70.0%	56.3%	1.5% – 15.0%	8.8%	7.5% – 15.0%	11.1%
Northern Virginia Office	9 – 24	12	9 – 18	50.0% – 75.0%	59.2%	59.2%	50.0% – 75.0%	60.0%	10.0% – 20.0%	13.8%	5.0% – 15.0%	10.5%
Pacific Northwest Office	6 – 18	12	6 – 24	50.0% – 75.0%	65.0%	65.0%	40.0% – 75.0%	62.9%	5.0% – 20.0%	10.0%	5.0% – 20.0%	9.6%
Philadelphia Office	6 – 20	12	6 – 15	25.0% – 80.0%	55.0%	55.0%	25.0% – 80.0%	55.0%	5.0% – 15.0%	9.1%	5.0% – 12.0%	8.3%
Phoenix Office	5 – 25	14	5 – 24	50.0% – 65.0%	56.3%	56.3%	0.0% – 70.0%	54.2%	5.0% – 20.0%	12.3%	2.0% – 20.0%	10.6%
San Diego Office	insufficient data	insufficient data	5 – 18	insufficient data	insufficient data	insufficient data	50.0% – 70.0%	63.3%	insufficient data	insufficient data	1.0% – 15.0%	7.3%
San Francisco Office	9 – 27	15	9 – 27	30.0% – 65.0%	52.5%	52.5%	30.0% – 65.0%	52.5%	4.0% – 15.0%	8.4%	4.0% – 20.0%	10.1%
Seattle Office	6 – 18	12	6 – 24	50.0% – 75.0%	65.0%	65.0%	40.0% – 75.0%	62.5%	5.0% – 17.5%	9.6%	5.0% – 15.0%	8.8%
Southeast Florida Office	6 – 15	11	6 – 12	25.0% – 75.0%	57.5%	57.5%	25.0% – 75.0%	56.7%	5.0% – 12.0%	8.6%	2.0% – 12.0%	6.0%
Washington, DC Office	8 – 48	20	8 – 24	50.0% – 75.0%	62.5%	62.5%	50.0% – 75.0%	60.6%	10.0% – 20.0%	13.3%	8.0% – 15.0%	12.1%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 4

VACANCY ASSUMPTIONS: NATIONAL AND REGIONAL MARKETS

Second Quarter 2025

Market	MONTHS VACANT ON ROLLOVER CURRENT			TENANT RETENTION RATE CURRENT			YEAR AGO			UNDERLYING VACANCY & CREDIT LOSS CURRENT		
	Range	Average	Range	Range	Average	Range	Range	Average	Range	Range	Average	Average
National Regional Mall	5 – 24	13	5 – 36	50.0% – 90.0%	70.8%	50.0% – 85.0%	50.0% – 85.0%	66.9%	4.0% – 20.0%	8.8%	3.0% – 40.0%	12.8%
National Power Center	3 – 18	9	3 – 18	60.0% – 80.0%	70.0%	60.0% – 80.0%	60.0% – 80.0%	68.1%	4.0% – 12.0%	7.5%	4.0% – 12.0%	7.5%
National Strip Shopping Center	3 – 24	12	3 – 18	50.0% – 100.0%	68.3%	50.0% – 100.0%	50.0% – 100.0%	68.0%	1.0% – 10.0%	5.3%	1.0% – 10.0%	5.4%
Warehouse (National)	3 – 18	8	3 – 18	50.0% – 100.0%	70.4%	50.0% – 100.0%	50.0% – 100.0%	74.8%	0.0% – 10.0%	2.9%	0.0% – 6.0%	2.6%
Warehouse (East Coast Region)	4 – 18	9	1 – 9	60.0% – 75.0%	70.0%	60.0% – 90.0%	60.0% – 90.0%	71.5%	0.0% – 5.0%	2.3%	0.0% – 5.0%	2.0%
Warehouse (East North Central Region)	6 – 12	8	6 – 9	50.0% – 80.0%	65.0%	60.0% – 75.0%	60.0% – 75.0%	67.5%	1.0% – 7.0%	3.9%	2.0% – 8.0%	5.3%
Warehouse (Pacific Region)	2 – 9	6	2 – 9	60.0% – 75.0%	67.5%	60.0% – 100.0%	60.0% – 100.0%	72.1%	0.0% – 5.0%	2.1%	0.0% – 5.0%	2.6%
Apartment (National)									4.0% – 12.0%	6.4%	3.0% – 12.0%	6.1%
Apartment (Mid-Atlantic Region)									5.0% – 8.0%	5.8%	3.0% – 8.0%	5.7%
Apartment (Pacific Region)									4.0% – 8.0%	5.8%	4.0% – 9.0%	6.2%
Apartment (Southeast Region)									5.0% – 8.0%	6.2%	3.0% – 7.0%	4.7%
National Net Lease	5 – 24	13	5 – 24	25.0% – 100.0%	70.8%	25.0% – 100.0%	25.0% – 100.0%	70.8%	0.0% – 8.0%	4.0%	0.0% – 8.0%	4.0%
National Medical Office Buildings	3 – 24	13	6 – 24	70.0% – 95.0%	81.0%	70.0% – 95.0%	70.0% – 95.0%	80.0%	0.0% – 15.0%	5.4%	0.0% – 10.0%	5.5%
National Self Storage									1.0% – 15.0%	8.9%	1.0% – 15.0%	9.8%
National Student Housing									1.0% – 8.0%	5.0%	2.5% – 15.0%	6.0%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 5
TENANT IMPROVEMENT ALLOWANCES
 Second Quarter 2025

	SHELL SPACE (a)			2ND-GENERATION SPACE (a)			RENEWALS (a)		
	Low	High	Average	Low	High	Average	Low	High	Average
National Markets									
Strip Shopping Center	\$0.00	\$250.00	\$72.08	\$0.00	\$100.00	\$28.33	\$0.00	\$30.00	\$9.17
CBD Office	\$75.00	\$225.00	\$135.00	\$30.00	\$175.00	\$92.50	\$20.00	\$125.00	\$63.33
Suburban Office	\$45.00	\$175.00	\$90.83	\$40.00	\$110.00	\$64.17	\$25.00	\$80.00	\$41.67
Medical Office Buildings	\$45.00	\$200.00	\$92.50	\$5.00	\$100.00	\$35.50	\$0.00	\$50.00	\$17.30
Secondary Office	\$50.00	\$100.00	\$76.00	\$20.00	\$60.00	\$44.00	\$10.00	\$25.00	\$18.00
Warehouse Markets									
National	\$0.25	\$15.00	\$4.30	\$0.00	\$8.00	\$1.82	\$0.00	\$3.00	\$0.85
East Coast Region	\$2.00	\$5.00	\$3.25	\$0.50	\$4.00	\$2.00	\$0.25	\$2.00	\$0.94
East North Central Region	\$0.25	\$10.00	\$3.22	\$0.00	\$5.00	\$1.50	\$0.00	\$5.00	\$1.03
Pacific Region	\$0.00	\$5.00	\$2.88	\$0.00	\$3.00	\$1.25	\$0.00	\$1.50	\$0.63
Office Markets									
Atlanta	\$45.00	\$160.00	\$87.50	\$25.00	\$135.00	\$58.00	\$5.00	\$75.00	\$32.50
Austin	\$55.00	\$125.00	\$80.83	\$25.00	\$100.00	\$47.50	\$10.00	\$50.00	\$20.00
Boston	\$15.00	\$140.00	\$82.50	\$10.00	\$150.00	\$66.67	\$5.00	\$90.00	\$39.17
Charlotte	insufficient data			insufficient data			insufficient data		
Chicago	\$45.00	\$210.00	\$122.50	\$35.00	\$175.00	\$95.83	\$25.00	\$175.00	\$89.17
Dallas	\$25.00	\$100.00	\$69.38	\$5.00	\$100.00	\$53.75	\$5.00	\$50.00	\$25.00
Denver	\$15.00	\$200.00	\$97.50	\$10.00	\$150.00	\$65.63	\$5.00	\$120.00	\$37.50
Houston	\$25.00	\$125.00	\$84.38	\$8.00	\$120.00	\$66.63	\$3.00	\$80.00	\$37.88
Los Angeles	\$50.00	\$150.00	\$91.50	\$10.00	\$120.00	\$56.50	\$0.00	\$120.00	\$33.00
Manhattan	\$40.00	\$160.00	\$119.17	\$10.00	\$155.00	\$65.00	\$5.00	\$95.00	\$44.17
Northern Virginia	\$55.00	\$150.00	\$96.25	\$30.00	\$125.00	\$76.67	\$5.00	\$80.00	\$41.67
Pacific Northwest	\$40.00	\$200.00	\$115.71	\$10.00	\$150.00	\$74.64	\$5.00	\$80.00	\$42.86
Philadelphia	\$40.00	\$125.00	\$81.67	\$10.00	\$125.00	\$54.17	\$10.00	\$125.00	\$45.83
Phoenix	\$50.00	\$150.00	\$90.00	\$25.00	\$100.00	\$56.25	\$10.00	\$100.00	\$41.25
San Diego	insufficient data			insufficient data			insufficient data		
San Francisco	\$100.00	\$250.00	\$151.67	\$60.00	\$150.00	\$100.00	\$30.00	\$125.00	\$55.83
Seattle	\$40.00	\$200.00	\$118.75	\$10.00	\$150.00	\$67.50	\$5.00	\$80.00	\$40.00
Southeast Florida	\$40.00	\$100.00	\$72.50	\$0.00	\$60.00	\$33.75	\$5.00	\$60.00	\$32.50
Washington, DC	\$80.00	\$150.00	\$120.00	\$40.00	\$125.00	\$70.00	\$15.00	\$115.00	\$45.00
Average (office markets only)	\$44.71	\$158.53	\$98.93	\$19.00	\$128.82	\$65.20	\$8.71	\$95.29	\$41.37
Average (all markets)	\$37.60	\$141.54	\$83.15	\$16.10	\$105.96	\$53.06	\$7.82	\$74.67	\$32.93

(a) per square foot

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 6
SELLING EXPENSES
 Second Quarter 2025

	AS % OF PROCEEDS				AS % OF PROCEEDS		
	Low	High	Average		Low	High	Average
National Markets				Office Markets			
Regional Mall	0.50%	7.00%	2.79%	Atlanta	0.70%	2.50%	1.60%
Power Center	1.00%	2.50%	1.69%	Austin	1.00%	5.00%	2.25%
Strip Shopping Center	0.50%	3.00%	2.00%	Boston	1.00%	3.00%	1.92%
CBD Office	0.50%	4.00%	1.94%	Charlotte	insufficient data		
Suburban Office	0.50%	4.00%	2.18%	Chicago	1.00%	3.00%	2.00%
Secondary Office	1.00%	6.00%	3.20%	Dallas	1.00%	3.50%	1.94%
Net Lease	1.00%	6.00%	3.58%	Denver	0.50%	3.00%	1.66%
Medical Office Buildings	0.75%	5.00%	2.23%	Houston	1.00%	5.00%	2.00%
Self Storage	1.00%	4.50%	2.72%	Los Angeles	1.00%	6.00%	2.60%
Student Housing	1.00%	5.00%	2.75%	Manhattan	2.00%	4.00%	2.95%
				Northern Virginia	1.50%	3.00%	1.92%
Warehouse Markets				Pacific Northwest	1.00%	4.75%	3.29%
National	1.00%	4.35%	2.10%	Philadelphia	1.50%	3.00%	1.92%
East Coast Region	1.00%	4.00%	2.10%	Phoenix	1.50%	4.00%	2.38%
East North Central Region	1.00%	3.00%	2.25%	San Diego	insufficient data		
Pacific Region	1.00%	4.00%	2.19%	San Francisco	0.75%	6.50%	4.72%
				Seattle	2.00%	4.50%	3.78%
Apartment Markets				Southeast Florida	1.00%	2.50%	1.75%
National	0.50%	7.50%	2.50%	Washington, DC	2.00%	4.00%	3.08%
Mid-Atlantic Region	0.80%	3.00%	1.81%				
Pacific Region	0.50%	3.00%	1.23%				
Southeast Region	0.50%	4.50%	1.83%				
Lodging Markets							
Full Service	1.50%	3.00%	2.35%				
Limited-Service Midscale & Economy	1.00%	2.50%	1.88%				
Luxury/Upper Upscale	1.00%	3.00%	2.31%				
Select Service	1.75%	3.00%	2.75%				

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 7

DEBT SERVICE

Second Quarter 2025

	INTEREST RATES (%)			DEBT PERCENTAGES			PREMIUM ADDED (1)		
	Low	High	Average	Low	High	Average	Low	High	Average
National Markets									
Regional Mall	3.50%	16.00%	7.92%	30%	80%	53%			
Power Center									
Strip Shopping Center	4.50%	11.00%	7.21%	50%	75%	63%	0	250	67
CBD Office									
Suburban Office									
Net Lease	3.00%	7.00%	5.35%	35%	65%	55%			
Medical Office Buildings	5.00%	9.00%	6.45%	40%	80%	60%	0	1,000	150
Secondary Office	6.25%	10.50%	7.75%	40%	65%	56%	0	1,000	433
Warehouse Markets									
National	5.00%	8.00%	6.59%	50%	75%	58%	0	950	444
East Coast Region									
East North Central Region									
Pacific Region									
Apartment Markets									
National	5.50%	8.00%	6.42%	40%	80%	60%	200	1,200	550
Mid-Atlantic Region	5.00%	8.50%	6.34%	50%	75%	60%	25	550	224
Pacific Region	5.50%	8.00%	6.63%	45%	65%	57%	100	613	274
Southeast Region	3.50%	8.50%	5.72%	55%	70%	62%	25	700	209
Individual Office Markets									
Atlanta	6.50%	12.00%	9.56%	40%	65%	52%			
Austin	7.00%	11.00%	9.08%	30%	55%	49%			
Boston									
Charlotte									
Chicago	6.00%	9.50%	7.50%						
Dallas	7.00%	13.00%	9.63%	50%	70%	56%	300	1,000	465
Denver	6.00%	15.00%	8.72%	30%	60%	48%			
Houston	7.00%	12.00%	9.50%	40%	70%	52%	0	1,000	483
Los Angeles	4.50%	10.00%	7.80%	40%	75%	53%	25	800	263
Manhattan									
Northern Virginia									
Pacific Northwest	6.00%	11.00%	7.93%	30%	65%	50%	25	250	171
Philadelphia									
Phoenix									
San Diego									
San Francisco	6.25%	10.00%	8.04%	30%	55%	45%			
Seattle	6.50%	10.00%	7.75%	30%	65%	50%			
Southeast Florida									
Washington, DC									
National Lodging Markets									
Full Service	3.50%	12.00%	8.75%	40%	75%	57%	0	500	251
Limited-Service Midscale & Economy	6.00%	9.00%	7.75%	40%	75%	53%	0	500	225
Luxury/Upper Upscale	5.00%	13.00%	8.38%	50%	80%	62%	100	1,200	450
Select Service	5.00%	10.00%	7.31%	40%	75%	56%	0	450	139

Note: Empty space means insufficient responses prevent us from reporting data.

(1) Basis points added to all-cash discount rate.

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 8
REPLACEMENT RESERVES
Second Quarter 2025

	CURRENT QUARTER (a)			YEAR AGO (a)		
	Low	High	Average	Low	High	Average
National Markets						
Regional Mall	\$2.00	\$4.00	\$2.50	\$0.20	\$4.00	\$1.71
Power Center	\$0.20	\$0.50	\$0.28	\$0.20	\$0.50	\$0.28
Strip Shopping Center	\$0.10	\$1.00	\$0.36	\$0.10	\$0.75	\$0.31
CBD Office	\$0.15	\$1.00	\$0.46	\$0.15	\$0.75	\$0.38
Suburban Office	\$0.10	\$1.50	\$0.41	\$0.00	\$1.50	\$0.34
Medical Office Buildings	\$0.10	\$1.00	\$0.42	\$0.10	\$1.00	\$0.40
Secondary Office	\$0.15	\$1.00	\$0.37	\$0.15	\$0.75	\$0.30
Self Storage	\$0.00	\$0.50	\$0.22	\$0.00	\$0.55	\$0.24
Student Housing (b)	\$150	\$200	\$175	\$150	\$200	\$169
Warehouse Markets						
National	\$0.00	\$0.30	\$0.13	\$0.00	\$0.30	\$0.12
East Coast Region	\$0.00	\$0.25	\$0.14	\$0.05	\$0.20	\$0.10
East North Central Region	\$0.05	\$0.20	\$0.14	\$0.05	\$0.20	\$0.13
Pacific Region	\$0.05	\$0.20	\$0.15	\$0.05	\$0.20	\$0.12
Apartment (FF&E per unit) (c)						
National	\$200	\$400	\$288	\$200	\$550	\$300
Mid-Atlantic Region	\$100	\$350	\$238	\$100	\$500	\$260
Pacific Region	\$200	\$300	\$250	\$200	\$900	\$325
Southeast Region	\$200	\$400	\$288	\$200	\$400	\$292
Individual Office Markets						
Atlanta	\$0.15	\$1.00	\$0.47	\$0.10	\$1.00	\$0.38
Austin	\$0.15	\$0.50	\$0.30	\$0.10	\$0.50	\$0.29
Boston	\$0.15	\$0.75	\$0.43	\$0.15	\$1.00	\$0.44
Charlotte	insufficient data			\$0.15	\$1.00	\$0.51
Chicago	\$0.25	\$0.85	\$0.48	\$0.25	\$0.75	\$0.44
Dallas	\$0.10	\$0.50	\$0.23	\$0.10	\$0.50	\$0.24
Denver	\$0.10	\$1.00	\$0.51	\$0.10	\$1.00	\$0.42
Houston	\$0.15	\$1.00	\$0.44	\$0.15	\$1.00	\$0.35
Los Angeles	\$0.10	\$0.80	\$0.35	\$0.10	\$0.90	\$0.37
Manhattan	\$0.15	\$0.75	\$0.42	\$0.15	\$0.50	\$0.32
Northern Virginia	\$0.20	\$0.35	\$0.26	\$0.15	\$0.35	\$0.23
Pacific Northwest	\$0.15	\$2.00	\$0.60	\$0.15	\$2.00	\$0.60
Philadelphia	\$0.20	\$0.65	\$0.34	\$0.20	\$0.65	\$0.34
Phoenix	\$0.20	\$0.50	\$0.31	\$0.20	\$0.50	\$0.32
San Diego	insufficient data			\$0.15	\$0.35	\$0.23
San Francisco	\$0.20	\$2.00	\$0.81	\$0.20	\$2.00	\$0.71
Seattle	\$0.15	\$2.00	\$0.56	\$0.15	\$2.00	\$0.54
Southeast Florida	\$0.20	\$1.00	\$0.58	\$0.20	\$1.00	\$0.49
Washington, DC	\$0.15	\$0.25	\$0.21	\$0.15	\$0.35	\$0.22
National Lodging Markets (d)						
Full Service	3.00%	6.00%	4.20%	3.00%	6.00%	4.20%
Limited-Service Midscale & Economy	3.00%	5.00%	4.13%	2.50%	6.00%	4.00%
Luxury/Upper Upscale	4.00%	8.00%	5.19%	4.00%	6.50%	4.69%
Select Service	4.00%	8.00%	5.13%	4.00%	6.00%	4.75%

(a) reserve per square foot unless noted otherwise; unless noted, these reserves do not include estimated costs for larger items and structural repairs that only occur a few times during the life of the property and are usually accounted for separately as capital improvements.

(b) reserve for FF&E and structural repairs.

(c) reserve for FF&E only; some investors use an additional reserve for structural repairs.

(d) as a % of total revenue; for both FF&E and structural repairs.

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 9

MANAGEMENT FEES AND LEASING COMMISSIONS

Second Quarter 2025

	MANAGEMENT FEES (As a % of EGR)			LEASING COMMISSIONS (a) NEW LEASE			RENEWAL LEASE		
	Low	High	Average	Low	High	Average	Low	High	Average
National Markets									
Regional Mall	2.00%	7.00%	3.83%	(b)			(b)		
Power Center	2.00%	6.00%	3.00%	3.00%	7.00%	5.33%	3.00%	6.00%	3.67%
Strip Shopping Center	1.50%	6.00%	3.33%	2.00%	8.00%	5.25%	0.00%	6.00%	3.38%
CBD Office	1.00%	5.00%	2.63%	4.00%	8.50%	5.92%	2.00%	7.00%	4.00%
Suburban Office	1.50%	4.00%	2.75%	5.00%	10.00%	6.92%	3.00%	7.50%	5.25%
Medical Office Buildings	2.00%	5.00%	3.90%	3.00%	7.00%	5.30%	2.00%	6.00%	3.50%
Secondary Office	2.00%	5.00%	3.25%	4.00%	7.50%	5.80%	2.00%	6.00%	3.53%
Self Storage	4.00%	6.50%	5.33%	(b)			(b)		
Student Housing	2.50%	3.50%	3.13%	(b)			(b)		
Warehouse Markets									
National	1.00%	4.00%	2.73%	3.00%	8.30%	6.18%	2.50%	6.75%	4.34%
East Coast Region	1.00%	3.00%	2.25%	5.00%	7.50%	6.31%	3.00%	7.00%	4.38%
East North Central Region	1.50%	3.00%	2.56%	5.00%	8.00%	6.13%	3.00%	6.00%	4.13%
Pacific Region	1.00%	3.00%	2.31%	5.00%	7.50%	6.19%	2.50%	6.00%	3.66%
Apartment Markets									
National	1.50%	4.00%	2.93%	(b)			(b)		
Mid-Atlantic Region	2.00%	4.00%	2.82%	(b)			(b)		
Pacific Region	1.50%	4.00%	2.55%	(b)			(b)		
Southeast Region	2.00%	4.00%	2.73%	(b)			(b)		
Individual Office Markets									
Atlanta	1.25%	4.00%	2.48%	4.00%	9.50%	7.11%	3.00%	6.00%	5.13%
Austin	2.00%	3.00%	2.75%	6.00%	6.00%	6.00%	4.00%	6.00%	5.33%
Boston	1.00%	3.50%	2.42%	3.00%	7.50%	5.75%	1.50%	5.00%	3.42%
Charlotte	insufficient data			insufficient data			insufficient data		
Chicago	1.25%	3.50%	2.13%	4.00%	6.00%	5.50%	4.00%	6.00%	4.50%
Dallas	2.00%	4.00%	2.63%	4.00%	6.75%	6.31%	4.00%	6.75%	5.75%
Denver	1.50%	3.50%	2.69%	3.00%	9.00%	6.42%	1.00%	9.00%	5.42%
Houston	2.00%	4.00%	2.69%	4.00%	6.00%	5.75%	2.00%	6.00%	4.75%
Los Angeles	1.50%	5.00%	2.78%	5.50%	8.00%	6.50%	2.00%	6.00%	4.19%
Manhattan	1.00%	3.50%	2.17%	3.00%	7.50%	5.33%	1.00%	4.50%	3.17%
Northern Virginia	1.50%	4.00%	2.58%	6.00%	7.50%	6.42%	3.00%	6.00%	4.67%
Pacific Northwest	1.50%	4.00%	2.39%	5.00%	7.50%	6.88%	2.50%	7.50%	4.29%
Philadelphia	2.00%	5.00%	3.33%	4.00%	6.00%	5.33%	2.00%	6.00%	3.83%
Phoenix	2.00%	4.00%	3.09%	4.00%	8.00%	6.13%	3.00%	8.00%	5.19%
San Diego	insufficient data			insufficient data			insufficient data		
San Francisco	1.25%	3.00%	2.17%	5.00%	7.50%	6.06%	3.00%	4.00%	3.56%
Seattle	1.50%	3.50%	2.38%	5.00%	7.50%	6.25%	2.50%	5.00%	3.58%
Southeast Florida	2.50%	3.00%	2.75%	3.00%	7.00%	5.50%	2.00%	5.00%	3.38%
Washington, DC	0.75%	3.00%	2.19%	4.50%	6.00%	5.38%	3.00%	6.00%	5.00%
National Lodging Markets (c)									
Full Service	2.00%	4.00%	2.93%						
Limited-Service Midscale & Economy	2.00%	4.00%	2.75%						
Luxury/Upper Upscale	2.00%	5.00%	2.94%						
Select Service	2.50%	4.00%	3.19%						

(a) Leasing commissions are calculated against the gross lease value [base rent paid over the lease term].

(b) Leasing commissions are included in the management fee.

(c) Base management fee; as a % of total revenue.

Source: PwC Investor Survey; survey conducted by PwC during April 2025

Table 10
FREE RENT
 Second Quarter 2025

	FREE RENT (Months)				FREE RENT (Months)		
	Low	High	Average		Low	High	Average
National Markets				Office Markets			
Regional Mall	0	18	7.8	Atlanta	8	22	12.6
Power Center	1	18	8.8	Austin	10	18	12.3
Strip Shopping Center	0	9	2.5	Boston	3	12	8.8
CBD Office	0	24	13.6	Charlotte	insufficient data		
Suburban Office	0	30	14.3	Chicago	10	20	14.2
Secondary Office	4	12	7.5	Dallas	7	24	12.8
Net Lease	0	9	3.3	Denver	3	24	11.6
Medical Office Buildings	0	12	5.4	Houston	10	24	13.8
Self Storage	0	2	0.8	Los Angeles	5	15	10.7
Student Housing	0	0	0.0	Manhattan	3	14	11.2
Warehouse Markets				Northern Virginia	10	24	14.7
National	0	12	3.6	Pacific Northwest	5	13	10.3
East Coast Region	0	8	3.8	Philadelphia	3	24	12.3
East North Central Region	2	12	6.5	Phoenix	7	24	12.6
Pacific Region	1	8	5.1	San Diego	insufficient data		
Apartment Markets				San Francisco	6	24	12.0
National	0	2	1.0	Seattle	5	13	9.5
Mid-Atlantic Region	0	3	1.0	Southeast Florida	3	12	8.7
Pacific Region	0	4	1.5	Washington, DC	12	24	17.3
Southeast Region	0	2	0.6				

Source: PwC Investor Survey; survey conducted by PwC during April 2025

National Development Land Market

In the national development land market, several factors are influencing momentum in both positive and negative ways. On the positive side, lower interest rates present an encouraging trend. In addition, municipalities that are actively collaborating with developers and streamlining the entitlement process are helping to facilitate smoother project execution. However, these optimistic signs are tempered by broader economic uncertainty, particularly the instability introduced by tariffs, which continue to create hesitation and keep investors cautious.

Total spending on U.S. private construction was up 2.3% on a year-over-year basis in March 2025 (see Table DVL-1). When

Table DVL-1
U.S. CONSTRUCTION SPENDING*
March 2025 to March 2024

	Year-Over-Year Change
Total Nonresidential	+ 1.6%
Manufacturing	+ 3.6%
Transportation	+ 10.2%
Lodging	– 1.0%
Office	+ 2.7%
Power	+ 7.0%
Amusement and Recreation	+ 7.0%
Health care	– 5.2%
Communication	+ 2.2%
Commercial	– 5.8%
Religious	+ 16.4%
Education	– 4.2%
Total Residential	+ 2.8%
New single family	– 0.8%
New multifamily	– 12.1%
Total Private	+ 2.3%

* Private construction

Source: U.S. Census Bureau; seasonally adjusted

looking more closely at these figures, private residential spending was up 2.8% while private non-residential spending was up 1.6%. In the nonresidential sector, four of the 11 categories reported year-over-year decreased in spending as of March 2025, including lodging and health care.

Discount Rates

Free-and-clear discount rates including developer's profit since 2013 are shown in Table DVL-2. These rates assume entitlements are in place.

Growth Rate Assumptions

Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 2.00% to 12.00% and average 7.00%. For lot pricing, investors indicate a range from 2.00% to 10.00%; the average growth rate is 5.83%.

Absorption Period

The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the preferred absorption period among investors is one to five years, averaging three years.

Forecast Value Change

Over the next 12 months, investors expect property values to increase up to 5.0% with an average expected value change of 1.2%.

Marketing Period

The typical time that a property is on the market prior to selling ranges from three to 18 months and averages 11 months – slightly higher than six months ago.

Table DVL-2
DISCOUNT RATES (IRRs)^a
2013 to 2025

Quarter	DISCOUNT RATE	
	Range	Average
2Q13	10.00% – 25.00%	18.90%
4Q13	10.00% – 25.00%	18.31%
2Q14	10.00% – 25.00%	18.15%
4Q14	10.00% – 25.00%	16.75%
2Q15	10.00% – 20.00%	15.90%
4Q15	10.00% – 20.00%	15.50%
2Q16	10.00% – 20.00%	15.50%
4Q16	10.00% – 20.00%	15.50%
2Q17	10.00% – 20.00%	16.00%
4Q17	10.00% – 20.00%	15.40%
2Q18	10.00% – 20.00%	15.40%
4Q18	10.00% – 20.00%	15.80%
2Q19	10.00% – 20.00%	15.50%
4Q19	10.00% – 20.00%	15.90%
2Q20	10.00% – 25.00%	15.20%
4Q20	10.00% – 25.00%	15.60%
2Q21	10.00% – 25.00%	16.70%
4Q21	10.00% – 30.00%	16.80%
2Q22	10.00% – 30.00%	17.20%
4Q22	12.00% – 30.00%	18.70%
2Q23	12.00% – 30.00%	19.20%
4Q23	12.00% – 30.00%	19.20%
2Q24	14.00% – 30.00%	19.13%
4Q24	12.00% – 30.00%	17.00%
2Q25	12.00% – 30.00%	17.67%

a. Rate on unleveraged, all-cash transactions; including developer's profit

National Industrial Outdoor Storage

By Ryan W Chambers, Senior Manager
Financial Markets & Real Estate – PwC LLP

The national industrial outdoor storage (IOS) market is valued at approximately \$260 billion. Of this, between 60.0% and 80.0%, or \$156 billion to \$208 billion, is estimated to be institutionally investable. Investors surveyed currently manage \$6.7 billion in IOS assets and plan to acquire another \$2.2 billion over the next year.

The market continues to evolve under the weight of global trade disruptions. Tariffs on Chinese goods have dampened U.S. port activity, with major gateways such as Los Angeles and Long Beach experiencing reduced vessel arrivals and container throughput. This has created uncertainty across supply chains and impacted demand patterns for storage and logistics-focused properties.

Lower port volumes are putting pressure on trucking companies, third-party logistics operators, and port-dependent properties. With fewer containers moving through ports, trucking firms are seeing reduced loads and shifting routes inland or toward alternate ports. Some drayage-focused terminals have been forced to close, while 3PLs are reallocating assets or adapting space to offset weaker freight demand.

Despite these challenges, capital inflows into the IOS sector have been strong. Over the past six months, both public REITs and private equity investors have raised and deployed billions into IOS portfolios across the U.S. Investors are drawn by long-term demand tied to supply chain resilience, even amid short-term freight softness.

Trucking infrastructure is a key focus. All surveyed investors view it as essential to supply chains, with 100.0% targeting truck maintenance facilities, and over 80.0% targeting cross-dock facilities, container storage, and equipment yards. Most agree this niche market is currently balanced between buyers and sellers. Preferred acquisition regions continue to be the Southeast, Southwest, Mid-Atlantic, and Northeast.

Institutionalization and cap rate compression are expected to continue, reinforcing IOS as a compelling investment with stronger fundamentals, tight supply, and durable cash flow from mission-critical logistics assets.

NATIONAL IOS MARKET

Second Quarter 2025

Investment Vehicle Hold Period (Years)	
Range	2.00 to 10.00
Average	5.71
Target Discount Rate/IRR (Stabilized Strategy)*	
Range	9.10% to 11.90%
Average	10.50%
Targeted Discount Rate/IRR (Value-Add Strategy)*	
Range	10.60% to 13.40%
Average	12.00%
Overall Cap Rate (Stabilized Strategy)*	
Range	6.70% to 7.90%
Average	7.30%
Yield-on-Cost (Value-Add Strategy)*	
Range	7.50% to 8.90%
Average	8.20%
Cap Rate Spread (IOS vs Traditional Industrial)	
Range	0.25% to 1.50%
Average	0.66%
Capital Expenditures/Land SF	
<i>Stabilized Strategy (Reserves/Renewal Budget)</i>	
Range	\$0.10 to \$3.00
Average	\$0.83
<i>Value-Add Strategy (Construction/Renovation Budget)</i>	
Range	\$1.25 to \$12.00
Average	\$5.88
Lease-Up Time (Months)	
Range	6.00 to 24.00
Average	12.43
Tenant Retention	
Range	50.00% to 90.00%
Average	68.21%
Rent as % of Tenant OP. Ex.	
Range	3.00% to 10.00%
Average	6.25%
Rent as % of Land Value (Land Cap Rate)**	
Range	3.00% to 10.00%
Average	6.25%

* Weighted based on investor AUM

** Data collected in December 2024

Source: Survey conducted by PwC during May 2025

For information about this survey and PwC services related to Industrial Outdoor Storage, please contact Ryan Chambers at (773) 842-4170 or ryan.w.chambers@pwc.com.

PwC Real Estate Barometer

Real estate cycles vary across markets and geographic areas, as well as within markets and geographic locations based on property type – office, retail, industrial, and multifamily. This observation means that national cycles differ for the same property type across individual markets. It also means that within a specific location, the cycle for each property type can be in a different phase at any given time.

A detailed review of past and predicted stock data from CBRE Economic Advisors and Moody's Analytics enables us to assess expected sector changes over the short term. Our findings are illustrated in Charts REB-1 to REB-4. The charts represent the cumulative number of U.S. metros analyzed for each property type and the aggregate positions in our barometer analysis. Individual barometer readings for U.S. regions, as well as various metros, are shown for each sector in Forecast-1 through Forecast-4.

Office

The outlook for the 57 U.S. office metros included in our analysis has been adjusted downward this quarter. In the first quarter of 2025, 37.0% of the metros analyzed were in the recovery phase of the real estate cycle. This quarter, that share declines to 29.8% (see Chart REB-1). Although this percentage is expected to increase annually over the next four years, the recovery trajectory is less optimistic than previously anticipated.

Retail

By year-end 2026, most of the 80 U.S. retail metros analyzed are expected to enter recovery, which should dominate this sector through 2028 (see Chart REB-2). For 2025, however, the recession phase is anticipated to account for the largest share of metros, albeit narrowly, at 45.0%, compared to 42.5% in recovery. A few metros, like Houston and Kansas City, are forecasted to reach the expansion phase at some point over the next four years.

Industrial

The contraction phase of the real estate cycle is expected to overshadow the U.S. industrial sector through 2025 due to additions to supply and a slow-down in tenant demand. By year-end 2026, most of the 55 industrial metros analyzed are projected to be in recovery. This portion is forecasted to decline by year-end 2027 as a growing number of metros, like Detroit, Orange County, and Tucson, segue to the expansion phase (see Chart REB-3).

Multifamily

The U.S. multifamily sector is forecasted to steadily strengthen over the next four years. In 2025, the 80 metros analyzed show a near-even distribution among contraction, recovery, and recession phases. By year-end 2026 and through 2027, the recovery intensifies as the expansion portion increases. Metros in expansion by year-end 2028 include Phoenix, Atlanta, Denver, Detroit, and Cleveland.

DEFINITIONS

Contraction: The phase following the market peak, characterized by softening market conditions and a shift in the supply/demand balance leading to increasing vacancy rates, slowing rental growth, and rising overall cap rates.

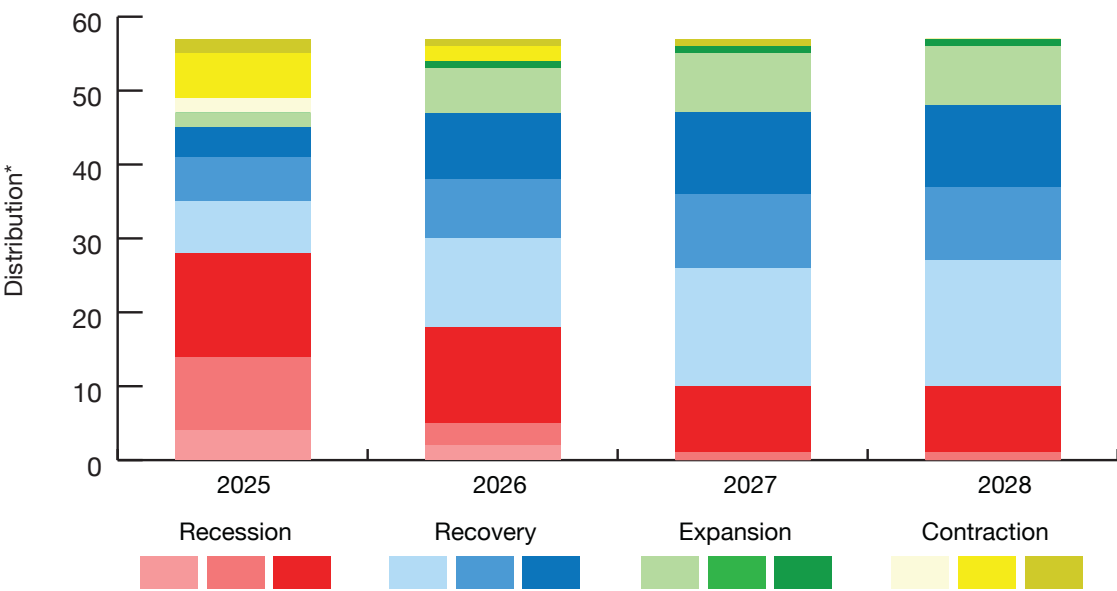
Expansion: The phase following recovery, characterized by strong demand and increasingly tight market conditions leading to low vacancy rates, robust rental growth, and decreasing overall cap rates.

Recession: The phase following contraction, characterized by very low demand and high levels of supply that were added during the previous two phases. Typically involves high vacancies, negative rental growth, and high overall cap rates.

Recovery: The phase following the market bottom, characterized by tightening market conditions and a shift in supply/demand balance leading to reduced vacancy rates, more balanced rental growth, and a stabilization of overall cap rates.

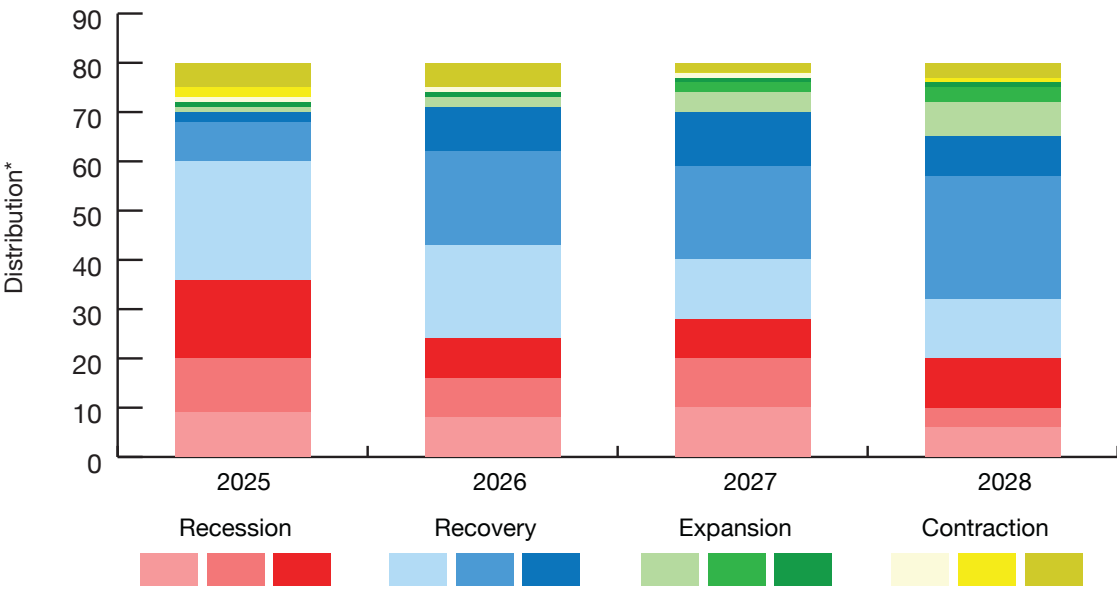
Stock: The total inventory of space, in square feet or units, in a given market.

Chart REB-1
PwC REAL ESTATE BAROMETER
U.S. Office Markets - 2025 to 2028



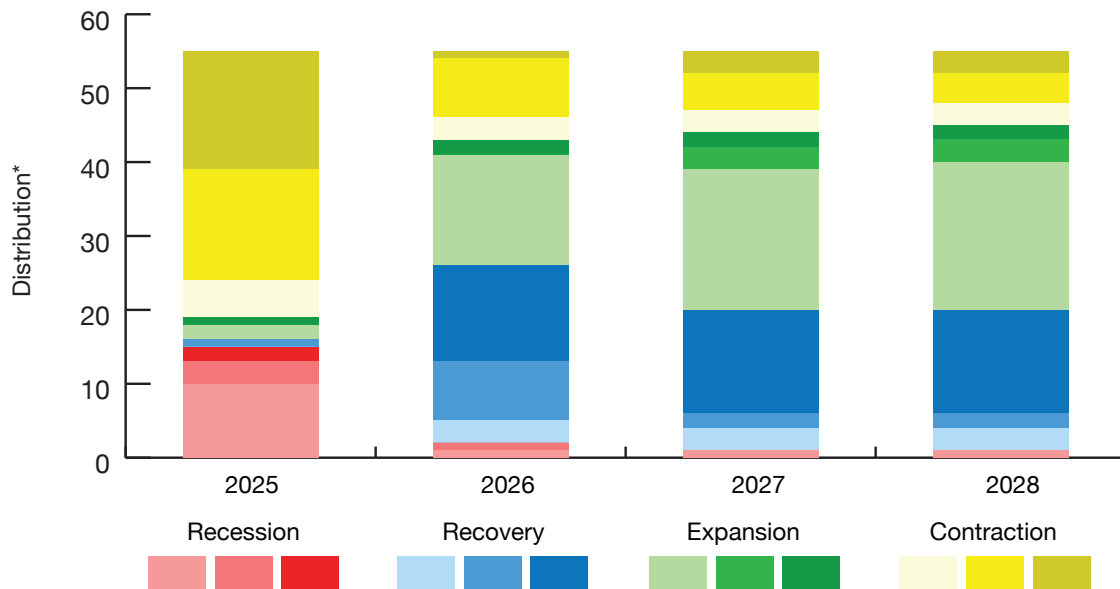
* For the 57 metros analyzed
Source: Data provided by CBRE, compiled and analyzed by PwC

Chart REB-2
PwC REAL ESTATE BAROMETER
U.S. Retail Markets - 2025 to 2028



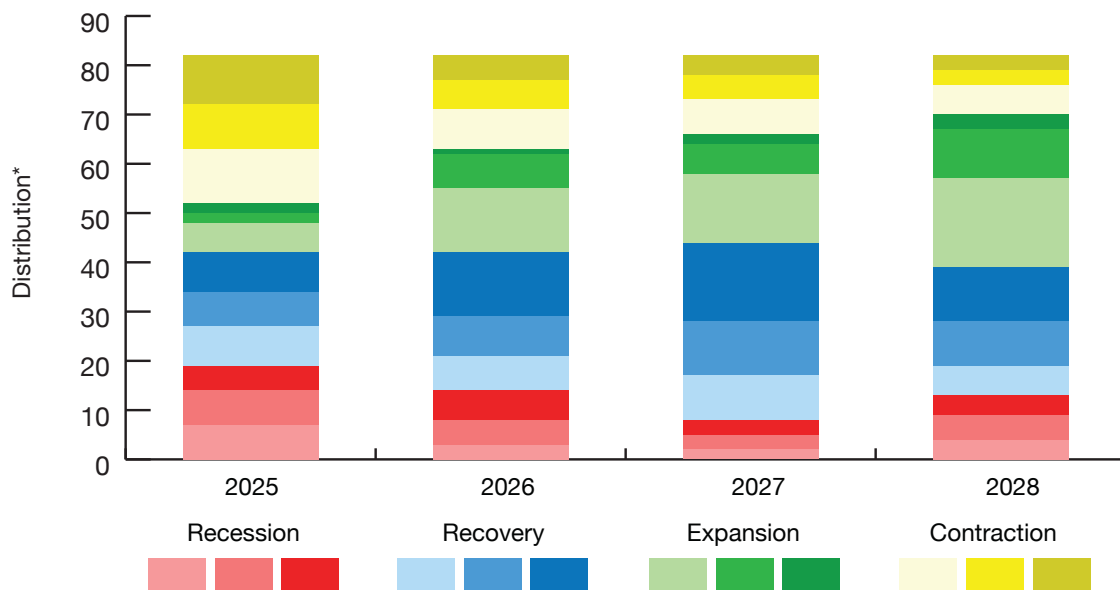
* For the 80 metros analyzed
Source: Data provided by Moody's Analytics, compiled and analyzed by PwC

Chart REB-3
PwC REAL ESTATE BAROMETER
 U.S. Industrial Markets - 2025 to 2028



* For the 55 metros analyzed
 Source: Data provided by CBRE, compiled and analyzed by PwC

Chart REB-4
PwC REAL ESTATE BAROMETER
 U.S. Multifamily Markets - 2025 to 2028



* For the 82 metros analyzed
 Source: Data provided by Moody's Analytics, compiled and analyzed by PwC

	2025	2026	2027	2028
United States	<div></div>	<div></div>	<div></div>	<div></div>

NORTHEAST REGION

MSA Name	2025	2026	2027	2028
Boston	<div></div>	<div></div>	<div></div>	<div></div>
Hartford	<div></div>	<div></div>	<div></div>	<div></div>
Long Island	<div></div>	<div></div>	<div></div>	<div></div>
New York	<div></div>	<div></div>	<div></div>	<div></div>
Newark	<div></div>	<div></div>	<div></div>	<div></div>
Philadelphia	<div></div>	<div></div>	<div></div>	<div></div>
Pittsburgh	<div></div>	<div></div>	<div></div>	<div></div>
Stamford	<div></div>	<div></div>	<div></div>	<div></div>
Trenton	<div></div>	<div></div>	<div></div>	<div></div>

MIDWEST REGION

MSA Name	2025	2026	2027	2028
Chicago	<div></div>	<div></div>	<div></div>	<div></div>
Cincinnati	<div></div>	<div></div>	<div></div>	<div></div>
Cleveland	<div></div>	<div></div>	<div></div>	<div></div>
Columbus	<div></div>	<div></div>	<div></div>	<div></div>
Detroit	<div></div>	<div></div>	<div></div>	<div></div>
Indianapolis	<div></div>	<div></div>	<div></div>	<div></div>
Kansas City	<div></div>	<div></div>	<div></div>	<div></div>
Minneapolis	<div></div>	<div></div>	<div></div>	<div></div>
St. Louis	<div></div>	<div></div>	<div></div>	<div></div>
Toledo	<div></div>	<div></div>	<div></div>	<div></div>

WEST REGION

MSA Name	2025	2026	2027	2028
Albuquerque	<div></div>	<div></div>	<div></div>	<div></div>
Denver	<div></div>	<div></div>	<div></div>	<div></div>
Honolulu	<div></div>	<div></div>	<div></div>	<div></div>
Las Vegas	<div></div>	<div></div>	<div></div>	<div></div>
Los Angeles	<div></div>	<div></div>	<div></div>	<div></div>
Oakland	<div></div>	<div></div>	<div></div>	<div></div>
Orange County	<div></div>	<div></div>	<div></div>	<div></div>
Phoenix	<div></div>	<div></div>	<div></div>	<div></div>
Portland	<div></div>	<div></div>	<div></div>	<div></div>
Riverside	<div></div>	<div></div>	<div></div>	<div></div>
Sacramento	<div></div>	<div></div>	<div></div>	<div></div>
Salt Lake City	<div></div>	<div></div>	<div></div>	<div></div>
San Diego	<div></div>	<div></div>	<div></div>	<div></div>
San Francisco	<div></div>	<div></div>	<div></div>	<div></div>
San Jose	<div></div>	<div></div>	<div></div>	<div></div>
Seattle	<div></div>	<div></div>	<div></div>	<div></div>
Tucson	<div></div>	<div></div>	<div></div>	<div></div>
Ventura	<div></div>	<div></div>	<div></div>	<div></div>

SOUTH REGION

MSA Name	2025	2026	2027	2028
Atlanta	<div></div>	<div></div>	<div></div>	<div></div>
Austin	<div></div>	<div></div>	<div></div>	<div></div>
Baltimore	<div></div>	<div></div>	<div></div>	<div></div>
Charlotte	<div></div>	<div></div>	<div></div>	<div></div>
Dallas	<div></div>	<div></div>	<div></div>	<div></div>
Fort Lauderdale	<div></div>	<div></div>	<div></div>	<div></div>
Fort Worth	<div></div>	<div></div>	<div></div>	<div></div>
Houston	<div></div>	<div></div>	<div></div>	<div></div>
Jacksonville	<div></div>	<div></div>	<div></div>	<div></div>
Memphis	<div></div>	<div></div>	<div></div>	<div></div>
Miami	<div></div>	<div></div>	<div></div>	<div></div>
Nashville	<div></div>	<div></div>	<div></div>	<div></div>
Orlando	<div></div>	<div></div>	<div></div>	<div></div>
Raleigh	<div></div>	<div></div>	<div></div>	<div></div>
Richmond	<div></div>	<div></div>	<div></div>	<div></div>
San Antonio	<div></div>	<div></div>	<div></div>	<div></div>
Tampa	<div></div>	<div></div>	<div></div>	<div></div>
Washington, DC	<div></div>	<div></div>	<div></div>	<div></div>
West Palm Beach	<div></div>	<div></div>	<div></div>	<div></div>
Wilmington	<div></div>	<div></div>	<div></div>	<div></div>



*Number of MSAs in position in 2025

PwC REAL ESTATE BAROMETER

U.S. Retail Market Forecasts

NORTHEAST REGION

MSA Name	2025	2026	2027	2028
Boston	●	●	●	●
Buffalo	●	●	●	●
Central New Jersey	●	●	●	●
Fairfield County	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
New Haven	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Rochester	●	●	●	●
Syracuse	●	●	●	●
Westchester	●	●	●	●

MIDWEST REGION

MSA Name	2025	2026	2027	2028
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Dayton	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Milwaukee	●	●	●	●
Minneapolis	●	●	●	●
Omaha	●	●	●	●
St. Louis	●	●	●	●
Wichita	●	●	●	●

United States

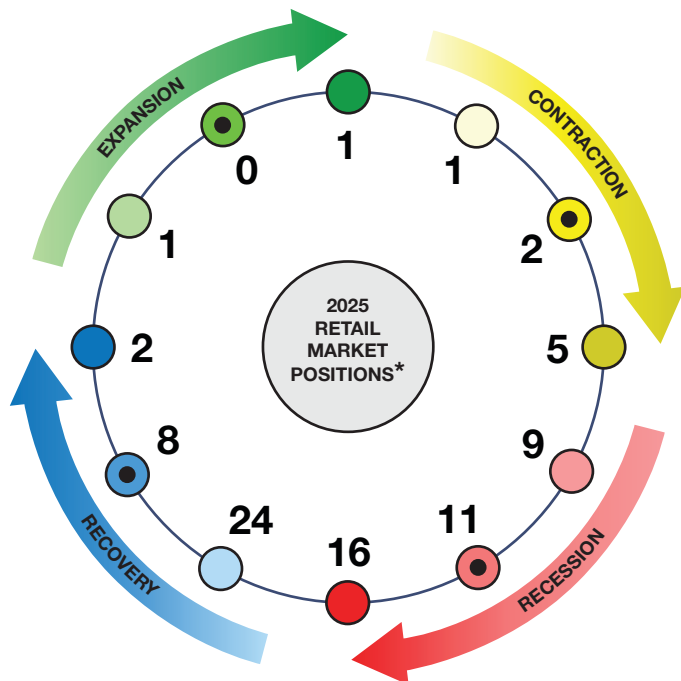
2025	2026	2027	2028
●	●	●	●

WEST REGION

MSA Name	2025	2026	2027	2028
Albuquerque	●	●	●	●
Colorado Springs	●	●	●	●
Denver	●	●	●	●
Las Vegas	●	●	●	●
Los Angeles	●	●	●	●
Oakland-East Bay	●	●	●	●
Orange County	●	●	●	●
Phoenix	●	●	●	●
Portland	●	●	●	●
Sacramento	●	●	●	●
Salt Lake City	●	●	●	●
San Bernardino	●	●	●	●
San Diego	●	●	●	●
San Francisco	●	●	●	●
San Jose	●	●	●	●
Seattle	●	●	●	●
Tacoma	●	●	●	●
Tucson	●	●	●	●
Ventura	●	●	●	●

SOUTH REGION

MSA Name	2025	2026	2027	2028
Atlanta	●	●	●	●
Austin	●	●	●	●
Baltimore	●	●	●	●
Birmingham	●	●	●	●
Charleston	●	●	●	●
Charlotte	●	●	●	●
Chattanooga	●	●	●	●
Columbia	●	●	●	●
Dallas	●	●	●	●
Fort Lauderdale	●	●	●	●
Fort Worth	●	●	●	●
Greensboro/Winston-Salem	●	●	●	●
Greenville	●	●	●	●
Houston	●	●	●	●
Jacksonville	●	●	●	●
Knoxville	●	●	●	●
Lexington	●	●	●	●
Little Rock	●	●	●	●
Louisville	●	●	●	●
Memphis	●	●	●	●
Miami	●	●	●	●
Nashville	●	●	●	●
New Orleans	●	●	●	●
Norfolk	●	●	●	●
Oklahoma City	●	●	●	●
Orlando	●	●	●	●
Palm Beach County	●	●	●	●
Providence	●	●	●	●
Raleigh	●	●	●	●
Richmond	●	●	●	●
San Antonio	●	●	●	●
Suburban Maryland	●	●	●	●
Suburban Virginia	●	●	●	●
Tampa	●	●	●	●
Tulsa	●	●	●	●



*Number of MSAs in position in 2025

PwC REAL ESTATE BAROMETER

U.S. Industrial Market Forecasts

United States

2025 2026 2027 2028

● ● ● ●

NORTHEAST REGION

MSA Name	2025	2026	2027	2028
Allentown	●	●	●	●
Boston	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
Bronx/Brooklyn/Queens/ Staten Island	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Stamford	●	●	●	●
Central New Jersey	●	●	●	●

MIDWEST REGION

MSA Name	2025	2026	2027	2028
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Minneapolis	●	●	●	●
St. Louis	●	●	●	●

WEST REGION

MSA Name	2025	2026	2027	2028
Albuquerque	●	●	●	●
Denver	●	●	●	●
Las Vegas	●	●	●	●
Los Angeles	●	●	●	●
Oakland	●	●	●	●
Orange County	●	●	●	●
Phoenix	●	●	●	●
Portland	●	●	●	●
Riverside	●	●	●	●
Sacramento	●	●	●	●
Salt Lake City	●	●	●	●
San Diego	●	●	●	●
San Francisco	●	●	●	●
San Jose	●	●	●	●
Seattle	●	●	●	●
Tucson	●	●	●	●
Vallejo	●	●	●	●
Ventura	●	●	●	●

SOUTH REGION

MSA Name	2025	2026	2027	2028
Atlanta	●	●	●	●
Austin	●	●	●	●
Baltimore	●	●	●	●
Charlotte	●	●	●	●
Dallas	●	●	●	●
Fort Lauderdale	●	●	●	●
Fort Worth	●	●	●	●
Houston	●	●	●	●
Jacksonville	●	●	●	●
Memphis	●	●	●	●
Miami	●	●	●	●
Nashville	●	●	●	●
Orlando	●	●	●	●
Raleigh	●	●	●	●
Tampa	●	●	●	●
Washington, DC	●	●	●	●
West Palm Beach	●	●	●	●
Wilmington	●	●	●	●



*Number of MSAs in position in 2025

PwC REAL ESTATE BAROMETER

U.S. Multifamily Market Forecasts

NORTHEAST REGION

MSA Name	2025	2026	2027	2028
Boston	●	●	●	●
Buffalo	●	●	●	●
Central New Jersey	●	●	●	●
Fairfield County	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
New Haven	●	●	●	●
New York	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Providence	●	●	●	●
Rochester	●	●	●	●
Syracuse	●	●	●	●
Westchester	●	●	●	●

MIDWEST REGION

MSA Name	2025	2026	2027	2028
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Dayton	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Milwaukee	●	●	●	●
Minneapolis	●	●	●	●
Omaha	●	●	●	●
St. Louis	●	●	●	●
Wichita	●	●	●	●

United States

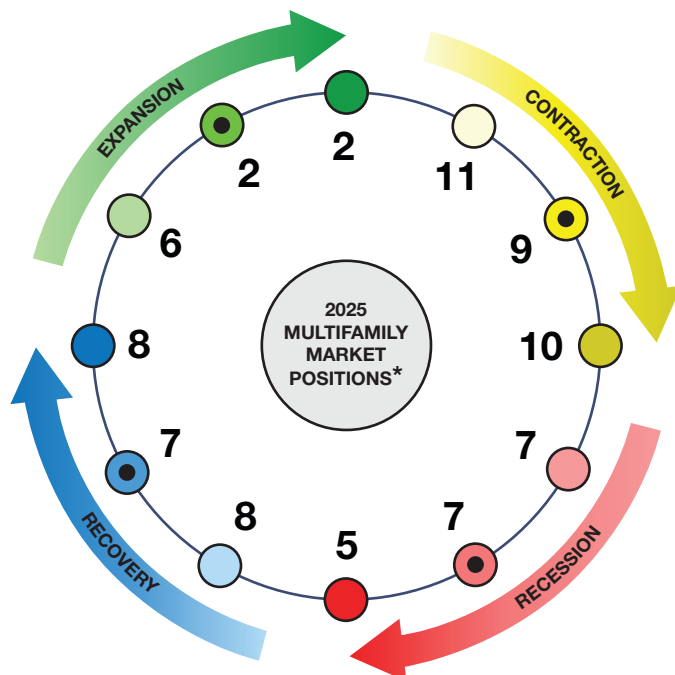
2025	2026	2027	2028
●	●	●	●

WEST REGION

MSA Name	2025	2026	2027	2028
Albuquerque	●	●	●	●
Colorado Springs	●	●	●	●
Denver	●	●	●	●
Las Vegas	●	●	●	●
Los Angeles	●	●	●	●
Oakland-East Bay	●	●	●	●
Orange County	●	●	●	●
Phoenix	●	●	●	●
Portland	●	●	●	●
Sacramento	●	●	●	●
Salt Lake City	●	●	●	●
San Bernardino	●	●	●	●
San Diego	●	●	●	●
San Francisco	●	●	●	●
San Jose	●	●	●	●
Seattle	●	●	●	●
Tacoma	●	●	●	●
Tucson	●	●	●	●
Ventura County	●	●	●	●

SOUTH REGION

MSA Name	2025	2026	2027	2028
Atlanta	●	●	●	●
Austin	●	●	●	●
Baltimore	●	●	●	●
Birmingham	●	●	●	●
Charleston	●	●	●	●
Charlotte	●	●	●	●
Chattanooga	●	●	●	●
Columbia	●	●	●	●
Dallas	●	●	●	●
District of Columbia	●	●	●	●
Fort Lauderdale	●	●	●	●
Fort Worth	●	●	●	●
Greensboro/Winston-Salem	●	●	●	●
Greenville	●	●	●	●
Houston	●	●	●	●
Jacksonville	●	●	●	●
Knoxville	●	●	●	●
Lexington	●	●	●	●
Little Rock	●	●	●	●
Louisville	●	●	●	●
Memphis	●	●	●	●
Miami	●	●	●	●
Nashville	●	●	●	●
New Orleans	●	●	●	●
Norfolk	●	●	●	●
Oklahoma City	●	●	●	●
Orlando	●	●	●	●
Palm Beach County	●	●	●	●
Raleigh	●	●	●	●
Richmond	●	●	●	●
San Antonio	●	●	●	●
Suburban Maryland	●	●	●	●
Suburban Virginia	●	●	●	●
Tampa	●	●	●	●
Tulsa	●	●	●	●



*Number of MSAs in position in 2025

NATIONAL SELF-STORAGE MARKET⁽¹⁾

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	1Q 2022	1Q 2020
DISCOUNT RATE (IRR)^a					
Range	8.00% – 12.00%	8.00% – 12.00%	7.00% – 12.00%	5.50% – 11.00%	5.50% – 11.00%
Average	10.00%	9.79%	9.88%	8.25%	8.00%
Change (Basis Points)		+ 21	+ 12	+ 175	+ 200
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 7.50%	4.50% – 7.00%	4.50% – 7.00%	4.00% – 7.00%	4.50% – 7.00%
Average	6.06%	5.82%	6.00%	5.44%	5.67%
Change (Basis Points)		+ 24	+ 6	+ 62	+ 39
RESIDUAL CAP RATE					
Range	4.50% – 8.00%	4.50% – 7.00%	4.50% – 7.50%	4.50% – 8.00%	5.00% – 8.00%
Average	6.39%	6.07%	6.22%	5.83%	6.04%
Change (Basis Points)		+ 32	+ 17	+ 56	+ 35
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 4.00%	(2.00%) – 6.00%	2.00% – 6.00%	2.00% – 7.00%
Average	1.83%	1.93%	2.06%	3.67%	3.71%
Change (Basis Points)		– 10	– 23	– 184	– 188
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%
Average	3.33%	3.00%	3.13%	2.92%	2.83%
Change (Basis Points)		+ 33	+ 20	+ 41	+ 50
MARKETING TIME^c					
Range	1 – 9	1 – 9	1 – 9	1 – 6	1 – 6
Average	3.1	3.2	3.0	3.0	3.3
Change (▼, ▲, =)		▼	▲	▲	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(15.0%) – 10.0%	(10.0%) – 10.0%	(10.0%) – 5.0%
Average	0.9%	1.8%	(3.8%)	1.8%	1.1%
Change (▼, ▲, =)		▼	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

(1) includes climate-controlled and nonclimate-controlled assets

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL STUDENT HOUSING MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 9.00%	6.00% – 10.00%	5.25% – 8.50%	6.00% – 10.00%	6.00% – 10.00%
Average	7.92%	7.70%	7.04%	7.81%	7.52%
Change (Basis Points)		+ 22	+ 88	+ 11	+ 40
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 7.00%	4.50% – 7.50%	5.25% – 8.00%	4.00% – 7.50%	4.25% – 7.50%
Average	5.81%	6.04%	6.04%	5.21%	5.44%
Change (Basis Points)		– 23	– 23	+ 60	+ 37
RESIDUAL CAP RATE					
Range	5.50% – 6.75%	5.25% – 8.00%	5.50% – 8.00%	3.50% – 7.50%	4.50% – 7.50%
Average	5.94%	6.06%	6.20%	5.38%	5.99%
Change (Basis Points)		– 12	– 26	+ 56	– 5
MARKET RENT CHANGE^b					
Range	3.00% – 7.00%	3.00% – 5.50%	0.00% – 20.00%	0.00% – 10.00%	0.00% – 6.00%
Average	4.56%	4.42%	6.50%	2.38%	2.64%
Change (Basis Points)		+ 14	– 194	+ 218	+ 192
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	2.00% – 3.00%	2.00% – 5.00%	2.00% – 4.00%	2.00% – 3.00%
Average	3.00%	2.75%	3.30%	2.71%	2.67%
Change (Basis Points)		+ 25	– 30	+ 29	+ 33
MARKETING TIME^c					
Range	2 – 4	2 – 6	2 – 12	2 – 8	1 – 12
Average	3.0	4.0	7.0	4.6	4.8
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	0.0% – 10.0%	0.0% – 10.0%	(20.0%) – 10.0%	(10.0%) – 7.0%	(5.0%) – 5.0%
Average	2.6%	2.2%	(1.5%)	0.3%	0.2%
Change (▼, ▲, =)		▲	▲	▲	▲

* Off-campus assets

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL SECONDARY OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 14.00%	8.00% – 14.00%	8.00% – 14.00%	6.75% – 13.00%	7.00% – 14.00%
Average	10.93%	10.41%	10.60%	9.41%	9.53%
Change (Basis Points)		+ 52	+ 33	+ 152	+ 140
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 10.25%	6.50% – 10.25%	6.50% – 10.25%	6.00% – 9.00%	6.00% – 9.50%
Average	8.40%	8.49%	8.50%	7.17%	7.68%
Change (Basis Points)		– 9	– 10	+ 123	+ 72
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.50% – 10.00%	6.50% – 10.00%	6.00% – 8.75%	6.00% – 9.50%
Average	8.26%	8.26%	8.21%	7.27%	7.72%
Change (Basis Points)		0	+ 5	+ 99	+ 54
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	1.60%	1.60%	1.10%	1.92%	1.46%
Change (Basis Points)		0	+ 50	– 32	+ 14
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 3.00%	1.00% – 3.00%
Average	3.40%	3.40%	3.40%	2.75%	2.45%
Change (Basis Points)		0	0	+ 65	+ 95
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 12	2 – 14	3 – 12
Average	7.1	6.8	6.8	6.7	6.4
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(40.0%) – 0.0%	(40.0%) – (2.5%)	(15.0%) – 10.0%	(15.0%) – 0.0%
Average	(15.3%)	(15.3%)	(15.6%)	(1.1%)	(5.9%)
Change (▼, ▲, =)		=	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL REGIONAL MALL MARKET

Second Quarter 2025

	CURRENT ^d	LAST QUARTER ^d	1 YEAR AGO ^d	3 YEARS AGO ^d	5 YEARS AGO ^d
DISCOUNT RATE (IRR)^a					
Range	6.00% – 12.00%	6.00% – 13.00%	6.00% – 13.50%	5.75% – 13.00%	5.75% – 15.00%
Average	8.08%	8.25%	9.50%	7.78%	7.75%
Change (Basis Points)		– 17	– 142	+ 30	+ 33
OVERALL CAP RATE (OAR)^a					
Range	4.75% – 10.00%	5.00% – 11.50%	5.00% – 14.00%	4.50% – 12.50%	4.50% – 15.00%
Average	7.13%	6.92%	8.38%	7.23%	6.95%
Change (Basis Points)		+ 21	– 125	– 10	+ 18
RESIDUAL CAP RATE					
Range	5.00% – 12.00%	5.00% – 12.00%	5.00% – 16.00%	4.50% – 13.00%	4.50% – 15.00%
Average	7.75%	7.42%	8.75%	7.28%	7.68%
Change (Basis Points)		+ 33	– 100	+ 47	+ 7
MARKET RENT CHANGE^b					
Range	2.00% – 7.00%	(15.00%) – 7.00%	(15.00%) – 7.00%	(5.00%) – 3.00%	(10.00%) – 2.00%
Average	3.83%	0.17%	0.50%	0.10%	(1.60%)
Change (Basis Points)		+ 366	+ 333	+ 373	+ 543
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 8.00%	2.00% – 10.00%	2.00% – 4.00%	(5.00%) – 4.00%
Average	3.33%	4.00%	4.25%	2.90%	1.80%
Change (Basis Points)		– 67	– 92	+ 43	+ 153
MARKETING TIME^c					
Range	3 – 18	3 – 18	3 – 18	3 – 18	3 – 18
Average	8.6	9.5	9.5	11.4	10.5
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^e					
Range	0.0% – 20.0%	(8.0%) – 20.0%	(8.0%) – 10.0%	0.0% – 7.0%	(25.0%) – 5.0%
Average	7.2%	4.5%	1.1%	2.3%	(5.4%)
Change (▼, ▲, =)		▲	▲	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Relates to Class A+, A, B+ malls e. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL POWER CENTER MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 10.00%	6.00% – 10.00%	6.00% – 10.00%	6.00% – 10.00%	6.00% – 11.00%
Average	8.09%	8.06%	7.88%	7.63%	7.94%
Change (Basis Points)		+ 3	+ 21	+ 46	+ 15
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 7.75%	5.50% – 7.75%	5.50% – 7.75%	5.25% – 7.50%	5.50% – 9.00%
Average	6.75%	6.88%	6.72%	6.43%	6.75%
Change (Basis Points)		– 13	+ 3	+ 32	0
RESIDUAL CAP RATE					
Range	6.50% – 8.50%	6.50% – 8.50%	6.50% – 8.50%	5.75% – 9.00%	5.50% – 10.00%
Average	7.34%	7.34%	7.31%	7.08%	7.27%
Change (Basis Points)		0	+ 3	+ 26	+ 7
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 3.00%	(5.00%) – 3.00%
Average	1.13%	1.25%	1.25%	1.10%	(0.17%)
Change (Basis Points)		– 12	– 12	+ 3	+ 130
EXPENSE CHANGE^b					
Range	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	0.00% – 3.00%
Average	2.88%	2.88%	2.88%	2.85%	2.42%
Change (Basis Points)		0	0	+ 3	+ 46
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 12	3 – 12	3 – 18
Average	6.6	6.3	6.9	6.2	8.8
Change (▼, ▲, =)		▲	▼	▲	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(20.0%) – 10.0%	(20.0%) – 3.0%	(15.0%) – 3.0%	(25.0%) – 0.0%
Average	(1.5%)	(2.8%)	(4.0%)	(2.0%)	(7.3%)
Change (▼, ▲, =)		▲	▲	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL STRIP SHOPPING CENTER MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 12.00%	6.50% – 12.00%	7.00% – 11.00%	6.50% – 11.00%	5.50% – 11.00%
Average	7.96%	8.36%	8.60%	8.38%	7.70%
Change (Basis Points)		– 40	– 64	– 42	+ 26
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 10.00%	5.50% – 10.00%	5.50% – 10.00%	5.00% – 10.00%	4.75% – 10.00%
Average	6.91%	7.40%	7.33%	7.00%	6.75%
Change (Basis Points)		– 49	– 42	– 9	+ 16
RESIDUAL CAP RATE					
Range	5.50% – 10.00%	5.50% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	4.75% – 10.00%
Average	7.25%	7.50%	7.50%	7.13%	6.93%
Change (Basis Points)		– 25	– 25	+ 12	+ 32
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 4.00%	0.00% – 3.00%	(5.00%) – 3.00%
Average	2.25%	1.80%	1.40%	1.33%	0.43%
Change (Basis Points)		+ 45	+ 85	+ 92	+ 182
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	0.00% – 5.00%	0.00% – 4.00%	0.00% – 5.00%
Average	3.14%	3.00%	2.70%	2.63%	2.29%
Change (Basis Points)		+ 14	+ 44	+ 51	+ 85
MARKETING TIME^c					
Range	1 – 15	3 – 15	2 – 15	1 – 18	2 – 18
Average	6.3	8.2	8.2	6.4	8.4
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	0.0% – 10.0%	0.0% – 10.0%	0.0% – 10.0%	(5.0%) – 5.0%	(10.0%) – 5.0%
Average	2.7%	2.8%	2.8%	1.7%	(0.8%)
Change (▼, ▲, =)		▼	▼	▲	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL CBD OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 13.00%	6.50% – 13.00%	6.50% – 12.00%	6.00% – 9.00%	5.50% – 12.00%
Average	9.38%	9.31%	8.72%	6.93%	7.16%
Change (Basis Points)		+ 7	+ 66	+ 245	+ 222
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 9.50%	5.00% – 9.50%	5.00% – 9.50%	4.25% – 8.00%	3.75% – 7.50%
Average	7.28%	7.28%	6.94%	5.70%	5.55%
Change (Basis Points)		0	+ 34	+ 158	+ 173
RESIDUAL CAP RATE					
Range	5.50% – 10.50%	5.50% – 10.00%	5.50% – 10.00%	4.75% – 8.50%	5.00% – 7.50%
Average	7.72%	7.72%	7.36%	6.13%	5.91%
Change (Basis Points)		0	+ 36	+ 159	+ 181
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	(10.00%) – 3.00%
Average	1.00%	1.13%	1.25%	1.40%	(0.50%)
Change (Basis Points)		– 13	– 25	– 40	+ 150
EXPENSE CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	2.00% – 3.00%	2.00% – 3.00%
Average	2.63%	2.63%	2.63%	2.90%	2.77%
Change (Basis Points)		0	0	– 27	– 14
MARKETING TIME^c					
Range	3 – 15	3 – 15	3 – 15	3 – 12	3 – 12
Average	9.8	9.8	9.8	8.1	6.9
Change (▼, ▲, =)		=	=	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 1.0%	(15.0%) – 1.0%	(25.0%) – 1.0%	(10.0%) – 5.0%	(15.0%) – 5.0%
Average	(5.7%)	(6.0%)	(6.7%)	(0.3%)	(3.5%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL SUBURBAN OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.25% – 12.00%	7.25% – 11.00%	7.25% – 9.75%	6.25% – 9.00%	5.75% – 9.00%
Average	9.72%	9.03%	8.59%	7.50%	7.43%
Change (Basis Points)		+ 69	+ 113	+ 222	+ 229
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 10.00%	5.00% – 9.50%	5.00% – 8.25%	4.50% – 8.00%	4.00% – 7.50%
Average	8.16%	7.95%	6.54%	6.03%	6.00%
Change (Basis Points)		+ 21	+ 162	+ 213	+ 216
RESIDUAL CAP RATE					
Range	6.25% – 10.00%	6.25% – 10.00%	6.00% – 8.50%	4.75% – 8.00%	4.50% – 8.00%
Average	8.54%	8.07%	7.41%	6.40%	6.58%
Change (Basis Points)		+ 47	+ 113	+ 214	+ 196
MARKET RENT CHANGE^b					
Range	(2.00%) – 3.00%	(2.00%) – 3.00%	(6.00%) – 3.00%	0.00% – 3.00%	0.00% – 5.00%
Average	0.70%	0.30%	0.00%	1.60%	1.00%
Change (Basis Points)		+ 40	+ 70	– 90	– 30
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 3.00%	0.00% – 3.00%
Average	3.10%	2.50%	2.50%	2.20%	2.05%
Change (Basis Points)		+ 60	+ 60	+ 90	+ 105
MARKETING TIME^c					
Range	6 – 15	3 – 15	2 – 15	1 – 15	1 – 12
Average	10.3	9.6	9.5	7.0	6.7
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 1.0%	(15.0%) – 1.0%	(60.0%) – 5.0%	(2.0%) – 5.0%	(10.0%) – 6.0%
Average	(4.0%)	(6.8%)	(14.0%)	1.7%	(1.5%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

ATLANTA OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 15.00%	8.00% – 15.00%	7.00% – 15.00%	6.00% – 10.50%	6.00% – 10.50%
Average	10.60%	10.47%	10.05%	7.98%	8.16%
Change (Basis Points)		+ 13	+ 55	+ 262	+ 244
OVERALL CAP RATE (OAR)^a					
Range	7.00% – 12.50%	6.75% – 11.00%	5.50% – 12.00%	4.25% – 8.50%	5.00% – 8.50%
Average	9.47%	9.21%	9.18%	6.48%	6.73%
Change (Basis Points)		+ 26	+ 29	+ 299	+ 274
RESIDUAL CAP RATE					
Range	7.00% – 12.00%	6.50% – 12.00%	6.75% – 12.00%	5.00% – 9.00%	5.00% – 9.00%
Average	8.68%	8.65%	8.79%	6.84%	7.00%
Change (Basis Points)		+ 3	– 11	+ 184	+ 168
MARKET RENT CHANGE^b					
Range	(5.00%) – 2.50%	(5.00%) – 3.00%	(5.00%) – 2.50%	(1.00%) – 3.00%	(5.00%) – 3.00%
Average	(0.70%)	(0.33%)	(0.67%)	0.58%	(0.71%)
Change (Basis Points)		– 37	– 3	– 128	+ 1
EXPENSE CHANGE^b					
Range	1.50% – 7.00%	1.50% – 7.00%	1.50% – 7.00%	2.00% – 5.00%	0.00% – 3.00%
Average	3.65%	3.71%	3.79%	3.17%	2.36%
Change (Basis Points)		– 6	– 14	+ 48	+ 129
MARKETING TIME^c					
Range	2 – 14	2 – 14	2 – 14	1 – 10	1 – 12
Average	7.1	7.0	7.3	4.8	4.8
Change (▼, ▲, =)		▲	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 10.0%	(25.0%) – 15.0%	(40.0%) – 15.0%	(5.0%) – 5.0%	(10.0%) – 5.0%
Average	(8.0%)	(6.4%)	(9.5%)	1.0%	(0.4%)
Change (▼, ▲, =)		▼	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

AUSTIN OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 15.00%	7.50% – 15.00%	7.50% – 13.00%	5.50% – 9.50%	6.00% – 9.50%
Average	10.07%	10.01%	9.64%	7.20%	7.61%
Change (Basis Points)		+ 6	+ 43	+ 287	+ 246
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 12.00%	6.25% – 12.00%	6.50% – 12.00%	4.70% – 8.00%	5.00% – 8.00%
Average	8.85%	9.10%	9.04%	5.86%	6.27%
Change (Basis Points)		– 25	– 19	+ 299	+ 258
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.50% – 11.00%	6.75% – 10.00%	5.00% – 8.00%	5.00% – 8.00%
Average	8.02%	8.21%	8.04%	6.18%	6.66%
Change (Basis Points)		– 19	– 2	+ 184	+ 136
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 0.00%	(3.00%) – 0.00%	0.00% – 4.00%	(5.00%) – 4.00%
Average	1.00%	0.00%	(0.50%)	2.00%	0.29%
Change (Basis Points)		+ 100	+ 150	– 100	+ 71
EXPENSE CHANGE^b					
Range	3.00% – 4.00%	3.00% – 4.00%	3.00% – 4.00%	0.00% – 6.00%	2.00% – 5.00%
Average	3.25%	3.25%	3.33%	3.60%	2.96%
Change (Basis Points)		0	– 8	– 35	+ 29
MARKETING TIME^c					
Range	2 – 12	2 – 12	2 – 12	1 – 8	1 – 9
Average	5.2	5.2	5.2	4.0	4.3
Change (▼, ▲, =)		=	=	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 0.0%	(10.0%) – 0.0%	(10.0%) – 0.0%	(5.0%) – 5.0%	(15.0%) – 0.0%
Average	(5.0%)	(5.0%)	(5.5%)	1.0%	(3.1%)
Change (▼, ▲, =)		=	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

BOSTON OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 10.00%	6.50% – 10.00%	6.50% – 11.00%	5.50% – 10.00%	5.50% – 10.00%
Average	8.06%	7.98%	8.43%	7.21%	7.25%
Change (Basis Points)		+ 8	– 37	+ 85	+ 81
OVERALL CAP RATE (OAR)^a					
Range	5.10% – 10.00%	5.10% – 10.00%	5.00% – 10.00%	4.35% – 9.50%	4.25% – 9.50%
Average	7.16%	7.20%	7.35%	6.00%	6.00%
Change (Basis Points)		– 4	– 19	+ 116	+ 116
RESIDUAL CAP RATE					
Range	6.25% – 11.00%	6.25% – 11.00%	5.50% – 10.00%	4.75% – 10.00%	4.75% – 10.00%
Average	7.76%	7.93%	7.86%	6.54%	6.54%
Change (Basis Points)		– 17	– 10	+ 122	+ 122
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 2.00%	0.00% – 2.00%	(10.00%) – 3.00%	0.00% – 4.00%
Average	1.17%	0.50%	0.75%	0.20%	2.05%
Change (Basis Points)		+ 67	+ 42	+ 97	– 88
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	2.00% – 4.00%	2.00% – 5.00%	1.00% – 3.00%	1.00% – 3.00%
Average	3.00%	3.00%	3.50%	2.73%	2.68%
Change (Basis Points)		0	– 50	+ 27	+ 32
MARKETING TIME^c					
Range	4 – 12	4 – 12	4 – 12	2 – 6	2 – 8
Average	8.7	9.7	9.5	4.2	4.7
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(15.0%) – 5.0%	(7.0%) – 5.0%
Average	(6.3%)	(10.0%)	(10.0%)	(3.4%)	(0.5%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

CHARLOTTE OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	(1)	8.50% – 15.00%	8.50% – 13.00%	5.75% – 10.00%	6.00% – 10.00%
Average		10.83%	10.66%	7.85%	7.86%
OVERALL CAP RATE (OAR)^a					
Range	(1)	7.00% – 10.50%	7.00% – 10.50%	4.50% – 7.50%	5.00% – 7.50%
Average		8.25%	8.41%	6.19%	6.34%
RESIDUAL CAP RATE					
Range	(1)	6.00% – 10.00%	6.00% – 9.00%	4.50% – 7.75%	5.00% – 7.75%
Average		7.73%	7.70%	6.15%	6.60%
MARKET RENT CHANGE^b					
Range	(1)	(10.00%) – 3.00%	(10.00%) – 3.00%	(5.00%) – 4.00%	(5.00%) – 4.00%
Average		(1.67%)	(0.69%)	1.05%	1.00%
EXPENSE CHANGE^b					
Range	(1)	2.00% – 10.00%	2.00% – 10.00%	2.00% – 4.00%	1.00% – 4.00%
Average		4.67%	4.25%	2.80%	2.55%
MARKETING TIME^c					
Range	(1)	3 – 24	3 – 24	2 – 8	1 – 6
Average		9.8	10.4	4.3	3.4
FORECAST VALUE CHANGE^d					
Range	(1)	(30.0%) – 20.0%	(30.0%) – 5.0%	(5.0%) – 5.0%	(15.0%) – 5.0%
Average		(5.3%)	(8.4%)	1.8%	(3.5%)

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

(1) insufficient responses prevent us from reporting second quarter data for this market

Source: PwC Investor Survey; survey conducted by PwC during April 2025

CHICAGO OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.50% – 15.00%	8.50% – 15.50%	8.00% – 20.00%	6.25% – 12.00%	6.00% – 12.00%
Average	11.29%	11.69%	12.34%	9.05%	8.98%
Change (Basis Points)		– 40	– 105	+ 224	+ 231
OVERALL CAP RATE (OAR)^a					
Range	7.00% – 13.00%	7.25% – 13.00%	7.00% – 13.00%	4.50% – 10.00%	4.75% – 12.00%
Average	9.79%	10.06%	10.11%	7.48%	7.78%
Change (Basis Points)		– 27	– 32	+ 231	+ 201
RESIDUAL CAP RATE					
Range	7.00% – 13.00%	7.25% – 13.00%	7.00% – 13.00%	5.00% – 11.00%	5.50% – 10.00%
Average	9.92%	10.04%	9.81%	8.11%	7.99%
Change (Basis Points)		– 12	+ 11	+ 181	+ 193
MARKET RENT CHANGE^b					
Range	0.00% – 1.00%	0.00% – 1.00%	(1.00%) – 3.00%	0.00% – 2.00%	0.00% – 3.00%
Average	0.50%	0.50%	0.25%	0.50%	1.20%
Change (Basis Points)		0	+ 25	0	– 70
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 5.00%	3.00% – 5.00%	2.00% – 7.00%	2.00% – 7.00%
Average	4.33%	4.33%	4.13%	3.40%	3.25%
Change (Basis Points)		0	+ 20	+ 93	+ 108
MARKETING TIME^c					
Range	4 – 24	4 – 24	4 – 24	3 – 24	3 – 24
Average	11.7	11.7	11.4	9.5	9.6
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 5.0%	(25.0%) – 5.0%	(25.0%) – 10.0%	(15.0%) – 0.0%	(15.0%) – 5.0%
Average	(8.3%)	(8.3%)	(7.5%)	(5.0%)	(3.1%)
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

DALLAS OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 13.00%	6.00% – 15.00%	6.00% – 16.50%	6.00% – 10.50%	6.00% – 9.00%
Average	10.04%	10.54%	11.42%	7.91%	7.83%
Change (Basis Points)		– 50	– 138	+ 213	+ 221
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 13.00%	6.00% – 13.00%	6.00% – 12.00%	5.00% – 8.50%	3.80% – 8.50%
Average	10.38%	10.08%	9.42%	6.56%	6.14%
Change (Basis Points)		+ 30	+ 96	+ 382	+ 424
RESIDUAL CAP RATE					
Range	7.00% – 13.00%	7.00% – 13.00%	6.00% – 11.00%	5.75% – 9.00%	5.75% – 9.00%
Average	9.42%	9.39%	8.63%	6.73%	7.10%
Change (Basis Points)		+ 3	+ 79	+ 269	+ 232
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 5.00%	0.00% – 5.00%
Average	1.13%	0.75%	1.00%	2.35%	2.20%
Change (Basis Points)		+ 38	+ 13	– 122	– 107
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 3.00%
Average	3.13%	3.38%	3.17%	3.30%	2.90%
Change (Basis Points)		– 25	– 4	– 17	+ 23
MARKETING TIME^c					
Range	4 – 18	4 – 15	4 – 12	3 – 10	3 – 12
Average	10.3	9.5	9.2	6.5	5.6
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 10.0%	(25.0%) – 10.0%	(25.0%) – (5.0%)	(20.0%) – 10.0%	(20.0%) – 10.0%
Average	(4.4%)	(6.3%)	(12.5%)	(3.3%)	(0.7%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

DENVER OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 13.00%	8.00% – 14.00%	7.75% – 14.00%	5.75% – 10.00%	6.25% – 11.00%
Average	10.32%	10.36%	10.03%	7.73%	7.99%
Change (Basis Points)		– 4	+ 29	+ 259	+ 233
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 12.00%	6.75% – 12.00%	6.25% – 12.00%	4.75% – 8.50%	5.50% – 10.00%
Average	8.86%	8.88%	8.90%	6.56%	6.87%
Change (Basis Points)		– 2	– 4	+ 230	+ 199
RESIDUAL CAP RATE					
Range	6.65% – 11.50%	6.75% – 11.50%	6.50% – 11.00%	5.00% – 8.50%	5.50% – 10.00%
Average	8.35%	8.38%	8.37%	6.67%	7.17%
Change (Basis Points)		– 3	– 2	+ 168	+ 118
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	(1.00%) – 3.00%	0.00% – 3.00%	0.00% – 2.00%
Average	0.81%	0.70%	0.40%	2.05%	0.30%
Change (Basis Points)		+ 11	+ 41	– 124	+ 51
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	0.00% – 3.00%	0.00% – 4.00%
Average	3.25%	3.10%	3.60%	2.70%	2.40%
Change (Basis Points)		+ 15	– 35	+ 55	+ 85
MARKETING TIME^c					
Range	3 – 18	3 – 18	3 – 18	2 – 10	2 – 12
Average	8.0	8.6	8.6	5.6	6.1
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(15.0%) – 10.0%	(25.0%) – 5.0%	0.0% – 5.0%	(25.0%) – 0.0%
Average	(4.2%)	(5.6%)	(7.0%)	2.5%	(9.3%)
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

HOUSTON OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 15.00%	8.00% – 14.00%	8.00% – 16.50%	6.50% – 12.00%	7.00% – 13.00%
Average	11.03%	11.26%	11.45%	8.60%	9.13%
Change (Basis Points)		– 23	– 42	+ 243	+ 190
OVERALL CAP RATE (OAR)^a					
Range	7.00% – 12.00%	7.00% – 12.00%	7.00% – 12.00%	5.50% – 10.00%	5.75% – 10.00%
Average	9.85%	10.24%	9.64%	7.10%	7.39%
Change (Basis Points)		– 39	+ 21	+ 275	+ 246
RESIDUAL CAP RATE					
Range	7.00% – 12.00%	7.00% – 12.00%	7.00% – 12.00%	5.50% – 10.00%	6.00% – 10.00%
Average	9.13%	9.53%	9.01%	7.23%	7.81%
Change (Basis Points)		– 40	+ 12	+ 190	+ 132
MARKET RENT CHANGE^b					
Range	(15.00%) – 3.00%	(15.00%) – 3.00%	(15.00%) – 3.00%	(15.00%) – 3.00%	(15.00%) – 3.00%
Average	(1.38%)	(1.40%)	(1.70%)	(2.10%)	(2.83%)
Change (Basis Points)		+ 2	+ 32	+ 72	+ 145
EXPENSE CHANGE^b					
Range	1.00% – 7.00%	1.00% – 7.00%	1.00% – 7.00%	1.00% – 5.00%	1.00% – 3.00%
Average	3.38%	3.50%	3.50%	3.45%	2.46%
Change (Basis Points)		– 12	– 12	– 7	+ 92
MARKETING TIME^c					
Range	4 – 18	4 – 18	4 – 18	3 – 12	3 – 12
Average	9.5	9.4	9.4	6.5	8.1
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 0.0%	(25.0%) – 10.0%	(25.0%) – 10.0%	(20.0%) – 3.0%	(40.0%) – 2.0%
Average	(9.6%)	(7.7%)	(9.7%)	(5.7%)	(11.3%)
Change (▼, ▲, =)		▼	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

LOS ANGELES OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 12.00%	7.50% – 12.00%	7.50% – 13.00%	6.00% – 11.00%	5.00% – 10.50%
Average	9.50%	9.65%	9.31%	8.65%	8.21%
Change (Basis Points)		– 15	+ 19	+ 85	+ 129
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 11.00%	7.75% – 11.00%	6.50% – 11.00%	4.50% – 9.00%	4.50% – 8.50%
Average	8.78%	9.22%	8.72%	6.38%	6.17%
Change (Basis Points)		– 44	+ 6	+ 240	+ 261
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	7.00% – 10.00%	6.50% – 10.00%	5.00% – 8.25%	5.00% – 8.25%
Average	8.23%	8.47%	8.18%	6.75%	6.74%
Change (Basis Points)		– 24	+ 5	+ 148	+ 149
MARKET RENT CHANGE^b					
Range	(4.00%) – 2.00%	(4.00%) – 2.00%	(2.00%) – 3.00%	(5.00%) – 3.00%	(10.00%) – 4.00%
Average	(0.15%)	(0.19%)	0.60%	0.05%	(0.25%)
Change (Basis Points)		+ 4	– 75	– 20	+ 10
EXPENSE CHANGE^b					
Range	2.00% – 6.00%	2.00% – 6.00%	2.00% – 6.00%	0.00% – 4.00%	2.00% – 4.00%
Average	2.93%	3.16%	3.30%	2.70%	2.75%
Change (Basis Points)		– 23	– 37	+ 23	+ 18
MARKETING TIME^c					
Range	3 – 16	3 – 16	3 – 12	1 – 12	1 – 12
Average	8.3	8.8	8.2	5.5	5.8
Change (▼, ▲, =)		▼	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(20.0%) – 5.0%	(20.0%) – 0.0%	(10.0%) – 5.0%	(15.0%) – 5.0%
Average	(2.5%)	(3.8%)	(8.1%)	(1.3%)	(4.5%)
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

MANHATTAN OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 9.50%	6.00% – 9.00%	6.00% – 10.00%	5.00% – 8.00%	5.00% – 8.00%
Average	7.67%	7.67%	7.97%	6.40%	6.55%
Change (Basis Points)		0	– 30	+ 127	+ 112
OVERALL CAP RATE (OAR)^a					
Range	5.20% – 9.00%	5.20% – 10.00%	5.50% – 10.00%	4.00% – 6.25%	3.00% – 7.00%
Average	6.66%	6.83%	6.81%	5.05%	5.15%
Change (Basis Points)		– 17	– 15	+ 161	+ 151
RESIDUAL CAP RATE					
Range	5.75% – 9.00%	5.75% – 10.00%	5.75% – 9.00%	4.25% – 6.50%	3.00% – 6.50%
Average	7.00%	7.17%	7.10%	5.40%	5.33%
Change (Basis Points)		– 17	– 10	+ 160	+ 167
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 2.00%	0.00% – 3.00%	(5.00%) – 3.00%	(5.00%) – 3.00%
Average	1.17%	0.50%	0.75%	0.40%	0.30%
Change (Basis Points)		+ 67	+ 42	+ 77	+ 87
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 5.00%	2.00% – 5.00%	1.00% – 8.00%	0.00% – 5.00%
Average	3.50%	3.50%	3.00%	3.60%	2.70%
Change (Basis Points)		0	+ 50	– 10	+ 80
MARKETING TIME^c					
Range	3 – 12	3 – 12	1 – 18	1 – 8	1 – 6
Average	6.3	6.3	8.3	4.9	4.4
Change (▼, ▲, =)		=	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 3.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(10.0%) – 5.0%	(15.0%) – 4.0%
Average	(2.8%)	(6.7%)	(8.1%)	(1.1%)	(2.5%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NORTHERN VIRGINIA OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.50% – 11.00%	8.25% – 11.00%	7.50% – 10.00%	6.00% – 8.00%	6.00% – 9.50%
Average	9.67%	9.17%	8.58%	7.08%	7.65%
Change (Basis Points)		+ 50	+ 109	+ 259	+ 202
OVERALL CAP RATE (OAR)^a					
Range	7.25% – 10.00%	7.00% – 10.00%	6.00% – 10.00%	5.00% – 7.50%	6.00% – 8.00%
Average	8.00%	7.83%	7.42%	6.08%	6.69%
Change (Basis Points)		+ 17	+ 58	+ 192	+ 131
RESIDUAL CAP RATE					
Range	7.50% – 9.00%	7.00% – 9.00%	6.75% – 8.50%	5.00% – 7.50%	6.00% – 8.50%
Average	8.17%	7.88%	7.50%	6.40%	7.08%
Change (Basis Points)		+ 29	+ 67	+ 177	+ 109
MARKET RENT CHANGE^b					
Range	0.00% – 0.00%	0.00% – 0.00%	0.00% – 0.00%	0.00% – 3.00%	0.00% – 3.00%
Average	0.00%	0.00%	0.00%	1.75%	1.10%
Change (Basis Points)		0	0	– 175	– 110
EXPENSE CHANGE^b					
Range	2.00% – 3.00%	2.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	2.83%	2.83%	2.00%	2.15%	2.08%
Change (Basis Points)		0	+ 83	+ 68	+ 75
MARKETING TIME^c					
Range	6 – 15	6 – 15	6 – 15	2 – 12	3 – 12
Average	10.5	10.5	10.5	6.8	5.4
Change (▼, ▲, =)		=	=	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(20.0%) – 0.0%	(40.0%) – 0.0%	(20.0%) – 10.0%	(8.0%) – 0.0%
Average	(6.7%)	(6.7%)	(11.7%)	(1.5%)	(4.2%)
Change (▼, ▲, =)		=	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

PACIFIC NORTHWEST OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 12.00%	7.75% – 15.00%	7.50% – 15.00%	5.75% – 10.00%	5.75% – 10.00%
Average	9.91%	10.91%	10.75%	7.72%	7.45%
Change (Basis Points)		– 100	– 84	+ 219	+ 246
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 12.00%	6.25% – 12.00%	6.25% – 13.00%	4.00% – 7.75%	4.50% – 9.00%
Average	8.84%	9.15%	9.02%	5.76%	5.80%
Change (Basis Points)		– 31	– 18	+ 308	+ 304
RESIDUAL CAP RATE					
Range	6.50% – 12.00%	6.50% – 12.00%	6.50% – 12.00%	4.00% – 8.00%	5.00% – 10.00%
Average	8.42%	8.65%	8.49%	6.14%	6.52%
Change (Basis Points)		– 23	– 7	+ 228	+ 190
MARKET RENT CHANGE^b					
Range	(3.00%) – 0.00%	(3.00%) – 0.00%	(5.00%) – 0.00%	(3.00%) – 5.00%	0.00% – 7.00%
Average	(0.21%)	(0.25%)	(0.36%)	1.23%	1.88%
Change (Basis Points)		+ 4	+ 15	– 144	– 209
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%
Average	3.36%	3.50%	3.43%	3.20%	2.84%
Change (Basis Points)		– 14	– 7	+ 16	+ 52
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 12	1 – 12	2 – 12
Average	6.1	6.3	6.5	4.3	4.4
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 10.0%	(15.0%) – 10.0%	(25.0%) – 0.0%	(10.0%) – 10.0%	(20.0%) – 10.0%
Average	(3.1%)	(4.6%)	(7.9%)	0.2%	(1.8%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

PHILADELPHIA OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 14.00%	8.00% – 14.00%	8.00% – 12.50%	6.00% – 10.00%	6.00% – 10.00%
Average	10.08%	10.00%	9.83%	8.45%	8.45%
Change (Basis Points)		+ 8	+ 25	+ 163	+ 163
OVERALL CAP RATE (OAR)^a					
Range	8.00% – 13.00%	7.00% – 13.00%	7.00% – 12.50%	5.00% – 8.50%	4.50% – 8.50%
Average	9.75%	9.46%	9.38%	6.94%	6.95%
Change (Basis Points)		+ 29	+ 37	+ 281	+ 280
RESIDUAL CAP RATE					
Range	8.00% – 13.00%	7.00% – 13.00%	7.00% – 12.50%	5.50% – 8.50%	5.50% – 8.50%
Average	9.73%	9.60%	9.04%	7.16%	7.19%
Change (Basis Points)		+ 13	+ 69	+ 257	+ 254
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	1.00%	1.00%	1.50%	1.30%	1.70%
Change (Basis Points)		0	– 50	– 30	– 70
EXPENSE CHANGE^b					
Range	1.00% – 3.00%	1.00% – 3.00%	1.00% – 3.00%	1.00% – 3.00%	1.00% – 3.00%
Average	2.50%	2.50%	2.50%	2.55%	2.40%
Change (Basis Points)		0	0	– 5	+ 10
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 10	3 – 9	3 – 8
Average	7.2	7.2	6.7	5.3	5.0
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 0.0%	(10.0%) – 0.0%	(10.0%) – 0.0%	0.0% – 5.0%	(10.0%) – 4.0%
Average	(5.8%)	(5.8%)	(4.5%)	2.0%	(1.5%)
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

PHOENIX OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 12.00%	8.00% – 12.00%	8.00% – 13.00%	7.00% – 11.00%	7.00% – 11.00%
Average	10.05%	10.30%	10.74%	8.36%	8.48%
Change (Basis Points)		– 25	– 69	+ 169	+ 157
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 9.75%	6.50% – 9.75%	6.50% – 12.00%	4.75% – 8.50%	5.50% – 8.50%
Average	8.16%	8.24%	8.92%	6.39%	6.51%
Change (Basis Points)		– 8	– 76	+ 177	+ 165
RESIDUAL CAP RATE					
Range	6.75% – 12.00%	6.50% – 10.00%	6.50% – 10.00%	5.00% – 8.50%	5.50% – 8.50%
Average	8.49%	8.48%	8.35%	6.83%	6.88%
Change (Basis Points)		+ 1	+ 14	+ 166	+ 161
MARKET RENT CHANGE^b					
Range	(2.00%) – 3.00%	(2.00%) – 3.00%	(2.00%) – 5.00%	(8.00%) – 3.00%	(2.00%) – 3.00%
Average	0.50%	0.40%	1.00%	(0.50%)	0.40%
Change (Basis Points)		+ 10	– 50	+ 100	+ 10
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	2.00% – 4.00%	2.00% – 5.00%	1.00% – 5.00%	1.00% – 5.00%
Average	3.16%	3.13%	3.29%	3.00%	2.90%
Change (Basis Points)		+ 3	– 13	+ 16	+ 26
MARKETING TIME^c					
Range	4 – 12	4 – 12	6 – 24	3 – 12	3 – 12
Average	8.6	9.0	11.6	6.3	6.7
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 5.0%	(15.0%) – 0.0%	(30.0%) – 15.0%	(6.0%) – 10.0%	(10.0%) – 5.0%
Average	(2.5%)	(6.9%)	(6.7%)	0.5%	(3.5%)
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

SAN DIEGO OFFICE MARKET

Second Quarter 2025

	CURRENT*	LAST QUARTER*	1 YEAR AGO*	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	(1)	9.00% – 12.50%	7.00% – 12.50%	6.00% – 11.00%	6.00% – 10.00%
Average		11.58%	10.06%	7.64%	7.80%
OVERALL CAP RATE (OAR)^a					
Range	(1)	7.00% – 12.00%	7.00% – 12.00%	4.50% – 8.00%	5.25% – 8.00%
Average		9.50%	9.08%	6.19%	6.43%
RESIDUAL CAP RATE					
Range	(1)	7.00% – 10.00%	7.00% – 10.00%	5.50% – 8.50%	5.50% – 8.50%
Average		8.67%	8.33%	6.63%	6.53%
MARKET RENT CHANGE^b					
Range	(1)	0.00% – 3.00%	0.00% – 3.00%	(2.00%) – 3.00%	0.00% – 5.00%
Average		0.50%	0.50%	1.10%	1.45%
EXPENSE CHANGE^b					
Range	(1)	2.50% – 4.00%	3.00% – 4.00%	2.00% – 6.00%	2.00% – 4.00%
Average		3.00%	3.17%	3.20%	2.80%
MARKETING TIME^c					
Range	(1)	5 – 16	5 – 15	3 – 9	3 – 12
Average		9.8	9.8	6.3	6.0
FORECAST VALUE CHANGE^d					
Range	(1)	(30.0%) – 0.0%	(50.0%) – (5.0%)	(5.0%) – 0.0%	(20.0%) – 0.0%
Average		(10.8%)	(16.7%)	(1.7%)	(6.3%)

* Quarterly data pertains to suburbs only.

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

(1) insufficient responses prevent us from reporting second quarter data for this market

Source: PwC Investor Survey; survey conducted by PwC during April 2025

SAN FRANCISCO OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 12.00%	8.00% – 13.50%	8.00% – 15.00%	5.00% – 10.50%	5.00% – 9.50%
Average	9.63%	9.82%	10.29%	7.45%	6.78%
Change (Basis Points)		– 19	– 66	+ 218	+ 285
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 10.00%	6.50% – 11.00%	6.50% – 12.00%	4.00% – 9.00%	3.50% – 8.00%
Average	8.24%	8.34%	8.89%	6.12%	5.50%
Change (Basis Points)		– 10	– 65	+ 212	+ 274
RESIDUAL CAP RATE					
Range	6.25% – 10.25%	6.50% – 10.50%	6.50% – 11.00%	5.00% – 10.00%	4.75% – 9.00%
Average	8.21%	8.22%	8.32%	6.67%	6.17%
Change (Basis Points)		– 1	– 11	+ 154	+ 204
MARKET RENT CHANGE^b					
Range	(10.00%) – 0.00%	0.00% – 0.00%	(15.00%) – 0.00%	(10.00%) – 2.00%	3.00% – 4.00%
Average	(2.50%)	0.00%	(2.50%)	(0.80%)	3.45%
Change (Basis Points)		– 250	0	– 170	– 595
EXPENSE CHANGE^b					
Range	2.00% – 3.00%	3.00% – 3.00%	3.00% – 5.00%	2.00% – 5.00%	2.00% – 3.00%
Average	2.83%	3.00%	3.25%	3.10%	2.90%
Change (Basis Points)		– 17	– 42	– 27	– 7
MARKETING TIME^c					
Range	3 – 18	3 – 18	3 – 18	2 – 10	2 – 6
Average	7.8	7.4	7.4	4.8	3.9
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 15.0%	(40.0%) – 15.0%	(40.0%) – 10.0%	(15.0%) – 3.0%	(5.0%) – 5.0%
Average	(0.8%)	(6.9%)	(8.1%)	(2.1%)	0.1%
Change (▼, ▲, =)		▲	▲	▲	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

SEATTLE OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 12.00%	7.50% – 12.00%	7.50% – 12.00%	5.75% – 9.50%	5.75% – 9.00%
Average	9.21%	9.07%	9.16%	7.64%	7.50%
Change (Basis Points)		+ 14	+ 5	+ 157	+ 171
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 10.00%	6.25% – 10.00%	6.25% – 11.00%	4.00% – 7.00%	4.50% – 10.00%
Average	7.42%	7.60%	7.95%	5.55%	5.86%
Change (Basis Points)		– 18	– 53	+ 187	+ 156
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.50% – 10.00%	6.50% – 10.00%	4.00% – 8.00%	5.00% – 10.00%
Average	7.72%	7.72%	7.71%	6.14%	6.52%
Change (Basis Points)		0	+ 1	+ 158	+ 120
MARKET RENT CHANGE^b					
Range	(3.00%) – 0.00%	(3.00%) – 0.00%	(5.00%) – 0.00%	0.00% – 3.00%	0.00% – 7.00%
Average	(0.38%)	(0.38%)	(0.63%)	0.95%	2.00%
Change (Basis Points)		0	+ 25	– 133	– 238
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%
Average	3.13%	3.13%	3.25%	3.15%	2.80%
Change (Basis Points)		0	– 12	– 2	+ 33
MARKETING TIME^c					
Range	3 – 9	3 – 9	3 – 9	2 – 12	2 – 12
Average	5.5	5.5	5.5	4.8	4.5
Change (▼, ▲, =)		=	=	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 0.0%	(15.0%) – 0.0%	(15.0%) – 0.0%	(10.0%) – 10.0%	(10.0%) – 10.0%
Average	(5.8%)	(5.8%)	(6.9%)	1.0%	0.9%
Change (▼, ▲, =)		=	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

SOUTHEAST FLORIDA OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 12.00%	8.00% – 12.00%	8.00% – 12.00%	6.00% – 11.00%	6.00% – 11.00%
Average	10.10%	10.10%	9.92%	8.12%	8.28%
Change (Basis Points)		0	+ 18	+ 198	+ 182
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	6.00% – 10.00%	6.00% – 10.50%	4.00% – 9.50%	5.00% – 9.50%
Average	8.38%	8.38%	8.33%	6.39%	6.91%
Change (Basis Points)		0	+ 5	+ 199	+ 147
RESIDUAL CAP RATE					
Range	6.00% – 10.50%	6.00% – 10.50%	6.00% – 10.50%	4.50% – 10.50%	4.50% – 10.50%
Average	8.17%	8.17%	7.67%	6.86%	7.29%
Change (Basis Points)		0	+ 50	+ 131	+ 88
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 6.00%	(5.00%) – 5.00%
Average	1.50%	1.50%	2.17%	2.70%	0.85%
Change (Basis Points)		0	– 67	– 120	+ 65
EXPENSE CHANGE^b					
Range	2.00% – 7.00%	2.00% – 7.00%	2.00% – 7.00%	1.00% – 5.00%	1.00% – 3.00%
Average	3.83%	3.83%	3.83%	3.00%	2.35%
Change (Basis Points)		0	0	+ 83	+ 148
MARKETING TIME^c					
Range	3 – 8	3 – 8	3 – 9	3 – 8	3 – 8
Average	4.8	4.8	5.8	4.5	4.5
Change (▼, ▲, =)		=	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(10.0%) – 10.0%	0.0% – 10.0%	(3.0%) – 5.0%
Average	0.8%	(0.8%)	(0.8%)	2.4%	1.1%
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

WASHINGTON, DC OFFICE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 12.00%	8.00% – 12.00%	8.00% – 11.00%	5.50% – 7.00%	5.00% – 9.50%
Average	10.13%	9.67%	9.34%	6.20%	6.50%
Change (Basis Points)		+ 46	+ 79	+ 393	+ 363
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	7.00% – 10.00%	6.25% – 11.00%	4.50% – 6.00%	4.50% – 7.50%
Average	8.13%	8.00%	7.84%	5.20%	5.38%
Change (Basis Points)		+ 13	+ 29	+ 293	+ 275
RESIDUAL CAP RATE					
Range	5.00% – 10.00%	7.00% – 10.00%	6.50% – 11.00%	5.00% – 7.00%	5.00% – 8.00%
Average	7.97%	8.08%	8.06%	5.73%	5.95%
Change (Basis Points)		– 11	– 9	+ 224	+ 202
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 0.00%	0.00% – 0.00%	0.00% – 3.00%	0.00% – 0.00%
Average	0.50%	0.00%	0.00%	1.10%	0.00%
Change (Basis Points)		+ 50	+ 50	– 60	+ 50
EXPENSE CHANGE^b					
Range	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	2.00% – 3.00%	0.00% – 3.00%
Average	2.75%	2.67%	2.75%	2.90%	2.35%
Change (Basis Points)		+ 8	0	– 15	+ 40
MARKETING TIME^c					
Range	6 – 15	6 – 15	3 – 15	3 – 12	3 – 12
Average	11.2	9.8	8.6	6.1	5.3
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 0.0%	(25.0%) – 0.0%	(40.0%) – 0.0%	(15.0%) – 0.0%	(25.0%) – 0.0%
Average	(4.4%)	(5.6%)	(11.9%)	(3.3%)	(4.1%)
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL WAREHOUSE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.75% – 8.00%	5.75% – 8.00%	6.50% – 8.50%	4.75% – 8.00%	5.25% – 7.50%
Average	7.15%	7.18%	7.31%	5.96%	6.14%
Change (Basis Points)		– 3	– 16	+ 119	+ 101
OVERALL CAP RATE (OAR)^a					
Range	4.00% – 6.50%	3.85% – 6.50%	4.00% – 8.50%	3.00% – 6.50%	3.40% – 7.00%
Average	5.17%	5.08%	5.48%	4.37%	4.84%
Change (Basis Points)		+ 9	– 31	+ 80	+ 33
RESIDUAL CAP RATE					
Range	4.75% – 7.00%	4.75% – 7.00%	4.50% – 7.25%	3.75% – 6.00%	4.50% – 7.00%
Average	5.78%	5.80%	5.72%	4.92%	5.49%
Change (Basis Points)		– 2	+ 6	+ 86	+ 29
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 10.00%	0.00% – 5.00%
Average	2.00%	2.15%	2.49%	3.28%	0.55%
Change (Basis Points)		– 15	– 49	– 128	+ 145
EXPENSE CHANGE^b					
Range	0.00% – 4.00%	0.00% – 3.00%	0.00% – 15.00%	0.00% – 5.00%	0.00% – 4.00%
Average	2.42%	2.15%	2.85%	2.64%	2.23%
Change (Basis Points)		+ 27	– 43	– 22	+ 19
MARKETING TIME^c					
Range	0 – 12	0 – 12	0 – 12	1 – 9	1 – 9
Average	4.2	4.3	3.7	3.4	4.4
Change (▼, ▲, =)		▼	▲	▲	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(5.0%) – 10.0%	(5.0%) – 30.0%	(15.0%) – 9.0%
Average	1.5%	2.4%	1.4%	7.2%	0.7%
Change (▼, ▲, =)		▼	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

EAST COAST REGION WAREHOUSE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO
DISCOUNT RATE (IRR)^a				
Range	5.75% – 7.50%	5.75% – 9.00%	5.75% – 9.00%	5.00% – 7.00%
Average	7.03%	7.23%	7.10%	5.52%
Change (Basis Points)		– 20	– 7	+ 151
OVERALL CAP RATE (OAR)^a				
Range	4.05% – 6.00%	4.25% – 5.50%	4.00% – 5.75%	3.00% – 5.25%
Average	5.22%	5.07%	5.04%	3.76%
Change (Basis Points)		+ 15	+ 18	+ 146
RESIDUAL CAP RATE				
Range	4.75% – 6.50%	4.75% – 6.25%	4.75% – 6.75%	3.50% – 5.00%
Average	5.70%	5.60%	5.63%	4.29%
Change (Basis Points)		+ 10	+ 7	+ 141
MARKET RENT CHANGE^b				
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 9.00%	0.00% – 15.00%
Average	2.60%	2.75%	3.88%	5.36%
Change (Basis Points)		– 15	– 128	– 276
EXPENSE CHANGE^b				
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 10.00%	0.00% – 10.00%
Average	2.50%	2.65%	3.25%	3.00%
Change (Basis Points)		– 15	– 75	– 50
MARKETING TIME^c				
Range	0 – 12	0 – 12	0 – 12	1 – 12
Average	4.4	4.0	4.3	3.5
Change (▼, ▲, =)		▲	▲	▲
FORECAST VALUE CHANGE^d				
Range	(5.0%) – 10.0%	(5.0%) – 10.0%	(6.0%) – 5.0%	0.0% – 20.0%
Average	1.1%	2.1%	0.2%	6.0%
Change (▼, ▲, =)		▼	▲	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

ENC REGION WAREHOUSE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.75% – 7.25%	6.75% – 7.25%	6.75% – 7.25%	4.75% – 7.00%	5.50% – 7.00%
Average	7.09%	7.06%	7.06%	5.60%	6.15%
Change (Basis Points)		+ 3	+ 3	+ 149	+ 94
OVERALL CAP RATE (OAR)^a					
Range	4.75% – 5.75%	4.75% – 5.75%	4.50% – 5.50%	3.00% – 4.50%	4.00% – 6.00%
Average	5.24%	5.19%	5.13%	3.98%	5.03%
Change (Basis Points)		+ 5	+ 11	+ 126	+ 21
RESIDUAL CAP RATE					
Range	5.25% – 6.50%	5.50% – 6.00%	5.50% – 6.00%	3.50% – 5.50%	5.00% – 6.75%
Average	5.72%	5.75%	5.69%	4.75%	5.83%
Change (Basis Points)		– 3	+ 3	+ 97	– 11
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 9.00%	0.00% – 4.00%
Average	1.75%	1.25%	1.25%	3.10%	0.90%
Change (Basis Points)		+ 50	+ 50	– 135	+ 85
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	3.00% – 4.00%	3.00% – 4.00%	3.00% – 4.00%	2.00% – 3.00%
Average	3.25%	3.25%	3.25%	3.10%	2.70%
Change (Basis Points)		0	0	+ 15	+ 55
MARKETING TIME^c					
Range	1 – 6	2 – 6	2 – 6	1 – 6	2 – 9
Average	3.6	3.8	3.8	3.2	4.9
Change (▼, ▲, =)		▼	▼	▲	▼
FORECAST VALUE CHANGE^d					
Range	0.0% – 10.0%	(7.0%) – 10.0%	(10.0%) – 5.0%	0.0% – 8.0%	(15.0%) – 10.0%
Average	2.9%	2.3%	0.3%	3.8%	(0.5%)
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

PACIFIC REGION WAREHOUSE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.75% – 8.00%	6.75% – 8.00%	6.25% – 10.00%	5.00% – 7.00%	5.25% – 6.50%
Average	7.19%	7.19%	7.84%	5.63%	5.80%
Change (Basis Points)		0	– 65	+ 156	+ 139
OVERALL CAP RATE (OAR)^a					
Range	4.75% – 6.25%	4.75% – 6.50%	4.50% – 7.00%	2.75% – 4.50%	3.70% – 5.50%
Average	5.28%	5.38%	5.60%	3.50%	4.17%
Change (Basis Points)		– 10	– 32	+ 178	+ 111
RESIDUAL CAP RATE					
Range	5.00% – 6.50%	5.25% – 6.50%	5.00% – 7.00%	3.75% – 6.00%	4.50% – 6.00%
Average	5.53%	5.59%	5.77%	4.58%	5.00%
Change (Basis Points)		– 6	– 24	+ 95	+ 53
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 4.00%	0.00% – 7.00%	0.00% – 5.00%
Average	0.50%	0.50%	1.75%	3.30%	1.40%
Change (Basis Points)		0	– 125	– 280	– 90
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 3.00%	3.00% – 4.00%	3.00% – 5.00%	2.00% – 3.00%
Average	3.25%	3.00%	3.08%	3.20%	2.90%
Change (Basis Points)		+ 25	+ 17	+ 5	+ 35
MARKETING TIME^c					
Range	1 – 4	1 – 5	1 – 6	1 – 6	1 – 6
Average	2.5	3.0	3.5	2.6	3.0
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	(5.0%) – 5.0%	(5.0%) – 10.0%	(5.0%) – 10.0%	0.0% – 15.0%	(3.0%) – 10.0%
Average	0.6%	1.3%	1.1%	5.8%	1.4%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL APARTMENT MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 9.00%	6.00% – 9.00%	6.00% – 9.00%	4.75% – 10.00%	5.00% – 10.50%
Average	7.33%	7.35%	7.21%	6.72%	6.89%
Change (Basis Points)		– 2	+ 12	+ 61	+ 44
OVERALL CAP RATE (OAR)^a					
Range	4.00% – 6.25%	4.00% – 6.25%	4.00% – 7.50%	3.00% – 7.00%	3.50% – 8.00%
Average	5.30%	5.25%	5.44%	4.45%	5.19%
Change (Basis Points)		+ 5	– 14	+ 85	+ 11
RESIDUAL CAP RATE					
Range	4.50% – 6.75%	4.50% – 6.75%	4.25% – 8.00%	3.50% – 7.00%	4.00% – 8.50%
Average	5.55%	5.55%	5.75%	4.76%	5.64%
Change (Basis Points)		0	– 20	+ 79	– 9
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 15.00%	(5.00%) – 3.50%
Average	2.40%	2.40%	2.42%	4.10%	0.58%
Change (Basis Points)		0	– 2	– 170	+ 182
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 5.00%	3.00% – 6.00%	0.00% – 8.00%	0.00% – 8.00%
Average	3.55%	3.55%	3.71%	3.20%	2.69%
Change (Basis Points)		0	– 16	+ 35	+ 86
MARKETING TIME^c					
Range	3 – 15	3 – 15	3 – 15	1 – 12	1 – 12
Average	6.9	6.9	6.3	4.3	5.3
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(2.0%) – 5.0%	(3.0%) – 5.0%	(10.0%) – 3.0%	(10.0%) – 12.0%	(10.0%) – 10.0%
Average	1.2%	0.5%	(1.5%)	3.3%	0.5%
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

MID-ATLANTIC REGION APARTMENT MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.50% – 10.00%	5.50% – 10.00%	5.00% – 10.00%	5.00% – 9.00%	6.00% – 10.00%
Average	7.93%	7.73%	7.33%	6.38%	7.80%
Change (Basis Points)		+ 20	+ 60	+ 155	+ 13
OVERALL CAP RATE (OAR)^a					
Range	4.00% – 6.50%	4.75% – 6.50%	4.25% – 7.50%	3.75% – 6.50%	4.00% – 6.75%
Average	5.46%	5.54%	5.69%	4.80%	5.43%
Change (Basis Points)		– 8	– 23	+ 66	+ 3
RESIDUAL CAP RATE					
Range	4.00% – 7.00%	4.75% – 7.00%	5.00% – 8.00%	4.25% – 6.50%	5.00% – 6.50%
Average	5.68%	5.74%	6.02%	4.90%	5.80%
Change (Basis Points)		– 6	– 34	+ 78	– 12
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 6.00%	0.00% – 3.00%
Average	2.54%	2.46%	2.17%	2.85%	0.95%
Change (Basis Points)		+ 8	+ 37	– 31	+ 159
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	0.00% – 6.00%	0.00% – 3.00%	0.00% – 3.00%
Average	3.00%	3.00%	3.13%	2.60%	2.60%
Change (Basis Points)		0	– 13	+ 40	+ 40
MARKETING TIME^c					
Range	0 – 12	0 – 12	1 – 12	1 – 9	2 – 12
Average	4.6	4.7	5.2	4.1	4.7
Change (▼, ▲, =)		▼	▼	▲	▼
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 5.0%	(20.0%) – 5.0%	(25.0%) – 5.0%	0.0% – 5.0%	(5.0%) – 5.0%
Average	(1.4%)	(1.7%)	(4.3%)	1.6%	0.0%
Change (▼, ▲, =)		▲	▲	▼	▼

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

PACIFIC REGION APARTMENT MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 10.00%	6.50% – 10.00%	6.50% – 10.00%	5.50% – 9.00%	5.50% – 9.75%
Average	8.03%	8.03%	7.73%	6.67%	6.95%
Change (Basis Points)		0	+ 30	+ 136	+ 108
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 6.50%	4.45% – 6.50%	3.50% – 6.50%	3.25% – 5.00%	4.00% – 6.00%
Average	5.31%	5.30%	5.21%	4.06%	4.80%
Change (Basis Points)		+ 1	+ 10	+ 125	+ 51
RESIDUAL CAP RATE					
Range	5.00% – 6.50%	5.00% – 6.50%	4.50% – 6.50%	4.00% – 5.50%	4.00% – 6.00%
Average	5.75%	5.75%	5.60%	4.65%	5.15%
Change (Basis Points)		0	+ 15	+ 110	+ 60
MARKET RENT CHANGE^b					
Range	(2.00%) – 5.00%	(2.00%) – 5.00%	(2.00%) – 4.00%	2.00% – 5.00%	(2.50%) – 5.00%
Average	2.50%	2.50%	2.30%	3.92%	0.65%
Change (Basis Points)		0	+ 20	– 142	+ 185
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 15.00%	2.00% – 4.00%	2.00% – 3.00%
Average	3.10%	3.10%	4.20%	2.83%	2.73%
Change (Basis Points)		0	– 110	+ 27	+ 37
MARKETING TIME^c					
Range	0 – 10	0 – 10	1 – 10	1 – 9	3 – 9
Average	4.4	4.4	4.8	4.2	4.7
Change (▼, ▲, =)		=	▼	▲	▼
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 10.0%	(15.0%) – 10.0%	(15.0%) – 5.0%	(10.0%) – 10.0%	(25.0%) – 15.0%
Average	(0.5%)	(0.5%)	(2.7%)	(0.3%)	(3.3%)
Change (▼, ▲, =)		=	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

SOUTHEAST REGION APARTMENT MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.00% – 10.00%	5.00% – 10.00%	6.00% – 10.00%	5.00% – 7.00%	5.25% – 9.50%
Average	7.39%	7.39%	7.75%	5.78%	7.00%
Change (Basis Points)		0	– 36	+ 161	+ 39
OVERALL CAP RATE (OAR)^a					
Range	4.00% – 6.25%	4.50% – 6.50%	4.50% – 6.50%	2.50% – 4.50%	4.00% – 6.50%
Average	5.40%	5.63%	5.54%	3.85%	5.03%
Change (Basis Points)		– 23	– 14	+ 155	+ 37
RESIDUAL CAP RATE					
Range	5.00% – 6.50%	5.00% – 6.50%	5.00% – 6.00%	3.50% – 5.00%	4.50% – 7.00%
Average	5.63%	5.80%	5.54%	4.53%	5.58%
Change (Basis Points)		– 17	+ 9	+ 110	+ 5
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 4.00%	0.00% – 5.00%	0.00% – 4.00%
Average	2.42%	2.60%	2.33%	3.10%	1.45%
Change (Basis Points)		– 18	+ 9	– 68	+ 97
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%	2.00% – 4.00%	2.00% – 4.00%
Average	2.83%	2.85%	2.83%	3.00%	2.90%
Change (Basis Points)		– 2	0	– 17	– 7
MARKETING TIME^c					
Range	2 – 6	2 – 6	2 – 6	1 – 6	1 – 8
Average	4.1	4.2	4.0	3.4	4.0
Change (▼, ▲, =)		▼	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(5.0%) – 10.0%	(5.0%) – 10.0%	(5.0%) – 5.0%	0.0% – 10.0%	0.0% – 2.0%
Average	1.4%	1.1%	(0.3%)	3.3%	0.5%
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL NET LEASE MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 11.00%	6.00% – 11.00%	6.00% – 11.00%	5.00% – 10.00%	5.00% – 10.00%
Average	8.00%	8.00%	8.00%	7.15%	7.10%
Change (Basis Points)		0	0	+ 85	+ 90
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 9.00%	6.25% – 9.00%	6.25% – 9.00%	5.00% – 7.50%	4.00% – 8.00%
Average	7.42%	7.54%	7.51%	5.95%	6.22%
Change (Basis Points)		– 12	– 9	+ 147	+ 120
RESIDUAL CAP RATE					
Range	6.50% – 9.00%	6.50% – 9.00%	6.50% – 9.00%	5.00% – 7.00%	5.50% – 8.00%
Average	7.58%	7.63%	7.62%	6.13%	7.03%
Change (Basis Points)		– 5	– 4	+ 145	+ 55
MARKET RENT CHANGE^b					
Range	(5.00%) – 3.00%	(5.00%) – 3.00%	(5.00%) – 3.00%	(5.00%) – 2.00%	(10.00%) – 2.00%
Average	0.67%	0.67%	0.67%	0.00%	(0.15%)
Change (Basis Points)		0	0	+ 67	+ 82
EXPENSE CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 2.00%
Average	2.00%	2.00%	2.00%	1.60%	1.00%
Change (Basis Points)		0	0	+ 40	+ 100
MARKETING TIME^c					
Range	3 – 18	3 – 18	3 – 18	2 – 18	1 – 18
Average	8.2	8.5	8.5	6.3	5.4
Change (▼, ▲, =)		▼	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(5.0%) – 0.0%	(5.0%) – 0.0%	(5.0%) – 0.0%	(5.0%) – 5.0%	(15.0%) – 0.0%
Average	(2.2%)	(2.5%)	(2.5%)	(1.1%)	(2.5%)
Change (▼, ▲, =)		▲	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL MEDICAL OFFICE BUILDINGS MARKET

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.50% – 11.00%	5.50% – 11.00%	6.50% – 11.00%	4.75% – 11.00%	5.50% – 11.00%
Average	8.30%	8.30%	8.75%	7.55%	7.73%
Change (Basis Points)		0	– 45	+ 75	+ 57
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 10.00%	5.50% – 10.00%	5.75% – 10.00%	4.00% – 10.00%	4.25% – 10.00%
Average	7.16%	7.20%	7.39%	6.36%	6.68%
Change (Basis Points)		– 4	– 23	+ 80	+ 48
RESIDUAL CAP RATE					
Range	5.75% – 10.50%	5.75% – 10.50%	5.75% – 10.25%	4.75% – 10.25%	5.00% – 10.25%
Average	7.33%	7.34%	7.56%	6.78%	6.95%
Change (Basis Points)		– 1	– 23	+ 55	+ 38
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	0.00% – 3.00%
Average	2.50%	2.50%	2.50%	2.05%	1.65%
Change (Basis Points)		0	0	+ 45	+ 85
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%	1.00% – 4.00%
Average	3.50%	3.50%	3.38%	2.85%	2.45%
Change (Basis Points)		0	+ 12	+ 65	+ 105
MARKETING TIME^c					
Range	1 – 10	1 – 9	1 – 12	1 – 12	1 – 12
Average	5.2	5.0	5.4	4.6	5.0
Change (▼, ▲, =)		▲	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(20.0%) – 10.0%	(15.0%) – 15.0%	(20.0%) – 10.0%
Average	(1.0%)	0.0%	(5.0%)	0.8%	(1.4%)
Change (▼, ▲, =)		▼	▲	▼	▲

a. Rate on unleveraged, all-cash transactions; assumes stabilized occupancy

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL FULL-SERVICE LODGING SEGMENT

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	1Q 2020
DISCOUNT RATE (IRR)^a					
Range	8.00% – 12.00%	8.00% – 12.00%	9.00% – 12.00%	8.00% – 11.00%	8.50% – 11.00%
Average	10.65%	10.05%	10.50%	9.88%	9.95%
Change (Basis Points)		+ 60	+ 15	+ 77	+ 70
OVERALL CAP RATE (OAR)^a					
Range	7.00% – 10.00%	7.00% – 9.50%	7.50% – 10.50%	5.50% – 9.00%	6.00% – 9.00%
Average	8.68%	8.48%	8.84%	7.35%	7.38%
Change (Basis Points)		+ 20	– 16	+ 133	+ 130
RESIDUAL CAP RATE					
Range	4.50% – 10.50%	5.00% – 10.50%	6.00% – 10.50%	5.50% – 10.00%	7.00% – 10.00%
Average	8.65%	8.30%	8.70%	8.10%	8.25%
Change (Basis Points)		+ 35	– 5	+ 55	+ 40
AVERAGE DAILY RATE^b					
Range	0.00% – 15.00%	0.00% – 15.00%	0.00% – 6.00%	(5.00%) – 30.00%	0.00% – 3.50%
Average	3.35%	4.40%	3.50%	6.40%	1.90%
Change (Basis Points)		– 105	– 15	– 305	+ 145
EXPENSE CHANGE^b					
Range	2.00% – 15.00%	2.00% – 5.00%	2.00% – 5.00%	0.00% – 5.00%	0.00% – 4.00%
Average	5.50%	3.30%	3.50%	2.80%	2.80%
Change (Basis Points)		+ 220	+ 200	+ 270	+ 270
MARKETING TIME^c					
Range	4 – 24	3 – 12	0 – 12	1 – 12	3 – 9
Average	9.1	6.6	6.1	6.7	6.3
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 5.0%	(10.0%) – 10.0%	(10.0%) – 10.0%	(5.0%) – 15.0%	(1.0%) – 6.0%
Average	(4.4%)	0.9%	(0.1%)	2.5%	1.7%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL LIMITED-SERVICE MIDSCALE & ECONOMY LODGING SEGMENT

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	1Q 2020
DISCOUNT RATE (IRR)^a					
Range	9.50% – 13.00%	8.50% – 14.00%	11.00% – 14.50%	9.00% – 12.00%	7.50% – 12.00%
Average	11.38%	11.00%	12.63%	9.95%	10.00%
Change (Basis Points)		+ 38	– 125	+ 143	+ 138
OVERALL CAP RATE (OAR)^a					
Range	8.00% – 11.00%	7.50% – 12.00%	9.00% – 12.00%	8.00% – 10.50%	7.50% – 11.00%
Average	9.38%	9.50%	10.38%	9.18%	9.10%
Change (Basis Points)		– 12	– 100	+ 20	+ 28
RESIDUAL CAP RATE					
Range	8.50% – 10.00%	7.50% – 11.00%	9.00% – 12.50%	8.00% – 12.00%	7.75% – 12.00%
Average	9.25%	9.25%	10.88%	9.45%	9.33%
Change (Basis Points)		0	– 163	– 20	– 8
AVERAGE DAILY RATE^b					
Range	2.00% – 4.00%	2.00% – 4.00%	2.00% – 7.00%	1.00% – 10.00%	0.00% – 4.00%
Average	3.00%	3.25%	4.25%	6.00%	2.10%
Change (Basis Points)		– 25	– 125	– 300	+ 90
EXPENSE CHANGE^b					
Range	3.00% – 4.00%	3.00% – 4.00%	3.00% – 6.00%	3.00% – 8.00%	2.50% – 5.00%
Average	3.50%	3.50%	4.25%	3.60%	3.15%
Change (Basis Points)		0	– 75	– 10	+ 35
MARKETING TIME^c					
Range	3 – 8	3 – 8	3 – 12	2 – 12	2 – 12
Average	5.5	5.3	7.3	6.7	6.6
Change (▼, ▲, =)		▲	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – (2.0%)	(8.0%) – 5.0%	(10.0%) – (2.0%)	(20.0%) – 6.0%	(3.0%) – 5.0%
Average	(4.3%)	(0.8%)	(6.8%)	(2.3%)	1.1%
Change (▼, ▲, =)		▼	▲	▼	▼

a. Rate on unleveraged, all-cash transactions

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL LUXURY/UPPER-UPSCALE LODGING SEGMENT

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	1Q 2020
DISCOUNT RATE (IRR)^a					
Range	7.50% – 12.00%	7.50% – 11.00%	7.00% – 12.00%	6.50% – 11.00%	6.25% – 12.00%
Average	9.94%	9.63%	9.69%	9.27%	9.30%
Change (Basis Points)		+ 31	+ 25	+ 67	+ 64
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	6.00% – 9.00%	7.00% – 10.00%	4.00% – 9.50%	4.00% – 9.50%
Average	8.38%	8.00%	8.40%	6.77%	7.05%
Change (Basis Points)		+ 38	– 2	+ 161	+ 133
RESIDUAL CAP RATE					
Range	6.50% – 11.00%	6.50% – 10.00%	6.00% – 10.00%	5.00% – 9.50%	5.50% – 9.50%
Average	8.84%	8.09%	8.09%	7.34%	7.53%
Change (Basis Points)		+ 75	+ 75	+ 150	+ 131
AVERAGE DAILY RATE^b					
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 6.00%	0.00% – 20.00%	0.00% – 5.00%
Average	1.75%	2.75%	3.00%	6.00%	2.20%
Change (Basis Points)		– 100	– 125	– 425	– 45
EXPENSE CHANGE^b					
Range	2.00% – 15.00%	2.00% – 7.00%	2.00% – 7.00%	1.00% – 7.00%	1.00% – 3.00%
Average	5.50%	3.88%	3.75%	3.43%	2.70%
Change (Basis Points)		+ 162	+ 175	+ 207	+ 280
MARKETING TIME^c					
Range	4 – 24	4 – 12	4 – 12	1 – 12	3 – 12
Average	9.6	7.4	7.4	7.0	6.7
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 2.0%	(10.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 25.0%	(3.0%) – 5.0%
Average	(4.0%)	(1.3%)	(1.3%)	4.8%	2.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NATIONAL SELECT-SERVICE LODGING SEGMENT

Second Quarter 2025

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	1Q 2020
DISCOUNT RATE (IRR)^a					
Range	10.00% – 12.00%	8.00% – 12.00%	9.00% – 15.00%	9.00% – 12.00%	8.00% – 12.00%
Average	11.00%	10.31%	11.75%	10.55%	10.00%
Change (Basis Points)		+ 69	– 75	+ 45	+ 100
OVERALL CAP RATE (OAR)^a					
Range	8.50% – 11.00%	7.50% – 10.50%	8.00% – 10.50%	7.00% – 9.50%	6.00% – 10.00%
Average	9.81%	9.04%	9.13%	8.10%	8.15%
Change (Basis Points)		+ 77	+ 68	+ 171	+ 166
RESIDUAL CAP RATE					
Range	8.00% – 11.00%	7.00% – 11.00%	8.00% – 11.00%	7.00% – 10.00%	7.00% – 10.00%
Average	9.56%	9.00%	9.63%	8.25%	8.43%
Change (Basis Points)		+ 56	– 7	+ 131	+ 113
AVERAGE DAILY RATE^b					
Range	0.00% – 4.00%	2.00% – 5.00%	2.00% – 5.00%	0.00% – 20.00%	(1.00%) – 8.00%
Average	2.38%	3.50%	3.63%	9.45%	3.00%
Change (Basis Points)		– 112	– 125	– 707	– 62
EXPENSE CHANGE^b					
Range	3.00% – 10.00%	3.00% – 6.00%	3.00% – 6.00%	3.00% – 20.00%	2.00% – 10.00%
Average	5.06%	3.56%	3.75%	5.95%	3.85%
Change (Basis Points)		+ 150	+ 131	– 89	+ 121
MARKETING TIME^c					
Range	1 – 24	1 – 12	1 – 12	1 – 12	2 – 10
Average	8.5	6.3	6.4	4.7	4.9
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(10.0%) – 10.0%	(10.0%) – 10.0%	(10.0%) – 10.0%	(5.0%) – 3.0%
Average	(5.9%)	(1.8%)	(2.8%)	1.7%	0.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions

b. Year-one rate of change c. Months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during April 2025

INVESTMENT AND PROPERTY CHARACTERISTICS: OFFICE MARKETS

Second Quarter 2025

Market	FORECAST VALUE CHANGE NEXT 12 MONTHS		PRICE AS % OF REPLACEMENT COST		MARKET PRICING OPINION (1)			TENANT LEASE TERM (2)	
	Range	Average	Range	Average	Overpriced	Fairly Priced	Underpriced	Range	Average
National CBD	(15.0%) – 1.0%	(5.7%)	40.0% – 100.0%	76.7%	67%	0%	33%	3 – 15	8
National Suburban	(10.0%) – 1.0%	(4.0%)	15.0% – 80.0%	48.8%	25%	25%	50%	3 – 15	7
National Secondary	(40.0%) – 0.0%	(15.3%)	50.0% – 100.0%	79.4%	40%	40%	20%	1 – 7	5
Atlanta	(25.0%) – 10.0%	(8.0%)	20.0% – 100.0%	62.5%	20%	20%	60%	3 – 16	8
Austin	(10.0%) – 0.0%	(5.0%)	50.0% – 100.0%	85.0%	33%	67%	0%	3 – 10	7
Boston	(10.0%) – 0.0%	(6.3%)	25.0% – 100.0%	77.5%	0%	100%	0%	3 – 10	7
Charlotte	insufficient data		insufficient data		insufficient data			insufficient data	
Chicago	(25.0%) – 5.0%	(8.3%)	10.0% – 100.0%	55.8%	33%	67%	0%	3 – 15	9
Dallas	(25.0%) – 10.0%	(4.4%)	25.0% – 100.0%	58.8%	25%	75%	0%	3 – 12	6
Denver	(10.0%) – 10.0%	(4.2%)	10.0% – 100.0%	61.3%	50%	50%	0%	2 – 13	7
Houston	(25.0%) – 0.0%	(9.6%)	30.0% – 110.0%	75.6%	75%	25%	0%	3 – 10	7
Los Angeles	(10.0%) – 5.0%	(2.5%)	25.0% – 100.0%	53.3%	80%	20%	0%	3 – 10	6
Manhattan	(10.0%) – 3.0%	(2.8%)	50.0% – 100.0%	83.3%	67%	33%	0%	3 – 15	8
Northern Virginia	(20.0%) – 0.0%	(6.7%)	50.0% – 100.0%	90.0%	67%	33%	0%	3 – 10	6
Pacific Northwest	(15.0%) – 10.0%	(3.1%)	25.0% – 100.0%	62.9%	43%	67%	0%	2 – 10	7
Philadelphia	(10.0%) – 0.0%	(5.8%)	25.0% – 100.0%	65.8%	67%	33%	0%	3 – 10	8
Phoenix	(15.0%) – 5.0%	(2.5%)	35.0% – 100.0%	75.0%	50%	50%	0%	1 – 12	5
San Diego	insufficient data		insufficient data		insufficient data			insufficient data	
San Francisco	(10.0%) – 15.0%	(0.8%)	10.0% – 100.0%	33.8%	33%	67%	0%	3 – 11	7
Seattle	(15.0%) – 0.0%	(5.8%)	25.0% – 100.0%	60.0%	50%	50%	0%	2 – 10	7
Southeast Florida	(10.0%) – 10.0%	0.8%	50.0% – 100.0%	81.7%	33%	33%	33%	3 – 12	8
Washington, DC	(15.0%) – 0.0%	(4.4%)	50.0% – 100.0%	78.8%	33%	33%	33%	3 – 12	7

(1) Percentages reflect portion of investors who believe market is either overpriced, fairly priced, or underpriced.

(2) Years

Source: PwC Investor Survey; survey conducted by PwC during April 2025

INVESTMENT AND PROPERTY CHARACTERISTICS: NATIONAL AND REGIONAL MARKETS

Second Quarter 2025

Market	FORECAST VALUE CHANGE NEXT 12 MONTHS		PRICE AS % OF REPLACEMENT COST		MARKET PRICING OPINION (1)			OARs		IRRs	
	Range	Average	Range	Average	Over- priced	Fairly Priced	Under- priced	Range	Average	Range	Average
Regional Mall	0.0% – 20.0%	7.2%	50.0% – 100.0%	78.3%	33%	67%	0%				
Class-A+ Regional Mall								4.75% – 7.50%	5.75%	6.00% – 7.00%	6.46%
Class-A Regional Mall								6.00% – 8.00%	7.25%	6.00% – 10.00%	7.83%
Class-B+ Regional Mall								8.00% – 10.00%	9.50%	8.00% – 12.00%	10.50%
Power Center	(10.0%) – 5.0%	(1.5%)	75.0% – 125.0%	96.7%	25%	75%	0%				
Strip Shopping Center	0.0% – 10.0%	2.7%	70.0% – 125.0%	100.0%	50%	50%	0%				
								FINISHED SPACE			
								Range	Average		
Warehouse (National)	(10.0%) – 10.0%	1.5%	60.0% – 110.0%	94.3%	18%	82%	0%	0.0% – 15.0%	5.9%		
Warehouse (East Coast Region)	(5.0%) – 10.0%	1.1%	100.0% – 100.0%	100.0%	20%	80%	0%	2.0% – 15.0%	6.3%		
Warehouse (ENC Region)	0.0% – 10.0%	2.9%	60.0% – 100.0%	92.5%	0%	100%	0%	2.0% – 10.0%	5.0%		
Warehouse (Pacific Region)	(5.0%) – 5.0%	0.6%	90.0% – 105.0%	97.1%	25%	75%	0%	1.0% – 15.0%	6.9%		
Apartment (National)	(2.0%) – 5.0%	1.2%	70.0% – 100.0%	85.0%	25%	75%	0%				
Apartment (Mid-Atlantic Region)	(20.0%) – 5.0%	(1.4%)	65.0% – 133.8%	93.3%	57%	29%	14%				
Apartment (Pacific Region)	(15.0%) – 10.0%	(0.5%)	70.0% – 104.0%	86.6%	40%	60%	0%				
								TENANT LEASE TERM (2)			
								Range	Average		
Apartment (Southeast Region)	(5.0%) – 10.0%	1.4%	70.0% – 120.0%	89.5%	50%	50%	0%				
National Net Lease	(5.0%) – 0.0%	(2.2%)	70.0% – 125.0%	96.7%	33%	67%	0%	6 – 20	13		
National Medical Office Buildings	(10.0%) – 10.0%	(1.0%)	50.0% – 120.0%	82.0%	20%	80%	0%	1 – 15	6		
National Self Storage	(10.0%) – 10.0%	0.9%	50.0% – 150.0%	111.6%	67%	33%	0%				
National Student Housing	0.0% – 10.0%	2.6%	85.0% – 130.0%	108.8%	25%	75%	0%				

(1) Percentages reflect portion of investors who believe market is either overpriced, fairly priced, or underpriced.

(2) Years

ENC - East North Central

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NONINSTITUTIONAL-GRADE INVESTMENT PREFERENCES

Office Markets

Second Quarter 2025

Market	PORTION OF SURVEYED INVESTORS BUYING NONINSTITUTIONAL-GRADE COMMERCIAL REAL ESTATE		INSTITUTIONAL-GRADE PROPERTY RATES			
	Yes	No	DISCOUNT RATES		OVERALL CAP RATES	
			Range	Average	Range	Average
National CBD Office	0%	100%	6.50% – 13.00%	9.38%	5.00% – 9.50%	7.28%
National Suburban Office	0%	100%	7.25% – 12.00%	9.72%	5.00% – 10.00%	8.16%
National Secondary Office	20%	80%	8.00% – 14.00%	10.93%	6.50% – 10.25%	8.40%
Atlanta Office	20%	80%	8.00% – 15.00%	10.60%	7.00% – 12.50%	9.47%
Austin Office	0%	100%	7.50% – 15.00%	10.07%	6.25% – 12.00%	8.85%
Boston Office	0%	100%	6.50% – 10.00%	8.06%	5.10% – 10.00%	7.16%
Charlotte Office	insufficient data		insufficient data		insufficient data	
Chicago Office	33%	67%	8.50% – 15.00%	11.29%	7.00% – 13.00%	9.79%
Dallas Office	25%	75%	6.00% – 13.00%	10.04%	6.00% – 13.00%	10.38%
Denver Office	0%	100%	8.00% – 13.00%	10.32%	6.50% – 12.00%	8.86%
Houston Office	0%	100%	8.00% – 15.00%	11.03%	7.00% – 12.00%	9.85%
Los Angeles Office	20%	80%	7.50% – 12.00%	9.50%	6.50% – 11.00%	8.78%
Manhattan Office	0%	100%	6.00% – 9.50%	7.67%	5.20% – 9.00%	6.66%
Northern Virginia Office	0%	100%	8.50% – 11.00%	9.67%	7.25% – 10.00%	8.00%
Pacific Northwest Office	0%	100%	7.50% – 12.00%	9.91%	6.25% – 12.00%	8.84%
Philadelphia Office	0%	100%	8.00% – 14.00%	10.08%	8.00% – 13.00%	9.75%
Phoenix Office	25%	75%	7.50% – 12.00%	10.05%	6.00% – 9.75%	8.16%
San Diego Office	insufficient data		insufficient data		insufficient data	
San Francisco Office	0%	100%	8.00% – 12.00%	9.63%	6.50% – 10.00%	8.24%
Seattle Office	0%	100%	7.50% – 12.00%	9.21%	6.25% – 10.00%	7.42%
Southeast Florida Office	0%	100%	8.00% – 12.00%	10.10%	6.00% – 10.00%	8.38%
Washington, DC Office	0%	100%	8.00% – 12.00%	10.13%	6.00% – 10.00%	8.13%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NONINSTITUTIONAL-GRADE INVESTMENT PREFERENCES

National and Regional Markets

Second Quarter 2025

Market	PORTION OF SURVEYED INVESTORS BUYING NONINSTITUTIONAL-GRADE COMMERCIAL REAL ESTATE		INSTITUTIONAL-GRADE PROPERTY RATES			
	Yes	No	DISCOUNT RATES		OVERALL CAP RATES	
			Range	Average	Range	Average
National Regional Mall	33%	67%	6.00% – 12.00%	8.08%	4.75% – 10.00%	7.13%
National Power Center	25%	75%	6.00% – 10.00%	8.09%	5.50% – 7.75%	6.75%
National Strip Shopping Center	20%	80%	6.50% – 12.00%	7.96%	5.50% – 10.00%	6.91%
Warehouse (National)	8%	92%	5.75% – 8.00%	7.15%	4.00% – 6.50%	5.17%
Warehouse (East Coast Region)	25%	75%	5.75% – 7.50%	7.03%	4.05% – 6.00%	5.22%
Warehouse (ENC Region)	0%	100%	6.75% – 7.25%	7.09%	4.75% – 5.75%	5.24%
Warehouse (Pacific Region)	0%	100%	6.75% – 8.00%	7.19%	4.75% – 6.25%	5.28%
Apartment (National)	20%	80%	6.00% – 9.00%	7.33%	4.00% – 6.25%	5.30%
Apartment (Mid-Atlantic Region)	17%	83%	5.50% – 10.00%	7.93%	4.00% – 6.50%	5.46%
Apartment (Pacific Region)	20%	80%	6.50% – 10.00%	8.03%	4.50% – 6.50%	5.31%
Apartment (Southeast Region)	40%	60%	5.00% – 10.00%	7.39%	4.00% – 6.25%	5.40%
National Medical Office Buildings	60%	40%	5.50% – 11.00%	8.30%	5.50% – 10.00%	7.16%

ENC - East North Central

Source: PwC Investor Survey; survey conducted by PwC during April 2025

NONINSTITUTIONAL-GRADE PROPERTY RATES

Individual Market Responses - Second Quarter 2025 ⁽¹⁾

NATIONAL	NONINSTITUTIONAL-GRADE PROPERTY RATES			INSTITUTIONAL-GRADE PROPERTY RATES			DIFFERENCE IN BASIS POINTS	
	OVERALL CAP RATES	DISCOUNT RATES	Average	OVERALL CAP RATES	DISCOUNT RATES	Average	OVERALL CAP RATES	DISCOUNT RATES
	Range	Average	Range	Range	Average	Range	Average	Average
Secondary Office Investor	7.50% – 8.50%	8.00%		7.00% – 8.00%	7.50%		50	
Power Center Investor	8.00% – 10.00%	9.00%	8.00% – 9.00%	5.50% – 7.50%	6.50%	6.00% – 10.00%	250	50
Warehouse Investor (National)	6.25% – 8.00%	7.13%	8.00% – 10.00%	5.25% – 6.25%	5.75%	7.00% – 7.75%	138	163
Warehouse Investor (East Coast)	6.00% – 7.00%	6.50%	7.50% – 8.00%	5.00% – 5.25%	5.13%	6.50% – 7.25%	138	87
Apartment Investor (National)	5.50% – 6.50%	6.00%	14.00% – 18.00%	5.50% – 6.00%	5.75%	8.00% – 9.00%	25	750
Apartment Investor (Mid-Atlantic)	5.50% – 6.50%	6.00%		5.00% – 6.00%	5.50%		50	
Apartment Investor (Pacific)	5.50% – 6.50%	6.00%	12.00% – 16.00%	5.00% – 6.00%	5.50%	10.00% – 10.00%	50	400
Medical Office Buildings Investor	7.00% – 9.00%	8.00%		5.75% – 8.00%	6.88%		113	
Medical Office Buildings Investor	7.75% – 8.75%	8.25%	9.00% – 12.00%	6.25% – 8.50%	7.38%	7.50% – 9.50%	87	200
Medical Office Buildings Investor	6.50% – 10.00%	8.25%		5.50% – 7.00%	6.25%		200	
INDIVIDUAL OFFICE MARKETS								
Atlanta Office Investor	9.00% – 14.00%	11.50%	12.00% – 17.00%	7.00% – 12.50%	9.75%	9.00% – 15.00%	175	250
Chicago Office Investor	12.00% – 14.00%	13.00%	14.00% – 15.00%	8.00% – 13.00%	10.50%	10.00% – 14.00%	250	250
Dallas Office Investor	10.00% – 15.00%	12.50%		8.00% – 13.00%	10.50%		200	
Los Angeles Office Investor	8.00% – 11.00%	9.50%	9.00% – 13.00%	7.75% – 10.00%	8.88%	9.00% – 12.00%	63	50
Phoenix Office Investor	8.00% – 10.00%	9.00%	11.00% – 13.00%	8.00% – 9.75%	8.88%	10.00% – 12.00%	13	100
Overall Average	7.50% – 9.73%	8.62%	10.45% – 13.10%	6.25% – 8.48%	7.37%	8.30% – 10.65%	125	230

(1) Each line represents one investor's responses relating to institutional-grade vs noninstitutional-grade properties in the specified market.
Source: PwC Investor Survey; survey conducted by PwC during April 2025

INCOME CAPITALIZED IN DIRECT CAPITALIZATION

Second Quarter 2025

	PERCENTAGE OF SURVEYED INVESTORS CAPITALIZING BY:					
	METHOD 1 (a)		METHOD 2 (a)		METHOD 3 (a)	
	Current	Year Ago	Current	Year Ago	Current	Year Ago
Retail & Niche						
National Regional Mall	33.0%	20.0%	67.0%	80.0%	0.0%	0.0%
National Power Center	25.0%	25.0%	75.0%	75.0%	0.0%	0.0%
National Strip Shopping Center	29.0%	40.0%	71.0%	60.0%	0.0%	0.0%
National Net Lease	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
National Medical Office Buildings	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
National Self Storage ^(b)	0.0%	75.0%	0.0%	0.0%	100.0%	25.0%
National Student Housing ^(c)	25.0%	57.0%	75.0%	43.0%	0.0%	0.0%
Office						
National CBD	0.0%	0.0%	75.0%	100.0%	25.0%	0.0%
National Suburban	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
National Secondary	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
Atlanta	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Austin	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Boston	33.0%	0.0%	67.0%	100.0%	0.0%	0.0%
Charlotte	insufficient data	0.0%	insufficient data	100.0%	insufficient data	0.0%
Chicago	0.0%	25.0%	100.0%	75.0%	0.0%	0.0%
Dallas	25.0%	33.0%	75.0%	67.0%	0.0%	0.0%
Denver	25.0%	40.0%	75.0%	60.0%	0.0%	0.0%
Houston	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Los Angeles	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Manhattan	33.0%	25.0%	67.0%	75.0%	0.0%	0.0%
Northern Virginia	33.0%	33.0%	67.0%	67.0%	0.0%	0.0%
Pacific Northwest	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Philadelphia	33.0%	33.0%	67.0%	67.0%	0.0%	0.0%
Phoenix	50.0%	33.0%	50.0%	67.0%	0.0%	0.0%
San Diego	insufficient data	33.0%	insufficient data	67.0%	insufficient data	0.0%
San Francisco	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Seattle	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Southeast Florida	33.0%	50.0%	67.0%	50.0%	0.0%	0.0%
Washington, DC	50.0%	25.0%	50.0%	75.0%	0.0%	0.0%
Warehouse						
National	33.0%	23.0%	67.0%	62.0%	0.0%	15.0%
East Coast Region	20.0%	17.0%	80.0%	83.0%	0.0%	0.0%
East North Central Region	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%
Pacific Region	25.0%	20.0%	75.0%	60.0%	0.0%	20.0%
Apartment (d)						
National	75.0%	80.0%	25.0%	20.0%	n/a	n/a
Mid-Atlantic Region	100.0%	80.0%	0.0%	20.0%	n/a	n/a
Pacific Region	67.0%	75.0%	33.0%	25.0%	n/a	n/a
Southeast Region	100.0%	67.0%	0.0%	33.0%	n/a	n/a
National Lodging Segment (e)						
Full Service	60.0%	60.0%	20.0%	20.0%	20.0%	20.0%
Limited-Service Midscale & Economy	0.0%	0.0%	50.0%	50.0%	50.0%	50.0%
Luxury/Upper Upscale	50.0%	50.0%	25.0%	25.0%	25.0%	25.0%
Select Service	50.0%	25.0%	25.0%	25.0%	25.0%	50.0%

a. **Method 1:** NOI after deducting capital replacement reserve but before deducting TI costs and leasing commissions

Method 2: NOI before deducting capital replacement reserve, TI costs, and leasing commissions

Method 3: Cash flow after deducting capital replacement reserve, TI costs, and leasing commissions

b. **Method 1:** NOI before deducting all reserves (both general and capital)

Method 2: NOI after deducting all reserves (both general and capital)

Method 3: NOI after deducting general reserves but before capital reserves

c. **Method 1:** NOI after capital replacement reserves

Method 2: NOI before capital replacement reserves

Method 3: Cash flow after capital replacement reserves

d. **Method 1:** NOI after deducting FF&E reserve

Method 2: NOI prior to deducting FF&E reserve

e. **Method 1:** capitalizes the prior 12 months of income

Method 2: capitalizes the next 12 months of income

Method 3: analyzes both the prior 12 months and the next 12 months of income

Source: PwC Investor Survey; survey conducted by PwC during April 2025

FORECAST PERIODS AND CHANGE RATES: OFFICE MARKETS

Second Quarter 2025

Market	FORECAST PERIOD		MARKET RENT CHANGE RATE YEAR ONE		OVER FORECAST PERIOD		EXPENSE CHANGE RATE YEAR ONE		OVER FORECAST PERIOD	
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
National CBD Office	5 – 10	9	0.00% – 3.00%	1.00%	2.00% – 3.00%	2.65%	0.00% – 4.00%	2.63%	2.00% – 5.00%	3.16%
National Suburban Office	3 – 10	8	(2.00%) – 3.00%	0.70%	1.00% – 3.00%	2.32%	2.00% – 5.00%	3.10%	2.00% – 5.00%	3.21%
National Secondary Office	1 – 10	7	0.00% – 3.00%	1.60%	1.00% – 3.00%	2.30%	2.00% – 5.00%	3.40%	2.00% – 5.00%	3.35%
Atlanta Office	4 – 10	8	(5.00%) – 2.50%	(0.70%)	(6.00%) – 3.00%	1.00%	1.50% – 7.00%	3.65%	1.50% – 7.00%	3.31%
Austin Office	3 – 10	7	0.00% – 3.00%	1.00%	1.80% – 3.50%	2.55%	3.00% – 4.00%	3.25%	3.00% – 3.25%	3.04%
Boston Office	3 – 10	8	0.00% – 3.00%	1.17%	0.00% – 3.33%	2.19%	2.00% – 4.00%	3.00%	2.00% – 3.33%	2.89%
Charlotte Office	insufficient data		insufficient data		insufficient data		insufficient data		insufficient data	
Chicago Office	5 – 10	8	0.00% – 1.00%	0.50%	0.00% – 2.70%	1.98%	3.00% – 5.00%	4.33%	3.00% – 5.00%	3.63%
Dallas Office	3 – 10	5	0.00% – 3.00%	1.13%	0.00% – 9.00%	2.88%	2.00% – 4.00%	3.13%	3.00% – 6.00%	4.00%
Denver Office	3 – 10	7	0.00% – 3.00%	0.81%	0.00% – 3.00%	2.36%	2.00% – 5.00%	3.25%	2.00% – 4.00%	3.01%
Houston Office	3 – 10	7	(15.00%) – 3.00%	(1.38%)	(15.00%) – 9.00%	(0.48%)	1.00% – 7.00%	3.38%	2.00% – 7.00%	3.75%
Los Angeles Office	3 – 10	7	(4.00%) – 2.00%	(0.15%)	(4.00%) – 3.00%	1.20%	2.00% – 6.00%	2.93%	2.00% – 4.00%	2.85%
Manhattan Office	3 – 10	8	0.00% – 3.00%	1.17%	0.00% – 3.30%	2.22%	3.00% – 5.00%	3.50%	3.00% – 4.00%	3.22%
Northern Virginia Office	3 – 10	9	0.00% – 0.00%	0.00%	1.95% – 3.00%	2.26%	2.00% – 3.00%	2.83%	2.00% – 3.00%	2.83%
Pacific Northwest Office	5 – 10	9	(3.00%) – 0.00%	(0.21%)	0.00% – 3.00%	1.74%	2.00% – 5.00%	3.36%	2.50% – 5.00%	3.21%
Philadelphia Office	3 – 10	6	0.00% – 3.00%	1.00%	0.00% – 3.00%	2.00%	1.00% – 3.00%	2.50%	1.00% – 3.00%	2.50%
Phoenix Office	3 – 10	8	(2.00%) – 3.00%	0.50%	(2.00%) – 15.00%	4.00%	2.00% – 4.00%	3.16%	2.00% – 20.00%	6.44%
San Diego Office	insufficient data		insufficient data		insufficient data		insufficient data		insufficient data	
San Francisco Office	3 – 10	7	(10.00%) – 0.00%	(2.50%)	(5.00%) – 3.45%	1.01%	2.00% – 3.00%	2.83%	2.00% – 3.00%	2.83%
Seattle Office	5 – 10	9	(3.00%) – 0.00%	(0.38%)	0.00% – 3.00%	1.76%	2.00% – 5.00%	3.13%	2.50% – 4.00%	3.13%
Southeast Florida Office	3 – 11	7	0.00% – 5.00%	1.50%	0.00% – 5.00%	1.83%	2.00% – 7.00%	3.83%	2.00% – 7.00%	3.33%
Washington, DC Office	3 – 10	8	0.00% – 3.00%	0.50%	1.50% – 3.00%	2.25%	2.00% – 3.00%	2.75%	2.00% – 3.00%	2.75%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

FORECAST PERIODS AND CHANGE RATES: NATIONAL AND REGIONAL MARKETS

Second Quarter 2025

Market	FORECAST PERIOD		MARKET RENT CHANGE RATE YEAR ONE		OVER FORECAST PERIOD		EXPENSE CHANGE RATE YEAR ONE		OVER FORECAST PERIOD	
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
National Regional Mall	1 – 10	7	2.00% – 7.00%	3.83%	2.00% – 7.00%	3.83%	2.00% – 5.00%	3.33%	2.00% – 5.00%	3.50%
National Power Center	3 – 10	9	0.00% – 3.00%	1.13%	0.00% – 4.00%	2.08%	2.00% – 3.00%	2.88%	3.00% – 3.25%	3.04%
National Strip Shopping Center	1 – 10	7	0.00% – 5.00%	2.25%	0.00% – 4.00%	2.48%	2.00% – 5.00%	3.14%	2.00% – 4.00%	3.00%
Warehouse (National)	3 – 11	9	0.00% – 5.00%	2.00%	3.00% – 3.75%	3.14%	0.00% – 4.00%	2.42%	0.00% – 3.00%	2.50%
Warehouse (East Coast Region)	5 – 10	10	0.00% – 4.00%	2.60%	0.00% – 4.00%	2.50%	0.00% – 4.00%	2.50%	3.00% – 3.30%	3.05%
Warehouse (East North Central Region)	3 – 10	9	0.00% – 5.00%	1.75%	1.00% – 5.00%	3.11%	2.00% – 5.00%	3.25%	0.00% – 5.00%	2.38%
Warehouse (Pacific Region)	5 – 10	9	0.00% – 3.00%	0.50%	3.00% – 3.60%	3.18%	3.00% – 5.00%	3.25%	0.00% – 4.00%	2.38%
Apartment (National)	1 – 10	8	0.00% – 4.00%	2.40%	2.00% – 4.50%	2.86%	3.00% – 5.00%	3.55%	3.00% – 4.75%	3.23%
Apartment (Mid-Atlantic Region)	3 – 10	6	0.00% – 4.00%	2.54%	0.00% – 5.00%	2.77%	2.00% – 5.00%	3.00%	2.00% – 5.00%	2.94%
Apartment (Pacific Region)	5 – 10	8	(2.00%) – 5.00%	2.50%	0.00% – 5.00%	2.75%	2.00% – 5.00%	3.10%	2.00% – 4.25%	2.83%
Apartment (Southeast Region)	3 – 10	6	0.00% – 4.00%	2.42%	0.00% – 4.25%	2.73%	2.00% – 5.00%	2.83%	2.00% – 4.25%	2.73%
National Net Lease	3 – 20	9	(5.00%) – 3.00%	0.67%	0.00% – 3.00%	1.83%	0.00% – 3.00%	2.00%	1.00% – 3.00%	2.50%
National Medical Office Buildings	3 – 10	7	0.00% – 4.00%	2.50%	0.00% – 3.50%	2.40%	2.00% – 5.00%	3.50%	2.00% – 5.00%	3.20%
National Self Storage	5 – 10	8	0.00% – 5.00%	1.83%			2.00% – 5.00%	3.33%		
National Student Housing	3 – 10	7	3.00% – 7.00%	4.56%	3.00% – 8.00%	5.25%	2.00% – 4.00%	3.00%	2.00% – 4.00%	3.00%

Source: PwC Investor Survey; survey conducted by PwC during April 2025

YIELD COMPARISON

April 1, 2025

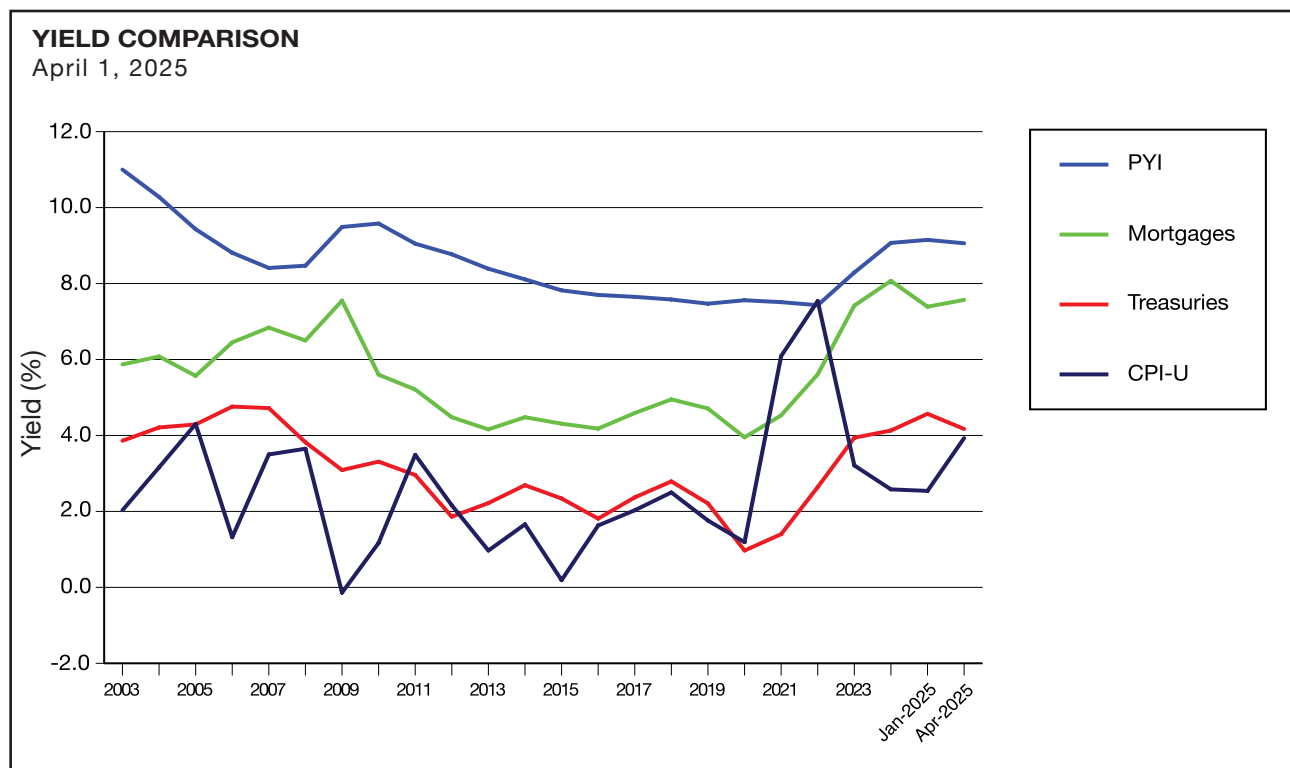
	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 AVERAGE	2024 AVERAGE	2025 JANUARY	2025 APRIL
PwC Yield Indicator (PYI) ^a	7.50%	7.51%	7.43%	8.29%	9.07%	9.15%	9.06%
Long-Term Mortgages ^b	3.95%	4.53%	5.61%	7.42%	8.07%	7.39%	7.57%
10-Year Treasuries ^c	0.97%	1.40%	2.64%	3.94%	4.13%	4.57%	4.17%
Consumer Price Index Change ^d	1.19%	6.09%	7.54%	3.21%	2.58%	2.54%	3.93%
SPREAD TO PYI (Basis Points)							
Long-Term Mortgages	361	298	182	87	100	176	149
10-Year Treasuries	659	611	479	435	494	458	489
Consumer Price Index Change	755	142	(11)	508	649	661	513

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).

b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.



DIVIDEND COMPARISON

April 1, 2025

	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 AVERAGE	2024 AVERAGE	2025 JANUARY	2025 APRIL
PwC Dividend Indicator (PDI) ^a	6.10%	6.00%	5.89%	6.78%	7.65%	7.73%	7.60%
Equity REITs ^b	4.34%	3.24%	3.36%	4.18%	4.05%	3.91%	4.13%
S&P 500 ^c	1.95%	1.43%	1.45%	1.64%	1.35%	1.27%	1.36%
SPREAD TO PDI (Basis Points)							
Equity REITs	176	276	253	260	360	382	347
S&P 500	415	457	444	514	630	646	624

a. A composite OAR (initial rate of return in an all-cash transaction) average of all markets surveyed (excluding hotels, self storage, and student housing).

b. Source: National Association of Real Estate Investment Trusts; dividend yields are as of the starting month of quarter.

c. Source: Standard & Poors; dividend yields are quarterly yields as of the last day of the prior quarter.

Definitions

GENERAL

BASIS POINT

1/100th of a percentage point (0.01%)

CHANGE RATE

Annual compound rate of change

CBD

Central business district

DEVELOPMENT LAND

Land that has been purchased, readied for subdivision development (i.e. entitlements and infrastructure), and subsequently sold to builders.

DEVELOPER'S PROFIT

A market-derived figure that reflects the amount a developer expects to receive for his or her contribution to a project and risk.

DISCOUNT RATE

Internal rate of return (IRR) in an all-cash transaction, based on annual year-end compounding; all-cash refers to all cash or the use of conventional/market financing terms prevalent in the marketplace; an unleveraged return.

FORECAST PERIOD

A presumed period of ownership; a period of time over which expected net operating income is projected for purposes of analysis and valuation; also referred to as projection period.

FORECAST VALUE CHANGE

The rate at which surveyed investors anticipate property values changing in a specific market over the next 12 months.

INSTITUTIONAL-GRADE REAL ESTATE

Real property investments sought by institutional buyers that have the capacity to meet generally prevalent institutional investment criteria.

LEVERAGE

The use of borrowed funds to increase the yield that would otherwise be realized on an equity investment when there is no debt financing.

MARKETING TIME

The period of time between the initial offering of a property for sale and the closing date of the sale.

MEDICAL OFFICE BUILDING (MOB)

A multitenant office building containing physicians' offices and exam rooms, and in some cases pharmacies and ancillary hospital-service space to conduct outpatient services, such as diagnostic testing, rehabilitation, and day-surgery operating procedures.

NET LEASE

A lease in which the landlord passes all expenses on to the tenant. As an investment, an income-producing property leased, often for 20 years or longer, to a national creditworthy tenant.

NET OPERATING INCOME (NOI)

Income remaining after deduction of all property expenses (including real estate taxes); in direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve deduction but before TIs and leasing commissions
2. NOI before capital replacement reserve deduction, TIs, and leasing commissions
3. Cash flow after capital replacement reserve deduction, TIs, and leasing commissions

NET OPERATING INCOME (APARTMENT NOI)

Income remaining after deduction of all property expenses (which includes leasing commissions); in direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve
2. NOI before capital replacement reserve
3. Cash flow after capital replacement reserve

OVERALL CAPITALIZATION (CAP) RATE (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value; the initial rate of return in an unleveraged all-cash transaction; all-cash refers to all cash or the use of conventional/market financing terms prevalent in the marketplace.

PROVISION 1031

A tax code that allows the seller of an investment property to defer capital gains taxes by exchanging the sale proceeds for an investment in a similar property or properties within 180 days of the original closing.

PwC DIVIDEND INDICATOR (PDI)

A composite OAR average of the surveyed markets excluding lodging.

PwC YIELD INDICATOR (PYI)

A composite IRR average of the surveyed markets excluding lodging and development land.

REPLACEMENT COST

The estimated cost to construct, at current prices as of a specific date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

REPLACEMENT RESERVE

Amount allocated for periodic replacement of building components during a property's economic life.

RESIDUAL

Estimated total price at conclusion of the forecast period:

Residual Cap Rate

Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast.

Selling Expense

Transaction expenses (legal, brokerage, marketing, etc.) paid by the seller.

SALE LEASEBACK

A transaction in which an owner sells a property that it fully occupies to a third party and then leases the space back from the new owner.

SECONDARY MARKET

Cities in the U.S. that are secondary to the major, gateway markets, like New York, San Francisco, and Los Angeles. Secondary markets typically offer light rail, diverse housing options, and embody an 18- or 24-hour live-work lifestyle that appeals to residents and employers. Examples of secondary markets are Nashville, Austin, and Tampa.

Various sources for these definitions include The Dictionary of Real Estate Appraisal, Seventh Edition, published by the Appraisal Institute, investor interviews, and Smith Travel Research

SELF STORAGE

Structures consisting of individual, self-contained units leased for the private storage of business, commercial, or personal goods and belongings.

STUDENT HOUSING

Multiunit housing for college students; a specialized student multihousing development; typically with two to four bedrooms off a separate living room with a kitchen and bath in each unit.

TENANT IMPROVEMENT (TI) ALLOWANCE

A dollar amount (usually expressed as an amount per square foot) provided to the tenant by the landlord for the construction of tenant improvements, which may or may not equal the cost of remodeling.

VACANCY ASSUMPTIONS

Months Vacant on Rollover

The number of months a space remains unleased at the expiration of a vacating tenant lease.

Tenant Retention Rate

Percentage of tenants who renew their leases and remain at the property at lease expiration.

Underlying Vacancy & Credit Loss

Percentage of total revenue uncollected due to unexpected vacancy or credit loss (in addition to any rent loss from vacancies at lease expirations).

WAREHOUSE

An industrial property with 16- to 30-foot clear ceiling heights, up to 15.0% finished office space, and dock-high loading facilities used for the storage and distribution of goods.

LODGING

AVERAGE DAILY RATE (ADR)

Room revenue divided by rooms sold

LIMITED-SERVICE MIDSACLE & ECONOMY

Midscale lodging with “rooms only” and no food or beverage except possible continental breakfast; includes all economy lodging; lower-tier pricing; corresponds to STR’s limited-service hotels in the midscale chain scale and all hotels in the economy chain scale; includes brands such as Howard Johnson, Sleep Inn, and Motel 6.

FULL SERVICE

Lodging with restaurant and lounge facilities, meeting space, and a minimum service and amenities level; moderate to lower upper-tier pricing; corresponds to STR’s full-service hotels in the upscale, upper midscale, and midscale chain scales; includes brands such as Doubletree, Radisson, and Ramada.

LUXURY/UPPER UPSCALE

High-quality lodging offering personalized guest services, typically with extensive amenities, and upper-tier pricing; corresponds to STR’s luxury and upper-upscale chain scales; includes brands such as Ritz Carlton, Four Seasons, and Hyatt.

MANAGEMENT FEE

An expense representing the sum paid for or the value of management services, including incentives, expressed as a percentage of total revenue.

NET OPERATING INCOME (LODGING NOI)

Income remaining after deduction of all property expenses: in direct capitalization, lodging investors capitalize one of the following:

1. Prior 12 months
2. Forecast next 12 months
3. Both of the above

OCCUPANCY

Rooms sold divided by rooms available

OPERATING EXPENSES

The ongoing expenditures incurred during the ordinary course of business necessary to maintain and continue the production of gross revenues, not including reserves, debt service, and capital costs.

PROPERTY EXPENSES

Includes all necessary operating expenses and a reserve for replacement of building components and FF&E.

RESERVE FOR REPLACEMENT

An allowance that provides for the periodic replacement of building components, and furniture, fixtures, and equipment (FF&E), which deteriorate and must be replaced during a building’s economic life.

REVPAR

Revenue per available room

SELECT SERVICE

Upscale and upper-midscale lodging with “rooms only” and no food or beverage except possible breakfast; moderate pricing; excludes economy properties; corresponds to STR’s select-service hotels in the upscale chain scale and limited-service hotels in the upper-midscale chain scale; includes brands such as Hampton Inn, Residence Inn, and Comfort Inn.

RETAIL

POWER CENTER

An open center dominated by at least 75.0% large big-box anchors, including discount stores, warehouse clubs, and value-oriented category stores, and a minimal amount of inline store space.

REGIONAL MALL

An enclosed shopping center that contains at least two department stores and has climate-controlled walkways that are lined with smaller retail shops.

REGIONAL MALL CLASSES

Class	Inline Retail Sales (psf)
Trophy	\$925 and up
A+	\$700 to \$924
A	\$550 to \$699
B+	\$425 to \$549
B	\$350 to \$424
C+/C	Less than \$350

STRIP SHOPPING CENTER

An open row of stores either with or without anchor stores that offer convenience (neighborhood centers) and general merchandise (community centers).

TROPHY MALL

Dominant malls in the country whose inline stores generate at least \$925 per square foot of retail sales; they contain well-established inline and anchor stores that are unmatched in the trade area.

Various sources for these definitions include The Dictionary of Real Estate Appraisal, Seventh Edition, published by the Appraisal Institute, investor interviews, and Smith Travel Research

SURVEY MARKET DEBUT DATES

National Markets	Debut Quarter	Debut Year
Regional Mall	4	1991
Power Center	3	1996
Strip Shopping Centers	4	1991
CBD Office	2	1994
Suburban Office	2	1994
Flex/R&d*	2	2002
Warehouse	2	2002
Net Lease	1	2000
Apartment	2	1990
Development Land	2	1997
Medical Office	4	2007
Secondary Office	1	2012
Self Storage	2	2017
Student Housing	2	2014

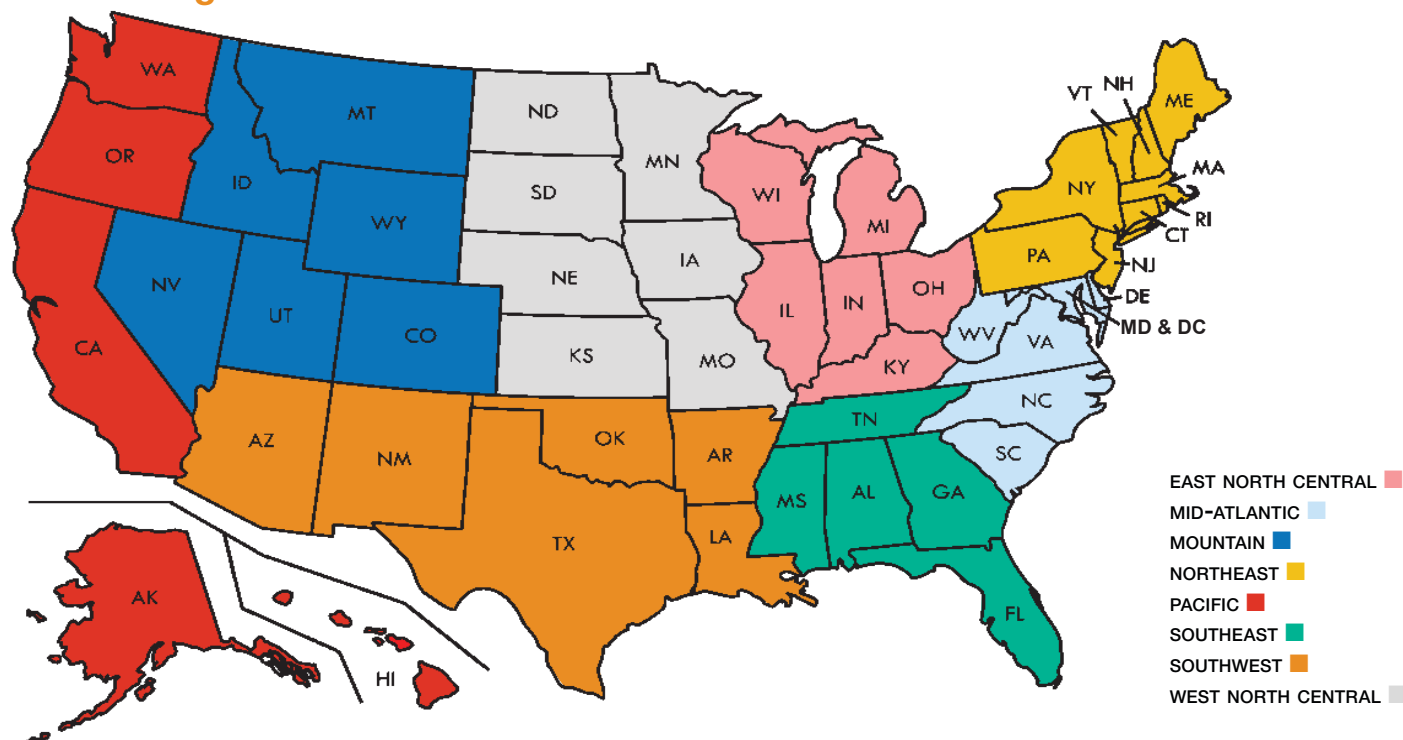
Regional Markets	Debut Quarter	Debut Year
Apartment – Mid-Atlantic	4	2009
Apartment – Southeast	2	2010
Apartment – Pacific	4	2009
Warehouse – East Coast	2	2021
Warehouse – East North Central	4	2012
Warehouse – Pacific	1	2012

*discontinued 4Q 2017

City-Specific Office Markets	Debut Quarter	Debut Year
Atlanta	1	1997
Austin	4	2017
Boston	1	1997
Charlotte	4	2007
Chicago	4	1995
Dallas	4	1998
Denver	2	2007
Houston	4	1998
Los Angeles	4	1990
Manhattan	1	1988
Northern Virginia	3	2001
Pacific Northwest	2	1994
Philadelphia	1	2001
Phoenix	2	2007
San Diego	1	2007
San Francisco	1	1997
Seattle	2	2013
Southeast Florida	3	1995
Suburban Maryland*	3	2001
Washington, DC	3	2001

Lodging	Debut Quarter	Debut Year
Full Service	4	1993
Luxury/Upper Upscale	4	1993
Limited-Service Midscale & Economy	4	1993
Select Service	1	2011
Extended Stay (discontinued 3Q 2010)	3	1998

Market Regions



*East Coast warehouse region includes all Atlantic Ocean coastal states.

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*12-page supplement following COVID-19 pandemic

**16-page supplement following 9/11

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