

Investors Finetuning Strategies for 2024

PwC Investor Survey

Fourth Quarter 2023



In this issue

National Highlights: Investors Finetuning Strategies for 2024	2	National Warehouse	46
Overall Cap Rate Analysis	3	East Coast Region Warehouse	47
Looking Forward	4	ENC Region Warehouse	48
Breakout of Key Indicators	4	Pacific Region Warehouse	49
Valuation Topics Tables		National Apartment	50
Buyers vs. Sellers	5	Mid-Atlantic Region Apartment	51
Vacancy Assumptions	6	Pacific Region Apartment	52
Tenant Improvement Allowances	8	Southeast Region Apartment	53
Selling Expenses	9	National Net Lease	54
Debt Services	10	National Medical Office Buildings	55
National Development Land Market	11	National Full-Service Lodging	56
National Industrial Outdoor Storage	12	National Limited-Service Midscale & Economy Lodging	57
PwC Real Estate Barometer	13	National Luxury/Upper-Upscale Lodging	58
Individual Market Tables		National Select-Service Lodging	59
National Student Housing Market	20	Composite Survey Tables	
Secondary Office Market	21	<i>Investment and Property Characteristics</i>	
National Regional Mall	22	Office Markets	60
National Power Center	23	National and Regional Markets	61
National Strip Shopping Center	24	<i>Institutional-Grade Property Rates and Investor Preferences</i>	
National CBD Office	25	Office Markets	62
National Suburban Office	26	National and Regional Markets	63
Atlanta Office	27	Institutional-Grade vs Noninstitutional-Grade Property Rates	64
Austin Office	28	Income Capitalized in Direct Capitalization	65
Boston Office	29	<i>Forecast Periods and Change Rates</i>	
Charlotte Office	30	Office Markets	66
Chicago Office	31	National and Regional Markets	67
Dallas Office	32	Yield and Dividend Comparisons	68
Denver Office	33	Definitions	69
Houston Office	34	Survey Market Debut Dates	71
Los Angeles Office	35	Market Regions Map	71
Manhattan Office	36	Index of Special Reports	72
Northern Virginia Office	37		
Pacific Northwest Office	38		
Philadelphia Office	39		
Phoenix Office	40		
San Diego Office	41		
San Francisco Office	42		
Seattle Office	43		
Southeast Florida Office	44		
Washington, DC Office	45		

National Highlights

Investors Finetuning Strategies for 2024

As the new year approaches, many investors are adjusting investment strategies and spending time reworking portfolio allocations in order to better contend with the higher cost of capital, the wide-reaching belief that there will be no full office recovery, and the expected impact on property values, especially in the office sector. “The market choppiness will continue into 2024, so patience will be important,” says an office investor. “We will keep watching interest rates and trends in early 2024 to see where things are headed for us late in the year,” shares a suburban office investor, who believes it is best to hold office assets now in lieu of selling, buying, or building. Most surveyed office investors (59.0%) concur that now is the right time to hold assets; 33.0% feel it is the proper time to buy; 9.0% believe it is best to sell; and 1.0% think building is the top play. “Our goal for 2024 is to retain existing tenants and maintain cash flow,” states a mountain-region investor, who senses that buyers control the investment arena.

This quarter, our overall survey results show that most investors (73.0%) feel that market conditions in the commercial real estate industry favor buyers. That portion rises to 91.0% when analyzing the results for only our 19 city-specific office markets. A year ago, these figures were 47.0% and 64.0%, respectively. Two years ago, they were 30.0% and 43.0%, respectively. As the pendulum has swung more in favor of buyers over the past 24 months, the average year-one market rent change rates, average overall cap rates, and average forecast value change expectations are leaning more in favor of buyers now compared to even just a year ago. This quarter, the average year-one market rent change rate was 0.08% for the 19 city-specific office markets. A year ago, it was 1.23%. This quarter, the average overall cap rate stood at 7.98% for the 19 city-specific office markets. A year ago, it was 6.43%. This quarter, the average forecast value change expectation was -11.1% for the 19 city-specific office markets. A year ago, it was -4.1%. Moreover, in ten of our 19 city-specific office markets, the average forecast value change estimate is lower than -11.1% this quarter, including in Atlanta, Dallas, Denver, Chicago, and Washington, DC.

The expectation that property values in the office sector will decline over the next 12 months is a main reason why some investors want to search for potential acquisitions and “rescue” opportunities in 2024. “We want to increase our acquisitions by taking advantage of distressed situations,” says an investor. Focusing on quality assets and using conservative underwriting, investors expect to find ways to diligently deploy capital in the year ahead. “We will cautiously look for opportunities, but don’t feel we need to aggressively invest,” remarks an investor. Other goals and strategies noted by office investors for the year ahead include maintaining occupancy, pushing up rental rates when able, preserving capital, buying based on in-place income, exiting nonstrategic holdings, buying in other property sectors, and perhaps most importantly, “staying alive until 2025.”

Forecast Value Change Averages Per Sector*

	Office	Retail	Warehouse	Apartment
4Q23	- 11.5%	- 3.1%	- 1.2%	- 3.6%
4Q21	- 0.6%	- 1.5%	+ 6.6%	+ 2.1%

* Average forecast response for the combined survey markets in each property sector (excluding niche markets)

Overall Cap Rate Analysis

For fourth quarter 2023, the average overall capitalization (cap) rate increases in 37 Survey markets,

declines in one, and holds in two compared to last quarter. For all markets, the quarterly average

shift is a 28-basis-point increase. The average annual change is a 124-basis-point increase.

Table 1
OVERALL CAPITALIZATION RATE ANALYSIS
Fourth Quarter 2023

	OVERALL CAP RATES		BASIS-POINT CHANGE		EXPECTED SHIFT (IN SIX MONTHS)*		
	Range	Average	Quarterly	Year Ago	Increase	Decrease	Hold Steady
National Markets							
Regional Mall	5.00% – 14.00%	7.88%	28	65	0%	40%	60%
Power Center	5.50% – 7.50%	6.66%	19	23	50%	25%	25%
Strip Shopping Center	5.25% – 10.00%	7.50%	34	36	67%	0%	33%
CBD Office	4.50% – 10.00%	6.78%	59	108	100%	0%	0%
Suburban Office	5.00% – 8.00%	6.72%	18	75	80%	0%	20%
Net Lease	6.25% – 9.00%	7.38%	25	125	100%	0%	0%
Medical Office Buildings	5.25% – 10.00%	7.17%	3	48	75%	0%	25%
Secondary Office	6.00% – 10.25%	8.49%	33	126	83%	0%	17%
Student Housing	5.00% – 8.00%	6.15%	61	82	60%	0%	40%
Warehouse Markets							
National	3.00% – 7.00%	5.23%	26	94	67%	0%	33%
East Coast Region	3.55% – 5.75%	4.99%	24	110	83%	0%	17%
East North Central Region	4.25% – 5.50%	5.06%	25	106	50%	0%	50%
Pacific Region	4.50% – 6.50%	5.23%	23	143	33%	0%	67%
Apartment Markets							
National	4.00% – 8.00%	5.59%	31	84	86%	0%	14%
Mid-Atlantic Region	4.25% – 6.50%	5.43%	30	73	80%	0%	20%
Pacific Region	3.50% – 6.50%	5.04%	35	94	75%	0%	25%
Southeast Region	4.50% – 6.00%	5.25%	0	125	33%	0%	67%
Individual Office Markets							
Atlanta	5.00% – 11.00%	8.67%	34	209	67%	0%	33%
Austin	6.00% – 10.00%	7.75%	8	188	100%	0%	0%
Boston	5.00% – 10.00%	7.38%	11	135	100%	0%	0%
Charlotte	6.25% – 9.50%	7.84%	28	166	75%	0%	25%
Chicago	6.50% – 12.00%	8.91%	7	120	80%	0%	20%
Dallas	5.00% – 12.00%	8.29%	25	157	100%	0%	0%
Denver	6.25% – 11.50%	8.38%	50	210	60%	0%	40%
Houston	6.50% – 12.00%	8.84%	44	144	67%	0%	33%
Los Angeles	6.00% – 10.00%	7.91%	39	136	40%	0%	60%
Manhattan	5.50% – 9.50%	7.08%	8	185	100%	0%	0%
Northern Virginia	6.00% – 10.00%	7.08%	50	100	67%	0%	33%
Pacific Northwest	6.00% – 12.00%	7.93%	32	213	71%	0%	29%
Philadelphia	6.00% – 10.50%	8.46%	8	153	0%	0%	100%
Phoenix	5.50% – 10.00%	8.35%	0	190	50%	0%	50%
San Diego	6.00% – 12.00%	8.58%	125	239	67%	0%	33%
San Francisco	5.00% – 12.00%	8.30%	56	197	80%	0%	20%
Seattle	6.00% – 9.00%	7.11%	4	136	75%	0%	25%
Southeast Florida	5.25% – 10.50%	7.70%	43	103	25%	0%	75%
Washington, DC	5.50% – 10.00%	6.79%	50	159	75%	0%	25%
Lodging Markets							
Full Service	7.00% – 10.00%	8.58%	–15	133	60%	0%	40%
Limited-Service Midscale & Economy	9.00% – 12.00%	10.38%	21	63	Insufficient data		
Luxury/Upper Upscale	4.50% – 10.00%	7.88%	19	75	100%	0%	0%
Select Service	7.50% – 10.00%	8.94%	6	44	80%	0%	20%

* Percentage of participants that foresee the following directional shift in overall cap rates

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Looking forward

Over the next six months, most investors expect overall cap rates to increase in the greatest portion of markets (30 of them) while they expect rates to hold steady in the second-highest portion (seven markets as shown in Table 1).

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, the Dallas, Denver, and Phoenix office markets see a reversal this quarter. As a whole, the spread between the average overall cap rates for the CBDs versus the suburbs has shrunk over the past two years, declining

from 94 basis points in the fourth quarter of 2021 to 56 basis points this quarter.

As the office sector continues to work through challenges brought about by cemented work-from-home patterns, higher costs of capital, and market uncertainty, the spread between these rates could continue to tighten as investors' perceptions of investment risk also continue to evolve.

Table 2

BREAKOUT OF KEY INDICATORS

Fourth Quarter 2023

CBD of	DISCOUNT RATE		OVERALL CAPITALIZATION RATE		RESIDUAL CAPITALIZATION RATE	
	Range	Average	Range	Average	Range	Average
Atlanta	7.00% – 12.00%	9.51%	5.00% – 10.50%	8.29%	6.25% – 10.50%	8.13%
Austin	7.50% – 10.00%	8.71%	6.00% – 9.00%	7.50%	6.50% – 8.50%	7.46%
Boston	6.25% – 11.00%	8.06%	5.00% – 10.00%	6.84%	5.50% – 10.00%	7.22%
Charlotte	8.50% – 11.00%	10.17%	6.25% – 9.00%	7.38%	6.00% – 8.00%	7.00%
Chicago	8.00% – 14.00%	9.66%	6.50% – 11.00%	8.00%	6.50% – 12.00%	8.95%
Dallas	6.00% – 13.00%	9.25%	5.00% – 12.00%	8.50%	6.00% – 10.00%	7.75%
Denver	7.75% – 12.00%	9.93%	6.25% – 11.00%	8.41%	6.00% – 10.00%	7.81%
Houston	8.00% – 14.00%	10.24%	6.50% – 12.00%	8.58%	6.75% – 12.00%	8.45%
Los Angeles	7.50% – 13.00%	9.24%	6.00% – 10.00%	7.81%	6.00% – 10.00%	8.00%
Manhattan	6.00% – 8.50%	7.54%	5.50% – 9.50%	7.08%	4.50% – 7.50%	6.63%
Pacific Northwest	7.00% – 12.00%	9.33%	6.00% – 10.00%	7.59%	6.25% – 11.00%	7.73%
Philadelphia	8.00% – 11.00%	9.25%	6.00% – 10.00%	7.92%	6.50% – 10.00%	7.75%
Phoenix	8.00% – 13.00%	10.58%	7.00% – 9.00%	8.58%	7.00% – 10.00%	8.29%
San Diego	insufficient data		insufficient data		insufficient data	
San Francisco	5.00% – 12.00%	8.56%	5.00% – 12.00%	8.01%	5.00% – 10.00%	7.40%
Seattle	7.00% – 12.00%	8.78%	6.00% – 9.00%	7.06%	6.25% – 9.50%	7.44%
Southeast Florida	6.50% – 12.00%	9.25%	5.25% – 10.00%	7.22%	6.00% – 10.00%	7.16%
Washington, DC	7.00% – 10.00%	8.00%	5.50% – 10.00%	6.79%	5.50% – 9.00%	7.03%
Nat'l Secondary Office	7.00% – 15.00%	9.92%	6.00% – 10.00%	8.15%	5.00% – 10.00%	7.91%

Suburbs of	DISCOUNT RATE		OVERALL CAPITALIZATION RATE		RESIDUAL CAPITALIZATION RATE	
	Range	Average	Range	Average	Range	Average
Atlanta	8.00% – 13.00%	10.10%	7.00% – 11.00%	9.04%	6.50% – 10.50%	8.42%
Austin	8.00% – 11.00%	9.42%	6.25% – 10.00%	8.00%	6.75% – 9.00%	7.75%
Boston	6.50% – 11.00%	8.50%	6.00% – 10.00%	7.92%	6.50% – 10.00%	8.13%
Charlotte	9.00% – 12.50%	11.04%	7.25% – 9.50%	8.31%	7.00% – 10.50%	8.34%
Chicago	8.00% – 15.00%	11.00%	8.00% – 12.00%	9.81%	8.00% – 12.00%	10.05%
Dallas	9.00% – 10.50%	9.63%	6.00% – 10.00%	8.08%	6.00% – 9.00%	7.54%
Denver	7.75% – 12.00%	9.55%	6.50% – 11.50%	8.35%	6.00% – 11.00%	8.23%
Houston	8.50% – 14.00%	10.50%	7.00% – 12.00%	9.10%	7.50% – 10.50%	8.84%
Los Angeles	7.50% – 13.00%	9.46%	6.00% – 10.00%	8.00%	6.00% – 10.00%	8.05%
Northern Virginia	6.75% – 10.00%	8.21%	6.00% – 10.00%	7.08%	6.50% – 8.50%	7.21%
Pacific Northwest	7.50% – 9.50%	9.40%	6.00% – 12.00%	8.26%	6.50% – 13.00%	8.95%
Philadelphia	9.50% – 11.50%	10.42%	7.50% – 10.50%	9.00%	8.50% – 10.00%	9.29%
Phoenix	7.50% – 13.00%	10.03%	5.50% – 10.00%	8.11%	6.50% – 10.00%	8.21%
San Diego	7.00% – 12.50%	10.13%	6.00% – 12.00%	8.58%	6.50% – 9.00%	7.75%
San Francisco	7.00% – 13.00%	9.42%	6.00% – 12.00%	8.58%	6.00% – 11.00%	8.31%
Seattle	7.50% – 9.50%	9.00%	6.00% – 7.50%	7.17%	6.50% – 10.00%	7.71%
Southeast Florida	7.00% – 11.50%	9.19%	6.00% – 10.50%	8.19%	6.00% – 10.50%	8.19%
Nat'l Secondary Office	8.00% – 13.00%	10.77%	7.50% – 10.25%	8.84%	7.50% – 9.00%	8.51%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Table 3
BUYERS vs. SELLERS
 Fourth Quarter 2023

	Buyers' Market	Sellers' Market	Neutral Market*		Buyers' Market	Sellers' Market	Neutral Market*
National Markets				Office Markets			
Regional Mall	80%	0%	20%	Atlanta	100%	0%	0%
Power Center	50%	0%	50%	Austin	100%	0%	0%
Strip Shopping Center	20%	0%	80%	Boston	100%	0%	0%
CBD Office	80%	0%	20%	Charlotte	100%	0%	0%
Suburban Office	100%	0%	0%	Chicago	100%	0%	0%
Net Lease	100%	0%	0%	Dallas	100%	0%	0%
Medical Office Buildings	50%	0%	50%	Denver	80%	0%	20%
Secondary Office	50%	0%	50%	Houston	100%	0%	0%
Self Storage	0%	63%	38%	Los Angeles	80%	0%	20%
Student Housing	67%	33%	0%	Manhattan	100%	0%	0%
				Northern Virginia	100%	0%	0%
Apartment Markets				Pacific Northwest	100%	0%	0%
National	40%	20%	40%	Philadelphia	67%	0%	33%
Mid-Atlantic Region	60%	20%	20%	Phoenix	50%	0%	50%
Pacific Region	50%	0%	50%	San Diego	100%	0%	0%
Southeast Region	67%	0%	33%	San Francisco	80%	0%	20%
				Seattle	100%	0%	0%
Lodging Markets				Southeast Florida	75%	0%	25%
Full Service	60%	0%	40%	Washington, DC	100%	0%	0%
Limited-Service Midscale & Economy	Insufficient data						
Luxury/Upper Upscale	25%	25%	50%				
Select Service	60%	0%	40%				
Warehouse Markets							
National	45%	18%	36%				
East Coast Region	67%	0%	33%				
East North Central Region	50%	50%	0%				
Pacific Region	50%	17%	33%				

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 October 2023

Table 4
VACANCY ASSUMPTIONS: OFFICE MARKETS
Fourth Quarter 2023

Market	MONTHS VACANT ON ROLLOVER			TENANT RETENTION RATE			YEAR AGO			UNDERLYING VACANCY & CREDIT LOSS		
	Range	Average	Range	Range	Average	Range	Range	Average	Range	Range	Average	Range
National CBD Office	0 – 18	9	3 – 12	50.0% – 75.0%	65.0%	50.0% – 75.0%	50.0% – 75.0%	65.0%	0.5% – 15.0%	7.4%	0.5% – 10.0%	4.9%
National Suburban Office	6 – 18	11	5 – 14	20.0% – 70.0%	56.5%	50.0% – 75.0%	50.0% – 75.0%	64.5%	1.0% – 16.0%	9.6%	1.0% – 10.0%	5.9%
National Secondary Office	5 – 18	11	6 – 18	40.0% – 75.0%	61.3%	40.0% – 75.0%	40.0% – 75.0%	67.5%	0.0% – 18.0%	7.1%	0.0% – 15.0%	6.5%
Atlanta Office	5 – 18	11	4 – 18	40.0% – 75.0%	61.7%	50.0% – 75.0%	50.0% – 75.0%	67.0%	2.0% – 12.0%	6.9%	0.0% – 12.0%	6.0%
Austin Office	5 – 12	10	3 – 12	50.0% – 70.0%	65.0%	50.0% – 80.0%	50.0% – 80.0%	67.0%	5.0% – 13.0%	8.5%	1.0% – 12.0%	6.8%
Boston Office	3 – 12	8	3 – 12	25.0% – 70.0%	59.4%	50.0% – 75.0%	50.0% – 75.0%	66.0%	4.0% – 20.0%	8.8%	3.0% – 10.0%	6.0%
Charlotte Office	5 – 15	10	5 – 15	40.0% – 75.0%	61.3%	50.0% – 80.0%	50.0% – 80.0%	68.0%	5.0% – 15.0%	8.7%	5.0% – 10.0%	7.0%
Chicago Office	6 – 24	13	6 – 24	40.0% – 70.0%	60.0%	50.0% – 75.0%	50.0% – 75.0%	65.0%	7.0% – 20.0%	13.0%	7.0% – 15.0%	9.8%
Dallas Office	6 – 12	10	6 – 12	50.0% – 75.0%	65.8%	50.0% – 75.0%	50.0% – 75.0%	67.0%	2.0% – 15.0%	8.0%	2.0% – 15.0%	7.0%
Denver Office	6 – 30	13	6 – 10	25.0% – 70.0%	56.0%	60.0% – 70.0%	60.0% – 70.0%	66.0%	5.0% – 18.0%	11.2%	5.0% – 8.0%	6.3%
Houston Office	6 – 36	14	5 – 36	40.0% – 75.0%	61.3%	50.0% – 75.0%	50.0% – 75.0%	65.0%	5.0% – 20.0%	10.3%	3.0% – 20.0%	10.5%
Los Angeles Office	6 – 24	11	4 – 15	50.0% – 75.0%	61.5%	50.0% – 75.0%	50.0% – 75.0%	65.0%	5.0% – 25.0%	12.5%	5.0% – 15.0%	9.8%
Manhattan Office	2 – 10	8	2 – 18	40.0% – 70.0%	58.8%	50.0% – 85.0%	50.0% – 85.0%	65.5%	2.5% – 12.0%	7.8%	2.5% – 15.0%	7.4%
Northern Virginia Office	9 – 18	12	6 – 18	50.0% – 75.0%	60.8%	50.0% – 75.0%	50.0% – 75.0%	64.5%	5.0% – 15.0%	10.5%	3.0% – 10.0%	6.3%
Pacific Northwest Office	6 – 24	12	3 – 12	40.0% – 75.0%	63.6%	60.0% – 75.0%	60.0% – 75.0%	68.2%	5.0% – 20.0%	9.5%	1.0% – 15.0%	7.8%
Philadelphia Office	6 – 15	11	6 – 12	50.0% – 80.0%	65.0%	50.0% – 75.0%	50.0% – 75.0%	65.5%	5.0% – 10.0%	7.5%	5.0% – 10.0%	6.8%
Phoenix Office	8 – 21	14	3 – 18	50.0% – 65.0%	58.8%	60.0% – 70.0%	60.0% – 70.0%	66.5%	8.0% – 25.0%	14.1%	6.0% – 20.0%	11.1%
San Diego Office	5 – 18	10	5 – 12	60.0% – 70.0%	65.0%	60.0% – 75.0%	60.0% – 75.0%	69.5%	1.0% – 15.0%	6.5%	1.0% – 12.0%	5.4%
San Francisco Office	8 – 24	16	6 – 18	25.0% – 70.0%	52.5%	45.0% – 75.0%	45.0% – 75.0%	63.0%	4.0% – 20.0%	9.8%	2.0% – 12.5%	6.2%
Seattle Office	6 – 24	12	3 – 12	40.0% – 75.0%	63.8%	50.0% – 75.0%	50.0% – 75.0%	67.0%	5.0% – 15.0%	8.6%	1.0% – 15.0%	7.1%
Southeast Florida Office	6 – 12	9	6 – 12	30.0% – 75.0%	58.8%	40.0% – 75.0%	40.0% – 75.0%	64.0%	5.0% – 10.0%	7.4%	5.0% – 16.0%	9.2%
Washington, DC Office	8 – 18	11	4 – 18	50.0% – 75.0%	61.3%	50.0% – 75.0%	50.0% – 75.0%	66.5%	8.0% – 15.0%	11.8%	5.0% – 10.0%	7.5%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Table 4

VACANCY ASSUMPTIONS: NATIONAL AND REGIONAL MARKETS

Fourth Quarter 2023

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	Range
National Regional Mall	5 – 24	13	6 – 24	50.0% – 90.0%	69.0%	50.0% – 95.0%	50.0% – 95.0%	68.8%	3.0% – 30.0%	9.9%	3.0% – 10.0%	6.1%
National Power Center	3 – 18	9	3 – 18	60.0% – 80.0%	68.1%	60.0% – 80.0%	60.0% – 80.0%	67.0%	5.0% – 12.0%	8.0%	5.0% – 15.0%	8.5%
National Strip Shopping Center	3 – 24	11	3 – 24	50.0% – 85.0%	67.5%	50.0% – 95.0%	50.0% – 95.0%	69.0%	1.0% – 18.0%	6.1%	1.0% – 18.0%	5.8%
Warehouse (National)	2 – 12	7	2 – 12	50.0% – 100.0%	70.5%	50.0% – 80.0%	50.0% – 80.0%	70.9%	0.0% – 6.0%	2.3%	0.0% – 6.0%	2.3%
Warehouse (East Coast Region)	1 – 12	6	3 – 12	65.0% – 90.0%	72.3%	65.0% – 85.0%	65.0% – 85.0%	72.1%	0.0% – 4.0%	1.8%	0.0% – 5.0%	1.8%
Warehouse (East North Central Region)	6 – 9	7	3 – 9	60.0% – 75.0%	67.5%	50.0% – 80.0%	50.0% – 80.0%	69.0%	2.0% – 8.0%	5.3%	2.0% – 8.0%	4.6%
Warehouse (Pacific Region)	1 – 9	4	1 – 9	60.0% – 80.0%	70.4%	60.0% – 80.0%	60.0% – 80.0%	71.0%	0.0% – 15.0%	4.0%	0.0% – 5.0%	1.7%
Apartment (National)									1.0% – 12.0%	5.6%	1.0% – 12.0%	4.9%
Apartment (Mid-Atlantic Region)									4.5% – 8.0%	6.0%	4.0% – 8.0%	5.7%
Apartment (Pacific Region)									4.0% – 8.0%	5.7%	3.0% – 10.0%	5.7%
Apartment (Southeast Region)									4.0% – 7.0%	5.2%	5.0% – 10.0%	5.9%
National Net Lease	5 – 24	13	5 – 24	25.0% – 100.0%	69.2%	25.0% – 100.0%	25.0% – 100.0%	69.2%	0.0% – 8.0%	4.0%	0.0% – 8.0%	3.8%
National Medical Office Buildings	6 – 24	14	6 – 24	70.0% – 95.0%	80.0%	70.0% – 95.0%	70.0% – 95.0%	80.0%	0.0% – 10.0%	5.5%	0.0% – 10.0%	5.6%
National Student Housing									1.0% – 15.0%	6.6%	2.0% – 10.0%	5.5%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Table 5
TENANT IMPROVEMENT ALLOWANCES
Fourth Quarter 2023

	SHELL SPACE (\$ per sq. ft.)			2ND-GENERATION SPACE (\$ per sq. ft.)			RENEWALS (\$ per sq. ft.)		
	Low	High	Average	Low	High	Average	Low	High	Average
National Markets									
Strip Shopping Center	\$10.00	\$150.00	\$52.92	\$0.00	\$100.00	\$25.83	\$0.00	\$30.00	\$7.92
CBD Office	\$50.00	\$225.00	\$113.13	\$20.00	\$175.00	\$71.88	\$10.00	\$125.00	\$49.38
Suburban Office	\$45.00	\$135.00	\$80.63	\$25.00	\$100.00	\$55.00	\$10.00	\$75.00	\$38.75
Medical Office Buildings	\$40.00	\$100.00	\$73.13	\$5.00	\$50.00	\$25.63	\$0.00	\$35.00	\$12.25
Secondary Office	\$10.00	\$100.00	\$65.42	\$10.00	\$70.00	\$41.67	\$10.00	\$25.00	\$16.67
Industrial Markets									
National Warehouse	\$0.25	\$15.00	\$5.23	\$0.50	\$8.00	\$2.29	\$0.00	\$3.75	\$1.28
East Coast Region Warehouse	\$1.00	\$15.00	\$5.00	\$0.50	\$3.00	\$1.50	\$0.25	\$2.00	\$0.92
ENC Region Warehouse	\$0.25	\$5.00	\$2.56	\$0.00	\$3.00	\$1.25	\$0.00	\$1.00	\$0.50
Pacific Region Warehouse	\$0.00	\$5.00	\$2.50	\$0.00	\$3.00	\$1.20	\$0.00	\$1.50	\$0.70
Office Markets									
Atlanta	\$45.00	\$130.00	\$82.92	\$20.00	\$75.00	\$49.17	\$5.00	\$50.00	\$29.00
Austin	\$55.00	\$125.00	\$78.33	\$25.00	\$75.00	\$39.17	\$10.00	\$30.00	\$16.67
Boston	\$15.00	\$150.00	\$95.83	\$10.00	\$150.00	\$68.75	\$5.00	\$75.00	\$36.88
Charlotte	\$25.00	\$125.00	\$85.00	\$10.00	\$100.00	\$60.00	\$10.00	\$100.00	\$42.50
Chicago	\$45.00	\$200.00	\$106.50	\$25.00	\$150.00	\$65.50	\$10.00	\$125.00	\$42.00
Dallas	\$25.00	\$100.00	\$73.33	\$5.00	\$100.00	\$50.83	\$5.00	\$40.00	\$21.67
Denver	\$15.00	\$180.00	\$90.50	\$10.00	\$125.00	\$60.50	\$5.00	\$100.00	\$32.00
Houston	\$25.00	\$125.00	\$80.00	\$8.00	\$110.00	\$54.00	\$3.00	\$80.00	\$29.83
Los Angeles	\$45.00	\$120.00	\$82.50	\$10.00	\$100.00	\$44.00	\$0.00	\$60.00	\$25.50
Manhattan	\$40.00	\$140.00	\$100.00	\$10.00	\$40.00	\$26.25	\$10.00	\$45.00	\$27.50
Northern Virginia	\$55.00	\$125.00	\$90.00	\$35.00	\$110.00	\$70.83	\$25.00	\$80.00	\$46.67
Pacific Northwest	\$40.00	\$200.00	\$105.36	\$10.00	\$150.00	\$71.43	\$5.00	\$80.00	\$45.71
Philadelphia	\$20.00	\$100.00	\$60.83	\$5.00	\$100.00	\$41.67	\$0.00	\$50.00	\$19.17
Phoenix	\$50.00	\$125.00	\$80.63	\$25.00	\$80.00	\$51.25	\$10.00	\$75.00	\$32.50
San Diego	\$60.00	\$300.00	\$128.75	\$25.00	\$100.00	\$54.17	\$0.00	\$40.00	\$26.67
San Francisco	\$40.00	\$220.00	\$120.00	\$10.00	\$150.00	\$75.00	\$0.00	\$100.00	\$42.50
Seattle	\$40.00	\$200.00	\$105.63	\$10.00	\$150.00	\$64.38	\$5.00	\$80.00	\$40.63
Southeast Florida	\$5.00	\$125.00	\$67.50	\$0.00	\$115.00	\$50.00	\$5.00	\$60.00	\$31.25
Washington, DC	\$80.00	\$200.00	\$129.38	\$40.00	\$150.00	\$83.75	\$15.00	\$125.00	\$59.38
Average (office markets only)			\$92.79			\$56.88			\$34.11
Average (all markets)			\$77.27			\$46.67			\$27.73

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Table 6
SELLING EXPENSES [as a % of proceeds]
 Fourth Quarter 2023

	Range	Average		Range	Average
National Markets			Office Markets		
Regional Mall	0.50% – 5.00%	2.03%	Atlanta	0.70% – 2.50%	1.58%
Power Center	1.00% – 2.50%	1.69%	Austin	1.00% – 3.00%	2.08%
Strip Shopping Center	0.50% – 3.00%	1.92%	Boston	1.00% – 3.00%	1.88%
CBD Office	0.50% – 4.00%	2.00%	Charlotte	0.50% – 3.00%	1.44%
Suburban Office	0.50% – 6.50%	2.20%	Chicago	0.50% – 5.00%	2.35%
Secondary Office	1.00% – 6.00%	3.08%	Dallas	1.00% – 3.00%	1.67%
Net Lease	1.00% – 6.00%	3.50%	Denver	1.00% – 3.00%	1.85%
Medical Office Buildings	0.50% – 4.00%	2.00%	Houston	1.00% – 4.00%	1.88%
Student Housing	0.50% – 3.00%	1.47%	Los Angeles	1.00% – 5.00%	2.20%
Apartment Markets			Manhattan	1.00% – 3.00%	2.25%
National	0.50% – 6.00%	2.23%	Northern Virginia	1.25% – 3.00%	1.88%
Mid-Atlantic Region	0.75% – 3.00%	1.58%	Pacific Northwest	1.00% – 4.75%	3.29%
Pacific Region	0.50% – 3.00%	1.06%	Philadelphia	1.50% – 4.00%	2.50%
Southeast Region	1.00% – 2.00%	1.50%	Phoenix	1.00% – 3.00%	2.06%
Warehouse Markets			San Diego	1.00% – 5.00%	2.25%
National	0.50% – 6.50%	1.96%	San Francisco	0.50% – 6.50%	3.53%
East Coast Region	1.00% – 4.00%	1.96%	Seattle	2.00% – 4.50%	3.78%
East North Central Region	1.00% – 3.00%	2.25%	Southeast Florida	1.00% – 3.00%	1.69%
Pacific Region	0.75% – 4.00%	2.17%	Washington, DC	2.00% – 4.00%	2.69%
Lodging Markets					
Full Service	0.50% – 2.50%	1.60%			
Limited-Service Midscale & Economy	1.00% – 3.00%	2.00%			
Luxury/Upper Upscale	0.50% – 3.00%	1.81%			
Select Service	1.40% – 2.40%	3.00%			

Source: PwC Investor Survey; survey conducted by PwC during October 2023

Table 7
DEBT SERVICE
 Fourth Quarter 2023

	INTEREST RATES (%)			DEBT PERCENTAGES			PREMIUM ADDED (1)		
	Low	High	Average	Low	High	Average	Low	High	Average
National & Regional Markets									
Regional Mall	5.0%	15.0%	9.2%	30%	80%	53%	150	700	325
Power Center									
Strip Shopping Center	4.5%	10.0%	7.1%	40%	75%	59%	0	250	60
CBD Office	0.0%	0.1%	0.1%	50%	75%	62%	0	1,000	358
Suburban Office									
Net Lease	3.0%	7.0%	5.2%	35%	65%	55%			
Medical Office Buildings	5.0%	8.0%	6.6%	40%	75%	61%	0	1,000	188
Secondary Office	5.8%	10.5%	7.9%	30%	65%	54%	0	1,000	356
Warehouse Markets									
National	6.0%	8.5%	7.1%	40%	65%	53%	0	950	344
East Coast Region									
ENC Region									
Pacific Region	5.5%	7.5%	6.6%	40%	60%	49%			
Apartment Markets									
National	5.0%	8.0%	6.3%	40%	80%	56%	0	1,200	413
Mid-Atlantic Region	5.8%	8.5%	7.0%	50%	65%	58%	25	550	311
Pacific Region	6.0%	8.3%	7.0%	45%	63%	56%	110	613	315
Southeast Region									
Office Markets									
Atlanta	6.5%	15.0%	9.5%	45%	65%	55%	100	500	283
Austin	7.0%	10.0%	8.9%	30%	55%	48%			
Boston	6.0%	10.0%	7.3%	40%	55%	50%			
Charlotte									
Chicago	3.8%	12.0%	7.4%	40%	70%	56%	25	500	166
Dallas	5.0%	11.0%	8.5%	45%	70%	55%	0	1,000	400
Denver	6.0%	11.0%	8.6%	40%	65%	53%			
Houston	5.0%	11.0%	8.8%	30%	70%	50%	0	1,000	373
Los Angeles	4.5%	14.0%	8.1%	40%	75%	54%	0	800	218
Manhattan									
Northern Virginia									
Pacific Northwest	6.5%	12.0%	8.2%	0%	65%	44%	0	250	128
Philadelphia				40%	60%	44%	25	450	128
Phoenix	6.0%	15.0%	9.6%	30%	65%	48%			
San Diego									
San Francisco	4.0%	14.0%	8.1%	40%	65%	51%	25	200	83
Seattle	6.5%	10.0%	7.9%	30%	65%	49%	0	250	96
Southeast Florida	2.8%	13.0%	7.6%	50%	65%	56%	0	600	333
Washington, DC									
Lodging Markets									
Full Service	3.0%	12.0%	8.7%	40%	75%	57%	0	700	232
Limited-Service									
Midscale & Economy									
Luxury/Upper Upscale	4.8%	10.0%	7.7%	50%	80%	62%	100	1,200	425
Select Service	6.0%	12.0%	8.8%	40%	75%	54%	0	700	167

(1) Basis points added to “all cash” IRR (discount rate); empty space means insufficient responses prevent us from reporting data.
 Source: PwC Investor Survey; survey conducted by PwC during October 2023

National Development Land Market

When looking at macro development prospects for the five major commercial real estate (CRE) sectors included in *Emerging Trends*, only the retail sector shows an improvement in its rating from last year – moving from 2.51 [on a scale of 1 abysmal to 5 excellent] to 2.75 (see Chart NDL-1). The current rating for office is its lowest in the past five years. With a score of 1.88, the office sector’s rating drops 46 points. The industrial/distribution and multifamily sectors boast the highest ratings for 2024.

From a micro standpoint, the top five property types for development prospects in 2024 are data centers, single-family rental housing, lower-income apartments, manufacturing, and moderate-income/workforce apartments. On the other hand, the property types at the bottom of the 27-category list are power centers, outlet centers, regional malls, suburban office, and central-city office.

Preferred Metros

Of the 80 U.S. metros included in *Emerging Trends*, the top-ten individual markets regarding overall real estate prospects for 2024 are Nashville, Phoenix, Dallas/Fort Worth, Atlanta, Austin, San Diego, Boston, San Antonio, Raleigh/Durham, and Seattle. At the bottom of the *Emerging Trends* ranking list are Hartford, Madison, Gainesville, Spokane (WA), Tucson, Albuquerque, Portland (ME), Buffalo, Deltona/Daytona, and Honolulu.

For homebuilding prospects for 2024, the top cities according to *Emerging Trends* respondents are Austin, San Antonio, Washington DC-Northern VA, Atlanta, Dallas/Fort Worth, Charlotte, Houston, Raleigh/Durham, Tampa/St. Petersburg, and Denver. At the bottom of this list sit New Orleans, Gainesville, Cleveland, Hartford, Long Island, Detroit, Portland (ME), Milwaukee, Pittsburgh, and St. Louis.

Development Issues

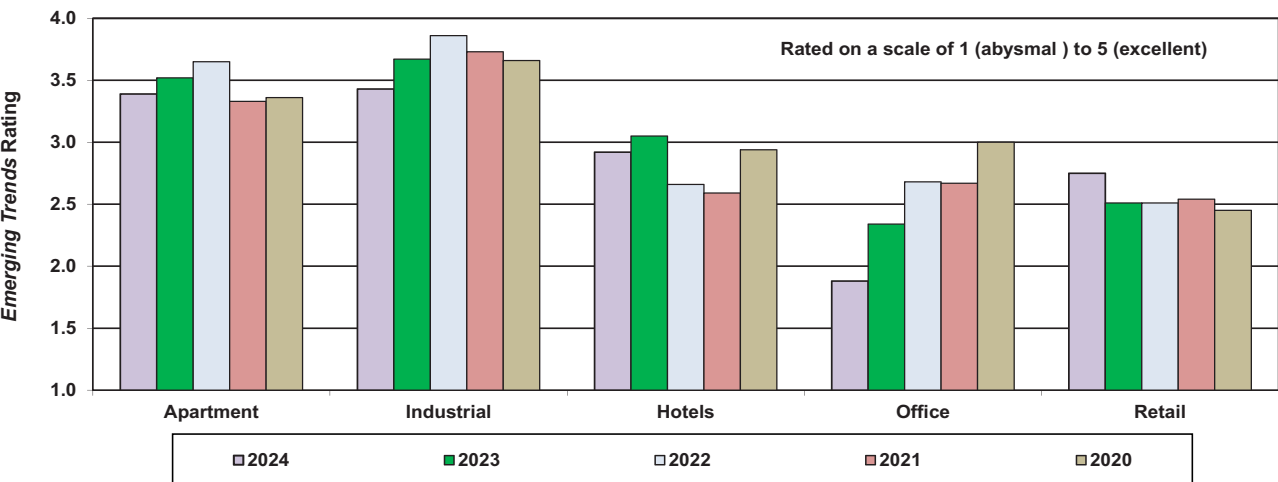
For 2024, development issues among *Emerging Trends* respondents are shown below, ranked on a scale of 1 [no importance] to 5 [great importance].

Score	Issue
4.46	construction labor costs
4.31	construction material costs
4.30	construction labor availability
3.96	land costs
3.86	operating costs
3.65	state & local regulations
3.61	leasing & retention costs
3.61	property taxes
3.42	NIMBYism
3.34	infrastructure/transportation

Discount Rates

On an unleveraged basis, discount rates (including developers’ profit) for the national development land market range from 12.00% to 30.00% and average 19.20% this quarter – unchanged from six months ago.

Chart NDL-1
DEVELOPMENT PROSPECTS
Emerging Trends - 2020 to 2024



Source: *Emerging Trends in Real Estate*®, 2020 to 2024

National Industrial Outdoor Storage

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

The Industrial Outdoor Storage (IOS) market continues to be a highly in-demand subset of the industrial sector. IOS generally refers to a land site zoned for specific industrial uses, where users can store items outside, and improved properties such as truck terminals, truck maintenance facilities, and cross dock facilities. Its importance in the global supply chain, coupled with limited supply and fragmented ownership, makes it an attractive investment opportunity for those with the skill and knowledge to navigate the risks.

Total IOS assets under management by the surveyed investors amount to approximately \$7.6 billion. These investors have set their sights on acquiring over \$1.9 billion in assets over the next 12 months. Most of the capital raised by these investors, around 75.0%, comes from institutional advisors. The remaining 25.0% is contributed by high-net-worth individuals, endowments, family offices, and private investors.

Investors report an increase in their targeted returns on new acquisitions in the fourth quarter, attributed to higher interest rates on debt and the required return hurdles of outside capital. As a result, there is a growing disparity between buyers and sellers in the marketplace. The bid-ask spreads, which represent the difference between the price at which buyers are willing to buy and the price at which sellers are willing to sell, range from 25 to 200 basis points, with an average of 87 basis points. Despite this disparity, investors note that there are still ample buying opportunities available, and they believe that market conditions generally favor buyers.

In terms of investment focus, investors continue to concentrate on leasing vacant space and taking advantage of mark-to-market opportunities within their existing portfolios. Additionally, there is a strong interest in targeting specific types of facilities. All surveyed investors are targeting truck maintenance facilities and container storage. About 88.0% are also targeting port storage yards, while 75.0% are interested in trailer yards, equipment rental, and materials yards. In addition, around 63.0% are targeting cross-dock facilities and drayage yards, and 50.0% are targeting truck terminals. In terms of geography, the regions preferred for acquisitions are the Southeast, Mid-Atlantic, Northeast, and Pacific.

NATIONAL IOS MARKET

Fourth Quarter 2023

National IOS Market Size (\$ billions)

Range	\$100 to \$300
Average	\$198

Investment Vehicle Hold Period (Years)

Range	1.00 to 10.00
Average	5.38

Target Discount Rate/IRR (Stabilized Strategy)

Range	7.00% to 18.00%
Average	12.13%

Targeted Discount Rate/IRR (Value-Add Strategy)

Range	8.00% to 30.00%
Average	16.03%

Overall Cap Rate (Stabilized Strategy)

Range	6.00% to 9.00%
Average	7.34%

Yield-on-Cost (Value-Add Strategy)

Range	6.75% to 12.00%
Average	8.59%

Cap Rate Spread (IOS vs Traditional Industrial)

Range	0.25% to 2.50%
Average	1.07%

Capital Expenditures/Land SF (Stabilized Strategy)

Range	\$0.00 to \$2.00
Average	\$0.88

Capital Expenditures/Land SF (Value-Add Strategy)

Range	\$1.00 to \$5.00
Average	\$3.50

Lease-Up Time (Months)

Range	3.00 to 18.00
Average	8.41

Tenant Retention

Range	50.00% to 100.00%
Average	73.57%

Rent as % of Tenant OP. Ex.

Range	1.00% to 15.00%
Average	7.33%

Source: Survey conducted by PwC during November 2023

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.

An in-depth analysis of historical and forecast stock data provided by CBRE Economic Advisors and Reis allows us to gauge each sector's likely shifts over the near term. The results of our research are shown in Charts REB-1 through 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

As working from home becomes an established practice, many office-space-using companies are renewing leases for less square footage, leaving behind large amounts of empty space in the U.S. office sector. By the end of 2023, our outlook places 68.0% of the 57 office metros analyzed in recession – growing to 77.0% by year-end 2024. A recovery is not expected to commence until 2026. A few office metros will be in expansion at some point over the next four years, including Oakland, Fort Worth, and New York.

Retail

While consumer spending continues to show resiliency, helping to keep monthly retail sales positive, a few retail bankruptcies have made headlines recently and remind investors that challenges remain despite the U.S. retail sector's recovery. In fact, our analysis shows that a growing portion of the 80 metros examined (by a very slim margin in the near term) will be in recovery through 2026 (see Chart REB-2).

Industrial

After years of unprecedented growth, the U.S. industrial sector is transitioning to a new normal where tenants are being more mindful of growth, and the construction pipeline is gradually delivering new supply. A decline in starts should rebalance this sector over the near term. Our analysis places the most industrial metros in the contraction phase of the cycle through 2026, including Cincinnati, Boston, Philadelphia, Nashville, and San Diego.

Apartments

Even though the U.S. multifamily sector has many of the same headwinds as other commercial sectors – ballooning mortgage rates, rising expenses, a potential disruption in demand, as well as growing supply, many investors remain positive about its long-term outlook. Based on our analysis, most metros are forecasted to be in either expansion or contraction through 2026 (see Chart REB-4). Metros in expansion include Wichita, Knoxville, and Memphis.

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.

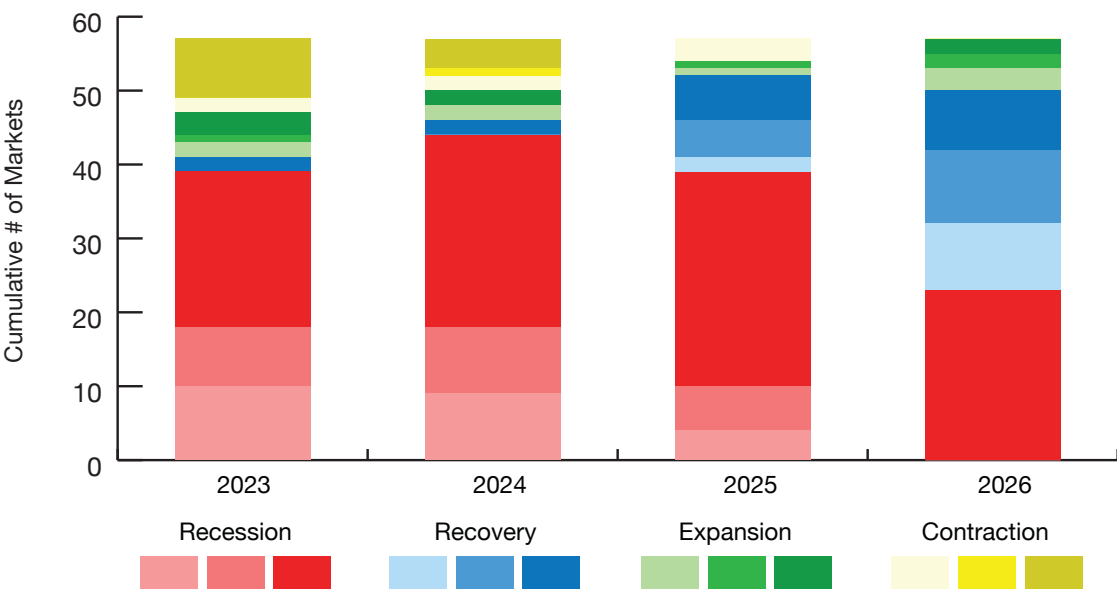
Expansion: The phase following recovery, characterized by strong demand and increasingly tight market conditions leading to low vacancy rates, robust rental growth, and decreasing overall cap rates.

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.

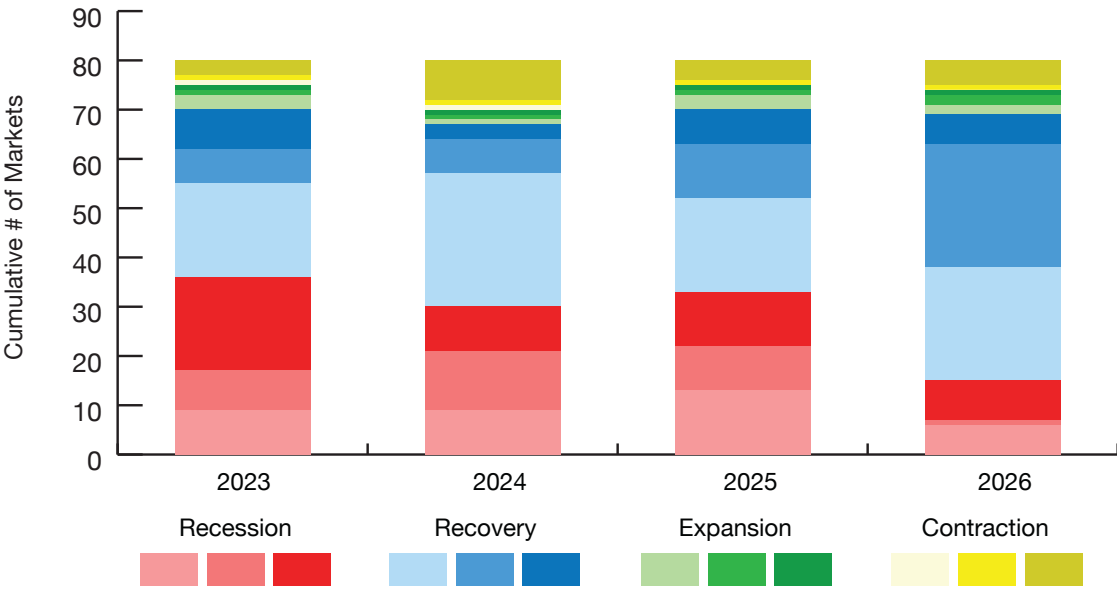
Stock: The total inventory of space, in square feet or units, in a given market.

Chart REB-1
PwC REAL ESTATE BAROMETER
U.S. Office Markets - 2023 to 2026



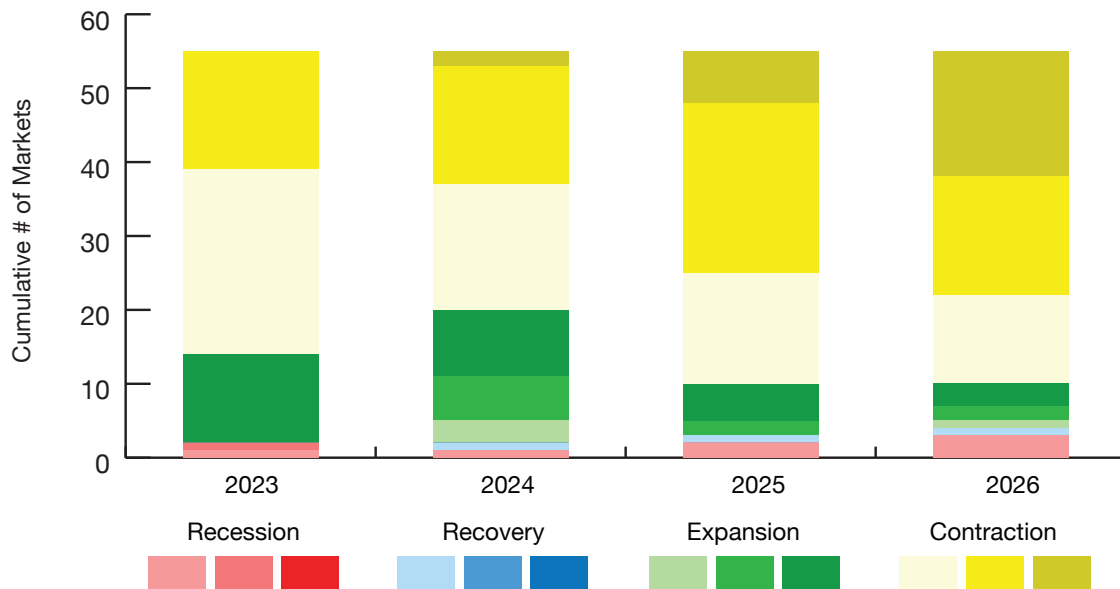
Source: Data provided by CBRE, compiled and analyzed by PwC

Chart REB-2
PwC REAL ESTATE BAROMETER
U.S. Retail Markets - 2023 to 2026



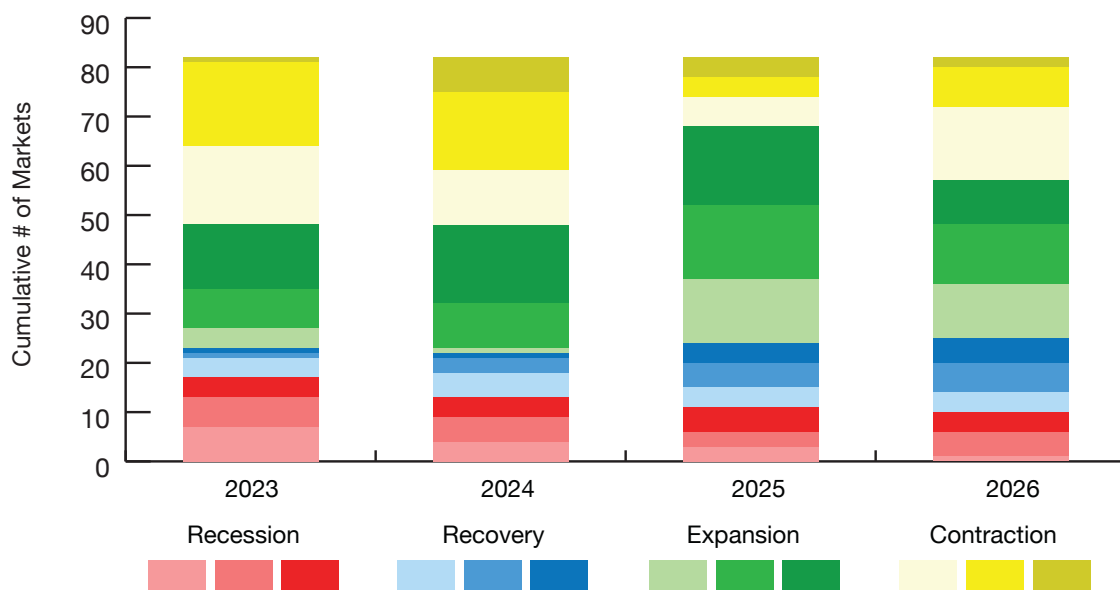
Source: Data provided by Moody's Analytics, compiled and analyzed by PwC

Chart REB-3
PwC REAL ESTATE BAROMETER
 U.S. Industrial Markets - 2023 to 2026



Source: Data provided by CBRE, compiled and analyzed by PwC

Chart REB-4
PwC REAL ESTATE BAROMETER
 U.S. Multifamily Markets - 2023 to 2026



Source: Data provided by Moody's Analytics, compiled and analyzed by PwC

Forecast - 1
PwC REAL ESTATE BAROMETER
 U.S. Office Market Forecasts

	2023	2024	2025	2026
United States	●	●	●	●

NORTHEAST REGION

MSA Name	2023	2024	2025	2026
Boston	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
New York	●	●	●	●
Newark	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Stamford	●	●	●	●
Trenton	●	●	●	●

MIDWEST REGION

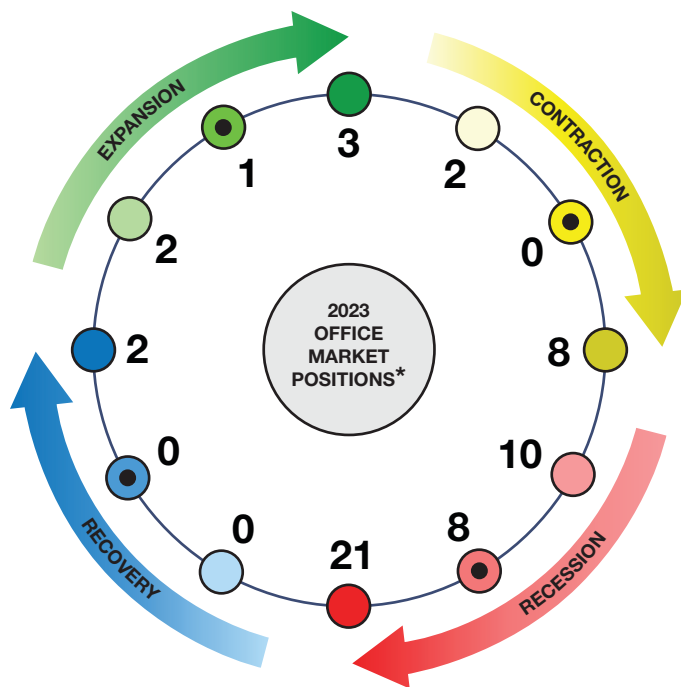
MSA Name	2023	2024	2025	2026
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Minneapolis	●	●	●	●
St. Louis	●	●	●	●
Toledo	●	●	●	●

WEST REGION

MSA Name	2023	2024	2025	2026
Albuquerque	●	●	●	●
Denver	●	●	●	●
Honolulu	●	●	●	●
Las Vegas	●	●	●	●
Los Angeles	●	●	●	●
Oakland	●	●	●	●
Orange County	●	●	●	●
Phoenix	●	●	●	●
Portland	●	●	●	●
Riverside	●	●	●	●
Sacramento	●	●	●	●
Salt Lake City	●	●	●	●
San Diego	●	●	●	●
San Francisco	●	●	●	●
San Jose	●	●	●	●
Seattle	●	●	●	●
Tucson	●	●	●	●
Ventura	●	●	●	●

SOUTH REGION

MSA Name	2023	2024	2025	2026
Atlanta	●	●	●	●
Austin	●	●	●	●
Baltimore	●	●	●	●
Charlotte	●	●	●	●
Dallas	●	●	●	●
Fort Lauderdale	●	●	●	●
Fort Worth	●	●	●	●
Houston	●	●	●	●
Jacksonville	●	●	●	●
Memphis	●	●	●	●
Miami	●	●	●	●
Nashville	●	●	●	●
Orlando	●	●	●	●
Raleigh	●	●	●	●
Richmond	●	●	●	●
San Antonio	●	●	●	●
Tampa	●	●	●	●
Washington, DC	●	●	●	●
West Palm Beach	●	●	●	●
Wilmington	●	●	●	●



*Number of MSAs in position in 2023

PwC REAL ESTATE BAROMETER

U.S. Retail Market Forecasts

NORTHEAST REGION

MSA Name	2023	2024	2025	2026
Boston	●	●	●	●
Buffalo	●	●	●	●
Central New Jersey	●	●	●	●
Fairfield County	●	●	●	●
Hartford	●	●	●	●
Long Island	●	●	●	●
New Haven	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	●	●	●
Rochester	●	●	●	●
Syracuse	●	●	●	●
Westchester	●	●	●	●

MIDWEST REGION

MSA Name	2023	2024	2025	2026
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Dayton	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Milwaukee	●	●	●	●
Minneapolis	●	●	●	●
Omaha	●	●	●	●
St. Louis	●	●	●	●
Wichita	●	●	●	●

United States

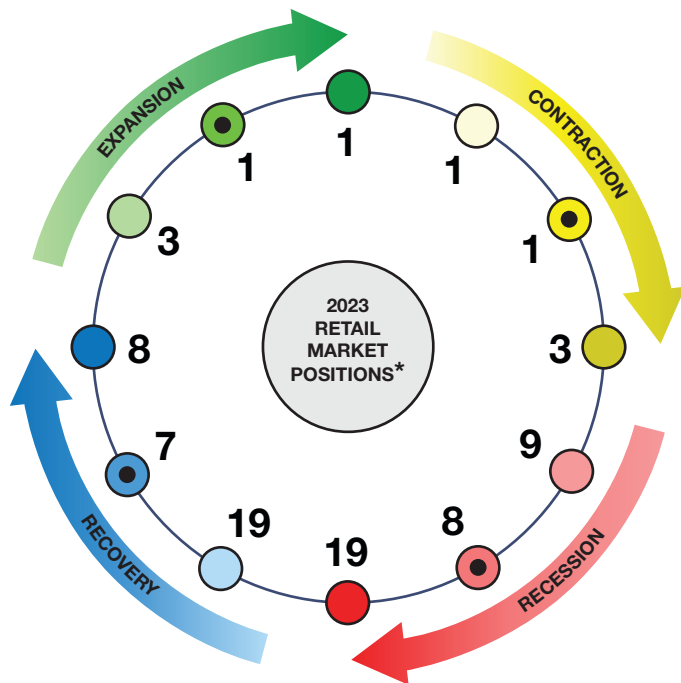
2023	2024	2025	2026
●	●	●	●

WEST REGION

MSA Name	2023	2024	2025	2026
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	2023	2024	2025	2026
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 2023

PwC REAL ESTATE BAROMETER

U.S. Industrial Market Forecasts

NORTHEAST REGION

MSA Name	2023	2024	2025	2026
Allentown	○	●	●	●
Boston	○	○	○	●
Hartford	●	○	○	●
Long Island	●	●	●	●
Bronx/Brooklyn/Queens/ Staten Island	●	●	●	●
Northern New Jersey	●	●	●	●
Philadelphia	●	●	●	●
Pittsburgh	●	○	○	●
Stamford	●	○	●	●
Central New Jersey	○	●	○	○

MIDWEST REGION

MSA Name	2023	2024	2025	2026
Chicago	●	●	○	○
Cincinnati	○	●	●	●
Cleveland	●	●	●	○
Columbus	○	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	○	●	●	●
Minneapolis	●	●	○	○
St. Louis	○	○	●	●

United States

2023	2024	2025	2026
○	○	●	●

WEST REGION

MSA Name	2023	2024	2025	2026
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	2023	2024	2025	2026
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 2023

PwC REAL ESTATE BAROMETER

U.S. Multifamily Market Forecasts

NORTHEAST REGION

MSA Name	2023	2024	2025	2026
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	2023	2024	2025	2026
Chicago	●	●	●	●
Cincinnati	●	●	●	●
Cleveland	●	●	●	●
Columbus	●	●	●	●
Dayton	●	●	●	●
Detroit	●	●	●	●
Indianapolis	●	●	●	●
Kansas City	●	●	●	●
Milwaukee	●	●	●	●
Minneapolis	●	●	●	●
Omaha	●	●	●	●
St. Louis	●	●	●	●
Wichita	●	●	●	●

United States

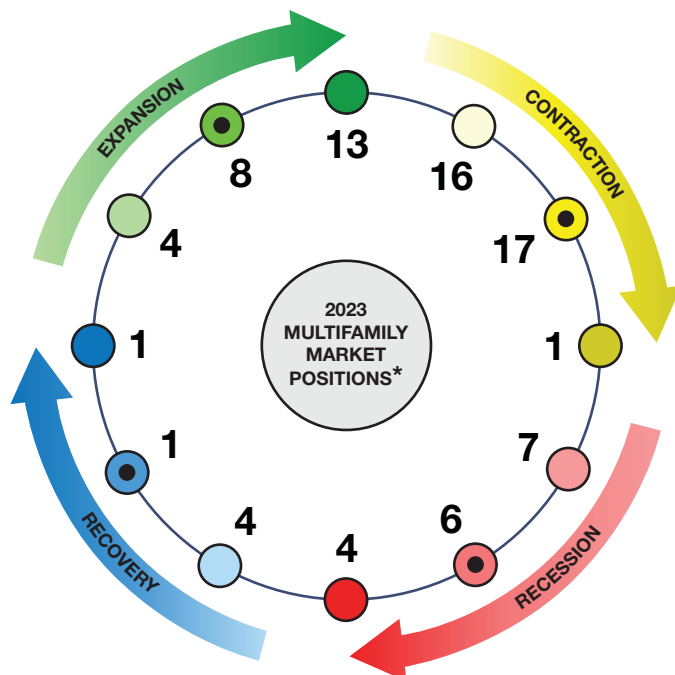
2023	2024	2025	2026
●	●	●	●

WEST REGION

MSA Name	2023	2024	2025	2026
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	2023	2024	2025	2026
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 2023

NATIONAL STUDENT HOUSING MARKET

Fourth Quarter 2023

	CURRENT	2Q 2023	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.50% – 10.00%	6.00% – 10.00%	6.00% – 10.00%	6.00% – 10.00%	6.00% – 10.00%
Average	7.69%	7.81%	7.81%	7.59%	8.03%
Change (Basis Points)		– 12	– 12	+ 10	– 34
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 8.00%	4.75% – 7.50%	4.00% – 7.50%	4.25% – 7.50%	4.50% – 7.50%
Average	6.15%	5.54%	5.33%	5.50%	5.79%
Change (Basis Points)		+ 61	+ 82	+ 65	+ 36
RESIDUAL CAP RATE					
Range	5.00% – 7.50%	4.75% – 7.50%	3.50% – 7.50%	4.50% – 7.50%	4.75% – 7.50%
Average	6.20%	5.67%	5.46%	5.96%	6.26%
Change (Basis Points)		+ 53	+ 74	+ 24	– 6
MARKET RENT CHANGE^b					
Range	2.00% – 20.00%	0.00% – 12.00%	0.00% – 7.00%	0.00% – 4.00%	0.00% – 5.00%
Average	5.00%	2.92%	2.63%	2.38%	2.63%
Change (Basis Points)		+ 208	+ 237	+ 262	+ 237
EXPENSE CHANGE^b					
Range	2.00% – 10.00%	2.00% – 3.00%	2.00% – 4.00%	2.00% – 3.00%	1.50% – 3.00%
Average	3.80%	2.58%	2.71%	2.75%	2.44%
Change (Basis Points)		+ 122	+ 109	+ 105	+ 136
MARKETING TIME^c					
Range	2 – 12	2 – 12	2 – 8	1 – 12	0 – 12
Average	5.3	5.3	4.6	4.6	4.1
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 4.0%	(15.0%) – 4.0%	(15.0%) – 4.0%	(5.0%) – 5.0%	(3.0%) – 10.0%
Average	(5.4%)	(1.0%)	(1.0%)	(0.6%)	2.3%
Change (▼, ▲, =)		▼	▼	▼	▼

* Off-campus assets

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL SECONDARY OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 15.00%	7.00% – 15.00%	6.75% – 13.00%	7.00% – 14.00%	6.50% – 14.00%
Average	10.34%	10.13%	9.41%	9.43%	9.12%
Change (Basis Points)		+ 21	+ 93	+ 91	+ 122
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.25%	6.00% – 10.25%	6.00% – 9.25%	6.00% – 9.50%	5.00% – 9.50%
Average	8.49%	8.16%	7.31%	7.53%	7.53%
Change (Basis Points)		+ 33	+ 118	+ 96	+ 96
RESIDUAL CAP RATE					
Range	5.00% – 10.00%	5.00% – 10.00%	5.00% – 8.75%	6.25% – 9.00%	6.50% – 9.50%
Average	8.21%	8.07%	7.28%	7.49%	7.76%
Change (Basis Points)		+ 14	+ 93	+ 72	+ 45
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	2.00% – 5.00%
Average	1.17%	1.21%	1.92%	1.18%	2.80%
Change (Basis Points)		– 4	– 75	– 1	– 163
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	0.00% – 3.00%	2.00% – 3.00%
Average	3.25%	3.36%	3.08%	2.21%	2.55%
Change (Basis Points)		– 11	+ 17	+ 104	+ 70
MARKETING TIME^c					
Range	3 – 14	2 – 14	2 – 14	3 – 12	3 – 12
Average	7.3	6.7	6.5	6.9	5.9
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – (2.5%)	(40.0%) – (2.5%)	(15.0%) – 0.0%	(20.0%) – 0.0%	(10.0%) – 10.0%
Average	(12.1%)	(12.1%)	(6.1%)	(5.5%)	(0.2%)
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL REGIONAL MALL MARKET

Fourth Quarter 2023

	CURRENT ^d	LAST QUARTER ^d	1 YEAR AGO ^d	3 YEARS AGO ^d	5 YEARS AGO ^e
DISCOUNT RATE (IRR)^a					
Range	6.00% – 13.00%	6.00% – 13.00%	6.00% – 13.00%	5.75% – 15.00%	5.00% – 11.00%
Average	9.13%	8.40%	7.88%	7.75%	7.33%
Change (Basis Points)		+ 73	+ 125	+ 138	+ 180
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 14.00%	5.00% – 14.00%	5.00% – 12.50%	4.50% – 15.00%	4.00% – 9.00%
Average	7.88%	7.60%	7.33%	6.93%	6.23%
Change (Basis Points)		+ 28	+ 55	+ 95	+ 165
RESIDUAL CAP RATE					
Range	5.00% – 14.00%	5.00% – 14.00%	5.00% – 12.50%	4.50% – 15.00%	4.25% – 10.00%
Average	7.97%	7.73%	7.40%	7.60%	6.58%
Change (Basis Points)		+24	+ 57	+ 37	+ 139
MARKET RENT CHANGE^b					
Range	(15.00%) – 5.00%	(10.00%) – 3.00%	0.00% – 3.00%	(10.00%) – 0.00%	1.00% – 4.00%
Average	(0.10%)	(0.13%)	0.60%	(1.80%)	2.25%
Change (Basis Points)		+ 3	– 70	+ 170	– 235
EXPENSE CHANGE^b					
Range	2.00% – 10.00%	2.00% – 10.00%	2.00% – 10.00%	(5.00%) – 4.00%	2.00% – 5.00%
Average	4.00%	4.25%	3.67%	1.80%	3.00%
Change (Basis Points)		– 25	+ 33	+ 220	+ 100
MARKETING TIME^c					
Range	2 – 18	2 – 18	3 – 18	3 – 18	3 – 15
Average	10.1	10.4	11.8	10.5	9.0
Change (▼, ▲, =)		▼	▼	▼	▲
FORECAST VALUE CHANGE^e					
Range	(15.0%) – 5.0%	(2.0%) – 5.0%	(2.0%) – 10.0%	(25.0%) – 5.0%	(12.0%) – 5.0%
Average	(3.1%)	1.2%	2.3%	(4.3%)	0.5%
Change (▼, ▲, =)		▼	▼	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. relates to Class A+, A, B+ malls e. relates to Class A+, A, B+ and B malls e. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL POWER CENTER MARKET

Fourth Quarter 2023

	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% – 11.00%	6.00% – 11.00%
Average	7.91%	7.91%	7.65%	7.98%	7.75%
Change (Basis Points)		0	+ 26	– 7	+ 16
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 7.50%	5.50% – 7.50%	5.25% – 7.50%	5.50% – 8.25%	5.25% – 9.00%
Average	6.69%	6.47%	6.43%	6.68%	6.56%
Change (Basis Points)		+ 22	+ 26	+ 1	+ 13
RESIDUAL CAP RATE					
Range	6.50% – 9.00%	6.25% – 9.00%	5.75% – 9.00%	5.75% – 9.00%	5.50% – 9.00%
Average	7.31%	7.22%	7.13%	7.15%	6.83%
Change (Basis Points)		+ 9	+ 18	+ 16	+ 48
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 6.00%	0.00% – 0.00%	0.00% – 5.00%
Average	1.00%	1.38%	2.00%	0.00%	1.88%
Change (Basis Points)		– 38	– 100	+ 100	– 88
EXPENSE CHANGE^b					
Range	2.00% – 3.00%	2.00% – 5.00%	3.00% – 6.00%	2.00% – 3.00%	1.00% – 4.00%
Average	2.88%	3.13%	3.45%	2.60%	2.83%
Change (Basis Points)		– 25	– 57	+ 28	+ 5
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 12	3 – 18	2 – 18
Average	6.9	6.3	6.2	8.7	6.8
Change (▼, ▲, =)		▲	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 3.0%	(20.0%) – 3.0%	(20.0%) – 3.0%	(15.0%) – 0.0%	(15.0%) – 5.0%
Average	(4.0%)	(4.0%)	(4.0%)	(6.6%)	(1.2%)
Change (▼, ▲, =)		=	=	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL STRIP SHOPPING CENTER MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 11.00%	6.50% – 11.00%	6.50% – 11.00%	6.25% – 11.00%	5.50% – 11.00%
Average	8.71%	8.60%	8.50%	8.33%	7.73%
Change (Basis Points)		+ 11	+ 21	+ 38	+ 98
OVERALL CAP RATE (OAR)^a					
Range	5.25% – 10.00%	5.00% – 10.00%	5.00% – 10.00%	5.00% – 10.00%	4.00% – 9.50%
Average	7.50%	7.16%	7.33%	7.30%	6.70%
Change (Basis Points)		+ 34	+ 17	+ 20	+ 80
RESIDUAL CAP RATE					
Range	5.25% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	5.00% – 10.00%	4.50% – 9.75%
Average	7.46%	7.25%	7.08%	7.33%	6.98%
Change (Basis Points)		+ 21	+ 38	+ 13	+ 48
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	1.08%	1.20%	1.20%	0.60%	1.71%
Change (Basis Points)		– 12	– 12	+ 48	– 63
EXPENSE CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	2.42%	2.50%	2.45%	2.50%	2.61%
Change (Basis Points)		– 8	– 3	– 8	– 19
MARKETING TIME^c					
Range	1 – 15	1 – 18	1 – 18	2 – 18	2 – 18
Average	7.2	7.1	7.1	7.9	7.0
Change (▼, ▲, =)		▲	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 5.0%	(5.0%) – 5.0%	0.0% – 5.0%	(15.0%) – 5.0%	(30.0%) – 5.0%
Average	(2.2%)	1.3%	2.8%	(1.8%)	(3.3%)
Change (▼, ▲, =)		▼	▼	▼	▲

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL CBD OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 12.00%	6.50% – 10.00%	6.00% – 9.00%	5.75% – 10.00%	5.25% – 9.00%
Average	8.61%	7.63%	7.03%	7.18%	6.89%
Change (Basis Points)		+ 98	+ 158	+ 143	+ 172
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 10.00%	4.25% – 8.50%	4.25% – 7.50%	3.75% – 8.00%	3.00% – 7.50%
Average	6.78%	6.19%	5.75%	5.65%	5.44%
Change (Basis Points)		+ 59	+ 103	+ 113	+ 134
RESIDUAL CAP RATE					
Range	5.50% – 10.50%	5.00% – 9.00%	5.00% – 8.50%	4.75% – 7.50%	4.50% – 8.50%
Average	7.15%	6.50%	6.20%	6.00%	6.02%
Change (Basis Points)		+ 65	+ 95	+ 115	+ 113
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 4.00%	0.00% – 3.00%	0.00% – 5.00%
Average	1.50%	1.38%	1.70%	0.60%	2.47%
Change (Basis Points)		+ 12	– 20	+ 90	– 97
EXPENSE CHANGE^b					
Range	0.00% – 4.00%	2.00% – 4.00%	2.00% – 5.00%	2.00% – 3.00%	1.00% – 4.00%
Average	2.70%	3.13%	3.10%	2.88%	2.72%
Change (Basis Points)		– 43	– 40	– 18	– 2
MARKETING TIME^c					
Range	3 – 15	3 – 15	3 – 12	3 – 12	2 – 18
Average	9.3	9.8	8.1	7.5	6.5
Change (▼, ▲, =)		▼	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(50.0%) – 5.0%	(20.0%) – 5.0%	(20.0%) – 0.0%	(10.0%) – 0.0%	(5.0%) – 15.0%
Average	(10.5%)	(5.7%)	(6.7%)	(4.6%)	2.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL SUBURBAN OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 9.50%	6.50% – 9.50%	6.00% – 9.50%	6.00% – 9.00%	6.00% – 12.00%
Average	8.71%	7.88%	7.63%	7.45%	8.18%
Change (Basis Points)		+ 83	+ 108	+ 126	+ 53
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 8.00%	5.00% – 8.00%	4.25% – 7.75%	4.00% – 7.50%	5.00% – 10.00%
Average	6.72%	6.54%	6.00%	6.00%	6.63%
Change (Basis Points)		+ 18	+ 72	+ 72	+ 9
RESIDUAL CAP RATE					
Range	6.00% – 10.00%	6.00% – 10.50%	5.25% – 8.00%	5.25% – 8.00%	5.25% – 11.50%
Average	7.65%	7.50%	6.75%	6.68%	7.50%
Change (Basis Points)		+ 15	+ 90	+ 97	+ 15
MARKET RENT CHANGE^b					
Range	(6.00%) – 3.00%	(6.00%) – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 5.00%
Average	0.00%	0.00%	1.40%	0.80%	1.86%
Change (Basis Points)		0	– 140	– 80	– 186
EXPENSE CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 4.00%
Average	2.55%	2.65%	2.30%	2.08%	2.46%
Change (Basis Points)		– 10	+ 25	+ 47	+ 9
MARKETING TIME^c					
Range	1 – 15	1 – 15	1 – 15	1 – 15	1 – 12
Average	9.4	9.1	7.0	7.3	6.4
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(50.0%) – 1.0%	(40.0%) – 1.0%	(5.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 12.0%
Average	(18.0%)	(14.6%)	(0.3%)	(2.6%)	1.6%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

ATLANTA OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 13.00%	7.00% – 13.00%	6.00% – 10.50%	6.50% – 10.50%	6.50% – 10.00%
Average	9.81%	9.65%	8.48%	8.19%	8.10%
Change (Basis Points)		+ 16	+ 133	+ 162	+ 171
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 11.00%	5.00% – 10.50%	4.25% – 9.00%	5.00% – 8.50%	5.00% – 8.50%
Average	8.67%	8.33%	6.86%	6.71%	6.69%
Change (Basis Points)		+ 34	+ 181	+ 196	+ 198
RESIDUAL CAP RATE					
Range	6.25% – 10.50%	6.00% – 10.50%	5.50% – 9.00%	5.00% – 9.00%	5.75% – 9.00%
Average	8.27%	8.04%	7.08%	7.02%	7.08%
Change (Basis Points)		+ 23	+ 119	+ 125	+ 119
MARKET RENT CHANGE^b					
Range	(5.00%) – 2.50%	(5.00%) – 2.50%	(3.00%) – 3.00%	(4.00%) – 3.00%	0.00% – 5.00%
Average	(0.67%)	(0.67%)	0.30%	(0.42%)	2.58%
Change (Basis Points)		0	– 97	– 25	– 325
EXPENSE CHANGE^b					
Range	2.00% – 7.00%	2.00% – 7.00%	2.00% – 7.00%	0.00% – 3.00%	1.50% – 5.00%
Average	4.08%	4.08%	3.90%	2.29%	2.92%
Change (Basis Points)		0	+ 18	+ 179	+ 116
MARKETING TIME^c					
Range	2 – 12	2 – 12	2 – 12	1 – 10	2 – 10
Average	6.4	6.4	4.3	4.6	4.8
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(25.0%) – 0.0%	(15.0%) – 5.0%	(10.0%) – 5.0%	0.0% – 10.0%
Average	(13.4%)	(11.7%)	(2.0%)	(1.2%)	3.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

AUSTIN OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 11.00%	7.50% – 11.00%	5.75% – 9.50%	6.00% – 9.00%	5.50% – 10.00%
Average	9.06%	9.01%	7.55%	7.48%	7.44%
Change (Basis Points)		+ 5	+ 151	+ 158	+ 162
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	6.00% – 10.00%	4.70% – 8.00%	4.90% – 8.00%	5.00% – 7.50%
Average	7.75%	7.67%	5.96%	6.19%	5.89%
Change (Basis Points)		+ 8	+ 179	+ 156	+ 186
RESIDUAL CAP RATE					
Range	6.50% – 9.00%	6.50% – 9.50%	5.25% – 8.00%	5.00% – 8.00%	5.50% – 8.50%
Average	7.60%	7.50%	6.46%	6.56%	6.45%
Change (Basis Points)		+ 10	+ 114	+ 104	+ 115
MARKET RENT CHANGE^b					
Range	(3.00%) – 3.00%	0.00% – 3.00%	0.00% – 4.00%	(10.00%) – 3.00%	1.50% – 5.00%
Average	0.00%	0.50%	2.00%	(1.10%)	3.45%
Change (Basis Points)		– 50	– 200	+ 110	– 345
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 6.00%	3.00% – 6.00%	0.00% – 3.00%	2.50% – 6.00%
Average	4.17%	4.50%	4.20%	2.60%	3.15%
Change (Basis Points)		– 33	– 3	+ 157	+ 102
MARKETING TIME^c					
Range	2 – 12	2 – 12	1 – 8	1 – 12	2 – 9
Average	5.0	5.0	4.4	4.8	4.9
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(10.0%) – 0.0%	0.0% – 20.0%
Average	(7.2%)	(7.2%)	(3.5%)	(2.0%)	5.2%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

BOSTON OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.25% – 11.00%	6.00% – 11.00%	6.00% – 10.00%	5.50% – 10.00%	5.75% – 10.00%
Average	8.28%	7.91%	7.41%	7.30%	7.25%
Change (Basis Points)		+ 37	+ 87	+ 98	+ 103
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 10.00%	4.75% – 10.00%	4.75% – 9.50%	4.25% – 9.50%	4.00% – 9.50%
Average	7.38%	7.27%	6.36%	6.04%	5.96%
Change (Basis Points)		+ 11	+ 102	+ 134	+ 142
RESIDUAL CAP RATE					
Range	5.50% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	4.75% – 10.00%	5.00% – 10.00%
Average	7.67%	7.33%	6.68%	6.60%	6.55%
Change (Basis Points)		+ 34	+ 99	+ 107	+ 112
MARKET RENT CHANGE^b					
Range	(15.00%) – 3.00%	(15.00%) – 3.00%	(10.00%) – 3.00%	(10.00%) – 3.00%	0.00% – 5.00%
Average	(1.25%)	(0.50%)	0.20%	(0.50%)	3.20%
Change (Basis Points)		– 75	– 145	– 75	– 445
EXPENSE CHANGE^b					
Range	2.00% – 7.00%	2.00% – 7.00%	1.00% – 7.00%	1.00% – 3.00%	1.00% – 3.00%
Average	3.88%	3.88%	3.70%	2.68%	2.70%
Change (Basis Points)		0	+ 18	+ 120	+ 118
MARKETING TIME^c					
Range	4 – 12	3 – 12	2 – 12	2 – 8	2 – 8
Average	8.5	6.5	5.6	4.8	4.9
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(20.0%) – 0.0%	(15.0%) – 4.0%	(10.0%) – 5.0%	(5.0%) – 8.0%
Average	(9.2%)	(9.2%)	(5.6%)	(3.5%)	2.6%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

CHARLOTTE OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.50% – 12.50%	7.00% – 12.50%	6.00% – 10.00%	6.25% – 10.50%	6.25% – 10.00%
Average	10.60%	9.75%	8.00%	8.14%	7.88%
Change (Basis Points)		+ 85	+ 260	+ 246	+ 272
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 9.50%	5.50% – 9.50%	5.00% – 8.00%	5.00% – 8.00%	5.00% – 8.50%
Average	7.84%	7.56%	6.30%	6.43%	6.44%
Change (Basis Points)		+ 28	+ 154	+ 141	+ 140
RESIDUAL CAP RATE					
Range	6.00% – 10.50%	5.50% – 9.00%	4.50% – 8.00%	5.00% – 8.00%	5.00% – 8.50%
Average	7.67%	7.42%	6.23%	6.61%	6.81%
Change (Basis Points)		+ 25	+ 144	+ 106	+ 86
MARKET RENT CHANGE^b					
Range	(10.00%) – 2.00%	(10.00%) – 2.00%	(5.00%) – 4.00%	(5.00%) – 4.00%	1.00% – 3.00%
Average	(1.44%)	(1.44%)	1.35%	0.50%	2.46%
Change (Basis Points)		0	– 279	– 194	– 390
EXPENSE CHANGE^b					
Range	2.00% – 10.00%	2.00% – 10.00%	2.00% – 6.00%	1.00% – 4.00%	1.00% – 4.00%
Average	4.25%	4.25%	3.00%	2.55%	2.58%
Change (Basis Points)		0	+ 125	+ 170	+ 167
MARKETING TIME^c					
Range	3 – 24	3 – 12	3 – 8	1 – 9	1 – 9
Average	8.5	6.3	4.7	4.7	3.2
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(30.0%) – 0.0%	(30.0%) – 0.0%	(20.0%) – 5.0%	(15.0%) – 5.0%	(5.0%) – 6.0%
Average	(12.0%)	(12.0%)	(4.2%)	(4.7%)	1.2%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

CHICAGO OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 15.00%	7.00% – 13.00%	6.50% – 12.00%	6.50% – 12.00%	6.00% – 12.00%
Average	10.33%	10.27%	9.50%	9.10%	8.66%
Change (Basis Points)		+ 6	+ 83	+ 123	+ 167
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 12.00%	6.00% – 12.00%	5.00% – 11.00%	4.50% – 10.00%	4.75% – 10.00%
Average	8.91%	8.84%	8.01%	7.61%	7.46%
Change (Basis Points)		+ 7	+ 90	+ 130	+ 145
RESIDUAL CAP RATE					
Range	6.50% – 12.00%	6.00% – 12.00%	5.50% – 12.00%	5.50% – 11.00%	5.50% – 10.00%
Average	9.50%	9.00%	8.50%	8.18%	7.76%
Change (Basis Points)		+ 50	+ 100	+ 132	+ 174
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	(1.00%) – 2.00%	0.00% – 2.00%	(5.00%) – 2.00%	0.00% – 4.00%
Average	0.70%	0.25%	0.50%	(0.10%)	1.60%
Change (Basis Points)		+ 45	+ 20	+ 80	– 90
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	2.00% – 5.00%	2.00% – 7.00%	2.00% – 7.00%	2.00% – 6.00%
Average	3.80%	3.56%	3.60%	3.30%	3.20%
Change (Basis Points)		+ 24	+ 20	+ 50	+ 60
MARKETING TIME^c					
Range	4 – 24	4 – 24	4 – 24	3 – 24	3 – 12
Average	10.0	10.6	10.1	10.0	5.2
Change (▼, ▲, =)		▼	▼	=	▲
FORECAST VALUE CHANGE^d					
Range	(50.0%) – 0.0%	(50.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(10.0%) – 10.0%
Average	(19.0%)	(18.8%)	(8.1%)	(6.3%)	0.8%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

DALLAS OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 13.00%	6.00% – 13.00%	6.00% – 11.00%	6.00% – 9.50%	6.00% – 9.00%
Average	9.44%	9.53%	8.27%	8.10%	7.77%
Change (Basis Points)		– 9	+ 117	+ 134	+ 167
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 12.00%	5.00% – 12.00%	4.75% – 9.00%	5.00% – 8.50%	5.00% – 8.50%
Average	8.29%	8.04%	6.78%	6.61%	6.15%
Change (Basis Points)		+ 25	+ 151	+ 168	+ 214
RESIDUAL CAP RATE					
Range	6.00% – 10.00%	6.00% – 10.00%	5.50% – 9.00%	5.75% – 9.00%	5.75% – 9.00%
Average	7.65%	7.53%	6.92%	7.10%	7.02%
Change (Basis Points)		+ 12	+ 73	+ 55	+ 63
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	1.75% – 5.00%
Average	1.67%	1.63%	2.60%	1.20%	2.83%
Change (Basis Points)		+ 4	– 93	+ 47	– 116
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 3.00%	2.00% – 3.00%
Average	3.67%	3.50%	3.50%	2.90%	2.90%
Change (Basis Points)		+ 17	+ 17	+ 77	+ 77
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 10	3 – 12	3 – 12
Average	8.2	7.4	6.3	7.1	5.5
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – (5.0%)	(25.0%) – (5.0%)	(25.0%) – 10.0%	(20.0%) – 10.0%	(2.0%) – 20.0%
Average	(14.2%)	(16.7%)	(10.2%)	(1.3%)	2.9%
Change (▼, ▲, =)		▲	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

DENVER OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.75% – 12.00%	7.00% – 12.00%	6.50% – 9.50%	6.25% – 11.00%	6.25% – 11.00%
Average	9.74%	9.13%	8.01%	7.98%	8.03%
Change (Basis Points)		+ 61	+ 173	+ 176	+ 171
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 11.50%	5.50% – 11.00%	5.25% – 7.50%	5.25% – 8.50%	5.00% – 9.00%
Average	8.38%	7.88%	6.26%	6.81%	6.44%
Change (Basis Points)		+ 50	+ 212	+ 157	+ 194
RESIDUAL CAP RATE					
Range	6.00% – 11.00%	6.00% – 10.50%	5.75% – 7.50%	5.25% – 9.00%	5.50% – 9.50%
Average	8.02%	7.47%	6.46%	6.93%	7.08%
Change (Basis Points)		+ 55	+ 156	+ 109	+ 94
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	(1.50%) – 3.00%	2.00% – 3.00%	(15.00%) – 1.00%	0.00% – 5.00%
Average	0.60%	0.75%	2.50%	(1.60%)	2.70%
Change (Basis Points)		– 15	– 190	+ 220	– 210
EXPENSE CHANGE^b					
Range	2.00% – 7.00%	2.00% – 5.00%	3.00% – 5.00%	0.00% – 3.00%	2.00% – 3.00%
Average	4.00%	3.70%	3.30%	2.20%	2.90%
Change (Basis Points)		+ 30	+ 70	+ 180	+ 110
MARKETING TIME^c					
Range	3 – 18	3 – 18	3 – 9	2 – 12	2 – 6
Average	8.6	9.4	5.9	6.3	3.8
Change (▼, ▲, =)		▼	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(40.0%) – 0.0%	(20.0%) – 2.0%	(10.0%) – 0.0%	0.0% – 5.0%
Average	(12.5%)	(11.5%)	(4.7%)	(4.1%)	1.8%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

HOUSTON OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 14.00%	8.00% – 13.00%	6.50% – 12.00%	7.00% – 13.00%	6.00% – 13.00%
Average	10.37%	10.12%	8.81%	9.14%	8.50%
Change (Basis Points)		+ 25	+ 156	+ 123	+ 187
OVERALL CAP RATE (OAR)^a					
Range	6.50% – 12.00%	6.50% – 11.00%	5.50% – 10.00%	5.75% – 10.00%	5.50% – 10.00%
Average	8.84%	8.40%	7.59%	7.44%	7.06%
Change (Basis Points)		+ 44	+ 125	+ 140	+ 178
RESIDUAL CAP RATE					
Range	6.75% – 12.00%	6.00% – 11.00%	5.50% – 10.00%	6.00% – 10.00%	6.00% – 10.00%
Average	8.65%	8.43%	7.49%	7.82%	7.34%
Change (Basis Points)		+ 22	+ 116	+ 83	+ 131
MARKET RENT CHANGE^b					
Range	(15.00%) – 3.00%	(15.00%) – 3.00%	(15.00%) – 3.00%	(15.00%) – 3.00%	(2.00%) – 3.00%
Average	(1.83%)	(1.83%)	(1.90%)	(2.58%)	0.10%
Change (Basis Points)		0	+ 7	+ 75	– 193
EXPENSE CHANGE^b					
Range	1.00% – 7.00%	1.00% – 7.00%	1.00% – 5.00%	1.00% – 3.00%	2.00% – 3.00%
Average	3.96%	3.96%	3.45%	2.46%	2.60%
Change (Basis Points)		0	+ 51	+ 150	+ 136
MARKETING TIME^c					
Range	4 – 12	3 – 12	3 – 12	3 – 12	4 – 12
Average	7.9	7.4	6.7	8.1	8.1
Change (▼, ▲, =)		▲	▲	▼	▼
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(40.0%) – 0.0%	(50.0%) – 0.0%	(20.0%) – 2.0%	(20.0%) – 5.0%
Average	(14.2%)	(13.3%)	(12.3%)	(10.8%)	(2.3%)
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

LOS ANGELES OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 13.00%	7.50% – 12.00%	6.00% – 11.00%	5.00% – 11.00%	5.00% – 11.50%
Average	9.35%	9.27%	8.78%	8.33%	7.82%
Change (Basis Points)		+ 8	+ 57	+ 102	+ 153
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	6.00% – 10.00%	5.00% – 9.00%	4.50% – 9.00%	4.00% – 8.00%
Average	7.97%	7.52%	6.90%	6.31%	5.84%
Change (Basis Points)		+ 45	+ 107	+ 166	+ 213
RESIDUAL CAP RATE					
Range	6.00% – 10.00%	6.00% – 10.00%	5.50% – 8.25%	5.00% – 8.50%	5.00% – 8.00%
Average	8.03%	7.64%	6.95%	6.70%	6.39%
Change (Basis Points)		+ 39	+ 108	+ 133	+ 164
MARKET RENT CHANGE^b					
Range	(9.00%) – 3.00%	(9.00%) – 3.00%	(3.00%) – 7.00%	(8.00%) – 3.00%	1.50% – 6.00%
Average	(0.10%)	(0.30%)	1.45%	(0.42%)	3.75%
Change (Basis Points)		+ 20	– 155	+ 32	– 385
EXPENSE CHANGE^b					
Range	2.00% – 6.00%	2.00% – 6.00%	2.00% – 7.00%	2.00% – 4.00%	2.00% – 4.00%
Average	3.30%	3.70%	4.20%	2.79%	2.91%
Change (Basis Points)		– 40	– 90	+ 51	+ 39
MARKETING TIME^c					
Range	3 – 15	3 – 15	3 – 15	1 – 12	1 – 12
Average	8.0	8.0	6.8	6.0	4.7
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(20.0%) – 0.0%	(15.0%) – 0.0%	(15.0%) – 5.0%	(10.0%) – 10.0%
Average	(6.5%)	(6.5%)	(3.1%)	(5.0%)	2.1%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

MANHATTAN OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 8.50%	6.25% – 8.00%	6.00% – 8.00%	5.00% – 8.00%	5.50% – 9.00%
Average	7.54%	7.21%	6.98%	6.60%	6.90%
Change (Basis Points)		+ 33	+ 56	+ 94	+ 64
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 9.50%	5.50% – 9.00%	4.00% – 6.25%	4.00% – 7.00%	3.00% – 6.00%
Average	7.08%	7.00%	5.43%	5.25%	4.70%
Change (Basis Points)		+ 8	+ 165	+ 183	+ 238
RESIDUAL CAP RATE					
Range	4.50% – 7.50%	4.50% – 8.00%	4.50% – 6.50%	4.00% – 8.00%	3.00% – 6.75%
Average	6.63%	6.46%	5.75%	5.63%	5.23%
Change (Basis Points)		+ 17	+ 88	+ 100	+ 140
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	(5.00%) – 3.00%	0.00% – 5.00%
Average	1.50%	1.50%	1.30%	0.10%	2.15%
Change (Basis Points)		0	+ 20	+ 140	– 65
EXPENSE CHANGE^b					
Range	1.00% – 5.00%	1.00% – 5.00%	1.00% – 8.00%	1.00% – 8.00%	1.00% – 3.00%
Average	3.50%	3.50%	3.80%	3.30%	2.60%
Change (Basis Points)		0	– 30	+ 20	+ 90
MARKETING TIME^c					
Range	1 – 6	1 – 6	1 – 6	1 – 8	1 – 6
Average	4.5	4.7	4.5	4.6	4.4
Change (▼, ▲, =)		▼	=	▼	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(20.0%) – 3.0%	(15.0%) – 3.0%	(15.0%) – 3.0%	(1.0%) – 7.0%
Average	(7.5%)	(7.5%)	(5.7%)	(4.6%)	2.8%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NORTHERN VIRGINIA OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.75% – 10.00%	6.75% – 10.00%	6.00% – 8.00%	6.00% – 9.00%	6.00% – 9.50%
Average	8.21%	8.08%	7.08%	7.43%	7.71%
Change (Basis Points)		+ 13	+ 113	+ 78	+ 50
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.00%	5.25% – 9.00%	5.00% – 7.50%	6.00% – 8.00%	5.00% – 8.50%
Average	7.08%	6.58%	6.08%	6.60%	6.67%
Change (Basis Points)		+ 50	+ 100	+ 48	+ 41
RESIDUAL CAP RATE					
Range	6.50% – 8.50%	5.75% – 8.50%	5.00% – 7.50%	6.00% – 8.50%	5.50% – 8.00%
Average	7.21%	6.92%	6.40%	7.00%	6.81%
Change (Basis Points)		+ 29	+ 81	+ 21	+ 40
MARKET RENT CHANGE^b					
Range	0.00% – 1.50%	0.00% – 1.50%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	0.25%	0.25%	1.45%	0.70%	1.79%
Change (Basis Points)		0	– 120	– 45	– 154
EXPENSE CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	1.83%	2.00%	2.15%	1.95%	2.38%
Change (Basis Points)		– 17	– 32	– 12	– 55
MARKETING TIME^c					
Range	6 – 15	6 – 12	2 – 12	3 – 12	1 – 6
Average	10.5	9.5	6.8	5.5	3.9
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(40.0%) – 0.0%	(20.0%) – 10.0%	(20.0%) – 0.0%	(10.0%) – 10.0%
Average	(13.3%)	(11.7%)	(1.5%)	(5.5%)	1.5%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

PACIFIC NORTHWEST OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 12.00%	7.00% – 12.00%	6.25% – 10.00%	5.75% – 10.00%	5.25% – 10.00%
Average	9.36%	8.95%	7.73%	7.43%	7.33%
Change (Basis Points)		+ 41	+ 163	+ 193	+ 203
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 12.00%	6.00% – 10.00%	4.75% – 7.75%	4.50% – 9.00%	4.00% – 8.00%
Average	8.02%	7.61%	6.13%	5.84%	5.81%
Change (Basis Points)		+ 41	+ 189	+ 218	+ 221
RESIDUAL CAP RATE					
Range	6.25% – 13.00%	6.00% – 9.50%	5.00% – 8.00%	5.00% – 10.00%	5.00% – 9.00%
Average	8.34%	7.51%	6.35%	6.64%	6.39%
Change (Basis Points)		+ 83	+ 199	+ 170	+ 195
MARKET RENT CHANGE^b					
Range	(5.00%) – 0.00%	(5.00%) – 3.00%	0.00% – 7.00%	0.00% – 3.00%	2.00% – 5.00%
Average	(0.36%)	(0.14%)	2.14%	1.29%	3.16%
Change (Basis Points)		– 22	– 250	– 165	– 352
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.50% – 7.00%	2.00% – 3.00%	2.50% – 3.00%
Average	3.43%	3.39%	3.54%	2.75%	2.95%
Change (Basis Points)		+ 4	– 11	+ 68	+ 48
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 12	2 – 12	1 – 9
Average	6.2	6.2	6.0	4.8	4.1
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(30.0%) – 0.0%	(30.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 10.0%	(5.0%) – 10.0%
Average	(8.7%)	(9.5%)	(6.4%)	(4.6%)	2.2%
Change (▼, ▲, =)		▲	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

PHILADELPHIA OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	8.00% – 11.50%	8.00% – 11.50%	7.00% – 10.00%	6.50% – 10.00%	6.00% – 10.00%
Average	9.83%	9.75%	8.75%	8.55%	8.45%
Change (Basis Points)		+ 8	+ 108	+ 128	+ 138
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 10.50%	6.00% – 10.50%	5.00% – 8.50%	5.00% – 8.50%	4.50% – 9.00%
Average	8.46%	8.38%	6.99%	7.05%	7.10%
Change (Basis Points)		+ 8	+ 147	+ 141	+ 136
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.50% – 10.00%	6.00% – 8.75%	5.50% – 8.50%	5.50% – 10.00%
Average	8.52%	8.44%	7.28%	7.19%	7.55%
Change (Basis Points)		+ 8	+ 124	+ 133	+ 97
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 6.00%
Average	1.83%	1.83%	1.00%	1.40%	2.70%
Change (Basis Points)		0	+ 83	+ 43	– 87
EXPENSE CHANGE^b					
Range	1.00% – 3.00%	1.00% – 5.00%	1.00% – 5.00%	1.00% – 3.00%	1.00% – 3.00%
Average	2.50%	3.00%	3.00%	2.45%	2.50%
Change (Basis Points)		– 50	– 50	+ 5	0
MARKETING TIME^c					
Range	3 – 10	3 – 10	3 – 9	3 – 12	3 – 12
Average	6.7	6.7	5.5	5.8	5.8
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(10.0%) – 0.0%	(5.0%) – 2.0%	(10.0%) – 2.0%	0.0% – 7.0%
Average	(7.2%)	(3.0%)	(0.5%)	(3.6%)	2.3%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

PHOENIX OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.50% – 13.00%	7.50% – 13.00%	7.00% – 11.50%	7.00% – 11.50%	7.00% – 11.00%
Average	10.31%	10.22%	8.83%	8.55%	8.69%
Change (Basis Points)		+ 9	+ 148	+ 176	+ 162
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 10.00%	5.50% – 10.00%	4.75% – 9.00%	5.50% – 8.50%	5.00% – 8.00%
Average	8.35%	8.35%	6.75%	6.55%	6.48%
Change (Basis Points)		0	+ 160	+ 180	+ 187
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.50% – 10.00%	5.50% – 9.00%	5.50% – 9.00%	5.50% – 8.00%
Average	8.25%	8.27%	7.10%	6.95%	6.71%
Change (Basis Points)		– 2	+ 115	+ 130	+ 154
MARKET RENT CHANGE^b					
Range	(3.00%) – 3.00%	(3.00%) – 3.00%	(2.00%) – 4.00%	(5.00%) – 0.00%	1.00% – 8.00%
Average	0.00%	0.00%	1.50%	(1.60%)	3.80%
Change (Basis Points)		0	– 150	+ 160	– 380
EXPENSE CHANGE^b					
Range	2.00% – 6.00%	3.00% – 6.00%	2.00% – 6.00%	1.00% – 5.00%	1.00% – 4.00%
Average	3.50%	3.63%	3.50%	2.90%	2.90%
Change (Basis Points)		– 13	0	+ 60	+ 60
MARKETING TIME^c					
Range	6 – 24	6 – 24	3 – 18	3 – 12	3 – 18
Average	12.1	12.1	8.6	7.0	6.7
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(30.0%) – 0.0%	(30.0%) – 0.0%	(15.0%) – 5.0%	(10.0%) – 0.0%	0.0% – 7.0%
Average	(11.3%)	(9.4%)	(4.2%)	(5.2%)	3.5%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

SAN DIEGO OFFICE MARKET

Fourth Quarter 2023

	CURRENT*	LAST QUARTER*	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 12.50%	6.75% – 11.50%	6.00% – 11.00%	6.00% – 10.00%	6.50% – 12.00%
Average	10.13%	8.75%	7.70%	7.78%	7.97%
Change (Basis Points)		+ 138	+ 243	+ 235	+ 216
OVERALL CAP RATE (OAR)^a					
Range	6.00% – 12.00%	5.25% – 9.00%	4.75% – 8.50%	5.25% – 8.00%	5.25% – 8.00%
Average	8.58%	7.33%	6.30%	6.40%	6.33%
Change (Basis Points)		+ 125	+ 228	+ 218	+ 225
RESIDUAL CAP RATE					
Range	6.50% – 10.00%	6.00% – 9.00%	5.75% – 8.50%	5.50% – 8.50%	5.50% – 8.50%
Average	7.75%	7.29%	6.73%	6.53%	6.61%
Change (Basis Points)		+ 46	+ 102	+ 122	+ 114
MARKET RENT CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	(2.00%) – 5.00%	2.00% – 5.00%
Average	0.50%	0.50%	1.70%	1.25%	3.70%
Change (Basis Points)		0	– 120	– 75	– 320
EXPENSE CHANGE^b					
Range	2.00% – 6.00%	3.00% – 6.00%	3.00% – 6.00%	2.00% – 4.00%	2.00% – 4.00%
Average	3.33%	3.67%	3.50%	2.80%	2.90%
Change (Basis Points)		– 34	– 17	+ 53	+ 43
MARKETING TIME^c					
Range	5 – 15	3 – 12	3 – 9	3 – 12	1 – 12
Average	9.8	9.0	6.5	6.5	4.7
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 0.0%	(25.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(5.0%) – 10.0%
Average	(8.3%)	(10.0%)	(4.2%)	(6.3%)	1.4%
Change (▼, ▲, =)		▲	▼	▼	▼

* Quarterly data pertains to suburbs only.

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

SAN FRANCISCO OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.00% – 13.00%	5.00% – 12.00%	5.00% – 10.50%	5.00% – 9.50%	5.00% – 9.50%
Average	8.99%	9.04%	7.70%	6.99%	6.81%
Change (Basis Points)		– 6	+ 129	+ 200	+ 218
OVERALL CAP RATE (OAR)^a					
Range	5.00% – 12.00%	5.00% – 10.00%	4.50% – 9.00%	3.50% – 8.00%	3.50% – 8.00%
Average	8.30%	7.74%	6.38%	5.66%	5.47%
Change (Basis Points)		+ 56	+ 192	+ 264	+ 283
RESIDUAL CAP RATE					
Range	5.00% – 11.00%	5.00% – 10.50%	5.00% – 10.00%	5.00% – 9.00%	4.75% – 9.00%
Average	7.86%	7.68%	6.75%	6.48%	6.18%
Change (Basis Points)		+ 18	+ 111	+ 138	+ 168
MARKET RENT CHANGE^b					
Range	(15.00%) – 2.00%	(15.00%) – 2.00%	0.00% – 2.00%	(5.00%) – 3.00%	2.00% – 5.00%
Average	(1.80%)	(1.80%)	0.50%	1.20%	3.70%
Change (Basis Points)		0	– 230	– 300	– 550
EXPENSE CHANGE^b					
Range	3.00% – 5.00%	3.00% – 5.00%	3.00% – 5.00%	2.00% – 3.00%	0.00% – 3.00%
Average	3.20%	3.30%	3.20%	2.90%	2.60%
Change (Basis Points)		– 10	0	+ 30	+ 60
MARKETING TIME^c					
Range	3 – 15	3 – 15	2 – 10	2 – 8	1 – 6
Average	7.5	7.5	5.3	4.5	3.9
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(60.0%) – 0.0%	(60.0%) – 0.0%	(15.0%) – 0.0%	(10.0%) – 5.0%	(5.0%) – 5.0%
Average	(21.5%)	(21.0%)	(4.4%)	(2.6%)	1.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

SEATTLE OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 12.00%	7.00% – 12.00%	6.25% – 9.50%	5.75% – 9.00%	5.25% – 9.00%
Average	8.89%	8.84%	7.78%	7.60%	7.03%
Change (Basis Points)		+ 5	+ 111	+ 129	+ 186
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 9.00%	6.00% – 9.00%	4.50% – 7.00%	4.50% – 10.00%	4.00% – 8.00%
Average	7.28%	7.07%	5.99%	5.98%	5.57%
Change (Basis Points)		+ 21	+ 129	+ 130	+ 171
RESIDUAL CAP RATE					
Range	6.25% – 10.00%	6.00% – 9.00%	5.00% – 8.00%	5.00% – 10.00%	5.00% – 9.00%
Average	7.57%	7.32%	6.43%	6.53%	6.26%
Change (Basis Points)		+ 25	+ 114	+ 104	+ 131
MARKET RENT CHANGE^b					
Range	(5.00%) – 0.00%	(5.00%) – 3.00%	0.00% – 7.00%	0.00% – 3.00%	2.00% – 5.00%
Average	(0.63%)	(0.25%)	2.00%	1.30%	3.38%
Change (Basis Points)		– 38	– 263	– 193	– 401
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	3.00% – 7.00%	2.00% – 4.00%	2.50% – 3.00%
Average	3.25%	3.25%	4.00%	2.80%	2.96%
Change (Basis Points)		0	– 75	+ 45	+ 29
MARKETING TIME^c					
Range	3 – 6	3 – 6	3 – 6	2 – 12	1 – 9
Average	5.0	5.0	5.0	4.9	3.9
Change (▼, ▲, =)		=	=	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 0.0%	(15.0%) – 0.0%	(15.0%) – 0.0%	(15.0%) – 10.0%	0.0% – 10.0%
Average	(7.8%)	(8.8%)	(7.0%)	(2.8%)	3.7%
Change (▼, ▲, =)		▲	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

SOUTHEAST FLORIDA OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 12.00%	6.50% – 11.50%	6.50% – 11.00%	6.00% – 11.00%	6.00% – 10.50%
Average	9.22%	8.59%	8.31%	8.45%	8.31%
Change (Basis Points)		+ 63	+ 91	+ 77	+ 91
OVERALL CAP RATE (OAR)^a					
Range	5.25% – 10.50%	5.00% – 10.50%	5.00% – 9.50%	4.50% – 9.50%	5.00% – 9.50%
Average	7.70%	7.27%	6.67%	6.79%	6.93%
Change (Basis Points)		+ 43	+ 103	+ 91	+ 77
RESIDUAL CAP RATE					
Range	6.00% – 10.50%	5.00% – 10.50%	5.00% – 10.50%	4.75% – 10.50%	5.00% – 10.50%
Average	7.67%	7.34%	7.07%	7.32%	7.38%
Change (Basis Points)		+ 33	+ 60	+ 35	+ 29
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 6.00%	(10.00%) – 5.00%	0.00% – 5.00%
Average	2.63%	2.63%	2.60%	(0.10%)	2.70%
Change (Basis Points)		0	+ 3	+ 273	– 7
EXPENSE CHANGE^b					
Range	1.00% – 7.00%	1.00% – 7.00%	1.00% – 5.00%	1.00% – 3.00%	1.00% – 3.00%
Average	4.00%	4.00%	3.00%	2.30%	2.70%
Change (Basis Points)		0	+ 100	+ 170	+ 130
MARKETING TIME^c					
Range	3 – 12	3 – 12	3 – 8	3 – 8	3 – 8
Average	5.9	5.9	4.5	4.5	4.5
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 10.0%	(15.0%) – 10.0%	(15.0%) – 10.0%	(15.0%) – 3.0%	(2.5%) – 5.0%
Average	(4.2%)	(4.2%)	(0.6%)	(2.9%)	1.2%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

WASHINGTON, DC OFFICE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	7.00% – 10.00%	6.50% – 9.50%	5.50% – 7.00%	5.00% – 9.00%	5.00% – 7.00%
Average	8.00%	7.63%	6.33%	6.50%	6.03%
Change (Basis Points)		+ 37	+ 167	+ 150	+ 197
OVERALL CAP RATE (OAR)^a					
Range	5.50% – 10.00%	5.25% – 8.00%	4.50% – 6.00%	4.50% – 7.75%	4.25% – 6.50%
Average	6.79%	6.29%	5.20%	5.45%	5.13%
Change (Basis Points)		+ 50	+ 159	+ 134	+ 166
RESIDUAL CAP RATE					
Range	5.50% – 9.00%	5.50% – 8.00%	5.00% – 7.00%	5.00% – 8.00%	5.00% – 6.50%
Average	7.03%	6.44%	5.75%	5.98%	5.65%
Change (Basis Points)		+ 59	+ 128	+ 105	+ 138
MARKET RENT CHANGE^b					
Range	0.00% – 0.00%	0.00% – 0.00%	0.00% – 3.00%	0.00% – 0.00%	0.00% – 4.00%
Average	0.00%	0.00%	0.90%	0.00%	1.30%
Change (Basis Points)		0	– 90	0	– 130
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	1.00% – 4.00%	1.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%
Average	3.00%	2.88%	2.70%	2.30%	2.20%
Change (Basis Points)		+ 12	+ 30	+ 70	+ 80
MARKETING TIME^c					
Range	3 – 15	3 – 12	3 – 10	3 – 12	1 – 6
Average	8.6	7.1	6.0	5.6	3.7
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(40.0%) – 0.0%	(40.0%) – 0.0%	(20.0%) – 0.0%	(20.0%) – 0.0%	(5.0%) – 5.0%
Average	(13.8%)	(11.3%)	(5.8%)	(4.8%)	1.0%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL WAREHOUSE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.25% – 8.50%	5.25% – 8.00%	5.00% – 7.50%	5.25% – 7.50%	5.25% – 9.00%
Average	6.90%	6.63%	6.09%	6.14%	6.33%
Change (Basis Points)		+ 27	+ 81	+ 76	+ 57
OVERALL CAP RATE (OAR)^a					
Range	3.00% – 7.00%	3.00% – 6.50%	2.00% – 6.25%	3.40% – 7.00%	1.00% – 6.50%
Average	5.23%	4.97%	4.43%	4.85%	4.56%
Change (Basis Points)		+ 26	+ 80	+ 38	+ 67
RESIDUAL CAP RATE					
Range	4.00% – 6.50%	4.00% – 6.50%	3.75% – 6.50%	4.50% – 7.00%	4.50% – 6.75%
Average	5.52%	5.38%	4.97%	5.45%	5.51%
Change (Basis Points)		+ 14	+ 55	+ 7	+ 1
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 10.00%	0.00% – 5.00%	0.00% – 7.00%
Average	2.46%	2.46%	3.14%	0.94%	2.78%
Change (Basis Points)		0	– 68	+ 152	– 32
EXPENSE CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 5.00%	0.00% – 4.00%	0.00% – 3.00%
Average	2.38%	2.38%	2.50%	2.27%	2.35%
Change (Basis Points)		0	– 12	+ 11	+ 3
MARKETING TIME^c					
Range	1 – 12	1 – 9	1 – 9	1 – 15	1 – 9
Average	4.1	3.7	3.5	5.0	3.8
Change (▼, ▲, =)		▲	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(30.0%) – 5.0%	(30.0%) – 5.0%	(25.0%) – 10.0%	(15.0%) – 12.0%	0.0% – 18.0%
Average	(3.5%)	(2.6%)	(2.5%)	1.8%	5.2%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

EAST COAST REGION WAREHOUSE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	2 YEARS AGO
DISCOUNT RATE (IRR)^a				
Range	6.25% – 10.00%	6.00% – 9.00%	5.00% – 7.00%	5.00% – 7.00%
Average	7.21%	6.78%	5.68%	5.60%
Change (Basis Points)		+ 43	+ 153	– 161
OVERALL CAP RATE (OAR)^a				
Range	3.55% – 5.75%	3.40% – 5.50%	3.20% – 5.25%	3.00% – 5.50%
Average	4.99%	4.75%	4.02%	4.31%
Change (Basis Points)		+ 24	+ 97	+ 68
RESIDUAL CAP RATE				
Range	4.75% – 6.50%	4.75% – 6.00%	3.75% – 5.00%	4.00% – 5.75%
Average	5.52%	5.33%	4.42%	4.77%
Change (Basis Points)		+ 19	+ 110	+ 75
MARKET RENT CHANGE^b				
Range	0.00% – 9.00%	0.00% – 9.00%	0.00% – 10.00%	0.00% – 8.00%
Average	3.92%	3.70%	4.42%	4.08%
Change (Basis Points)		+ 22	– 50	– 16
EXPENSE CHANGE^b				
Range	0.00% – 10.00%	0.00% – 10.00%	0.00% – 10.00%	0.00% – 3.00%
Average	3.25%	3.30%	3.25%	2.75%
Change (Basis Points)		– 5	0	+ 50
MARKETING TIME^c				
Range	1 – 12	1 – 12	1 – 12	1 – 12
Average	4.4	3.8	3.4	3.9
Change (▼, ▲, =)		▲	▲	▲
FORECAST VALUE CHANGE^d				
Range	(10.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 10.0%	0.0% – 10.0%
Average	(1.3%)	0.8%	2.8%	5.6%
Change (▼, ▲, =)		▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

ENC REGION WAREHOUSE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 7.00%	6.00% – 7.00%	5.00% – 7.00%	5.25% – 7.00%	5.25% – 7.00%
Average	6.42%	6.29%	5.65%	6.13%	6.23%
Change (Basis Points)		+ 13	+ 77	+ 29	+ 19
OVERALL CAP RATE (OAR)^a					
Range	4.25% – 5.50%	4.25% – 5.25%	3.50% – 4.50%	4.00% – 6.00%	4.25% – 6.00%
Average	5.06%	4.81%	4.18%	5.05%	5.24%
Change (Basis Points)		+ 25	+ 88	+ 1	– 18
RESIDUAL CAP RATE					
Range	4.75% – 5.75%	4.75% – 5.50%	4.00% – 5.50%	5.00% – 6.75%	5.00% – 7.00%
Average	5.38%	5.13%	4.88%	5.83%	6.03%
Change (Basis Points)		+ 25	+ 50	– 45	– 65
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 9.00%	0.00% – 3.00%	0.00% – 5.00%
Average	1.50%	1.50%	3.00%	1.00%	2.60%
Change (Basis Points)		0	– 150	+ 50	– 110
EXPENSE CHANGE^b					
Range	3.00% – 4.00%	3.00% – 4.00%	3.00% – 4.00%	2.00% – 3.00%	2.50% – 3.00%
Average	3.25%	3.25%	3.10%	2.70%	2.90%
Change (Basis Points)		0	+ 15	+ 55	+ 35
MARKETING TIME^c					
Range	2 – 6	2 – 6	1 – 6	2 – 9	2 – 6
Average	3.8	3.5	3.2	5.0	4.0
Change (▼, ▲, =)		▲	▲	▼	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 6.0%	(15.0%) – 8.0%	0.0% – 10.0%
Average	0.3%	0.8%	1.3%	(0.8%)	2.6%
Change (▼, ▲, =)		▼	▼	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

PACIFIC REGION WAREHOUSE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 8.50%	5.75% – 8.00%	4.75% – 8.00%	5.25% – 6.50%	5.00% – 7.00%
Average	6.96%	6.63%	5.96%	5.80%	5.98%
Change (Basis Points)		+ 33	+ 100	+ 116	+ 98
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 6.50%	4.25% – 6.00%	3.00% – 5.50%	3.60% – 5.00%	3.75% – 5.50%
Average	5.23%	5.00%	4.15%	4.11%	4.45%
Change (Basis Points)		+ 23	+ 108	+ 112	+ 78
RESIDUAL CAP RATE					
Range	5.00% – 6.50%	4.75% – 6.50%	3.75% – 6.50%	4.50% – 6.00%	4.00% – 6.00%
Average	5.48%	5.35%	4.80%	4.98%	5.00%
Change (Basis Points)		+ 13	– 35	+ 50	+ 48
MARKET RENT CHANGE^b					
Range	0.00% – 9.00%	0.00% – 9.00%	0.00% – 9.00%	0.00% – 5.00%	0.00% – 5.00%
Average	3.25%	3.10%	3.60%	1.85%	2.60%
Change (Basis Points)		+ 15	– 35	+ 140	+ 65
EXPENSE CHANGE^b					
Range	3.00% – 7.00%	3.00% – 7.00%	3.00% – 8.00%	2.00% – 3.00%	3.00% – 3.00%
Average	3.58%	3.80%	3.50%	2.90%	3.00%
Change (Basis Points)		– 22	+ 8	+ 68	+ 58
MARKETING TIME^c					
Range	1 – 6	1 – 5	1 – 6	1 – 6	1 – 6
Average	3.5	2.8	3.1	3.0	3.0
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(5.0%) – 5.0%	(25.0%) – 10.0%	0.0% – 10.0%	(5.0%) – 10.0%
Average	(0.3%)	0.8%	(2.2%)	1.8%	2.7%
Change (▼, ▲, =)		▼	▲	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL APARTMENT MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 8.00%	5.75% – 8.00%	4.75% – 10.00%	5.00% – 10.00%	5.25% – 10.00%
Average	7.00%	6.77%	6.86%	6.83%	7.15%
Change (Basis Points)		+ 23	+ 14	+ 17	– 15
OVERALL CAP RATE (OAR)^a					
Range	4.00% – 8.00%	3.75% – 8.00%	3.25% – 8.00%	3.50% – 8.00%	3.50% – 8.50%
Average	5.59%	5.28%	4.89%	5.22%	5.16%
Change (Basis Points)		+ 31	+ 70	+ 37	+ 43
RESIDUAL CAP RATE					
Range	4.25% – 8.00%	4.00% – 8.00%	4.00% – 8.00%	4.00% – 8.00%	4.00% – 8.50%
Average	5.91%	5.67%	5.28%	5.60%	5.53%
Change (Basis Points)		+ 24	+ 63	+ 31	+ 38
MARKET RENT CHANGE^b					
Range	0.00% – 5.00%	2.00% – 4.00%	0.00% – 10.00%	(5.00%) – 3.50%	(2.00%) – 5.00%
Average	2.93%	3.00%	3.89%	0.50%	2.40%
Change (Basis Points)		– 7	– 96	+ 243	+ 53
EXPENSE CHANGE^b					
Range	3.00% – 8.00%	3.00% – 6.00%	0.00% – 8.00%	0.00% – 8.00%	2.00% – 3.00%
Average	3.93%	3.50%	3.42%	2.82%	2.73%
Change (Basis Points)		+ 43	+ 51	+ 111	+ 120
MARKETING TIME^c					
Range	2 – 15	2 – 12	1 – 12	1 – 12	1 – 9
Average	6.3	6.0	4.6	5.3	3.7
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(25.0%) – 3.0%	(5.0%) – 3.0%	(20.0%) – 10.0%	(10.0%) – 10.0%	(5.0%) – 10.0%
Average	(3.9%)	(0.2%)	(1.3%)	1.3%	1.6%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

MID-ATLANTIC REGION APARTMENT MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	5.50% – 10.00%	5.50% – 9.00%	5.00% – 9.00%	6.00% – 9.00%	5.25% – 10.00%
Average	7.38%	6.78%	6.45%	7.58%	7.18%
Change (Basis Points)		+ 60	+ 93	– 20	+ 20
OVERALL CAP RATE (OAR)^a					
Range	4.25% – 6.50%	4.25% – 6.50%	4.00% – 6.50%	4.00% – 6.75%	3.00% – 6.75%
Average	5.43%	5.13%	4.98%	5.38%	5.04%
Change (Basis Points)		+ 30	+ 45	+ 5	+ 39
RESIDUAL CAP RATE					
Range	5.00% – 7.00%	4.50% – 6.50%	4.25% – 6.50%	5.00% – 6.50%	4.00% – 6.50%
Average	5.80%	5.38%	5.15%	5.73%	5.48%
Change (Basis Points)		+ 42	+ 65	+ 7	+ 32
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 6.00%	0.00% – 3.00%	0.00% – 3.00%
Average	2.40%	2.40%	3.00%	1.55%	1.60%
Change (Basis Points)		0	– 60	+ 85	+ 80
EXPENSE CHANGE^b					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 3.00%	0.00% – 3.00%
Average	2.90%	2.90%	2.80%	2.70%	2.00%
Change (Basis Points)		0	+ 10	+ 20	+ 90
MARKETING TIME^c					
Range	1 – 12	1 – 9	1 – 9	1 – 9	1 – 9
Average	4.7	4.1	4.5	4.9	3.8
Change (▼, ▲, =)		▲	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 5.0%	(20.0%) – 5.0%	(20.0%) – 5.0%	(5.0%) – 5.0%	(3.0%) – 12.0%
Average	(3.5%)	(3.5%)	(1.3%)	0.0%	2.0%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

PACIFIC REGION APARTMENT MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.50% – 10.00%	6.00% – 9.00%	5.50% – 9.00%	5.00% – 9.75%	5.00% – 10.00%
Average	7.78%	7.22%	6.73%	6.68%	6.45%
Change (Basis Points)		+ 56	+ 105	+ 110	+ 133
OVERALL CAP RATE (OAR)^a					
Range	3.50% – 6.50%	3.50% – 6.50%	3.25% – 5.00%	4.00% – 6.00%	3.50% – 6.00%
Average	5.04%	4.69%	4.15%	4.65%	4.45%
Change (Basis Points)		+ 35	+ 89	+ 39	+ 59
RESIDUAL CAP RATE					
Range	5.25% – 6.50%	4.75% – 6.50%	4.00% – 5.75%	4.00% – 6.00%	4.00% – 6.00%
Average	5.75%	5.53%	4.73%	4.90%	4.93%
Change (Basis Points)		+ 22	+ 102	+ 85	+ 82
MARKET RENT CHANGE^b					
Range	2.00% – 4.00%	2.00% – 4.00%	2.00% – 5.00%	(2.50%) – 5.00%	0.00% – 5.00%
Average	3.31%	3.31%	3.88%	1.00%	2.55%
Change (Basis Points)		0	– 57	+ 231	+ 76
EXPENSE CHANGE^b					
Range	2.00% – 4.00%	2.00% – 3.00%	2.00% – 4.00%	2.00% – 3.00%	0.00% – 3.00%
Average	3.00%	2.75%	2.83%	2.85%	2.23%
Change (Basis Points)		+ 25	+ 17	+ 15	+ 77
MARKETING TIME^c					
Range	1 – 10	1 – 6	1 – 9	1 – 9	1 – 9
Average	4.7	4.0	4.2	4.6	3.6
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(15.0%) – 5.0%	(15.0%) – 5.0%	(10.0%) – 10.0%	(15.0%) – 20.0%	(10.0%) – 15.0%
Average	(5.3%)	(5.3%)	(1.1%)	0.6%	2.8%
Change (▼, ▲, =)		=	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

SOUTHEAST REGION APARTMENT MARKET

Fourth Quarter 2023

	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%	5.00% – 7.00%	6.00% – 8.00%	5.75% – 10.00%
Average	6.96%	6.96%	5.90%	6.65%	7.58%
Change (Basis Points)		0	+ 106	+ 31	– 62
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 6.00%	4.50% – 6.00%	4.00% – 5.00%	4.00% – 6.00%	3.50% – 6.50%
Average	5.25%	5.25%	4.30%	4.83%	5.20%
Change (Basis Points)		0	+ 95	+ 42	+ 5
RESIDUAL CAP RATE					
Range	4.75% – 6.25%	4.75% – 6.25%	4.00% – 5.00%	4.75% – 6.50%	4.00% – 7.00%
Average	5.50%	5.50%	4.70%	5.35%	5.80%
Change (Basis Points)		0	+ 80	+ 15	– 30
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 5.00%	0.00% – 1.50%	1.00% – 4.00%
Average	2.67%	2.67%	3.00%	1.05%	2.60%
Change (Basis Points)		0	– 33	+ 162	+ 7
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%	2.00% – 3.00%
Average	3.17%	3.17%	3.20%	3.00%	2.80%
Change (Basis Points)		0	– 3	+ 17	+ 37
MARKETING TIME^c					
Range	3 – 6	3 – 6	3 – 6	1 – 6	1 – 6
Average	4.2	4.2	3.9	4.5	3.7
Change (▼, ▲, =)		=	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(10.0%) – 5.0%	(10.0%) – 0.0%	(2.0%) – 2.0%	0.0% – 5.0%
Average	(1.7%)	(1.7%)	(5.0%)	0.1%	1.3%
Change (▼, ▲, =)		=	▲	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL NET LEASE MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.00% – 11.00%	6.00% – 10.00%	5.00% – 10.00%	5.50% – 10.00%	5.00% – 12.00%
Average	7.92%	7.75%	7.35%	7.20%	8.40%
Change (Basis Points)		+ 17	+ 57	+ 72	– 48
OVERALL CAP RATE (OAR)^a					
Range	6.25% – 9.00%	6.25% – 8.00%	5.00% – 7.50%	4.00% – 8.00%	5.00% – 8.50%
Average	7.38%	7.13%	6.23%	6.22%	6.71%
Change (Basis Points)		+ 25	+ 115	+ 116	+ 67
RESIDUAL CAP RATE					
Range	6.00% – 8.00%	6.00% – 7.50%	5.00% – 7.50%	5.50% – 8.50%	6.00% – 10.00%
Average	7.13%	6.72%	6.28%	7.03%	7.75%
Change (Basis Points)		+ 41	+ 85	+ 10	– 62
MARKET RENT CHANGE^b					
Range	(5.00%) – 3.00%	(5.00%) – 3.00%	(5.00%) – 2.00%	(10.00%) – 2.00%	0.00% – 4.00%
Average	0.67%	0.67%	0.00%	(0.85%)	2.00%
Change (Basis Points)		0	+ 67	+ 152	– 133
EXPENSE CHANGE^b					
Range	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 3.00%	0.00% – 4.00%
Average	2.00%	2.00%	1.60%	1.10%	1.86%
Change (Basis Points)		0	+ 40	+ 90	+ 14
MARKETING TIME^c					
Range	3 – 18	3 – 18	2 – 18	1 – 18	2 – 12
Average	8.2	8.2	6.3	5.8	5.4
Change (▼, ▲, =)		=	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(5.0%) – 0.0%	(5.0%) – 0.0%	(5.0%) – 5.0%	(15.0%) – 0.0%	(20.0%) – 15.0%
Average	(2.5%)	(2.5%)	(1.1%)	(3.1%)	(3.9%)
Change (▼, ▲, =)		=	▼	▲	▲

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL MEDICAL OFFICE BUILDINGS MARKET

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)^a					
Range	6.25% – 11.00%	6.00% – 11.00%	5.50% – 11.00%	5.50% – 11.00%	5.75% – 11.00%
Average	8.66%	8.50%	7.78%	7.90%	7.78%
Change (Basis Points)		+ 16	+ 88	+ 76	+ 88
OVERALL CAP RATE (OAR)^a					
Range	5.25% – 10.00%	5.25% – 10.00%	5.00% – 10.00%	4.25% – 10.50%	4.50% – 10.00%
Average	7.17%	7.14%	6.85%	6.66%	6.71%
Change (Basis Points)		+ 3	+ 32	+ 51	+ 46
RESIDUAL CAP RATE					
Range	5.75% – 10.25%	5.50% – 10.25%	5.00% – 10.25%	5.00% – 10.50%	5.00% – 10.25%
Average	7.47%	7.38%	7.04%	7.00%	6.93%
Change (Basis Points)		+ 9	+ 43	+ 47	+ 54
MARKET RENT CHANGE^b					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 6.00%	0.00% – 3.00%	0.00% – 3.00%
Average	2.50%	2.50%	2.70%	1.63%	2.20%
Change (Basis Points)		0	– 20	+ 87	+ 30
EXPENSE CHANGE^b					
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 6.00%	1.00% – 4.00%	1.00% – 3.00%
Average	3.38%	3.38%	3.50%	2.50%	2.40%
Change (Basis Points)		0	– 12	+ 88	+ 98
MARKETING TIME^c					
Range	1 – 12	1 – 12	1 – 12	1 – 12	1 – 12
Average	5.4	5.4	5.5	4.8	4.7
Change (▼, ▲, =)		=	▼	▲	▲
FORECAST VALUE CHANGE^d					
Range	(20.0%) – 10.0%	(20.0%) – 10.0%	(20.0%) – 3.0%	(20.0%) – 10.0%	(15.0%) – 10.0%
Average	(5.0%)	(4.4%)	(5.3%)	(0.6%)	(0.2%)
Change (▼, ▲, =)		▼	▲	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL FULL-SERVICE LODGING SEGMENT

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3Q 2020	3Q 2018
DISCOUNT RATE (IRR)^a					
Range	4.50% – 12.00%	7.50% – 12.00%	8.00% – 12.00%	8.75% – 11.00%	8.00% – 13.00%
Average	9.90%	10.05%	9.98%	9.93%	10.20%
Change (Basis Points)		– 15	– 8	– 3	– 30
OVERALL CAP RATE (OAR)^a					
Range	7.00% – 10.00%	4.50% – 10.00%	5.00% – 9.00%	6.00% – 9.00%	6.00% – 10.00%
Average	8.58%	8.00%	7.25%	7.30%	7.73%
Change (Basis Points)		+ 58	+ 133	+ 128	+ 85
RESIDUAL CAP RATE					
Range	6.00% – 10.00%	4.50% – 10.00%	5.00% – 10.00%	7.00% – 10.00%	7.00% – 10.00%
Average	8.58%	8.40%	8.05%	8.50%	8.35%
Change (Basis Points)		+ 18	+ 53	+ 8	+ 23
AVERAGE DAILY RATE^b					
Range	0.00% – 6.00%	0.00% – 25.00%	0.00% – 25.00%	0.00% – 3.00%	(1.00%) – 7.00%
Average	3.60%	5.90%	7.00%	0.70%	3.10%
Change (Basis Points)		– 230	– 340	+ 290	+ 50
OPERATING EXPENSE^b					
Range	2.00% – 5.00%	1.00% – 10.00%	0.00% – 25.00%	0.00% – 4.00%	0.00% – 4.00%
Average	3.50%	3.60%	5.00%	2.80%	2.80%
Change (Basis Points)		– 10	– 150	+ 70	+ 70
MARKETING TIME^c					
Range	0 – 12	1 – 12	1 – 12	3 – 9	3 – 9
Average	6.1	6.5	6.7	6.3	6.2
Change (▼, ▲, =)		▼	▼	▼	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(5.0%) – 10.0%	(20.0%) – 6.0%	(3.0%) – 6.0%
Average	(1.1%)	(0.3%)	(1.3%)	(4.2%)	1.3%
Change (▼, ▲, =)		▼	▲	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL LIMITED-SERVICE MIDSCALE & ECONOMY LODGING SEGMENT

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3Q 2020	3Q 2018
DISCOUNT RATE (IRR)^a					
Range	11.00% – 15.00%	11.00% – 15.00%	10.00% – 14.00%	8.00% – 12.00%	8.50% – 13.00%
Average	12.50%	12.50%	11.40%	9.80%	10.50%
Change (Basis Points)		0	+ 110	+ 270	+ 200
OVERALL CAP RATE (OAR)^a					
Range	9.00% – 12.00%	9.00% – 11.50%	8.00% – 11.50%	7.00% – 12.00%	7.50% – 11.00%
Average	10.38%	10.17%	9.75%	9.50%	9.15%
Change (Basis Points)		+ 21	+ 63	+ 88	+ 123
RESIDUAL CAP RATE					
Range	9.00% – 12.50%	9.00% – 12.50%	8.00% – 12.50%	8.00% – 12.00%	7.75% – 11.00%
Average	10.88%	10.67%	10.10%	9.50%	9.38%
Change (Basis Points)		+ 21	+ 78	+ 138	+ 150
AVERAGE DAILY RATE^b					
Range	3.00% – 7.00%	3.00% – 8.00%	1.00% – 8.00%	(10.00%) – 5.00%	(1.00%) – 5.00%
Average	4.75%	5.33%	5.70%	(0.10%)	2.20%
Change (Basis Points)		– 58	– 95	+ 485	+ 255
OPERATING EXPENSE^b					
Range	3.00% – 6.00%	3.00% – 6.00%	3.00% – 12.00%	2.00% – 4.00%	2.50% – 3.00%
Average	4.50%	4.50%	4.20%	2.95%	2.95%
Change (Basis Points)		0	+ 30	+ 155	+ 155
MARKETING TIME^c					
Range	6 – 12	2 – 10	2 – 12	2 – 12	2 – 12
Average	9.0	6.3	7.2	6.6	6.1
Change (▼, ▲, =)		▲	▲	▲	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 0.0%	(10.0%) – 0.0%	(10.0%) – 5.0%	(50.0%) – 3.0%	(5.0%) – 5.0%
Average	(5.8%)	(4.5%)	(2.5%)	(14.2%)	1.4%
Change (▼, ▲, =)		▼	▼	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL LUXURY/UPPER-UPSCALE LODGING SEGMENT

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3Q 2020	3Q 2018
DISCOUNT RATE (IRR)^a					
Range	7.00% – 12.00%	6.75% – 12.00%	6.50% – 11.00%	6.50% – 12.00%	6.25% – 12.00%
Average	9.66%	9.59%	9.33%	9.63%	9.45%
Change (Basis Points)		+ 7	+ 33	+ 3	+ 21
OVERALL CAP RATE (OAR)^a					
Range	4.50% – 10.00%	4.00% – 10.00%	4.00% – 9.50%	4.00% – 9.50%	4.00% – 9.00%
Average	7.88%	7.69%	7.13%	7.40%	7.05%
Change (Basis Points)		+ 19	+ 75	+ 48	+ 83
RESIDUAL CAP RATE					
Range	6.00% – 10.00%	6.00% – 9.50%	5.75% – 9.50%	5.75% – 9.50%	5.50% – 9.50%
Average	8.09%	7.94%	7.67%	7.83%	7.33%
Change (Basis Points)		+ 15	+ 42	+ 26	+ 76
AVERAGE DAILY RATE^b					
Range	0.00% – 6.00%	0.00% – 6.00%	0.00% – 10.00%	(10.00%) – 3.00%	0.00% – 5.00%
Average	2.88%	2.88%	2.70%	(0.80%)	2.80%
Change (Basis Points)		0	+ 18	+ 368	+ 8
OPERATING EXPENSE^b					
Range	2.00% – 7.00%	2.00% – 7.00%	1.00% – 7.00%	1.00% – 7.00%	0.00% – 4.00%
Average	3.63%	3.63%	3.50%	3.40%	2.60%
Change (Basis Points)		0	+ 13	+ 23	+ 103
MARKETING TIME^c					
Range	4 – 12	3 – 12	3 – 12	3 – 12	3 – 12
Average	7.4	7.1	7.2	7.5	6.8
Change (▼, ▲, =)		▲	▲	▼	▲
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 5.0%	(5.0%) – 3.0%	(10.0%) – 10.0%	(25.0%) – 4.0%	(3.0%) – 10.0%
Average	(0.8%)	0.1%	0.7%	(6.0%)	2.9%
Change (▼, ▲, =)		▼	▼	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

NATIONAL SELECT-SERVICE LODGING SEGMENT

Fourth Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3Q 2020	3Q 2018
DISCOUNT RATE (IRR)^a					
Range	9.00% – 15.00%	9.00% – 15.50%	10.00% – 14.00%	8.00% – 12.00%	8.00% – 11.00%
Average	11.69%	11.75%	11.40%	10.10%	9.55%
Change (Basis Points)		– 6	+ 29	+ 159	+ 214
OVERALL CAP RATE (OAR)^a					
Range	7.50% – 10.00%	7.50% – 10.00%	7.00% – 10.00%	7.00% – 11.00%	7.00% – 10.00%
Average	8.94%	8.88%	8.50%	8.50%	8.50%
Change (Basis Points)		+ 6	+ 44	+ 44	+ 44
RESIDUAL CAP RATE					
Range	7.00% – 11.50%	7.00% – 11.50%	7.50% – 11.50%	7.00% – 10.50%	7.00% – 10.00%
Average	9.25%	9.15%	9.05%	8.68%	8.75%
Change (Basis Points)		+ 10	+ 20	+ 57	+ 50
AVERAGE DAILY RATE^b					
Range	3.00% – 8.00%	3.00% – 10.00%	0.00% – 10.00%	(5.00%) – 20.00%	(1.00%) – 8.00%
Average	4.45%	4.80%	6.20%	4.60%	2.90%
Change (Basis Points)		– 35	– 175	– 15	+ 155
OPERATING EXPENSE^b					
Range	3.00% – 8.00%	3.00% – 8.00%	3.00% – 10.00%	2.00% – 20.00%	2.00% – 10.00%
Average	4.10%	4.20%	5.30%	6.45%	3.45%
Change (Basis Points)		– 10	– 120	– 235	+ 65
MARKETING TIME^c					
Range	1 – 12	1 – 12	1 – 8	2 – 10	2 – 15
Average	6.8	6.0	4.5	5.2	6.9
Change (▼, ▲, =)		▲	▲	▲	▼
FORECAST VALUE CHANGE^d					
Range	(10.0%) – 10.0%	(10.0%) – 10.0%	(10.0%) – 6.0%	(50.0%) – 0.0%	(5.0%) – 5.0%
Average	(3.3%)	(2.0%)	(0.5%)	(16.5%)	(0.8%)
Change (▼, ▲, =)		▼	▼	▲	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during October 2023

INVESTMENT AND PROPERTY CHARACTERISTICS: OFFICE MARKETS

Fourth Quarter 2023

Market	FORECAST VALUE CHANGE NEXT 12 MONTHS			PRICE AS % OF REPLACEMENT COST			MARKET PRICING OPINION (1)			TENANT LEASE TERM (2)		TENANT IMPROVEMENT ALLOWANCE (PSF) NEW DEALS (3)		
	Range	Average		Range	Average		Overpriced	Fairly Priced	Underpriced	Range	Average	Range	Average	
National CBD	(50.0%) – 5.0%	(10.5%)		50.0% – 100.0%	80.8%		75%	0%	25%	3 – 15	8	\$20.00 – \$225.00	\$92.50	\$10.00 – \$125.00 \$49.38
National Suburban	(50.0%) – 1.0%	(18.0%)		50.0% – 100.0%	88.8%		0%	60%	40%	3 – 15	7	\$25.00 – \$135.00	\$67.81	\$10.00 – \$75.00 \$38.75
National Secondary	(40.0%) – (2.5%)	(12.1%)		50.0% – 100.0%	79.4%		67%	33%	0%	1 – 10	4	\$10.00 – \$100.00	\$53.54	\$10.00 – \$25.00 \$16.67
Atlanta	(40.0%) – 0.0%	(13.4%)		40.0% – 100.0%	73.0%		67%	17%	17%	1 – 15	7	\$20.00 – \$130.00	\$66.04	\$5.00 – \$50.00 \$29.00
Austin	(20.0%) – 0.0%	(7.2%)		50.0% – 105.0%	87.5%		100%	0%	0%	3 – 10	6	\$25.00 – \$125.00	\$58.75	\$10.00 – \$30.00 \$16.67
Boston	(20.0%) – 0.0%	(9.2%)		25.0% – 100.0%	75.0%		75%	25%	0%	3 – 10	7	\$10.00 – \$150.00	\$82.29	\$5.00 – \$75.00 \$36.88
Charlotte	(30.0%) – 0.0%	(12.0%)		50.0% – 95.0%	76.7%		33%	33%	33%	3 – 15	8	\$10.00 – \$125.00	\$72.50	\$10.00 – \$100.00 \$42.50
Chicago	(50.0%) – (0.0%)	(19.0%)		10.0% – 100.0%	54.0%		40%	20%	40%	3 – 15	9	\$25.00 – \$200.00	\$86.00	\$10.00 – \$125.00 \$42.00
Dallas	(25.0%) – (5.0%)	(14.2%)		25.0% – 90.0%	59.2%		100%	0%	0%	3 – 10	7	\$5.00 – \$100.00	\$62.08	\$5.00 – \$40.00 \$21.67
Denver	(40.0%) – 0.0%	(12.5%)		10.0% – 100.0%	70.0%		100%	0%	0%	2 – 13	7	\$10.00 – \$180.00	\$75.50	\$5.00 – \$100.00 \$32.00
Houston	(40.0%) – 0.0%	(14.2%)		25.0% – 100.0%	67.5%		83%	17%	0%	3 – 10	6	\$8.00 – \$125.00	\$67.00	\$3.00 – \$80.00 \$29.83
Los Angeles	(20.0%) – 0.0%	(6.5%)		40.0% – 125.0%	75.0%		80%	0%	20%	3 – 15	7	\$10.00 – \$120.00	\$63.25	\$0.00 – \$60.00 \$25.50
Manhattan	(20.0%) – 0.0%	(7.5%)		50.0% – 95.0%	76.3%		100%	0%	0%	3 – 15	8	\$10.00 – \$140.00	\$63.13	\$10.00 – \$45.00 \$27.50
Northern Virginia	(40.0%) – 0.0%	(13.3%)		50.0% – 100.0%	91.7%		67%	33%	0%	4 – 10	7	\$35.00 – \$125.00	\$80.42	\$25.00 – \$80.00 \$46.67
Pacific Northwest	(30.0%) – 0.0%	(8.7%)		35.0% – 100.0%	71.7%		57%	43%	0%	2 – 10	7	\$10.00 – \$200.00	\$88.39	\$5.00 – \$80.00 \$45.71
Philadelphia	(20.0%) – 0.0%	(7.2%)		50.0% – 100.0%	66.7%		0%	67%	33%	3 – 10	8	\$5.00 – \$100.00	\$51.25	\$0.00 – \$50.00 \$19.17
Phoenix	(30.0%) – 0.0%	(11.3%)		40.0% – 100.0%	76.3%		75%	25%	0%	1 – 10	5	\$25.00 – \$125.00	\$65.94	\$10.00 – \$75.00 \$32.50
San Diego	(20.0%) – 0.0%	(8.3%)		40.0% – 85.0%	65.8%		100%	0%	0%	2 – 10	6	\$25.00 – \$300.00	\$91.46	\$0.00 – \$40.00 \$26.67
San Francisco	(60.0%) – 0.0%	(21.5%)		10.0% – 100.0%	55.4%		20%	80%	0%	3 – 15	7	\$10.00 – \$220.00	\$97.50	\$0.00 – \$100.00 \$42.50
Seattle	(15.0%) – 0.0%	(7.8%)		60.0% – 100.0%	76.7%		75%	25%	0%	2 – 10	7	\$10.00 – \$200.00	\$85.00	\$5.00 – \$80.00 \$40.63
Southeast Florida	(15.0%) – 10.0%	(4.2%)		25.0% – 100.0%	70.8%		25%	75%	0%	3 – 15	8	\$0.00 – \$125.00	\$58.75	\$5.00 – \$60.00 \$31.25
Washington, DC	(40.0%) – 0.0%	(13.8%)		50.0% – 100.0%	85.0%		75%	25%	0%	3 – 15	8	\$40.00 – \$200.00	\$106.56	\$15.00 – \$125.00 \$59.38

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

(2) Years

(3) Includes both second-generation and new space; a breakout of TI allowances is included in Table 5 on page 8.

Source: PwC Investor Survey; survey conducted by PwC during October 2023

INVESTMENT AND PROPERTY CHARACTERISTICS: NATIONAL AND REGIONAL MARKETS

Fourth Quarter 2023

Market	FORECAST VALUE CHANGE NEXT 12 MONTHS		PRICE AS % OF REPLACEMENT COST		MARKET PRICING OPINION (1)			CLASS-A+ MALLS OARs		CLASS-A MALLS OARs		CLASS-B+ MALLS IRR's		STABILIZED OCCUPANCY	
	Range	Average	Range	Average	Over- priced	Fairly Priced	Under- priced	Range	Average	Range	Average	Range	Average	Range	Average
Regional Mall	(15.0%) – 5.0%	(3.1%)	25.0% – 100.0%	83.1%	40%	60%	0%								
Power Center	(20.0%) – 3.0%	(4.0%)	75.0% – 100.0%	92.5%	25%	75%	0%								
Strip Shopping Center	(20.0%) – 5.0%	(2.2%)	50.0% – 105.0%	85.0%	60%	40%	0%								
Warehouse (National)	(30.0%) – 5.0%	(3.5%)	60.0% – 130.0%	94.7%	27%	64%	9%								
Warehouse (East Coast Region)	(10.0%) – 5.0%	(1.3%)	90.0% – 120.0%	100.6%	33%	67%	0%								
Warehouse (ENC Region)	(10.0%) – 5.0%	0.3%	100.0% – 100.0%	100.0%	0%	100%	0%								
Warehouse (Pacific Region)	(10.0%) – 5.0%	(0.3%)	85.0% – 100.0%	96.3%	50%	33%	17%								
Apartment (National)	(25.0%) – 3.0%	(3.9%)	70.0% – 115.0%	96.9%	67%	33%	0%								
Apartment (Mid-Atlantic Region)	(20.0%) – 5.0%	(3.5%)	80.0% – 120.0%	97.4%	40%	40%	20%								
Apartment (Pacific Region)	(15.0%) – 5.0%	(5.3%)	75.0% – 106.5%	89.3%	50%	25%	25%								
Apartment (Southeast Region)	(10.0%) – 5.0%	(1.7%)	Insufficient data		100%	0%	0%								
National Net Lease	(5.0%) – 0.0%	(2.5%)	70.0% – 125.0%	96.7%	0%	100%	0%								
National Medical Office Buildings	(20.0%) – 10.0%	(5.0%)	50.0% – 130.0%	93.8%	25%	75%	0%								
National Student Housing	(15.0%) – 4.0%	(1.0%)	70.0% – 120.0%	96.5%	33%	67%	0%								
								FINISHED SPACE		TENANT IMPROVEMENT ALLOWANCES (PSF)		RENEWAL LEASES			
								Range	Average	Range	Average	Range	Average	Range	Average
								1.0% – 25.0%	8.1%	\$0.25 – \$15.00	\$3.76	\$0.00 – \$3.75	\$1.28	\$0.00 – \$3.75	\$1.28
								2.0% – 10.0%	5.7%	\$0.50 – \$15.00	\$3.25	\$0.25 – \$2.00	\$0.92	\$0.25 – \$2.00	\$0.92
								2.0% – 10.0%	5.5%	\$0.00 – \$5.00	\$1.91	\$0.00 – \$1.00	\$0.50	\$0.00 – \$1.00	\$0.50
								1.0% – 20.0%	7.9%	\$0.00 – \$5.00	\$1.85	\$0.00 – \$1.50	\$0.70	\$0.00 – \$1.50	\$0.70
								TENANT LEASE TERM (3)							
								Range	Average						
								7 – 20	13						
								1 – 15	6						

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

(2) Includes both second-generation and new space; a breakout of TI allowances is included in Table 5 on page 8.

(3) Years

Source: PwC Investor Survey; survey conducted by PwC during October 2023

INSTITUTIONAL-GRADE PROPERTY RATES AND INVESTOR PREFERENCES

Office Markets

Fourth Quarter 2023

Market	INSTITUTIONAL-GRADE PROPERTY RATES				PORTION OF INVESTORS BUYING NONINSTITUTIONAL-GRADE REAL ESTATE	
	DISCOUNT RATES		OVERALL CAP RATES		Yes	No
	Range	Average	Range	Average		
National CBD Office	6.50% – 12.00%	8.61%	4.50% – 10.00%	6.78%	20%	80%
National Suburban Office	7.00% – 9.50%	8.71%	5.00% – 8.00%	6.72%	0%	100%
National Secondary Office	7.00% – 15.00%	10.34%	6.00% – 10.25%	8.49%	17%	83%
Atlanta Office	7.00% – 13.00%	9.81%	5.00% – 11.00%	8.67%	17%	83%
Austin Office	7.50% – 11.00%	9.06%	6.00% – 10.00%	7.75%	0%	100%
Boston Office	6.25% – 11.00%	8.28%	5.00% – 10.00%	7.38%	0%	100%
Charlotte Office	8.50% – 12.50%	10.60%	6.25% – 9.50%	7.84%	0%	100%
Chicago Office	8.00% – 15.00%	10.33%	6.50% – 12.00%	8.91%	20%	80%
Dallas Office	6.00% – 13.00%	9.44%	5.00% – 12.00%	8.29%	0%	100%
Denver Office	7.75% – 12.00%	9.74%	6.25% – 11.50%	8.38%	0%	100%
Houston Office	8.00% – 14.00%	10.37%	6.50% – 12.00%	8.84%	0%	100%
Los Angeles Office	7.50% – 13.00%	9.35%	6.00% – 10.00%	7.97%	20%	80%
Manhattan Office	6.00% – 8.50%	7.54%	5.50% – 9.50%	7.08%	0%	100%
Northern Virginia Office	6.75% – 10.00%	8.21%	6.00% – 10.00%	7.08%	0%	100%
Pacific Northwest Office	7.00% – 12.00%	9.36%	6.25% – 12.00%	8.02%	0%	100%
Philadelphia Office	8.00% – 11.50%	9.83%	6.00% – 10.50%	8.46%	0%	100%
Phoenix Office	7.50% – 13.00%	10.31%	5.50% – 10.00%	8.35%	25%	75%
San Diego Office	7.00% – 12.50%	10.13%	6.00% – 12.00%	8.58%	33%	67%
San Francisco Office	5.00% – 13.00%	8.99%	5.00% – 12.00%	8.30%	40%	60%
Seattle Office	7.00% – 12.00%	8.89%	6.25% – 9.00%	7.28%	0%	100%
Southeast Florida Office	6.50% – 12.00%	9.22%	5.25% – 10.50%	7.70%	0%	100%
Washington, DC Office	7.00% – 10.00%	8.00%	5.50% – 10.00%	6.79%	0%	100%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

INSTITUTIONAL-GRADE PROPERTY RATES AND INVESTOR PREFERENCES

National and Regional Markets

Fourth Quarter 2023

Market	INSTITUTIONAL-GRADE PROPERTY RATES				PORTION OF INVESTORS BUYING NONINSTITUTIONAL-GRADE REAL ESTATE	
	DISCOUNT RATES		OVERALL CAP RATES		Yes	No
	Range	Average	Range	Average		
National Regional Mall	6.00% – 13.00%	9.13%	5.00% – 14.00%	7.88%	40%	60%
National Power Center	6.00% – 10.00%	7.91%	5.50% – 7.50%	6.69%	25%	75%
National Strip Shopping Center	7.00% – 11.00%	8.71%	5.25% – 10.00%	7.50%	33%	67%
Warehouse (National)	5.25% – 8.50%	6.90%	3.00% – 7.00%	5.23%	17%	83%
Warehouse (East Coast Region)	6.25% – 10.00%	7.21%	3.55% – 5.75%	4.99%	0%	100%
Warehouse (ENC Region)	6.00% – 7.00%	6.42%	4.25% – 5.50%	5.06%	0%	100%
Warehouse (Pacific Region)	6.00% – 8.50%	6.96%	4.50% – 6.50%	5.23%	0%	100%
Apartment (National)	6.00% – 8.00%	7.00%	4.00% – 8.00%	5.59%	14%	86%
Apartment (Mid-Atlantic Region)	5.50% – 10.00%	7.38%	4.25% – 6.50%	5.43%	20%	80%
Apartment (Pacific Region)	6.50% – 10.00%	7.78%	3.50% – 6.50%	5.04%	0%	100%
Apartment (Southeast Region)	6.00% – 9.00%	6.96%	4.50% – 6.00%	5.25%	0%	100%
National Medical Office Buildings	6.25% – 11.00%	8.66%	5.25% – 10.00%	7.17%	50%	50%

ENC - East North Central region

Source: PwC Investor Survey; survey conducted by PwC during October 2023

INSTITUTIONAL-GRADE vs NONINSTITUTIONAL-GRADE PROPERTY RATES

Individual Market Responses - Fourth Quarter 2023 ⁽¹⁾

NATIONAL	INSTITUTIONAL-GRADE PROPERTY RATES			NONINSTITUTIONAL-GRADE PROPERTY RATES			DIFFERENCE IN BASIS POINTS	
	OVERALL CAP RATES Range	Average	DISCOUNT RATES Range	Average	OVERALL CAP RATES Range	Average	OVERALL CAP RATES Average	DISCOUNT RATES Average
Power Center Investor	5.50% – 7.50%	6.50%	6.00% – 10.00%	8.00%	8.00% – 10.00%	9.00%	250	50
Strip Shopping Center Investor			8.00% – 11.00%	9.50%				50
CBD Office Investor			9.00% – 12.00%	10.50%				200
Warehouse Investor (Southwest)	4.75% – 6.00%	5.38%	6.50% – 7.50%	7.00%	7.00% – 8.00%	7.50%	213	100
Warehouse Investor (National)	5.25% – 6.50%	5.88%	7.00% – 8.00%	7.50%	6.50% – 9.00%	7.75%	188	100
Apartment Investor (National)			6.00% – 8.00%	7.00%				300
Medical Office Buildings Investor	6.50% – 8.50%	7.50%	7.00% – 9.50%	8.25%	8.00% – 8.50%	8.25%	75	175
Medical Office Buildings Investor	5.75% – 7.00%	6.38%			7.00% – 9.00%	8.00%	163	
INDIVIDUAL OFFICE MARKETS								
Atlanta Office Investor	6.50% – 9.00%	7.75%	9.50% – 13.00%	11.25%	8.00% – 11.00%	9.50%	175	125
Chicago Office Investor	7.00% – 11.00%	9.00%	8.00% – 12.00%	10.00%	10.00% – 12.00%	11.00%	200	275
Phoenix Office Investor	7.50% – 9.50%	8.50%			8.00% – 10.00%	9.00%	50	
San Diego Office Investor	10.00% – 12.00%	11.00%			10.00% – 14.00%	12.00%	100	
San Francisco Office Investor	10.00% – 11.00%	10.50%			10.00% – 13.00%	11.50%	100	
San Francisco Office Investor	5.00% – 10.00%	7.50%	5.00% – 10.50%	7.75%	6.00% – 10.50%	8.25%	75	125
Overall Data Average	6.70% – 8.91%	7.81%	7.20% – 10.15%	8.68%	8.05% – 10.45%	9.25%	144	150

(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 October 2023

INCOME CAPITALIZED IN DIRECT CAPITALIZATION

Fourth Quarter 2023

	PERCENTAGE OF SURVEY RESPONDENTS USING:					
	METHOD 1 (a)		METHOD 2 (a)		METHOD 3 (a)	
	Current	Year Ago	Current	Year Ago	Current	Year Ago
Retail & Niche						
National Regional Mall	20.0%	33.0%	80.0%	67.0%	0.0%	0.0%
National Power Center	25.0%	20.0%	75.0%	80.0%	0.0%	0.0%
National Strip Shopping Center	17.0%	40.0%	83.0%	60.0%	0.0%	0.0%
National Net Lease	0.0%	0.0%	100.0%	80.0%	0.0%	20.0%
National Medical Office Buildings	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
National Student Housing ^(b)	0.0%	0.0%	83.0%	83.0%	17.0%	17.0%
Office						
National CBD	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
National Suburban	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
National Secondary	17.0%	17.0%	83.0%	83.0%	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	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Charlotte	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Chicago	40.0%	40.0%	60.0%	60.0%	0.0%	0.0%
Dallas	33.0%	20.0%	67.0%	80.0%	0.0%	0.0%
Denver	40.0%	40.0%	60.0%	60.0%	0.0%	0.0%
Houston	0.0%	0.0%	83.0%	80.0%	17.0%	20.0%
Los Angeles	0.0%	20.0%	100.0%	80.0%	0.0%	0.0%
Manhattan	0.0%	40.0%	100.0%	60.0%	0.0%	0.0%
Northern Virginia	33.0%	20.0%	67.0%	80.0%	0.0%	0.0%
Pacific Northwest	0.0%	0.0%	100.0%	86.0%	0.0%	14.0%
Philadelphia	33.0%	20.0%	67.0%	80.0%	0.0%	0.0%
Phoenix	25.0%	20.0%	75.0%	80.0%	0.0%	0.0%
San Diego	33.0%	40.0%	67.0%	60.0%	0.0%	0.0%
San Francisco	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Seattle	0.0%	20.0%	100.0%	80.0%	0.0%	0.0%
Southeast Florida	25.0%	40.0%	75.0%	60.0%	0.0%	0.0%
Washington, DC	25.0%	20.0%	75.0%	80.0%	0.0%	0.0%
Warehouse						
National	33.0%	18.0%	58.0%	82.0%	8.0%	0.0%
East Coast Region	17.0%	33.0%	83.0%	67.0%	0.0%	0.0%
East North Central Region	25.0%	20.0%	75.0%	80.0%	0.0%	0.0%
Pacific Region	17.0%	20.0%	83.0%	80.0%	0.0%	0.0%
Apartment^(c)						
National	83.0%	86.0%	17.0%	14.0%	n/a	n/a
Mid-Atlantic Region	80.0%	80.0%	20.0%	20.0%	n/a	n/a
Pacific Region	67.0%	67.0%	33.0%	33.0%	n/a	n/a
Southeast Region	100.0%	50.0%	0.0%	50.0%	n/a	n/a
National Lodging Segment^(d)						
Full Service	60.0%	40.0%	20.0%	40.0%	20.0%	20.0%
Limited-Service Midscale & Economy	0.0%	20.0%	50.0%	60.0%	50.0%	20.0%
Luxury/Upper Upscale	50.0%	33.0%	25.0%	17.0%	25.0%	50.0%
Select Service	40.0%	40.0%	0.0%	0.0%	60.0%	60.0%

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 general reserves but before deducting capital reserves.

c. **Method 1:** deducts FF&E reserve from NOI prior to direct capitalization.

Method 2: does not deduct FF&E reserve from NOI prior to direct capitalization.

d. **Method 1:** capitalize the prior 12 months of income in direct capitalization.

Method 2: capitalize the next 12 months of income in direct capitalization.

Method 3: analyze both the prior 12 months of income and the next 12 months of income in direct capitalization.

Note: Lines may not add to up to 100% due to rounding.

Source: PwC Investor Survey; survey conducted by PwC during October 2023

FORECAST PERIODS AND CHANGE RATES: OFFICE MARKETS

Fourth Quarter 2023

Market	FORECAST PERIOD		MARKET RENT CHANGE RATES		OVER FORECAST PERIOD		EXPENSE CHANGE RATES		OVER FORECAST PERIOD	
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
National CBD Office	4 – 10	9	0.00% – 3.00%	1.50%	2.66% – 10.00%	3.81%	0.00% – 4.00%	2.70%	2.00% – 10.00%	4.30%
National Suburban Office	4 – 10	9	(6.00%) – 3.00%	0.00%	(2.00%) – 3.00%	1.94%	0.00% – 5.00%	2.55%	0.00% – 5.00%	2.78%
National Secondary Office	1 – 10	8	0.00% – 3.00%	1.17%	0.00% – 4.00%	2.42%	2.00% – 5.00%	3.25%	0.00% – 5.00%	2.96%
Atlanta Office	3 – 11	8	(5.00%) – 2.50%	(0.67%)	0.00% – 3.00%	1.92%	2.00% – 7.00%	4.08%	1.75% – 7.00%	3.43%
Austin Office	3 – 10	8	(3.00%) – 3.00%	0.00%	1.80% – 3.50%	2.58%	3.00% – 5.00%	4.17%	3.00% – 4.00%	3.42%
Boston Office	3 – 10	8	(15.00%) – 3.00%	(1.25%)	0.00% – 3.00%	1.75%	2.00% – 7.00%	3.88%	2.00% – 3.33%	2.92%
Charlotte Office	5 – 15	8	(10.00%) – 2.00%	(1.44%)	(10.00%) – 3.00%	(0.19%)	2.00% – 10.00%	4.25%	1.50% – 7.00%	3.44%
Chicago Office	3 – 10	8	0.00% – 3.00%	0.70%	0.00% – 5.00%	2.73%	3.00% – 5.00%	3.80%	3.00% – 5.00%	3.68%
Dallas Office	3 – 7	5	0.00% – 5.00%	1.67%	2.00% – 6.00%	3.83%	2.00% – 5.00%	3.67%	3.00% – 6.00%	4.50%
Denver Office	3 – 10	7	0.00% – 3.00%	0.60%	0.00% – 3.00%	2.05%	2.00% – 7.00%	4.00%	2.00% – 4.00%	3.19%
Houston Office	3 – 10	7	(15.00%) – 3.00%	(1.83%)	(15.00%) – 2.60%	(1.08%)	1.00% – 7.00%	3.96%	2.00% – 7.00%	3.63%
Los Angeles Office	3 – 10	6	(9.00%) – 3.00%	(0.10%)	(5.00%) – 4.00%	1.20%	2.00% – 6.00%	3.30%	2.00% – 5.00%	2.95%
Manhattan Office	3 – 10	9	0.00% – 3.00%	1.50%	0.00% – 3.00%	1.75%	1.00% – 5.00%	3.50%	1.00% – 3.33%	2.58%
Northern Virginia Office	3 – 10	9	0.00% – 1.50%	0.25%	2.00% – 3.00%	2.45%	0.00% – 3.00%	1.83%	2.00% – 3.00%	2.83%
Pacific Northwest Office	5 – 10	9	(5.00%) – 0.00%	(0.36%)	0.00% – 4.00%	1.99%	2.00% – 5.00%	3.43%	2.50% – 5.00%	3.21%
Philadelphia Office	3 – 10	6	0.00% – 3.00%	1.83%	0.00% – 3.00%	2.17%	1.00% – 3.00%	2.50%	1.00% – 3.00%	2.50%
Phoenix Office	3 – 10	8	(3.00%) – 3.00%	0.00%	(2.00%) – 3.00%	1.25%	2.00% – 6.00%	3.50%	2.00% – 6.00%	3.44%
San Diego Office	3 – 10	8	0.00% – 3.00%	0.50%	2.00% – 3.00%	2.75%	2.00% – 6.00%	3.33%	2.50% – 4.50%	3.38%
San Francisco Office	3 – 10	6	(15.00%) – 2.00%	(1.80%)	(10.00%) – 3.00%	(0.05%)	3.00% – 5.00%	3.20%	2.00% – 4.00%	3.00%
Seattle Office	5 – 10	9	(5.00%) – 0.00%	(0.63%)	0.00% – 4.00%	2.05%	2.00% – 5.00%	3.25%	2.50% – 4.00%	3.13%
Southeast Florida Office	3 – 15	7	0.00% – 5.00%	2.63%	0.00% – 5.00%	2.63%	1.00% – 7.00%	4.00%	1.00% – 7.00%	3.38%
Washington, DC Office	3 – 10	8	0.00% – 0.00%	0.00%	1.50% – 3.00%	2.44%	2.00% – 4.00%	3.00%	2.00% – 3.00%	2.83%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

FORECAST PERIODS AND CHANGE RATES: NATIONAL AND REGIONAL MARKETS

Fourth Quarter 2023

Market	FORECAST PERIOD		MARKET RENT CHANGE RATES INITIAL YEAR		OVER FORECAST PERIOD		EXPENSE CHANGE RATES INITIAL YEAR		OVER FORECAST PERIOD	
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
National Regional Mall	1 – 10	6	(15.00%) – 5.00%	(0.10%)	2.00% – 3.00%	2.83%	2.00% – 10.00%	4.00%	1.50% – 5.00%	3.06%
National Power Center	3 – 10	9	0.00% – 4.00%	1.00%	0.00% – 3.00%	2.08%	2.00% – 3.00%	2.88%	3.00% – 3.25%	3.04%
National Strip Shopping Center	1 – 10	6	0.00% – 3.00%	1.08%	1.00% – 3.00%	2.70%	0.00% – 3.00%	2.42%	1.00% – 3.00%	2.70%
Warehouse (National)	3 – 11	8	0.00% – 5.00%	2.46%	3.00% – 4.00%	3.18%	0.00% – 4.00%	2.38%	0.00% – 4.00%	2.75%
Warehouse (East Coast Region)	3 – 10	8	0.00% – 9.00%	3.92%	0.00% – 10.00%	3.25%	0.00% – 10.00%	3.25%	3.00% – 6.00%	3.43%
Warehouse (East North Central Region)	10 – 10	10	0.00% – 4.00%	1.50%	3.50% – 3.75%	3.63%	3.00% – 4.00%	3.25%	0.00% – 3.00%	1.50%
Warehouse (Pacific Region)	5 – 10	8	0.00% – 9.00%	3.25%	3.00% – 7.00%	4.14%	3.00% – 7.00%	3.58%	0.00% – 5.00%	2.67%
Apartment (National)	1 – 10	7	0.00% – 5.00%	2.93%	2.00% – 5.00%	3.05%	3.00% – 8.00%	3.93%	3.00% – 7.00%	3.79%
Apartment (Mid-Atlantic Region)	3 – 10	7	0.00% – 4.00%	2.40%	0.00% – 4.00%	2.40%	0.00% – 5.00%	2.90%	0.00% – 5.00%	2.85%
Apartment (Pacific Region)	5 – 10	9	2.00% – 4.00%	3.31%	2.00% – 3.75%	2.93%	2.00% – 4.00%	3.00%	2.00% – 3.00%	2.75%
Apartment (Southeast Region)	3 – 10	6	0.00% – 4.00%	2.67%	0.00% – 3.50%	2.58%	2.00% – 5.00%	3.17%	2.00% – 3.50%	2.92%
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%	2.31%	2.00% – 5.00%	3.38%	2.00% – 4.00%	2.94%
National Student Housing	2 – 10	5	2.00% – 20.00%	5.00%	0.75% – 13.25%	4.38%	2.00% – 10.00%	3.80%	2.00% – 3.00%	2.67%

Source: PwC Investor Survey; survey conducted by PwC during October 2023

YIELD COMPARISON

October 1, 2023

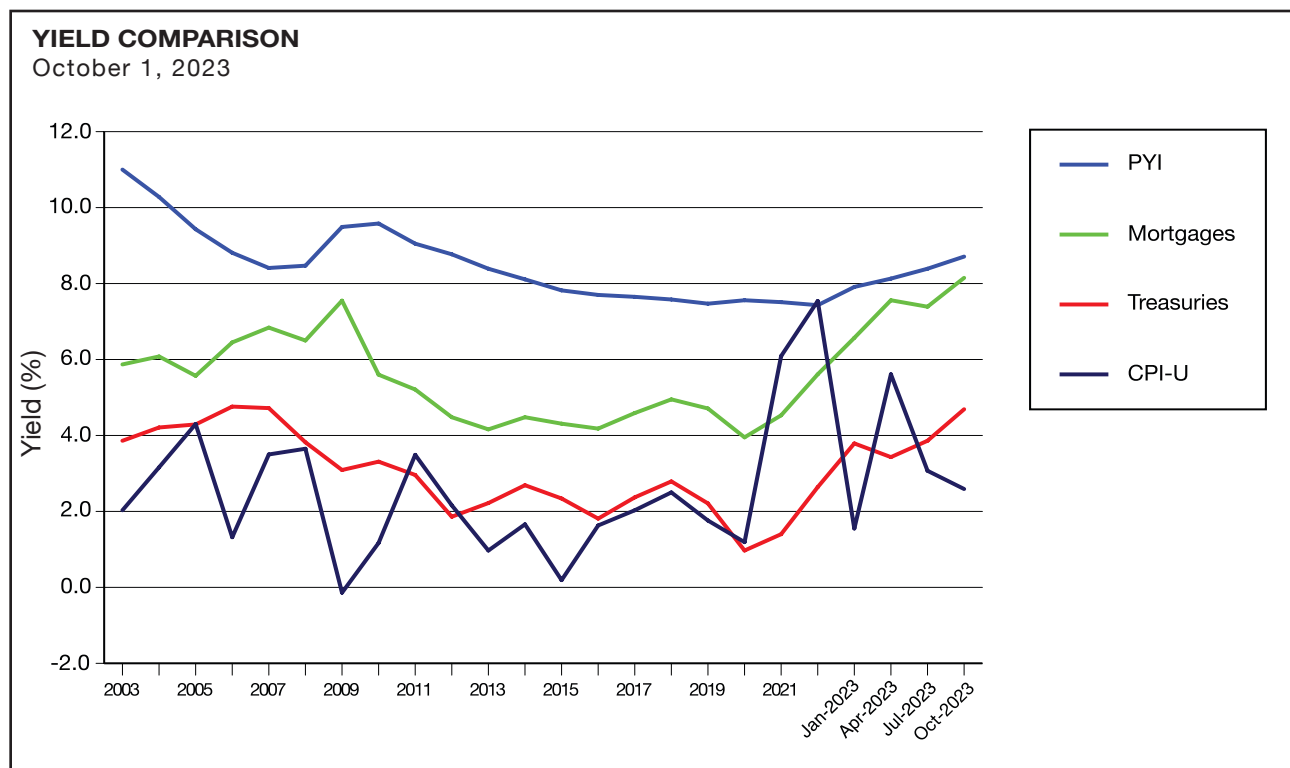
	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY	2023 OCTOBER
PwC Yield Indicator (PYI) ^a	7.58%	7.47%	7.56%	7.51%	7.43%	7.91%	8.13%	8.39%	8.71%
Long-Term Mortgages ^b	4.95%	4.71%	3.95%	4.53%	5.61%	6.57%	7.56%	7.39%	8.15%
10-Year Treasuries ^c	2.79%	2.21%	0.97%	1.40%	2.64%	3.79%	3.43%	3.86%	4.69%
Consumer Price Index Change ^d	2.50%	1.76%	1.19%	6.09%	7.54%	1.55%	5.61%	3.07%	2.59%
SPREAD TO PYI (Basis Points)									
Long-Term Mortgages	263	276	361	298	182	134	57	100	56
10-Year Treasuries	479	526	659	611	479	412	470	453	402
Consumer Price Index Change	508	571	755	142	(11)	636	252	532	612

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

October 1, 2023

	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY	2023 OCTOBER
PwC Dividend Indicator (PDI) ^a	6.05%	6.02%	6.10%	6.00%	5.89%	6.35%	6.61%	6.94%	7.23%
Equity REITs ^b	4.34%	3.98%	4.34%	3.24%	3.36%	3.76%	4.22%	4.04%	4.70%
S&P 500 ^c	1.85%	1.98%	1.95%	1.43%	1.45%	1.74%	1.66%	1.54%	1.62%
SPREAD TO PDI (Basis Points)									
Equity REITs	271	204	176	276	253	259	239	290	253
S&P 500	420	404	415	457	444	461	495	540	561

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 (IRR)

Internal rate of return 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.

EXCESSIVE TENANT IMPROVEMENT (TI) ALLOWANCE

The amount by which an awarded tenant improvement allowance exceeds that which is typical for the market.

INSTITUTIONAL-GRADE REAL ESTATE

Real property investments that are sought out by institutional buyers and 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. MOBs are different from general office buildings since they typically require more plumbing and electrical and mechanical systems to accommodate equipment unique to medical practices.

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; an unleveraged return; the overall cap rates reported in this Survey reflect investors' expectations of property performance and are applied to one of the three net operating income levels noted above.

PROJECTION 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 forecast period by Survey participants.

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.

RENT SPIKE

An increase in market rent that is markedly higher than the general rate of inflation.

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 forecast period:

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.

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

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.

SELF STORAGE

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

TENANT IMPROVEMENT 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

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

Tenant Retention

Percentage of leased rentable area that is expected to be re-leased by the existing tenants 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 item representing the sum paid for or the value of management service, including incentives, expressed as a percentage of total revenues.

NET OPERATING INCOME (LODGING NOI)

Income remaining after deduction of all property expenses: in direct capitalization, 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, which deteriorate and must be replaced during the 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)	
	Eff. 1Q22	Prior
Trophy	\$925 and up	
A+	\$700 to \$924	\$675 and up
A	\$550 to \$699	\$525 to \$674
B+	\$425 to \$549	\$400 to \$524
B	\$350 to \$424	\$325 to \$399
C+/C	Less than \$350	Less than \$325

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
Student Housing	2	2014
Self Storage	2	2017

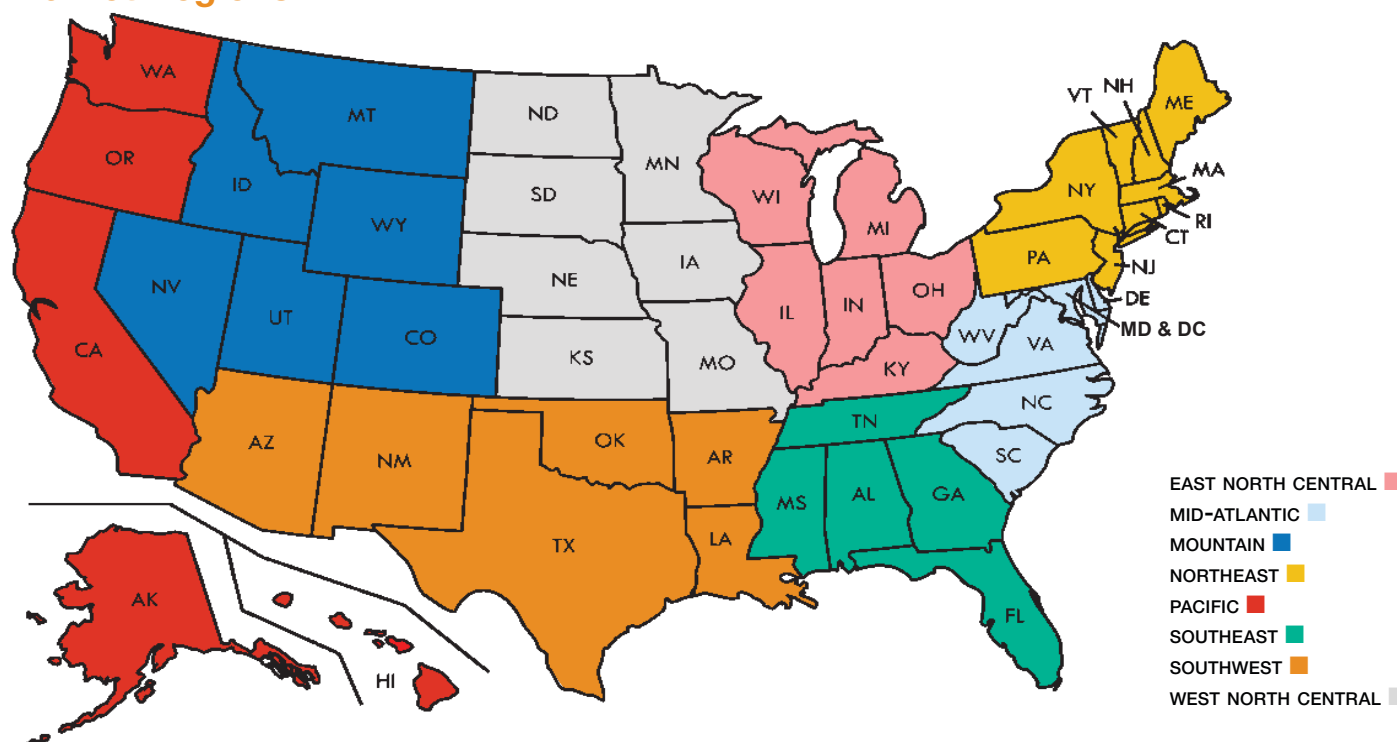
Regional Markets	Debut Quarter	Debut Year
Apartment – Mid-Atlantic	4	2009
Apartment – Southeast	2	2010
Apartment – Pacific	4	2009
Warehouse – East Coast	2	2021
Warehouse – East North Central	4	2012
Warehouse – Pacific	1	2012

*discontinued 4Q 2017

City-Specific Office Markets	Debut Quarter	Debut Year
Atlanta	1	1997
Austin	2	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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INDEX OF SPECIAL REPORTS

TITLE

Domestic Self-Storage Market
e-Commerce and Retail Real Estate
Effective Rent
Gaming Industry
Green Building Macro Trends
Impact of Sustainable Real Estate
Industrial Outdoor Storage
Institutional-Grade Real Estate
Investment Sales
Investor Sentiment Update*
Medical Office Space
National Net Lease Market
October 11, 2001**
Power Centers
Real Estate Value Cycles
Regional Mall Market
REITs
Retail: The 100-Million-Square-Foot Hangover
Retail: The Perfect Storm, or More Hot Air?
National Self Storage Industry
Senior Housing Industry
Terrorism Insurance
U.S. Single-Family Rental Housing

QUARTER

Second 2005
Second 1999
Third 1993
Third 2009
Third 2006
Third 2023
Second 2023
Second 1994
Second 2009
April 2020
Fourth 2007
First 2000
2001
Third 1995
First 2000
Second 1996
Second 1998
First 2009
Second 2009
First 2003
First 2009
Second 2002
Fourth 2012

*12-page supplement following COVID-19 pandemic

**16-page supplement following 9/11

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