
VALUATION & ADVISORY

Mid-Year Update

North American
Market Survey
2023

NEWMARK





Welcome to the fourth edition update of the Newmark Valuation & Advisory Market Survey, an in-depth, city-by-city report featuring capitalization rates, discount rates and industry metrics reflective of current market activity.

ABOUT NEWMARK VALUATION & ADVISORY

Newmark Valuation & Advisory (V&A) is a leading industry innovator, comprising an extensive team of the most trusted and recognized names in the valuation sector.

The power of information and experience is our strength and your advantage. Newmark Valuation & Advisory combines cross-division capabilities with a centralized approach to strategic valuation. Armed with extensive geographic reach, unique and specialized expertise, and the most advanced technology in the industry, delivery of consistent, objective and credible reporting is assured.

From local market insight to proprietary and third-party data, we tap into a deep well of information to advise our clients. Our robust propriety software, Ngage and Nform, gives us—and in turn, our clients—a competitive edge. Working closely with Newmark Capital Markets platform we access real-time market activity to make smarter, faster assessments.

Our team members provide forward-thinking advice and industry-leading insight built on broad and deep knowledge of a range of asset class sectors, including Hospitality, Industrial & Logistics, Multifamily, Office, Retail & Regional Malls, plus other specialty practices like Automotive Energy, Self Storage, and Seniors Housing. Our team is renowned for our collaborative approach, focused reports, and commitment to clients.

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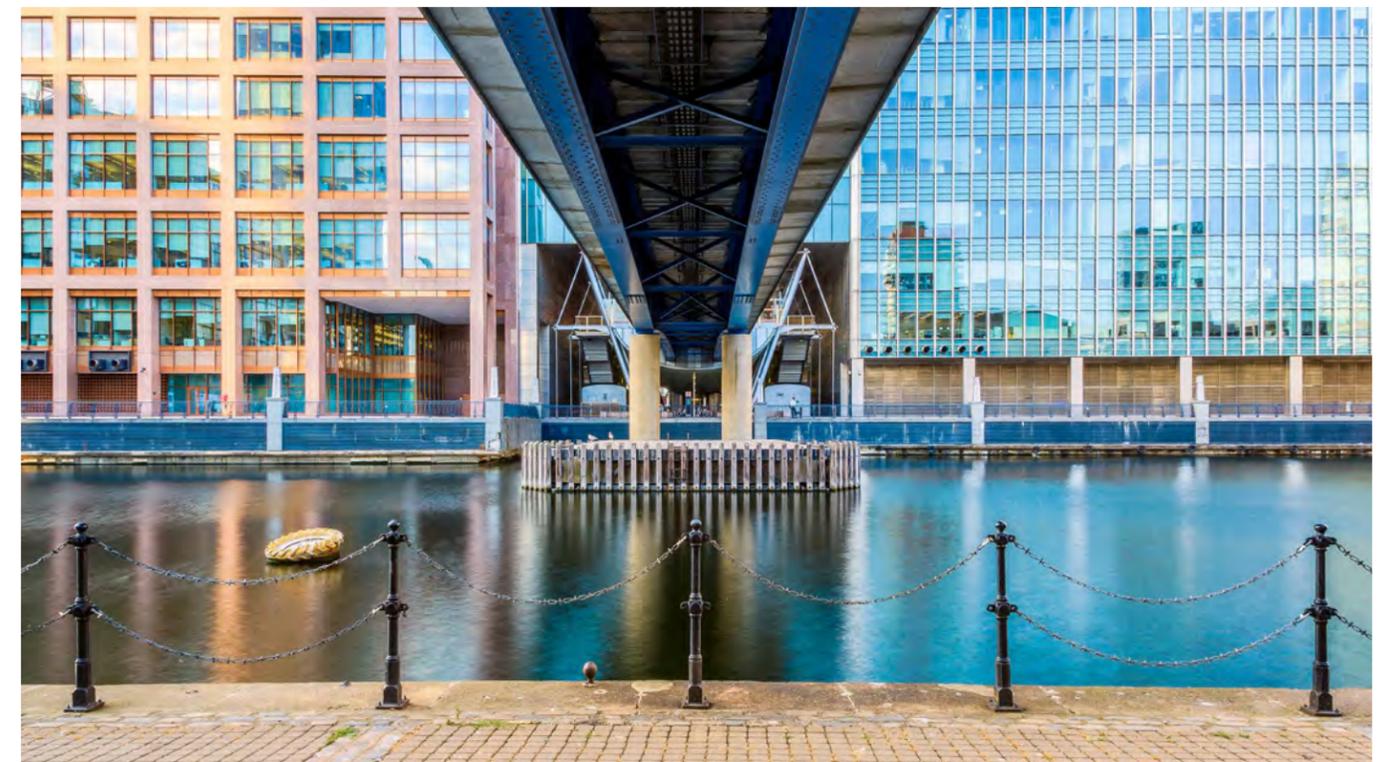
Contents

This report is fully interactive. Click on page numbers and section titles below to be taken to the relevant section within this document. The Specialty Practice headers throughout the document are linked to their dedicated Newmark V&A webpages.

-
- 07** **Introduction**
 - **John D. Busi, MAI, FRICS** - President | Newmark Valuation & Advisory
 - **Joseph D. Pasquarella, MAI, CRE** - North American Market Survey Editor
Senior Managing Director | Newmark Valuation & Advisory
-
- 11** **Hospitality, Gaming & Leisure**
 - National Rates Comparison - Hospitality
-
- 12** **Industrial & Logistics**
 - National/Regional Rates Comparison - Industrial & Logistics
 - Rates Comparison - West/Central/South/East U.S. & International (city-by-city)
-
- 18** **Multifamily**
 - National/Regional Rates Comparison - Multifamily
 - Rates Comparison - West/Central/South/East U.S. & International (city-by-city)
 - National Rates Comparison - Specialty Multifamily
-
- 28** **Office**
 - National/Regional Rates Comparison - Office
 - Rates Comparison - West/Central/South East U.S. & International (city-by-city)
-
- 38** **Retail & Regional Malls**
 - National/Regional Rates Comparison - Retail
 - Rates Comparison - West/Central/South/East U.S. & International (city-by-city)
 - National Rates Comparison - Regional Malls & Specialty Retail
-

This report is fully interactive. Click on page numbers and section titles below to be taken to the relevant section within this document. The Specialty Practice headers throughout the document are linked to their dedicated Newmark V&A webpages.

-
- 50** **Retail Petroleum & Restaurants**
 - National Rates Comparison - Retail Petroleum & Restaurants
-
- 51** **Self Storage**
 - National Rates Comparison - Self Storage
-
- 53** **Seniors Housing**
 - National Rates Comparison - Seniors Housing
-
- 54** **Leadership Directory**
-





John D. Busi, MAI, FRICS
President
Newmark Valuation & Advisory

Welcome to the 2023 Mid-Year update of the Newmark Valuation & Advisory North American Market Survey.

The great New York Yankee catcher Yogi Berra once said, “You’ve got to be very careful if you don’t know where you’re going because you might not get there.”

He could easily have been describing an appraiser’s perspective on the relationship between interest rates and cap rates. Directionally, we’re on the right path, but quantitatively it’s still a dark road obscured by an absence of street signs and traffic signals that are typically provided via market transparency.

We’ve been on this price (and by proxy “value”) discovery journey many times before and, as Indiana Jones postulated, “It’s not the age, it’s the mileage.”

Experience is a formidable compass in the absence of activity and information, and our connection to the past and the present will allow us to imagine our future.

...though Yogi warned us, “The future ain’t what it used to be.”



Joseph D. Pasquarella, MAI, CRE

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North American Market Survey Editor*

For many of our appraisers, this stage in the cycle is a familiar road.

The Federal Reserve's battle against inflation continues to create obstacles for refinancing assets, with a sea of maturing debt in a significantly higher interest rate environment. As will be shown by Newmark V&A's Mid-Year Update Market Survey, property types are behaving differently in each metro area.

Given the structural changes with the standard 9-5 / five-day work week and the occupancy reset we're experiencing across almost all office markets, it is no surprise that office capitalization rates continue to rise more sharply than other property sectors. Currently, CBD Office Class A capitalization rates are up nearly 100 basis points (bps) from 1Q 2022. Class B Cap rates are up over 120bps, but not all locations are equal. In New York City, Manhattan, for example, trophy asset stock is experiencing strong demand, and Class B and C stocks are not. Los Angeles, Portland and San Francisco each saw more than a 100bps increase in CBD Class A cap rates since 1Q 2023.

While it's impossible to generalize about a sub-market without zeroing in on the asset's attributes, from a broad view, pricing of office property is in retreat across the nation.

Surprisingly, retail property cap rates increased more modestly than expected, particularly for Class A grocery-anchored centers. The capitalization rate for Class A grocery-anchored centers nationally came in at 6.63%, an increase of just under 50 bps from 1Q 2022.

Multifamily fundamentals remain healthy despite increasing new supply and elevated vacancy, yet cap rates are up across almost all markets.

Similarly, an uptick in the supply of warehouse distribution construction has given pause to the industrial sector as well. Cap rate increases have been constrained; however, deal volume is well below recent years as buyers and sellers clash over transaction price.

There is uncertainty in the overall market, and CRE prices and transaction volumes are down significantly. A continued decline is likely if interest rates continue to remain high. Office investment is under the most significant amount of downward pressure and will likely decline further unless occupiers stop shedding space. Office property comprises most of the distressed assets, a condition we saw in the past when retail and hotels dominated the headlines. As the saying goes, "This too shall pass." In 1990, the saying went, "Stay alive to 95." Today, we'll count on a quicker return to normalcy and go with "Stay alive to 25!"

Hospitality, Gaming & Leisure

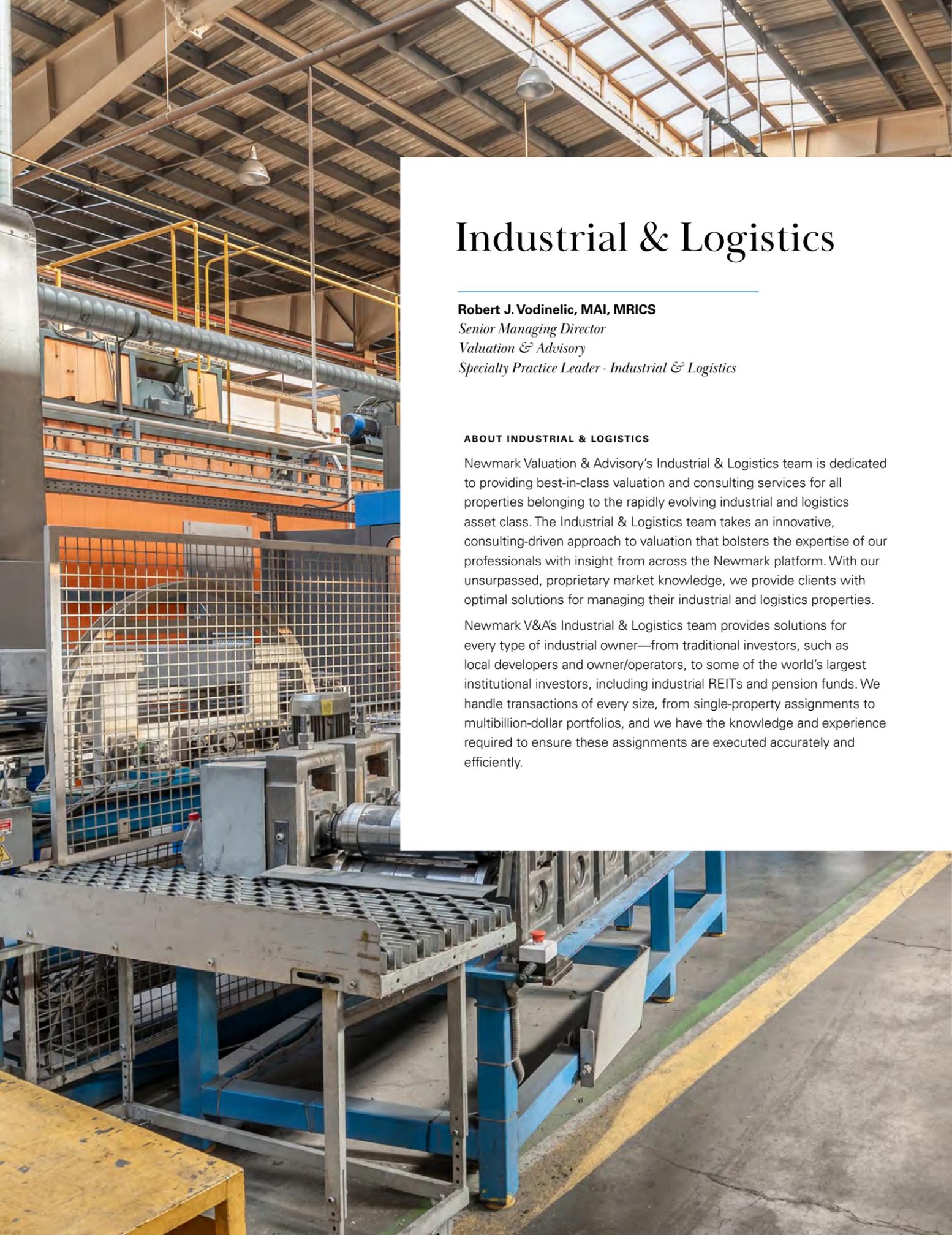
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Hospitality, Gaming & Leisure

ABOUT HOSPITALITY, GAMING & LEISURE

Our Hospitality, Gaming and Leisure practice excels at valuation and consulting services for a vast range of complex assets, from bed-and-breakfasts to Las Vegas casinos, bowling alleys to waterpark resorts. Our senior appraisers look beyond the physical asset to identify all areas of value for owners and investors, uncovering untapped potential. Our team leverages on-the-ground knowledge and comprehensive analysis of a property's business and real estate operations to craft forward-thinking solutions with a collaborative, personalized approach.

HOSPITALITY 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Hotel - Luxury Class A	5.80%	6.30%	10	↑	3.50%	5.00%
Hotel - Luxury Class B	7.00%	7.50%	15	↑	2.00%	4.00%
Hotel - Resort Class A	6.05%	6.55%	10	↑	3.50%	5.00%
Hotel - Resort Class B	7.00%	7.50%	25	↑	1.00%	4.00%
Hotel - Full Service Class A	6.65%	7.15%	25	↑	2.00%	3.50%
Hotel - Full Service Class B	7.15%	7.65%	25	↑	1.00%	3.50%
Hotel - Select Service Class A	7.55%	8.05%	25	↑	4.00%	4.00%
Hotel - Select Service Class B	8.15%	8.65%	25	↑	3.50%	3.50%
Hotel - Limited Service Class A	8.05%	8.55%	35	↑	3.50%	4.00%
Hotel - Limited Service Class B	9.00%	9.50%	40	↑	3.00%	3.50%
Hotel - Extended Stay Class A	7.15%	7.65%	35	↑	3.50%	4.00%
Hotel - Extended Stay Class B	7.75%	8.25%	40	↑	3.00%	4.00%
Hotel - Airport/Highway Class A	7.90%	8.40%	35	↑	3.50%	4.00%
Hotel - Airport/Highway Class B	8.75%	9.25%	50	↑	3.00%	4.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



Industrial & Logistics

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Senior Managing Director

Valuation & Advisory

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ABOUT INDUSTRIAL & LOGISTICS

Newmark Valuation & Advisory's Industrial & Logistics team is dedicated to providing best-in-class valuation and consulting services for all properties belonging to the rapidly evolving industrial and logistics asset class. The Industrial & Logistics team takes an innovative, consulting-driven approach to valuation that bolsters the expertise of our professionals with insight from across the Newmark platform. With our unsurpassed, proprietary market knowledge, we provide clients with optimal solutions for managing their industrial and logistics properties.

Newmark V&A's Industrial & Logistics team provides solutions for every type of industrial owner—from traditional investors, such as local developers and owner/operators, to some of the world's largest institutional investors, including industrial REITs and pension funds. We handle transactions of every size, from single-property assignments to multibillion-dollar portfolios, and we have the knowledge and experience required to ensure these assignments are executed accurately and efficiently.

INDUSTRIAL 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Change from 1Q 2023	Change from 1Q 2022	Discount Rate	Change from 1Q 2023	Change from 1Q 2022	Reversion Rate (BPS Over Going In Cap)	Market Rent Growth Rate	Expense Growth Rate
WEST									
Industrial - Warehouse/Logistics Class A	4.96%	0.50%	0.38%	6.56%	0.44%	0.31%	45	2.75%	3.17%
Industrial - Warehouse/Logistics Class B	5.40%	0.44%	0.35%	7.02%	0.40%	0.35%	45	2.75%	3.17%
CENTRAL									
Industrial - Warehouse/Logistics Class A	5.60%	0.18%	0.35%	6.70%	0.18%	0.33%	50	3.05%	3.05%
Industrial - Warehouse/Logistics Class B	6.43%	0.35%	0.48%	7.53%	0.35%	0.45%	50	3.05%	3.05%
SOUTH									
Industrial - Warehouse/Logistics Class A	5.56%	0.17%	0.44%	6.54%	0.21%	0.17%	50	3.19%	3.00%
Industrial - Warehouse/Logistics Class B	6.33%	0.32%	0.51%	7.45%	0.35%	0.30%	50	3.19%	3.00%
EAST									
Industrial - Warehouse/Logistics Class A	5.29%	0.21%	0.46%	6.56%	0.33%	0.56%	50	3.00%	3.13%
Industrial - Warehouse/Logistics Class B	6.02%	0.23%	0.38%	7.25%	0.31%	0.44%	50	3.00%	3.13%
UNITED STATES									
Industrial - Warehouse/Logistics Class A	5.35%	0.27%	0.41%	6.59%	0.30%	0.34%	49	3.00%	3.09%
Industrial - Warehouse/Logistics Class B	6.03%	0.34%	0.42%	7.31%	0.36%	0.38%	49	3.00%	3.09%
CANADA									
Industrial - Warehouse/Logistics Class A	5.00%	0.00%	0.10%	5.85%	0.00%	0.20%	25	4.60%	3.00%
Industrial - Warehouse/Logistics Class B	5.55%	0.00%	0.40%	6.40%	0.00%	0.50%	25	4.60%	3.00%
MEXICO									
Industrial - Warehouse/Logistics Class A	7.00%	0.00%	0.00%	10.00%	0.00%	1.00%	50	4.50%	4.50%
Industrial - Warehouse/Logistics Class B	8.00%	0.00%	0.00%	11.00%	0.00%	1.00%	50	4.50%	4.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.

INDUSTRIAL 2023 - Mid-Year International Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CALGARY, AB, CANADA						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	25	↔	5.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.25%	25	↔	5.00%	3.00%
EDMONTON, AB, CANADA						
Industrial - Warehouse/Logistics Class A	5.75%	6.50%	25	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.25%	25	↔	3.00%	3.00%
MONTREAL, QC, CANADA						
Industrial - Warehouse/Logistics Class A	5.00%	5.75%	25	↔	5.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.50%	6.25%	25	↔	5.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

INDUSTRIAL 2023 - Mid-Year International Rate Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
TORONTO, ON, CANADA						
Industrial - Warehouse/Logistics Class A	4.25%	5.00%	25	↔	5.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.00%	5.75%	25	↔	5.00%	3.00%
VANCOUVER, BC, CANADA						
Industrial - Warehouse/Logistics Class A	5.25%	6.25%	50	↑	3.00%	3.50%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↑	3.00%	3.50%
MEXICO CITY, MEXICO						
Industrial - Warehouse/Logistics Class A	7.00%	10.00%	50	↔	4.50%	4.50%
Industrial - Warehouse/Logistics Class B	8.00%	11.00%	50	↔	4.50%	4.50%

*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.

INDUSTRIAL 2023 - Mid-Year National Rate Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
DENVER, CO						
Industrial - Warehouse/Logistics Class A	4.75%	5.50%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.50%	6.50%	50	↑	3.00%	3.00%
IRVINE/ORANGE, CA						
Industrial - Warehouse/Logistics Class A	4.75%	6.50%	0	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.25%	6.75%	0	↔	3.00%	3.00%
LAS VEGAS, NV						
Industrial - Warehouse/Logistics Class A	5.00%	6.00%	50	↑	0.00%	3.00%
Industrial - Warehouse/Logistics Class B	4.50%	6.50%	50	↑	0.00%	3.00%
LOS ANGELES, CA						
Industrial - Warehouse/Logistics Class A	4.75%	6.50%	0	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.25%	6.75%	0	↔	3.00%	3.00%
PHOENIX, AZ						
Industrial - Warehouse/Logistics Class A	5.25%	6.75%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.25%	50	↔	3.00%	3.00%
PORTLAND, OR						
Industrial - Warehouse/Logistics Class A	5.00%	7.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.50%	7.50%	50	↔	3.00%	3.00%
RENO, NV						
Industrial - Warehouse/Logistics Class A	5.00%	6.75%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.50%	7.25%	50	↔	3.00%	3.00%
SACRAMENTO, CA						
Industrial - Warehouse/Logistics Class A	5.50%	7.00%	25	↔	2.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.50%	25	↔	2.00%	3.00%
SALT LAKE CITY, UT						
Industrial - Warehouse/Logistics Class A	5.50%	6.75%	25	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.25%	25	↑	3.00%	3.00%
SEATTLE, WA						
Industrial - Warehouse/Logistics Class A	5.00%	6.50%	50	↔	4.00%	5.00%
Industrial - Warehouse/Logistics Class B	5.50%	7.00%	50	↔	4.00%	5.00%
SILICON VALLEY/SAN JOSE, CA						
Industrial - Warehouse/Logistics Class A	4.50%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	4.75%	7.00%	50	↑	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

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INDUSTRIAL 2023 - Mid-Year National Rate Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CHICAGO, IL						
Industrial - Warehouse/Logistics Class A	5.25%	6.25%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.00%	3.00%
CINCINNATI, OH						
Industrial - Warehouse/Logistics Class A	5.75%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↑	3.00%	3.00%
CLEVELAND, OH						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.75%	7.75%	50	↑	3.00%	3.00%
COLUMBUS, OH						
Industrial - Warehouse/Logistics Class A	5.75%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↑	3.00%	3.00%
DETROIT, MI						
Industrial - Warehouse/Logistics Class A	5.75%	7.25%	50	↔	3.25%	3.25%
Industrial - Warehouse/Logistics Class B	6.50%	8.00%	50	↔	3.25%	3.25%
GRAND RAPIDS, MI						
Industrial - Warehouse/Logistics Class A	5.75%	7.25%	50	↔	3.25%	3.25%
Industrial - Warehouse/Logistics Class B	6.50%	8.00%	50	↔	3.25%	3.25%
INDIANAPOLIS, IN						
Industrial - Warehouse/Logistics Class A	5.75%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↑	3.00%	3.00%
KANSAS CITY, MO						
Industrial - Warehouse/Logistics Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↔	3.00%	3.00%
MINNEAPOLIS, MN						
Industrial - Warehouse/Logistics Class A	5.00%	6.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.00%	3.00%

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INDUSTRIAL 2023 - Mid-Year National Rate Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ARKANSAS						
Industrial - Warehouse/Logistics Class A	5.00%	6.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	8.00%	50	↑	3.00%	3.00%
ATLANTA, GA						
Industrial - Warehouse/Logistics Class A	5.50%	6.75%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.75%	50	↔	3.00%	3.00%
AUSTIN, TX						
Industrial - Warehouse/Logistics Class A	6.25%	7.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.75%	50	↑	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

INDUSTRIAL 2023 - Mid-Year National Rate Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CHARLOTTE, NC						
Industrial - Warehouse/Logistics Class A	5.00%	5.75%	50	↑	4.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.85%	7.10%	50	↑	4.00%	3.00%
DALLAS, TX						
Industrial - Warehouse/Logistics Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.00%	3.00%
FORT WORTH, TX						
Industrial - Warehouse/Logistics Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.00%	3.00%
HOUSTON, TX						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↔	3.00%	3.00%
MIAMI, FL						
Industrial - Warehouse/Logistics Class A	5.00%	6.00%	50	↔	4.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.75%	6.75%	50	↔	4.00%	3.00%
NEW ORLEANS, LA						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	7.00%	8.00%	50	↑	3.00%	3.00%
ORLANDO, FL						
Industrial - Warehouse/Logistics Class A	5.75%	6.75%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.25%	7.00%	50	↔	3.00%	3.00%
SAN ANTONIO, TX						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	7.00%	8.00%	50	↑	3.00%	3.00%
TAMPA, FL						
Industrial - Warehouse/Logistics Class A	5.75%	6.75%	50	↔	3.50%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.50%	3.00%
TULSA/OKLAHOMA CITY, OK						
Industrial - Warehouse/Logistics Class A	5.00%	6.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	8.00%	50	↑	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

INDUSTRIAL 2023 - Mid-Year National Rate Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
BALTIMORE, MD						
Industrial - Warehouse/Logistics Class A	5.25%	6.25%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.50%	50	↔	3.00%	3.00%
BOSTON, MA						
Industrial - Warehouse/Logistics Class A	5.50%	7.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.75%	50	↔	3.00%	3.00%
LEHIGH VALLEY, PA						
Industrial - Warehouse/Logistics Class A	5.25%	6.25%	50	↑	3.00%	3.50%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↑	3.00%	3.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

INDUSTRIAL 2023 - Mid-Year National Rate Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
NEW YORK CITY BOROUGHES						
Industrial - Warehouse/Logistics Class A	4.75%	6.00%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.00%	6.50%	50	↑	3.00%	3.00%
NEW YORK CITY SUBURBS						
Industrial - Warehouse/Logistics Class A	4.50%	6.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.00%	6.75%	50	↔	3.00%	3.00%
NORTHERN NEW JERSEY						
Industrial - Warehouse/Logistics Class A	4.50%	6.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	5.00%	6.50%	50	↔	3.00%	3.00%
PHILADELPHIA, PA						
Industrial - Warehouse/Logistics Class A	5.25%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.25%	50	↑	3.00%	3.00%
PITTSBURGH, PA						
Industrial - Warehouse/Logistics Class A	6.50%	8.00%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	7.50%	9.00%	50	↔	3.00%	3.00%
SOUTHERN NEW JERSEY						
Industrial - Warehouse/Logistics Class A	5.25%	6.75%	50	↑	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.25%	50	↑	3.00%	3.00%
UPSTATE NEW YORK						
Industrial - Warehouse/Logistics Class A	6.00%	7.00%	50	↔	3.00%	4.00%
Industrial - Warehouse/Logistics Class B	6.50%	7.25%	50	↔	3.00%	4.00%
WASHINGTON, DC						
Industrial - Warehouse/Logistics Class A	5.25%	6.25%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.25%	7.25%	50	↔	3.00%	3.00%
WILMINGTON, DE						
Industrial - Warehouse/Logistics Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Industrial - Warehouse/Logistics Class B	6.00%	7.00%	50	↔	3.00%	3.00%

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Multifamily

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ABOUT MULTIFAMILY

Newmark Valuation & Advisory's Multifamily group is dedicated exclusively to providing best-in-class valuation and consulting services for a wide array of multifamily types, including garden-style, mid-rise and high-rise apartments, condominiums, student housing, lifestyle centers and affordable housing. We take a consultative approach to valuation, evaluating multifamily properties from a holistic perspective that considers their rental income streams in concert with the real estate assets. The V&A team's core offerings also include financial reporting and property tax services.

Newmark V&A's Multifamily group serves some of the nation's leading mortgage lenders and institutional property owners. We also meet the requirements of government agencies and government-sponsored entities (GSEs) that provide financing for multifamily properties, including the top multifamily lenders, Fannie Mae and Freddie Mac. In recent years, our team has become one of the largest providers of appraisals to both Fannie and Freddie.

MULTIFAMILY 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Change from 1Q 2023	Change from 1Q 2022	Discount Rate	Change from 1Q 2023	Change from 1Q 2022	Reversion Rate (BPS Over Going In Cap)	Market Rent Growth Rate	Expense Growth Rate
WEST									
Multifamily - CBD Class A	4.87%	0.46%	0.50%	6.48%	0.33%	0.46%	40	2.50%	3.00%
Multifamily - CBD Class B	5.33%	0.56%	0.58%	7.02%	0.54%	0.63%	40	2.50%	3.00%
Multifamily - Suburban Class A	4.98%	0.40%	0.46%	6.64%	0.42%	0.50%	44	2.45%	3.00%
Multifamily - Suburban Class B	5.34%	0.38%	0.42%	7.07%	0.46%	0.52%	44	2.45%	3.00%
CENTRAL									
Multifamily - CBD Class A	5.60%	0.33%	0.60%	7.05%	0.15%	0.48%	55	3.10%	3.10%
Multifamily - CBD Class B	6.45%	0.43%	0.78%	7.80%	0.25%	0.50%	55	3.10%	3.10%
Multifamily - Suburban Class A	5.83%	0.33%	0.73%	7.33%	0.35%	0.63%	55	3.10%	3.10%
Multifamily - Suburban Class B	6.58%	0.38%	0.88%	7.95%	0.25%	0.73%	55	3.10%	3.10%
SOUTH									
Multifamily - CBD Class A	4.94%	0.08%	0.33%	6.48%	0.23%	0.19%	42	2.92%	2.94%
Multifamily - CBD Class B	5.48%	0.13%	0.25%	7.00%	0.02%	0.17%	42	2.92%	2.94%
Multifamily - Suburban Class A	5.15%	0.12%	0.37%	6.63%	0.21%	0.17%	42	2.92%	2.94%
Multifamily - Suburban Class B	5.69%	0.25%	0.29%	7.17%	0.06%	0.17%	42	2.92%	2.94%
EAST									
Multifamily - CBD Class A	5.30%	0.31%	0.56%	6.73%	0.35%	0.56%	48	2.85%	3.15%
Multifamily - CBD Class B	5.98%	0.29%	0.58%	7.30%	0.31%	0.44%	48	2.85%	3.15%
Multifamily - Suburban Class A	5.38%	0.31%	0.52%	6.77%	0.33%	0.50%	46	2.88%	3.13%
Multifamily - Suburban Class B	6.06%	0.31%	0.67%	7.38%	0.35%	0.46%	46	2.88%	3.13%
UNITED STATES									
Multifamily - CBD Class A	5.15%	0.29%	0.49%	6.66%	0.27%	0.41%	46	2.83%	3.04%
Multifamily - CBD Class B	5.77%	0.35%	0.53%	7.25%	0.28%	0.43%	46	2.83%	3.04%
Multifamily - Suburban Class A	5.32%	0.28%	0.51%	6.82%	0.32%	0.44%	47	2.84%	3.04%
Multifamily - Suburban Class B	5.90%	0.32%	0.54%	7.37%	0.28%	0.45%	47	2.84%	3.04%
CANADA									
Multifamily - CBD Class A	3.90%	0.00%	0.05%	4.65%	0.00%	0.10%	25	5.00%	3.00%
Multifamily - CBD Class B	4.45%	0.00%	0.35%	5.15%	0.00%	0.30%	25	5.00%	3.00%
Multifamily - Suburban Class A	4.55%	0.00%	0.25%	5.35%	0.00%	0.30%	25	5.00%	3.00%
Multifamily - Suburban Class B	5.10%	0.00%	0.50%	5.70%	0.00%	0.35%	25	5.00%	3.00%
MEXICO									
Multifamily - CBD Class A	6.50%	0.00%	-1.00%	10.00%	0.00%	0.50%	50	4.50%	4.50%
Multifamily - CBD Class B	N/A	0.00%	0.00%	N/A	0.00%	0.00%	50	4.50%	4.50%
Multifamily - Suburban Class A	8.00%	0.00%	0.00%	11.00%	0.00%	1.00%	50	4.50%	4.50%
Multifamily - Suburban Class B	N/A	0.00%	0.00%	N/A	0.00%	0.00%	50	4.50%	4.50%

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*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.

MULTIFAMILY 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
DENVER, CO						
Multifamily - CBD Class A	4.50%	6.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.00%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	4.75%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	7.00%	50	↔	3.00%	3.00%
IRVINE/ORANGE, CA						
Multifamily - CBD Class A	4.75%	6.25%	0	↔	3.00%	3.00%
Multifamily - CBD Class B	5.25%	6.75%	0	↔	3.00%	3.00%
Multifamily - Suburban Class A	4.75%	6.25%	0	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	6.75%	0	↔	3.00%	3.00%
LAS VEGAS, NV						
Multifamily - CBD Class A	5.00%	7.00%	50	↑	0.00%	3.00%
Multifamily - CBD Class B	5.25%	7.50%	50	↑	0.00%	3.00%
Multifamily - Suburban Class A	5.00%	7.00%	50	↑	0.00%	3.00%
Multifamily - Suburban Class B	5.25%	7.50%	50	↑	0.00%	3.00%
LOS ANGELES, CA						
Multifamily - CBD Class A	4.75%	6.25%	0	↔	3.00%	3.00%
Multifamily - CBD Class B	5.25%	6.75%	0	↔	3.00%	3.00%
Multifamily - Suburban Class A	4.75%	6.25%	0	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	6.75%	0	↔	3.00%	3.00%
PHOENIX, AZ						
Multifamily - CBD Class A	4.75%	6.25%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.00%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.00%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	6.75%	50	↔	3.00%	3.00%
PORTLAND, OR						
Multifamily - CBD Class A	5.25%	7.00%	25	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.25%	25	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	7.00%	25	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.50%	7.25%	25	↔	3.00%	3.00%
RENO, NV						
Multifamily - CBD Class A	5.00%	6.75%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.25%	7.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.00%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	7.25%	50	↔	3.00%	3.00%
SACRAMENTO, CA						
Multifamily - CBD Class A	5.00%	6.50%	50	↔	0.00%	3.00%
Multifamily - CBD Class B	6.00%	7.50%	50	↔	0.00%	3.00%
Multifamily - Suburban Class A	5.50%	7.00%	50	↔	0.00%	3.00%
Multifamily - Suburban Class B	6.00%	7.50%	50	↔	0.00%	3.00%
SALT LAKE CITY, UT						
Multifamily - CBD Class A	5.00%	6.50%	25	↔	3.00%	3.00%
Multifamily - CBD Class B	5.25%	6.75%	25	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.50%	7.00%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.75%	7.25%	50	↔	3.00%	3.00%



MULTIFAMILY 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
SAN FRANCISCO, CA						
Multifamily - CBD Class A	5.50%	6.50%	25	↑	3.00%	3.00%
Multifamily - CBD Class B	6.50%	7.50%	25	↑	3.00%	3.00%
SEATTLE, WA						
Multifamily - CBD Class A	4.25%	6.25%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	4.50%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	4.50%	6.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	4.75%	6.75%	50	↔	3.00%	3.00%
SILICON VALLEY/SAN JOSE, CA						
Multifamily - CBD Class A	4.75%	6.50%	25	↑	3.00%	3.00%
Multifamily - CBD Class B	5.25%	7.00%	25	↑	3.00%	3.00%
Multifamily - Suburban Class A	4.75%	6.50%	25	↑	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	7.00%	25	↑	3.00%	3.00%

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MULTIFAMILY 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CHICAGO, IL						
Multifamily - CBD Class A	5.00%	5.75%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	6.00%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.00%	7.00%	50	↔	3.00%	3.00%
CINCINNATI, OH						
Multifamily - CBD Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	6.75%	8.75%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	8.75%	50	↑	3.00%	3.00%
CLEVELAND, OH						
Multifamily - CBD Class A	6.00%	8.25%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	7.00%	9.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	6.00%	8.25%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	7.00%	9.00%	50	↑	3.00%	3.00%
COLUMBUS, OH						
Multifamily - CBD Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	6.75%	8.75%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	8.75%	50	↑	3.00%	3.00%
DETROIT, MI						
Multifamily - CBD Class A	6.00%	7.00%	75	↔	3.50%	3.50%
Multifamily - CBD Class B	6.75%	7.75%	75	↔	3.50%	3.50%
Multifamily - Suburban Class A	6.00%	7.00%	75	↔	3.50%	3.50%
Multifamily - Suburban Class B	6.50%	7.50%	75	↔	3.50%	3.50%
GRAND RAPIDS, MI						
Multifamily - CBD Class A	6.00%	7.00%	75	↔	3.50%	3.50%
Multifamily - CBD Class B	6.75%	7.75%	75	↔	3.50%	3.50%
Multifamily - Suburban Class A	6.00%	7.00%	75	↔	3.50%	3.50%
Multifamily - Suburban Class B	6.50%	7.50%	75	↔	3.50%	3.50%
INDIANAPOLIS, IN						
Multifamily - CBD Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	6.75%	8.75%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	5.75%	8.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	8.75%	50	↑	3.00%	3.00%
KANSAS CITY, MO						
Multifamily - CBD Class A	5.50%	6.25%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	6.25%	7.00%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	6.00%	7.00%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	7.50%	50	↔	3.00%	3.00%
MINNEAPOLIS, MN						
Multifamily - CBD Class A	5.00%	6.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.00%	7.00%	50	↔	3.00%	3.00%

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MULTIFAMILY 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ST. LOUIS, MO						
Multifamily - CBD Class A	5.25%	6.25%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	6.00%	7.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	6.00%	7.00%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	7.75%	50	↑	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

MULTIFAMILY 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ARKANSAS						
Multifamily - CBD Class A	5.25%	6.50%	25	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.00%	25	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.00%	6.25%	25	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	7.00%	25	↔	3.00%	3.00%
ATLANTA, GA						
Multifamily - CBD Class A	4.75%	6.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.25%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.00%	6.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.75%	7.00%	50	↔	3.00%	3.00%
AUSTIN, TX						
Multifamily - CBD Class A	4.50%	6.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	4.75%	6.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	4.75%	6.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.00%	6.50%	50	↔	3.00%	3.00%
CHARLOTTE, NC						
Multifamily - CBD Class A	5.00%	7.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	7.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.75%	7.75%	50	↔	3.00%	3.00%
DALLAS, TX						
Multifamily - CBD Class A	4.75%	5.75%	50	↑	4.00%	3.00%
Multifamily - CBD Class B	5.50%	6.50%	50	↑	4.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.25%	50	↑	4.00%	3.00%
Multifamily - Suburban Class B	5.75%	6.75%	50	↑	4.00%	3.00%
FORT WORTH, TX						
Multifamily - CBD Class A	5.00%	6.00%	50	↑	3.00%	3.00%
Multifamily - CBD Class B	5.50%	6.50%	50	↑	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.25%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	5.75%	6.75%	50	↑	3.00%	3.00%
HOUSTON, TX						
Multifamily - CBD Class A	5.00%	6.00%	75	↑	2.50%	3.00%
Multifamily - CBD Class B	6.00%	7.00%	75	↑	2.50%	3.00%
Multifamily - Suburban Class A	5.50%	6.50%	75	↑	2.50%	3.00%
Multifamily - Suburban Class B	6.50%	7.50%	75	↑	2.50%	3.00%

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MULTIFAMILY 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
MIAMI, FL						
Multifamily - CBD Class A	4.50%	7.00%	25	↔	3.00%	2.75%
Multifamily - CBD Class B	5.00%	7.25%	25	↔	3.00%	2.75%
Multifamily - Suburban Class A	4.75%	7.00%	25	↔	3.00%	2.75%
Multifamily - Suburban Class B	5.25%	7.25%	25	↔	3.00%	2.75%
NEW ORLEANS, LA						
Multifamily - CBD Class A	6.50%	7.50%	50	↑	2.00%	3.00%
Multifamily - CBD Class B	7.50%	8.50%	50	↑	2.00%	3.00%
Multifamily - Suburban Class A	6.50%	7.50%	50	↑	2.00%	3.00%
Multifamily - Suburban Class B	7.50%	8.50%	50	↑	2.00%	3.00%
ORLANDO, FL						
Multifamily - CBD Class A	4.50%	7.00%	25	↔	3.00%	2.75%
Multifamily - CBD Class B	5.00%	7.25%	25	↔	3.00%	2.75%
Multifamily - Suburban Class A	4.75%	7.00%	25	↔	3.00%	2.75%
Multifamily - Suburban Class B	5.25%	7.25%	25	↔	3.00%	2.75%
SAN ANTONIO, TX						
Multifamily - CBD Class A	4.75%	6.00%	50	↔	2.50%	3.00%
Multifamily - CBD Class B	5.25%	6.50%	50	↔	2.50%	3.00%
Multifamily - Suburban Class A	5.00%	6.25%	50	↔	2.50%	3.00%
Multifamily - Suburban Class B	5.50%	6.75%	50	↔	2.50%	3.00%
TAMPA, FL						
Multifamily - CBD Class A	4.50%	7.00%	25	↔	3.00%	2.75%
Multifamily - CBD Class B	5.00%	7.25%	25	↔	3.00%	2.75%
Multifamily - Suburban Class A	4.75%	7.00%	25	↔	3.00%	2.75%
Multifamily - Suburban Class B	5.25%	7.25%	25	↔	3.00%	2.75%
TULSA/OKLAHOMA CITY, OK						
Multifamily - CBD Class A	5.25%	6.50%	25	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.00%	25	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.50%	25	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.50%	7.00%	25	↔	3.00%	3.00%

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MULTIFAMILY 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
BALTIMORE, MD						
Multifamily - CBD Class A	6.00%	7.00%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	6.50%	7.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.50%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.75%	7.75%	50	↔	3.00%	3.00%
BOSTON, MA						
Multifamily - CBD Class A	5.00%	6.50%	25	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.00%	25	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.50%	7.00%	25	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.00%	7.50%	25	↔	3.00%	3.00%
LEHIGH VALLEY, PA						
Multifamily - CBD Class A	5.50%	6.50%	50	↔	2.50%	3.50%
Multifamily - CBD Class B	6.50%	7.25%	50	↔	2.50%	3.50%
Multifamily - Suburban Class A	5.75%	6.50%	50	↔	2.50%	3.50%
Multifamily - Suburban Class B	6.25%	7.00%	50	↔	2.50%	3.50%
NEW YORK CITY (MANHATTAN & SUBURBS)						
Multifamily - CBD Class A	4.75%	6.00%	75	↔	3.00%	3.00%
Multifamily - CBD Class B	5.00%	6.25%	75	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.50%	6.75%	50	↔	3.00%	3.00%
NEW YORK CITY BOROUGHS						
Multifamily - Suburban Class A	5.00%	6.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.25%	6.50%	50	↔	3.00%	3.00%
NORTHERN NEW JERSEY						
Multifamily - CBD Class A	5.25%	6.50%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.50%	6.75%	50	↔	3.00%	3.00%
PHILADELPHIA, PA						
Multifamily - CBD Class A	5.25%	6.75%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	6.50%	7.50%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.50%	7.50%	50	↔	3.00%	3.00%
PITTSBURGH, PA						
Multifamily - CBD Class A	5.25%	7.75%	50	↔	2.00%	3.00%
Multifamily - CBD Class B	6.00%	8.50%	50	↔	2.00%	3.00%
Multifamily - Suburban Class A	5.50%	8.00%	50	↔	2.00%	3.00%
Multifamily - Suburban Class B	6.50%	9.00%	50	↔	2.00%	3.00%

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MULTIFAMILY 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
SOUTHERN NEW JERSEY						
Multifamily - Suburban Class A	5.25%	6.75%	50	↑	3.00%	3.00%
Multifamily - Suburban Class B	6.50%	7.50%	50	↑	3.00%	3.00%
UPSTATE NEW YORK						
Multifamily - CBD Class A	5.25%	6.50%	25	↑	3.00%	4.00%
Multifamily - CBD Class B	6.25%	7.00%	25	↑	3.00%	4.00%
Multifamily - Suburban Class A	5.25%	6.50%	25	↑	3.00%	4.00%
Multifamily - Suburban Class B	6.25%	7.00%	25	↑	3.00%	4.00%
WASHINGTON, DC						
Multifamily - CBD Class A	5.00%	6.50%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	5.50%	7.00%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.25%	6.75%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	5.50%	7.25%	50	↔	3.00%	3.00%
WILMINGTON, DE						
Multifamily - CBD Class A	5.75%	7.25%	50	↔	3.00%	3.00%
Multifamily - CBD Class B	6.50%	8.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class A	5.75%	7.25%	50	↔	3.00%	3.00%
Multifamily - Suburban Class B	6.25%	8.00%	50	↔	3.00%	3.00%

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MULTIFAMILY 2023 - Mid-Year International Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CALGARY, AB, CANADA						
Multifamily - CBD Class A	4.50%	5.25%	25	↔	5.00%	3.00%
Multifamily - CBD Class B	4.75%	5.50%	25	↔	5.00%	3.00%
Multifamily - Suburban Class A	5.50%	6.25%	25	↔	5.00%	3.00%
Multifamily - Suburban Class B	5.75%	6.50%	25	↔	5.00%	3.00%
EDMONTON, AB, CANADA						
Multifamily - CBD Class A	4.50%	5.50%	25	↔	5.00%	3.00%
Multifamily - CBD Class B	5.50%	6.00%	25	↔	5.00%	3.00%
Multifamily - Suburban Class A	5.00%	6.00%	25	↔	5.00%	3.00%
Multifamily - Suburban Class B	6.00%	6.25%	25	↔	5.00%	3.00%
MONTREAL, QC, CANADA						
Multifamily - CBD Class A	4.00%	4.75%	25	↔	5.00%	3.00%
Multifamily - CBD Class B	4.50%	5.25%	25	↔	5.00%	3.00%
Multifamily - Suburban Class A	4.50%	5.25%	25	↔	5.00%	3.00%
Multifamily - Suburban Class B	5.25%	5.75%	25	↔	5.00%	3.00%
TORONTO, ON, CANADA						
Multifamily - CBD Class A	3.50%	4.25%	25	↔	5.00%	3.00%
Multifamily - CBD Class B	4.00%	4.75%	25	↔	5.00%	3.00%
Multifamily - Suburban Class A	4.00%	4.75%	25	↔	5.00%	3.00%
Multifamily - Suburban Class B	4.25%	5.00%	25	↔	5.00%	3.00%
VANCOUVER, BC, CANADA						
Multifamily - CBD Class A	3.00%	3.50%	25	↔	5.00%	3.00%
Multifamily - CBD Class B	3.50%	4.25%	25	↔	5.00%	3.00%
Multifamily - Suburban Class A	3.75%	4.50%	25	↔	5.00%	3.00%
Multifamily - Suburban Class B	4.25%	5.00%	25	↔	5.00%	3.00%
MEXICO CITY, MEXICO						
Multifamily - CBD Class A	6.50%	10.00%	50	↔	4.50%	4.50%
Multifamily - CBD Class B	N/A	N/A	50	↔	4.50%	4.50%
Multifamily - Suburban Class A	8.00%	11.00%	50	↔	4.50%	4.50%
Multifamily - Suburban Class B	N/A	N/A	50	↔	4.50%	4.50%

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*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.



Office

Douglas H. Larson, MRICS

Executive Vice President

Valuation & Advisory

Office

ABOUT OFFICE

Newmark Valuation & Advisory's Office practice is the premier appraisal group focused on executing valuation and consulting services for office owners, investors, developers and financial institutions nationwide and across the globe. We offer the strategic expertise—consulting, analysis and resources—clients need in order to assign value and make informed decisions that enhance financial outcomes and corporate performance, for purposes of acquisition, disposition, potential use, retention, redevelopment, mortgage, income tax, financing, certiorari and litigation.

Our experts possess an average of more than 25 years of valuation experience in major CBD markets. Expansive geographic coverage enables us to support clients with individual office assets as well as with diverse office portfolios dispersed throughout the country.

OFFICE 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Change from 1Q 2023	Change from 1Q 2022	Discount Rate	Change from 1Q 2023	Change from 1Q 2022	Reversion Rate (BPS Over Going In Cap)	Market Rent Growth Rate	Expense Growth Rate
WEST									
Office - CBD Class A	6.90%	1.15%	1.27%	7.98%	0.69%	0.83%	48	1.00%	3.00%
Office - CBD Class B	7.58%	0.85%	1.48%	8.86%	0.63%	1.19%	48	1.00%	3.00%
Office - Suburban Class A	6.95%	0.75%	0.85%	8.25%	0.38%	0.58%	50	1.09%	3.00%
Office - Suburban Class B	7.52%	0.38%	0.94%	8.98%	0.25%	0.77%	50	1.09%	3.00%
CENTRAL									
Office - CBD Class A	7.93%	0.33%	0.93%	8.88%	0.28%	0.88%	50	1.00%	2.80%
Office - CBD Class B	8.95%	0.55%	1.15%	9.93%	0.48%	1.03%	50	1.00%	2.80%
Office - Suburban Class A	8.23%	0.38%	0.73%	9.18%	0.43%	0.58%	50	1.20%	2.80%
Office - Suburban Class B	9.13%	0.48%	1.08%	10.13%	0.63%	0.98%	50	1.20%	2.80%
SOUTH									
Office - CBD Class A	6.90%	0.40%	0.79%	8.10%	0.52%	0.81%	48	1.90%	3.00%
Office - CBD Class B	7.62%	0.42%	0.87%	8.98%	0.75%	1.02%	48	1.90%	3.00%
Office - Suburban Class A	7.25%	0.35%	0.73%	8.37%	0.40%	0.73%	48	2.00%	3.00%
Office - Suburban Class B	7.87%	0.33%	0.73%	9.08%	0.46%	0.77%	48	2.00%	3.00%
EAST									
Office - CBD Class A	7.05%	0.42%	0.58%	8.15%	0.46%	1.33%	48	0.70%	3.05%
Office - CBD Class B	7.98%	0.42%	1.46%	9.08%	0.48%	1.50%	48	0.70%	3.05%
Office - Suburban Class A	7.64%	0.42%	0.42%	8.64%	0.52%	1.21%	50	0.91%	3.05%
Office - Suburban Class B	8.50%	0.50%	1.27%	9.48%	0.60%	1.38%	50	0.91%	3.05%
UNITED STATES									
Office - CBD Class A	7.16%	0.58%	0.89%	8.26%	0.49%	0.96%	48	1.19%	2.97%
Office - CBD Class B	7.98%	0.56%	1.23%	9.19%	0.59%	1.19%	48	1.19%	2.97%
Office - Suburban Class A	7.49%	0.47%	0.68%	8.58%	0.43%	0.78%	49	1.33%	2.97%
Office - Suburban Class B	8.22%	0.41%	0.99%	9.38%	0.48%	0.97%	49	1.33%	2.97%
CANADA									
Office - CBD Class A	6.20%	0.20%	0.90%	7.10%	0.20%	0.90%	25	0.00%	3.00%
Office - CBD Class B	6.60%	0.20%	0.80%	7.55%	0.20%	0.80%	25	0.00%	3.00%
Office - Suburban Class A	6.60%	0.25%	0.45%	7.60%	0.25%	0.50%	25	0.00%	3.00%
Office - Suburban Class B	7.20%	0.25%	0.50%	8.15%	0.25%	0.60%	25	0.00%	3.00%
MEXICO									
Office - CBD Class A	8.00%	0.00%	-0.50%	10.50%	-0.50%	0.00%	50	4.50%	4.50%
Office - CBD Class B	9.00%	0.00%	-0.50%	11.50%	-0.50%	0.00%	50	4.50%	4.50%
Office - Suburban Class A	8.50%	0.00%	-0.25%	11.50%	-0.50%	0.75%	50	4.50%	4.50%
Office - Suburban Class B	9.50%	0.00%	-0.50%	12.00%	-0.50%	0.00%	50	4.50%	4.50%

OFFICE 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
DENVER, CO						
Office - CBD Class A	6.75%	7.50%	50	↑	2.00%	3.00%
Office - CBD Class B	7.75%	8.50%	50	↑	2.00%	3.00%
Office - Suburban Class A	7.25%	8.00%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.00%	8.50%	50	↑	2.00%	3.00%
IRVINE/ORANGE, CA						
Office - CBD Class A	6.50%	7.50%	25	↑	0.00%	3.00%
Office - CBD Class B	6.75%	8.00%	25	↑	0.00%	3.00%
Office - Suburban Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - Suburban Class B	7.00%	8.25%	25	↑	0.00%	3.00%
LAS VEGAS, NV						
Office - CBD Class A	7.00%	8.00%	75	↑	0.00%	3.00%
Office - CBD Class B	7.00%	9.00%	75	↑	0.00%	3.00%
Office - Suburban Class A	7.00%	8.00%	75	↑	0.00%	3.00%
Office - Suburban Class B	7.00%	9.00%	75	↑	0.00%	3.00%
LOS ANGELES, CA						
Office - CBD Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - CBD Class B	7.25%	8.25%	25	↑	0.00%	3.00%
Office - Suburban Class A	6.50%	7.50%	25	↑	0.00%	3.00%
Office - Suburban Class B	7.00%	8.00%	25	↑	0.00%	3.00%
PHOENIX, AZ						
Office - CBD Class A	6.50%	8.00%	50	↑	2.00%	3.00%
Office - CBD Class B	7.00%	8.50%	50	↑	2.00%	3.00%
Office - Suburban Class A	7.00%	8.50%	50	↑	2.00%	3.00%
Office - Suburban Class B	7.50%	9.00%	50	↑	2.00%	3.00%
PORTLAND, OR						
Office - CBD Class A	8.00%	9.50%	50	↑	0.00%	3.00%
Office - CBD Class B	8.50%	10.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.00%	9.00%	50	↑	0.00%	3.00%
Office - Suburban Class B	8.50%	9.50%	50	↑	0.00%	3.00%
RENO, NV						
Office - CBD Class A	6.75%	8.50%	75	↔	3.00%	3.00%
Office - CBD Class B	7.00%	9.25%	75	↔	3.00%	3.00%
Office - Suburban Class A	6.75%	8.50%	75	↔	3.00%	3.00%
Office - Suburban Class B	7.00%	9.25%	75	↔	3.00%	3.00%
SACRAMENTO, CA						
Office - CBD Class A	9.50%	N/A	50	↑	0.00%	3.00%
Office - CBD Class B	10.00%	N/A	50	↑	0.00%	3.00%
Office - Suburban Class A	7.75%	9.00%	50	↔	0.00%	3.00%
Office - Suburban Class B	8.00%	9.50%	50	↔	0.00%	3.00%
SALT LAKE CITY, UT						
Office - CBD Class A	7.25%	8.50%	50	↑	0.00%	3.00%
Office - CBD Class B	7.50%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class A	7.50%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	7.75%	9.00%	50	↑	0.00%	3.00%

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OFFICE 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
SAN FRANCISCO, CA						
Office - CBD Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - CBD Class B	7.75%	8.75%	25	↑	0.00%	3.00%
SEATTLE, WA						
Office - CBD Class A	5.00%	6.75%	50	↔	2.00%	3.00%
Office - CBD Class B	8.00%	9.50%	50	↔	2.00%	3.00%
Office - Suburban Class A	6.00%	7.75%	50	↔	2.00%	3.00%
Office - Suburban Class B	8.50%	9.75%	50	↔	2.00%	3.00%
SILICON VALLEY/SAN JOSE, CA						
Office - CBD Class A	6.00%	8.00%	50	↑	3.00%	3.00%
Office - CBD Class B	6.50%	9.00%	50	↑	3.00%	3.00%
Office - Suburban Class A	6.00%	8.00%	50	↑	3.00%	3.00%
Office - Suburban Class B	6.50%	9.00%	50	↑	3.00%	3.00%



OFFICE 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CHICAGO, IL						
Office - CBD Class A	6.75%	7.50%	50	↑	1.50%	3.00%
Office - CBD Class B	8.00%	9.00%	50	↑	1.50%	3.00%
Office - Suburban Class A	7.25%	8.25%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.25%	9.25%	50	↑	2.00%	3.00%
CINCINNATI, OH						
Office - CBD Class A	8.75%	9.75%	50	↑	0.00%	3.00%
Office - CBD Class B	10.00%	11.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.75%	9.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	10.00%	11.00%	50	↑	0.00%	3.00%
CLEVELAND, OH						
Office - CBD Class A	8.75%	9.75%	50	↑	0.00%	3.00%
Office - CBD Class B	10.00%	11.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.75%	9.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	10.00%	11.00%	50	↑	0.00%	3.00%
COLUMBUS, OH						
Office - CBD Class A	8.25%	9.25%	50	↑	0.00%	3.00%
Office - CBD Class B	9.50%	10.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.25%	9.25%	50	↑	0.00%	3.00%
Office - Suburban Class B	9.50%	10.50%	50	↑	0.00%	3.00%
DETROIT, MI						
Office - CBD Class A	8.00%	9.00%	50	↑	2.00%	2.00%
Office - CBD Class B	8.50%	9.50%	50	↑	2.00%	2.00%
Office - Suburban Class A	8.50%	10.00%	50	↑	2.00%	2.00%
Office - Suburban Class B	9.00%	10.50%	50	↑	2.00%	2.00%
GRAND RAPIDS, MI						
Office - CBD Class A	8.00%	9.00%	50	↑	2.00%	2.00%
Office - CBD Class B	8.50%	9.50%	50	↑	2.00%	2.00%
Office - Suburban Class A	8.50%	10.00%	50	↑	2.00%	2.00%
Office - Suburban Class B	9.00%	10.50%	50	↑	2.00%	2.00%
INDIANAPOLIS, IN						
Office - CBD Class A	8.25%	9.25%	50	↑	0.00%	3.00%
Office - CBD Class B	9.50%	10.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.25%	9.25%	50	↑	0.00%	3.00%
Office - Suburban Class B	9.50%	10.50%	50	↑	0.00%	3.00%
KANSAS CITY, MO						
Office - CBD Class A	7.25%	8.00%	50	↑	2.00%	3.00%
Office - CBD Class B	8.25%	9.00%	50	↑	2.00%	3.00%
Office - Suburban Class A	8.00%	8.00%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.50%	9.00%	50	↑	2.00%	3.00%
MINNEAPOLIS, MN						
Office - CBD Class A	7.75%	8.75%	50	↑	1.50%	3.00%
Office - CBD Class B	8.75%	9.75%	50	↑	1.50%	3.00%
Office - Suburban Class A	8.00%	9.00%	50	↑	2.00%	3.00%
Office - Suburban Class B	9.00%	10.00%	50	↑	2.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

OFFICE 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ST. LOUIS, MO						
Office - CBD Class A	7.50%	8.50%	50	↑	1.00%	3.00%
Office - CBD Class B	8.50%	9.50%	50	↑	1.00%	3.00%
Office - Suburban Class A	8.00%	8.50%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.50%	9.00%	50	↑	2.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



OFFICE 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ARKANSAS						
Office - CBD Class A	8.00%	9.00%	50	↑	1.00%	3.00%
Office - CBD Class B	8.50%	10.00%	50	↑	1.00%	3.00%
Office - Suburban Class A	7.00%	8.00%	50	↑	2.00%	3.00%
Office - Suburban Class B	7.50%	9.00%	50	↑	2.00%	3.00%
ATLANTA, GA						
Office - CBD Class A	7.50%	9.00%	50	↑	2.00%	3.00%
Office - CBD Class B	8.00%	9.50%	50	↑	2.00%	3.00%
Office - Suburban Class A	7.75%	9.25%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.50%	10.00%	50	↑	2.00%	3.00%
AUSTIN, TX						
Office - CBD Class A	6.00%	7.00%	50	↑	2.00%	3.00%
Office - CBD Class B	6.75%	7.75%	50	↑	2.00%	3.00%
Office - Suburban Class A	7.25%	8.00%	50	↑	2.00%	3.00%
Office - Suburban Class B	7.50%	8.75%	50	↑	2.00%	3.00%
CHARLOTTE, NC						
Office - CBD Class A	6.50%	7.50%	25	↑	2.75%	3.00%
Office - CBD Class B	8.00%	10.00%	25	↑	2.75%	3.00%
Office - Suburban Class A	6.75%	7.75%	25	↔	3.00%	3.00%
Office - Suburban Class B	7.75%	8.00%	25	↔	3.00%	3.00%
DALLAS, TX						
Office - CBD Class A	6.50%	8.00%	50	↑	3.00%	3.00%
Office - CBD Class B	7.25%	8.75%	50	↑	3.00%	3.00%
Office - Suburban Class A	7.25%	8.75%	50	↑	3.00%	3.00%
Office - Suburban Class B	8.00%	9.50%	50	↑	3.00%	3.00%
FORT WORTH, TX						
Office - CBD Class A	7.00%	8.50%	50	↑	3.00%	3.00%
Office - CBD Class B	7.75%	9.25%	50	↑	3.00%	3.00%
Office - Suburban Class A	7.50%	9.00%	50	↑	3.00%	3.00%
Office - Suburban Class B	8.25%	9.75%	50	↑	3.00%	3.00%
HOUSTON, TX						
Office - CBD Class A	6.00%	7.50%	50	↑	1.00%	3.00%
Office - CBD Class B	6.50%	8.00%	50	↑	1.00%	3.00%
Office - Suburban Class A	7.00%	8.00%	50	↑	1.00%	3.00%
Office - Suburban Class B	7.50%	8.50%	50	↑	1.00%	3.00%
MIAMI, FL						
Office - CBD Class A	6.00%	7.25%	50	↔	3.00%	3.00%
Office - CBD Class B	6.75%	8.00%	50	↔	3.00%	3.00%
Office - Suburban Class A	6.75%	7.75%	50	↔	2.00%	3.00%
Office - Suburban Class B	7.50%	8.75%	50	↔	2.00%	3.00%
NEW ORLEANS, LA						
Office - CBD Class A	8.00%	9.00%	50	↑	0.00%	3.00%
Office - CBD Class B	9.00%	10.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.00%	9.00%	50	↑	0.00%	3.00%
Office - Suburban Class B	9.00%	10.00%	50	↑	0.00%	3.00%

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OFFICE 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ORLANDO, FL						
Office - CBD Class A	6.50%	7.50%	50	↑	3.00%	3.00%
Office - CBD Class B	7.00%	8.00%	50	↑	3.00%	3.00%
Office - Suburban Class A	7.00%	8.00%	50	↑	3.00%	3.00%
Office - Suburban Class B	7.50%	8.50%	50	↑	3.00%	3.00%
SAN ANTONIO, TX						
Office - CBD Class A	7.50%	8.50%	50	↑	0.00%	3.00%
Office - CBD Class B	8.00%	9.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	7.75%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	8.25%	9.25%	50	↑	0.00%	3.00%
TAMPA, FL						
Office - CBD Class A	6.25%	7.50%	50	↑	3.00%	3.00%
Office - CBD Class B	7.00%	8.50%	50	↑	3.00%	3.00%
Office - Suburban Class A	7.00%	8.25%	50	↑	3.00%	3.00%
Office - Suburban Class B	7.50%	9.00%	50	↑	3.00%	3.00%
TULSA/OKLAHOMA CITY, OK						
Office - CBD Class A	8.00%	9.00%	50	↑	1.00%	3.00%
Office - CBD Class B	8.50%	10.00%	50	↑	1.00%	3.00%
Office - Suburban Class A	7.25%	8.25%	50	↑	2.00%	3.00%
Office - Suburban Class B	7.50%	9.00%	50	↑	2.00%	3.00%
BALTIMORE, MD						
Office - CBD Class A	8.50%	9.50%	50	↑	0.00%	3.00%
Office - CBD Class B	10.50%	11.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.00%	9.00%	50	↑	0.00%	3.00%
Office - Suburban Class B	10.00%	11.00%	50	↑	0.00%	3.00%
BOSTON, MA						
Office - CBD Class A	5.75%	7.25%	50	↑	0.00%	3.00%
Office - CBD Class B	7.00%	8.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	6.75%	8.25%	50	↑	0.00%	3.00%
Office - Suburban Class B	8.00%	9.50%	50	↑	0.00%	3.00%
LEHIGH VALLEY, PA						
Office - CBD Class A	8.00%	9.25%	50	↑	2.00%	3.50%
Office - CBD Class B	8.75%	10.00%	50	↑	2.00%	3.50%
Office - Suburban Class A	8.25%	9.00%	50	↑	2.00%	3.50%
Office - Suburban Class B	8.75%	9.50%	50	↑	2.00%	3.50%
NEW YORK CITY (MANHATTAN & SUBURBS)						
Office - CBD Class A	5.25%	6.75%	25	↑	3.00%	3.00%
Office - CBD Class B	5.75%	7.25%	25	↑	3.00%	3.00%
Office - Suburban Class A	7.00%	7.75%	50	↑	3.00%	3.00%
Office - Suburban Class B	8.00%	8.75%	50	↑	3.00%	3.00%

OFFICE 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
NEW YORK CITY BOROUGHES						
Office - CBD Class A	5.75%	6.75%	50	↑	0.00%	3.00%
Office - CBD Class B	6.00%	7.00%	50	↑	0.00%	3.00%
Office - Suburban Class A	5.75%	6.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	6.00%	7.00%	50	↑	0.00%	3.00%
NORTHERN NEW JERSEY						
Office - CBD Class A	7.25%	8.00%	50	↑	0.00%	3.00%
Office - CBD Class B	8.50%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.25%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	8.75%	9.25%	50	↑	0.00%	3.00%
PHILADELPHIA, PA						
Office - CBD Class A	7.75%	8.50%	50	↑	2.00%	3.00%
Office - CBD Class B	8.75%	9.25%	50	↑	2.00%	3.00%
Office - Suburban Class A	8.00%	8.75%	50	↑	2.00%	3.00%
Office - Suburban Class B	8.75%	9.75%	50	↑	2.00%	3.00%
SOUTHERN NEW JERSEY						
Office - Suburban Class A	8.00%	9.50%	50	↔	3.00%	3.00%
Office - Suburban Class B	8.50%	10.00%	50	↔	3.00%	3.00%
UPSTATE NEW YORK						
Office - CBD Class A	8.50%	9.00%	50	↑	0.00%	3.00%
Office - CBD Class B	9.00%	9.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.25%	8.75%	50	↑	0.00%	3.00%
Office - Suburban Class B	8.75%	9.25%	50	↑	0.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



OFFICE 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
WASHINGTON, DC						
Office - CBD Class A	5.25%	6.50%	50	↑	0.00%	3.00%
Office - CBD Class B	6.00%	7.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	7.75%	9.00%	50	↑	0.00%	3.00%
Office - Suburban Class B	9.00%	10.25%	50	↑	0.00%	3.00%
WILMINGTON, DE						
Office - CBD Class A	8.50%	10.00%	50	↑	0.00%	3.00%
Office - CBD Class B	9.50%	11.50%	50	↑	0.00%	3.00%
Office - Suburban Class A	8.00%	9.50%	50	↑	0.00%	3.00%
Office - Suburban Class B	9.00%	10.00%	50	↑	0.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

OFFICE 2023 - Mid-Year International Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CALGARY, AB, CANADA						
Office - CBD Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - CBD Class B	7.25%	8.50%	25	↑	0.00%	3.00%
Office - Suburban Class A	7.25%	8.50%	25	↑	0.00%	3.00%
Office - Suburban Class B	7.75%	9.00%	25	↑	0.00%	3.00%
EDMONTON, AB, CANADA						
Office - CBD Class A	7.00%	7.75%	25	↑	0.00%	3.00%
Office - CBD Class B	8.00%	8.75%	25	↑	0.00%	3.00%
Office - Suburban Class A	7.50%	8.25%	25	↑	0.00%	3.00%
Office - Suburban Class B	8.00%	8.75%	25	↑	0.00%	3.00%
MONTREAL, QC, CANADA						
Office - CBD Class A	6.00%	6.75%	25	↑	0.00%	3.00%
Office - CBD Class B	6.50%	7.25%	25	↑	0.00%	3.00%
Office - Suburban Class A	6.50%	7.25%	25	↑	0.00%	3.00%
Office - Suburban Class B	7.00%	7.75%	25	↑	0.00%	3.00%
TORONTO, ON, CANADA						
Office - CBD Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - CBD Class B	6.25%	7.25%	25	↑	0.00%	3.00%
Office - Suburban Class A	6.75%	7.75%	25	↑	0.00%	3.00%
Office - Suburban Class B	7.75%	8.75%	25	↑	0.00%	3.00%
VANCOUVER, BC, CANADA						
Office - CBD Class A	4.50%	5.50%	25	↑	0.00%	3.00%
Office - CBD Class B	5.00%	6.00%	25	↑	0.00%	3.00%
Office - Suburban Class A	5.00%	6.25%	25	↑	0.00%	3.00%
Office - Suburban Class B	5.50%	6.50%	25	↑	0.00%	3.00%
MEXICO CITY, MEXICO						
Office - CBD Class A	8.00%	10.50%	50	↔	4.50%	4.50%
Office - CBD Class B	9.00%	11.50%	50	↔	4.50%	4.50%
Office - Suburban Class A	8.50%	11.50%	50	↔	4.50%	4.50%
Office - Suburban Class B	9.50%	12.00%	50	↔	4.50%	4.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.



Retail & Regional Malls

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ABOUT RETAIL & REGIONAL MALLS

Newmark Valuation & Advisory's Retail & Regional Malls practice is the premier appraisal group focused exclusively on retail properties. The team offers a comprehensive breadth of expertise in super-regional malls, regional malls, lifestyle centers, power centers, community centers, neighborhood centers and single-tenant properties that is unrivaled in the industry.

Newmark V&A's Retail & Regional Malls group performs valuations, feasibility studies and market studies as well as rent, expense and leasehold analyses for a broad range of existing and proposed retail properties. These include department stores, big box stores, shopping centers, theme/festival centers and mixed-use developments. In addition to investors and owners, we have completed valuation assignments for developers, corporations and public agencies.



RETAIL 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Change from 1Q 2023	Change from 1Q 2022	Discount Rate	Change from 1Q 2023	Change from 1Q 2022	Reversion Rate (BPS Over Going In Cap)	Market Rent Growth Rate	Expense Growth Rate
WEST									
Retail - Grocery Anchor Strip Class A	6.13%	0.17%	0.25%	7.48%	0.04%	0.06%	50	2.58%	3.17%
Retail - Grocery Anchor Strip Class B	6.58%	-0.02%	0.08%	8.02%	0.04%	0.10%	50	2.58%	3.17%
Retail - Unanchored Strip Class A	6.85%	0.19%	0.23%	8.31%	0.21%	0.23%	53	2.50%	3.17%
Retail - Unanchored Strip Class B	7.27%	0.06%	0.08%	8.71%	0.13%	0.17%	53	2.50%	3.17%
CENTRAL									
Retail - Grocery Anchor Strip Class A	6.90%	0.23%	0.60%	7.88%	0.20%	0.58%	60	2.40%	3.00%
Retail - Grocery Anchor Strip Class B	7.88%	0.20%	0.73%	8.88%	0.20%	0.73%	60	2.40%	3.00%
Retail - Unanchored Strip Class A	7.75%	0.28%	0.63%	8.90%	0.28%	0.48%	60	2.40%	3.00%
Retail - Unanchored Strip Class B	8.50%	0.43%	0.68%	9.63%	0.40%	0.55%	60	2.40%	3.00%
SOUTH									
Retail - Grocery Anchor Strip Class A	6.83%	0.44%	0.69%	7.92%	0.56%	0.62%	48	2.75%	3.00%
Retail - Grocery Anchor Strip Class B	7.42%	0.54%	0.73%	8.60%	0.65%	0.60%	48	2.75%	3.00%
Retail - Unanchored Strip Class A	7.44%	0.56%	0.54%	8.58%	0.75%	0.60%	50	2.69%	3.00%
Retail - Unanchored Strip Class B	8.08%	0.65%	0.71%	9.27%	0.81%	0.65%	50	2.69%	3.00%
EAST									
Retail - Grocery Anchor Strip Class A	6.70%	0.27%	0.31%	7.95%	0.38%	1.10%	50	2.70%	3.05%
Retail - Grocery Anchor Strip Class B	7.33%	0.35%	1.08%	8.60%	0.44%	1.19%	50	2.70%	3.05%
Retail - Unanchored Strip Class A	7.38%	0.23%	0.21%	8.53%	0.27%	0.98%	53	2.63%	3.05%
Retail - Unanchored Strip Class B	8.03%	0.25%	0.85%	9.15%	0.27%	0.94%	53	2.63%	3.05%
UNITED STATES									
Retail - Grocery Anchor Strip Class A	6.63%	0.28%	0.46%	7.80%	0.30%	0.59%	52	2.61%	3.06%
Retail - Grocery Anchor Strip Class B	7.27%	0.28%	0.65%	8.51%	0.35%	0.65%	52	2.61%	3.06%
Retail - Unanchored Strip Class A	7.34%	0.32%	0.39%	8.57%	0.39%	0.57%	53	2.56%	3.06%
Retail - Unanchored Strip Class B	7.94%	0.35%	0.58%	9.17%	0.41%	0.58%	53	2.56%	3.06%
CANADA									
Retail - Grocery Anchor Strip Class A	5.95%	0.25%	0.90%	6.75%	0.25%	0.90%	25	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.45%	0.25%	1.00%	7.20%	0.25%	1.00%	25	3.00%	3.00%
Retail - Unanchored Strip Class A	6.50%	0.25%	0.90%	7.30%	0.25%	0.90%	25	3.00%	3.00%
Retail - Unanchored Strip Class B	7.00%	0.25%	1.00%	7.85%	0.25%	1.05%	25	3.00%	3.00%
MEXICO									
Retail - Grocery Anchor Strip Class A	8.00%	0.00%	-0.50%	10.50%	-0.50%	0.00%	50	4.50%	4.50%
Retail - Grocery Anchor Strip Class B	9.50%	0.00%	0.00%	12.00%	-0.50%	0.50%	50	4.50%	4.50%
Retail - Unanchored Strip Class A	8.50%	0.00%	-0.50%	12.00%	0.00%	1.00%	50	4.50%	4.50%
Retail - Unanchored Strip Class B	9.50%	0.00%	0.00%	12.50%	0.00%	0.50%	50	4.50%	4.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.

RETAIL 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
DENVER, CO						
Retail - Grocery Anchor Strip Class A	5.75%	6.75%	50	↑	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.50%	7.50%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class A	6.25%	7.50%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class B	6.75%	7.75%	50	↑	2.00%	3.00%
IRVINE/ORANGE, CA						
Retail - Grocery Anchor Strip Class A	5.75%	7.25%	0	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.25%	7.75%	0	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	6.25%	8.00%	0	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	6.75%	8.50%	0	↔	3.00%	3.00%
LAS VEGAS, NV						
Retail - Grocery Anchor Strip Class A	6.75%	8.00%	75	↑	0.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	8.50%	75	↑	0.00%	3.00%
Retail - Unanchored Strip Class A	7.25%	8.75%	75	↑	0.00%	3.00%
Retail - Unanchored Strip Class B	7.75%	8.75%	75	↑	0.00%	3.00%
LOS ANGELES, CA						
Retail - Grocery Anchor Strip Class A	5.50%	7.00%	0	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.00%	7.50%	0	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	6.00%	7.75%	0	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	6.50%	8.25%	0	↔	3.00%	3.00%
PHOENIX, AZ						
Retail - Grocery Anchor Strip Class A	6.50%	7.75%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	8.25%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.25%	50	↔	3.00%	3.00%
PORTLAND, OR						
Retail - Grocery Anchor Strip Class A	6.00%	7.50%	50	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.50%	8.00%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.50%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.25%	8.75%	50	↑	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



RETAIL 2023 - Mid-Year National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
RENO, NV						
Retail - Grocery Anchor Strip Class A	7.00%	8.75%	75	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	9.50%	75	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.25%	9.00%	75	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.25%	9.25%	75	↔	3.00%	3.00%
SACRAMENTO, CA						
Retail - Grocery Anchor Strip Class A	6.50%	8.50%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	9.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	9.50%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	10.00%	50	↔	2.00%	3.00%
SALT LAKE CITY, UT						
Retail - Grocery Anchor Strip Class A	6.25%	7.75%	25	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.50%	8.00%	25	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.50%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.25%	9.00%	50	↑	3.00%	3.00%
SAN FRANCISCO, CA						
Retail - Grocery Anchor Strip Class A	6.00%	7.00%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.50%	7.50%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.50%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.00%	25	↑	3.00%	3.00%
SEATTLE, WA						
Retail - Grocery Anchor Strip Class A	5.75%	7.00%	50	↔	3.00%	5.00%
Retail - Grocery Anchor Strip Class B	6.25%	7.50%	50	↔	3.00%	5.00%
Retail - Unanchored Strip Class A	6.50%	7.75%	50	↔	3.00%	5.00%
Retail - Unanchored Strip Class B	7.00%	8.25%	50	↔	3.00%	5.00%
SILICON VALLEY/SAN JOSE, CA						
Retail - Grocery Anchor Strip Class A	5.75%	6.50%	50	↑	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.25%	7.25%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class A	6.25%	7.25%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class B	6.75%	7.75%	50	↑	2.00%	3.00%

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RETAIL 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CHICAGO, IL						
Retail - Grocery Anchor Strip Class A	6.25%	7.25%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	8.25%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	8.50%	50	↔	3.00%	3.00%
CINCINNATI, OH						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	2.50%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	2.50%	3.00%
Retail - Unanchored Strip Class A	8.25%	9.75%	50	↑	1.50%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.50%	50	↑	1.50%	3.00%
CLEVELAND, OH						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	2.50%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	2.50%	3.00%
Retail - Unanchored Strip Class A	8.25%	9.75%	50	↑	1.50%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.50%	50	↑	1.50%	3.00%
COLUMBUS, OH						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	2.50%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	2.50%	3.00%
Retail - Unanchored Strip Class A	8.25%	9.75%	50	↑	1.50%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.50%	50	↑	1.50%	3.00%
DETROIT, MI						
Retail - Grocery Anchor Strip Class A	7.25%	8.25%	100	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.25%	9.25%	100	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.75%	8.75%	100	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.75%	9.75%	100	↑	3.00%	3.00%

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RETAIL 2023 - Mid-Year National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
GRAND RAPIDS, MI						
Retail - Grocery Anchor Strip Class A	7.25%	8.25%	100	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.25%	9.25%	100	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.75%	8.75%	100	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.75%	9.75%	100	↑	3.00%	3.00%
INDIANAPOLIS, IN						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	2.50%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	2.50%	3.00%
Retail - Unanchored Strip Class A	8.25%	9.75%	50	↑	1.50%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.50%	50	↑	1.50%	3.00%
KANSAS CITY, MO						
Retail - Grocery Anchor Strip Class A	7.00%	7.75%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	8.75%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	8.50%	50	↔	3.00%	3.00%
MINNEAPOLIS, MN						
Retail - Grocery Anchor Strip Class A	6.25%	7.25%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	8.25%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.75%	8.75%	50	↔	3.00%	3.00%
ST. LOUIS, MO						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.50%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.25%	9.00%	50	↑	3.00%	3.00%

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RETAIL 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
ARKANSAS						
Retail - Grocery Anchor Strip Class A	7.50%	8.50%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.50%	9.00%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	9.00%	50	↔	3.00%	3.00%
ATLANTA, GA						
Retail - Grocery Anchor Strip Class A	7.00%	8.50%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	8.00%	9.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.50%	50	↔	3.00%	3.00%
AUSTIN, TX						
Retail - Grocery Anchor Strip Class A	6.75%	7.75%	50	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.50%	8.50%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.50%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.75%	8.75%	50	↑	3.00%	3.00%
CHARLOTTE, NC						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	8.00%	9.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	9.00%	10.00%	50	↔	3.00%	3.00%
DALLAS, TX						
Retail - Grocery Anchor Strip Class A	6.50%	8.00%	50	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	8.75%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.25%	8.75%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.50%	50	↑	3.00%	3.00%
FORT WORTH, TX						
Retail - Grocery Anchor Strip Class A	7.00%	8.50%	50	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	9.25%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	9.00%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.25%	9.75%	50	↑	3.00%	3.00%
HOUSTON, TX						
Retail - Grocery Anchor Strip Class A	6.50%	7.50%	50	↑	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	8.00%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	8.50%	50	↑	2.00%	3.00%

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RETAIL 2023 - Mid-Year National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
MIAMI, FL						
Retail - Grocery Anchor Strip Class A	5.75%	6.50%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.25%	7.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	6.50%	7.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.00%	8.00%	50	↔	3.00%	3.00%
NEW ORLEANS, LA						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	8.00%	9.00%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	9.00%	10.00%	50	↑	0.00%	3.00%
Retail - Unanchored Strip Class B	10.00%	11.00%	50	↑	0.00%	3.00%
ORLANDO, FL						
Retail - Grocery Anchor Strip Class A	6.50%	7.25%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.75%	7.75%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	8.50%	50	↑	3.00%	3.00%
SAN ANTONIO, TX						
Retail - Grocery Anchor Strip Class A	7.00%	8.00%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.50%	8.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.00%	50	↔	3.00%	3.00%
TAMPA, FL						
Retail - Grocery Anchor Strip Class A	N/A	N/A	N/A	N/A	N/A	N/A
Retail - Grocery Anchor Strip Class B	N/A	N/A	N/A	N/A	N/A	N/A
Retail - Unanchored Strip Class A	7.00%	8.00%	50	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	8.50%	50	↑	3.00%	3.00%
TULSA/OKLAHOMA CITY, OK						
Retail - Grocery Anchor Strip Class A	7.50%	8.50%	50	↔	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.50%	9.00%	50	↔	2.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.50%	50	↔	3.00%	3.00%

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RETAIL 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
BALTIMORE, MD						
Retail - Grocery Anchor Strip Class A	7.00%	8.25%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	9.00%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.25%	9.50%	50	↔	3.00%	3.00%
BOSTON, MA						
Retail - Grocery Anchor Strip Class A	6.50%	7.00%	25	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	8.00%	25	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	8.00%	8.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.50%	9.25%	50	↔	3.00%	3.00%
LEHIGH VALLEY, PA						
Retail - Grocery Anchor Strip Class A	7.00%	8.75%	50	↔	3.00%	3.50%
Retail - Grocery Anchor Strip Class B	8.00%	9.50%	50	↔	3.00%	3.50%
Retail - Unanchored Strip Class A	7.75%	9.00%	50	↔	2.50%	3.50%
Retail - Unanchored Strip Class B	8.50%	9.50%	50	↔	2.50%	3.50%
NEW YORK CITY BOROUGHES						
Retail - Grocery Anchor Strip Class A	5.50%	6.50%	50	↑	2.00%	3.00%
Retail - Grocery Anchor Strip Class B	5.75%	6.75%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class A	5.75%	6.75%	50	↑	2.00%	3.00%
Retail - Unanchored Strip Class B	6.00%	7.00%	50	↑	2.00%	3.00%
NORTHERN NEW JERSEY						
Retail - Grocery Anchor Strip Class A	6.75%	7.25%	50	↔	1.50%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	7.75%	50	↔	1.50%	3.00%
Retail - Unanchored Strip Class A	8.25%	8.75%	50	↔	1.50%	3.00%
Retail - Unanchored Strip Class B	8.75%	9.25%	50	↔	1.50%	3.00%
PHILADELPHIA, PA						
Retail - Grocery Anchor Strip Class A	7.00%	8.50%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	9.25%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.75%	50	↔	2.75%	3.00%
Retail - Unanchored Strip Class B	8.25%	9.75%	50	↔	2.75%	3.00%
SOUTHERN NEW JERSEY						
Retail - Grocery Anchor Strip Class A	6.75%	8.25%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.25%	8.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.25%	8.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.75%	9.25%	50	↔	3.00%	3.00%
UPSTATE NEW YORK						
Retail - Grocery Anchor Strip Class A	7.25%	8.50%	75	↔	2.50%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	9.00%	75	↔	2.50%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.75%	75	↑	2.50%	3.00%
Retail - Unanchored Strip Class B	8.00%	9.00%	75	↑	2.50%	3.00%
WASHINGTON, DC						
Retail - Grocery Anchor Strip Class A	6.00%	7.25%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.00%	8.25%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	6.50%	7.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	7.50%	8.75%	50	↔	3.00%	3.00%

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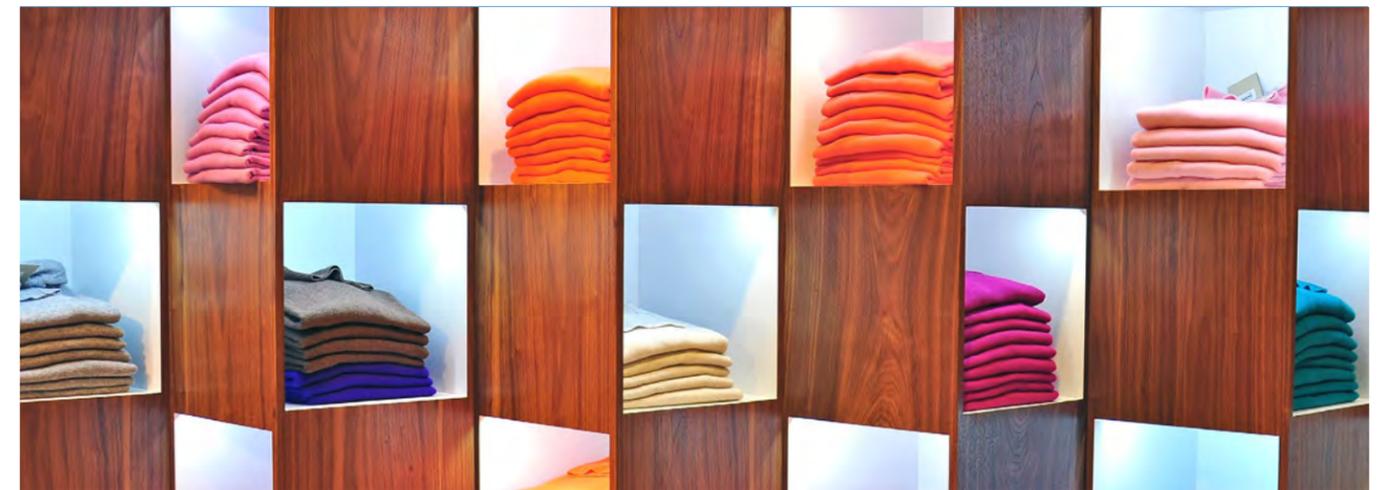
RETAIL 2023 - Mid-Year National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
WILMINGTON, DE						
Retail - Grocery Anchor Strip Class A	7.25%	9.25%	50	↔	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.75%	9.75%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class A	7.75%	9.50%	50	↔	3.00%	3.00%
Retail - Unanchored Strip Class B	8.75%	10.25%	50	↔	3.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



REGIONAL MALLS & SPECIALTY RETAIL 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Retail - Regional Malls Class A	6.00%	7.00%	75	↑	2.00%	3.00%
Retail - Regional Malls Class B	9.00%	10.00%	75	↔	1.00%	3.00%
Retail - Regional Malls Class C	17.00%	18.00%	75	↓	0.00%	3.00%
Retail - Power Centers Tier 1	7.00%	8.00%	50	↑	1.50%	3.00%
Retail - Power Centers Tier 2	7.50%	8.50%	50	↑	1.00%	3.00%
Retail - Power Centers Tier 3	9.50%	10.50%	50	↔	0.00%	3.00%
Retail - Lifestyle Centers Tier 1	6.50%	7.50%	75	↑	1.50%	3.00%
Retail - Lifestyle Centers Tier 2	8.00%	9.00%	75	↑	1.00%	3.00%
Retail - Lifestyle Centers Tier 3	13.00%	14.00%	75	↔	0.00%	3.00%
Retail - Single Tenant Retail Tier 1	6.00%	7.00%	50	↑	3.00%	3.00%
Retail - Single Tenant Retail Tier 2	6.75%	7.75%	50	↑	3.00%	3.00%
Retail - Single Tenant Retail Tier 3	8.00%	8.75%	50	↔	2.00%	3.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



RETAIL 2023 - Mid-Year International Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
CALGARY, AB, CANADA						
Retail - Grocery Anchor Strip Class A	6.25%	7.00%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.75%	7.50%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	6.75%	7.75%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.25%	8.25%	25	↑	3.00%	3.00%
EDMONTON, AB, CANADA						
Retail - Grocery Anchor Strip Class A	6.25%	7.00%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.75%	7.50%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	6.75%	7.50%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	7.25%	8.00%	25	↑	3.00%	3.00%
MONTREAL, QC, CANADA						
Retail - Grocery Anchor Strip Class A	6.75%	8.00%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	7.50%	8.25%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	7.50%	8.25%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	8.00%	8.75%	25	↑	3.00%	3.00%
TORONTO, ON, CANADA						
Retail - Grocery Anchor Strip Class A	7.00%	8.75%	50	↔	3.00%	3.50%
Retail - Grocery Anchor Strip Class B	8.00%	9.50%	50	↔	3.00%	3.50%
Retail - Unanchored Strip Class A	7.75%	9.00%	50	↔	2.50%	3.50%
Retail - Unanchored Strip Class B	8.50%	9.50%	50	↔	2.50%	3.50%
VANCOUVER, BC, CANADA						
Retail - Grocery Anchor Strip Class A	5.50%	6.00%	25	↑	3.00%	3.00%
Retail - Grocery Anchor Strip Class B	6.00%	6.75%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class A	6.00%	6.75%	25	↑	3.00%	3.00%
Retail - Unanchored Strip Class B	6.50%	7.50%	25	↑	3.00%	3.00%
MEXICO CITY, MEXICO						
Retail - Grocery Anchor Strip Class A	8.00%	10.50%	50	↔	4.50%	4.50%
Retail - Grocery Anchor Strip Class B	9.50%	12.00%	50	↔	4.50%	4.50%
Retail - Unanchored Strip Class A	8.50%	12.00%	50	↔	4.50%	4.50%
Retail - Unanchored Strip Class B	9.50%	12.50%	50	↔	4.50%	4.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

*Note: Mexico rate increases dependent if USD or Peso were used in transaction. Peso denominated lease rental rate increased 4.5%; USD denominated lease rental rate increased 2.5%.

Retail Petroleum & Restaurants

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ABOUT RETAIL PETROLEUM & RESTAURANTS

Newmark Valuation & Advisory's Retail Petroleum & Restaurants practice has its roots in a team that was founded in 1978. Our team has appraised more than 110,000 convenience stores and restaurants, and its members are experts in all elements of value—real estate, equipment and business intangible. Our franchise experts are superior real estate appraisers because of our depth of knowledge of the underlying store economics. From gas stations and car washes to quick service, casual and fine dining restaurants, our experts provide superior industry insight to clients.

RETAIL PETROLEUM 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Retail Petroleum - National	5.25%	6.75%	75	↔	2.00%	2.00%
Retail Petroleum - Regional	6.25%	8.00%	75	↔	2.00%	2.00%
Retail Petroleum - Local	7.50%	9.00%	75	↔	2.00%	2.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

RESTAURANTS 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Quick Service Restaurant - Franchisor	5.25%	6.50%	75	↔	2.00%	2.00%
Quick Service Restaurant - Franchisee	5.75%	7.00%	75	↔	2.00%	2.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.



Self Storage

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ABOUT SELF STORAGE

Newmark Valuation & Advisory's Self Storage practice is dedicated to providing best-in-class valuation and consulting services for all self storage property types. We complete assignments for a wide variety of complex assets, ranging from individually owned non-climate-controlled facilities to large, Class A properties in urban core locations. The Self Storage team is adept at managing projects for single properties as well as large portfolios in markets across the United States, Canada and Latin America.

The team's core disciplines far surpass those of traditional valuation services, and all services are implemented from start to finish by our subject experts—each of whom possess significant experience valuing and analyzing self storage properties.

SELF STORAGE 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Self Storage - Class A	4.75%	6.85%	40	↑	3.50%	3.25%
Self Storage - Class B	5.50%	7.55%	50	↑	3.50%	3.25%
Self Storage - Class C	5.75%	8.15%	50	↑	3.50%	3.25%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.





Seniors Housing

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ABOUT HEALTHCARE & SENIORS HOUSING

Newmark Valuation & Advisory's Healthcare & Seniors Housing practice is a premier group of real estate professionals focused on the unique requirements and objectives of healthcare providers and senior housing operators. Utilizing extensive interviews and market observations, we provide expert advice to investors, property owners and operators on assets ranging from large, 300-bed hospitals and entrance fee CCRC's to small clinics and free-standing senior housing facilities. Our specialized insight enables our team to align the business operations and real estate functions of a healthcare or senior living facility in order to deliver maximum value to investors and property owners.

Assignments have included valuations, market and feasibility studies, and fair market rent surveys for Stark Law compliance. We provide appraisal services to lenders, hospital and senior housing operators, healthcare REITs and private equity firms.

SENIOR HOUSING 2023 - Mid-Year National Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going In Cap)	Expected Trend for 3Q Cap/Disc. Rates	Market Rent Growth Rate	Expense Growth Rate
Independent Living - Class A	5.50%	8.25%	50	↑	4.00%	3.50%
Independent Living - Class B	5.75%	8.50%	50	↑	4.00%	3.50%
Assisted Living/Dementia - Class A	6.50%	9.25%	50	↑	4.00%	3.50%
Assisted Living/Dementia - Class B	6.75%	9.50%	50	↑	4.00%	3.50%
Skilled Nursing - Class A	11.75%	14.25%	50	↑	4.00%	3.50%
Skilled Nursing - Class B	12.50%	16.00%	50	↑	4.00%	3.50%
CCRC - Class A	9.25%	12.00%	50	↑	4.00%	3.50%
CCRC - Class B	9.75%	12.25%	50	↑	4.00%	3.50%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Directors based on market activity during June and July 2023 including sales and discussions with market participants and service professionals.

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This report is fully interactive, click on leader names to view online profiles and email addresses to send a message.

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