

NEWMARK

2025

Office
Valuation & Advisory's
North American Market Survey



[NMRK.COM/VALUATION](https://nmrk.com/valuation)



Office

Douglas H. Larson, MRICS

Executive Vice President

Specialty Practice Leader - Office

Valuation & Advisory

In CBD markets, higher quality office has continued to lead performance.

- Leasing activity increased in roughly half of tracked markets, marginally accelerating from the prior year. Higher quality buildings drove a larger share of leasing activity in the fourth quarter of 2024 and continued to outpace the overall market. Although top quality buildings only account for 33.7% of inventory, these assets captured 50.6% of leasing activity in the fourth quarter. Leasing activity was relatively stable compared to the prior 12-month average although notable gains were recorded in gateway markets.
- Following 18 consecutive quarters of negative net absorption, national occupancy increased driven by gains in gateway markets in the East and West regions. The strongest leasing growth occurred in Class A buildings in CBD markets which have consistently outperformed in leasing activity. In the fourth quarter, large-block leasing rose but remains below pre-pandemic averages. The finance, insurance, and real estate (FIRE) sectors recorded an increase in leasing. Leasing in the technology sector also increased, though activity in this sector is still below the historical average.
- Construction of office space has continued to decline. Construction activity edged down further in the fourth quarter due to changes in demand. The ongoing contraction in the construction pipeline is expected to help curb vacancy growth, as much of the post-pandemic supply remains unleased.

OFFICE 1Q 2025 National Rates Comparison	Going-In Cap Rate	Change from Mid 2024	Change from 1Q 2024	Change from Mid 2023	Discount Rate	Change from Mid 2024	Change from 1Q 2024	Change from Mid 2023	Reversion Rate (BPS over Going-In Cap)	Market Rent Growth Rate	Expense Growth Rate
WEST REGION											
CBD Class A	7.82%	0.38%	0.71%	1.06%	9.09%	0.33%	0.71%	1.02%	46	1.82%	3.00%
CBD Class B	8.36%	0.29%	0.60%	0.92%	9.77%	0.35%	0.63%	0.83%	46	1.82%	3.00%
Suburban Class A	7.91%	0.52%	0.65%	0.88%	9.16%	0.31%	0.69%	0.83%	46	1.77%	3.00%
Suburban Class B	8.45%	0.38%	0.63%	0.85%	9.75%	0.31%	0.67%	0.71%	46	1.77%	3.00%
CENTRAL REGION											
CBD Class A	8.33%	0.20%	0.23%	0.40%	9.55%	0.33%	0.40%	0.68%	45	1.05%	2.90%
CBD Class B	9.38%	0.25%	0.35%	0.43%	10.73%	0.28%	0.38%	0.80%	45	1.05%	2.90%
Suburban Class A	8.53%	0.20%	0.13%	0.30%	9.83%	0.30%	0.38%	0.65%	45	1.30%	2.90%
Suburban Class B	9.38%	0.25%	0.18%	0.25%	10.78%	0.30%	0.35%	0.65%	45	1.30%	2.90%
SOUTH REGION											
CBD Class A	8.04%	0.19%	0.58%	1.13%	9.38%	0.23%	0.58%	1.29%	48	0.79%	2.92%
CBD Class B	8.83%	0.21%	0.58%	1.21%	10.29%	0.38%	0.71%	1.31%	48	0.79%	2.92%
Suburban Class A	8.00%	0.06%	0.21%	0.75%	9.42%	0.13%	0.27%	1.06%	48	1.48%	2.92%
Suburban Class B	8.69%	0.12%	0.23%	0.83%	10.15%	0.17%	0.25%	1.08%	48	1.48%	2.92%
EAST REGION											
CBD Class A	7.91%	0.27%	0.48%	0.69%	8.98%	0.19%	0.56%	0.63%	48	1.18%	3.00%
CBD Class B	9.20%	0.46%	0.63%	1.00%	10.32%	0.38%	0.71%	0.98%	48	1.18%	3.00%
Suburban Class A	8.19%	0.15%	0.23%	0.46%	9.31%	0.06%	0.35%	0.54%	50	1.42%	3.00%
Suburban Class B	9.33%	0.38%	0.46%	0.75%	10.42%	0.25%	0.48%	0.82%	50	1.42%	3.00%
UNITED STATES											
CBD Class A	8.02%	0.26%	0.51%	0.85%	9.25%	0.27%	0.57%	0.92%	47	1.20%	2.95%
CBD Class B	8.93%	0.30%	0.55%	0.91%	10.27%	0.35%	0.62%	0.99%	47	1.20%	2.95%
Suburban Class A	8.14%	0.23%	0.31%	0.61%	9.42%	0.20%	0.42%	0.78%	48	1.49%	2.96%
Suburban Class B	8.95%	0.28%	0.38%	0.69%	10.26%	0.26%	0.44%	0.83%	48	1.49%	2.96%
CANADA											
CBD Class A	7.30%	0.15%	0.80%	1.10%	8.10%	0.00%	0.50%	1.00%	50	2.25%	2.25%
CBD Class B	7.70%	0.15%	0.65%	1.10%	8.55%	0.05%	0.50%	1.00%	50	2.25%	2.25%
Suburban Class A	7.85%	0.05%	0.65%	1.25%	8.65%	-0.10%	0.45%	1.05%	50	2.25%	2.25%
Suburban Class B	8.40%	-0.05%	0.65%	1.20%	9.25%	-0.15%	0.50%	1.10%	50	2.25%	2.25%
MEXICO											
CBD Class A	8.00%	0.00%	0.00%	0.00%	10.50%	0.00%	0.00%	0.00%	50	4.00%	4.00%
CBD Class B	9.00%	0.00%	0.00%	0.00%	11.50%	0.00%	0.00%	0.00%	50	4.00%	4.00%
Suburban Class A	8.50%	0.00%	0.00%	0.00%	11.00%	-0.50%	-0.50%	-0.50%	50	4.00%	4.00%
Suburban Class B	9.50%	0.00%	0.00%	0.00%	12.00%	0.00%	0.00%	0.00%	50	4.00%	4.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Practice Directors based on market activity during December 2024 and January 2025 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%.

- Investment sales increased 6% in 2024 but remain down 30% compared with compared with the average in 2017 to 2019. This represents little improvement, but the fourth quarter showed some momentum, reflecting the highest volume quarter in two years. New York City and Los Angeles markets were the strongest markets by investment volume. Trends in office sale capitalization rates have been difficult to be establish as transaction activity remains low.

OFFICE 1Q 2025 National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
DENVER, CO						
CBD Class A	8.00%	9.00%	25	↔	3.00%	3.00%
CBD Class B	8.50%	10.00%	25	↔	3.00%	3.00%
Suburban Class A	8.50%	9.50%	25	↔	2.50%	3.00%
Suburban Class B	9.50%	10.25%	25	↔	2.50%	3.00%
IRVINE/ORANGE, CA						
CBD Class A	8.50%	9.00%	0	↔	3.00%	3.00%
CBD Class B	9.00%	10.00%	0	↔	3.00%	3.00%
Suburban Class A	8.00%	9.00%	0	↔	3.00%	3.00%
Suburban Class B	8.50%	9.50%	0	↔	3.00%	3.00%
LAS VEGAS, NV						
CBD Class A	7.00%	8.50%	75	↔	0.00%	3.00%
CBD Class B	7.00%	8.50%	75	↔	0.00%	3.00%
Suburban Class A	7.00%	8.50%	75	↔	0.00%	3.00%
Suburban Class B	7.00%	8.50%	75	↔	0.00%	3.00%
LOS ANGELES, CA						
CBD Class A	8.50%	9.00%	0	↔	3.00%	3.00%
CBD Class B	9.00%	9.50%	0	↔	3.00%	3.00%
Suburban Class A	8.50%	9.00%	0	↔	3.00%	3.00%
Suburban Class B	9.00%	9.50%	0	↔	3.00%	3.00%
PHOENIX, AZ						
CBD Class A	7.00%	8.50%	50	↔	2.00%	3.00%
CBD Class B	7.50%	9.00%	50	↔	2.00%	3.00%
Suburban Class A	7.50%	9.00%	25	↔	2.00%	3.00%
Suburban Class B	8.00%	9.50%	25	↔	2.00%	3.00%
PORTLAND, OR						
CBD Class A	8.50%	10.00%	-25	↑	0.00%	3.00%
CBD Class B	9.00%	10.50%	-25	↑	0.00%	3.00%
Suburban Class A	8.00%	9.50%	-25	↑	0.00%	3.00%
Suburban Class B	8.50%	10.00%	-25	↑	0.00%	3.00%
RENO, NV						
CBD Class A	6.50%	8.25%	75	↔	3.00%	3.00%
CBD Class B	7.00%	9.00%	75	↔	3.00%	3.00%
Suburban Class A	6.50%	8.25%	75	↔	3.00%	3.00%
Suburban Class B	7.00%	9.00%	75	↔	3.00%	3.00%
SACRAMENTO, CA						
Suburban Class A	8.50%	9.50%	50	↔	0.00%	3.00%
Suburban Class B	9.00%	10.50%	50	↔	0.00%	3.00%
SALT LAKE CITY, UT						
CBD Class A	8.50%	9.75%	25	↔	3.00%	3.00%
CBD Class B	9.00%	10.50%	25	↔	3.00%	3.00%
Suburban Class A	9.00%	10.00%	25	↔	3.00%	3.00%
Suburban Class B	9.50%	10.50%	25	↔	3.00%	3.00%



OFFICE 1Q 2025 National Rates Comparison - West	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
SAN FRANCISCO, CA						
CBD Class A	8.00%	9.50%	25	↔	0.00%	3.00%
CBD Class B	9.00%	10.50%	25	↔	0.00%	3.00%
SEATTLE, WA						
CBD Class A	7.50%	9.00%	-25	↑	3.00%	3.00%
CBD Class B	8.50%	10.00%	-25	↑	3.00%	3.00%
Suburban Class A	7.50%	9.00%	-25	↑	3.00%	3.00%
Suburban Class B	8.50%	10.00%	-25	↑	3.00%	3.00%
SILICON VALLEY/SAN JOSE, CA						
CBD Class A	8.00%	9.50%	50	↔	0.00%	3.00%
CBD Class B	8.50%	10.00%	50	↔	0.00%	3.00%
Suburban Class A	8.00%	9.50%	50	↔	0.00%	3.00%
Suburban Class B	8.50%	10.00%	50	↔	0.00%	3.00%

OFFICE 1Q 2025 National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
CHICAGO, IL						
CBD Class A	7.00%	8.50%	50	↑	1.00%	3.00%
CBD Class B	9.00%	10.00%	50	↑	1.00%	3.00%
Suburban Class A	7.25%	8.50%	50	↑	2.00%	3.00%
Suburban Class B	8.25%	9.50%	50	↑	2.00%	3.00%
CINCINNATI, OH						
CBD Class A	9.25%	10.50%	50	↔	0.00%	3.00%
CBD Class B	10.50%	11.75%	50	↔	0.00%	3.00%
Suburban Class A	9.25%	10.50%	50	↔	0.00%	3.00%
Suburban Class B	10.50%	11.75%	50	↔	0.00%	3.00%
CLEVELAND, OH						
CBD Class A	9.25%	10.50%	50	↔	0.00%	3.00%
CBD Class B	10.50%	11.75%	50	↔	0.00%	3.00%
Suburban Class A	9.25%	10.50%	50	↔	0.00%	3.00%
Suburban Class B	10.50%	11.75%	50	↔	0.00%	3.00%
COLUMBUS, OH						
CBD Class A	8.75%	10.00%	50	↔	0.00%	3.00%
CBD Class B	9.50%	11.25%	50	↔	0.00%	3.00%
Suburban Class A	8.75%	10.00%	50	↔	0.00%	3.00%
Suburban Class B	9.50%	11.25%	50	↔	0.00%	3.00%
DETROIT, MI						
CBD Class A	8.25%	9.25%	25	↔	2.50%	2.50%
CBD Class B	8.75%	10.25%	25	↔	2.50%	2.50%
Suburban Class A	8.75%	10.25%	25	↔	2.50%	2.50%
Suburban Class B	9.75%	11.25%	25	↔	2.50%	2.50%
GRAND RAPIDS, MI						
CBD Class A	8.00%	9.00%	25	↔	2.50%	2.50%
CBD Class B	8.50%	10.00%	25	↔	2.50%	2.50%
Suburban Class A	8.50%	10.00%	25	↔	2.50%	2.50%
Suburban Class B	9.00%	10.50%	25	↔	2.50%	2.50%
INDIANAPOLIS, IN						
CBD Class A	8.75%	10.00%	50	↔	0.00%	3.00%
CBD Class B	9.50%	11.25%	50	↔	0.00%	3.00%
Suburban Class A	8.75%	10.00%	50	↔	0.00%	3.00%
Suburban Class B	9.50%	11.25%	50	↔	0.00%	3.00%
KANSAS CITY, MO						
CBD Class A	7.75%	8.75%	50	↑	2.00%	3.00%
CBD Class B	9.00%	10.00%	50	↑	2.00%	3.00%
Suburban Class A	8.25%	9.50%	50	↔	2.00%	3.00%
Suburban Class B	8.75%	10.00%	50	↔	2.00%	3.00%
MINNEAPOLIS, MN						
CBD Class A	8.25%	9.50%	50	↑	1.50%	3.00%
CBD Class B	9.25%	10.50%	50	↑	1.50%	3.00%
Suburban Class A	8.25%	9.50%	50	↔	2.00%	3.00%
Suburban Class B	9.25%	10.50%	50	↔	2.00%	3.00%

OFFICE 1Q 2025 National Rates Comparison - Central	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
ST. LOUIS, MO						
CBD Class A	8.00%	9.50%	50	↑	1.00%	3.00%
CBD Class B	9.25%	10.50%	50	↑	1.00%	3.00%
Suburban Class A	8.25%	9.50%	50	↔	2.00%	3.00%
Suburban Class B	8.75%	10.00%	50	↔	2.00%	3.00%
OFFICE 1Q 2025 National Rates Comparison - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
ARKANSAS						
CBD Class A	9.00%	10.00%	50	↑	-5.00%	2.50%
CBD Class B	10.00%	11.00%	50	↑	-5.00%	2.50%
Suburban Class A	6.50%	8.00%	50	↔	2.00%	2.50%
Suburban Class B	7.00%	9.00%	50	↔	2.00%	2.50%
ATLANTA, GA						
CBD Class A	7.50%	9.00%	50	↔	2.00%	3.00%
CBD Class B	8.50%	10.00%	50	↔	2.00%	3.00%
Suburban Class A	9.00%	10.50%	50	↔	2.00%	3.00%
Suburban Class B	9.50%	11.00%	50	↔	2.00%	3.00%
AUSTIN, TX						
CBD Class A	7.00%	8.50%	50	↑	0.00%	3.00%
CBD Class B	8.00%	9.50%	50	↑	0.00%	3.00%
Suburban Class A	8.00%	9.50%	50	↑	1.00%	3.00%
Suburban Class B	9.00%	10.50%	50	↑	1.00%	3.00%
CHARLOTTE, NC						
CBD Class A	7.75%	9.00%	25	↔	2.50%	3.00%
CBD Class B	8.25%	10.00%	25	↔	2.50%	3.00%
Suburban Class A	8.00%	9.50%	25	↔	2.75%	3.00%
Suburban Class B	8.50%	10.00%	25	↔	2.75%	3.00%
DALLAS, TX						
CBD Class A	8.00%	10.00%	50	↑	2.00%	3.00%
CBD Class B	8.50%	10.50%	50	↑	2.00%	3.00%
Suburban Class A	7.50%	9.50%	50	↑	2.00%	3.00%
Suburban Class B	8.00%	10.00%	50	↑	2.00%	3.00%
FORT WORTH, TX						
CBD Class A	8.00%	10.00%	50	↑	2.00%	3.00%
CBD Class B	8.50%	10.50%	50	↑	2.00%	3.00%
Suburban Class A	7.50%	9.50%	50	↑	2.00%	3.00%
Suburban Class B	8.00%	10.00%	50	↑	2.00%	3.00%
HOUSTON, TX						
CBD Class A	7.00%	8.00%	50	↑	2.00%	3.00%
CBD Class B	8.50%	10.00%	50	↑	2.00%	3.00%
Suburban Class A	8.00%	9.00%	50	↑	2.00%	3.00%
Suburban Class B	9.50%	10.50%	50	↑	2.00%	3.00%

OFFICE 1Q 2025 National Rates Comparisone - South	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
MIAMI, FL						
CBD Class A	6.75%	8.00%	50	↔	3.00%	3.00%
CBD Class B	7.50%	8.75%	50	↔	3.00%	3.00%
Suburban Class A	7.50%	8.50%	50	↔	3.00%	3.00%
Suburban Class B	8.00%	9.00%	50	↔	3.00%	3.00%
NEW ORLEANS, LA						
CBD Class A	10.00%	11.00%	50	↑	0.00%	3.00%
CBD Class B	11.00%	12.00%	50	↑	0.00%	3.00%
Suburban Class A	9.00%	10.00%	50	↔	0.00%	3.00%
Suburban Class B	10.00%	11.00%	50	↔	0.00%	3.00%
ORLANDO, FL						
CBD Class A	8.00%	9.50%	50	↔	3.00%	3.00%
CBD Class B	8.50%	10.00%	50	↔	3.00%	3.00%
Suburban Class A	8.25%	9.75%	50	↔	3.00%	3.00%
Suburban Class B	8.75%	10.25%	50	↔	3.00%	3.00%
SAN ANTONIO, TX						
CBD Class A	8.50%	9.50%	50	↔	2.00%	3.00%
CBD Class B	9.00%	10.50%	50	↔	2.00%	3.00%
Suburban Class A	9.00%	10.00%	50	↔	2.00%	3.00%
Suburban Class B	9.50%	10.50%	50	↔	2.00%	3.00%
TAMPA, FL						
CBD Class A	8.00%	9.50%	50	↔	3.00%	3.00%
CBD Class B	8.50%	10.00%	50	↔	3.00%	3.00%
Suburban Class A	8.25%	9.75%	50	↔	3.00%	3.00%
Suburban Class B	8.75%	10.25%	50	↔	3.00%	3.00%
TULSA/OKLAHOMA CITY, OK						
CBD Class A	9.00%	10.00%	50	↑	-5.00%	2.50%
CBD Class B	10.00%	11.00%	50	↑	-5.00%	2.50%
Suburban Class A	7.50%	9.00%	50	↔	-5.00%	2.50%
Suburban Class B	8.50%	10.00%	50	↔	-5.00%	2.50%

OFFICE 1Q 2025 National Rates Comparisone - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
BALTIMORE, MD						
CBD Class A	9.25%	10.50%	50	↔	0.00%	3.00%
CBD Class B	11.25%	12.50%	50	↔	0.00%	3.00%
Suburban Class A	8.50%	10.00%	50	↔	0.00%	3.00%
Suburban Class B	10.50%	12.00%	50	↔	0.00%	3.00%
BOSTON, MA						
CBD Class A	6.50%	8.00%	50	↔	0.00%	3.00%
CBD Class B	9.00%	10.25%	50	↔	0.00%	3.00%
Suburban Class A	7.50%	9.00%	50	↔	0.00%	3.00%
Suburban Class B	9.50%	10.50%	50	↔	0.00%	3.00%

OFFICE 1Q 2025 National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
LEHIGH VALLEY, PA						
CBD Class A	8.50%	9.75%	50	↑	2.00%	3.00%
CBD Class B	10.00%	11.00%	50	↑	2.00%	3.00%
Suburban Class A	8.50%	9.75%	50	↑	2.00%	3.00%
Suburban Class B	10.00%	11.00%	50	↑	2.00%	3.00%
NEW YORK, NY (MANHATTAN & NEW YORK SUBURBS)						
CBD Class A	5.75%	7.25%	50	↔	3.00%	3.00%
CBD Class B	6.25%	8.00%	50	↔	3.00%	3.00%
Suburban Class A	7.75%	8.25%	50	↔	3.00%	3.00%
Suburban Class B	8.25%	9.25%	50	↔	3.00%	3.00%
NEW YORK CITY BOROUGHES						
CBD Class A	7.75%	8.25%	50	↔	3.00%	3.00%
CBD Class B	8.25%	9.25%	50	↔	3.00%	3.00%
Suburban Class A	6.25%	7.00%	50	↔	3.00%	3.00%
Suburban Class B	6.50%	7.25%	50	↔	3.00%	3.00%
NORTHERN NEW JERSEY						
CBD Class A	7.75%	8.25%	50	↔	1.50%	3.00%
CBD Class B	8.75%	9.00%	50	↔	1.50%	3.00%
Suburban Class A	8.50%	9.00%	50	↔	1.50%	3.00%
Suburban Class B	9.00%	9.50%	50	↔	1.50%	3.00%



OFFICE 1Q 2025 National Rates Comparison - East	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
PHILADELPHIA, PA						
CBD Class A	8.50%	9.50%	50	↑	1.50%	3.00%
CBD Class B	10.00%	11.00%	50	↑	1.50%	3.00%
Suburban Class A	8.50%	9.50%	50	↑	2.50%	3.00%
Suburban Class B	10.00%	11.00%	50	↑	2.50%	3.00%
PITTSBURGH, PA						
CBD Class A	8.25%	9.75%	50	↑	0.00%	3.00%
CBD Class B	9.50%	11.00%	50	↑	0.00%	3.00%
Suburban Class A	8.75%	10.25%	50	↑	1.50%	3.00%
Suburban Class B	9.50%	11.00%	50	↑	1.50%	3.00%
SOUTHERN NEW JERSEY						
Suburban Class A	8.50%	10.00%	50	↔	1.50%	3.00%
Suburban Class B	9.25%	10.50%	50	↔	1.50%	3.00%
UPSTATE NEW YORK						
CBD Class A	9.00%	9.50%	50	↔	2.00%	3.00%
CBD Class B	9.50%	10.00%	50	↔	2.00%	3.00%
Suburban Class A	8.25%	9.00%	50	↔	2.00%	3.00%
Suburban Class B	9.00%	9.50%	50	↔	2.00%	3.00%
WASHINGTON, DC						
CBD Class A	6.50%	7.50%	25	↔	0.00%	3.00%
CBD Class B	7.50%	9.00%	25	↔	0.00%	3.00%
Suburban Class A	8.50%	9.75%	50	↔	0.00%	3.00%
Suburban Class B	9.75%	11.00%	50	↔	0.00%	3.00%
WILMINGTON, DE						
CBD Class A	9.25%	10.50%	50	↔	0.00%	3.00%
CBD Class B	11.25%	12.50%	50	↔	0.00%	3.00%
Suburban Class A	8.75%	10.25%	50	↔	0.00%	3.00%
Suburban Class B	10.75%	12.55%	50	↔	0.00%	3.00%



OFFICE 1Q 2025 International Rates Comparison	Going-In Cap Rate	Discount Rate	Reversion Rate (BPS Over Going-In Cap)	Expected Trend for 1Q 2025 (Cap/Disc Rates)	Market Rent Growth Rate	Expense Growth Rate
CALGARY						
CBD Class A	9.00%	9.50%	50	↔	2.25%	2.25%
CBD Class B	9.25%	10.00%	50	↔	2.25%	2.25%
Suburban Class A	9.25%	9.75%	50	↔	2.25%	2.25%
Suburban Class B	9.50%	10.25%	50	↔	2.25%	2.25%
EDMONTON						
CBD Class A	8.00%	9.25%	50	↓	2.25%	2.25%
CBD Class B	8.50%	9.75%	50	↓	2.25%	2.25%
Suburban Class A	8.25%	9.50%	50	↓	2.25%	2.25%
Suburban Class B	8.50%	9.75%	50	↓	2.25%	2.25%
MONTREAL						
CBD Class A	7.00%	7.75%	50	↔	2.25%	2.25%
CBD Class B	7.50%	8.25%	50	↔	2.25%	2.25%
Suburban Class A	7.75%	8.50%	50	↔	2.25%	2.25%
Suburban Class B	9.00%	9.75%	50	↔	2.25%	2.25%
TORONTO						
CBD Class A	6.50%	7.25%	50	↔	2.25%	2.25%
CBD Class B	7.25%	8.00%	50	↔	2.25%	2.25%
Suburban Class A	7.75%	8.50%	50	↔	2.25%	2.25%
Suburban Class B	8.50%	9.25%	50	↔	2.25%	2.25%
VANCOUVER						
CBD Class A	6.00%	6.75%	50	↔	2.25%	2.25%
CBD Class B	6.00%	6.75%	50	↔	2.25%	2.25%
Suburban Class A	6.25%	7.00%	50	↔	2.25%	2.25%
Suburban Class B	6.50%	7.25%	50	↔	2.25%	2.25%
MEXICO CITY						
CBD Class A	8.00%	10.50%	50	↔	4.00%	4.00%
CBD Class B	9.00%	11.50%	50	↔	4.00%	4.00%
Suburban Class A	8.50%	11.00%	50	↔	4.00%	4.00%
Suburban Class B	9.50%	12.00%	50	↔	4.00%	4.00%

Source: These rates were compiled and submitted by Newmark V&A Market Leaders and Specialty Practice Directors based on market activity during December 2024 and January 2025 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%.

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.



Specialty Practices

Agriculture

Agricultural Land
Irrigated Land
Recreational Land
Grain Storage Facilities
Timberland
Greenhouses / Nurseries
Ranches / Pastureland
Vineyards & Wineries

Aviation

Advanced Air Mobility
Air Cargo
Fuel
Hotels
Infrastructure
Industrial
Lounges
Offices
Parking
Property Development
Retail

Convenience Stores & Automotive Energy

Convenience Stores
Gas Stations
Electric Vehicle
Charging Stations
Car Washes
Truck Stops
Service Stations
Bulk Plants
Cardlocks

Data Centers & Life Science

Carrier Hotels
Colocation Facilities
Turnkey Data Centers
Powered Shell Data Centers
Network Switching Centers
Mission Critical Facilities
Mission Critical Tech Office
Life Science R&D
Life Science Lab Cleanrooms
Life Science cGMP Facilities

Education

Children's Day Nurseries
Colleges / Universities
Language Schools
Private / Independent Schools
Special Educational Needs
(SEN) Schools

Energy

Hydrogen Production & Storage
Carbon Capture
Solar / Wind
Gas Storage
Nuclear
Decommissioning of Coal
Energy Storage & Networks
Gigafactories
Supporting infrastructure
Biomass

Healthcare & Seniors Housing

Assisted & Independent Living
Skilled Nursing
Memory Care Facilities
Continuing Care Retirement Communities
(CCRC)
Hospitals
Medical Office Buildings
Surgical Centers
Long-Term Acute Care
Outpatient Healthcare Facilities

Hospitality, Gaming & Leisure

Hotels and Resorts
Gaming Facilities
Golf Courses
Marinas
Stadiums & Arenas
Multisport Complexes
Conference, Expo and Convention Centers
Ski & Village Resorts
Water Parks, Amusement Parks & Attractions
Campgrounds & RV Parks

Industrial & Logistics

Automotive
Business Parks
Chemical Plants
Cold Storage / Food Production
Distribution Centers
Heavy / Light Manufacturing
Office / Warehouse
Research and Development
E-Commerce Fulfillment Centers
Intermodal Freight Transport Facilities
Shipyards & Working Waterfront Facilities



Minerals

Ancillary Mineral Plants
Brick & Tile Factories
Captured Landfill Methane (CLM / LFG)
Cement & Lime Plants
Concrete Product Works
Mines
Mineral Depots and Wharfs
Plaster Board Factories
Quarries

Multifamily

High-Rise, Mid-Rise & Low-Rise
Garden-Style
Condominiums
Cooperatives
Student Housing
Lifestyle Centers
Manufactured Housing Communities

Multifamily HUD / Affordable Housing

HUD 221(d)(4)
HUD 223(f)
HUD 220
HUD 202
Low-Income / Affordable Housing

Office

CBD / Trophy Buildings
Corporate Campuses / Headquarters
Creative Office Buildings
Suburban Offices
Government Buildings
Office / Condos
Office Business Parks
Entertainment Studios

Residential

Finished Lots (Partially Developed, Remaining Inventory, Excess Land)
Master Floor Plan Valuation
Raw Land for Acquisition and Development
Infill Development
Single-Family Build-for-Rent and Acquire-to-Rent (SFBFR, B2R, BTR)
Single-Family Rental Portfolio Valuation (SFR)
Subdivisions
(Single-Family Detached & Attached)
Urban Redevelopment
Master-Planned / Planned Unit Developments (Traditional & Adult-Active)
Mixed-Use Projects

Restaurants

Quick Service
Fast Casual
Casual Dining
Polished Casual
Fine Dining
Family Dining
Grill Buffet
Food Hall
Ghost Kitchen

Retail & Regional Malls

Regional Malls
Lifestyle Centers
Community Centers
Power Centers
Neighborhood Centers
Department Stores
Big-Box Stores
High Street Retail
Net Leased Properties

Self Storage

Climate / Non-Climate Controlled
Portable Container Storage
RV/Boat / Vehicle Storage
Wine Storage

Waste Management

Anaerobic Digestors
Biomass Plants
Energy from Waste Plants (EfW)
Household Recycling Centers
Landfill
Recycling Plants
Scrap Facilities
Waste Transfer and Processing

Special Use

Billboards / Cell Towers
Cemeteries
Charitable Organizations
Correctional Facilities
Embassies / Consulates
Eminent Domain / Right-of-Way
Government Agencies
Ground Leases
Infrastructure
Manufactured Housing
Mines & Quarries
Parking Garages / Decks / Lots
Religious Organizations
Septic Fields





Office

Our Office platform equips office owners, investors, developers and financial institutions worldwide with the strategic expertise and innovative solutions, they need to make astute decisions related to acquisition, disposition, potential use, retention, redevelopment, mortgage, income tax, financing, certiorari and litigation.

We leverage the versatile knowledge and experience of Newmark's Capital Markets and brokerage teams, alongside our proprietary data and research capabilities, for deeper insights into local market and property trends. We support clients of all sizes, from individual office assets to diversified, national portfolios, and have built our reputation on delivering clear, focused, accurate reports, fast.

In addition to our V&A team's core offerings of financial reporting and property tax services, our Office team provides valuations, market and feasibility studies, litigation support, consulting and research.

Our Office platform team has completed valuation assignments for properties including:

CBD/Trophy Buildings

Corporate

Campuses/Headquarters

Creative Office Buildings

Suburban Offices

Government Buildings

Office/Condos

Office Business Parks

Entertainment Studios

ABOUT NEWMARK

We transform untapped potential into limitless opportunity.

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

CONTACT

Douglas Larson, MRICS

Executive Vice President

t 212-372-2193

douglas.larson@nrmk.com

Brian Hegarty, MAI

Executive Vice President

t 415-445-5181

brian.hegarty@nrmk.com

UNITED STATES

ALABAMA

Birmingham

ARIZONA

Phoenix
Tucson

ARKANSAS

Fayetteville
Little Rock

CALIFORNIA

Irvine
Los Angeles
Pasadena
Roseville
Sacramento
San Francisco
San Jose
San Mateo

COLORADO

Denver

CONNECTICUT

Stamford

DELAWARE

Wilmington

WASHINGTON, D.C.

FLORIDA

Boca Raton
Jacksonville
Orlando
Tampa

GEORGIA

Atlanta

IDAHO

Boise

ILLINOIS

Chicago

INDIANA

Indianapolis

KANSAS

Overland Park

KENTUCKY

Louisville

LOUISIANA

New Orleans

MARYLAND

Baltimore
Salisbury

MASSACHUSETTS

Boston
Springfield

MICHIGAN

Detroit
Grand Rapids

MINNESOTA

Minneapolis

MISSOURI

Kansas City
Springfield
St. Louis

NEVADA

Las Vegas
Reno

NEW JERSEY

Marlton
Morristown
Rutherford

NEW YORK

Albany
Buffalo / Amherst
Long Island
New York – HQ

NORTH CAROLINA

Charlotte
Raleigh

OHIO

Cincinnati
Cleveland
Columbus

OKLAHOMA

Oklahoma City

OREGON

Portland

PENNSYLVANIA

Philadelphia
Pittsburgh

TENNESSEE

Nashville

TEXAS

Austin
Dallas
Houston
San Antonio

UTAH

Salt Lake City

VIRGINIA

Tysons Corner

WASHINGTON

Seattle

WISCONSIN

Madison
Milwaukee

AMERICAS

CANADA

Calgary
Edmonton
Toronto
Vancouver

ARGENTINA

Buenos Aires

BRAZIL

São Paulo
Rio de Janeiro

CARIBBEAN

CHILE

Santiago

COLOMBIA

Bogota
Medellín
Cali
Cartagena
Barranquilla

COSTA RICA

San José
Guanacaste

MEXICO

Mexico City

PANAMA

Panama City

PERU

Lima

APAC

INDIA

Delhi
Hyderabad

SINGAPORE

Singapore

ISRAEL

Tel Aviv

JAPAN

Tokyo

UAE

Dubai

EMEA

BELGIUM

Brussels

FRANCE

Paris

GERMANY

Munich

SWITZERLAND

Geneva

HUNGARY

Budapest

IRELAND

Dublin

N. IRELAND

Belfast

ITALY

Milan

LUXEMBOURG

NETHERLANDS

Amsterdam

NORDICS

Sweden
Finland
Denmark
Norway
Baltic

POLAND

Warsaw

PORTUGAL

Lisbon

SPAIN

Barcelona

UNITED KINGDOM

London
Birmingham
Cardiff
Glasgow
Leeds
Manchester