

UNITED STATES

# Cap Rate Survey

FIRST HALF 2021

**CBRE**

# A Year Unlike Any Other

The extraordinary market conditions since the onset of COVID-19 in early 2020 have created a significant amount of uncertainty over property pricing, making CBRE's H1 2021 Cap Rate Survey particularly valuable. The H1 report differs from prior years given the uniqueness of the time. Instead of comparing cap rates with last year, we benchmarked performance against the pre-COVID H2 2019 survey. Although we did collect H2 2020 cap rates where possible, many markets had limited investment activity, which made it very difficult to confidently produce accurate cap rate ranges for some.

Where we were able to collect sufficient 2020 data and assess changes from H2 2020 to H1 2021, there was generally a clear trend toward recovery. This was especially true for industrial markets, where cap rates decreased by an average of 79 basis points (bps) nationally during the period. At the same time, roughly half of all multifamily markets saw cap rate compression, averaging 31 bps across infill markets and 41 bps for suburban markets. Office, retail and hotel trends were more mixed (particularly for hotels).

What's most notable in this survey is that although markets were severely disrupted in mid-2020, market recoveries were well underway by year-end. This rapid recovery was mostly made possible by the massive policy response (fiscal and monetary) to the COVID downturn, which stabilized the economy and benefited real estate values. Nevertheless, the pandemic affected certain real estate sectors more than others. In property types such as office and retail, some of the cap rate compression may be due in part to changes in underwriting (lower net operating income, impacting cap rates).

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# A Year Unlike Any Other Continued

Today, cap rates across property types are at or below pre-pandemic levels in many markets. While uncertainty remains, we expect very few markets to see higher cap rates through year-end. This is consistent with CBRE's view that the strong economic recovery will continue to benefit property fundamentals, investment volumes and values.

The format of our survey was changed this year to align with those of our other global regions and enable our clients to quickly find the information they need. Where available, additional cap rate information—including Class B and C assets—are included in the [interactive digital version of this report](#). In addition to cap rate data, CBRE professionals were also asked the same set of questions that was posed to investors at the start of the year in CBRE's annual Investor Intentions Survey. This gave us insight into what investors expected to happen during the year vs. what CBRE professionals who were surveyed have seen in the market. Our expectation is that this combination of quantitative and qualitative information—provided by 244 respondents across CBRE's Capital Markets and Valuation platforms—will help investors more fully understand what has been a very dynamic investment landscape.

# Key Takeaways

## CAP RATES & PRICING



### CAP RATES BY PROPERTY TYPE

Industrial assets outperformed throughout the pandemic, with all markets observing cap rate compression compared with H2 2019. Suburban multifamily assets were more resilient than their urban counterparts, while office cap rates were more mixed across urban and suburban markets. Hotel and retail cap rates ticked up slightly, but a paucity of closed transactions may be masking the extent of the movement.



### PRICING ATTITUDE

Most respondents observed that investors were willing to purchase industrial and multifamily assets at asking price or a premium. Stabilized and value-add office assets saw mostly small to moderate pricing discounts, while retail and hotels saw moderate to large pricing discounts.



### PRICING VARIANCE BETWEEN INVESTOR INTENTIONS & CAP RATE SURVEYS

CBRE Capital Markets and Valuations professionals observed pricing to be remarkably consistent (>75%) with our [Investor Intentions Survey](#) across all sectors. Industrial pricing was the most consistent, while the largest disconnect was in high-street retail pricing.

# Key Takeaways

## CAP RATE OUTLOOK THROUGH YEAR-END 2021



### STABILIZED ASSETS

Survey respondents broadly expect cap rates to remain stable or compress across property types. However, some isolated increases are expected. Every industrial market expects cap rate compression through year-end and all but one multifamily market (San Jose) expects rates to remain stable or compress.



### VALUE-ADD ASSETS

The outlook for value-add properties is similarly strong. Office is expected to see the most variation, with CBD and suburban markets in Houston, Oakland, Phoenix and Washington, D.C. seeing increased returns on cost. Every industrial market expects decreased returns, while most multifamily markets expect stable or decreasing returns on cost.

# Key Takeaways

## INVESTMENT MARKET



### INVESTOR RISK APPETITE

More than 75% of survey respondents indicated that investor risk appetite increased during the first half of 2021. Just under 20% believed that risk appetite remained the same. This corresponds well with transaction volumes that were up by 32% year-over-year in H1 2021, observed cap rate movements and CBRE forecasts for a strong year.

Survey respondents expect cap rate movements to vary across property types in H2 2021. Continued compression is expected for industrial & logistics and most multifamily markets. Office, retail and hotels are expected to largely remain flat, with some variation across markets.



### ESG

According to [CBRE's 2021 Americas Investor Intentions Survey](#), more than 75% of investors have adopted or are considering adopting Environmental, Social and Governance (ESG) criteria. Nevertheless, 70% of Cap Rate Survey respondents indicated that ESG criteria has had no impact on recent investment dynamics. Despite the gap between investor intentions and behavior, more than 25% of Cap Rate Survey respondents say that ESG criteria has had some impact on investment dynamics in their respective markets. As ESG becomes more integrated into investment strategies, the gap between intentions and action likely will narrow.



## Office - CBD

Despite the uncertainty produced by the pandemic, cap rates remained stable or compressed across most of the top 25 markets (defined by volumes). However, there was some upward movement in a few large markets.

# Office CBD – West

MARKET	CLASS A CBD OFFICE CAP RATES (%) STABILIZED			CLASS A CBD OFFICE EXPECTED RETURN ON COSTS (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Albuquerque	8.25 – 9.00	7.00 – 8.00	▼	9.25 – 10.00	7.50 – 8.50	▼
Denver	5.25 – 5.75	5.25 – 5.75	↔	6.00 – 6.75	6.00 – 7.00	↔
Las Vegas	7.00 – 7.50	6.00 – 7.00	▼	7.75 – 8.75	8.00 – 8.00	▼
N. CA: Oakland	4.50 – 5.50	4.50 – 5.50	↔	6.25 – 7.25	5.50 – 6.50	▼
N. CA: San Francisco	4.50 – 5.00	4.75 – 5.25	▲	6.00 – 6.50	-	
N. CA: San Jose	6.00 – 7.00	5.50 – 6.50	▼	7.00 – 8.00	7.00 – 8.00	↔
Phoenix	5.75 – 6.75	5.75 – 6.75	↔	7.50 – 8.25	6.25 – 7.25	▼
S. CA: Los Angeles	4.50 – 5.50	4.25 – 5.25	▼	5.00 – 6.00	5.50 – 6.00	▲
S. CA: Orange County	4.50 – 5.50	5.25 – 6.00	▲	6.00 – 7.00	-	
Sacramento	6.00 – 7.00	6.50 – 7.00	▲	7.00 – 8.00	7.50 – 8.00	▲
Salt Lake City	5.50 – 6.25	5.50 – 6.50	↔	5.50 – 6.75	6.00 – 7.00	▲
San Diego	5.75 – 6.25	5.50 – 6.00	▼	6.25 – 7.25	6.25 – 6.75	▼
Seattle	4.75 – 5.25	4.50 – 5.00	▼	5.50 – 6.75	5.25 – 6.50	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.

Source: CBRE Research, H1 2021.

# Office CBD – South

MARKET	CLASS A CBD OFFICE CAP RATES (%) STABILIZED			CLASS A CBD OFFICE EXPECTED RETURN ON COSTS (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Atlanta	5.50 – 6.50	5.25 – 6.50	◀▶	6.50 – 7.25	7.50 – 8.50	▲
Austin	5.50 – 6.00	4.75 – 5.50	▼	7.50 – 8.50	5.50 – 6.25	▼
Dallas/Ft. Worth	6.00 – 7.25	5.25 – 6.00	▼	8.00 – 10.25	7.25 – 8.00	▼
Houston	6.25 – 6.75	6.50 – 6.75	◀▶	8.00 – 9.00	-	
Jacksonville	7.25 – 7.25	7.25 – 8.00	▲	8.50 – 9.50	6.00 – 7.00	▼
Memphis	8.50 – 9.00	8.00 – 8.50	▼	9.50 – 10.50	9.00 – 10.00	▼
Nashville	6.00 – 6.50	6.25 – 7.00	▲	7.75 – 8.75	7.75 – 8.75	◀▶
S. FL: Miami	4.75 – 6.25	4.75 – 5.00	▼	6.00 – 7.50	6.75 – 7.00	◀▶
Tampa	6.50 – 7.00	6.00 – 7.00	▼	7.00 – 8.00	7.00 – 8.00	◀▶

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Office CBD – Midwest

MARKET	CLASS A CBD OFFICE CAP RATES (%) STABILIZED			CLASS A CBD OFFICE EXPECTED RETURN ON COSTS (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	5.50 – 6.75	5.50 – 6.25	▼	7.25 – 8.00	6.00 – 7.00	▼
Cleveland	8.00 – 8.75	8.00 – 8.75	↔	8.75 – 9.75	8.75 – 9.75	↔
Columbus	7.50 – 8.50	7.50 – 8.50	↔	8.25 – 9.75	8.50 – 9.50	↔
Detroit	8.50 – 9.25	8.75 – 9.50	▲	9.00 – 9.75	9.00 – 10.00	↔
Indianapolis	7.50 – 8.50	7.50 – 8.00	▼	8.50 – 9.25	-	
Kansas City	7.25 – 7.75	7.00 – 7.50	▼	8.50 – 9.00	8.50 – 9.00	▼
Minneapolis/St. Paul	5.75 – 6.75	6.00 – 6.75	↔	7.50 – 8.50	7.50 – 8.50	↔
St. Louis	9.25 – 9.75	9.00 – 9.50	▼	9.75 – 10.25	9.50 – 10.00	▲

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Office CBD – East

MARKET	CLASS A CBD OFFICE CAP RATES (%) STABILIZED			CLASS A CBD OFFICE EXPECTED RETURN ON COSTS (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Baltimore	7.50 – 8.50	7.50 – 8.50	↔	8.50 – 9.25	8.50 – 9.50	↔
Boston	4.25 – 5.25	4.50 – 5.00	↔	6.00 – 6.75	5.00 – 5.50	▼
Charlotte	6.00 – 7.00	5.00 – 5.50	▼	7.75 – 8.50	8.50 – 9.50	▲
NY: New York City	4.50 – 4.75	4.50 – 4.75	↔	6.00 – 6.25	6.00 – 6.50	↔
Philadelphia	6.25 – 6.75	6.50 – 7.00	▲	8.00 – 9.00	8.50 – 9.50	▲
Pittsburgh	6.75 – 7.25	6.75 – 7.25	↔	8.25 – 9.25	8.25 – 9.25	↔
Raleigh-Durham	6.00 – 6.50	5.25 – 6.25	▼	7.00 – 8.00	-	
Washington, D.C.	5.25 – 5.75	5.00 – 5.50	▼	6.50 – 7.25	5.25 – 6.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Office - Suburban

Suburban office markets were more mixed than their CBD counterparts. Nevertheless, most saw cap rates remain stable or compress.

# Office Suburban – West

MARKET	CLASS A SUBURBAN OFFICE CAP RATES (%) STABILIZED			CLASS A SUBURBAN OFFICE EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Albuquerque	8.00 – 9.00	7.50 – 8.25	▼	9.75 – 10.50	8.00 – 8.75	▼
Denver	6.50 – 7.00	6.75 – 7.25	▲	7.00 – 8.00	7.25 – 8.25	▲
Las Vegas	7.00 – 7.50	6.00 – 7.00	▼	7.75 – 8.75	8.00 – 8.00	▼
N. CA: Oakland	6.00 – 6.50	6.00 – 7.00	▲	7.00 – 8.00	7.00 – 8.00	↔
N. CA: San Jose	6.00 – 6.75	5.50 – 6.50	▼	7.00 – 7.75	7.00 – 8.00	↔
Phoenix	6.00 – 7.00	5.75 – 6.75	▼	7.50 – 8.25	6.25 – 7.25	▼
S. CA: Los Angeles	5.25 – 6.75	5.00 – 6.00	▼	6.25 – 7.75	6.00 – 7.00	▼
S. CA: Orange County	5.50 – 6.50	5.50 – 6.50	↔	6.50 – 7.50	-	
Sacramento	6.50 – 7.00	6.50 – 7.00	↔	7.50 – 8.00	7.50 – 8.00	↔
Salt Lake City	6.50 – 6.75	6.50 – 7.00	↔	7.00 – 7.50	7.00 – 7.50	↔
San Diego	6.25 – 6.75	5.75 – 6.25	▼	7.00 – 7.75	6.50 – 7.00	▼
Seattle	5.75 – 6.25	5.50 – 6.00	▼	6.25 – 7.25	6.00 – 7.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Office Suburban – South

MARKET	CLASS A SUBURBAN OFFICE CAP RATES (%) STABILIZED			CLASS A SUBURBAN OFFICE EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Atlanta	6.00 – 7.00	6.00 – 6.75	◀▶	7.00 – 8.00	7.50 – 9.50	▲
Austin	6.50 – 7.25	5.25 – 5.75	▼	7.50 – 8.50	6.00 – 6.75	▼
Dallas/Ft. Worth	6.50 – 7.50	5.75 – 6.75	▼	7.25 – 8.75	6.75 – 7.50	▼
Houston	6.50 – 7.00	7.50 – 7.75	▲	8.00 – 9.00	-	
Jacksonville	6.75 – 7.75	6.50 – 6.75	▼	9.50 – 10.00	6.00 – 7.00	▼
Memphis	7.25 – 7.75	7.25 – 7.75	◀▶	8.50 – 9.00	8.50 – 9.00	◀▶
Nashville	6.25 – 7.00	6.75 – 7.50	▲	8.25 – 9.00	8.50 – 9.25	▲
S. FL: Miami	5.50 – 6.25	5.75 – 7.75	▲	6.50 – 7.25	6.75 – 7.75	▲
Tampa	7.25 – 7.75	7.00 – 7.75	◀▶	8.00 – 8.75	8.00 – 8.75	◀▶

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Office Urban – Midwest

MARKET	CLASS A SUBURBAN OFFICE CAP RATES (%) STABILIZED			CLASS A SUBURBAN OFFICE EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	7.25 – 8.25	7.25 – 8.25	↔	9.00 – 10.50	7.00 – 8.00	▼
Cleveland	7.50 – 8.50	8.00 – 9.00	▲	8.75 – 9.25	8.75 – 9.75	▲
Columbus	6.50 – 8.50	7.50 – 8.50	▲	8.00 – 9.25	8.50 – 9.50	▲
Detroit	8.25 – 9.50	8.50 – 9.75	▲	8.50 – 9.50	8.75 – 9.75	▲
Kansas City	7.25 – 7.50	6.75 – 7.25	▼	7.75 – 8.25	7.50 – 8.00	▼
Minneapolis/St. Paul	6.75 – 7.75	7.00 – 8.00	▲	9.00 – 10.00	8.50 – 9.50	▼
St. Louis	7.75 – 8.25	7.75 – 8.25	↔	9.00 – 9.50	9.00 – 9.50	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Office Suburban – East

MARKET	CLASS A SUBURBAN OFFICE CAP RATES (%) STABILIZED			CLASS A SUBURBAN OFFICE EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Baltimore	7.50 – 8.50	7.50 – 8.50	↔	8.50 – 9.25	8.50 – 9.50	↔
Boston	6.75 – 8.00	6.00 – 7.00	▼	7.50 – 8.50	6.75 – 7.75	▼
Charlotte	6.25 – 7.00	6.00 – 6.50	▼	8.00 – 9.00	8.50 – 9.50	▲
NY: N. New Jersey	7.00 – 7.50	7.00 – 7.50	↔	7.75 – 8.25	7.75 – 8.25	↔
Philadelphia	7.00 – 7.50	7.00 – 8.00	▲	8.50 – 9.50	8.25 – 9.25	▼
Pittsburgh	7.75 – 8.50	7.75 – 8.50	↔	9.25 – 10.25	9.25 – 10.25	↔
Raleigh-Durham	6.25 – 6.50	5.25 – 6.25	▼	8.00 – 8.50	-	
Washington, D.C.	6.50 – 7.25	6.25 – 7.00	▼	8.00 – 9.00	6.75 – 8.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Multifamily - Infill

Philadelphia, Oklahoma City and Portland were the only multifamily infill markets that saw cap rates rise. All others saw cap rates remain stable or compress.

# Multifamily Infill – West

MARKET	CLASS A MULTIFAMILY INFILL CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY INFILL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Albuquerque	5.00 – 5.25	4.50 – 5.00	▼	5.75 – 6.25	4.00 – 4.50	▼
Denver	4.25 – 4.75	3.75 – 4.25	▼	5.50 – 6.00	5.00 – 5.50	▼
N. CA: Oakland	4.25 – 4.75	4.00 – 4.50	▼	4.25 – 4.75	-	
N. CA: San Francisco	3.75 – 4.25	3.50 – 4.00	▼	3.75 – 4.25	-	
N. CA: San Jose	4.00 – 4.25	3.75 – 4.25	↔	4.00 – 4.25	-	
Phoenix	4.25 – 4.75	3.25 – 3.75	▼	5.25 – 5.75	4.25 – 4.75	▼
Portland	4.00 – 4.50	4.25 – 4.75	▲	4.75 – 5.00	-	
S. CA: Inland Empire	4.50 – 4.75	4.50 – 5.00	↔	5.00 – 5.25	5.50 – 6.00	▲
S. CA: Los Angeles	4.00 – 4.50	4.00 – 4.25	↔	4.50 – 5.25	4.75 – 5.50	▲
S. CA: Orange County	4.00 – 4.50	4.00 – 4.50	↔	5.25 – 6.75	-	
Sacramento	4.50 – 5.00	4.50 – 5.00	↔	5.00 – 5.50	5.00 – 5.50	↔
Salt Lake City	4.50 – 5.00	3.75 – 4.50	▼	5.25 – 5.50	-	
San Diego	4.00 – 4.25	3.75 – 4.25	↔	4.25 – 4.50	4.25 – 4.50	↔
Seattle	4.00 – 4.25	4.00 – 4.25	↔	4.50 – 5.00	4.50 – 4.75	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Multifamily Infill – South

Market	Class A Multifamily Infill Cap Rates (%) Stabilized			Class A Multifamily Infill Expected Return on Cost (%) for Value-Add		
	H2 2019	H1 2021	Change	H2 2019	H1 2021	Change
Atlanta	4.25 – 5.00	3.50 – 3.75	▼	5.50 – 6.25	4.25 – 4.75	▼
Austin	3.75 – 4.25	3.25 – 3.75	▼	3.75 – 4.25	3.00 – 3.75	▼
Dallas/Ft. Worth	4.25 – 4.75	3.00 – 3.75	▼	5.00 – 5.50	5.00 – 5.50	↔
Houston	4.00 – 4.50	3.50 – 4.00	▼	4.50 – 5.00	4.00 – 4.50	▼
Jacksonville	4.50 – 5.00	4.00 – 4.50	▼	5.50 – 6.25	5.00 – 5.50	▼
Nashville	4.50 – 5.00	3.25 – 4.00	▼	4.00 – 5.50	4.00 – 5.25	↔
Oklahoma City	5.00 – 5.50	5.25 – 5.75	▲	6.75 – 7.00	6.25 – 6.75	▼
S. FL: Ft. Lauderdale	4.50 – 4.75	4.25 – 4.50	▼	5.50 – 5.75	5.25 – 5.50	▼
S. FL: Miami	4.25 – 4.50	3.75 – 4.25	▼	5.25 – 5.50	4.00 – 4.50	▼
S. FL: West Palm Beach	4.50 – 4.75	4.00 – 4.25	▼	5.75 – 6.00	4.50 – 5.00	▼
San Antonio	4.25 – 4.75	3.50 – 4.25	▼	4.25 – 4.75	3.50 – 4.00	▼
Tampa	4.50 – 5.00	3.50 – 4.25	▼	5.00 – 5.50	-	

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Multifamily Infill – Midwest

MARKET	CLASS A MULTIFAMILY INFILL CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY INFILL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	4.50 – 4.75	4.00 – 4.75	▼	5.00 – 5.25	4.00 – 4.75	▼
Cincinnati	4.75 – 5.50	4.00 – 4.50	▼	5.50 – 7.00	5.00 – 5.50	▼
Cleveland	5.50 – 6.25	5.00 – 6.00	▼	7.00 – 8.00	6.50 – 7.50	▼
Columbus	5.00 – 5.50	4.25 – 4.75	▼	5.50 – 6.00	4.50 – 5.00	▼
Detroit	5.75 – 6.75	5.00 – 6.00	▼	6.50 – 7.25	6.00 – 7.00	▼
Indianapolis	5.00 – 5.25	5.00 – 5.50	↔	5.75 – 6.00	6.00 – 6.50	▲
Kansas City	4.75 – 5.25	4.25 – 4.50	▼	5.25 – 5.75	4.75 – 5.25	▼
Milwaukee	5.00 – 5.75	4.75 – 5.25	▼	5.50 – 6.25	5.50 – 5.75	▼
Minneapolis/St. Paul	4.50 – 4.75	4.25 – 4.50	▼	5.00 – 5.25	4.75 – 5.00	▼
St. Louis	5.25 – 5.50	4.75 – 5.25	▼	-	-	-

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Multifamily Infill – East

MARKET	CLASS A MULTIFAMILY INFILL CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY INFILL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Baltimore	4.50 – 5.00	4.50 – 4.75	↔	5.25 – 5.75	6.00 – 6.25	▲
Boston	3.75 – 4.50	3.25 – 3.75	▼	4.75 – 5.50	4.00 – 4.50	▼
Charlotte	4.50 – 5.00	3.50 – 4.00	▼	4.75 – 5.25	3.50 – 4.00	▼
NY: Fairfield County, CT	4.50 – 5.00	4.00 – 4.50	▼	5.50 – 6.00	4.50 – 5.00	▼
NY: N. New Jersey	4.00 – 4.50	4.00 – 4.50	↔	4.75 – 5.25	4.50 – 5.00	▼
NY: New York City	4.50 – 5.50	4.50 – 5.00	▼	5.50 – 6.50	5.50 – 6.00	▼
Philadelphia	4.50 – 5.00	4.75 – 5.25	▲	5.75 – 6.75	5.50 – 6.50	▼
Pittsburgh	4.75 – 5.50	4.75 – 5.25	↔	6.50 – 7.00	5.50 – 6.00	▼
Raleigh-Durham	4.25 – 5.00	4.00 – 4.50	▼	5.25 – 5.75	4.00 – 4.50	▼
Washington, D.C.	4.25 – 4.75	3.75 – 4.25	▼	5.25 – 5.75	4.75 – 5.25	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Multifamily - Suburban

No suburban multifamily market reported an increase in cap rates. The majority saw cap rates compress compared with H2 2019. This reflects strong market fundamentals during the pandemic.

# Multifamily Suburban – West

MARKET	CLASS A MULTIFAMILY SUBURBAN CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY SUBURBAN EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Albuquerque	5.00 – 5.25	4.50 – 5.00	▼	5.75 – 6.25	4.00 – 4.75	▼
Denver	4.50 – 5.00	4.00 – 4.50	▼	5.75 – 6.50	-	
Las Vegas	4.25 – 4.50	3.75 – 4.00	▼	4.50 – 4.75	3.75 – 4.00	▼
N. CA: Oakland	4.50 – 5.00	4.25 – 4.75	▼	4.75 – 5.25	-	
N. CA: San Francisco	4.00 – 4.50	3.75 – 4.25	▼	4.25 – 4.75	-	
N. CA: San Jose	4.00 – 4.50	4.00 – 4.25	↔	4.00 – 4.75	-	
Phoenix	4.25 – 4.75	3.00 – 3.75	▼	5.25 – 5.75	4.25 – 4.50	▼
Portland	4.50 – 4.75	4.00 – 4.25	▼	4.75 – 5.00	4.25 – 4.50	▼
S. CA: Inland Empire	4.50 – 4.75	4.50 – 5.00	↔	5.00 – 5.25	5.00 – 5.50	↔
S. CA: Los Angeles	4.25 – 5.00	3.75 – 4.50	▼	5.00 – 5.75	5.25 – 6.00	▲
S. CA: Orange County	4.00 – 4.75	4.00 – 4.50	↔	5.25 – 6.75	-	
Sacramento	4.50 – 5.00	4.00 – 4.50	▼	5.00 – 5.75	4.50 – 5.25	▼
Salt Lake City	4.50 – 4.75	4.00 – 4.50	▼	5.00 – 5.25	-	
San Diego	4.00 – 4.25	3.75 – 4.25	↔	4.25 – 4.50	4.25 – 4.75	↔
Seattle	4.50 – 4.75	4.25 – 4.50	▼	4.75 – 5.25	4.75 – 5.00	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.

Source: CBRE Research, H1 2021.

# Multifamily Suburban – South

MARKET	CLASS A MULTIFAMILY SUBURBAN CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY SUBURBAN EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Atlanta	4.75 – 5.50	3.75 – 4.25	▼	5.75 – 6.50	4.25 – 4.75	▼
Austin	4.00 – 4.75	3.25 – 4.00	▼	3.75 – 4.50	3.00 – 3.75	▼
Dallas/Ft. Worth	4.75 – 5.25	3.75 – 4.25	▼	5.50 – 6.00	5.50 – 6.00	↔
Houston	4.50 – 5.00	4.00 – 4.50	▼	5.00 – 5.50	4.25 – 4.75	▼
Jacksonville	4.50 – 5.00	4.00 – 4.50	▼	5.25 – 5.75	5.00 – 5.50	▼
Nashville	4.50 – 5.25	3.75 – 4.25	▼	5.50 – 6.00	4.50 – 5.50	▼
Oklahoma City	5.25 – 6.00	5.25 – 5.75	↔	7.00 – 7.50	5.75 – 6.25	▼
S. FL: Ft. Lauderdale	4.50 – 4.75	4.00 – 4.25	▼	5.50 – 5.75	4.75 – 5.00	▼
S. FL: Miami	4.50 – 4.75	3.75 – 4.25	▼	5.50 – 5.75	4.50 – 5.25	▼
S. FL: West Palm Beach	4.75 – 5.00	4.25 – 4.75	▼	5.75 – 6.00	5.00 – 5.50	▼
San Antonio	4.50 – 5.00	3.50 – 4.25	▼	4.50 – 5.00	3.50 – 4.00	▼
Tampa	4.75 – 5.25	3.50 – 4.25	▼	5.25 – 5.75	-	-

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Multifamily Suburban – Midwest

MARKET	CLASS A MULTIFAMILY SUBURBAN CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY SUBURBAN EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	5.00 – 5.25	4.50 – 5.25	▼	5.50 – 5.75	4.50 – 5.25	▼
Cincinnati	5.00 – 5.75	4.00 – 4.50	▼	6.00 – 7.00	5.00 – 5.50	▼
Columbus	5.25 – 5.75	4.50 – 5.00	▼	5.25 – 5.75	4.75 – 5.25	▼
Detroit	5.75 – 6.75	4.75 – 5.75	▼	6.50 – 7.50	6.00 – 7.00	▼
Indianapolis	5.00 – 5.50	5.00 – 5.50	↔	6.00 – 6.25	6.00 – 6.50	↔
Kansas City	5.00 – 5.50	4.25 – 4.75	▼	5.25 – 5.75	4.50 – 5.00	▼
Milwaukee	5.25 – 6.25	5.00 – 5.50	▼	6.00 – 6.75	5.50 – 6.00	▼
Minneapolis/St. Paul	4.75 – 5.25	4.50 – 4.75	▼	5.25 – 5.75	5.00 – 5.50	▼
St. Louis	5.25 – 5.50	4.75 – 5.25	▼	-	-	-

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Multifamily Suburban – East

MARKET	CLASS A MULTIFAMILY SUBURBAN CAP RATES (%) STABILIZED			CLASS A MULTIFAMILY SUBURBAN EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Baltimore	5.00 – 5.50	4.25 – 4.75	▼	5.25 – 5.75	6.25 – 6.50	▲
Boston	4.50 – 5.00	3.25 – 3.75	▼	5.50 – 6.00	4.00 – 4.50	▼
Charlotte	5.00 – 5.50	3.75 – 4.25	▼	4.75 – 5.25	3.50 – 4.00	▼
NY: Fairfield County, CT	5.50 – 6.00	4.00 – 4.50	▼	6.00 – 6.50	4.50 – 5.00	▼
NY: N. New Jersey	4.75 – 5.25	4.00 – 4.50	▼	5.50 – 6.00	4.50 – 5.00	▼
Philadelphia	5.00 – 5.50	4.75 – 5.25	▼	6.00 – 6.50	6.00 – 6.50	↔
Pittsburgh	5.00 – 5.75	4.25 – 4.75	▼	6.50 – 7.00	5.75 – 6.25	▼
Raleigh-Durham	4.50 – 5.25	3.75 – 4.25	▼	5.50 – 6.00	4.00 – 4.50	▼
Washington, D.C.	4.75 – 5.25	4.25 – 4.75	▼	5.25 – 5.75	4.75 – 5.25	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Industrial

Every industrial market reported lower cap rates than in H2 2019. This reflects strong investor appetite for the property type, which benefited from strong e-commerce demand during the pandemic.

# Industrial – West

MARKET	CLASS A INDUSTRIAL CAP RATES (%) STABILIZED			CLASS A INDUSTRIAL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
S. CA: Inland Empire	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.00	▼
S. CA: Los Angeles	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.00	▼
N. CA: Oakland	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.20	▼
S. CA: Orange County	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.00	▼
N. CA: San Francisco	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.20	▼
N. CA: San Jose	3.75 – 4.25	2.80 – 3.50	▼	4.50 – 5.00	3.75 – 4.20	▼
Seattle	3.75 – 4.25	3.50 – 4.00	▼	4.50 – 5.00	4.25 – 4.75	▼
Denver	4.25 – 4.75	3.80 – 4.75	▼	5.00 – 5.50	4.50 – 5.00	▼
Phoenix	4.75 – 5.25	3.50 – 4.25	▼	5.75 – 6.25	4.20 – 4.50	▼
Portland	4.50 – 5.00	4.00 – 4.50	▼	5.00 – 5.75	4.00 – 4.50	▼
Albuquerque	8.00 – 8.25	-		8.25 – 8.75	7.75 – 8.25	▼
Honolulu	5.00 – 6.00	4.00 – 4.50	▼	4.50 – 5.75	5.25 – 5.50	▼
Las Vegas	4.75 – 5.25	3.70 – 4.25	▼	5.75 – 6.25	4.20 – 4.75	▼
Sacramento	5.00 – 5.50	4.00 – 4.50	▼	6.00 – 6.75	4.50 – 5.00	▼
Salt Lake City	5.25 – 5.75	3.85 – 4.25	▼	6.00 – 6.50	4.35 – 4.75	▼
San Diego	4.50 – 5.00	3.50 – 4.00	▼	5.50 – 6.50	4.00 – 4.25	▼
Reno	4.75 – 5.50	3.70 – 4.25	▼	6.00 – 6.75	4.50 – 5.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.

Source: CBRE Research, H1 2021.

# Industrial – South

MARKET	CLASS A INDUSTRIAL CAP RATES (%) STABILIZED			CLASS A INDUSTRIAL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Atlanta	4.50 – 5.00	3.25 – 3.75	▼	5.00 – 5.50	4.25 – 4.75	▼
Dallas/Ft. Worth	4.50 – 5.00	3.90 – 4.30	▼	5.00 – 5.75	4.50 – 5.25	▼
Houston	4.50 – 5.00	3.90 – 4.50	▼	5.00 – 5.75	4.50 – 5.25	▼
S. FL: Miami	4.25 – 4.75	3.50 – 3.75	▼	4.75 – 5.25	4.25 – 4.50	▼
Austin	5.25 – 6.00	3.50 – 4.25	▼	6.00 – 7.25	5.50 – 6.75	▼
El Paso	6.50 – 7.25	6.00 – 6.75	▼	7.50 – 8.50	7.00 – 8.00	▼
Jacksonville	5.25 – 5.75	4.00 – 4.50	▼	5.75 – 6.25	4.50 – 5.00	▼
Louisville	5.25 – 5.75	4.25 – 4.50	▼	5.75 – 6.25	4.75 – 5.00	▼
Memphis	5.50 – 6.00	4.50 – 5.00	▼	6.00 – 6.50	5.25 – 5.75	▼
Nashville	5.00 – 5.50	4.00 – 4.50	▼	5.50 – 6.00	4.75 – 5.00	▼
Oklahoma City	6.00 – 7.00	5.00 – 5.75	▼	6.75 – 7.50	6.25 – 7.00	▼
Orlando	4.75 – 5.25	3.75 – 4.00	▼	5.25 – 5.75	4.40 – 4.75	▼
San Antonio	5.25 – 6.00	4.75 – 5.25	▼	6.00 – 6.75	5.50 – 6.25	▼
Tampa	5.25 – 5.75	3.85 – 4.25	▼	5.75 – 6.25	4.35 – 4.75	▼
Tulsa	6.25 – 7.00	5.00 – 5.75	▼	7.00 – 7.75	6.50 – 7.25	▼
Savannah	5.15 – 5.50	4.00 – 4.25	▼	5.65 – 6.00	4.60 – 5.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Industrial – Midwest

MARKET	CLASS A INDUSTRIAL CAP RATES (%) STABILIZED			CLASS A INDUSTRIAL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	4.50 – 5.00	4.00 – 4.25	▼	6.00 – 6.25	5.00 – 5.25	▼
Columbus	5.00 – 5.25	3.70 – 3.95	▼	6.25 – 6.75	5.25 – 5.50	▼
Indianapolis	5.00 – 5.25	4.25 – 4.50	▼	6.25 – 6.75	5.25 – 5.50	▼
Minneapolis/St. Paul	5.25 – 5.50	4.75 – 5.00	▼	6.25 – 6.75	5.75 – 6.00	▼
Cincinnati	4.95 – 5.25	4.25 – 4.50	▼	6.25 – 6.75	5.25 – 5.50	▼
Cleveland	6.25 – 6.75	5.50 – 5.75	▼	7.00 – 7.25	6.50 – 6.75	▼
Detroit	6.00 – 6.25	5.00 – 5.25	▼	7.25 – 8.00	6.00 – 6.25	▼
Kansas City	5.75 – 6.00	5.00 – 5.25	▼	7.25 – 7.75	6.00 – 6.25	▼
St. Louis	5.75 – 6.00	5.00 – 5.25	▼	7.25 – 7.75	6.00 – 6.25	▼
SE Wisconsin	5.50 – 5.75	4.75 – 5.00	▼	6.75 – 7.00	5.75 – 6.00	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Industrial – East

MARKET	CLASS A INDUSTRIAL CAP RATES (%) STABILIZED			CLASS A INDUSTRIAL EXPECTED RETURN ON COST (%) FOR VALUE-ADD		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
NY: N. New Jersey	3.75 – 4.00	2.90 – 3.25	▼	4.50 – 5.00	-	
NY: Fairfield County, CT	5.75 – 6.25	4.25 – 4.75	▼	8.00 – 8.50	-	
Baltimore	4.50 – 4.65	4.00 – 4.40	▼	5.25 – 5.75	4.75 – 5.25	▼
Boston	4.75 – 5.25	3.00 – 3.35	▼	5.75 – 6.50	-	
PA I-78/81 Corridor	4.25 – 5.00	3.75 – 4.10	▼	5.00 – 5.75	-	
Philadelphia	4.50 – 5.00	3.00 – 3.35	▼	5.50 – 6.00	-	
Washington, D.C.	4.50 – 4.65	4.00 – 4.40	▼	5.25 – 5.75	4.75 – 5.25	▼
Charlotte	4.90 – 5.25	3.75 – 4.25	▼	5.40 – 5.75	4.40 – 4.75	▼
Pittsburgh	5.00 – 5.75	4.00 – 4.50	▼	6.00 – 6.75	-	
Raleigh-Durham	5.50 – 6.00	3.75 – 4.25	▼	6.00 – 6.50	4.40 – 4.75	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Retail

Cap rates for neighborhood/community retail centers remained relatively stable, with a few markets seeing some compression.

# Retail – West

MARKET	CLASS A RETAIL NEIGHBORHOOD/COMMUNITY CENTER CAP RATES (%) STABILIZED			CLASS A RETAIL POWER CENTER CAP RATES (%) STABILIZED		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Albuquerque	7.50 – 7.75	7.50 – 7.75	↔	8.00 – 8.50	8.00 – 8.50	↔
Denver	5.25 – 6.25	5.00 – 5.50	▼	6.50 – 7.25	6.50 – 7.50	↔
Las Vegas	6.00 – 6.75	6.00 – 7.00	↔	7.50 – 8.25	7.00 – 8.00	▼
N. CA: Oakland	5.00 – 6.00	5.25 – 7.00	▲	6.00 – 7.00	6.00 – 7.00	↔
N. CA: San Francisco	4.50 – 5.25	4.50 – 5.25	↔	6.00 – 7.00	5.75 – 7.00	↔
N. CA: San Jose	4.25 – 5.50	4.50 – 5.50	↔	6.00 – 7.00	5.75 – 7.00	↔
Phoenix	5.75 – 6.50	5.75 – 6.50	↔	7.25 – 7.75	7.50 – 8.00	▲
Portland	5.00 – 5.75	5.00 – 6.00	↔	6.25 – 7.00	7.00 – 9.00	▲
S. CA: Inland Empire	5.50 – 6.50	6.00 – 7.00	▲	6.50 – 7.25	6.50 – 7.50	↔
S. CA: Los Angeles	4.50 – 5.25	4.75 – 5.50	▲	5.75 – 6.75	6.00 – 6.75	↔
S. CA: Orange County	4.50 – 5.25	4.50 – 5.25	↔	5.75 – 6.75	6.00 – 7.00	▲
Sacramento	7.00 – 7.50	6.50 – 7.00	▼	7.00 – 7.50	6.50 – 7.00	▼
Salt Lake City	6.00 – 6.75	5.50 – 6.25	▼	6.75 – 7.25	6.50 – 7.50	↔
Seattle	4.50 – 6.00	5.00 – 6.00	▲	6.00 – 7.00	6.25 – 7.50	▲

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Retail – South

MARKET	CLASS A RETAIL NEIGHBORHOOD/COMMUNITY CENTER CAP RATES (%) STABILIZED			CLASS A RETAIL POWER CENTER CAP RATES (%) STABILIZED		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Atlanta	5.25 – 6.25	5.50 – 6.00	►►	7.25 – 8.25	7.25 – 8.25	►►
Austin	5.00 – 5.75	6.00 – 6.50	▲	6.25 – 7.25	6.75 – 7.50	▲
Dallas/Ft. Worth	5.00 – 6.25	5.00 – 6.50	►►	7.00 – 8.00	7.50 – 8.50	▲
Jacksonville	5.50 – 6.50	5.25 – 6.00	▼	7.00 – 8.00	6.50 – 7.25	▼
Memphis	7.25 – 7.75	6.00 – 7.00	▼	7.00 – 7.50	7.00 – 7.75	►►
Nashville	6.00 – 6.50	6.00 – 7.00	▲	7.00 – 7.50	6.75 – 7.50	►►
Orlando	5.50 – 6.50	5.00 – 5.75	▼	7.00 – 8.00	6.75 – 7.50	▼
S. FL: Ft. Lauderdale	5.00 – 5.75	5.25 – 5.75	►►	6.50 – 7.25	6.50 – 7.25	►►
S. FL: Miami	5.00 – 5.75	5.00 – 5.50	►►	6.50 – 7.25	6.50 – 7.25	►►
S. FL: West Palm Beach	5.00 – 5.75	5.00 – 5.25	▼	6.50 – 7.25	6.50 – 7.25	►►
San Antonio	5.25 – 6.75	6.75 – 7.25	▲	7.00 – 8.25	-	
Tampa	5.50 – 6.50	4.50 – 6.00	▼	7.00 – 8.00	6.25 – 7.25	▼

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Retail – Midwest

MARKET	CLASS A RETAIL NEIGHBORHOOD/COMMUNITY CENTER CAP RATES (%) STABILIZED			CLASS A RETAIL POWER CENTER CAP RATES (%) STABILIZED		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Chicago	5.50 – 6.00	6.00 – 7.00	▲	6.50 – 7.50	6.50 – 7.50	↔
Cincinnati	6.50 – 7.00	6.50 – 7.00	↔	7.50 – 8.25	7.50 – 8.25	↔
Cleveland	6.75 – 7.25	6.50 – 7.00	▼	8.25 – 9.00	8.00 – 9.00	↔
Columbus	6.50 – 7.00	6.50 – 7.00	↔	7.50 – 8.25	7.50 – 8.25	↔
Detroit	6.75 – 7.25	7.00 – 8.00	▲	8.00 – 8.75	8.00 – 9.00	↔
Indianapolis	6.50 – 7.00	6.50 – 7.25	↔	7.50 – 8.25	7.50 – 8.25	↔
Kansas City	6.50 – 7.00	6.50 – 7.00	↔	7.50 – 8.25	7.50 – 8.25	↔
Minneapolis/St. Paul	5.50 – 6.25	6.00 – 7.00	▲	7.00 – 7.50	6.50 – 7.50	▼
St. Louis	6.50 – 7.25	6.50 – 7.25	↔	7.50 – 8.25	7.50 – 8.25	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Retail – East

MARKET	CLASS A RETAIL NEIGHBORHOOD/COMMUNITY CENTER CAP RATES (%) STABILIZED			CLASS A RETAIL POWER CENTER CAP RATES (%) STABILIZED		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Boston	5.50 – 6.50	5.75 – 6.75	▲	6.00 – 7.00	6.50 – 7.50	▲
Charlotte	5.75 – 6.25	5.60 – 6.25	▼►	7.50 – 8.25	8.00 – 9.00	▲
NY: Fairfield County, CT	5.75 – 6.25	5.50 – 6.00	▼	6.25 – 7.00	6.50 – 7.25	▲
NY: N. New Jersey	5.75 – 6.25	5.50 – 6.00	▼	6.25 – 7.00	6.50 – 7.25	▲
Philadelphia	5.75 – 7.00	6.00 – 7.25	▲	6.50 – 7.50	7.50 – 8.00	▲
Pittsburgh	6.75 – 7.75	7.00 – 8.00	▲	7.50 – 8.50	7.75 – 8.75	▲
Raleigh-Durham	-	5.60 – 6.25		-	8.00 – 9.00	
Washington, D.C.	5.25 – 6.00	5.50 – 6.50	▲	6.25 – 7.50	-	

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.



# Hotel

Hotel cap rates were decidedly mixed. Several markets had low confidence and did not report H1 cap rates. Others, particularly leisure destinations like Las Vegas, Ft. Lauderdale and West Palm Beach saw cap rate compression from pre-COVID levels.

# Hotel – West

Market	Full-Service Hotel CBD Cap Rates (%) Stabilized			Full-Service Hotel Suburban Cap Rates (%) Stabilized		
	H2 2019	H1 2021	Change	H2 2019	H1 2021	Change
Albuquerque	7.75 – 9.00	8.25 – 9.25	▲	7.75 – 9.00	8.50 – 9.50	▲
Denver	7.00 – 7.50	8.00 – 9.00	▲	8.00 – 8.75	8.75 – 9.75	▲
Honolulu	-	-		6.75 – 9.00	6.50 – 8.75	▼
Las Vegas	7.75 – 8.75	7.50 – 8.50	▼	7.75 – 8.75	7.50 – 8.50	▼
Phoenix	7.50 – 7.75	7.00 – 7.75	▼	7.75 – 8.00	7.50 – 8.00	↔
Portland	7.00 – 8.25	7.25 – 7.75	↔	8.00 – 8.75	8.00 – 8.50	↔
S. CA: Orange County	6.75 – 8.00	6.50 – 8.00	↔	6.75 – 8.25	6.50 – 8.00	▼
Seattle	6.25 – 7.00	6.25 – 7.00	↔	7.50 – 8.25	7.50 – 8.25	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Hotel – South

Market	Full-Service Hotel CBD Cap Rates (%) Stabilized			Full-Service Hotel Suburban Cap Rates (%) Stabilized		
	H2 2019	H1 2021	Change	H2 2019	H1 2021	Change
Atlanta	7.25 – 8.50	7.50 – 8.50	↔	7.75 – 9.00	8.00 – 9.00	↔
Austin	7.25 – 8.50	7.25 – 8.25	↔	7.75 – 9.00	7.50 – 9.00	↔
Dallas/Ft. Worth	7.75 – 8.75	7.25 – 8.75	▼	7.75 – 8.75	7.50 – 9.00	↔
Houston	7.50 – 8.50	8.00 – 9.00	▲	8.00 – 9.00	8.25 – 9.25	▲
Jacksonville	7.00 – 8.00	7.25 – 8.00	↔	7.50 – 8.50	7.50 – 8.25	↔
Nashville	7.75 – 8.25	7.75 – 8.25	↔	8.25 – 9.50	8.25 – 9.25	↔
New Orleans	7.50 – 8.50	7.75 – 8.75	▲	8.00 – 9.00	8.00 – 9.00	↔
Orlando	6.75 – 7.75	6.75 – 7.75	↔	7.00 – 8.25	7.00 – 8.25	↔
S. FL: Ft. Lauderdale	7.75 – 8.50	6.75 – 7.75	▼	8.25 – 9.25	7.75 – 8.75	▼
S. FL: Miami	6.75 – 7.75	6.50 – 7.75	↔	7.75 – 8.75	7.50 – 8.75	↔
S. FL: West Palm Beach	8.00 – 8.50	6.75 – 7.75	▼	8.50 – 9.50	7.75 – 8.75	▼
San Antonio	7.00 – 8.00	7.75 – 8.75	▲	7.50 – 8.50	8.00 – 9.00	▲
Tampa	7.00 – 8.00	7.00 – 8.00	↔	7.25 – 8.50	7.25 – 8.50	↔

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Hotel – Midwest

Market	Full-Service Hotel CBD Cap Rates (%) Stabilized			Full-Service Hotel Suburban Cap Rates (%) Stabilized		
	H2 2019	H1 2021	Change	H2 2019	H1 2021	Change
Chicago	7.25 – 9.00	8.00 – 10.00	▲	8.50 – 10.50	-	
Cincinnati	8.50 – 9.00	8.00 – 9.00	▼	8.50 – 9.00	8.50 – 10.00	▲
Columbus	8.50 – 9.00	7.50 – 8.50	▼	8.50 – 9.00	8.50 – 9.50	▲
Detroit	8.00 – 8.75	8.00 – 8.75	↔	9.00 – 10.00	9.00 – 10.00	↔
Indianapolis	8.00 – 9.00	8.00 – 9.00	↔	8.25 – 9.50	8.00 – 9.50	↔
Minneapolis/St. Paul	7.50 – 8.50	7.50 – 8.50	↔	8.50 – 10.00	8.50 – 10.00	↔
Oklahoma City	8.00 – 9.50	8.25 – 9.50	↔	8.25 – 9.50	8.25 – 9.50	↔

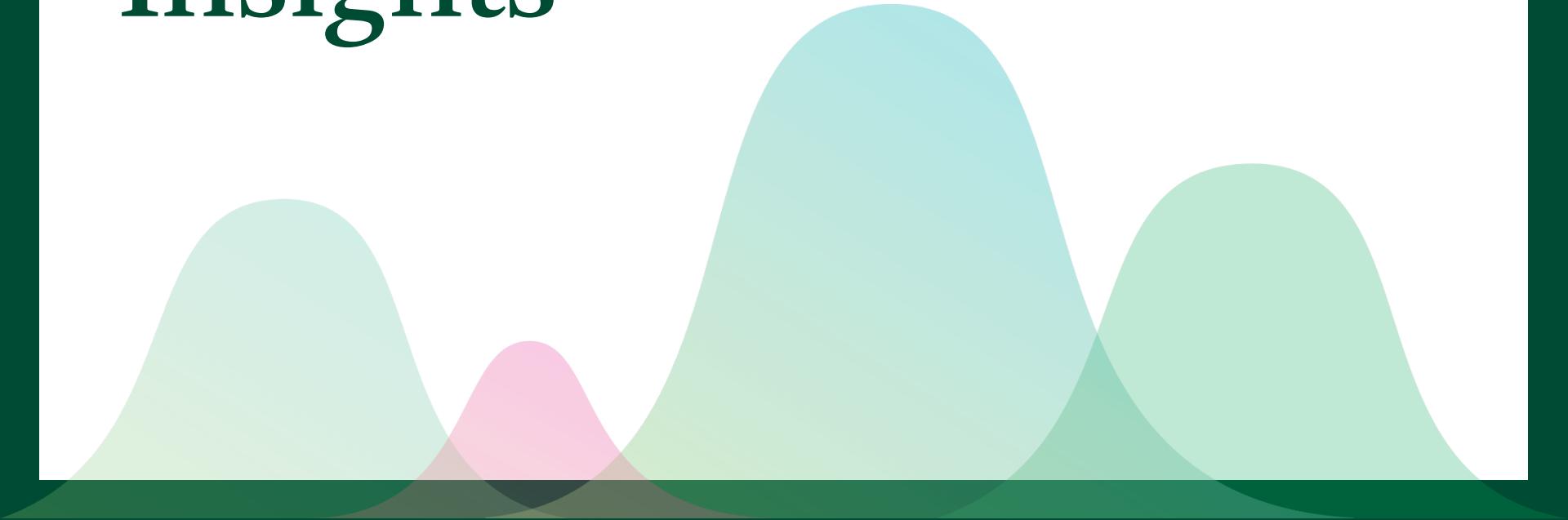
Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Hotel – East

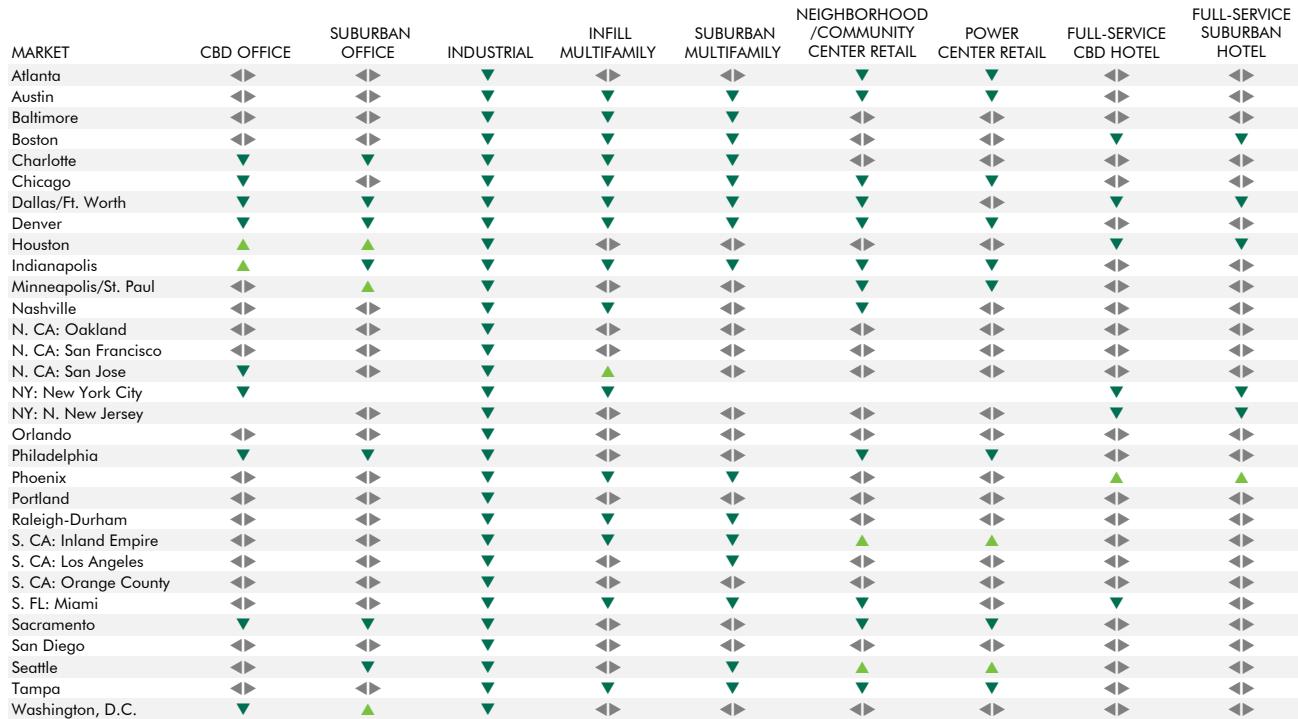
MARKET	FULL-SERVICE HOTEL CBD CAP RATES (%) STABILIZED			FULL-SERVICE HOTEL SUBURBAN CAP RATES (%) STABILIZED		
	H2 2019	H1 2021	CHANGE	H2 2019	H1 2021	CHANGE
Baltimore	7.50 – 8.50	8.50 – 9.50	▲	8.00 – 9.00	8.75 – 10.00	▲
Boston	5.50 – 7.00	5.50 – 7.50	▲	7.50 – 8.00	7.00 – 9.00	▲
Charlotte	7.00 – 8.00	8.00 – 9.00	▲	7.50 – 9.00	8.00 – 9.00	▲
NY: N. New Jersey	6.75 – 8.25	7.50 – 9.50	▲	7.50 – 9.00	8.00 – 10.00	▲
NY: New York City	6.50 – 7.50	6.00 – 8.00	▲	7.50 – 9.00	7.50 – 10.00	▲
Philadelphia	7.50 – 8.25	7.75 – 8.50	▲	7.75 – 8.50	7.75 – 8.50	↔
Pittsburgh	8.50 – 9.00	8.00 – 9.00	▼	8.50 – 9.00	8.50 – 10.00	▲
Washington, D.C.	6.00 – 7.00	8.25 – 9.50	▲	6.50 – 8.50	8.75 – 9.75	▲

Note: Survey conducted during H1 2021. Change is from H2 2019. Changes less than 15 bps considered stable.  
 Source: CBRE Research, H1 2021.

# Additional Insights



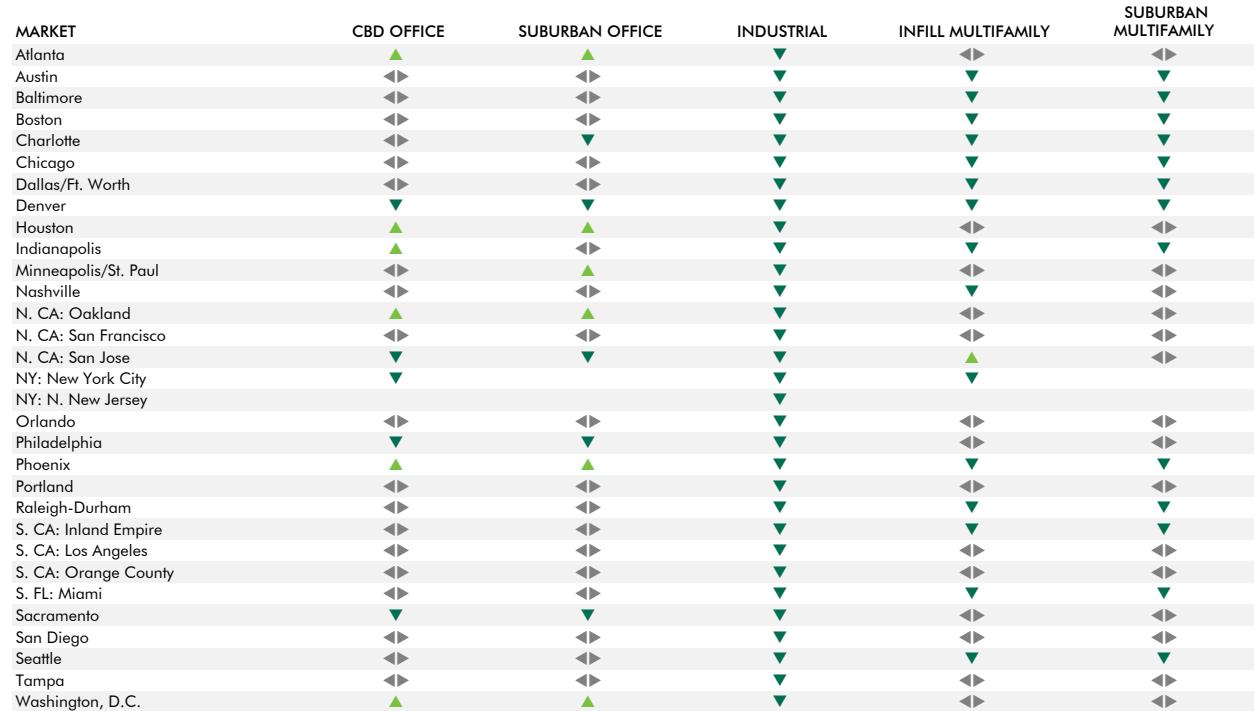
# Trends – Stabilized



With a few exceptions, survey respondents expect cap rates to remain stable or compress across markets and property types for stabilized assets. This is especially true for the industrial sector, where cap rates are expected to decrease in every market.

Source: CBRE Research, H1 2021.

# Trends – Value-Add

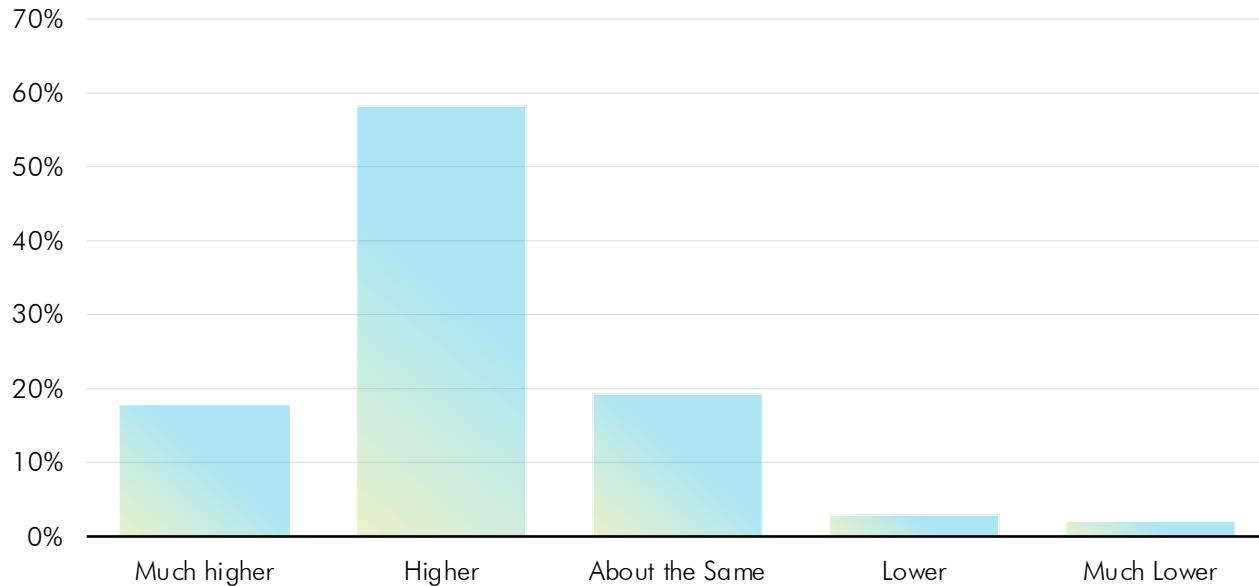


For value-add properties, survey respondents generally expect returns on cost to remain stable or decrease over the rest of the year. The outlook is more mixed for office assets, which are expected to see increased returns on cost in several markets, both CBD and suburban.

Source: CBRE Research, H1 2021.

# Elevated Investor Risk Appetite

## HOW HAS INVESTOR RISK APPETITE EVOLVED DURING RECENT MONTHS?



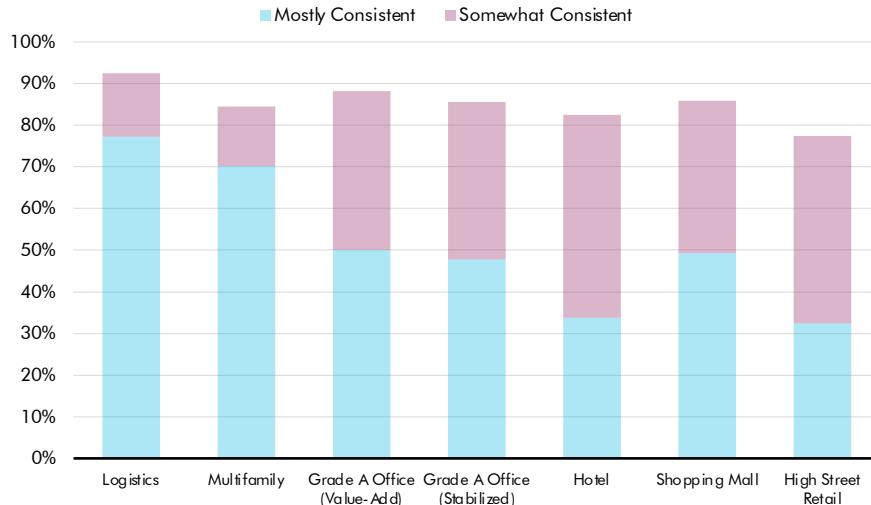
In the U.S., more than 75% of survey respondents observed increased risk appetite from investors over the past three months. Most other respondents say that investor risk appetite was unchanged.

Source: CBRE Research, H1 2021.

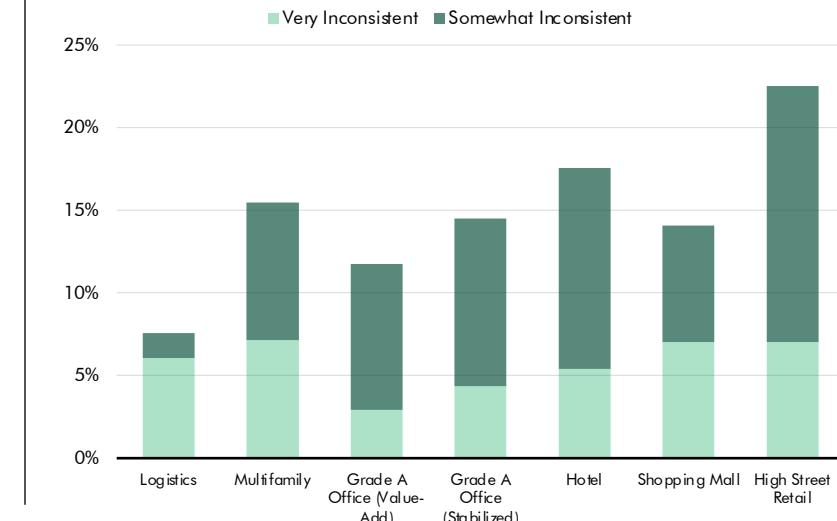
# Pricing Observations Consistent with Investor Intentions

## HOW DO INVESTOR PRICING EXPECTATIONS FROM THE IIS COMPARE WITH YOUR OWN OBSERVATIONS?

Pricing was remarkably consistent with the Investor Intentions Survey across all sectors.



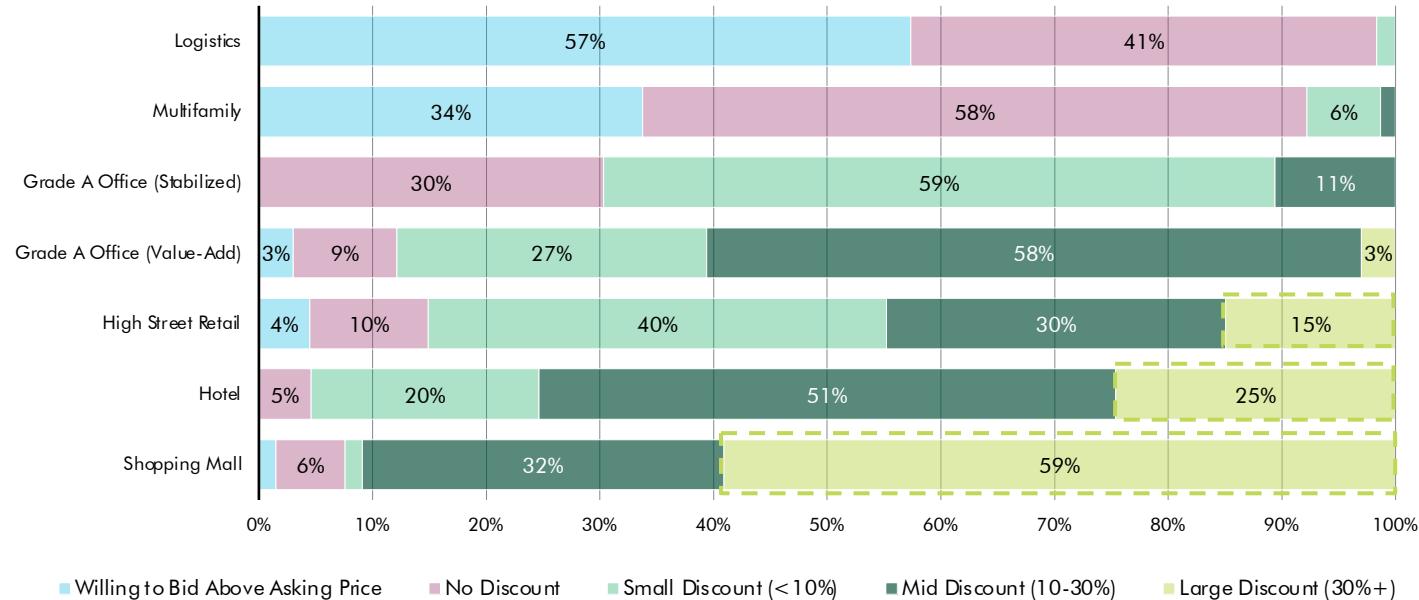
The largest disconnect was in the retail and hotel sectors, indicating stronger-than-expected resilience in pricing.



Source: CBRE Research, H1 2021.

# Logistics And Multifamily Pricing Reflects High Demand

**BASED ON YOUR OBSERVATIONS, HOW DOES CURRENT PRICING STAND IN RELATION TO PRE-PANDEMIC LEVELS IN YOUR HOME MARKET?**



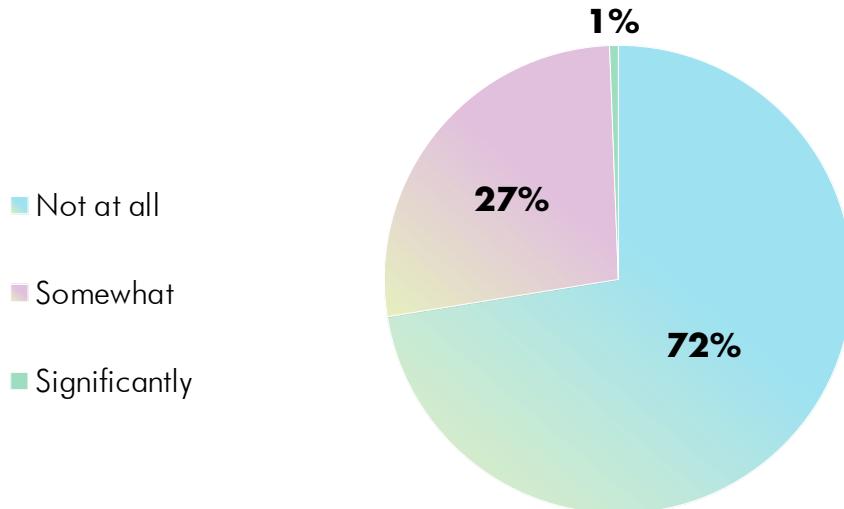
Survey respondents observed a significant willingness to bid up logistics and multifamily asset values. Office assets had a small discount in pricing, while the largest discounts were for retail and hotel assets.

■ Willing to Bid Above Asking Price ■ No Discount ■ Small Discount (<10%) ■ Mid Discount (10-30%) ■ Large Discount (30%+)

Source: CBRE Research, H1 2021.

# ESG Adoption has Room to Grow

**MORE THAN THREE-QUARTERS OF INVESTORS HAVE INDICATED THEY HAVE EITHER ADOPTED OR PLAN TO ADOPT ESG CRITERIA. HAS THIS IMPACTED INVESTMENT DYNAMICS IN YOUR MARKET?**



As ESG becomes more integrated into investment strategies, the gap between intentions and action likely will narrow.

Source: CBRE Research, H1 2021.

## DEFINITIONS

- Markets represented by metropolitan areas. Data is subject to historical revision.
- Cap rates ranges are best estimates provided by CBRE professionals based on recent trades in their respective markets, as well as communication with investors. The ranges represent the cap rates at which a given asset is likely to trade in the current market. Cap rates within each subtype vary, occasionally falling outside the stated ranges, based on asset location, quality and property specific opportunities for NOI enhancement.
- Stabilized properties are assets leased at market rents with typical lease terms and have vacancy levels close to market averages.
- The cap rate is the ratio of net operating income (NOI) to the acquisition price of the asset (NOI divided by acquisition price). The NOI calculation is based on net income less operating expenses.
- The acronym IIS refers to our annual Investors Intentions Survey while the acronym CRS refers to our bi-annual Cap Rate Survey.

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