

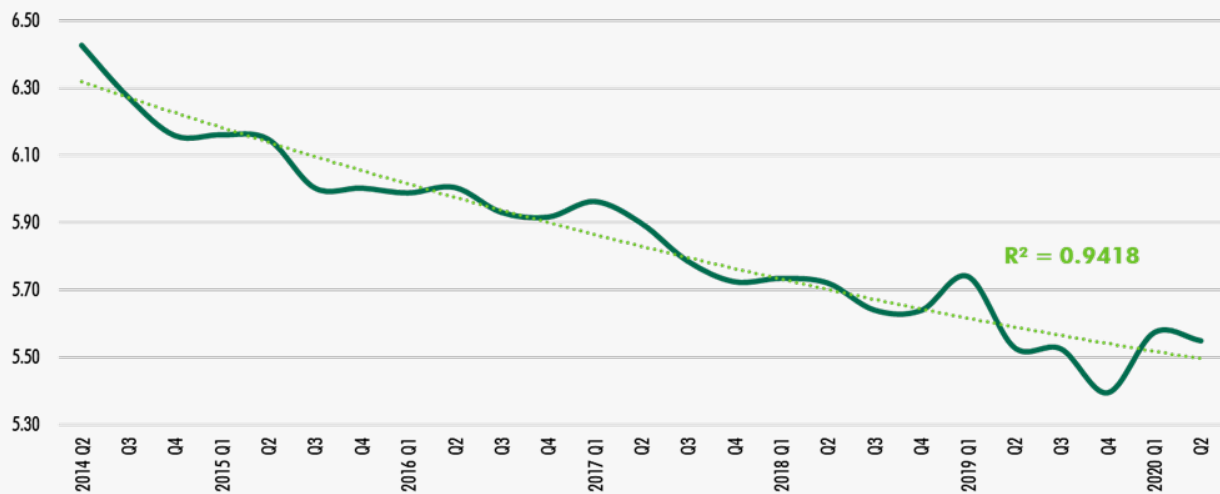
Apartment Cap Rates Hold Steady in Second Quarter

Powered by Valuation VIEW | Q2 2020

National Multifamily Cap Rate Report

The U.S. multifamily market average cap rate decreased 2 basis points in the second quarter 2020 as the COVID-19 pandemic continues in the U.S. The decrease is due to increased demand as the investors still see multifamily as a preferred asset class. The Pacific West experienced the biggest decrease with a 20 basis point decline. All other regions only had small changes in the second quarter 2020.

CBRE's Valuation Cap Rate Reports reflect data compiled during the second quarter of 2020, and include certain transactions that had commenced before the COVID-19 pandemic struck the U.S. CBRE Valuation & Advisory Services is dedicated to providing cap rate insights on a quarterly basis and benchmarking analytics based on historical data. We will continue to keep you apprised of the latest changes in market conditions throughout this unprecedented time.



Source: Valuation VIEW

Data points are confirmed closed transactions adjusted for assumed financing and reflect overall market trends.

U.S. Multifamily Cap Rate Trends

| Quarterly Average | 2018 | | | | 2019 | | | | 2020 | |
|-------------------|-------------|--------------|--------------|-------------|-------------|--------------|-------------|--------------|-------------|--------------|
| Region | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Midwest | 7.06 | 7.13 | 6.73 | 6.64 | 6.89 | 6.82 | 6.71 | 6.55 | 6.61 | 6.65 |
| Mountain | 5.64 | 5.82 | 5.87 | 5.50 | 5.65 | 5.53 | 5.46 | 5.49 | 5.55 | 5.46 |
| Northeast | 5.64 | 5.72 | 5.53 | 5.78 | 5.83 | 5.51 | 5.86 | 5.59 | 5.67 | 5.75 |
| Pacific West | 4.81 | 4.73 | 4.77 | 4.67 | 4.75 | 4.62 | 4.68 | 4.48 | 4.82 | 4.61 |
| South Central | 6.55 | 6.29 | 6.29 | 6.39 | 6.63 | 6.39 | 6.29 | 6.37 | 6.31 | 6.28 |
| Southeast | 5.98 | 6.07 | 5.91 | 5.85 | 6.05 | 5.75 | 5.58 | 5.44 | 5.47 | 5.48 |
| Nation | 5.74 | 5.72 | 5.64 | 5.64 | 5.74 | 5.53 | 5.53 | 5.39 | 5.57 | 5.55 |
| Change | 0.01 | -0.01 | -0.08 | 0.00 | 0.10 | -0.21 | 0.00 | -0.13 | 0.18 | -0.02 |