

RYNNE, MURPHY & ASSOCIATES, INC. REAL ESTATE MARKET INVESTMENT RATE SURVEY (4th Quarter 2018)

OFFICE:

Small	4.75%	13.75%	9.00%
Class A	5.25%	11.75%	8.00%
Class A/R	6.25%	13.00%	9.50%
Class B	7.50%	15.50%	10.50%
Class C	9.00%	18.75%	14.25%

RETAIL:

Regional	5.50%	13.75%	9.25%
Community	5.50%	14.50%	9.50%
Neighborhood	5.00%	14.75%	9.25%

INDUSTRIAL:

Heavy	7.25%	17.75%	12.25%
Older	7.75%	19.75%	12.50%
Light	5.75%	15.50%	9.25%
R & D	5.75%	15.25%	9.00%

APARTMENTS:

Urban Small Multi-Family	4.00%	19.25%	8.50%
Urban Apartment Project	5.25%	18.50%	9.25%
Suburban Multi-Family	4.75%	14.50%	8.00%
Suburban Apt Project	4.75%	14.75%	8.50%
New Apartment Project	4.50%	11.25%	8.00%

SPECIAL USE:

Mobile Home Parks	6.00%	16.50%	9.75%
Restaurants	5.75%	16.75%	11.25%
Automotive Dealers	6.00%	15.00%	10.25%
Subdivisions	12.75%	25.75%	16.50%
Nursing Homes	8.50%	24.00%	14.75%
Hotel/Motel	8.00%	18.75%	12.25%
City Commer/Indust Property	5.25%	19.00%	9.75%

General Market Range

Excluding Extremes	6.75%	14.00%	9.50%
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EQUITY DIVIDEND RATES

EQUITY YIELD RATES

OVERALL DISCOUNT

OVERALL CAPITALIZATION*

Low	11.50%	16.50%	14.00%
High	11.25%	14.50%	13.25%
Average	12.25%	16.00%	14.50%
	12.75%	16.50%	15.00%
	13.75%	20.50%	16.75%

Low	11.50%	16.25%	14.25%
High	11.75%	16.75%	14.50%
Average	11.75%	17.25%	14.75%

Low	7.50%	13.00%	9.50%
High	7.50%	11.75%	9.00%
Average	7.75%	13.25%	9.75%
	8.50%	13.75%	10.00%
	9.75%	17.00%	12.00%

Low	4.75%	12.75%	8.50%
High	5.50%	9.25%	8.00%
Average	6.50%	12.00%	8.75%
	7.75%	13.50%	9.75%
	9.50%	16.75%	11.75%

Low	12.50%	19.75%	15.75%
High	12.50%	21.75%	16.00%
Average	12.25%	17.75%	14.50%
	12.00%	16.75%	14.50%

Low	8.25%	15.50%	11.50%
High	8.50%	16.50%	11.50%
Average	8.00%	14.00%	9.75%
	7.75%	13.50%	9.75%

Low	7.25%	16.50%	11.00%
High	8.00%	16.50%	11.25%
Average	7.00%	14.25%	9.25%
	6.75%	13.75%	9.00%

Low	10.75%	21.00%	14.25%
High	11.50%	20.25%	14.50%
Average	11.50%	16.25%	13.75%
	11.75%	16.50%	13.75%
	11.00%	14.00%	13.25%

Low	7.25%	17.75%	9.25%
High	7.75%	16.50%	9.75%
Average	7.25%	13.25%	8.75%
	7.75%	13.50%	8.75%
	7.50%	10.75%	8.25%

Low	4.00%	18.50%	7.75%
High	5.50%	18.25%	8.25%
Average	4.25%	13.25%	7.25%
	5.25%	13.50%	7.50%
	4.75%	9.50%	6.75%

Low	11.50%	18.00%	14.25%
High	11.75%	19.50%	15.00%
Average	12.00%	17.00%	14.75%
	13.00%	28.50%	17.00%
	13.25%	26.50%	16.75%
	12.75%	20.75%	15.75%
	11.50%	21.50%	14.75%

Low	7.75%	14.75%	9.50%
High	7.50%	15.00%	10.25%
Average	7.75%	14.00%	10.00%
	10.25%	28.50%	16.00%
	8.25%	19.50%	13.50%
	8.25%	15.50%	11.00%
	7.25%	17.00%	10.25%

Low	5.75%	14.75%	8.75%
High	5.75%	15.75%	9.75%
Average	6.75%	14.50%	9.75%
	N/A	N/A	N/A
	8.00%	20.75%	12.25%
	7.75%	16.50%	11.00%
	5.00%	17.00%	9.75%

Low	12.25%	16.75%	14.50%
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Low	7.75%	13.00%	10.00%
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Low	6.75%	12.75%	9.50%
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This is based primarily upon properties in Upstate New York and most of the western/central New England region. Lower end rates generally represent newer/modernized, higher quality suburban properties. Upper end rates generally represent older urban, lower quality properties. The above rates generally do not represent highly distressed properties. These rates assume that adequate management and reserve expenses are considered.

* Terminal capitalization rates generally 0.50% above going-in capitalization rates.
** Includes profit and overhead.