

SAN FRANCISCO OFFICE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL	DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		UNDERLYING PER		REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	VACANCY	UNDERLYING PER	UNDERLYING PER		
INVESTMENT ADVISOR ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; does not use rent spikes.	4.0% to 5.0% Year 1; 3.0% to 3.5% Year 2	3.0%	3.0%	5.25% to 6.00% (CBD); 6.25% to 7.25% (suburbs)	0.8% to 1.5%	5.75% to 6.50% (CBD); 6.50% to 7.75% (suburbs)	4.00% to 5.25% (CBD); 5.50% to 6.50% (suburbs)		6 to 9	65.0% to 75.0%	3.0% to 5.0%	\$0.20 to \$0.30		3 to 5	
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; does not use rent spikes; expects overall cap rates to increase 25 to 50 basis points over the next six months.	2.0% to 5.0% Year 1; 3.0% to 5.0% Year 2	3.0%	3.0%	5.00% to 8.00% (CBD); 6.00% to 9.00% (suburbs)	1.0% to 2.0%	6.00% to 7.50% (CBD); 8.00% to 10.00% (suburbs)	5.00% to 7.00% (CBD); 7.00% to 8.00% (suburbs)		2 to 7	65.0% to 70.0%	5.0% to 10.0%	\$0.10 to \$0.30		2 to 6	
PENSION FUND ADVISOR ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes that market conditions favor sellers; does not use rent spikes.	3.0% to 4.0%	0.0% to 3.0%	3.0%	5.00% to 5.50% (CBD); 5.50% to 7.00% (suburbs)	3.0% to 3.5%	6.50% to 7.00% (CBD); 7.00% to 8.00% (suburbs)	4.50% to 5.50% (CBD); 5.50% to 9.00% (suburbs)		10	70.0% to 75.0%	3.0% to 4.5%	Does not use		4 to 6	
INVESTMENT ADVISOR ♦ Forecast Period: 7 to 10 years Mainly uses DCF analysis; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes that market conditions favor sellers; expects overall cap rates to hold steady over the next six months.	3.0% to 5.0% Years 1 to 3	3.0%	3.0%	5.00% to 5.50% (CBD); 5.50% to 6.25% (suburbs)	0.5% to 1.0%	6.00% to 7.50% (CBD); 7.50% to 8.00% (suburbs)	3.50% to 5.50% (CBD); 5.50% to 6.50% (suburbs)		6 to 9	75.0% to 80.0%	2.5% to 5.0%	\$0.15 to \$0.25		1 to 3	
REAL ESTATE COMPANY ♦ Forecast Period: 10 years Mainly uses DCF analysis; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; does not use rent spikes.	4.0% to 6.0%	2.0% to 3.0%	3.0%	6.00% to 7.00% (CBD); 7.00% to 7.50% (suburbs)	1.0% to 1.5%	5.75% to 6.25% (CBD); 6.25% to 6.75% (suburbs)	4.00% to 5.00% (CBD); 5.00% to 6.00% (suburbs)		7 to 10	50.0% to 70.0%	5.0% to 7.0%	Does not use		3 to 6	

Source: Personal survey conducted by PwC during April 2016

SEATTLE OFFICE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL	DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)	VACANCY ASSUMPTIONS		REPLACEMENT MARKETING RESERVE		TIME
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	MONTHS
INVESTMENT ADVISOR ♦ Forecast Period: 7 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; does not use rent spikes; expects overall cap rates to hold steady over the next six months.	3.0%	3.0%	3.0%	5.00% to 6.00% (CBD), 5.50% to 6.50% (suburbs)	0.5% to 1.0%	5.50% to 7.00% (CBD), 6.00% to 7.50% (suburbs)	4.50% to 6.00% (CBD), 5.00% to 6.50% (suburbs)	6.00% (CBD); 5.00% to 6.50% (suburbs)	6 to 9	70.0% to 80.0%	5.0%	\$0.15 to \$0.25	1 to 3
	5.0%												
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Mainly uses DCF; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; expects overall cap rates to hold steady over the next six months; does not use rent spikes	2.5% to 3.0%	2.5% to 3.0%	1.5% to 3.0%	5.00% to 9.00% (CBD)	2.0% to 4.0%	8.00% to 10.50% (suburbs)	5.00% to 8.00% (CBD), 9.00% to 10.00% (suburbs)	5.00% to 8.00% (CBD)	6 to 12	50.0% to 75.0%	1.0% to 2.0%	\$1.00 to \$2.00	6 to 12
	3.0%												
INVESTMENT BANKER ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; expects overall cap rates to hold steady over the next six months; may use a rent spike of 5.0% in year 5.	3.0% to 5.0% Years 1 & 2	2.0%	2.0% to 3.0%	6.50% to 8.00% in both CBD & suburbs	2.0%	7.00% to 8.75% in both CBD & suburbs	5.00% to 7.00% in both CBD & suburbs	5.00% to 7.00% in both CBD & suburbs	4 to 6	65.0% to 75.0%	5.0% to 10.0%	\$0.15 to \$0.25	4 to 6
LIFE INSURANCE COMPANY ♦ Forecast Period: 7 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; expects overallcap rates to hold steady over the next six months; no longer uses rent spikes.	3.0% to 4.0%	3.0%	3.0%	6.00% to 6.50% (CBD)	2.5% to 3.0%	6.00% to 7.50% (CBD)	4.50% to 6.00% (CBD)	4.50% to 6.00% (CBD)	5 to 8	65.0% to 70.0%	0.0% to 8.0%	\$0.20 to \$0.50	1 to 3
ASSET MANAGER ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; believes market conditions currently favor sellers; uses face rents and reflects concessions when they are scheduled to occur.	3.0% to 5.0%	3.0%	3.0%	5.25% to 6.25% (CBD), 6.25% to 7.25% (suburbs)	1.0% to 2.3%	6.00% to 7.00% (suburbs)	4.50% to 5.20% (CBD), 6.00% to 7.00% (suburbs)	4.50% to 5.20% (CBD); 6.00% to 7.00% (suburbs)	6 to 9	50.0% to 70.0%	4.0% to 5.0%	\$0.05 to \$0.25	6 to 9
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; believes market conditions currently favor sellers; no longer uses rent spikes	3.0% to 5.0%	3.0%	3.0%	5.25% to 6.25% (CBD), 6.25% to 7.25% (suburbs)	3.0% to 4.0%	5.50% to 7.00% (CBD), 7.00% to 8.50% (suburbs)	4.50% to 5.75% (CBD), 5.75% to 6.75% (suburbs)	4.50% to 5.75% (CBD), 5.75% to 6.75% (suburbs)	6 to 9	70.0% to 75.0%	3.0% to 5.0%	\$0.15 to \$0.25	3 to 6

Source: Personal survey conducted by PwC during April 2016



SOUTHEAST FLORIDA OFFICE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		REPLACEMENT MARKETING RESERVE		MARKETING TIME
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	MONTHS	
PRIVATE INVESTMENT FIRM ♦ Forecast Period: 3 to 5 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve, may use a rent spike of 10.0% in year 2 and 7.0% in year 3.	3.0% to 7.0% Year 1, 3.0% to 10.0% Year 2	2.5% to 3.0%	2.0% to 2.5%	6.00% to 7.50% (CBD), 7.50% to 8.50% (suburbs)	1.5% to 2.0%	8.00% to 9.00% (CBD), 9.00% to 10.00% (suburbs)	5.00% to 8.00% (CBD), 8.00% to 10.00% (suburbs)	60.0% to 75.0%	9 to 12	60.0% to 75.0%	6.0% to 8.0%	\$0.50 to \$1.00	2 to 4		
REIT ♦ Forecast Period: 5 to 10 years Uses DCF analysis only; uses face rents and reflects concessions when they are scheduled to occur, expects overall cap rates to decrease 50 to 100 basis points over the next six months; does not use rent spikes	4.0% to 6.0% Years 1 & 2	2.5% to 3.0%	2.5% to 3.0%	4.50% to 6.00% (CBD), 6.00% to 7.50% (suburbs)	1.0% to 2.5%	6.00% to 7.00% (CBD), 7.00% to 8.00% (suburbs)	5.00% to 6.00% (CBD), 6.00% to 7.00% (suburbs)	50.0% to 80.0%	4 to 8	50.0% to 80.0%	3.0% to 8.0%	\$0.25 to \$0.50	4 to 8		
LIFE INSURANCE COMPANY ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve, uses face rents and reflects concessions when they are scheduled to occur; does not use rent spikes.	1.0% to 5.0%	3.0%	3.0%	6.00% to 7.00% (CBD), 7.00% to 8.00% (suburbs)	1.0% to 3.0%	6.50% to 8.00% (CBD), 8.00% to 9.00% (suburbs)	6.00% to 7.00% (CBD), 8.00% to 8.50% (suburbs)	65.0% to 75.0%	6 to 12	65.0% to 75.0%	7.0% to 11.0%	\$0.10 to \$0.30	3 to 5		
PRIVATE EQUITY INVESTOR ♦ Forecast Period: 3 to 6 years Uses mainly DCF analysis; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve; does not use rent spikes; uses face rents and reflects concessions when they are scheduled to occur.	0.0% to 2.0% Years 1 & 2	1.0% to 3.0%	1.0% to 3.0%	7.00% to 10.00% (CBD), 8.50% to 10.00% (suburbs)	1.0% to 2.5%	8.50% to 10.00% (CBD), 10.00% to 10.75% (suburbs)	7.00% to 9.50% (CBD), 9.50% to 10.00% (suburbs)	40.0% to 70.0%	6 to 12	40.0% to 70.0%	7.0% to 13.0%	\$0.20 to \$0.50	3 to 7		
REIT ♦ Forecast Period: 10 years Valuation preference is DCF analysis; also uses direct cap; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; does not use rent spikes; prefers suburbs.	0.0% to 2.0% Year 1, 2.0% to 2.5% Year 2	3.0%	2.5% to 3.3%	7.50% to 8.50% (suburbs)	2.0%	8.00% to 9.50% (suburbs)	7.75% to 8.75% (suburbs)	65.0%	6 to 9	65.0%	5.0%	\$0.20	6 to 12		
PRIVATE ASSET MANAGEMENT ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve is deducted; uses face rents and reflects concessions when they are scheduled to occur; expects overall cap rates to hold steady over the next six months	0.0% to 5.0%	3.0%	2.0% to 3.0%	5.50% to 7.00% (CBD), 7.00% to 8.25% (suburbs)	1.5% to 2.0%	6.75% to 8.25% (CBD), 8.25% to 9.00% (suburbs)	4.50% to 6.50% (CBD), 6.50% to 7.50% (suburbs)	65.0% to 75.0%	3 to 9	65.0% to 75.0%	5.0% to 7.0%	\$0.10 to \$0.25	2 to 6		

Source: Personal survey conducted by PwC during April 2016

SUBURBAN MARYLAND OFFICE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		REPLACEMENT RESERVE		MARKETING TIME	
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	MONTHS				
PRIVATE INVESTOR ♦ Forecast Period: 1 to 5 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur.	0.0%	1.0%	1.0% to 2.0%	7.00% to 8.50%	4.0% to 5.0%	9.00% to 10.00%	7.00% to 8.50%	9 to 12	70.0% to 80.0%	0.0%	Does not use	3 to 9				
LIFE INSURANCE COMPANY ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve, uses face rents and reflects concessions when they are scheduled to occur; no longer uses rent spikes.	0.0%	2.0% to 3.0%	2.0% to 3.0%	7.00% to 9.75%	2.0% to 3.0%	7.25% to 9.00%	6.75% to 9.00%		60.0%	5.0% to 15.0%	\$0.50 to \$0.75	3 to 9				
PRIVATE INVESTOR ♦ Forecast Period: 1 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; believes market conditions equally favor sellers and buyers	0.0% to 1.0%	1.0% to 2.0%	2.0% to 3.0%	6.50% to 7.50%	1.0% to 2.0%	7.50% to 10.00%	5.50% to 7.00%	4 to 6	50.0% to 75.0%	6.0% to 9.0%	\$0.25 to \$0.50	4 to 8				
PRIVATE EQUITY FIRM ♦ Forecast Period: 5 to 8 years Mainly uses DCF analysis; in direct capitalization, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes that market conditions favor buyers, expects cap rates to increase 100 to 150 basis points over the next six months.	0.0% Years 1 & 2	3.0%	3.0%	8.25% to 9.25%	2.5% to 3.0%	8.50% to 9.50%	8.00% to 9.00%	9 to 12	65.0% to 75.0%	7.0% to 10.0%	\$0.25 to \$0.30	6 to 9				
PRIVATE INVESTOR ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; expects overall cap rates to hold steady over the next six months; believes market conditions equally favor buyers and sellers.	0.0% Years 1 & 2	2.0%	2.0%	7.50%	3.0%	8.50%	6.00%	8	65.0%	1.0% to 3.0%	\$0.25	5				

Source: Personal survey conducted by PwC during April 2016

WASHINGTON, DC OFFICE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		UNDERLYING PER SQUARE FOOT		REPLACEMENT RESERVE		MARKETING TIME	
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION									
PENSION FUND ADVISOR ♦ Forecast Period: 10 years Prefers DCF analysis; also uses direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; may use a rent spike of 4.0% in years 2 and 3.	0.0% Year 1; 2.0% Year 2	3.0%	3.0%	5.50% to 6.00%	2.0%	5.75% to 6.25%	4.75% to 6.00%	3 to 9	65.0% to 75.0%							\$0.15 to \$0.25	2 to 4	
LIFE INSURANCE COMPANY ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur.	0.0% to 1.0% Year 1; 0.0% to 3.0% Year 2	2.0% to 3.0%	2.0% to 3.0%	5.25% to 6.50%	1.0% to 2.0%	5.50% to 7.00%	4.25% to 6.00%	6 to 18	60.0% to 70.0%							\$0.25 to \$0.75	3 to 6	
INSTITUTIONAL INVESTOR ♦ Forecast Period: 10 years Relies on DCF, in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; uses present value analysis of effective rents; no longer uses rent spikes; believes market conditions favor sellers.	3.0% to 4.0% Years 1 & 2	3.0%	2.5% to 3.0%	5.00% to 6.00%	2.0% to 2.5%	6.00% to 6.50%	4.50% to 5.50%	4 to 6	65.0% to 75.0%							\$0.15 to \$0.25	2 to 5	
PENSION FUND ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; does not use rent spikes; expects overall cap rates to hold steady over the next six months.	0.0% to 4.0%	3.0%	3.0%	5.00% to 6.50%	1.0% to 2.0%	5.75% to 7.00%	4.25% to 6.50%	6 to 9	70.0%							\$0.25	3 to 6	
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 10 years Uses both DCF and direct capitalization, in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve, does not use rent spikes; expects overall cap rates to hold steady over the next six months; believes market conditions favor buyers	2.0% to 3.0%	3.0%	3.0%	6.00%	2.5%	8.00%	6.00%	7 to 9	70.0% to 75.0%							Does not use	3 to 6	

Source: Personal survey conducted by PwC during April 2016

NATIONAL FLEX/R&D MARKET—SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES			RESIDUAL		DISCOUNT RATE (IRR)	OVERALL CAP RATE (OAR)	VACANCY ASSUMPTIONS		UNDERLYING VACANCY & RETENTION CREDIT LOSS	REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE			MONTHS VACANT	TENANT RETENTION		PER SQUARE FOOT	
PRIVATE EQUITY INVESTOR ♦ Forecast Period: 10 years Uses both DCF and direct capitalization, in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes market conditions favor sellers; does not use rent spikes	3.0% Years 1 to 3	3.0%	3.0%	7.00% to 7.50%	1.5% to 3.0%	7.00% to 8.00%	6.25% to 7.00%	6 to 12	65.0% to 70.0%	2.0% to 5.0%	\$0.15 to \$0.40	2 to 5
PRIVATE EQUITY INVESTOR ♦ Forecast Period: 2 to 7 years Uses mainly DCF analysis; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; does not use rent spikes; uses face rents and reflects concessions when they are scheduled to occur.	0.0% to 3.0% Year 1, 0.0% to 3.0% Year 2	0.0% to 3.0%	3.0%	8.00% to 9.00%	1.0% to 2.5%	8.00% to 11.00%	8.00% to 9.00%	9 to 12	50.0% to 75.0%	5.0% to 10.0%	\$0.15 to \$0.50	4 to 8
REAL ESTATE SERVICES FIRM ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur, may use a rent spike of 5.0% in year 1, 7.0% in year 2, and 5.0% in year 3.	3.0% to 4.0% Years 1 to 3	3.0%	3.0%	6.75% to 7.50%	2.0% to 3.0%	7.50% to 9.00%	6.50% to 7.50%	6 to 12	65.0% to 75.0%	5.0% to 7.5%	\$0.20 to \$0.30	6 to 9
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; uses a rent spike of 4.0% in years 2 and 3 and 4.5% in year 4.	1.0% Year 1; 2.0% Year 2	3.0%	3.0%	6.00% to 7.25%	1.0% to 4.0%	7.00% to 7.75%	5.75% to 6.50%	9 to 15	50.0% to 65.0%	3.0% to 8.0%	\$0.15 to \$0.50	6 to 12
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur, may use rent spikes	2.0% to 3.0%	3.0%	2.0%	7.00% to 8.00%	4.0% to 6.0%	8.50% to 8.00%	7.00% to 8.00%	6 to 9	70.0% to 80.0%	5.0% to 7.0%	\$0.10 to \$0.20	6 to 12

Source: Personal survey conducted by PwC during April 2016

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NATIONAL WAREHOUSE MARKET-SELECT SURVEY RESPONSES Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		TENANT RETENTION		UNDERLYING VACANCY & CREDIT LOSS		REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT	EXPENSES	CPI		CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR		MONTHS VACANT							
REIT ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; may use a rent spike of 7.0% in year 2 and 6.0% in year 3.	0.0%		2.5%		5.25%	1.0%	6.00%	3.00%			3		65.0%		4.0%		\$0.05	3
	Year 1:	3.0%									to		to		to		to	
	to 7.0%		3.0%		8.50%	3.0%	9.25%	6.00%			12		75.0%		7.0%		\$0.20	6
DOMESTIC PENSION FUND ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; may use a rent spike of 4.0% in years 1 and 2; data refers to the national warehouse sector; expects overall cap rates to hold steady over the next six months.	3.0%				5.50%	1.0%	6.50%	4.50%			6		65.0%		0.5%		\$0.10	6
	to	3.0%									to		to		to		to	
	4.0%				7.00%	3.0%	8.00%	6.25%			12		75.0%		2.0%		\$0.25	12
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 10 years Relies mainly on direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; data refers to the U.S. Southwest region.	2.0%				6.00%	1.0%	6.75%	5.50%			6		50.0%				\$0.10	3
	to	3.0%									to		to		3.0%		to	
	3.0%				7.00%	3.0%	7.75%	6.75%			12		65.0%				\$0.35	6
PENSION FUND ADVISOR ♦ Forecast Period: 10 years Prefers DCF analysis; also uses direct capitalization, in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; data refers to the national warehouse sector.	0.0%				4.75%	1.0%	5.50%	4.25%			6		60.0%		5.0%		\$0.05	3
	Year 1:	3.0%									to		to		to		to	
	to 4.0%		3.0%		7.00%	3.0%	7.00%	7.00%			12		75.0%		7.0%		\$0.15	6
PENSION FUND ADVISOR ♦ Forecast Period: 5 to 10 years Mainly uses DCF; in direct capitalization, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; data refers to the U.S. Southeast region; expects overall cap rates to hold steady over the next six months.	0.0%				5.75%	1.0%	6.25%	3.50%			6		70.0%		2.0%		\$0.05	3
	Year 1:	3.0%									to		to		to		to	
	to 5.0%		3.0%		8.50%	3.0%	7.75%	6.50%			12		75.0%		9.0%		\$0.20	6
INSTITUTIONAL INVESTOR ♦ Forecast Period: 10 years Relies on DCF; also uses direct capitalization, in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; data refers to the U.S. Southeast region.	3.0%				6.00%	2.0%	6.50%	5.25%			4		65.0%		1.0%		\$0.10	3
	to	3.0%									to		to		to		to	
	to 3.0%				6.50%	3.0%	6.75%	5.75%			6		70.0%		2.0%		\$0.20	4

Source: Personal survey conducted by PwC during April 2016

EAST NORTH CENTRAL (ENC) REGION WAREHOUSE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		REPLACEMENT RESERVE		MARKETING TIME	
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	MONTHS		
PENSION FUND ADVISOR ♦ Forecast Period: 10 years																
Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; expects overall cap rates to hold steady over the next six months; may use rent spikes.																
	0.0% to 3.0%	3.0%	3.0%	5.50% to 6.50%	1.0% to 2.0%	5.75% to 7.00%	4.50% to 5.50%	6.00% to 6.00%	6.00% to 6.00%	6 to 8	60.0% to 75.0%	4.0% to 7.0%	\$0.05 to \$0.15	2 to 6		
INSTITUTIONAL INVESTOR ♦ Forecast Period: 10 years																
Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; expects overall cap rates to hold steady over the next six months; no longer uses rent spikes.																
	2.0% to 3.0%	3.0%	2.5% to 3.0%	6.25% to 6.75%	2.0% to 3.0%	6.75% to 7.25%	5.75% to 6.25%	6.00% to 6.00%	6.00% to 6.00%	6 to 9	60.0% to 70.0%	2.0% to 4.0%	\$0.10 to \$0.20	3 to 6		
REAL ESTATE SERVICES FIRM ♦ Forecast Period: 5 to 10 years																
Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; believes market conditions currently favor sellers; expects overall cap rates to hold steady over the next six months; may use a rent spike of 5.0% in year 1, 7.0% in year 2, and 6.0% in year 3																
	2.0% to 5.0%	2.0% to 3.0%	2.0% to 3.0%	6.00% to 7.00%	1.0% to 2.0%	6.00% to 7.00%	4.75% to 5.50%	6.00% to 7.00%	6.00% to 7.00%	4 to 6	65.0% to 75.0%	0.0% to 5.0%	\$0.05 to \$0.15	6 to 9		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 10 years																
Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and replacement reserve; believes market conditions favor sellers; expects overall cap rates to hold steady over the next six months																
	3.0%	3.0%	3.0%	5.75% to 6.75%	1.0% to 4.0%	6.25% to 7.00%	5.00% to 5.50%	6.25% to 7.00%	6.25% to 7.00%	6 to 12	50.0% to 65.0%	3.0%	\$0.10 to \$0.35	3 to 6		
PRIVATE EQUITY INVESTOR ♦ Forecast Period: 3 to 7 years																
Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; does not use rent spikes; expects overall cap rates to decrease 25 to 50 basis points over the next six months																
	3.0% to 5.0%	3.0% to 4.0%	2.0% to 4.0%	7.00%	2.0% to 5.0%	6.75% to 7.50%	6.00%	6.75% to 7.50%	6.75% to 7.50%	6 to 12	60.0% to 70.0%	8.0%	\$0.10 to \$0.20	3 to 6		

Source: Personal survey conducted by PwC during April 2016

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PACIFIC REGION WAREHOUSE MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES				RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		VACANCY ASSUMPTIONS		REPLACEMENT RESERVE		MARKETING TIME	
	MARKET RENT	EXPENSES	CPI	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	MONTHS		
PRIVATE ASSET MANAGER ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes market conditions equally favor buyers and sellers; may use a rent spike of 5.0% in years 1 and 2.	0.0%	3.0%	3.0%	4.75%	1.0%	5.50%	4.00%	6.0%	6.0%	6	60.0%	5.0%	\$0.05	2		
	Year 1, 3.0% to 5.0%			to 15.50%	to 3.0%	to 6.25%	to 5.25%	to 75.0%		to 12			to \$0.15	4		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 10 years Mainly uses direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur; believes market conditions favor sellers; does not use rent spikes.	3.0%	3.0%	3.0%	6.00%	3.0%	6.00%	5.00%	6.0%	6.0%	6	60.0%	5.0%	Does not use	1		
	Years 1 to 3			to 6.50%	to 4.0%	to 7.00%	to 6.25%	to 70.0%		to 9				2		
INSTITUTIONAL INVESTOR ♦ Forecast Period: 10 years Relies on DCF; also uses direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; no longer uses rent spikes.	3.0%	3.0%	3.0%	5.50%	2.0%	6.25%	4.50%	4	65.0%	4	65.0%	2.0%	\$0.10	2		
	Years 1 to 3			to 6.00%	to 3.0%	to 6.50%	to 5.25%	to 8	75.0%				to \$0.20	4		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 10 years Relies mainly on direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions, uses face rents and reflects concessions when they are scheduled to occur; does not use rent spikes.	5.0%	3.0%	3.0%	4.50%	0.7%	5.50%	3.75%	6	50.0%	6	50.0%	3.0%	\$0.10	3		
	Year 1, 4.0% to 5.0%			to 5.75%	to 3.0%	to 6.50%	to 5.00%	to 12	65.0%				to \$0.35	6		
REAL ESTATE FIRM ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; uses face rents and reflects concessions when they are scheduled to occur.	0.0%	2.0%	2.5%	6.00%	2.0%	8.00%	6.00%	4	50.0%	4	50.0%	3.0%	\$0.10	3		
	Year 1, 2.0% to 3.0%			to 7.50%	to 3.0%	to 9.00%	to 7.00%	to 8	75.0%				to \$0.15	5		

Source: Personal survey conducted by PwC during April 2016

NATIONAL APARTMENT MARKET-SELECT SURVEY RESPONSES Second Quarter 2016

	INITIAL-YEAR CHANGE RATES		VACANCY		RESIDUAL		SELLING EXPENSE	DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		STRUCTURAL REPLACEMENT RESERVE		MARKETING TIME
	MARKET RENT	EXPENSES	TOTAL VACANCY		CAP RATE			FREE & CLEAR		FREE & CLEAR		PER UNIT		
INSURANCE COMPANY ♦ Forecast Period: 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve, does not use a separate FF&E replacement reserve	2.0% to 4.0%	2.0% to 3.0%	3.0% to 7.0%		4.50% to 6.50%		0.5% to 2.5%	5.75% to 6.75%		3.50% to 6.00%		\$200 to \$500		3 to 6
PENSION FUND ADVISOR ♦ Forecast Period: 10 years Prefers DCF analysis; also uses direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; does not deduct FF&E reserve from NOI before capitalization, does not use a separate FF&E replacement reserve.	0.0% to 3.0%	3.0%	4.0% to 10.0%		4.50% to 6.75%		2.0% to 3.0%	5.50% to 7.75%		4.00% to 6.50%		\$150 to \$350		2 to 3
DOMESTIC PENSION FUND ♦ Forecast Period: 1 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; reflects concessions as they occur, may burn off on new property during lease-up period in strong market, does not use a separate FF&E replacement reserve.	3.0% to 7.0%	3.0%	3.0% to 10.0%		4.25% to 6.00%		1.0% to 3.0%	6.00% to 7.25%		3.75% to 5.00%		\$200 to \$500		3 to 9
INSTITUTIONAL INVESTOR ♦ Forecast Period: 10 years Relies on DCF, in direct cap, capitalizes NOI after capital replacement reserve; uses an additional FF&E reserve, believes current market conditions equally favor sellers and buyers.	3.0% to 4.0%	3.0%	4.0% to 6.0%		4.50% to 5.50%		2.0% to 3.0%	6.00% to 6.50%		4.00% to 5.00%		\$200 to \$250		2 to 3
PRIVATE INVESTMENT FIRM ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve, sees overall cap rates holding steady, does not use a separate FF&E reserve	0.0% to 3.5%	2.8% to 3.0%	3.5% to 7.5%		5.00% to 6.00%		1.0% to 4.0%	5.75% to 7.00%		3.50% to 5.00%		\$200 to \$350		1 to 3
PENSION FUND ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; buys 150- to 400-unit apartment complexes in first- and second-tier markets nationwide, does not use a separate FF&E reserve.	3.0%	2.0%	7.0%		6.50% to 7.00%		1.0% to 2.0%	8.25% to 9.00%		6.00% to 7.00%		\$250 to \$350		1 to 2

Source: Personal survey conducted by PwC during April 2016



MID-ATLANTIC REGION APARTMENT MARKET-SELECT SURVEY RESPONSES Second Quarter 2016

	INITIAL-YEAR CHANGE RATES			VACANCY	RESIDUAL	DISCOUNT RATE (IRR)	OVERALL CAP RATE (OAR)	STRUCTURAL REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT.	EXPENSES	TOTAL VACANCY	CAP RATE	FREE & CLEAR	FREE & CLEAR	PER UNIT	MONTHS	
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 3 to 6 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve, does use a separate FF&E replacement reserve of \$100 to \$400 per unit; believes market conditions currently favor sellers; expects overall cap rates to hold steady over the next six months									
	0.0% to 4.0%	1.0% to 3.0%	2.0% to 5.0%	5.00% to 7.00%	1.0% to 2.5%	7.00% to 10.00%	\$100 to \$400	3 to 5	
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Prefers DCF analysis; also uses direct capitalization, in direct cap, capitalizes NOI after capital replacement reserve; deducts FF&E reserves from NOI before capitalization; uses a separate FF&E replacement reserve of \$200 to \$300 per unit									
	0.0% Year 1, 3.0% to 7.0% Year 2	3.0%	4.0% to 7.0%	4.25% to 5.75%	1.5% to 4.0%	5.50% to 7.00%	\$200 to \$300	3 to 6	
PENSION FUND INVESTOR ♦ Forecast Period: 4 to 7 years Uses all three approaches to value; in direct capitalization, capitalizes NOI after capital replacement reserve; uses a separate FF&E replacement reserve of \$350 per unit; believes market conditions favor sellers.									
	2.0% to 3.0% Year 1	3.0%	5.0% to 7.0%	5.00% to 6.75%	2.0% to 3.0%	8.00% to 10.00%	\$1,000 to \$1,500	2 to 6	
PRIVATE INVESTOR ♦ Forecast Period: 5 to 10 years Mainly uses direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; also uses a separate FF&E replacement reserve of \$225 to \$350 per unit; expects overall cap rates to hold steady over the next six months.									
	2.0% to 4.0% Years 1 & 2	2.0% to 3.0%	4.0% to 6.0%	4.75% to 5.50%	0.5% to 1.3%	5.50% to 6.50%	\$250 to \$350	2 to 3	
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 8 years Mainly uses direct capitalization analysis; in direct cap, capitalizes NOI after capital replacement reserve; believes that market conditions currently favor sellers; uses an FF&E replacement reserve of \$200 to \$300 per unit									
	2.0% to 4.0% Years 1 & 2	3.0%	5.0% to 6.0%	5.00% to 6.25%	1.0% to 2.0%	6.50% to 9.00%	Does not use	3 to 9	

Source: Personal survey conducted by PwC during April 2016

PACIFIC REGION APARTMENT MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES		VACANCY		RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)		STRUCTURAL REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT	EXPENSES	TOTAL VACANCY	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	PER UNIT	MONTHS		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 3 to 8 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; uses a separate FF&E replacement reserve of \$250 to \$350 per unit; reserves are deducted from NOI before capitalization, expects overall cap rates to hold steady over the next six months.	2.0% to 4.0% Years 1 & 2	2.5% to 3.0%	5.0%	3.75% to 6.00%	0.5% to 1.5%	7.00% to 9.00%	3.50% to 6.00%		\$250 to \$350	3 to 6		
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Prefers DCF analysis; also uses direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; deducts reserves from NOI before capitalization, uses a separate FF&E replacement reserve of \$200 to \$300 per unit.	0.0% Year 1, 3.0% to 6.0% Years 2 & 3	3.0%	3.0% to 7.0%	4.75% to 5.75%	1.5% to 3.0%	5.75% to 7.00%	3.70% to 5.00%		\$200 to \$300	3 to 6		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 5 to 8 years Mainly uses direct capitalization analysis; in direct cap, capitalizes NOI after capital replacement reserve; believes market conditions favor sellers; uses a separate FF&E reserve of \$200 to \$300 per unit; reserves are deducted prior to direct capitalization.	3.0% to 5.0%	3.0%	4.0% to 6.0%	4.50% to 6.00%	1.0% to 2.5%	6.00% to 9.00%	4.50% to 5.50%		Does not use	3 to 9		
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization, in direct cap, capitalizes NOI before capital replacement reserve; does not use a separate FF&E replacement reserve; reserves are not deducted from NOI before capitalization.	5.0%	3.0%	3.0% to 5.0%	4.25% to 5.50%	1.0% to 3.0%	5.50% to 6.75%	3.50% to 4.75%		\$200 to \$300	3 to 9		
PRIVATE INVESTMENT FIRM ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve; uses a separate FF&E replacement reserve of \$250 to \$375 per unit; reserves are deducted from NOI before capitalization, believes market conditions favor sellers, expects overall cap rates to hold steady over the next six months	2.0% to 5.0% Years 1 & 2	2.0% to 2.8%	2.5% to 5.0%	4.75% to 5.25%	0.5% to 1.8%	5.50% to 6.75%	3.75% to 4.75%		\$200 to \$350	1 to 2		

Source Personal survey conducted by PwC during April 2016

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SOUTHEAST REGION APARTMENT MARKET-SELECT SURVEY RESPONSES Second Quarter 2016

	INITIAL-YEAR CHANGE RATES			VACANCY		RESIDUAL		DISCOUNT RATE (IRR)		OVERALL CAP RATE (OAR)	STRUCTURAL REPLACEMENT RESERVE	MARKETING TIME
	MARKET RENT	EXPENSES	TOTAL VACANCY	CAP RATE	SELLING EXPENSE	FREE & CLEAR	FREE & CLEAR	FREE & CLEAR	PER UNIT	MONTHS		
PENSION FUND INVESTOR ♦ Forecast Period: 4 to 7 years Uses all three approaches to value; in direct capitalization, capitalizes NOI after capital replacement reserve, uses a separate FF&E replacement reserve of \$350 per unit, does not deduct FF&E reserves from NOI before capitalization.	3.0% to 4.0% Years 1 & 2	3.0%	5.0% to 7.0%	5.75% to 7.00%	2.0% to 3.0%	8.00% to 10.00%	5.25% to 6.50%		\$1,200 to \$1,500	2 to 4		
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 3 to 4 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve, does not use a separate FF&E replacement reserve; expects overall cap rates to hold steady over the next six months, does not deduct FF&E reserves from NOI before capitalization.	2.0% to 3.5% Years 1 to 3	2.0% to 3.0%	4.0% to 7.0%	6.50% to 7.00%	1.3% to 1.5%	8.00% to 10.00%	5.50% to 6.00%		\$300 to \$350	3 to 5		
REAL ESTATE ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI before capital replacement reserve, does not use a separate FF&E replacement reserve; expects overall cap rates to hold steady over the next six months; does not deduct FF&E reserves from NOI before capitalization.	4.0% Year 1; 3.0% Year 2	3.0%	5.0%	4.50% to 5.00%	1.0% to 4.0%	5.75% to 6.75%	3.50% to 4.75%		\$200 to \$300	3 to 6		
PENSION FUND ADVISOR ♦ Forecast Period: 5 to 10 years Uses both DCF and direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve, buys 150- to 400-unit apartment complexes; uses a separate FF&E reserve of \$250 to \$350 per unit, does not deduct FF&E reserves from NOI before capitalization.	1.0% to 3.0% Years 1 & 2	2.0% to 3.0%	4.5% to 7.0%	5.50% to 6.25%	0.8% to 1.5%	6.50% to 7.25%	4.50% to 5.75%		\$200 to \$350	1 to 3		
REAL ESTATE ADVISOR ♦ Forecast Period: 1 to 5 years Prefers DCF analysis; also uses direct capitalization, in direct cap, capitalizes NOI after capital replacement reserve, does not deduct FF&E reserves from NOI before capitalization; uses a separate FF&E replacement reserve of \$300 per unit.	3.0% Years 1 to 3	3.0%	5.0%	4.75% to 5.25%	1.0% to 1.5%	6.00% to 7.00%	4.50% to 5.25%		\$300			

Source: Personal survey conducted by PwC during April 2016

NATIONAL NET LEASE MARKET—SELECT SURVEY RESPONSES

Second Quarter 2016

	PREFERRED PROPERTY TYPE	CHANGE RATES		PREFERRED CREDIT RATING	RESIDUAL		DISCOUNT RATE (IRR)	OVERALL CAP RATE (OAR)	UNDERLYING VACANCY & CREDIT LOSS		REPLACEMENT RESERVE	MARKETING TIME
		MARKET RENT	EXPENSES		CAP RATE	SELLING EXPENSES						
											PER SQUARE FOOT	MONTH
INVESTOR/BROKERS ♦ Forecast Period: 3 to 10 years Primary valuation method is direct capitalization; also uses sales comparison approach; underlying credit rating of tenant is more important than real estate value; capitalizes NOI before TIs, leasing commissions, and capital replacement reserve	Commodity retail, office, medical	1.0% to 3.0% Years 1 to 3	1.0% to 3.0%	BBB- to AAA	6.00% to 9.00%	3.0% to 5.0%	8.00% to 10.00%	5.50% to 7.50%	Does not use	Does not use		3 to 6
PRIVATE INVESTMENT FIRM ♦ Forecast Period: 1 to 5 years Primary valuation method is direct capitalization; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; also uses DCF analysis; mainly focuses on net lease transactions; includes reimbursements paid by tenants as both revenues and expenses.	Office, health care, industrial, government	1.5% to 3.0% Years 1 to 3	1.0% to 2.0%	B to A	7.00% to 9.00%	2.0% to 4.0%	8.00% to 10.00%	6.50% to 9.00%	0.0%	\$0.10 to \$0.25		3 to 6
PRIVATE INVESTMENT FIRM ♦ Forecast Period: 3 to 8 years Primary valuation method is sales comparison approach; also uses DCF analysis; mainly completes net lease sales; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve; excludes reimbursements paid by tenants as both revenues and expenses.	Retail (restaurants)	1.0% to 2.0% Years 1 to 3	1.0% to 2.0%	B to AA	7.50% to 7.75%	3.0%	6.00% to 7.00%	5.25% to 6.50%	0.0% to 5.0%	Does not use		3 to 6
INVESTMENT ADVISOR ♦ Forecast Period: 3 to 10 years Primary valuation method is direct capitalization; also uses DCF analysis; in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; mainly focuses on net lease sales; excludes reimbursements paid by tenants as both revenues and expenses.	General-purpose office	1.0% to 2.5% Years 1 to 3	1.0% to 3.0%	BBB- to A	7.00% to 7.75%	4.0% to 5.0%	7.00% to 8.00%	5.50% to 7.00%	3.0% to 5.0%	\$0.05 to \$0.20		3 to 4
MANAGEMENT COMPANY ♦ Forecast Period: 10 to 20 years Mainly focuses on sale-leaseback deals and net lease sales; in direct cap, capitalizes cash flow after TIs, leasing commissions, and capital replacement reserve; expects overall cap rates to decrease 25 to 50 basis points over the next six months; excludes reimbursements paid by tenants as both revenues and expenses.	All varieties	0.0% to 3.0% Years 1 to 3	0.0% to 3.0%	B to AAA	Does not use	Does not use	Does not use	6.25% to 8.50%	Does not use	Does not use		2 to 12

Source: Personal survey conducted by PwC during April 2016

NATIONAL MEDICAL OFFICE BUILDINGS MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

	INITIAL-YEAR CHANGE RATES	RESIDUAL	SELLING EXPENSE	FREE & CLEAR	DISCOUNT RATE (IRR)	OVERALL CAP RATE (OAR)	VACANCY ASSUMPTIONS	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	REPLACEMENT RESERVE	MARKETING TIME
MARKET RENT	EXPENSES	CPI	CAP RATE	FREE & CLEAR	DISCOUNT RATE (IRR)	OVERALL CAP RATE (OAR)	MONTHS VACANT	TENANT RETENTION	UNDERLYING VACANCY & CREDIT LOSS	PER SQUARE FOOT	REPLACEMENT RESERVE	MARKETING TIME
REAL ESTATE ADVISOR ♦ Forecast Period: 10 years												
Uses both DCF and direct cap, in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve, uses face rents and reflects concessions when they are scheduled to occur; may use rent spikes	2.5% to 3.0%	2.0% to 3.0%	2.0% to 3.0%	7.00% to 7.50% (on campus); 7.50% to 8.00% (off campus)	8.00% to 9.00% (on campus); 8.00% to 10.00% (off campus)	5.75% to 6.75% (on campus); 6.75% to 8.00% (off campus)	4 to 6	70.0% to 80.0%	5.0% to 7.0%	\$0.25 to \$0.50		3 to 5
REIT ♦ Forecast Period: 1 to 10 years												
Uses both DCF analysis and direct capitalization; in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; expects overall cap rates to hold steady over the next six months; does not use rent spikes.	2.0% to 3.0% Years 1 to 3	2.0% to 3.0%	2.0% to 3.0%	5.50% to 6.50% (on campus); 6.50% to 7.50% (off campus)	7.00% to 8.00% (on campus); 7.50% to 9.50% (off campus)	5.50% to 6.50% (on campus); 6.00% to 7.50% (off campus)	9 to 12	75.0% to 90.0%	5.0% to 10.0%	\$0.15 to \$0.60		4 to 6
REIT ♦ Forecast Period: 1 to 10 years												
Mainly uses DCF analysis, in direct cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; believes market conditions favor sellers, expects overall cap rates to decrease 50 basis points over the next six months.	1.0% to 3.0% Years 1 to 3	1.5% to 3.0%	0.0% to 3.0%	6.00% to 7.50% (on campus); 8.50% (off campus)	7.00% to 9.00% (on campus); 8.00% to 10.00% (off campus)	6.25% to 7.25% (on campus); 6.50% to 8.25% (off campus)	6 to 15	60.0% to 85.0%	3.0% to 8.0%	\$0.25 to \$0.50		2 to 6
REAL ESTATE SERVICE FIRM ♦ Forecast Period: 8 to 11 years												
Uses all approaches to value, in direct cap, capitalizes NOI after capital replacement reserve but before TIs and leasing commissions; expects overall cap rates to hold steady over the next six months; does not use rent spikes.	2.0% to 3.0% Years 1 & 2	2.0% to 3.0%	2.0% to 3.0%	5.75% to 7.50% (on campus); 7.50% to 8.50% (off campus)	6.50% to 8.00% (on campus); 8.00% to 10.00% (off campus)	5.00% to 7.00% (on campus); 7.00% to 8.00% (off campus)	4 to 6	70.0% to 90.0%	3.0% to 5.0%	\$0.15 to \$0.25		1 to 3
PRIVATE REAL ESTATE FIRM ♦ Forecast Period: 3 to 7 years.												
Uses all approaches to value; indirect cap, capitalizes NOI before TIs, leasing commissions, and capital replacement reserve; expects overall cap rates to hold steady over the next six months	0.0% to 3.0% Years 1 to 3	2.0% to 3.0%	2.0% to 3.0%	7.00% to 8.50% (on campus); 8.50% to 10.25% (off campus)	7.00% to 9.00% (on campus); 8.00% to 11.00% (off campus)	6.75% to 8.50% (on campus); 7.75% to 10.00% (off campus)	6 to 18	70.0% to 80.0%	5.0% to 10.0%	\$0.10 to \$0.30		4 to 6

Source: Personal survey conducted by PwC during April 2016

NATIONAL DEVELOPMENT LAND MARKET-SELECT SURVEY RESPONSES

Second Quarter 2016

Second Quarter 2010

PROPERTY TYPES	PREFERRED ABSORPTION	CHANGE RATES		MARKET CONDITIONS	DISCOUNT RATE (IRR)	DEVELOPERS' PROFIT	FORECAST VALUE CHANGE NEXT 12 MONTHS		MARKETING PERIOD
		YEARS	LOT PRICES				DEVELOPMENT COSTS	FAVOR	
DEVELOPER									
Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 300 to 2000 acres; value of land currently under development ranges from \$30.0 to \$500.0 million; development is concentrated in Hawaii, California, Mexico, Montana, New York, and Nevada									
Single-family luxury	11 to 20	3.0% to 5.0%	3.0% to 5.0%	Both buyers and sellers	20.00%	Included in the discount rate	2.0% to 3.0%		12 to 36
PRIVATE INVESTMENT COMPANY									
Primary method of pricing is DCF; analysis is prepared free and clear of financing; project size ranges from one to 25 acres; value of land currently under development ranges from \$5.0 to \$10.0 million, prefers Texas markets									
Retail	1 to 5	Did not disclose	% of specific revenue	Sellers	10.00% to 15.00%	Included in the discount rate	5.0% to 10.0%		3 to 18
DEVELOPER									
Primary method of pricing is comparable sales; analysis is prepared free and clear of financing; project size ranges from 5 to 250 acres; value of land currently under development totals between \$15.0 and \$20.0 million; development is concentrated in the Midwest									
Industrial and commercial	Over 20	Did not disclose	% of specific revenue	Buyers	10.00% to 15.00%	Included in the discount rate	5.0% to 10.0%		12 to 24
DEVELOPER									
Primary method of pricing is DCF; analysis is prepared free and clear of financing; project size ranges from 4 to 1,200 acres; development is concentrated in Arizona, California, Alaska, and Washington; value of land currently under development ranges from \$80.0 to \$85.0 million.									
Apartment, single-family residential, and industrial	1 to 5	4.0% to 6.0%	2.0% to 3.0%	Sellers	15.00% to 18.00%	5.0% to 8.0% of cost	5.0% to 9.0%		9 to 15
DEVELOPER									
Primary method of pricing is comparable sales; analysis is prepared subject to financing; value of land currently under development is up to \$100.0 million, development is concentrated in Arizona, California, and Hawaii									
Single-family residential	6 to 10	0.0% to 3.0%	3.0%	Buyers	16.00% to 18.00%	Included in the discount rate	4.0%		15

Source: Personal survey conducted by PwC during April 2016

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INVESTMENT AND PROPERTY CHARACTERISTICS: OFFICE MARKETS

Second Quarter 2016

MARKET	FORECAST VALUE CHANGE NEXT 12 MONTHS			PRICE AS % OF REPLACEMENT COST			STRUCTURAL VACANCY			YEARS TO REACH STRUCTURAL VACANCY			TENANT IMPROVEMENT ALLOWANCE (PSF) NEW DEALS (1)			RENEWAL LEASES		
	RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE	
National CBD	(5.0%) - 15.0%	4.6%		65.0% - 125.0%	101.0%		2.0% - 15.0%	6.5%		1 - 4	2.4		\$20.00 - \$75.00	\$37.50		\$5.00 - \$35.00	\$16.67	
National Suburban	(5.0%) - 10.0%	3.6%		70.0% - 115.0%	90.0%		5.0% - 15.0%	9.2%		0 - 5	1.8		\$0.00 - \$80.00	\$31.25		\$0.00 - \$25.00	\$13.57	
Atlanta	0.0% - 10.0%	3.7%		50.0% - 100.0%	83.3%		4.0% - 12.0%	7.9%		0 - 4	1.6		\$5.00 - \$70.00	\$29.88		\$0.00 - \$20.00	\$10.40	
Boston	(5.0%) - 10.0%	3.6%		50.0% - 110.0%	87.5%		1.8% - 12.0%	7.0%		0 - 5	1.1		\$10.00 - \$90.00	\$46.04		\$5.00 - \$30.00	\$17.92	
Charlotte	0.0% - 15.0%	4.9%		70.0% - 110.0%	91.5%		2.0% - 12.0%	7.2%		0 - 3	1.8		\$10.00 - \$30.00	\$31.00		\$5.00 - \$10.00	\$13.00	
Chicago	0.0% - 5.0%	2.0%		50.0% - 120.0%	81.4%		5.0% - 13.0%	9.5%		0 - 5	2.9		\$7.50 - \$125.00	\$50.45		\$5.00 - \$40.00	\$19.52	
Dallas	(2.0%) - 20.0%	3.6%		50.0% - 110.0%	89.8%		0.0% - 20.0%	7.8%		0 - 10	3.0		\$5.00 - \$60.00	\$32.61		\$5.00 - \$25.00	\$12.88	
Denver	0.0% - 10.0%	4.0%		50.0% - 150.0%	101.3%		5.0% - 15.0%	8.3%		0 - 3	1.2		\$12.00 - \$60.00	\$33.60		\$3.00 - \$20.00	\$10.05	
Houston	(20.0%) - 0.0%	(5.9%)		50.0% - 110.0%	88.1%		5.0% - 15.0%	9.4%		1 - 15	4.8		\$8.00 - \$55.00	\$29.29		\$0.00 - \$25.00	\$11.50	
Los Angeles	0.0% - 10.0%	3.6%		80.0% - 125.0%	101.5%		3.0% - 15.0%	8.5%		0 - 4	1.1		\$10.00 - \$125.00	\$41.25		\$0.00 - \$50.00	\$17.00	
Manhattan	(2.5%) - 12.0%	4.6%		50.0% - 120.0%	88.0%		0.0% - 12.0%	6.5%		0 - 4	1.4		\$10.00 - \$120.00	\$52.29		\$10.00 - \$35.00	\$24.17	
Northern Virginia	(10.0%) - 5.0%	0.2%		80.0% - 105.0%	94.9%		5.0% - 10.0%	7.3%		0 - 5	2.8		\$20.00 - \$100.00	\$49.75		\$10.00 - \$80.00	\$26.50	
Pacific Northwest	(10.0%) - 10.0%	1.9%		50.0% - 120.0%	98.9%		3.0% - 15.0%	7.6%		0 - 5	1.4		\$10.00 - \$85.00	\$45.34		\$0.00 - \$50.00	\$16.59	
Philadelphia	(5.0%) - 10.0%	1.5%		55.0% - 100.0%	81.5%		5.0% - 12.0%	7.2%		1 - 4	1.7		\$5.00 - \$65.00	\$29.75		\$5.00 - \$20.00	\$9.00	
Phoenix	0.0% - 10.0%	5.1%		60.0% - 110.0%	88.1%		5.0% - 12.0%	7.6%		0 - 4	1.2		\$2.00 - \$60.00	\$50.00		\$0.00 - \$35.00	\$35.00	
San Diego	0.0% - 10.0%	3.8%		85.0% - 110.0%	98.3%		5.0% - 12.0%	7.3%		0 - 3	1.4		Insufficient number of responses	Insufficient number of responses		Insufficient number of responses		
San Francisco	(10.0%) - 10.0%	1.4%		85.0% - 130.0%	98.5%		3.0% - 10.0%	6.8%		0 - 3	1.0		\$10.00 - \$80.00	\$43.75		\$0.00 - \$30.00	\$14.00	
Seattle	(10.0%) - 10.0%	3.5%		50.0% - 120.0%	95.9%		3.0% - 15.0%	7.9%		0.5 - 5	1.9		\$10.00 - \$85.00	\$47.29		\$0.00 - \$50.00	\$16.67	
Southeast Florida	(25.0%) - 15.0%	0.1%		50.0% - 100.0%	80.6%		4.0% - 25.0%	8.3%		1 - 5	2.0		\$0.00 - \$75.00	\$30.46		\$5.00 - \$40.00	\$13.50	
Suburban Maryland	Insufficient number of responses	Insufficient number of responses		Insufficient number of responses	Insufficient number of responses		Insufficient number of responses	Insufficient number of responses		Insufficient number of responses	Insufficient number of responses		Insufficient number of responses	Insufficient number of responses		Insufficient number of responses		
Washington, DC	(5.0%) - 10.0%	0.8%		90.0% - 115.0%	102.7%		2.0% - 8.0%	5.5%		0 - 3	1.1		\$25.00 - \$125.00	\$65.21		\$10.00 - \$115.00	\$32.50	

(1) Includes both second-generation and new space; a breakout of TI allowances is included in each fourth quarter issue of the Survey.
Source: Personal survey conducted by PwC during April 2016



INVESTMENT AND PROPERTY CHARACTERISTICS: NATIONAL AND REGIONAL MARKETS

Second Quarter 2016

MARKET	FORECAST VALUE CHANGE NEXT 12 MONTHS		PRICE AS % OF REPLACEMENT COST		CLASS-A+ and A MALLS IRRs		OARs		CLASS-B+ and B MALLS IRRs		OARs		STABILIZED OCCUPANCY	
	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE
National Regional Mall	(10.0%) - 8.0%	1.8%	75.0% - 150.0%	110.4%	5.0% - 10.0%	6.8%	4.00% - 6.25%	4.89%	7.25% - 12.00%	9.12%	5.25% - 9.00%	7.17%	85.0% - 99.0%	93.1%
National Power Center	(5.0%) - 5.0%	1.1%	85.0% - 110.0%	98.3%									80.0% - 96.0%	91.6%
National Strip Shopping Center	(5.0%) - 10.0%	1.2%	50.0% - 140.0%	98.5%									85.0% - 97.0%	92.8%
MARKET	FORECAST VALUE CHANGE NEXT 12 MONTHS		PRICE AS % OF REPLACEMENT COST		FINISHED SPACE %		TENANT IMPROVEMENT ALLOWANCES (PSF) NEW DEALS (1)		RENEWAL LEASES					
	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE				
National Flex/R&D	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses	Insufficient number of responses				
Warehouse (National)	(5.0%) - 5.0%	2.6%	85.0% - 130.0%	103.6%	0.0% - 20.0%	8.7%	\$0.00 - \$75.00	\$6.32	\$0.00 - \$2.50	\$0.76				
Warehouse (ENC Region)	0.0% - 10.0%	4.0%	80.0% - 120.0%	96.9%	0.0% - 30.0%	9.3%	\$0.00 - \$10.00	\$2.43	\$0.00 - \$2.50	\$0.80				
Warehouse (Pacific Region)	0.0% - 10.0%	2.8%	80.0% - 110.0%	99.6%	0.0% - 15.0%	6.7%	\$0.00 - \$5.00	\$1.25	\$0.00 - \$2.50	\$0.78				
Apartment (National)	(5.0%) - 15.0%	3.1%	90.0% - 130.0%	103.2%										
Apartment (Mid-Atlantic Region)	0.0% - 5.0%	2.1%	70.0% - 130.0%	100.0%										
Apartment (Pacific Region)	0.0% - 15.0%	5.5%	80.0% - 150.0%	107.0%										
Apartment (Southeast Region)	0.0% - 5.0%	2.1%	80.0% - 125.0%	104.4%										
National Net Lease	0.0% - 15.0%	4.7%	100.0% - 150.0%	111.9%										
National Medical Office Buildings	(5.0%) - 10.0%	1.3%	100.0% - 150.0%	111.3%										

(1) Includes both second-generation and new space, a breakout of TI allowances is included in each fourth quarter issue of the Survey

Source: Personal survey conducted by PwC during April 2016.



YIELD COMPARISONS

April 1, 2016

	2011 AVERAGE	2012 AVERAGE	2013 AVERAGE	2014 AVERAGE	2015 AVERAGE	2015 OCTOBER	2016 JANUARY	2016 APRIL
PwC Yield Indicator (PYI) ^a	9.05%	8.77%	8.39%	8.11%	7.82%	7.75%	7.73%	7.70%
Long-Term Mortgages ^b	5.21%	4.48%	4.16%	4.48%	4.31%	4.31%	4.49%	4.30%
10-Year Treasuries ^c	2.96%	1.86%	2.22%	2.69%	2.34%	2.05%	2.24%	1.79%
Consumer Price Index Change ^d	3.49%	2.16%	0.97%	1.66%	0.19%	(1.37%)	(1.55%)	3.96%
SPREAD TO PYI (Basis Points)								
Long-Term Mortgages	384	429	423	363	351	344	324	340
10-Year Treasuries	609	691	617	542	548	570	549	591
Consumer Price Index Change	556	661	742	645	763	912	928	374

a. A composite IRR average of all markets surveyed (excluding hotels, development land, and student housing)

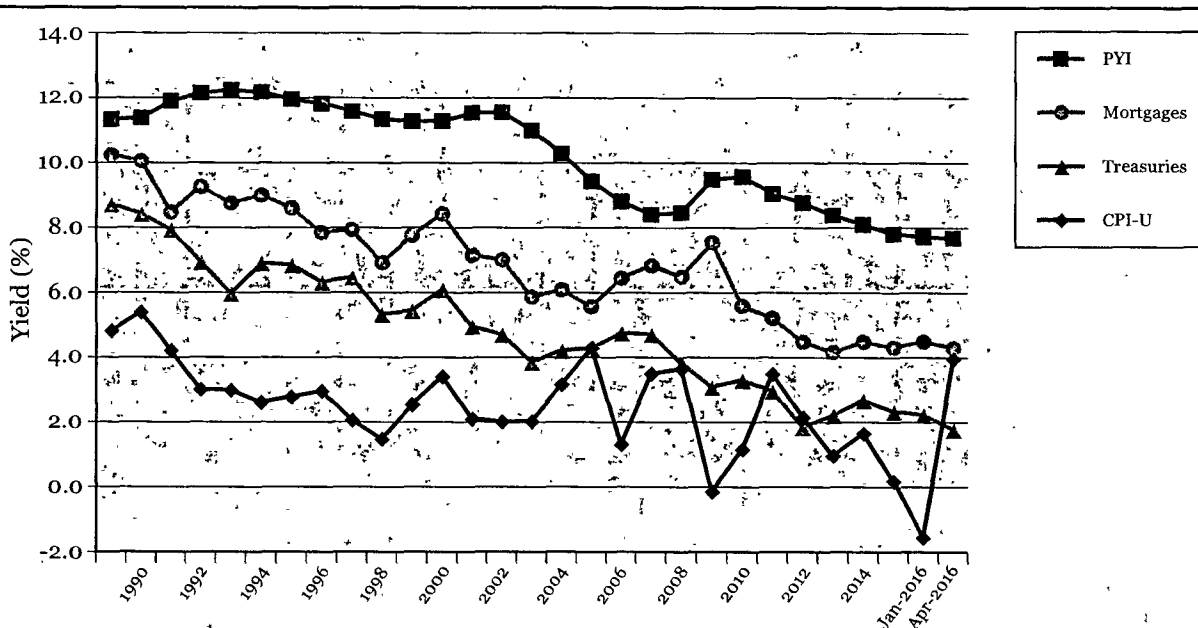
b. Source: CB Richard Ellis/L.J. Melody Capital Markets, Global Commercial Banc, Commercial Loan Direct, reflects conventional funding, 60% to 80% LTV commercial loans, fixed rates, 6- to 30-year terms.

c. Source: Federal Reserve, the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

COMPARATIVE YIELDS

April 1, 2016



DIVIDEND COMPARISONS

April 1, 2016

	2011 AVERAGE	2012 AVERAGE	2013 AVERAGE	2014 AVERAGE	2015 AVERAGE	2015 OCTOBER	2016 JANUARY	2016 APRIL
PwC Dividend Indicator (PDI) ^a	7.60%	7.27%	6.92%	6.66%	6.38%	6.31%	6.31%	6.26%
Equity REITs ^b	3.65%	3.59%	3.68%	3.80%	3.64%	3.82%	4.07%	3.94%
S&P 500 ^c	1.91%	2.04%	2.09%	1.92%	2.03%	2.21%	2.12%	2.13%
SPREAD TO PDI (Basis Points)								
Equity REITs	395	368	324	286	274	249	224	232
S&P 500	569	523	483	474	435	410	419	413

a. A composite OAR (initial rate of return in an all-cash transaction) average of all markets surveyed (excluding hotels, development land, and student housing)

b. Source: National Association of Real Estate Investment Trusts, dividend yields are as of the last day of the prior quarter until April 2013, then, starting month of quarter

c. Source: Standard & Poors; dividend yields are quarterly yields as of the last day of the prior quarter

INSTITUTIONAL-GRADE VS. NONINSTITUTIONAL-GRADE PROPERTY RATES: OFFICE MARKETS

Second Quarter 2016

MARKET	INSTITUTIONAL IRRs			OARS			NONINSTITUTIONAL (BASIS-POINT SPREAD TO INSTITUTIONAL RATES) IRRs			OARS		
	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE
National CBD Office	5.50% - 10.00%	7.16%	3.50% - 7.50%	5.55%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
National Suburban Office	5.75% - 10.00%	7.59%	4.50% - 9.00%	6.43%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Atlanta Office	6.00% - 9.50%	7.98%	5.25% - 9.00%	7.10%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Boston Office	6.00% - 10.00%	7.49%	4.00% - 9.00%	6.19%	50 - 500	213	50 - 250	169				
Charlotte Office	6.50% - 11.00%	8.48%	5.50% - 8.75%	6.99%	150 - 400	258	75 - 250	146				
Chicago Office	6.00% - 12.00%	8.61%	5.00% - 10.00%	7.36%	100 - 600	305	50 - 350	168				
Dallas Office	6.00% - 11.00%	8.14%	5.00% - 9.00%	6.84%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Denver Office	6.50% - 11.00%	7.98%	5.00% - 9.00%	6.45%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Houston Office	6.50% - 12.00%	8.68%	5.50% - 10.00%	7.05%	75 - 1,000	329	50 - 200	104				
Los Angeles Office	5.00% - 9.00%	6.93%	4.50% - 7.50%	5.75%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Manhattan Office	5.50% - 9.00%	6.85%	3.75% - 8.00%	5.15%	50 - 150	96	50 - 200	113				
Northern Virginia Office	6.00% - 9.50%	7.75%	5.00% - 8.50%	6.88%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Pacific Northwest Office	5.50% - 10.50%	7.46%	4.50% - 8.00%	5.99%	75 - 500	225	50 - 300	121				
Philadelphia Office	7.00% - 10.00%	8.51%	6.00% - 9.00%	7.50%	50 - 200	108	50 - 150	79				
Phoenix Office	7.00% - 11.00%	8.43%	5.00% - 8.50%	6.84%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
San Diego Office	6.25% - 10.50%	7.83%	5.25% - 8.50%	6.81%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
San Francisco Office	5.75% - 10.00%	6.90%	3.50% - 9.00%	5.71%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Seattle Office	5.50% - 10.50%	7.37%	4.50% - 8.00%	5.81%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Southeast Florida Office	6.00% - 10.75%	8.24%	4.50% - 10.00%	7.13%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Suburban Maryland Office	7.25% - 10.00%	8.78%	5.50% - 9.00%	7.28%	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Washington, DC Office	5.50% - 8.00%	6.81%	4.25% - 6.50%	5.40%	75 - 200	108	50 - 200	125				

(a) Participants are not currently pursuing noninstitutional investments in this market.

Source: Personal survey conducted by PwC during April 2016



INSTITUTIONAL-GRADE VS. NONINSTITUTIONAL-GRADE PROPERTY RATES: NATIONAL AND REGIONAL MARKETS **Second Quarter 2016**

MARKET	INSTITUTIONAL IRRs		OARs		NONINSTITUTIONAL (BASIS-POINT SPREAD TO INSTITUTIONAL RATES)		OARs	
	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE	RANGE	AVERAGE
National Regional Mall	5.50% - 11.50%	7.65%	4.00% - 9.00%	6.00%	(a)	(a)	(a)	(a)
National Power Center	6.00% - 10.00%	7.79%	5.00% - 8.00%	6.35%	50 - 300	131	50 - 150	91
National Strip Shopping Center	6.00% - 10.75%	7.54%	4.50% - 9.50%	6.26%	50 - 800	200	25 - 500	134
National Flex/R&D	7.00% - 11.00%	8.23%	5.75% - 9.00%	7.15%	(a)	(a)	(a)	(a)
Warehouse (National)	5.50% - 9.25%	6.90%	3.00% - 7.00%	5.38%	50 - 400	225	50 - 250	138
Warehouse (ENC Region)	5.75% - 7.50%	6.73%	4.50% - 6.25%	5.48%	100 - 500	233	75 - 400	167
Warehouse (Pacific Region)	5.50% - 9.00%	6.65%	3.75% - 7.00%	5.20%	(a)	(a)	(a)	(a)
National Apartment	5.50% - 10.00%	7.28%	3.50% - 8.00%	5.29%	25 - 400	169	25 - 400	147
Apartment (Mid-Atlantic Region)	5.50% - 10.00%	7.50%	3.00% - 7.50%	5.23%	25 - 400	204	25 - 400	171
Apartment (Pacific Region)	5.50% - 9.00%	6.80%	3.50% - 6.00%	4.52%	(a)	(a)	(a)	(a)
Apartment (Southeast Region)	5.75% - 10.00%	7.53%	3.50% - 6.50%	5.15%	(a)	(a)	(a)	(a)
National Medical Office Buildings	5.50% - 11.00%	8.13%	4.50% - 10.00%	6.81%	100 - 400	217	50 - 300	142
National Secondary Office	5.75% - 13.00%	8.79%	4.50% - 10.00%	7.39%	50 - 400	188	50 - 250	126

(a) Participants are not currently pursuing noninstitutional investments in this market
Source: Personal survey conducted by PwC during April 2016



INCOME CAPITALIZED IN DIRECT CAPITALIZATION						
Second Quarter 2016						
PERCENTAGE OF SURVEY RESPONDENTS USING:						
MARKET	METHOD 1 (a)		METHOD 2 (a)		METHOD 3 (a)	
	CURRENT	YEAR AGO	CURRENT	YEAR AGO	CURRENT	YEAR AGO
National Retail						
Regional Mall	40.0%	40.0%	60.0%	60.0%	0.0%	0.0%
Power Center	33.0%	33.0%	67.0%	67.0%	0.0%	0.0%
Strip Shopping Center	13.0%	13.0%	88.0%	88.0%	0.0%	0.0%
Office						
National CBD	14.0%	14.0%	86.0%	86.0%	0.0%	0.0%
National Suburban	25.0%	25.0%	63.0%	63.0%	13.0%	13.0%
National Secondary	10.0%	10.0%	90.0%	90.0%	0.0%	0.0%
Atlanta	0.0%	0.0%	80.0%	83.0%	20.0%	17.0%
Boston	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Charlotte	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Chicago	29.0%	29.0%	71.0%	71.0%	0.0%	0.0%
Dallas	13.0%	17.0%	88.0%	83.0%	0.0%	0.0%
Denver	50.0%	20.0%	50.0%	80.0%	0.0%	0.0%
Houston	43.0%	17.0%	43.0%	67.0%	14.0%	17.0%
Los Angeles	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
Manhattan	17.0%	17.0%	83.0%	83.0%	0.0%	0.0%
Northern Virginia	40.0%	40.0%	60.0%	60.0%	0.0%	0.0%
Pacific Northwest	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Philadelphia	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
Phoenix	40.0%	33.0%	60.0%	67.0%	0.0%	0.0%
San Diego	60.0%	40.0%	40.0%	60.0%	0.0%	0.0%
San Francisco	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Seattle	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Southeast Florida	33.0%	33.0%	50.0%	50.0%	17.0%	17.0%
Suburban Maryland	40.0%	40.0%	60.0%	60.0%	0.0%	0.0%
Washington, DC	33.0%	17.0%	67.0%	83.0%	0.0%	0.0%
Industrial						
National Flex/R&D	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%
National Warehouse	20.0%	20.0%	80.0%	80.0%	0.0%	0.0%
ENC Region Warehouse	20.0%	17.0%	80.0%	83.0%	0.0%	0.0%
Pacific Region Warehouse	40.0%	33.0%	60.0%	67.0%	0.0%	0.0%
Apartments^b						
National	90.0%	70.0%	10.0%	30.0%		
Mid-Atlantic Region	100.0%	100.0%	0.0%	0.0%		
Pacific Region	80.0%	83.0%	20.0%	17.0%		
Southeast Region	80.0%	80.0%	20.0%	20.0%		
National Net Lease	40.0%	40.0%	20.0%	20.0%	40.0%	40.0%
National Medical Office Buildings	25.0%	33.0%	75.0%	67.0%	0.0%	0.0%
Note: Lines may not add to up to 100% due to rounding. a Method 1: NOI after deducting capital replacement reserve but before deducting TIs (tenant improvements) and leasing commissions Method 2: NOI before deducting capital replacement reserve, TIs, and leasing commissions Method 3: Cash flow after deducting capital replacement reserve, TIs, and leasing commissions b Method 1: NOI after deducting capital replacement reserve Method 2: NOI before deducting capital replacement reserve.						

LODGING INCOME CAPITALIZED IN DIRECT CAPITALIZATION						
First Quarter 2016						
SEGMENT	PRIOR 12 MONTHS ^a		FORECAST 12 MONTHS ^b		BOTH ^c	
	CURRENT	YEAR AGO	CURRENT	YEAR AGO	CURRENT	YEAR AGO
Full Service	0.0%	17.0%	40.0%	33.0%	60.0%	50.0%
Limited-Service Midscale & Economy	60.0%	60.0%	40.0%	40.0%	0.0%	0.0%
Luxury/Upper Upscale	0.0%	17.0%	33.0%	29.0%	67.0%	43.0%
Select Service	40.0%	40.0%	20.0%	20.0%	40.0%	40.0%
Note: Lines may not add to up to 100% due to rounding. a Percentage of our lodging participants who capitalize the prior 12 months of income in direct capitalization b Percentage of our lodging participants who capitalize the next 12 months of income in direct capitalization c Percentage of our lodging participants who analyze both the prior 12 months of income and the next 12 months of income in direct capitalization						

FORECAST PERIODS AND CHANGE RATES: OFFICE MARKETS Second Quarter 2016

MARKET	FORECAST PERIOD			MARKET RENT CHANGE RATES INITIAL YEAR			FORECAST PERIOD AVERAGE			EXPENSE CHANGE RATES INITIAL YEAR			FORECAST PERIOD AVERAGE		
	RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE		RANGE	AVERAGE	
National CBD Office	5-15	9		0.00% - 7.00%	2.86%		0.00% - 5.00%	2.85%		2.00% - 4.00%	2.79%		2.00% - 4.00%	2.79%	
National Suburban Office	5-12	9		0.00% - 5.00%	2.25%		1.00% - 4.00%	2.79%		2.00% - 4.00%	2.91%		2.00% - 4.00%	2.93%	
National Secondary Office	1-15	7		0.00% - 10.00%	3.65%		2.00% - 10.00%	3.88%		1.50% - 3.00%	2.48%		1.50% - 3.00%	2.49%	
Atlanta Office	3-10	8		0.00% - 7.00%	3.50%		0.00% - 5.00%	2.88%		0.00% - 3.50%	2.28%		1.50% - 3.50%	2.73%	
Boston Office	3-12	9		0.00% - 7.00%	3.83%		2.00% - 4.00%	3.10%		0.00% - 3.00%	2.71%		2.00% - 4.50%	3.00%	
Charlotte Office	3-10	6		0.00% - 6.00%	3.20%		2.00% - 5.00%	3.05%		1.80% - 3.00%	2.49%		1.75% - 3.00%	2.53%	
Chicago Office	3-10	8		0.00% - 4.50%	2.00%		2.00% - 4.00%	3.12%		2.00% - 5.00%	3.14%		2.00% - 5.00%	3.37%	
Dallas Office	3-10	7		0.00% - 6.00%	3.47%		2.00% - 6.00%	3.55%		2.00% - 3.00%	2.91%		2.50% - 6.00%	3.34%	
Denver Office	1-11	8		3.00% - 5.00%	3.67%		2.00% - 4.00%	3.10%		2.00% - 5.00%	3.00%		2.00% - 3.00%	2.80%	
Houston Office	3-10	6		(8.00%) - 3.00%	(0.64%)		(3.00%) - 9.00%	2.16%		2.00% - 3.00%	2.79%		2.50% - 9.00%	3.61%	
Los Angeles Office	3-15	9		2.00% - 7.00%	4.00%		2.00% - 6.00%	3.60%		2.00% - 3.00%	2.70%		2.00% - 3.00%	2.80%	
Manhattan Office	3-12	10		0.00% - 6.50%	3.54%		0.00% - 5.00%	3.13%		1.00% - 3.00%	2.75%		1.00% - 5.00%	2.92%	
Northern Virginia Office	3-10	8		0.00% - 3.00%	1.30%		1.00% - 3.00%	2.14%		1.00% - 3.00%	2.40%		1.00% - 3.00%	2.43%	
Pacific Northwest Office	3-10	8		2.00% - 7.00%	3.66%		2.00% - 5.00%	3.34%		2.00% - 3.00%	2.86%		2.00% - 3.00%	2.86%	
Philadelphia Office	4-10	7		0.00% - 3.00%	1.85%		2.00% - 3.50%	2.80%		0.00% - 3.00%	2.30%		0.00% - 3.00%	2.38%	
Phoenix Office	2-12	7		2.00% - 7.00%	4.10%		2.00% - 8.00%	3.88%		1.00% - 3.00%	2.70%		1.00% - 3.00%	2.70%	
San Diego Office	1-10	9		2.00% - 6.00%	3.80%		2.00% - 5.00%	3.31%		2.00% - 3.00%	2.80%		2.00% - 3.00%	2.75%	
San Francisco Office	5-10	9		2.00% - 6.00%	4.10%		1.00% - 5.00%	3.04%		0.00% - 3.00%	2.60%		2.00% - 3.00%	2.90%	
Seattle Office	5-10	8		2.50% - 5.00%	3.71%		3.00% - 5.00%	3.48%		2.00% - 3.00%	2.79%		2.00% - 3.00%	2.79%	
Southeast Florida Office	3-10	8		0.00% - 7.00%	2.83%		0.00% - 5.00%	2.88%		1.00% - 3.00%	2.75%		1.00% - 3.00%	2.79%	
Suburban Maryland Office	1-10	7		0.00% - 1.00%	0.10%		1.00% - 3.00%	1.92%		1.00% - 3.00%	2.00%		1.00% - 3.00%	2.00%	
Washington, DC Office	5-10	9		0.00% - 4.00%	1.42%		1.50% - 4.00%	2.83%		2.00% - 3.00%	2.75%		2.00% - 3.00%	2.79%	

Source: Personal survey conducted by PwC during April 2016.

FORECAST PERIODS AND CHANGE RATES: NATIONAL AND REGIONAL MARKETS **Second Quarter 2016**

MARKET	FORECAST PERIOD			MARKET RENT CHANGE RATES			EXPENSE CHANGE RATES		
	RANGE	AVERAGE	INITIAL YEAR	RANGE	AVERAGE	INITIAL YEAR	RANGE	AVERAGE	INITIAL YEAR
National Regional Mall	1 - 10	7	0.00% - 5.00%	2.65%	1.00% - 5.00%	2.95%	2.00% - 5.00%	3.00%	2.00% - 5.00%
National Power Center	1 - 15	8	0.00% - 5.00%	2.00%	0.00% - 5.00%	2.50%	2.00% - 3.00%	2.75%	2.00% - 4.00%
National Strip Shopping Center	1 - 10	8	0.00% - 3.00%	1.80%	0.00% - 6.00%	2.78%	0.00% - 3.00%	2.69%	1.00% - 4.00%
National Flex/R&D	2 - 10	7	0.00% - 4.00%	2.30%	0.00% - 4.00%	2.65%	0.00% - 3.00%	2.70%	0.00% - 3.00%
Warehouse (National)	3 - 15	9	0.00% - 5.00%	2.41%	2.00% - 6.00%	3.25%	3.00% - 3.00%	3.00%	0.00% - 3.00%
Warehouse (East North Central Region)	3 - 10	8	0.00% - 5.00%	2.90%	2.00% - 6.00%	3.25%	2.00% - 4.00%	3.00%	0.00% - 4.00%
Warehouse (Pacific Region)	5 - 10	9	0.00% - 5.00%	2.40%	2.00% - 4.00%	3.02%	2.00% - 3.00%	2.80%	0.00% - 3.00%
Apartment (National)	1 - 10	7	0.00% - 7.00%	3.08%	1.00% - 5.00%	3.06%	2.00% - 4.00%	2.81%	2.00% - 4.50%
Apartment (Mid-Atlantic Region)	3 - 10	6	0.00% - 4.00%	2.10%	1.00% - 4.30%	3.03%	1.00% - 3.00%	2.70%	1.00% - 3.00%
Apartment (Pacific Region)	3 - 10	7	0.00% - 5.00%	3.10%	2.00% - 5.00%	3.59%	2.00% - 3.00%	2.83%	2.50% - 3.00%
Apartment (Southeast Region)	1 - 10	5	1.00% - 4.00%	3.05%	1.00% - 4.00%	2.85%	2.00% - 3.00%	2.80%	2.00% - 3.00%
National Net Lease	1 - 20	7	0.00% - 3.00%	1.80%	1.00% - 5.00%	2.63%	0.00% - 3.00%	1.70%	1.00% - 6.00%
National Medical Office Buildings	1 - 11	7	0.00% - 4.00%	2.41%	0.00% - 4.00%	2.34%	1.00% - 4.00%	2.41%	2.00% - 5.00%

Source: Personal survey conducted by PwC during April 2016



Definitions

GENERAL

BASIS POINT

1/100th of a percentage point (0.01%).

CHANGE RATE

Annual compound rate of change.

DISCOUNT RATE (IRR)

Internal rate of return in an all-cash transaction, based on annual year-end compounding. All-cash refers to either all cash or market financing; unleveraged return.

EAST NORTH CENTRAL (ENC) REGION

As per NCREIF, includes Illinois, Indiana, Kentucky, Michigan, Ohio, and Wisconsin.

EXCESSIVE TENANT IMPROVEMENT ALLOWANCE³

The amount by which an awarded tenant improvement allowance exceeds that which is typical for the market.

INSTITUTIONAL-GRADE REAL ESTATE

Real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria.

MARKETING TIME

The period of time between the initial offering of a property for sale and the closing date of the sale.

MEDICAL OFFICE BUILDING (MOB)

A multitenant office building containing physicians' offices and exam rooms, and in some cases pharmacies and ancillary hospital-service space to conduct outpatient services, such as diagnostic testing, rehabilitation, and day-surgery operating procedures. MOBs are different from general office buildings since they typically require more plumbing and electrical and mechanical systems to accommodate equipment unique to medical practices.

MID-ATLANTIC REGION

As per NCREIF, includes Delaware, Maryland, Virginia, North Carolina, and South Carolina, as well as Washington, DC.

NET OPERATING INCOME (NOI)

Income remaining after deduction of all property expenses (including real estate taxes). In direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve deduction but before TIs and leasing commissions
2. NOI before capital replacement reserve

deduction, TIs, and leasing commissions

3. Cash flow after capital replacement reserve deduction, TIs, and leasing commissions

OVERALL CAPITALIZATION (CAP) RATE

Initial rate of return in an all-cash transaction; the overall cap rates reported in this Survey reflect investors' expectations of property performance and are applied to one of the three net operating income levels noted above. All-cash refers to either all cash or market financing; unleveraged return.

PACIFIC REGION

As per NCREIF, includes Washington, Oregon, and California.

PROJECTION PERIOD¹

A presumed period of ownership; a period of time over which expected net operating income is projected for purposes of analysis and valuation; also referred to as "forecast" period by Survey participants

PwC DIVIDEND INDICATOR (PDI)

A composite OAR average of the surveyed markets excluding lodging.

PwC YIELD INDICATOR (PYI)

A composite IRR average of the surveyed markets excluding lodging and development land

QUARTILE

One of the three points that divide a range of data or population into four equal parts. The first quartile (also called the lower quartile) is the number below which sits 25.0% of the bottom data. The second quartile (the median) divides the range in the middle and has 50.0% of the data below it. The third quartile (also called the upper quartile) has 75.0% of the data below it and the top 25.0% of the data above it.

RENT SPIKE

An increase in market rent that is markedly higher than the general rate of inflation.

REPLACEMENT COST¹

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

REPLACEMENT RESERVE

Amount allocated for periodic replacement of building components during a property's economic life

RESIDUAL

Estimated total price at conclusion of forecast period:

Cap Rate

Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast.

Selling Expense

Transaction expenses (legal, brokerage, marketing, etc.) paid by the seller.

SHADOW SPACE³

Space within an occupied office suite that is not currently utilized by a tenant and is also not being marketed for subleasing

SOUTHEAST REGION

As per NCREIF, includes Alabama, Arkansas, Florida, Georgia, Mississippi, and Tennessee.

STRUCTURAL VACANCY³

Normal vacancy rate in a balanced market.

VACANCY ASSUMPTIONS

Months Vacant

The number of months a space remains unleased at the expiration of a vacating tenant lease.

Tenant Retention

Percentage of leased rentable area that is expected to be released by the existing tenants at lease expiration.

Underlying Vacancy/Credit Loss

Percentage of total revenue uncollected due to unexpected vacancy or credit loss (in addition to any rent loss from vacancies at lease expirations).

APARTMENT

NET OPERATING INCOME (APARTMENT NOI)

Income remaining after deduction of all property expenses (which includes leasing commissions); in direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve
2. NOI before capital replacement reserve
3. Cash flow after capital replacement reserve

GARDEN APARTMENT¹

Development consisting of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development.

HIGH-RISE APARTMENT⁵

Multifamily housing development consisting of at least four stories.

Various sources for these definitions include ¹*The Dictionary of Real Estate Appraisal, Fifth Edition*, published by the Appraisal Institute,

²International Council of Shopping Centers, ³investor interviews and PwC, ⁴Smith Travel Research, and ⁵National Multi Housing Council.

DEVELOPMENT LAND

DEVELOPMENT LAND

Land that has been purchased, readied for subdivision development (i.e. entitlements and infrastructure), and subsequently sold to builders

DEVELOPER'S PROFIT^{1,3}

A market-derived figure that reflects the amount a developer expects to receive for his or her contribution to a project and risk

INDUSTRIAL

FLEX/R&D³

An industrial property with 14- to 20-foot clear ceiling heights, up to 100.0% finished office space including lab and clean-room space (up to 60.0% finished office space excluding lab and clean-room space), and dock-high and/or grade-level loading used for minimal distribution, research and development, and specialized office space.

WAREHOUSE³

An industrial property with 16- to 30-foot clear ceiling heights, up to 15.0% finished office space, and dock-high loading facilities used for the storage and distribution of goods.

LODGING

AVERAGE DAILY RATE (ADR)⁴

Room revenue divided by rooms sold.

LIMITED-SERVICE MIDSACLE & ECONOMY^{3,4}

Midscale lodging with "rooms only" and no food or beverage except possible continental breakfast; includes all economy lodging; lower-tier pricing; corresponds to STR's limited-service hotels in the mid-scale chain scale and all hotels in the economy chain scale; includes brands such as Howard Johnson, Sleep Inn, and Motel 6.

FULL SERVICE^{3,4}

Lodging with restaurant and lounge facilities, meeting space, and a minimum service and amenities level; moderate to lower upper-tier pricing; corresponds to STR's full-service hotels in the upscale, upper midscale, and midscale chain scales; includes brands such as Doubletree, Radisson, and Ramada.

LUXURY/UPPER UPSACLE^{3,4}

High-quality lodging offering personalized guest services, typically with extensive amenities, and upper-tier pricing; corresponds to STR's luxury and upper-upscale chain scales; includes brands such as Ritz Carlton, Four Seasons, and Hyatt.

MANAGEMENT FEE

An expense item representing the sum paid for or the value of management serv-

ice, including incentives, expressed as a percentage of total revenues.

NET OPERATING INCOME (LODGING NOI)

Income remaining after deduction of all property expenses: in direct capitalization, investors capitalize one of the following:

1. Prior 12 months
2. Forecast next 12 months
3. Both of the above

OCCUPANCY⁴

Rooms sold divided by rooms available.

OPERATING EXPENSES

The ongoing expenditures incurred during the ordinary course of business necessary to maintain and continue the production of gross revenues, not including reserves, debt service, and capital costs.

PROPERTY EXPENSES

Includes all necessary operating expenses and a reserve for replacement of building components and FF&E.

RESERVE FOR REPLACEMENT

An allowance that provides for the periodic replacement of building components, and furniture, fixtures, and equipment, which deteriorate and must be replaced during the building's economic life.

REVPAR

Revenue per available room.

SELECT SERVICE^{3,4}

Upscale and upper-midscale lodging with "rooms only" and no or minimal food and beverage; moderate pricing; excludes economy properties; corresponds to STR's select-service hotels in the upscale chain scale and limited-service hotels in the upper-midscale chain scale; includes brands such as Hampton Inn, Residence Inn, and Comfort Inn.

NET LEASE

PROVISION 1031

A tax code that allows the seller of an investment property to defer capital gains taxes by exchanging the sale proceeds for an investment in a similar property or properties within 180 days of the original closing.

SALE LEASEBACK

A transaction in which an owner sells a property that it fully occupies to a third party and then leases the space back from the new owner.

SECONDARY OFFICE³

INCLUDED MARKETS

Austin, Baltimore, Cincinnati, Cleveland, Detroit, Indianapolis, Jacksonville,

Kansas City, Las Vegas, Minneapolis, Nashville, Orlando, Pittsburgh, Raleigh, Riverside, Sacramento, San Antonio, San Jose, St. Louis, and Tampa

RETAIL

FORTRESS MALL

The dominant performing Class-A+ malls in the country whose inline stores generate at least \$650 per square foot in retail sales; they contain inline and anchor stores that are both well established and unmatched in the trade area.

LIFESTYLE CENTER²

Most often located near affluent residential neighborhoods, this center type caters to the retail needs and "lifestyle" pursuits of consumers in its trading area. It has an open-air configuration and typically includes at least 50,000 square feet of space occupied by upscale national chain specialty stores. Other elements, such as restaurants and entertainment, design ambience and amenities like fountains and street furniture, make the lifestyle center serve as a multi purpose leisure-time destination. One or more conventional or fashion specialty department stores often act as anchors.

OUTLET CENTER²

Consist mostly of manufacturers' outlet stores selling their own brands at a discount. Usually located in rural or occasionally in tourist locations. A strip configuration is most common, although some are enclosed or arranged in a "village" format.

POWER CENTER^{2,3}

An open center dominated by at least 75.0% large big-box anchors, including discount stores, warehouse clubs, and value-oriented category stores, and a minimal amount of inline store space

REGIONAL MALL^{2,3}

An enclosed shopping center that contains at least two department stores and has climate-controlled walkways that are lined with smaller retail shops

REGIONAL MALL CLASSIFICATIONS³

Class	Inline Retail Sales ³ (Per Sq. Ft.)
A+	\$650 and up
A	\$500 to \$649
B+	\$400 to \$499
B	\$300 to \$399
C+/C	Less than \$300

STRIP SHOPPING CENTER^{2,3}

An open row of stores either with or without anchor stores that offer convenience (neighborhood centers) and general merchandise (community centers).

Various sources include ¹The Dictionary of Real Estate Appraisal, Fifth Edition, published by the Appraisal Institute; ²ICSC; ³investor interviews and PwC; inline sales exclude anchor stores, movie theaters, and large drug stores; ⁴Smith Travel Research; and ⁵National Multi Housing Council.

REAL ESTATE INVESTOR SURVEY

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Survey Process: Survey participants represent a cross section of major institutional equity real estate investors who invest primarily in institutional-grade property. As such, the information presented is not generally applicable to noninstitutional-grade investments. In addition, the information represents investors' investment expectations and does not reflect actual property performances.

The information in this survey is gathered through on-line questionnaires and telephone interviews. As such, the findings and opinions expressed reflect those of our investor participants and do not necessarily reflect those of PwC. Although we do not represent that the survey is statistically accurate, its results provide important insight into the thinking of a significant portion of the equity real estate marketplace.

Investor Survey Responses: The individual investor responses contained in the large tables in the back of each issue are a representative sample. Due to space constraints, not all responses are included.

INDEX OF VALUATION ISSUES

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