



Multifamily Capital Markets Update (February 2020)

As of late, the 10-year Treasury Yield has declined by over 20 basis points due to various macro-economic forces. Cap rates continue to hold steady or slightly decline in some markets.

Below are key takeaways from the following reports:

U.S. Cap Rate Survey Advanced Review – *CBRE* – [Link](#)

4Q19 United States Capital Markets Report – *Newmark Knight Frank* – [Link](#)

2020 U.S. Real Estate Market Outlook – *CBRE* – [Link](#)

U.S. Cap Rate Survey Advanced Review

CBRE

- Cap rates have declined an average of 10 bps since the 1st half of 2019
- Suburban market cap rates have declined over 11 bps on average, slightly more than infill
- Austin TX had the largest cap rate compression

4Q19 United States Capital Markets Report

Newmark Knight Frank

- Price per unit averaged 316K per door in primary markets
- Price per unit averaged 158K per door in secondary markets
- Sales volume for Multifamily topped 183B for 2019
- Cap rates ended 2019 at 4.8% for primary markets, a slight increase
- Cap rates ended 2019 at 5.5% for secondary markets, a slight decrease

2020 U.S. Real Estate Market Outlook

CBRE

- Vacancy will rise 20bps to 4.5% overall
- Rent growth will decline to 2.4%
- Multifamily deliveries will remain stable as they have in the last 5 years
- Suburban Multi will outperform infill locations for 2020