

RealtyRates.com™ Investor Survey Reports Cap Rate Index Increases For All Property Types During 4th Quarter 2024

Coincident with a 51 basis point increase in Treasury rates to which most commercial mortgage interest rates are indexed, together with a one basis point increase in average equity dividend rates, the RealtyRates.com™ *Weighted Composite (Cap Rate) Index*™ increased 25 basis points from 9.70 to 9.94 percent during the 4th Quarter of 2024.

The greatest, quarter-over-quarter cap rate index increases during the 4th Quarter were recorded by the Restaurant and Special Purpose sectors, both up 30 basis points.

Meanwhile, the smallest quarter-over-quarter cap rate index increases was recorded by the Retail sector, up 18 basis points, followed by the Lodging sector, up 20 basis points.

Mortgage lending standards continued to tighten on weaker demand and higher risk for all commercial real estate loan categories during the 4th Quarter except multi-family properties which were unchanged from the previous quarter. Meanwhile, although spreads were down two basis points overall, average permanent mortgage rates were up 49 basis points.

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2025*																								
CURRENT & HISTORICAL CAP RATE INDICES																								
Method-Weighted* Property Category Indices																								
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MHRV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted* Composite Indices	
	BP		BP		BP		BP		BP		BP		BP		BP		BP		BP		BP		BP	
Year	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg
2024	8.55	7	11.89	-4	9.43	23	9.43	1	10.46	2	10.00	16	9.41	10	9.73	13	12.37	4	9.85	-17	12.46	27	9.92	7
4th Qtr	8.56	27	11.82	28	9.53	28	9.48	26	10.42	20	10.04	26	9.59	25	9.71	18	12.26	30	9.86	23	12.50	30	9.94	25
3rd Qtr	8.30	-38	11.54	-57	9.24	-32	9.22	-26	10.22	-40	9.79	-27	9.34	-3	9.52	-33	11.96	-62	9.62	-32	12.20	-33	9.70	-31
2nd Qtr	8.68	15	12.11	15	9.56	22	9.48	10	10.63	12	10.06	9	9.37	13	9.85	10	12.59	11	9.94	9	12.53	11	10.01	12
1st Qtr	8.54	-9	11.96	-8	9.34	-4	9.38	-10	10.50	-9	9.97	-4	9.23	-8	9.75	-1	12.48	-1	9.85	-18	12.42	4	9.89	-7
2023	8.49	50	11.93	37	9.20	56	9.42	47	10.45	55	9.84	57	9.31	43	9.60	58	12.33	82	10.03	44	12.19	58	9.84	52
2022	7.99	16	11.56	17	8.64	26	8.95	36	9.90	22	9.27	35	8.88	39	9.02	17	11.50	39	9.59	35	11.61	40	9.32	28
2021	7.83	-59	11.39	-64	8.38	-64	8.60	-59	9.68	-84	8.92	-65	8.49	-55	8.85	-53	11.11	-46	9.24	-62	11.21	-44	9.04	-60
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	
Mean	8.76	6.51	10.54	-4.24	9.42	23.44	9.54	1.44	10.17	1.68	10.45	16.12	9.77	10.28	10.05	12.98	11.50	4.07	10.21	-17.25	12.45	27.28	9.96	7.32
* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Surveys																								
* Further weighted by property categories																								

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*4th Quarter 2024 Data

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