



2023 Winter/Spring

REAL ESTATE INVESTMENT SURVEY

Lowery Property Advisors

We are pleased to present the results of our Winter/Spring 2023 Real Estate Investment Survey. Provided is a summary of the respondents' perceptions of the real estate markets in the Central/West United States.

ANALYSIS METHODS

We asked what type of valuation technique they most heavily relied upon. As expected, the Sales/Market Approach and the Capitalized Income or Direct Capitalization Approaches were predominant.

	Primary	Secondary	Rarely
Cost Approach	10%	80%	10%
Sales/ Market Approach	100%	0%	0%
Capitalization of Stabilized Net Income	90%	10%	0%
Discounted Cash Flow Analysis	20%	50%	30%

In the Discounted Cash Flow (DCF) analyses, the typical holding period results are as follows:

Holding Period		
Min	Max	Avg
5.0	10.0	8.4

MARKETING TIME

We again asked the respondents about marketing times for properties. The first question asked how many months typically elapsed between the time a property was listed for sale and the time it was placed under contract, assuming the property was reasonably priced to begin with. Differences can be attributable to pricing, location, and/or property type. The second question pertained to the time between contract and actual closing. The results are as follows:

Months From Listing & Executed Contract			Months From Executed Contract & Closing		
Min	Max	Avg	Min	Max	Avg
3.0	15.0	6.3	2.0	6.0	3.5

SALES/CLOSING COSTS

We also asked the respondents to estimate on a percentage basis the total closing costs for a seller of real estate including brokerage commissions, legal/title work and other closing costs. The averages are summarized as follows:

Sale Price (\$)	Vacant Land	Improved Properties
Up to \$1.0 million	6.75%	6.70%
\$1.0 million to \$2.499 million	6.13%	6.55%
\$2.5 million to \$4.99 million	5.63%	5.75%
\$5 million to \$9.999 million	4.50%	5.06%
\$10.0 million and over	3.50%	3.50%



Real Estate Investment Survey

2023 Winter-Spring Texas

	Stabilized Cap Rates			Terminal Cap Rates			Discount/Yield Rates (IRR)		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Hotels/Motels	6.75%	9.50%	7.75%				12.50%	12.50%	12.50%
Multi-Family Apartments	5.00%	8.75%	7.16%				9.00%	20.00%	14.64%
Suburban/Low Rise Office	5.25%	9.00%	7.44%				10.00%	10.00%	10.00%
CBD/Class A Office	7.00%	9.00%	7.85%	8.00%	9.25%	8.33%	8.25%	8.75%	8.55%
Regional Retail	6.50%	8.00%	7.25%						
Neighborhood/Community Retail	6.25%	9.00%	7.41%	7.00%	9.25%	7.75%	6.50%	10.25%	8.20%
Free Standing Retail	4.75%	8.25%	6.95%				8.00%	8.00%	8.00%
Big Box Retail	7.75%	7.75%	7.75%						
Industrial/Warehouse	5.00%	10.00%	7.14%				8.00%	20.00%	13.00%
Free Standing Restaurants - Sit Down/Family	6.50%	7.75%	6.91%						
Free Standing Restaurants - Fast Food	5.00%	7.00%	6.00%						
Mobile Home/RV Parks	7.50%	12.00%	8.97%						
Mini-Warehouse/Self-Storage	5.50%	7.75%	6.27%						
Medical Office Buildings	5.50%	10.00%	7.01%	8.50%	8.50%	8.50%	8.50%	20.00%	14.25%
Residential - Finished Lots							15.00%	20.00%	18.31%

2023 Winter-Spring Colorado

	Stabilized Cap Rates			Terminal Cap Rates			Discount/Yield Rates (IRR)		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
Hotels/Motels	7.30%	11.00%	8.48%	8.50%	11.50%	10.00%	9.00%	12.00%	10.50%
Multi-Family Apartments	4.25%	7.50%	5.63%	5.50%	6.75%	5.81%	6.00%	8.00%	6.75%
Suburban/Low Rise Office	5.75%	8.50%	7.06%	6.50%	10.00%	7.67%	7.00%	10.00%	8.50%
CBD/Class A Office	5.75%	9.00%	6.85%	6.50%	10.00%	7.92%	7.00%	10.00%	8.58%
Regional Retail	6.00%	8.50%	7.00%	6.50%	9.00%	7.92%	8.00%	11.00%	9.00%
Neighborhood/Community Retail	5.50%	8.50%	6.93%	6.50%	8.50%	7.33%	7.00%	10.00%	8.17%
Free Standing Retail	5.00%	9.00%	6.77%	6.50%	8.00%	7.00%	7.00%	9.00%	7.75%
Big Box Retail	5.25%	8.75%	6.77%	6.50%	10.00%	8.00%	7.00%	10.50%	8.50%
Industrial/Warehouse	5.00%	8.00%	6.34%	6.00%	8.00%	6.67%	6.50%	10.00%	7.83%
Truck/Distribution Terminals	6.00%	6.00%	6.00%	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%
Truck Stops	6.00%	6.00%	6.00%	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%
Free Standing Restaurants - Sit Down/Family	6.00%	9.00%	7.02%	7.50%	9.50%	8.13%	6.00%	10.00%	8.00%
Free Standing Restaurants - Fast Food	5.00%	7.00%	6.21%	6.50%	7.50%	7.00%	7.50%	10.00%	8.63%
Golf Course	8.50%	13.00%	10.63%	9.00%	14.00%	11.38%	7.50%	8.50%	8.00%
Mobile Home/RV Parks	4.25%	7.75%	5.75%	5.00%	5.00%	5.00%	5.50%	17.00%	11.00%
Mini-Warehouse/Self-Storage	4.50%	8.00%	6.13%	5.00%	5.00%	5.00%	5.50%	5.50%	5.50%
Nursing Homes	9.00%	11.00%	10.00%						
Retirement Communities	9.00%	11.00%	10.00%						
Medical Office Buildings	6.00%	8.00%	6.65%	6.50%	8.50%	7.13%	7.00%	10.00%	8.25%
Automobile Dealerships	6.50%	8.00%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%
Convenience Stores	5.00%	7.50%	6.13%	5.50%	5.50%	5.50%	6.00%	6.00%	6.00%
Residential - Raw Land	12.00%	12.00%	12.00%	13.00%	13.00%	13.00%	14.00%	30.00%	22.25%
Residential - Finished Lots	10.00%	10.00%	10.00%	10.50%	10.50%	10.50%	11.00%	20.00%	17.00%
Commercial Land	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	8.00%	25.00%	16.50%



Real Estate Investment Survey

2023 Winter-Spring Texas

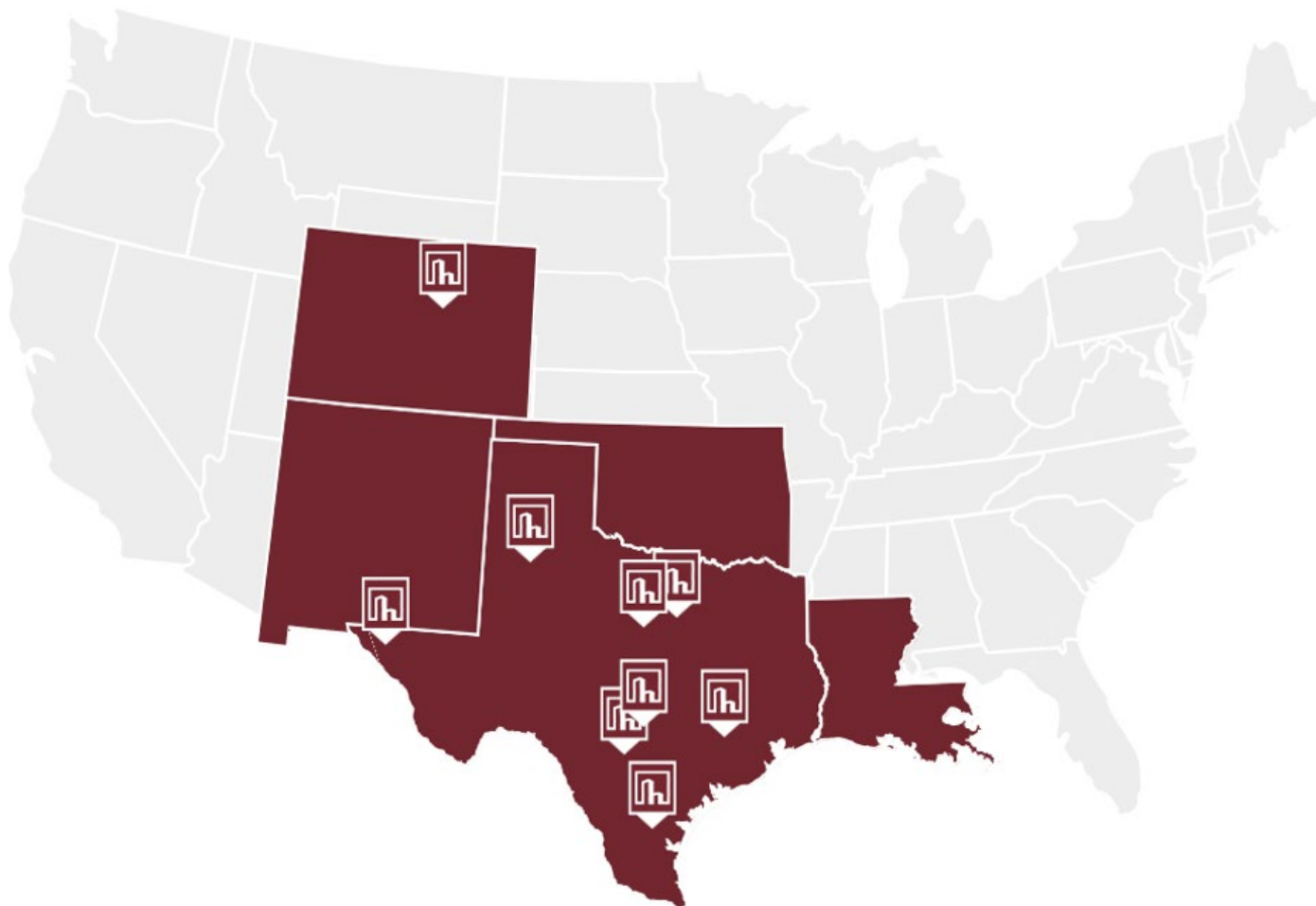
	Anticipated Growth Rate Income			Anticipated Growth Rate Expenses		
	Min	Max	Avg	Min	Max	Avg
Year One	2.0%	6.0%	4.0%	2.0%	8.0%	5.0%
Year Two	2.0%	6.0%	4.0%	2.0%	8.0%	5.0%
Year Three	2.0%	6.0%	4.0%	2.0%	8.0%	5.0%
Year Four	2.0%	6.0%	4.0%	2.0%	8.0%	5.0%
Year Five	2.0%	6.0%	4.0%	2.0%	8.0%	5.0%

2023 Winter-Spring Colorado

	Anticipated Growth Rate Income			Anticipated Growth Rate Expenses		
	Min	Max	Avg	Min	Max	Avg
Year One	2.00%	3.50%	2.86%	2.50%	5.00%	3.64%
Year Two	2.50%	3.50%	2.93%	2.50%	5.00%	3.50%
Year Three	2.50%	3.50%	3.00%	2.50%	4.00%	3.29%
Year Four	2.50%	3.50%	3.00%	2.50%	3.50%	3.14%
Year Five	2.50%	3.50%	3.00%	2.50%	3.50%	3.14%



LPA



Every effort has been made to ensure accuracy in tabulating the responses, however, no guarantee is made as to accuracy of the information.

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Contact Lowery Property Advisors at REIS@Lowerypa.com for any questions, suggestions, or interest in participating in future surveys.