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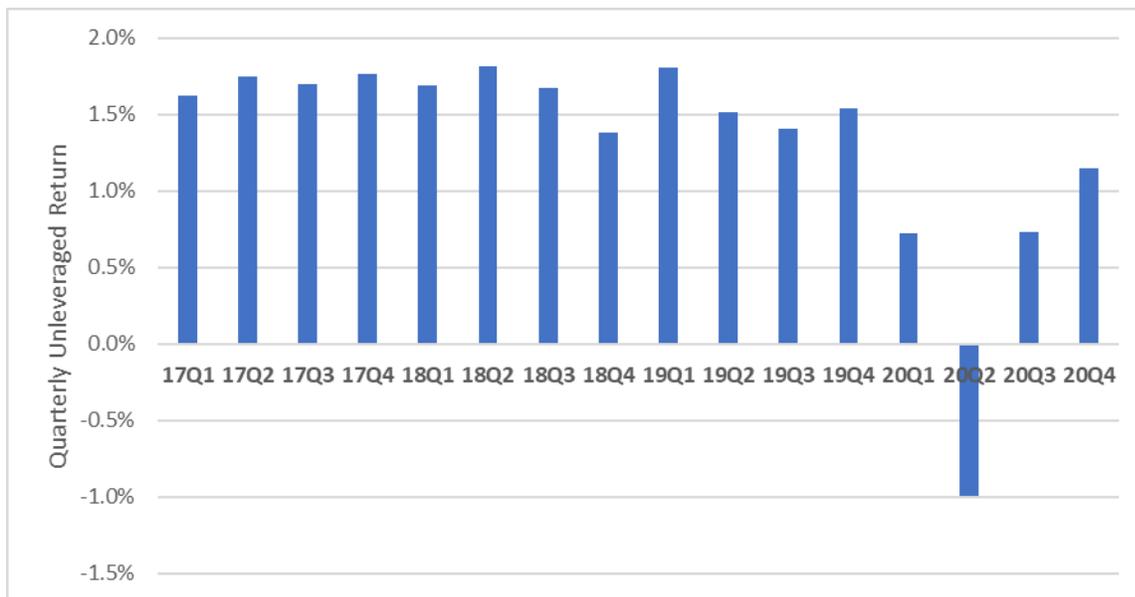
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Institutional Real Estate Continues to Improve

CHICAGO, IL, January 25, 2020 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released fourth quarter 2020 results for the NCREIF Property Index (NPI). The NPI reflects investment performance for 9,289 commercial properties, totaling \$700 billion of market value. The returns are detailed in the attached Snapshot Report.

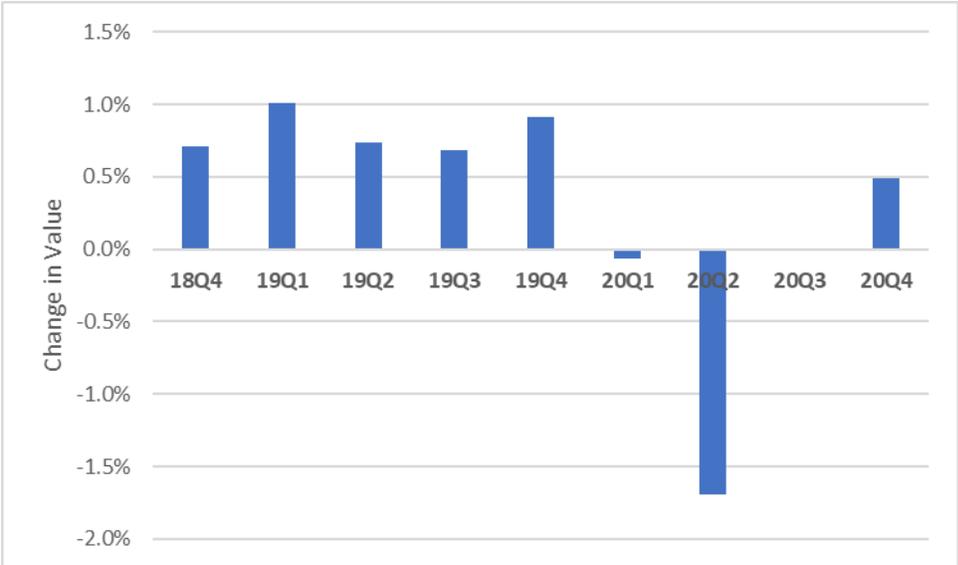
The quarterly total return was 1.15%, up from 0.74% % in the prior quarter. The return for the current quarter was the highest for the year 2000 although off the highs from the prior year. This is an unleveraged return for what is primarily “core” real estate held by institutional investors throughout the US. Although leverage was negative for the quarter, the leveraged properties also managed to have a slightly positive return of 0.33%.

NPI Unleveraged Total Quarterly Returns



The total return of 1.15% for the quarter was primarily due to an income return of 1.01%. Price levels before capital expenditures increased by 0.49% but the capital expenditures offset most of that increase.

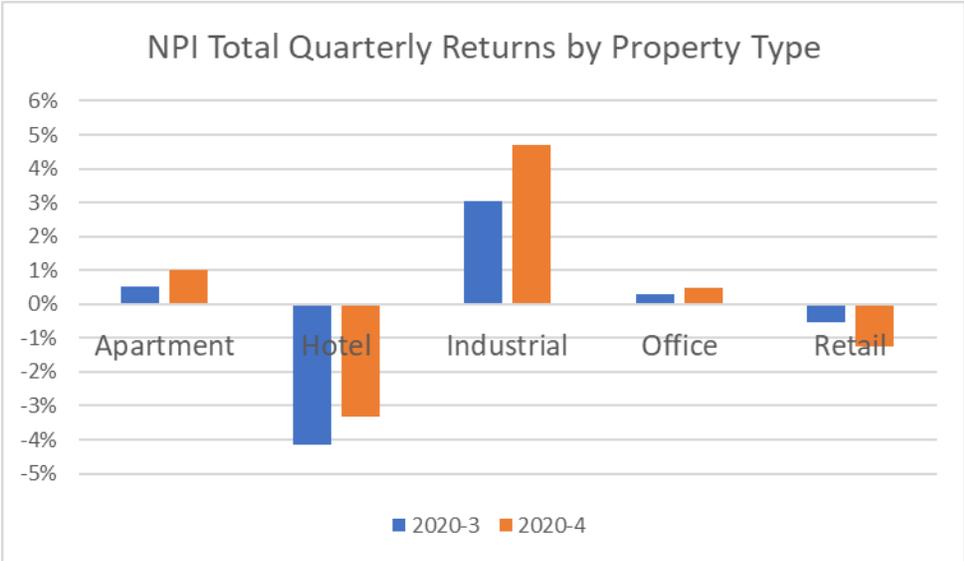
NCREIF Market Value Index



Continued Disparity Across Property Sectors

The turnaround in total returns this quarter is largely due to the strong performance of industrial warehouse properties although all property types except retail improved from last quarter. Returns for industrial properties were 4.68% for the quarter (over 17% annualized). Apartments had the second highest return at 0.99% for the quarter followed by office at 0.48% and retail with a negative 1.24%. Returns for hotel properties were negative 3.31% for the quarter.

Returns by Property Type



Transactions Back to Normal Range

While NCREIF members are long-term investors for most of the funds, there are typically between 100 and 200 sales of properties each quarter. The number of transactions rebounded this quarter to 264 properties, up from only 50 sales the prior quarter and 30 during the 2nd quarter of 2020.

About the NCREIF Property Index

The NPI consists of 9,289 investment-grade, income-producing properties with a market value of \$700 billion. The market value breakdown by property type is about 35% office, 25% apartment, 18% retail, 21% industrial and less than 1% hotel properties.

The NPI includes property data covering over 100 CBSAs. In addition, within each property type, data are further stratified by sub-type. These data enhance the ability of institutional investors to evaluate the risk and return of commercial real estate across the United States.

Webinar

NCREIF will hold a webinar on Thursday, February 11th at 1:00 pm Central Time to discuss the NCREIF Property Index (NPI) in more detail in addition to the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE), as well as a discussion of other trends based on the NCREIF data. The conference call is being webcast live and can be accessed [here](#). An online replay of the webcast will be available on NCREIF's website at www.NCREIF.org.

The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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