



FOR IMMEDIATE RELEASE:

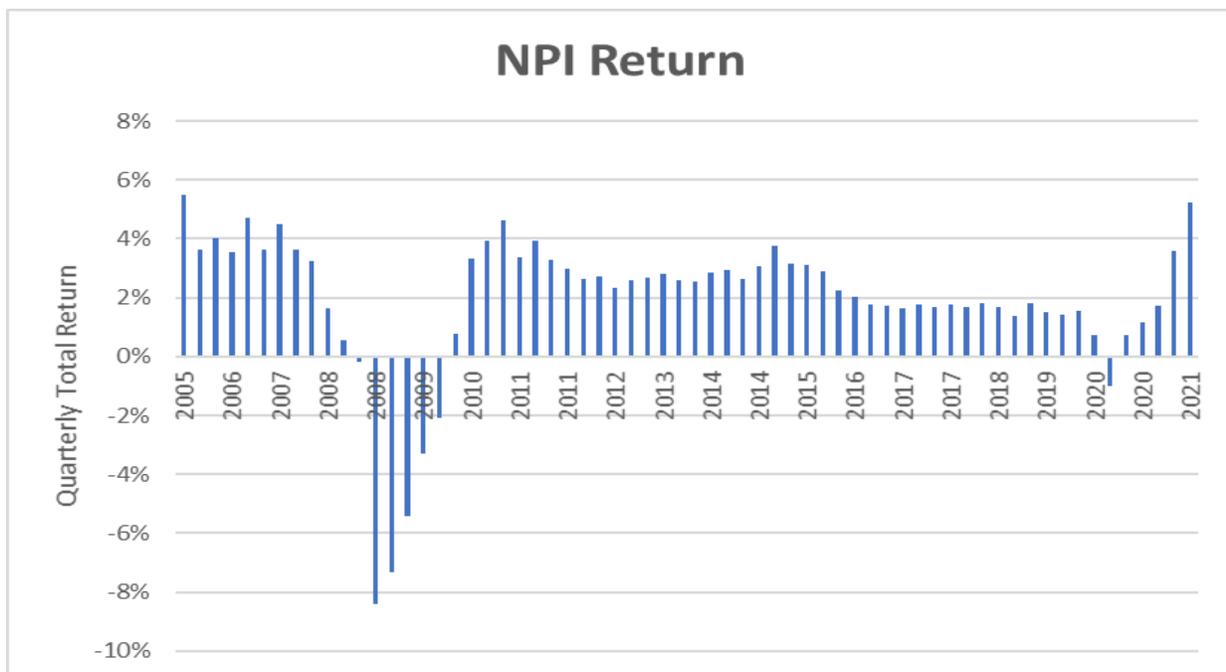
CONTACT:
Dan Dierking
312-819-5890

Institutional Real Estate Returns Highest in 15 years

CHICAGO, IL, October 25, 2021 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released third quarter 2021 results for the NCREIF Property Index (NPI). The NPI reflects investment performance for 9,703 commercial properties, totaling \$785 billion of market value. The returns are detailed in the attached Snapshot Report.

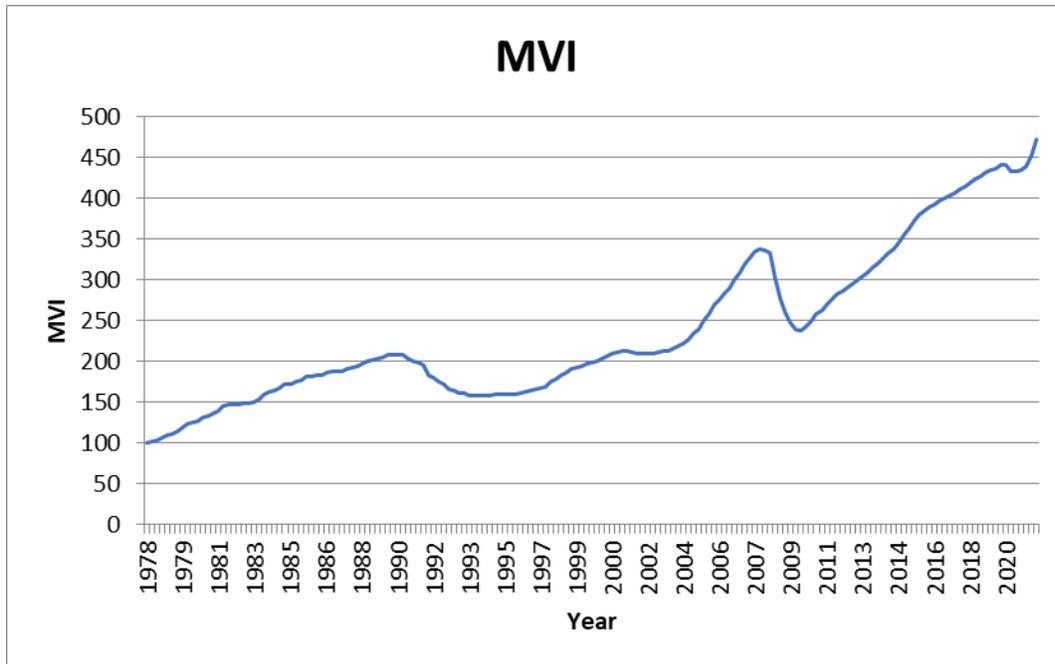
The quarterly total return was 5.23%, up from 3.59% in the prior quarter. This is the highest return since the 4th quarter of 2005 when the return was 5.48%. These are unleveraged returns for what is primarily “core” real estate held by institutional investors throughout the US. Properties with debt financing had a leveraged total quarterly return of 6.95%. As of quarter-end there were 4,126 properties with leverage and the weighted average loan to value ratio was 45%.

NPI Unleveraged Total Quarterly Returns



The total return of 5.23% for the quarter consisted of 1.05% of income and 4.18% of appreciation. Appreciation is after the deduction of capital expenditures. The market values increased by 4.44% this quarter before any deduction for capital expenditures, setting a record high in the level of the index since inception in 1978.

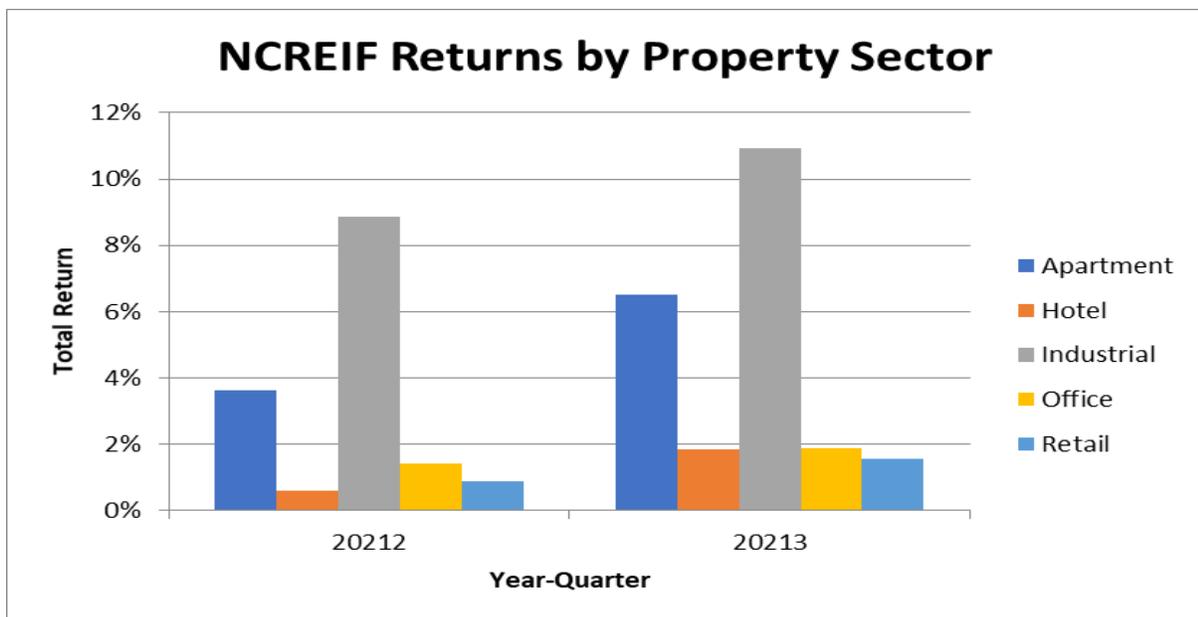
NCREIF Market Value Index



All Property Sectors Improved

All property sectors improved this quarter compared to the prior quarter. Industrial (primarily warehouse) properties continued to lead with an astounding quarterly return of 10.92%. Apartment returns followed with a quarterly return of 6.53%. Returns for office, hotel and retail were 1.87%, 1.83% and 1.55% respectively.

Unleveraged Returns by Property Sector



Transactions Volume

While NCREIF members are primarily long-term investors, there are typically between 100 and 200 sales of properties each quarter. Sales amounted to 228 this quarter, up from 150 the prior quarter and only 30 during the 2nd quarter of 2020 during the midst of COVID.

About the NCREIF Property Index

The NPI consists of 9,703 investment-grade, income-producing properties with a market value of \$785 billion. The market value breakdown by property type is about 32% office, 26% apartment, 16% retail, 26% 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, November 11th at 12:00 pm Central Time (1:00 EST live from the NCREIF conference in Miami) to discuss the NCREIF Property Index (NPI) in more detail 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.

###

This press release contains information which is confidential and proprietary information of NCREIF. Information in this press release may only be reported in whole or in part with specific reference to NCREIF or the NCREIF Property Index as its source. Underlying data and text has been obtained from sources considered to be reliable; however, the information provided herein is provided "as is" and NCREIF does not guarantee and expressly disclaims the accuracy, adequacy, or completeness of any data or information contained in the press release. NCREIF shall not be responsible for any errors, omission, inaccuracies or other defects in the data and information contained herein, or for any actions taken in reliance thereon. NCREIF will not be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of or inability to use the data or information contained in this press release or for any loss or damage of any nature caused to any person as a result of that use or inability to use such data or information. This release is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security, or a recommendation of the services supplied by any money management organization.

Copyright NCREIF 2021. All Rights reserved.

NCREIF -200 E. Randolph Street, Suite 5135-Chicago, IL 60601