

NPI Flash 4th Quarter 2020

	Market Value (\$ M)			4th Quarter	3rd Quarter	One Year
	Percent of Total	Properties		2020 Returns	2020 Returns	
<i>NCREIF Property Index</i>						
Total Index	700,437.2	9,289	Total	1.15	0.74	1.6
	100.0%		Income	1.01	1.02	4.2
			Appreciation	0.14	-0.28	-2.5
<i>Property Type Subindexes</i>						
Industrial	150,099.3	4,387	Total	4.68	3.04	11.8
	21.4%		Income	1.1	1.11	4.5
			Appreciation	3.58	1.93	7.0
Apartment	176,361.3	1,943	Total	0.99	0.51	1.8
	25.2%		Income	0.88	0.92	3.9
			Appreciation	0.11	-0.40	-2.0
Hotel	1,914.5	69	Total	-3.31	-4.17	-25.6
	0.3%		Income	-0.93	-1.44	-1.8
			Appreciation	-2.37	-2.72	-24.1
Office	242,926.9	1,610	Total	0.48	0.31	1.6
	34.7%		Income	1.06	1.08	4.4
			Appreciation	-0.58	-0.77	-2.7
Retail	129,135.2	1,280	Total	-1.24	-0.52	-7.5
	18.4%		Income	1.02	0.97	4.0
			Appreciation	-2.26	-1.49	-11.2
<i>Regional Subindexes</i>						
East	216,962.2	2,109	Total	1.20	0.49	1.4
	31.0%		Income	0.98	1.01	4.1
			Appreciation	0.23	-0.52	-2.6
Midwest	56,771.9	1,186	Total	0.26	0.54	-1.3
	8.1%		Income	1.05	1.01	4.2
			Appreciation	-0.79	-0.47	-5.3
South	144,736.6	2,614	Total	1.17	0.81	1.3
	20.7%		Income	1.1	1.09	4.5
			Appreciation	0.07	-0.28	-3.1
West	281,966.6	3,380	Total	1.27	0.94	2.5
	40.3%		Income	0.98	0.99	4.1
			Appreciation	0.29	-0.05	-1.5

NCREIF Property Index Methodology

- Calculations are based on quarterly returns of individual properties before deduction of investment management fees.
- Each property's return is weighted by its market value.
- Income and Capital Appreciation changes are also calculated.

Universe of Properties

- All properties have been acquired on behalf of tax-exempt institutions and held in a fiduciary environment.
- All Data Contributing Members of NCREIF must submit all properties held in the U.S. (including properties in taxable accounts and in all "lifecycles"), but only qualifying properties enter the NPI.
- Qualifying properties include:
 - Wholly owned and joint venture investments.
 - Existing properties only-no development projects.
 - Only investment-grade, income-producing, operating properties: apartments, hotels, industrial, office, and retail.
- The database increases quarterly as participants acquire properties and as new members join NCREIF.
- Sold properties are removed from the Index in the quarter the sales take place (historical data remains).
- Each property's market value is determined by real estate appraisal methodology, consistently applied.

Rates of Return

- **Total Return:** includes appreciation (or depreciation), realized capital gain (or loss) and income. It is computed by adding the Income return and Capital Appreciation return on a quarterly basis.
- **Income Return:** measures the portion of total return attributable to each property's net operating income or NOI. It is computed by dividing NOI by the average quarterly investment for the quarter.

NOI

Beginning Market Value + 1/2 Capital Improvements - 1/2 Partial Sales - 1/3 NOI

- **Capital Appreciation Return:** measures the change in market value adjusted for any capital improvements or partial sales for the quarter.

(Ending Market Value - Beginning Market Value) + Partial Sales - Capital Improvements

Beginning Market Value + 1/2 Capital Improvements - 1/2 Partial Sales - 1/3 NOI

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