

## NPI Flash 3rd Quarter 2021

	Market Value (\$ M)			3rd Quarter 2021 Returns	2nd Quarter 2021 Returns	One Year Returns
	Percent of Total	Properties				
<b><i>NCREIF Property Index</i></b>						
<b>Total Index</b>	785,089.5	9,703	Total	5.23	3.59	12.1
	100.0%		Income	1.05	1.06	4.2
			Appreciation	4.18	2.54	7.7
<b><i>Property Type Subindexes</i></b>						
<b>Industrial</b>	200,898.6	4,697	Total	10.92	8.88	32.4
	25.6%		Income	0.99	1.06	4.3
			Appreciation	9.93	7.81	27.2
<b>Apartment</b>	206,893.8	2,043	Total	6.53	3.62	13.4
	26.4%		Income	0.94	0.92	3.7
			Appreciation	5.59	2.71	9.4
<b>Hotel</b>	2,126.4	71	Total	1.83	0.61	-2.5
	0.3%		Income	1.02	-0.15	-1.2
			Appreciation	0.81	0.76	-1.3
<b>Office</b>	247,243.7	1,625	Total	1.87	1.44	4.9
	31.5%		Income	1.11	1.12	4.5
			Appreciation	0.76	0.31	0.4
<b>Retail</b>	127,926.9	1,267	Total	1.55	0.90	0.7
	16.3%		Income	1.19	1.14	4.5
			Appreciation	0.36	-0.24	-3.6
<b><i>Regional Subindexes</i></b>						
<b>East</b>	240,431.7	2,185	Total	4.01	2.70	9.5
	30.6%		Income	1.02	1.02	4.1
			Appreciation	2.99	1.68	5.3
<b>Midwest</b>	62,049.7	1,162	Total	3.68	3.02	8.3
	7.9%		Income	1.07	1.11	4.4
			Appreciation	2.61	1.91	3.8
<b>South</b>	162,687.3	2,780	Total	6.04	3.83	13.3
	20.7%		Income	1.14	1.14	4.6
			Appreciation	4.89	2.69	8.4
<b>West</b>	319,920.7	3,576	Total	6.05	4.28	14.4
	40.7%		Income	1.02	1.03	4.1
			Appreciation	5.03	3.25	10.0

## 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*

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*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*

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

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