

# NCREIF Results

## Q2 2025

August 14, 2025



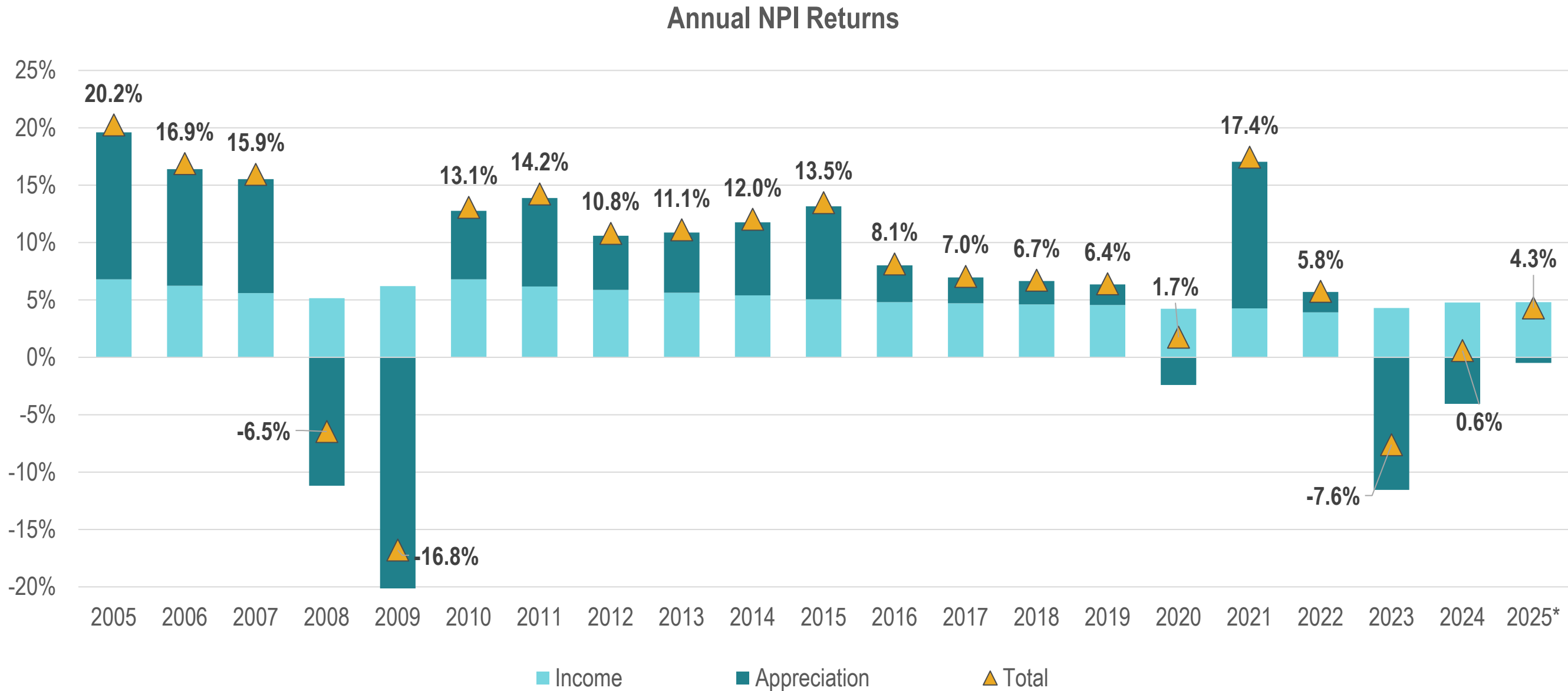
# NCREIF Results Summary – Q2 2025

|                       |   |
|-----------------------|---|
| Index Returns         | <ul style="list-style-type: none"><li>NPI and ODCE returns moderated slightly from the previous quarter in Q2, registering 1.2% and 1.0%, respectively. Trailing four-quarter returns were 4.3% for NPI and 3.5% for ODCE in Q2 2025, the highest returns since 2022.</li><li>Retail led NPI performance with an annual return of 7.6%, followed by residential (5.0%), industrial (4.6%), and office (0.1%).</li><li>Trailing 10-Year returns were 5.3% for NPI and ODCE, compared to 6.6% for REITs and 10.6% for the S&amp;P 500.</li></ul>  |
| Appreciation & Yields | <ul style="list-style-type: none"><li>NPI appreciation was flat in Q2 and totaled -0.5% over the past year. ODCE appreciation was also flat in Q2 and totaled -0.6% the previous four quarters.</li><li>Office and industrial registered negative quarterly appreciation in the NPI (-0.7% and -0.1%, respectively), dragging down the index. Retail NPI appreciation was positive at 0.6%, followed by 0.3% for residential. Annual appreciation was positive across major property types, except for office.</li><li>Trailing-year NPI income yields increased 2 bps QoQ to 4.81%, up from a low of 3.93% in Q4 2022. The spread to the 10-year UST yield expanded to 45 bps, well below its longer-term average of ~260 bps.</li></ul> |
| Niche Property Types  | <ul style="list-style-type: none"><li>Niche* property types constituted 13.1% of the NPI in Q2, surpassing retail’s share. The largest niche sectors were self-storage and life science which made up 2.6% and 2.5% of the NPI, respectively.</li><li>Over the last year, data centers and manufactured housing posted strong returns of 12.8% and 11.9%, respectively, far outpacing major property types.</li><li>Life science, Single Family Rental (SFR), and hotel returns lagged the overall NPI over the past year.</li></ul>  |
| Market Trends         | <ul style="list-style-type: none"><li>All top markets but San Francisco and Riverside posted positive annual NPI returns in Q2 2025. Sunbelt markets and Chicago posted the strongest returns.</li><li>All markets recorded positive residential returns and most had positive retail and industrial returns. Office returns remained negative in many markets.</li></ul>   |
| NOI Growth            | <ul style="list-style-type: none"><li>NPI net operating income (NOI) grew 1.4% in Q2 and 2.5% for the year.</li><li>Industrial led annual NOI growth at 5.8%, followed by retail at 3.9%, residential at 3.7%, and office at -3.5%.</li><li>Over the past year, malls posted the strongest NOI growth of retail sub-property types at 4.3%, followed by strip retail at 4.1%.</li></ul>   |

# NPI and ODCE Property Type Summary Table

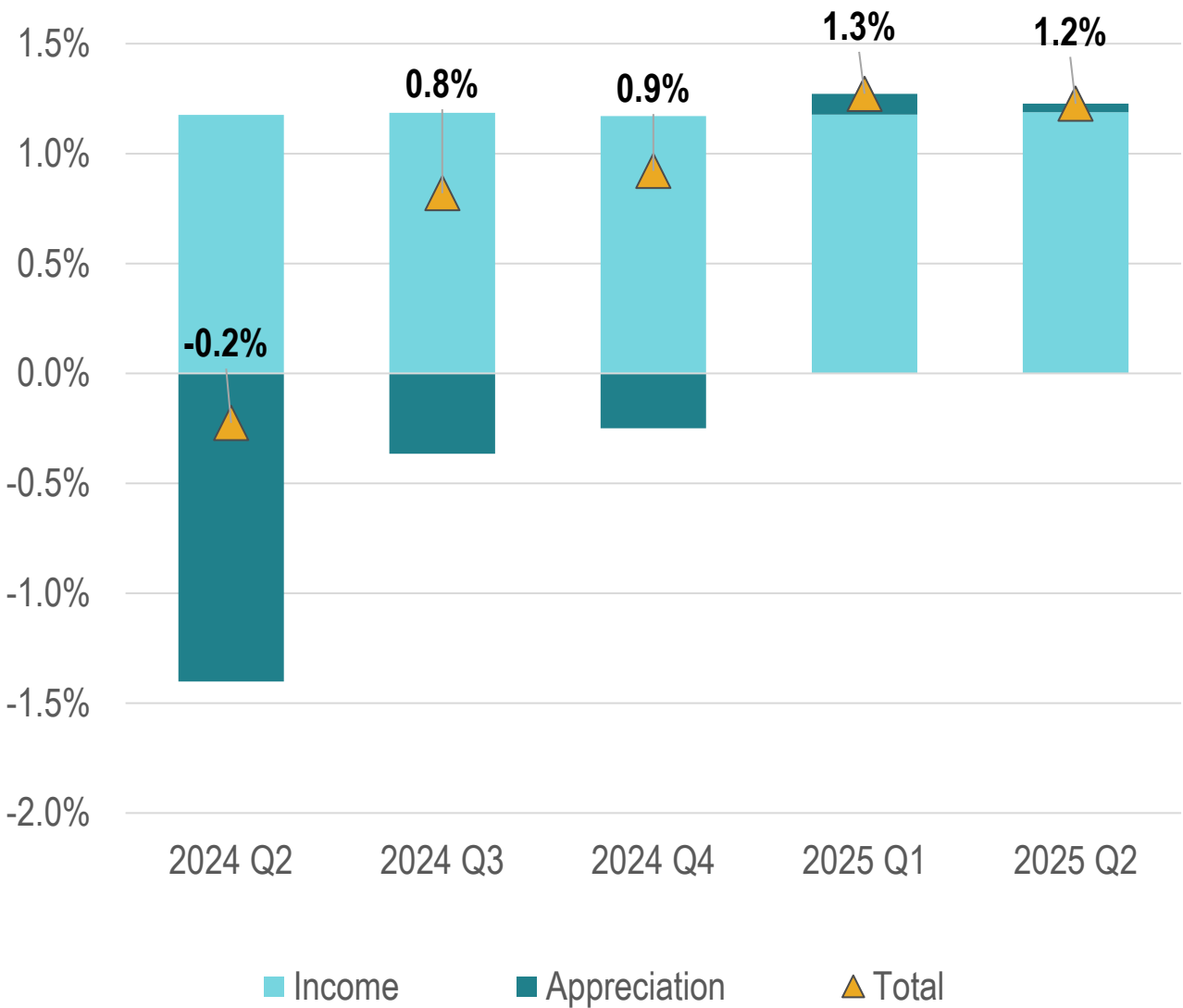
| NCREIF Property Index (NPI) and ODCE Dashboard |                |                |            |            |                |             |            |                     |                      |             |            |                |            |             |            |
|--|----------------|----------------|------------|------------|----------------|-------------|------------|---------------------|----------------------|-------------|------------|----------------|------------|-------------|------------|
| As of:   |                | 2025 Q2        |            |            |                |             |            |                     |                      |             |            |                |            |             |            |
|  | Market Value % | Vacancy        |            |            | Total Returns  |             |            |                     | Appreciation Returns |             |            | Income Returns |            | NOI Growth  |            |
|  | Latest Quarter | Latest Quarter | YoY Change | 10-Yr Avg. | Latest Quarter | Trailing 4Q | 10-Yr Avg. | 2025-2029 Forecast* | Latest Quarter       | Trailing 4Q | 10-Yr Avg. | Trailing 4Q    | 10-Yr Avg. | Trailing 4Q | 10-Yr Avg. |
| Residential                                    | 28.6%          | 6.0%           | -0.1%      | 6.4%       | 1.4%           | 5.0%        | 5.5%       | 7.2%                | 0.3%                 | 0.5%        | 1.2%       | 4.5%           | 4.2%       | 3.7%        | 3.8%       |
| Apartment                                      | 26.3%          | 5.8%           | 0.0%       | 6.2%       | 1.4%           | 4.9%        | 5.4%       | N/A                 | 0.3%                 | 0.4%        | 1.1%       | 4.5%           | 4.2%       | 3.2%        | 3.8%       |
| SFR  | 0.8%           | 6.3%           | -0.1%      | N/A        | 0.9%           | 3.7%        | N/A        | N/A                 | -0.1%                | -0.1%       | N/A        | 3.8%           | N/A        | 17.6%       | N/A        |
| Office   | 18.8%          | 13.7%          | -0.1%      | 11.6%      | 0.8%           | 0.1%        | 1.1%       | 5.7%                | -0.7%                | -5.6%       | -3.5%      | 6.0%           | 4.8%       | -3.5%       | 2.2%       |
| Life Science                                   | 2.5%           | 10.9%          | 1.2%       | 6.9%       | -0.6%          | -1.9%       | 8.6%       | N/A                 | -1.8%                | -6.5%       | 4.1%       | 4.8%           | 4.4%       | 3.8%        | 11.8%      |
| MOB  | 2.2%           | 4.9%           | 0.0%       | 5.4%       | 1.2%           | 5.2%        | 6.3%       | N/A                 | -0.2%                | -0.5%       | 0.9%       | 5.7%           | 5.3%       | 2.4%        | 3.6%       |
| Retail   | 13.0%          | 7.5%           | -0.1%      | 7.6%       | 1.9%           | 7.6%        | 3.2%       | 7.3%                | 0.6%                 | 1.9%        | -1.6%      | 5.6%           | 4.9%       | 3.9%        | 0.5%       |
| Industrial                                     | 33.6%          | 4.0%           | 1.2%       | 3.2%       | 1.0%           | 4.6%        | 12.4%      | 7.0%                | -0.1%                | 0.5%        | 7.7%       | 4.1%           | 4.4%       | 5.8%        | 7.9%       |
| Seniors Housing                                | 1.4%           | 10.3%          | -1.7%      | 13.3%      | 2.1%           | 6.9%        | 5.8%       | 9.7%                | 0.7%                 | 1.6%        | 1.0%       | 5.3%           | 4.8%       | 20.0%       | 8.8%       |
| Self Storage                                   | 2.6%           | 11.6%          | 0.3%       | 10.4%      | 1.6%           | 6.0%        | 10.7%      | 7.1%                | 0.6%                 | 1.5%        | 5.7%       | 4.4%           | 4.9%       | 0.9%        | 4.7%       |
| Total NPI                                      | 100.0%         | 7.1%           | 0.3%       | 6.7%       | 1.2%           | 4.3%        | 5.3%       | 6.9%                | 0.0%                 | -0.5%       | 0.8%       | 4.8%           | 4.5%       | 2.5%        | 3.5%       |
| Total ODCE                                     | 100.0%         | 8.2%           | 0.3%       | 7.5%       | 1.0%           | 3.5%        | 5.3%       | N/A                 | 0.0%                 | -0.6%       | 1.2%       | 4.1%           | 4.1%       | 0.8%        | 4.0%       |

# NPI Trailing-Year Returns Improved Significantly to 4.3% in Q2

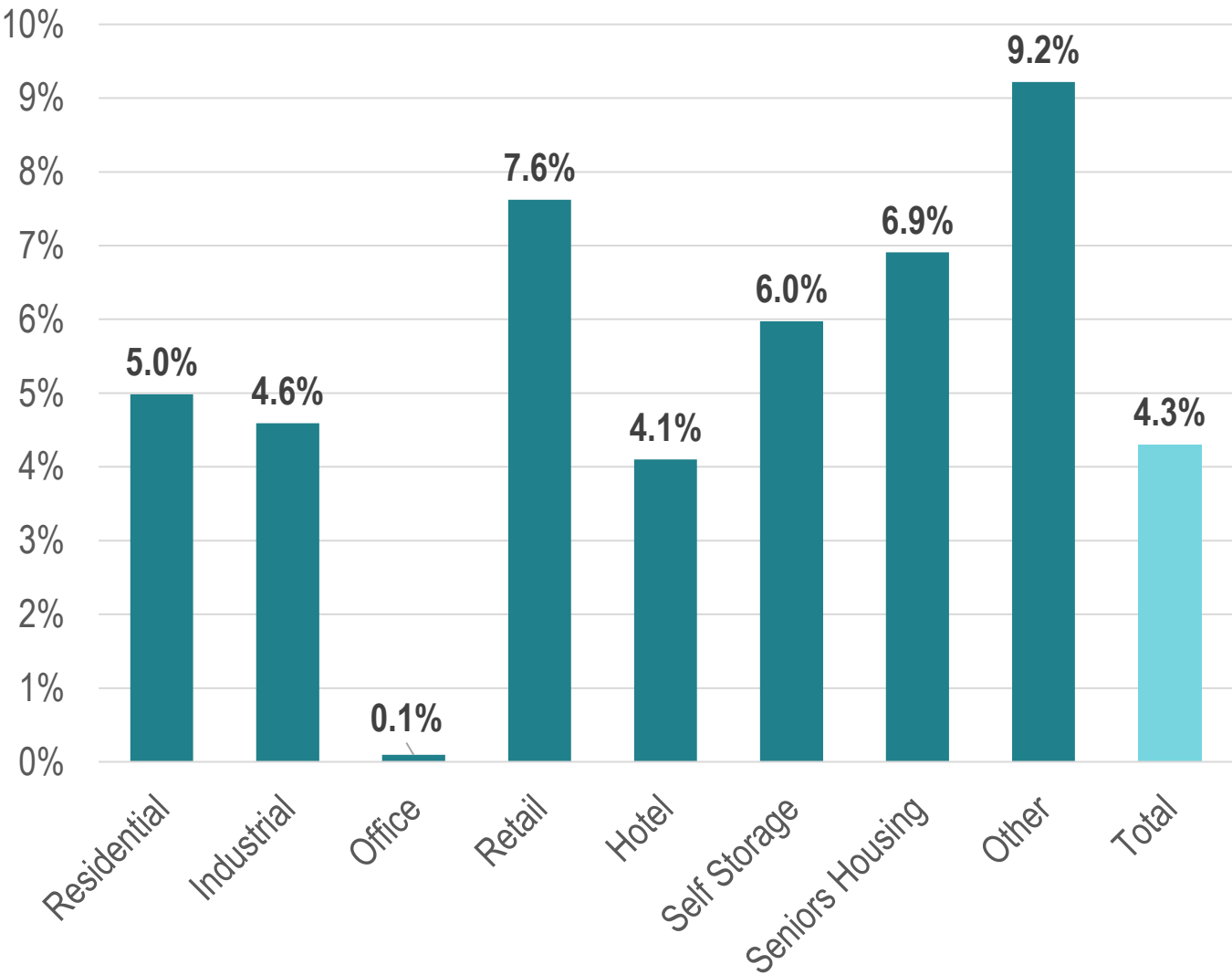


# Minimal NPI Appreciation in Q2; Annual Returns Positive Across Property Types

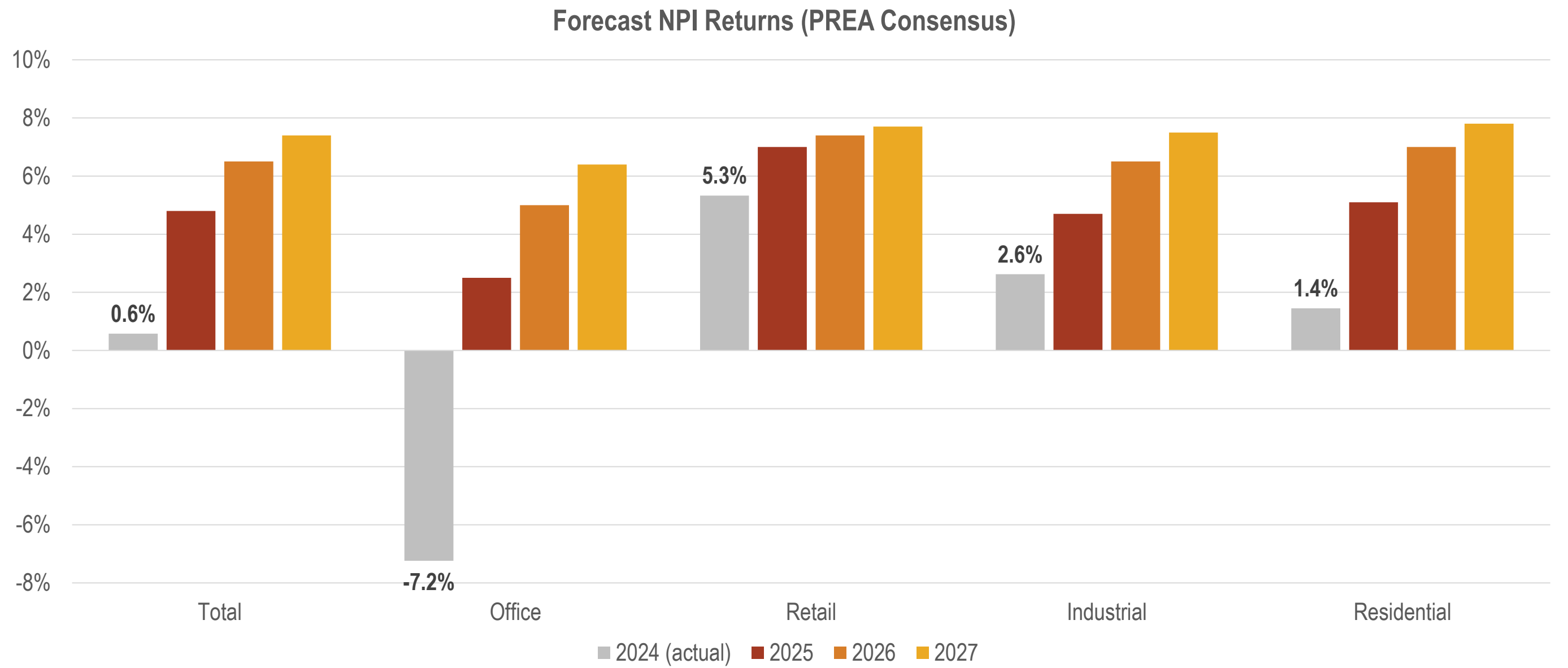
Quarterly NPI Returns



Trailing 4Q NPI Return by Property Type

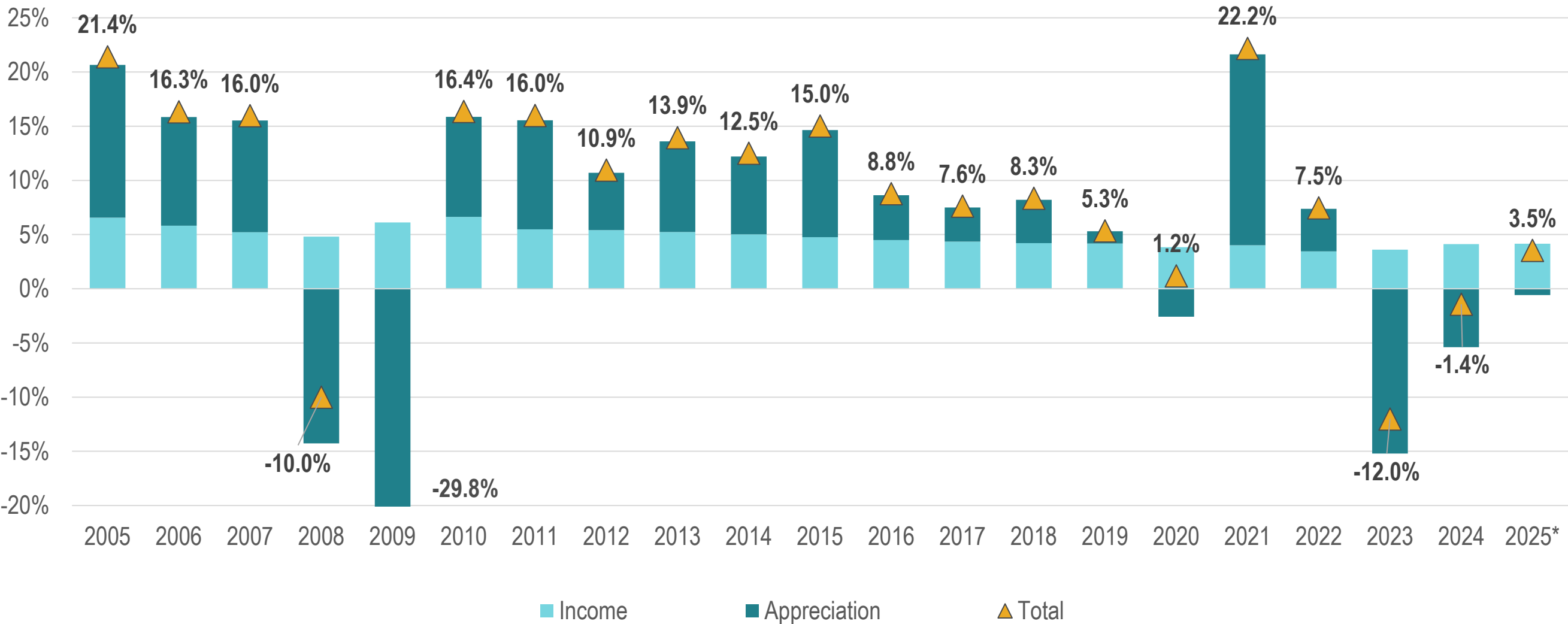


# NPI Returns Forecast to Improve Across Property Types Over Next Several Years

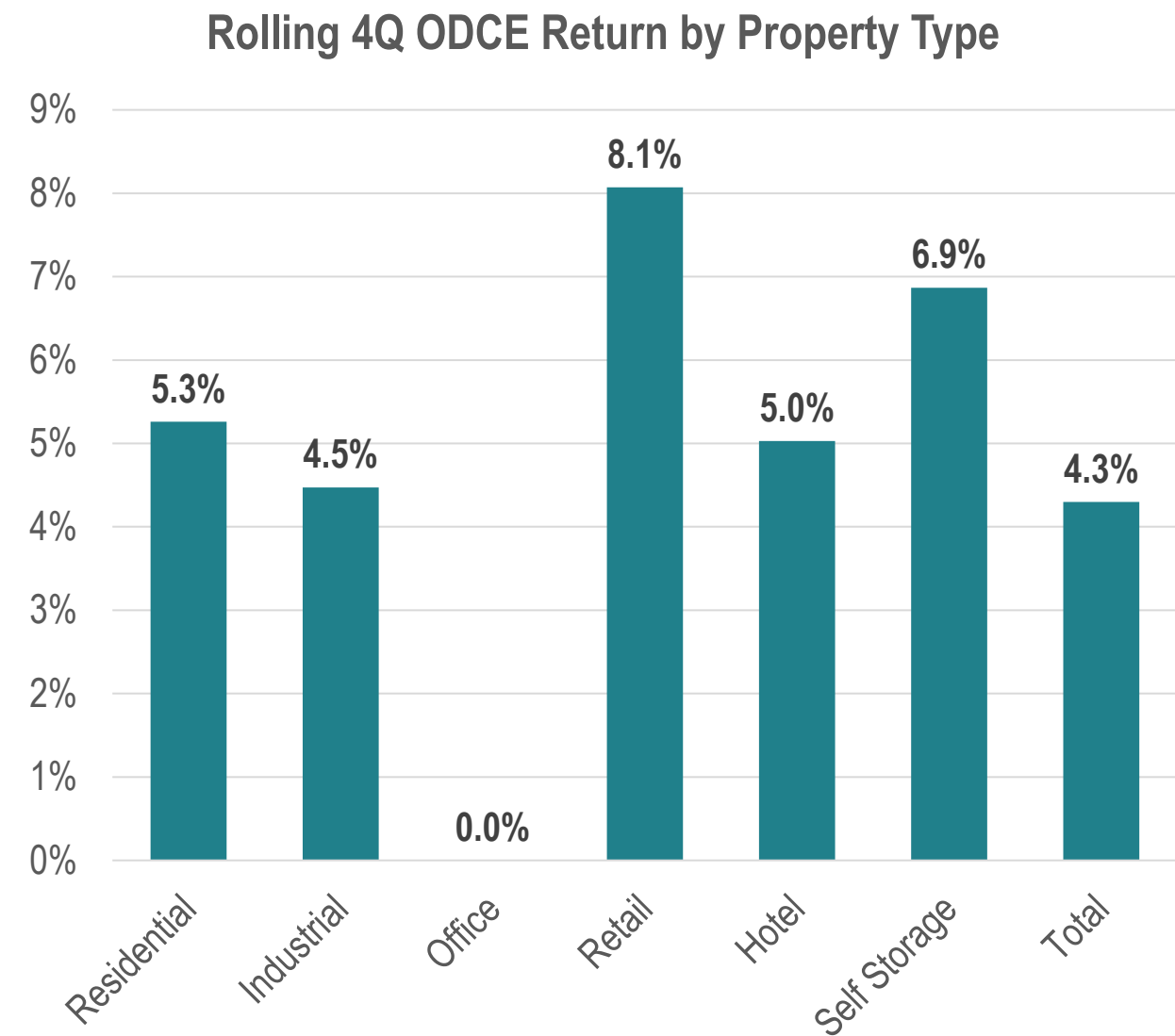
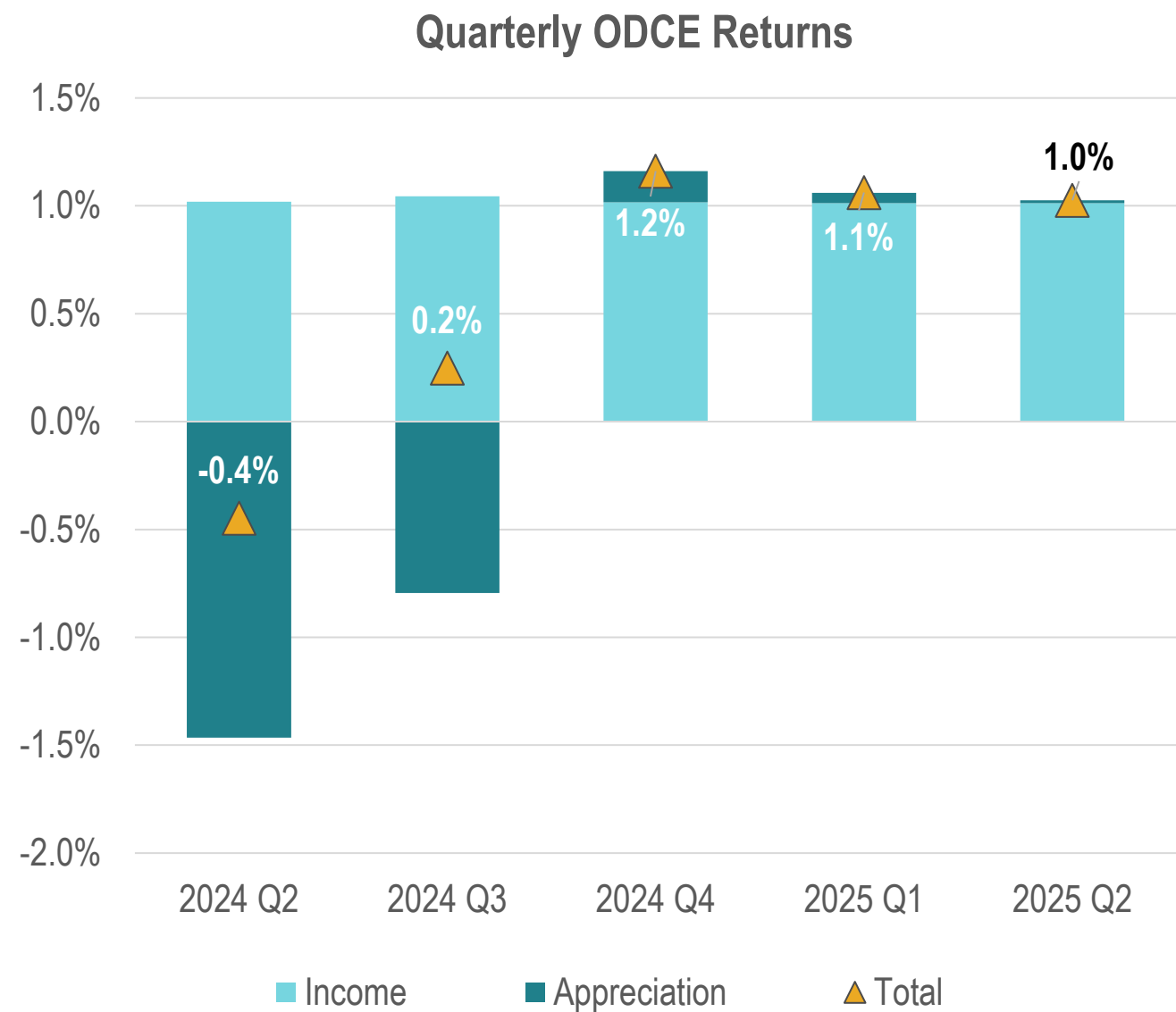


# Annual ODCE Returns Were Positive in Q2 2025 Despite Negative Appreciation

Annual ODCE Returns



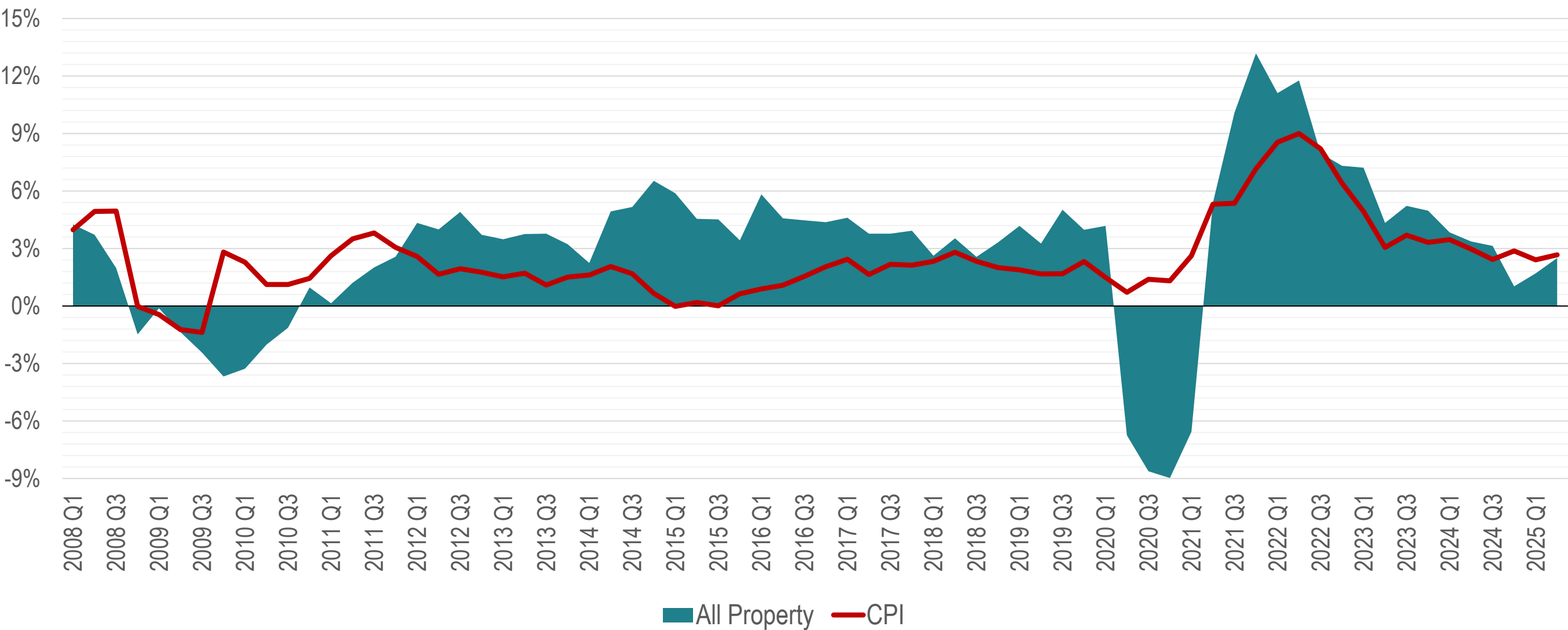
# 2Q ODCE Returns Were 1.0% With Near-Zero Appreciation



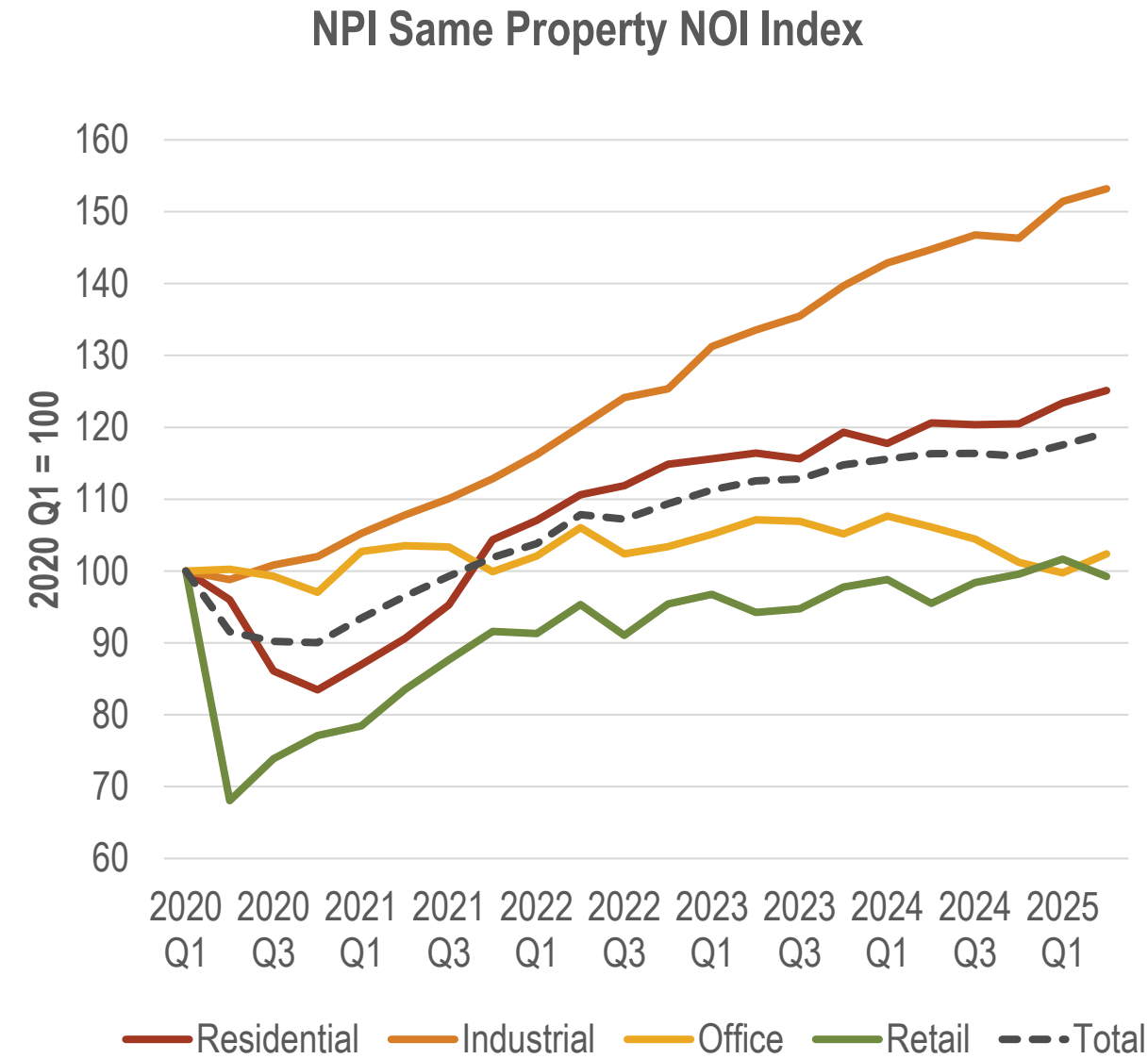
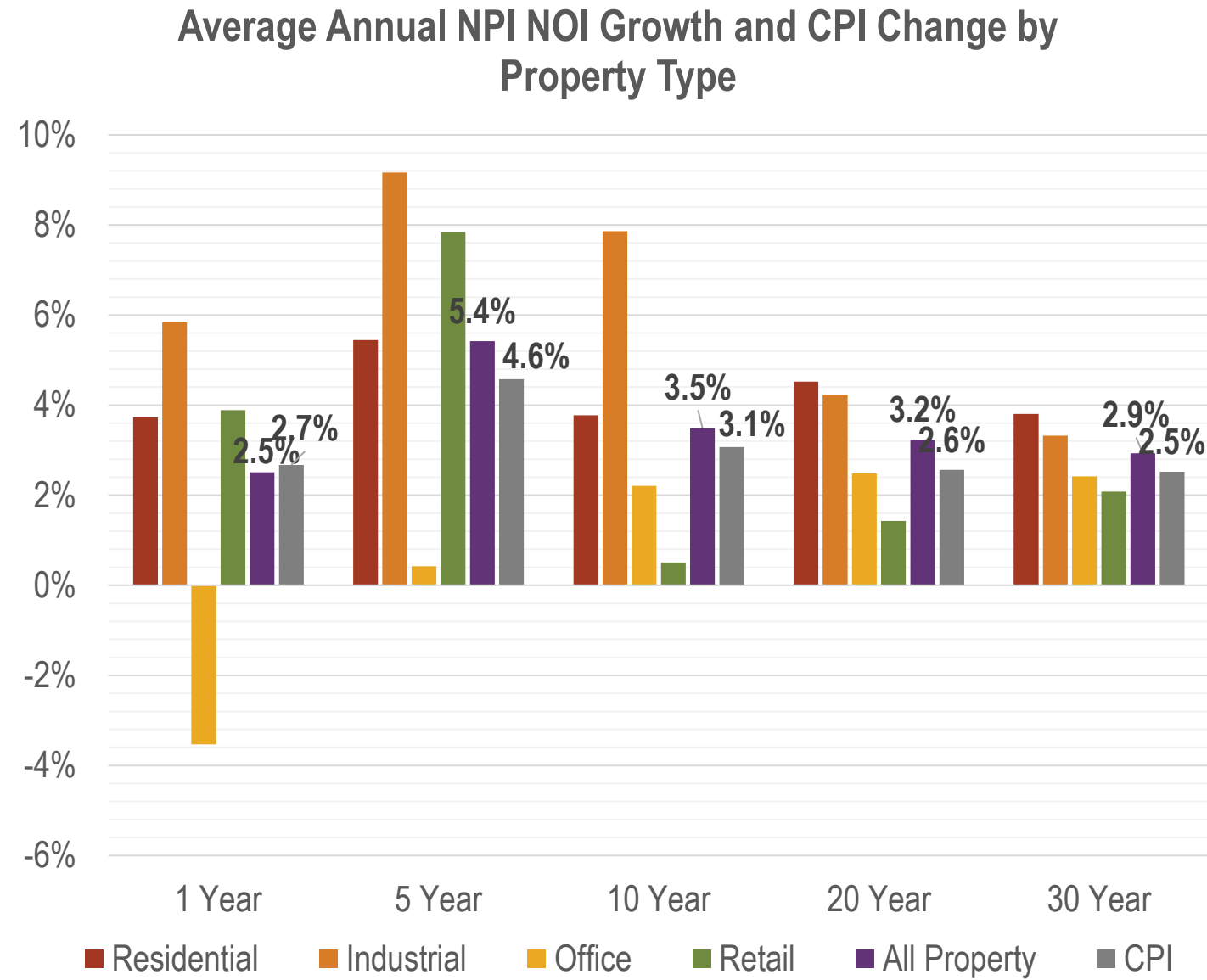


# Annual NPI NOI Growth Was 2.5%, Slightly Below Annual CPI Inflation of 2.7%

Rolling 4Q NOI Change, All Property Types

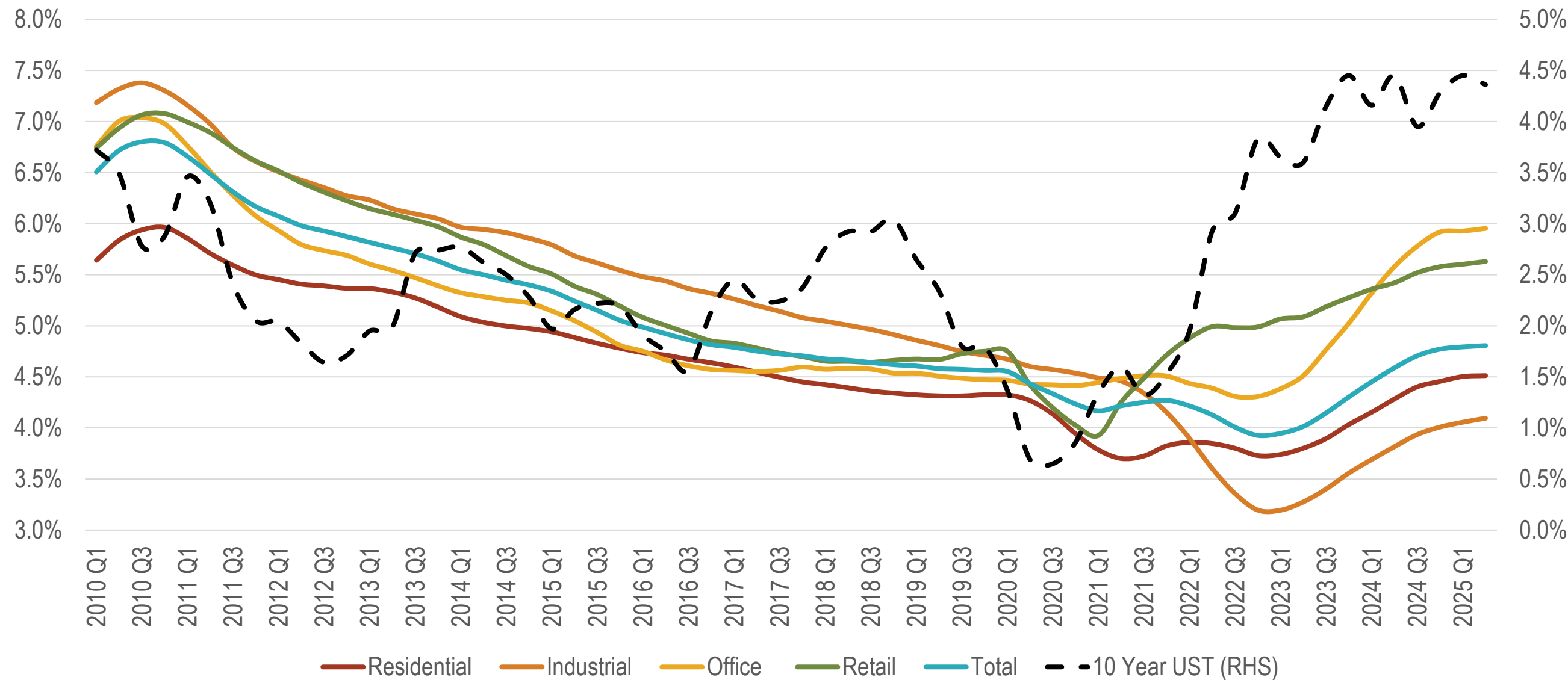


# Past Year NOI Growth Outpaced CPI for All Property Types but Office



# NPI Income Returns Held Steady QoQ Across Property Types in Q2

NPI Trailing 4Q Income Return



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