

NPI Snapshot Report 4th Quarter 2023

<u>Market Value (\$ M)</u>				4th Quarter 2023 Returns	3rd Quarter 2023 Returns	One Year Returns
Percent of Total	Properties					
<i>NCREIF Property Index</i>						
Total Index	847,973.5	10,851	Total	-3.02	-1.37	-7.9
	100.0%		Income	1.11	1.07	4.3
			Appreciation	-4.13	-2.44	-11.8
<i>Property Type Subindexes</i>						
Industrial	293,423.3	5,479	Total	-2.29	-0.26	-4.1
	34.6%		Income	0.92	0.88	3.5
			Appreciation	-3.2	-1.14	-7.4
Apartment	242,378.5	2,373	Total	-2.98	-1.41	-7.3
	28.6%		Income	1.04	0.99	4.0
			Appreciation	-4.03	-2.40	-11.0
Hotel	3,453.2	73	Total	1.80	1.86	10.3
	0.4%		Income	1.91	2.12	7.0
			Appreciation	-0.11	-0.25	3.2
Office	189,124.6	1,747	Total	-5.40	-3.67	-17.6
	22.3%		Income	1.32	1.30	5.1
			Appreciation	-6.72	-4.97	-21.8
Retail	119,593.8	1,179	Total	-1.12	-0.13	-0.9
	14.1%		Income	1.34	1.28	5.3
			Appreciation	-2.46	-1.41	-5.9
<i>Regional Subindexes</i>						
East	243,384.4	2,398	Total	-3.13	-1.59	-9.3
	28.7%		Income	1.15	1.10	4.4
			Appreciation	-4.28	-2.69	-13.2
Midwest	60,858.3	1,169	Total	-2.36	-0.67	-5.8
	7.2%		Income	1.23	1.26	4.9
			Appreciation	-3.6	-1.93	-10.4
South	197,215.7	3,263	Total	-1.89	-0.52	-4.0
	23.3%		Income	1.15	1.10	4.5
			Appreciation	-3.04	-1.62	-8.3
West	346,515.1	4,021	Total	-3.69	-1.80	-9.5
	40.9%		Income	1.03	1.00	4.0
			Appreciation	-4.72	-2.80	-13.1

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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