



CROW HOLDINGS

CAPITAL

2024 FALL NCREIF MEETING

MARK ROBERTS

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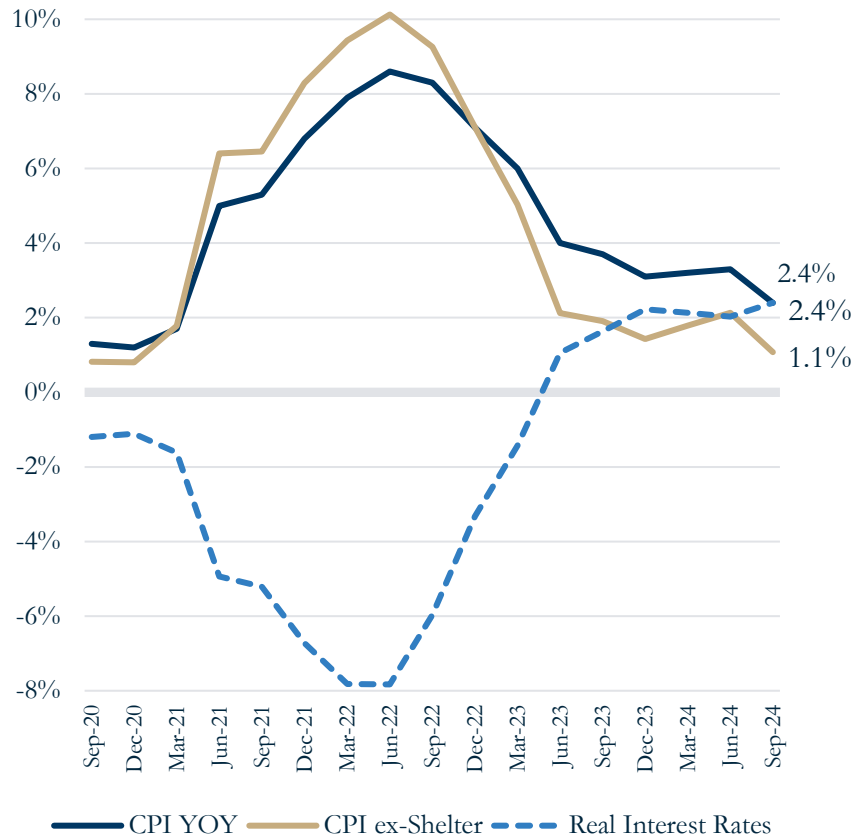
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INFLATION LESS SHELTER COST IS ALREADY BELOW THE 2% TARGET

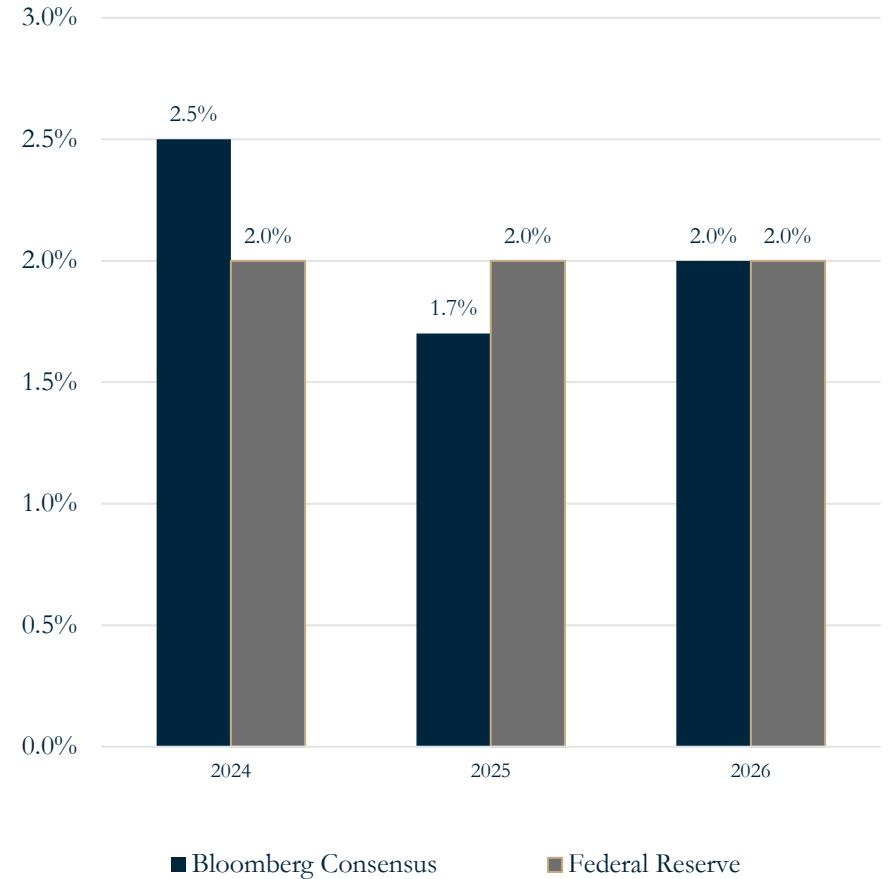
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Federal Reserve Has Indicated They Will Reduce Rates 50 bps to ~4.33% by Year-End 2024

Real Interest Rates Are High at 2.4%



GDP Growth Returns to Trend



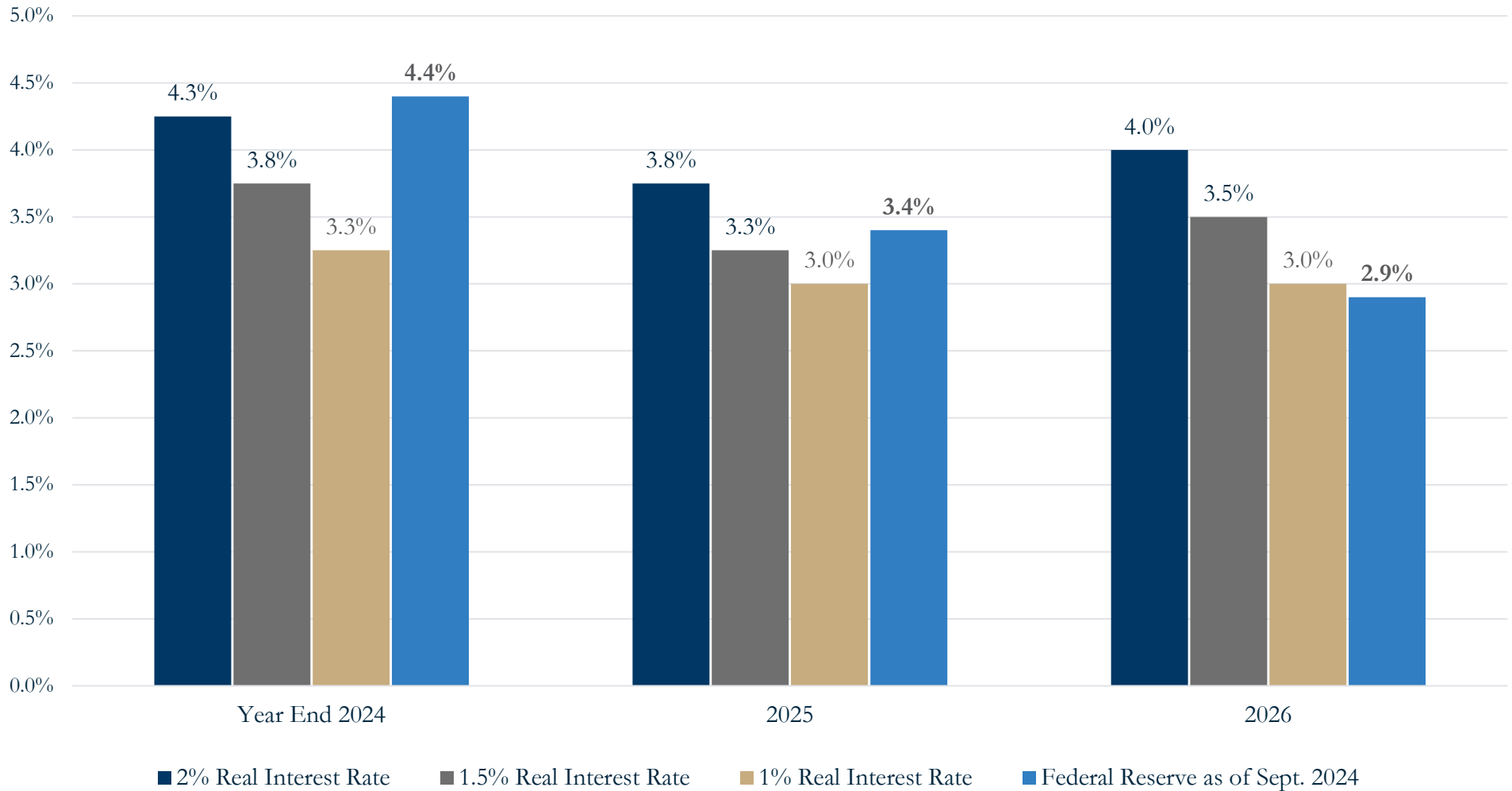
Source: Crow Holdings Research & Strategy and SMU Folsom Institute for Real Estate using data from the Bureau of Labor Statistics for inflation and the Federal Reserve for the Fed Funds Rate less inflation (CPI-U) to determine the real interest rate. Growth in gross domestic product (GDP) reflects consensus views as provided by Bloomberg. The Federal Reserve's estimate reflect their GDP growth expectation as published in their Summary of Economic Projections report ("SEP") released on September 18, 2024.

FEDERAL RESERVE IS LOWERING ITS REAL INTEREST RATE TARGET

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Year-End Real Rate Target of ~2.0% Down From 2.3%. Declining to 1.2% in 2025 and 0.9% in 2026

FED FUNDS RATE PROJECTIONS USING CONSENSUS GDP AND 2% INFLATION

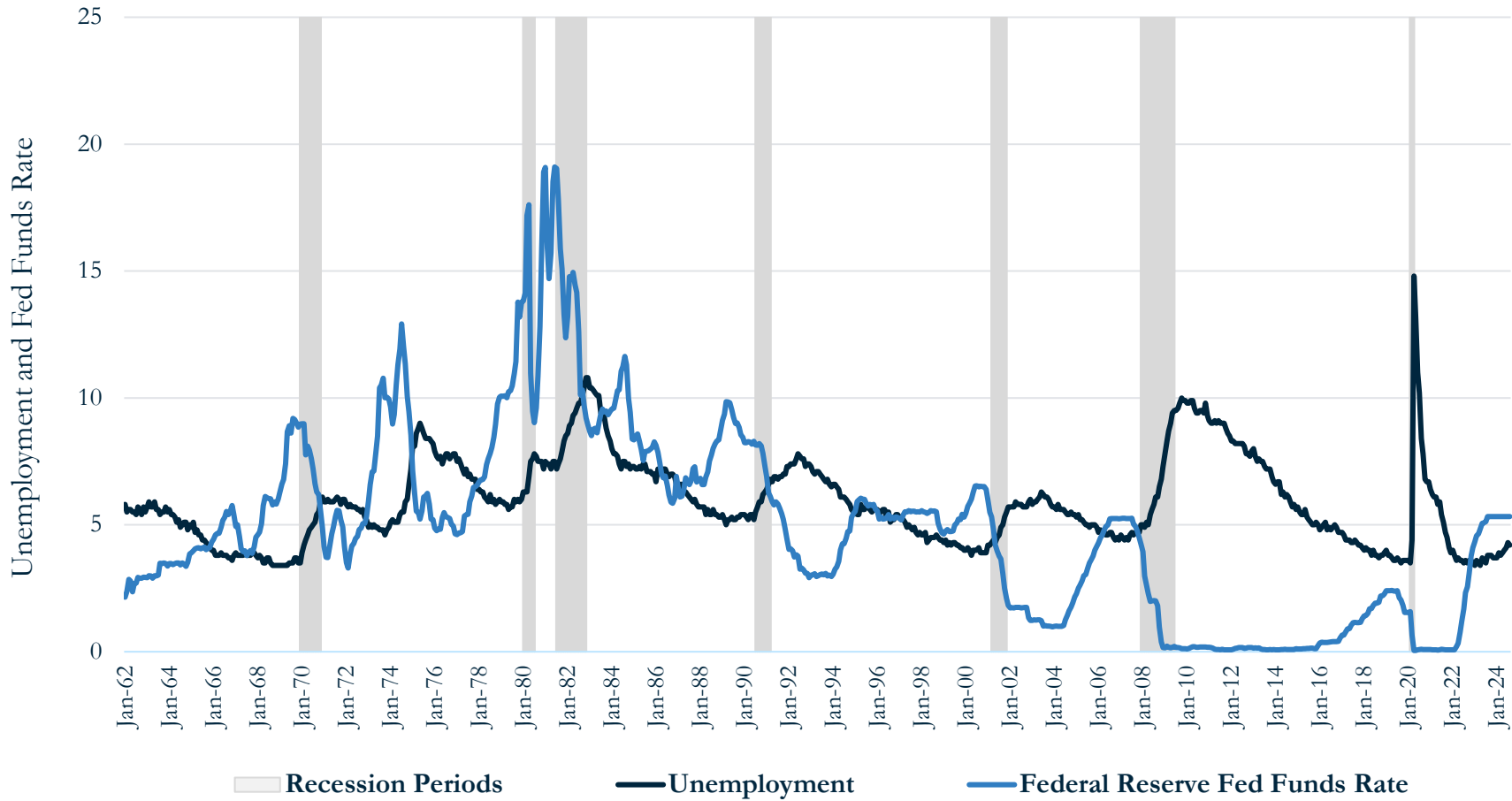


Source: Crow Holdings Capital Research & Strategy and SMU Folsom Institute for Real Estate using the Taylor Rule which combines inflation, GDP growth and real interest rates. The Federal Reserve projections reflect the median of FOMC committee members as reported by the Federal Reserve in their SEP published September 18, 2024.

GRADUAL DECLINE IN RATES AS UNEMPLOYMENT IS LOW

The Fed Has “Dry Powder” and Could Reduce Rates Faster if Unemployment Suddenly Increases

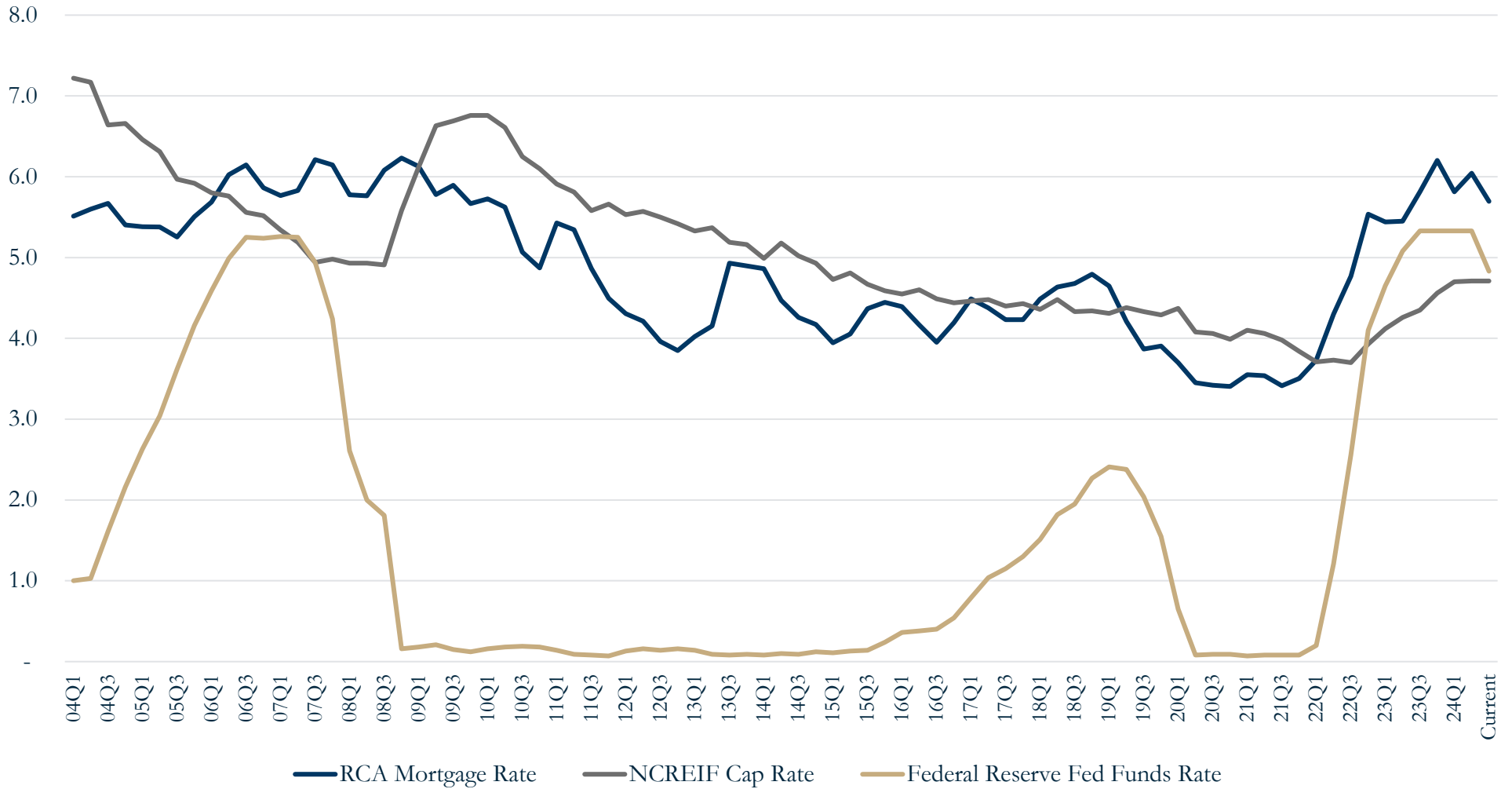
INVERSE RELATIONSHIP BETWEEN UNEMPLOYMENT & FED FUNDS RATE



Source: Crow Holdings Capital Research & Strategy and SMU Folsom Institute for Real Estate using data from the St. Louis Federal Reserve database for unemployment and the Fed Funds rate. Recession periods reflect those periods as defined by the National Bureau of Economic Research (“NBER”). Data is as of August 30, 2024.

CAP RATES DRIVEN MORE BY MORTGAGE RATES

Cap Rates Tend to Follow Mortgage Rates



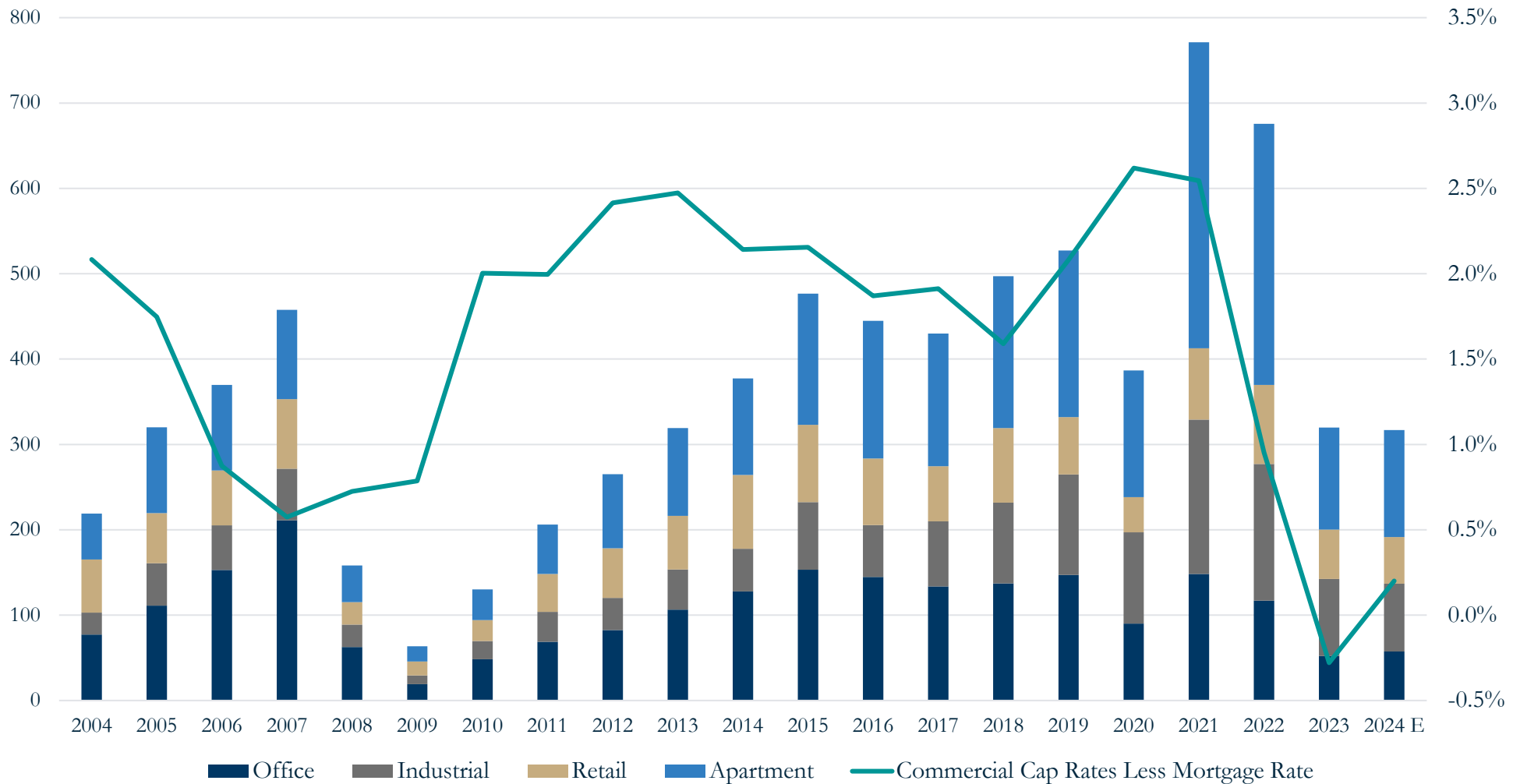
Source: Crow Holdings Capital Research & Strategy and SMU Folsom Institute for Real Estate using data from NCREIF for the Current Value Cap Rate published in the NPI Trends Report for 2Q2024. Mortgage Rates from RCA and the Federal Reserve Fed Funds rate is from the St. Louis Federal Reserve database. Data is as of June 30, 2024 for the NCREIF cap rate and September 18, 2024, for the Fed Funds Rate.

TRANSACTION VOLUME FOLLOWING 2023 LEVELS

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Lending Spreads Turning Slightly Positive – Expect to See Further Improvement in 2025

2024 TRANSACTION VOLUME ANNUALIZED (\$BILLIONS) VS LENDING SPREADS



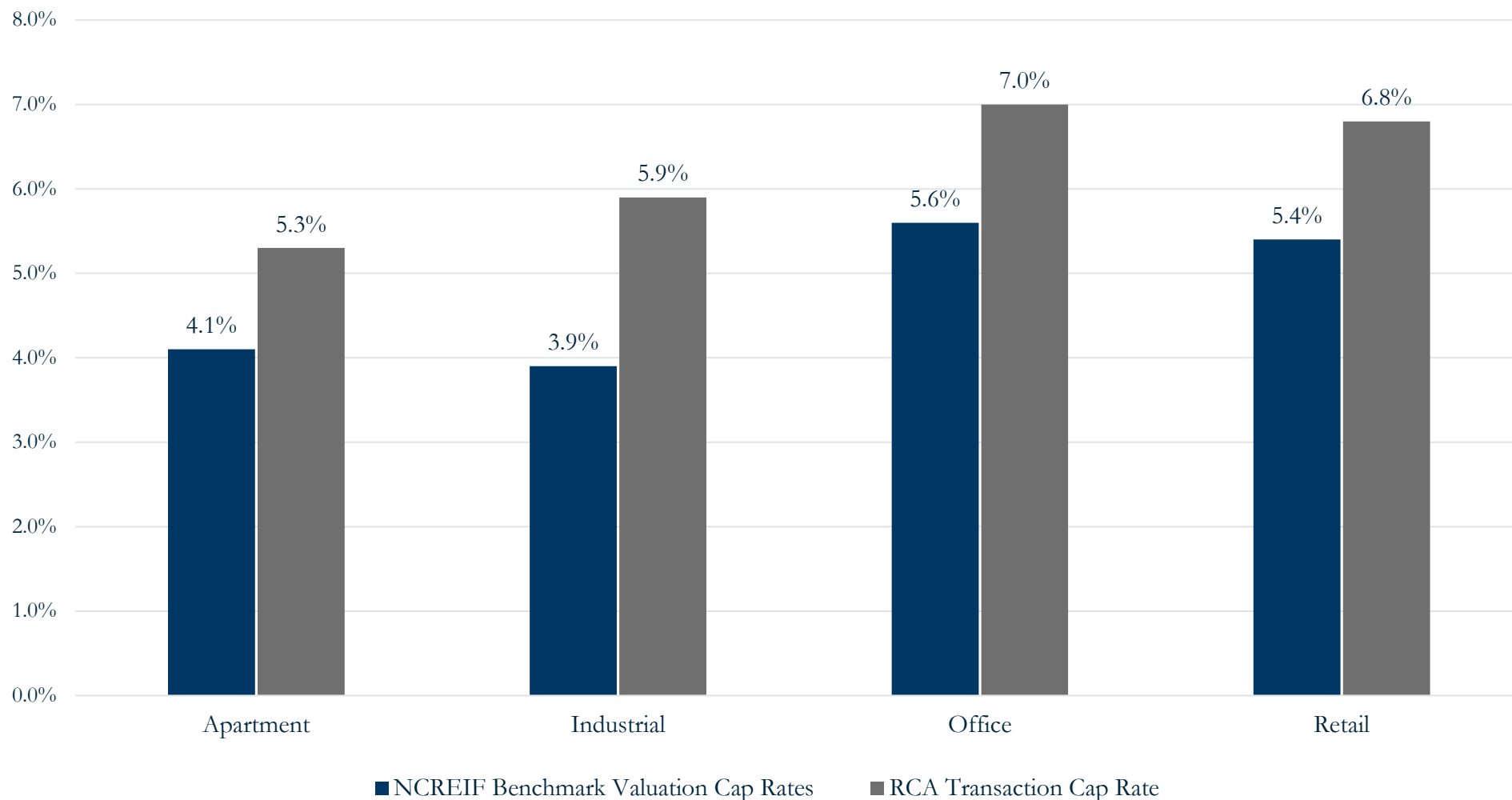
Source: Crow Holdings Research & Strategy using data from MSCI/RCA. The Commercial Cap Rate less Mortgage Rates reflects RCA’s reporting of both of those figures through the end of June 2024. The author used the difference between these two to highlight the “spread” and its relationship to transaction volume. Currently, transaction cap rates as reported by MSCI/RCA are mostly equal to lending rates. With less positive leverage available, transaction volumes could be lower compared to history.

TRANSACTION CAP RATES HIGHER THAN VALUATION CAP RATES

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For Core, Low-Leveraged Investors With Dry Powder, 2024 Could Be a Good Vintage Year

POTENTIAL OUTPERFORMANCE VS BENCHMARK FOR NEW CORE INVESTMENTS



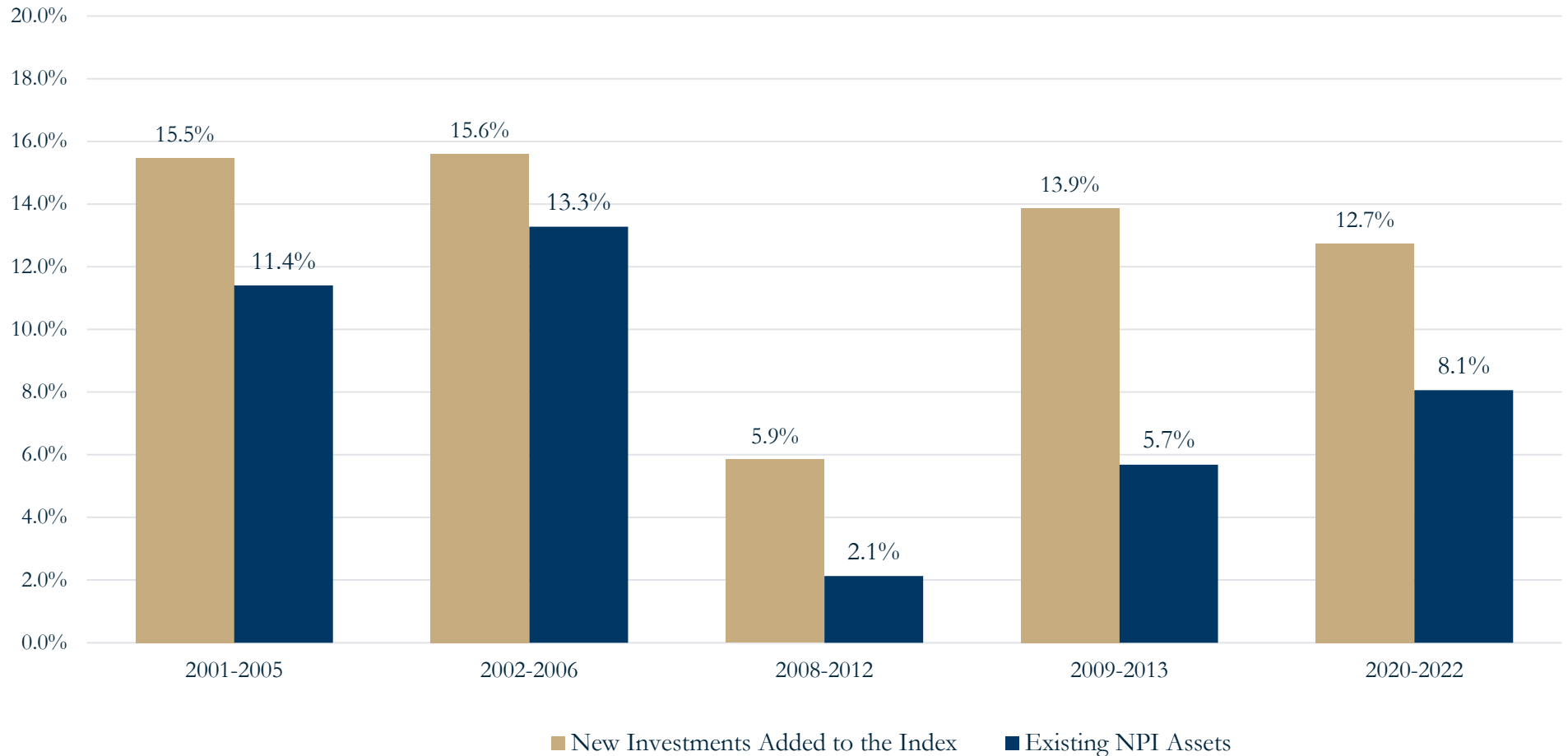
Source: Crow Holdings Capital Research & Strategy, NCREIF current value cap rates as reported in the NCREIF Trends Report, 4Q 2023; MSCI/RCA 2023 reported year end 2023 cap rates.

VINTAGE YEAR ENTRY POINTS FOR CORE INVESTMENTS

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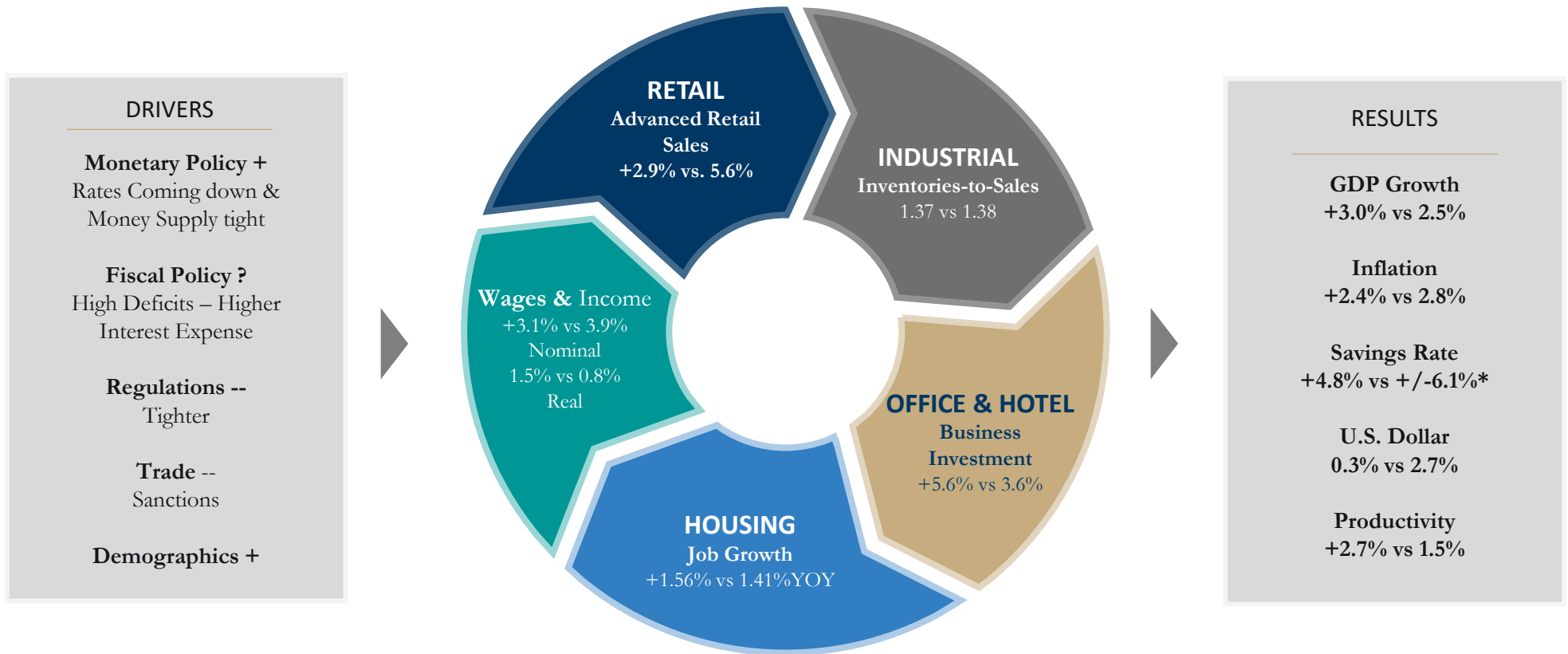
New Investments vs Existing Investments

5-YEAR AVERAGE VINTAGE YEAR TOTAL RETURNS: NEW INVESTMENTS VERSUS EXISTING INVESTMENTS



Source: Crow Holdings Research & Strategy and Folsom Institute for Real Estate using data from NCREIF. Returns represent five-year annual average total returns for new investments following the year of acquisition. For example, investments made in 2000, produced a total return of 15.5% for the five years from 1Q2001 – 4Q2005, inclusive while the NCREIF Index produced a total return of 11.4%. Total returns for 2020-2022 reflects a shorter time periods. Returns for investments made in 2019 reflect the three-year period from 1Q2020-4Q2022.

Despite Uncertain Macro Drivers, Leading Real Estate Indicators in Balance

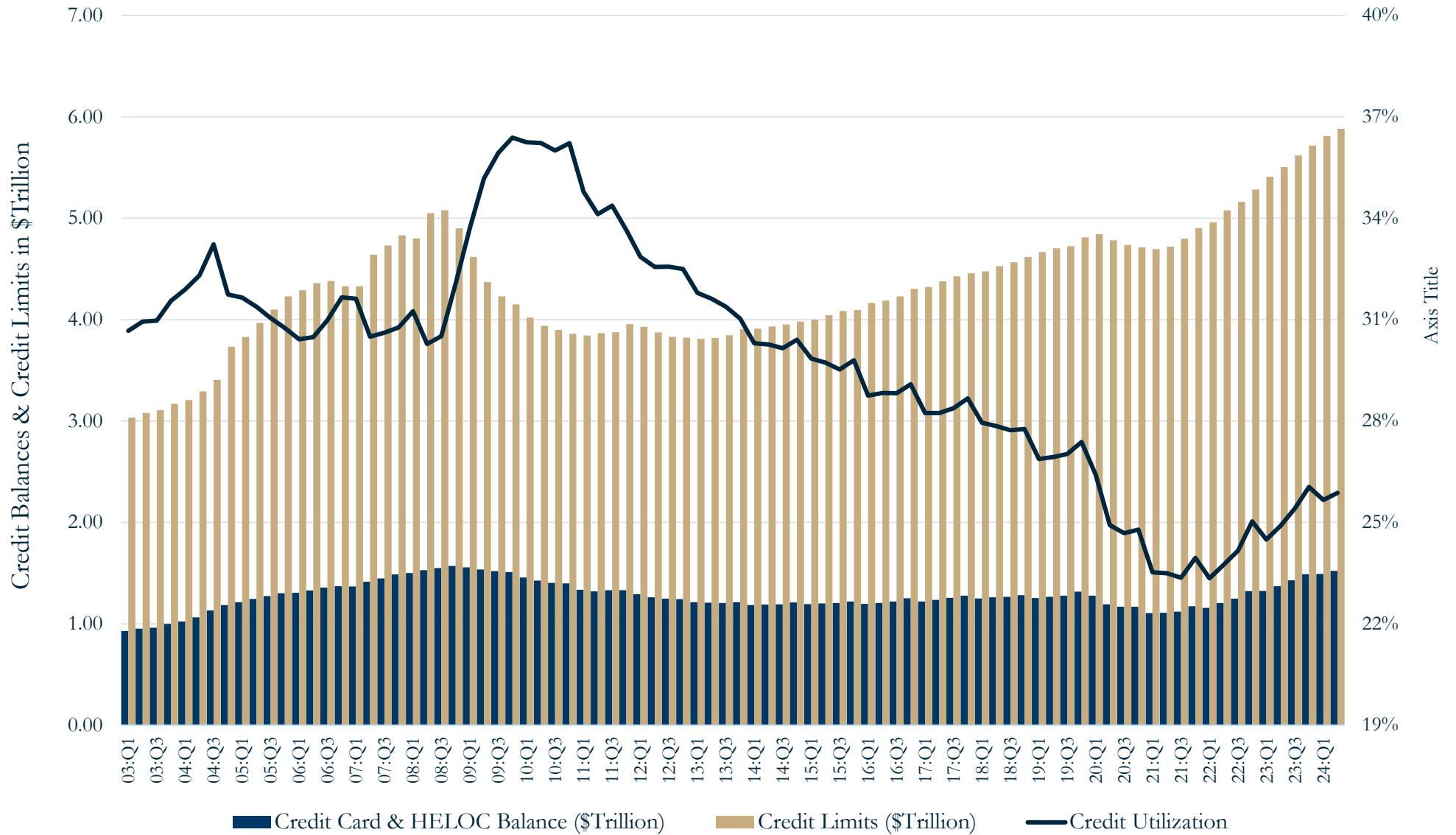


Source: Nominal wages reflect hourly nominal earnings as of June 2024 from the BLS. Real wages as of September 2024. Advanced retail sales excluding gas are YOY% as of August 2024. Inventories-to-sales as of July 2024. 1.37 also equals the average of the past 10 years. Business investment reflects real gross private domestic investment as of Q2 2024. 3.5% is the average real business investment from 2Q2014-2Q2024. Job growth represents total YOY% non-farm payroll employment growth as of September 2024. 1.41% represents the annual average employment growth over the last 10 years. Personal Savings rate as of Aug. 30, 2024, vs. the pre-COVID 10-year average (12/2009-12/2019). Average of the last 10 years is 7.1%. Labor Productivity as of 2Q2024 and 1.5% is the average of the last 10 years. US Dollar reflects Goldman Sachs Dollar Index YOY% as of 9-9-2024 vs. 10-year average of 2.7%. CPI-U NSA as of Sept. 2024. Data from Bloomberg using data from the Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau and the FRED database.

CREDIT USAGE GROWING SLOWER THAN CREDIT AVAILABLE

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Lenders Extending More Credit, But Households Only Using a Fraction

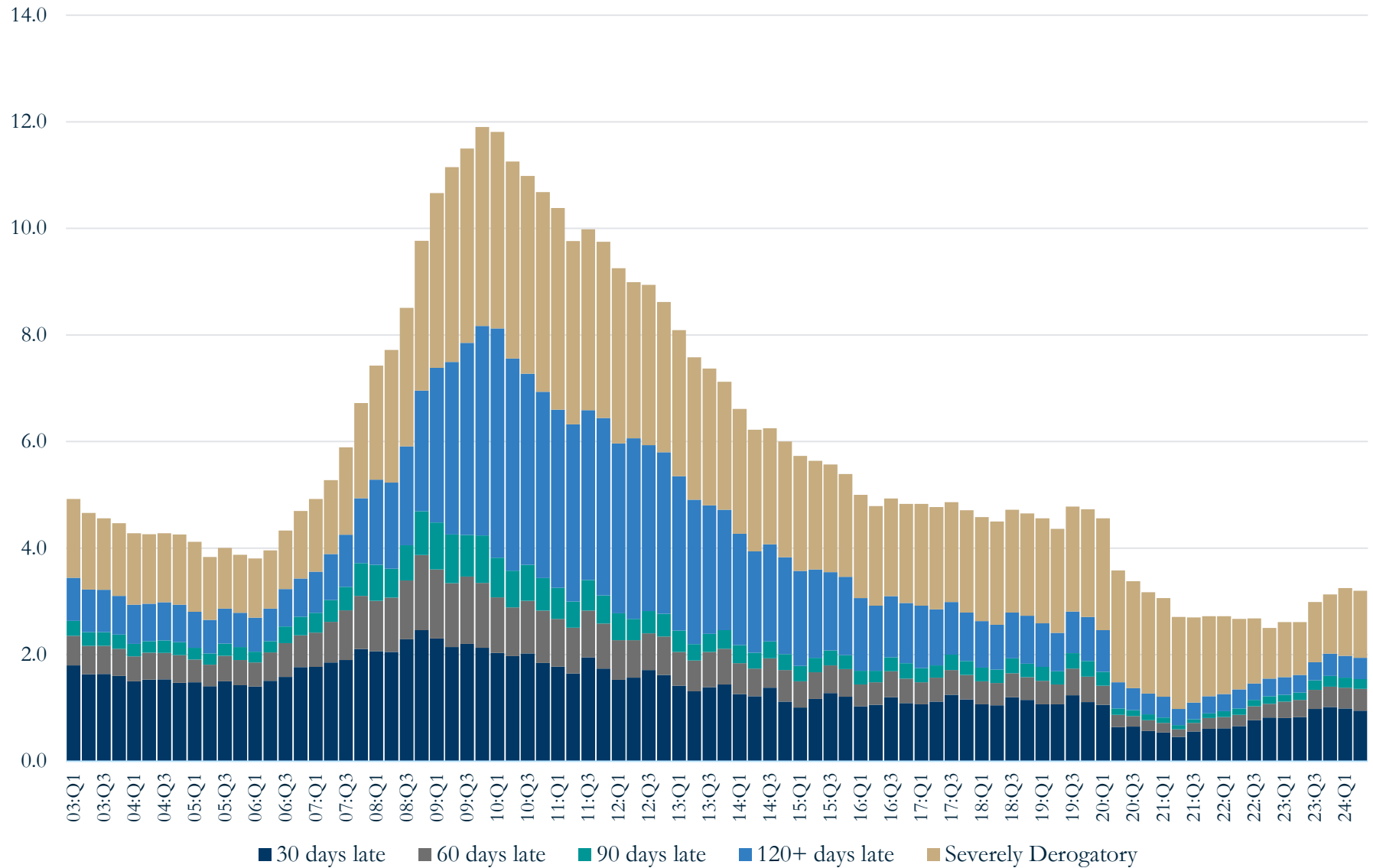


Source: Crow Holdings Capital Research & Strategy and SMU Folsom Institute for Real Estate using data from the New York Federal Reserve Credit Panel/Equifax 2Q 2024.

DELINQUENCY RATES REMAIN NEAR 20-YEAR LOWS

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Household Balance Sheets Remain in Great Shape: 3.2% Delinquent vs 20-Year Average of 5.8%



Source: Crow Holdings Capital Research & Strategy and SMU Folsom Institute for Real Estate using data from the New York Federal Reserve Credit Panel/Equifax 2Q 2024.

REAL ESTATE CYCLE LEADING INDICATORS IMPROVING

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Valuation, Credit Spreads & Lending Trends are Positive, Yield Curve & Cap Rate Spreads Stretched

	LEADING INDICATOR	20-YEAR AVERAGE	RANGE	GFC PERIOD '07-'08	SIGN	Q2 2024	SIGN
ECONOMY (DEMAND)	Yield Curve: 10-Year yield less 90-day yield	130 bps	120 bps	-40 bps	↓	-90 bps	↓
	Credit Spread (BBB-Treasury)	175 bps	100 bps	c.650 bps	↓	133 bps	↔
SUPPLY	Commercial Construction (% of GDP)	2.2%	0.3%	2.8%	↓	2.5%	↔
REITS	REIT NAV Premium/Discount	+3.9%	11.0%	-24.0%	↓	16.4%	↑
VALUATIONS	Cap Rate	5.5%	0.9%	5.5%	↔	4.7%	↔
	Cap Rate Spread to Treasuries	2.3%	1.0%	0.7%	↓	1.1%-2.2%	↔
	Cap Rate Spread to BBB	0.9%	1.3%	-2.4%	↓	-1.5%	↓
MORTGAGE DEBT	Mortgage Debt (% of GDP)	14.3%	1.3%	17.7%	↓	13.0%	↔
	Real estate loan growth	4.7%	5.2%	15.7%	↓	2.8%	↑
	CMBS Option-Adjusted Spread (OAS)	180 bps	200 bps	c.900+ bps	↓	107 bps	↔

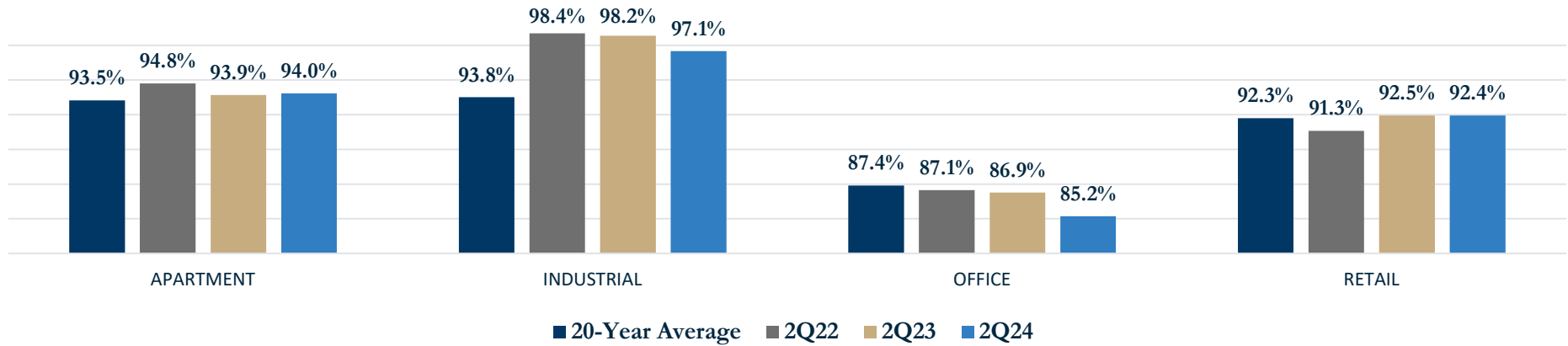
Source: Crow Holdings Research & Strategy and SMU Folsom Institute for Real Estate. Yield data from the Federal Reserve or Bloomberg; Credit spreads – Bloomberg; Construction US BEA National Income and Product Accounts – Nonresidential commercial and health care structures. REIT NAV data from Greenstreet; Cap rate data from NCREIF; Mortgage Debt as a Share of GDP Mortgage Banker's Association of mortgage debt outstanding versus GDP from the BEA. Real estate loan growth from the Federal Reserve. CMBS Investment Grade Bonds Option-Adjusted Spread (LC09OAS) from Bloomberg. Data as of 2Q2024

NCREIF FUNDAMENTALS REMAIN STRONG (EX-OFFICE)

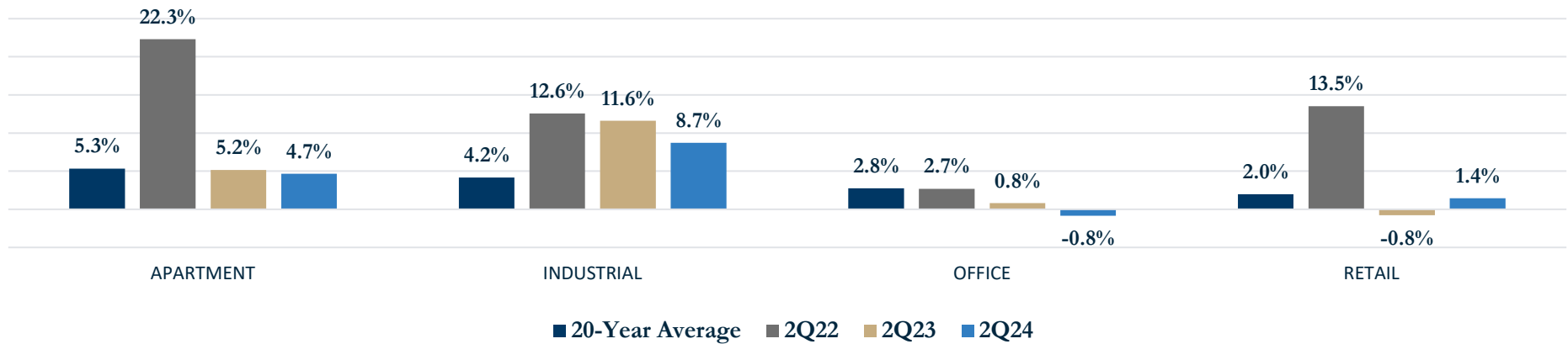
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Resilient Occupancy Rates and NOI Growth Partially Offset Valuation Declines

OCCUPANCY RATES BY PROPERTY SECTOR



NOI GROWTH BY PROPERTY SECTOR

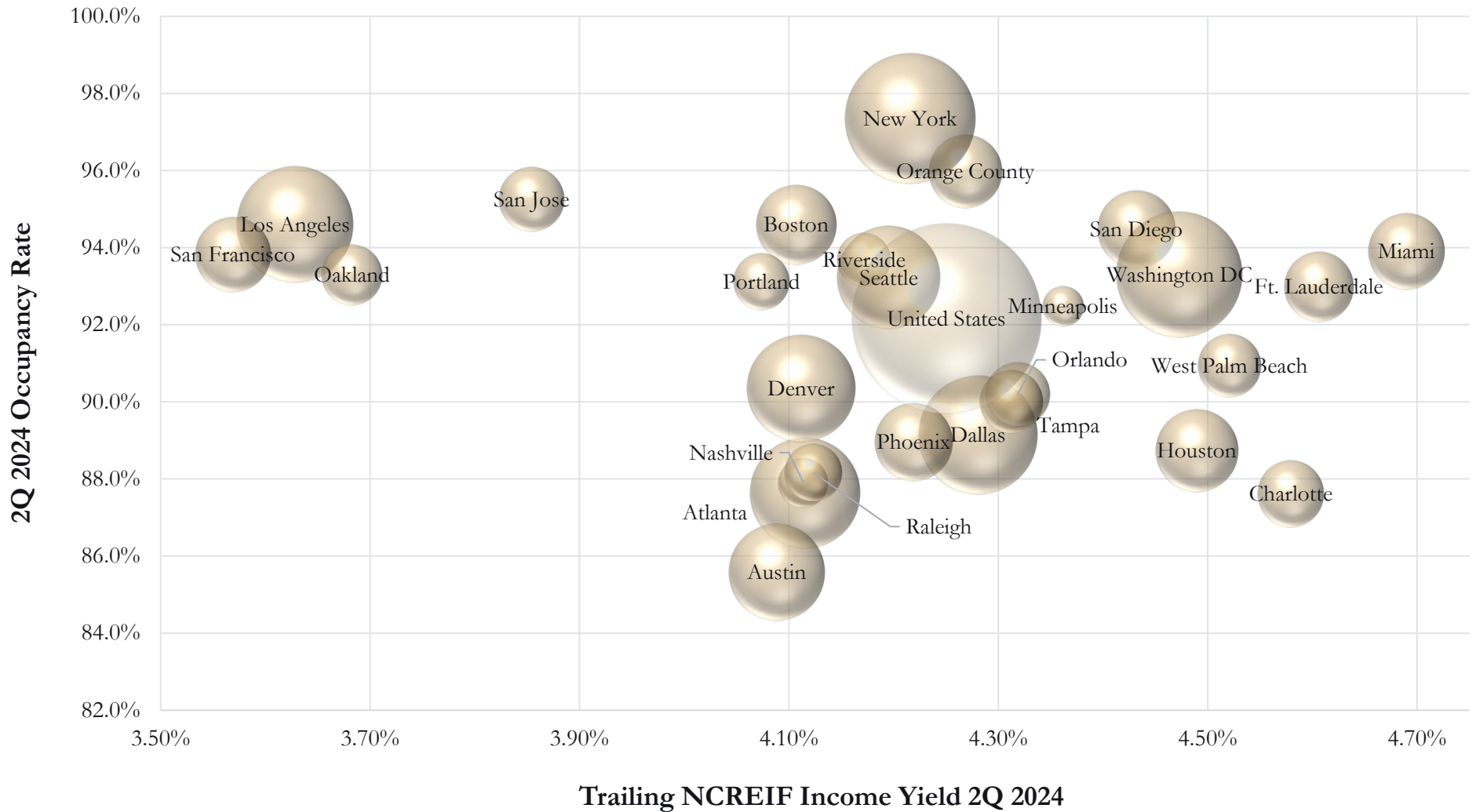


Source: Crow Holdings Research & Strategy and Folsom Institute for Real Estate using data from the NCREIF trends report as of 2Q2024, the latest data available. These do not reflect "same-store" statistics and may reflect survivor bias as weaker assets may have been sold and were not included in the index during the latest quarter.

APARTMENT MARKET SELECTION: OCCUPANCY, YIELD & WEIGHT

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Nationally, Occupancy Rates Were 92.2% versus the 10-Year Average of 93.6%

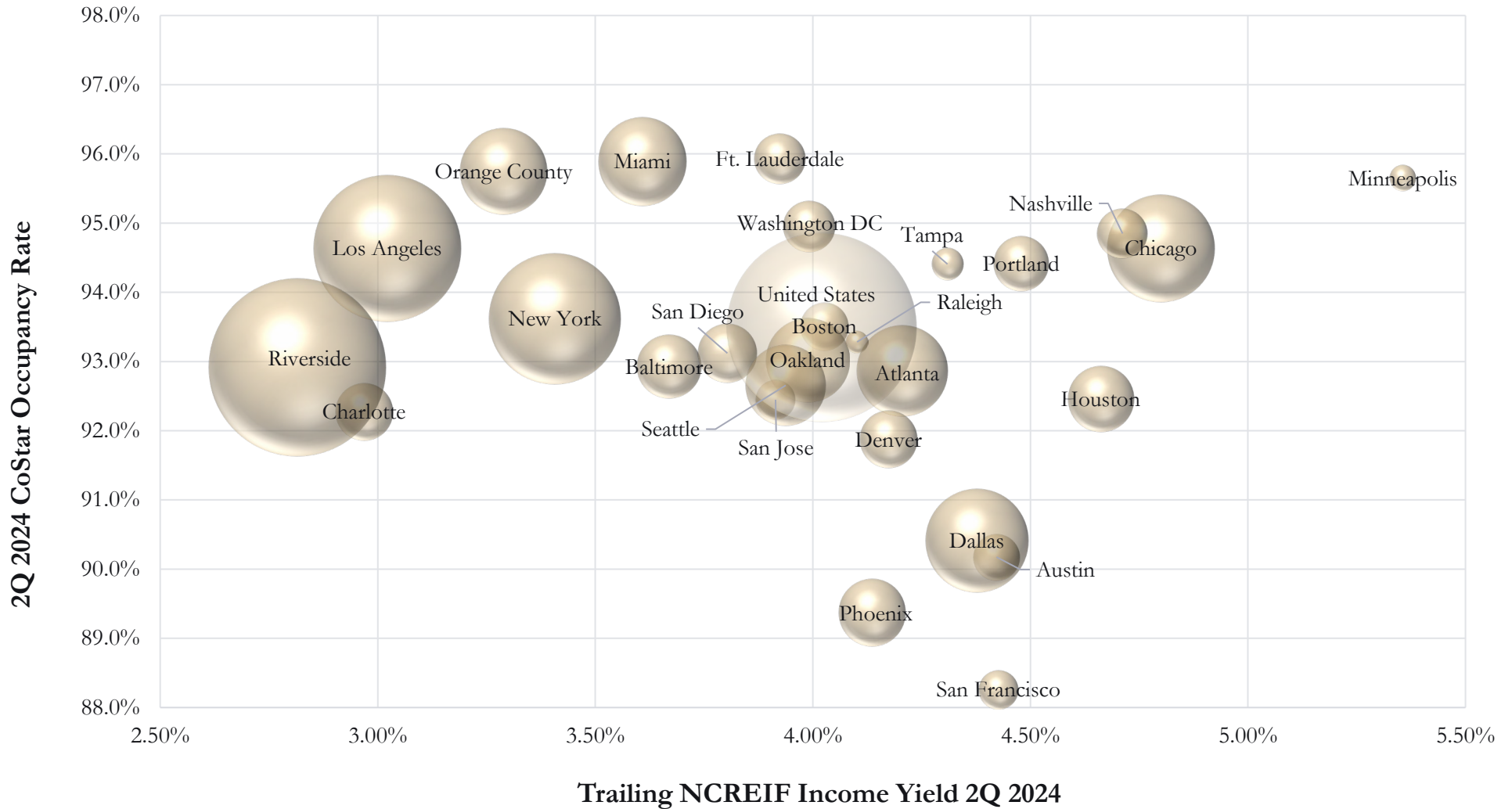


Source: Crow Holdings Research and Strategy and SMU Folsom Institute for Real Estate using data from NCREIF MSA as of 2Q 2024 for income yields and relative size of the city within the NCREIF property sector sub-index using ending market value. Occupancy rates reflect 2Q 2024 levels as reported by CoStar.

INDUSTRIAL MARKET SELECTION: OCCUPANCY, YIELD & WEIGHT

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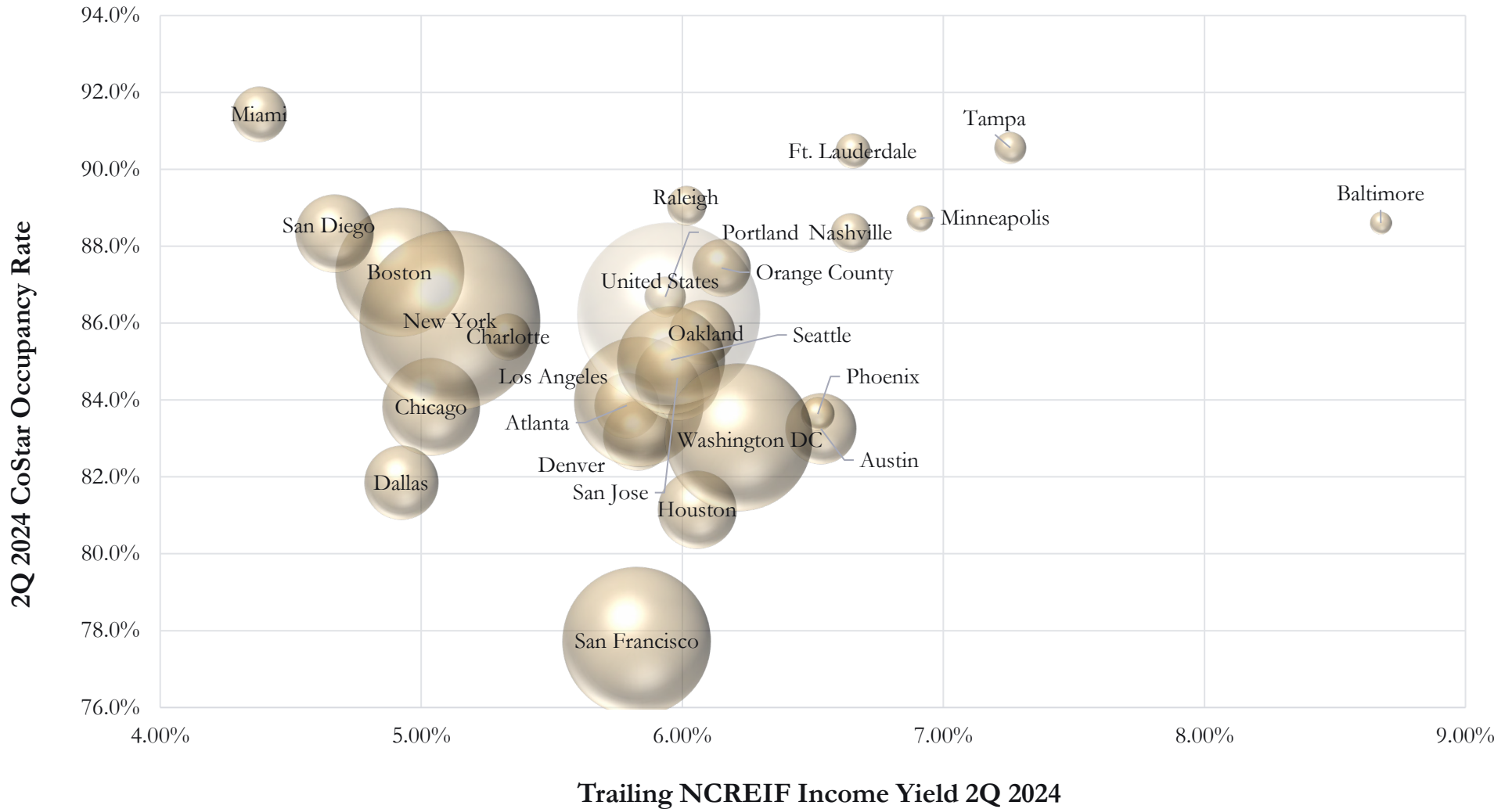
Nationally, Occupancy Rates Were 93.5% versus the 10-Year Average of 94.9%



Source: Crow Holdings Research and Strategy and SMU Folsom Institute for Real Estate using data from NCREIF MSA as of 2Q 2024 for income yields and relative size of the city within the NCREIF property sector sub-index using ending market value. Occupancy rates reflect 2Q 2024 levels as reported by CoStar.

OFFICE MARKET SELECTION: OCCUPANCY, YIELD & WEIGHT

Nationally, Occupancy Rates Were 86% versus the 10-Year Average of 89%

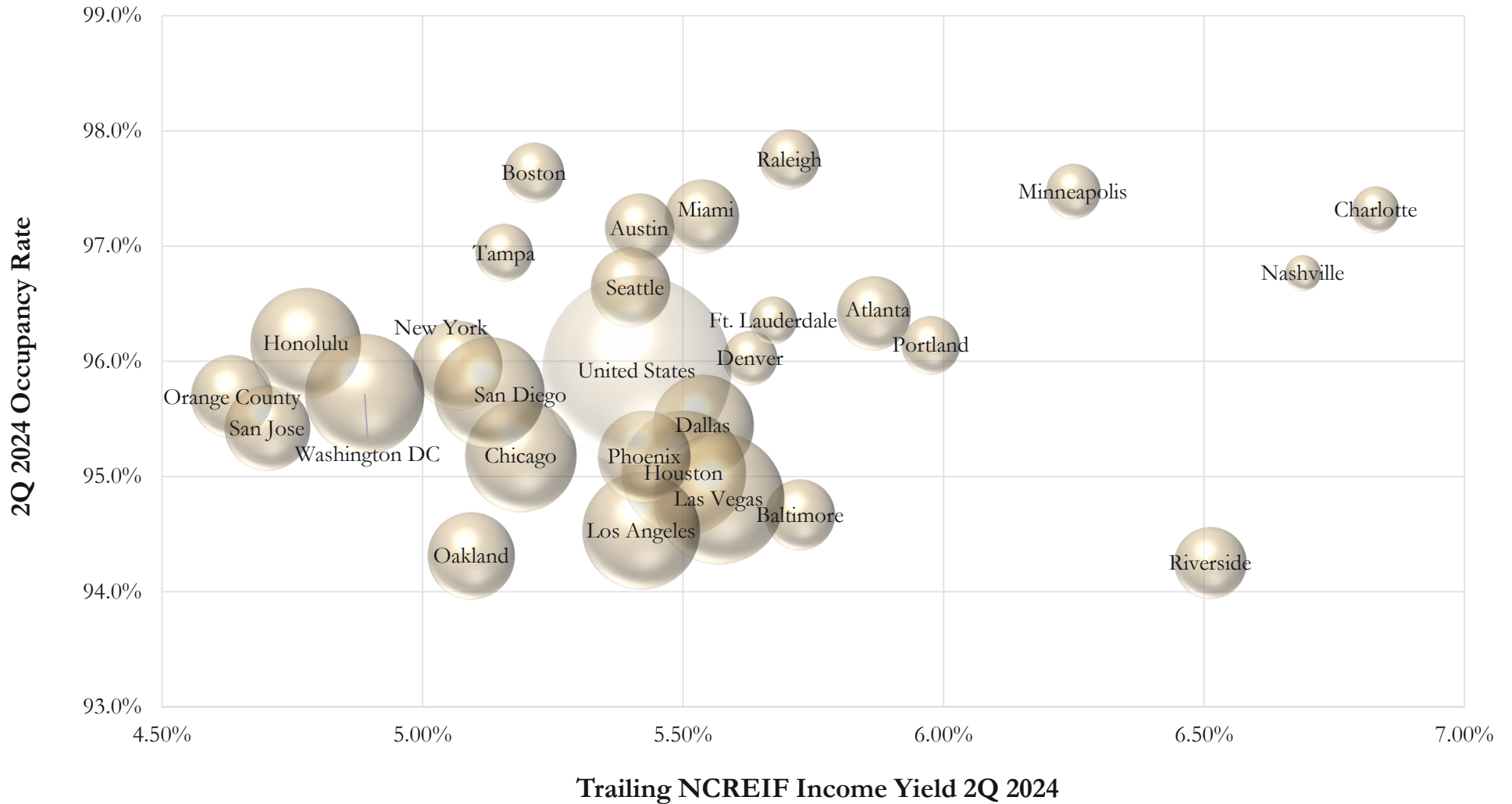


Source: Crow Holdings Research and Strategy and SMU Folsom Institute for Real Estate using data from NCREIF MSA as of 2Q 2024 for income yields and relative size of the city within the NCREIF property sector sub-index using ending market value. Occupancy rates reflect 2Q 2024 levels as reported by CoStar.

RETAIL MARKET SELECTION: OCCUPANCY, YIELD & WEIGHT

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Nationally, Occupancy Rates Were 96% versus the 10-Year Average of 95.4%



Source: Crow Holdings Research and Strategy and SMU Folsom Institute for Real Estate using data from NCREIF MSA as of 2Q 2024 for income yields and relative size of the city within the NCREIF property sector sub-index using ending market value. Occupancy rates reflect 2Q 2024 levels as reported by CoStar.

Outlook is Favorable as Long as Unemployment Remains Low

ECONOMY

- › 2024 GDP Growth likely to exceed the Fed's estimate of 2%
- › High "real interest rates" follow inflation lower
- › Household finances and credit in great shape
- › High productivity & low unemployment

REAL ESTATE

- › Real estate leading indicators are mostly positive
- › "Gap" between valuations and transactions – "numerator effect"
- › Relative value of retail appears strong, office still weak
- › Lots of opportunities for excess performance from market selection