

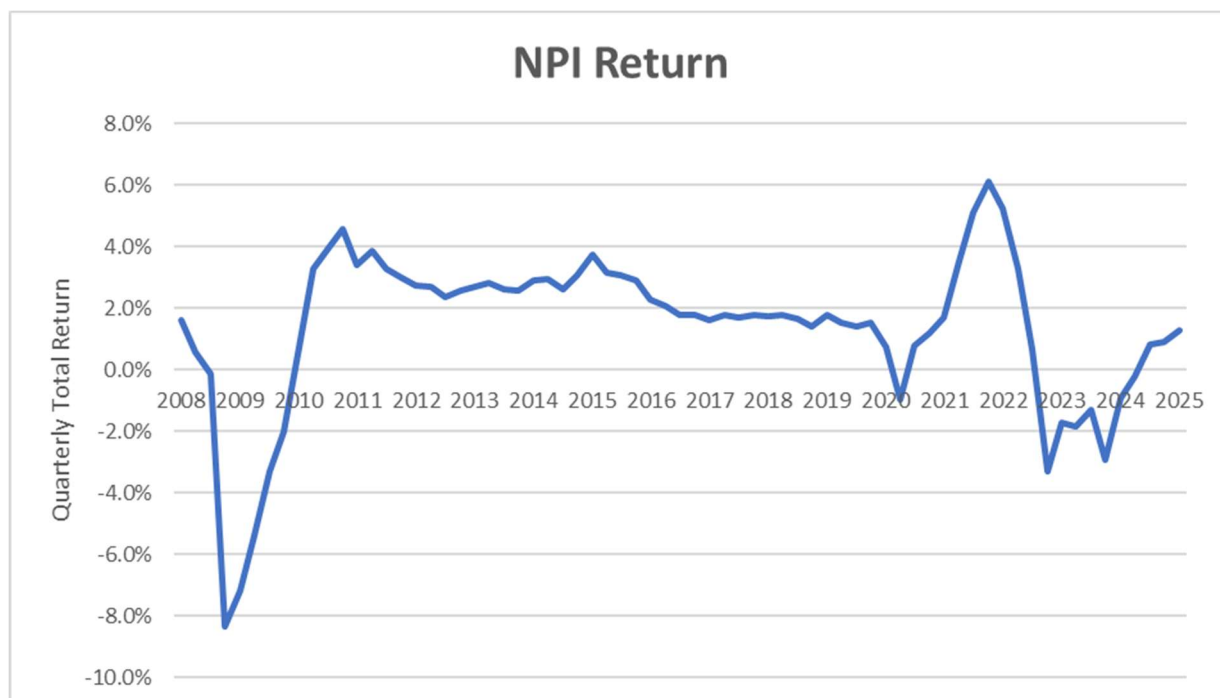


**FOR IMMEDIATE RELEASE:**

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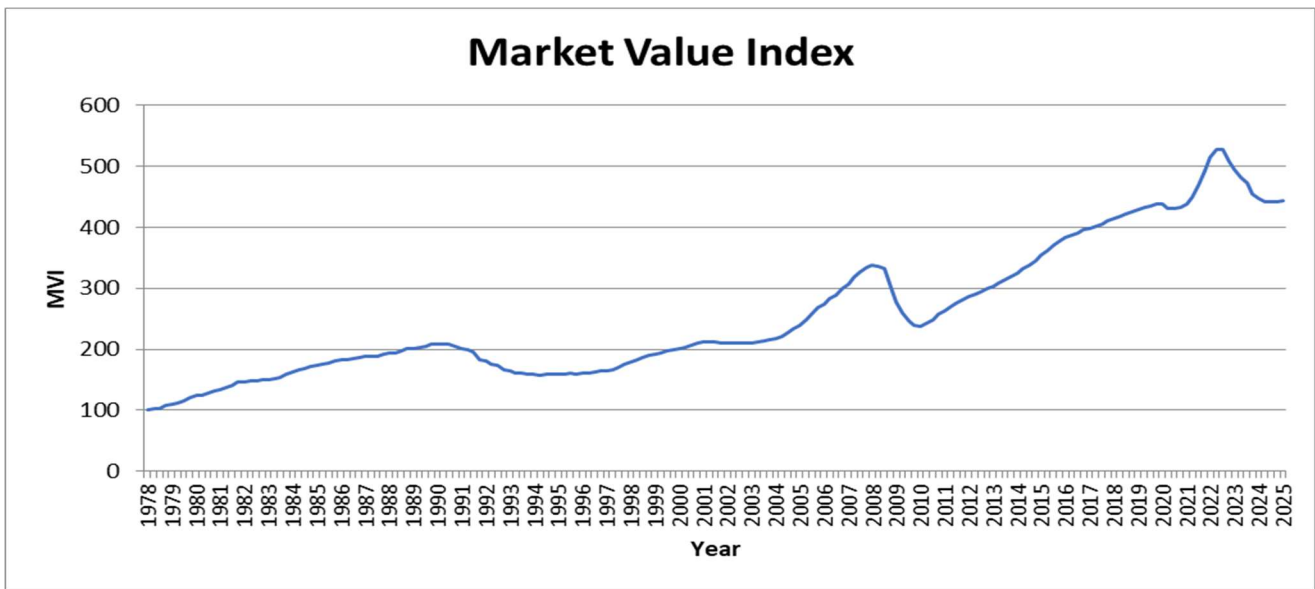
## **Institutional Property Returns Continue to Improve**

CHICAGO, IL, April 25, 2025 –The National Council of Real Estate Investment Fiduciaries (NCREIF) has released first quarter 2025 results for the NCREIF Property Index. (In this report the NPI refers to the newly expanded NPI.) The NPI includes 12,813 properties, totaling just under \$900 billion in market value. The unleveraged quarterly return for the first quarter of 2025 was 1.29%. The returns are detailed in the attached Snapshot Report. The NPI includes all operating properties managed by NCREIF data contributing members.



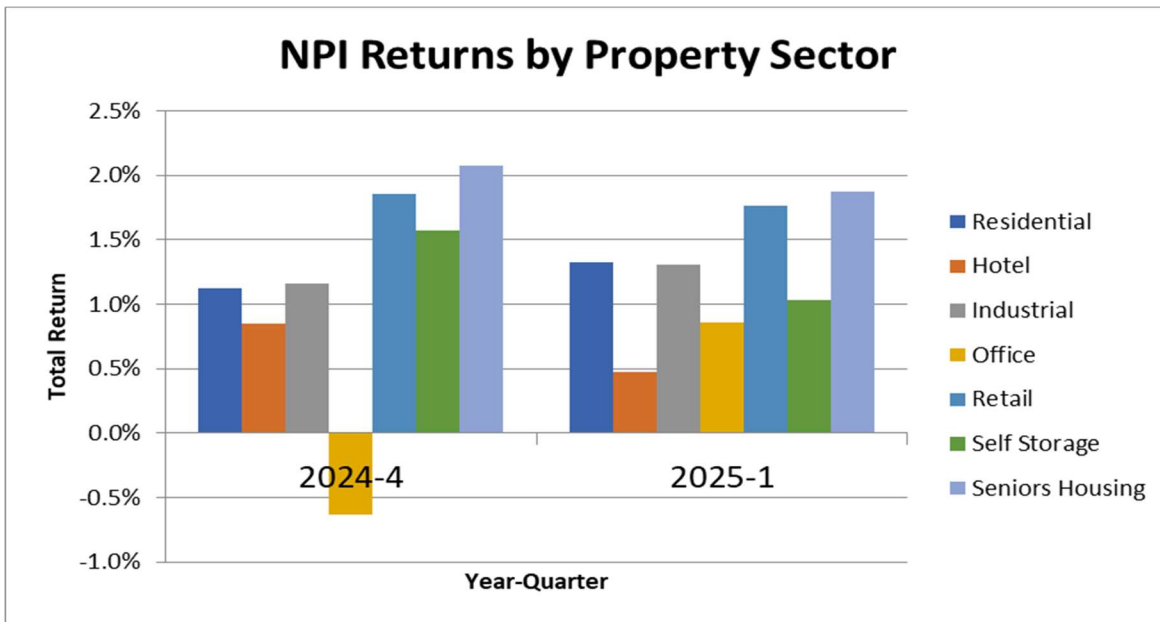
The positive 1.29% quarterly total return consisted of 1.18% of income and 0.11% of property appreciation. Appreciation is after the deduction of capital expenditures; this was the first positive appreciation return since the second quarter of 2022. These unleveraged returns are value-weighted for the properties and are calculated before consideration of investment advisory fees.

The market value of properties in the NPI index increased slightly during the first quarter. This is the second quarter of market value increases after dropping for 9 consecutive quarters.



### All Sectors have Positive Returns

All property sectors were able to produce positive returns this quarter. It is particularly notable that office returns turned positive to 0.86% from -0.64% during the fourth quarter of 2024. Industrial (mainly warehouse properties) and residential (mainly apartment properties) also had higher returns for the first quarter. The other sectors had lower returns but still in positive territory.



### Capitalization Rates and NOI Growth

Market value weighted capitalization (cap) rates based on appraisals for unsold properties in the index were down very slightly at 4.63% vs. 4.65% in the prior quarter. In contrast, for those properties that did sell (which is a very small percentage of properties in the index), the average cap rate rose slightly

from 5.60% to 5.66%. Note that the appraisal and transaction cap rates are trailing NOI cap rates based on the accounting NOI reported for properties in the NPI. NOI growth during the first quarter turned positive at 1.43% after being slightly negative at -0.05% the prior quarter.

### **About the NCREIF Property Index**

The NPI consists of 12,813 investment-grade, income-producing properties with a market value of \$898 billion and includes property data covering over 100 markets (core-based statistical areas or CBSAs). The market value breakdown by property type is about 19% office, 28% residential, 13% retail, 33% industrial with the remaining 7% consisting of hotel, self-storage, and seniors housing and “other” sectors. In addition, within each property type, data are further stratified by sub-type and location. These data enhance the ability of institutional investors to evaluate the risk and return of commercial real estate across the United States.

### **Webinar**

NCREIF will hold a webinar on Wednesday, May 7th, 2025 at 1:00 CST to discuss the NCREIF Property Index (NPI) in more detail as well as a discussion of other trends based on the NCREIF data. [CLICK HERE TO REGISTER FOR THE WEBINAR](#). An online replay of the webcast will be available on NCREIF’s website at [www.NCREIF.org](http://www.NCREIF.org).

The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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