NCREIF

National Council of Real Estate Investment Fiduciaries

Second Quarter 2026

Data and Indices Results Webinar

Today's Panelists

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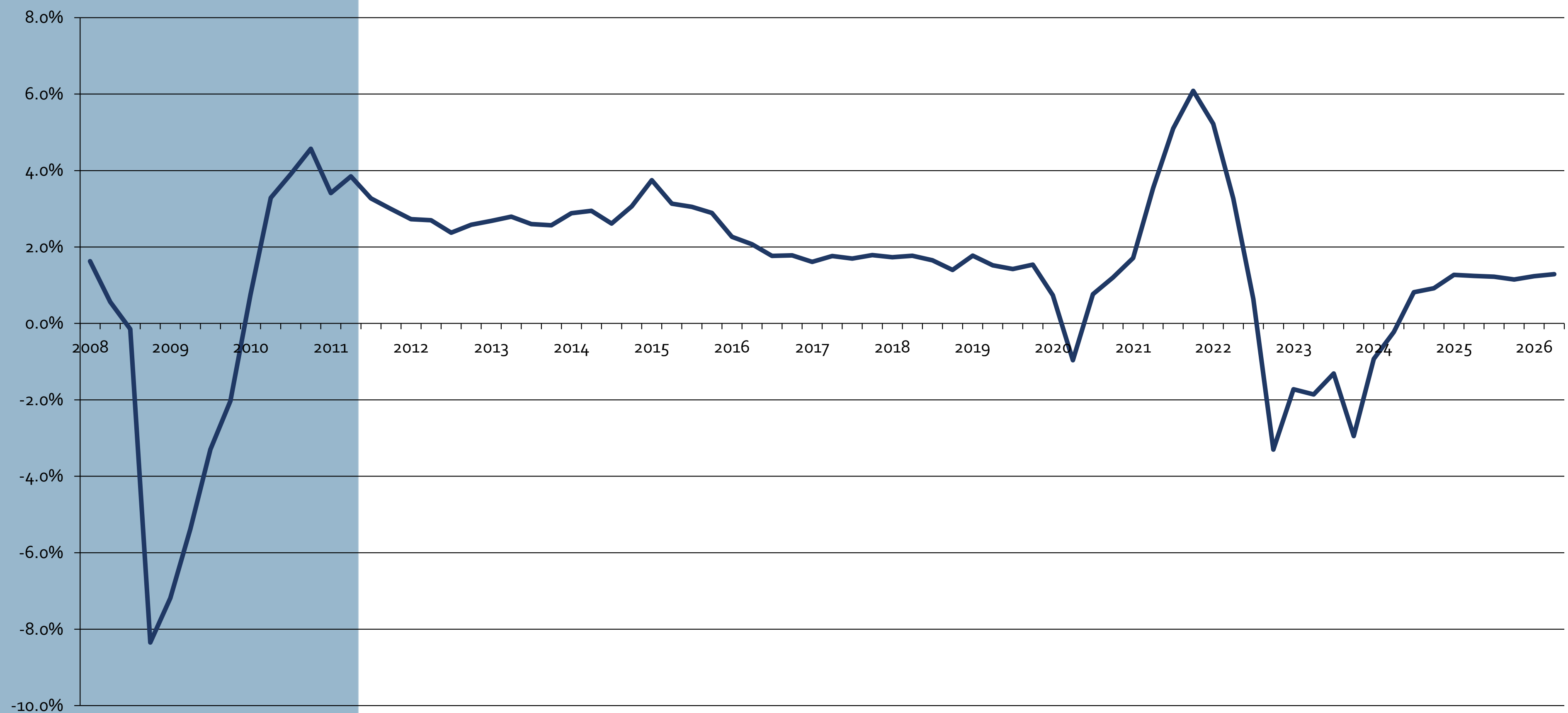
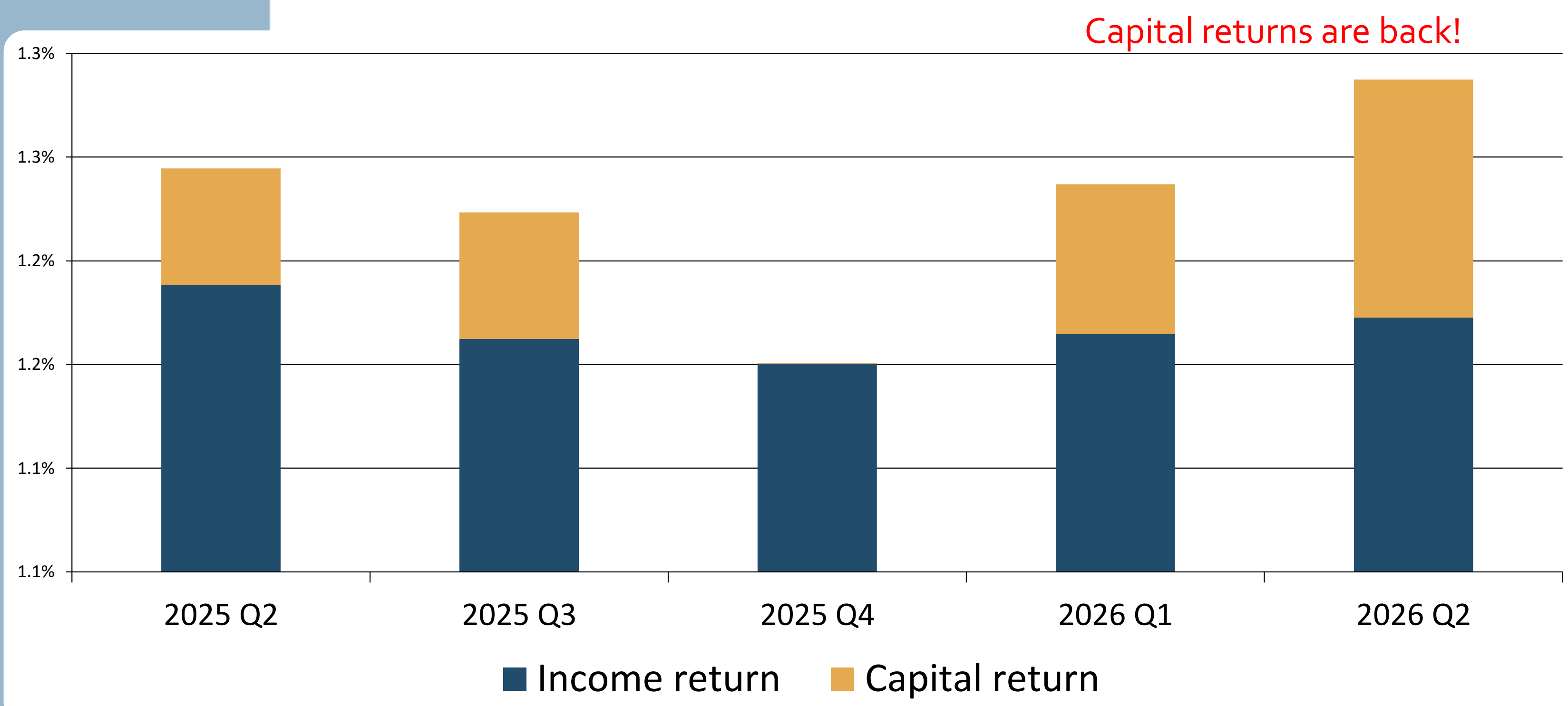
Disclaimer

All comments about future expectations are the **personal views of the speakers** and **NOT a "NCREIF opinion" or "NCREIF forecast"**, and should not be relied upon for investment decisions.

Returns Rise for a Fourth Straight Quarter

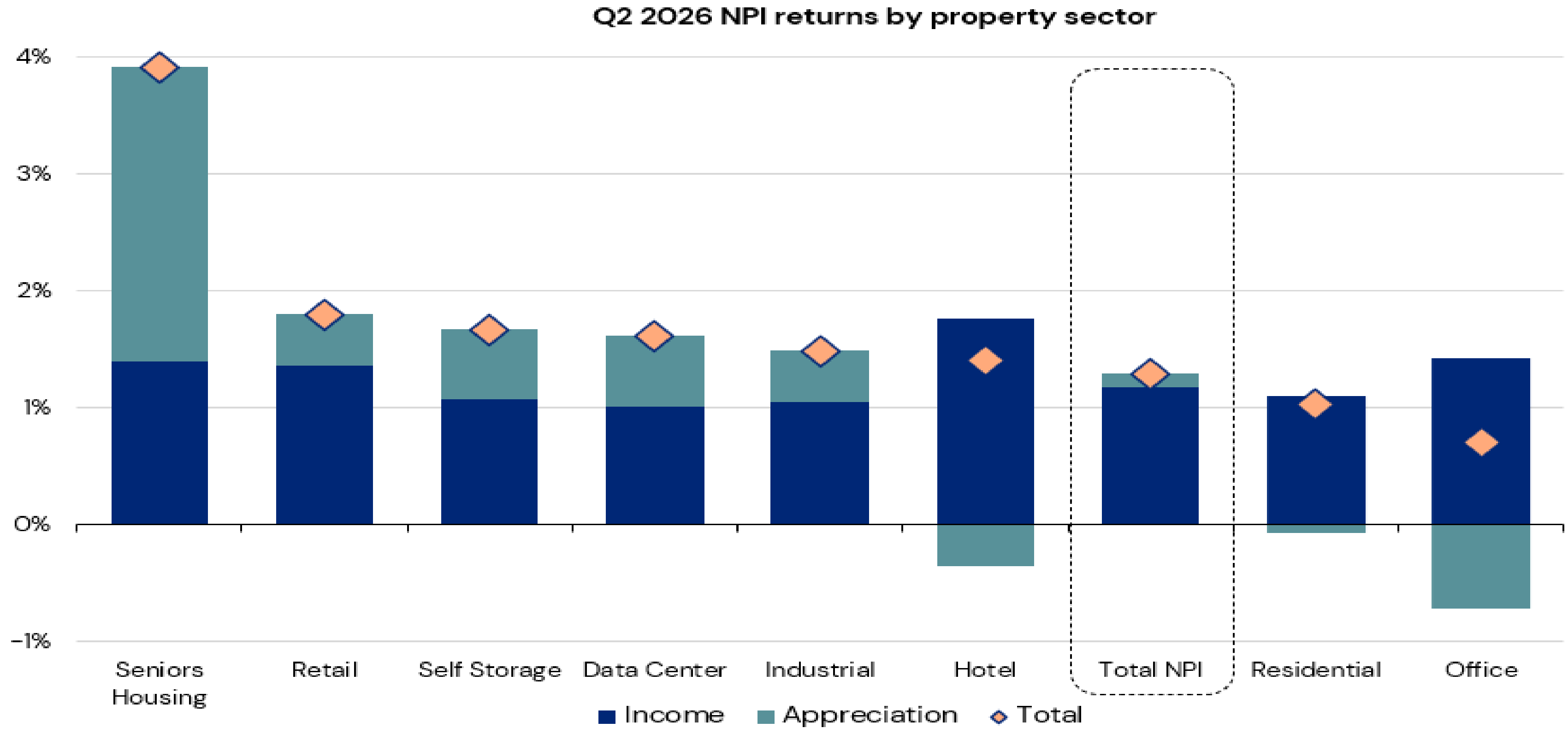


Return Components — Income vs Capital



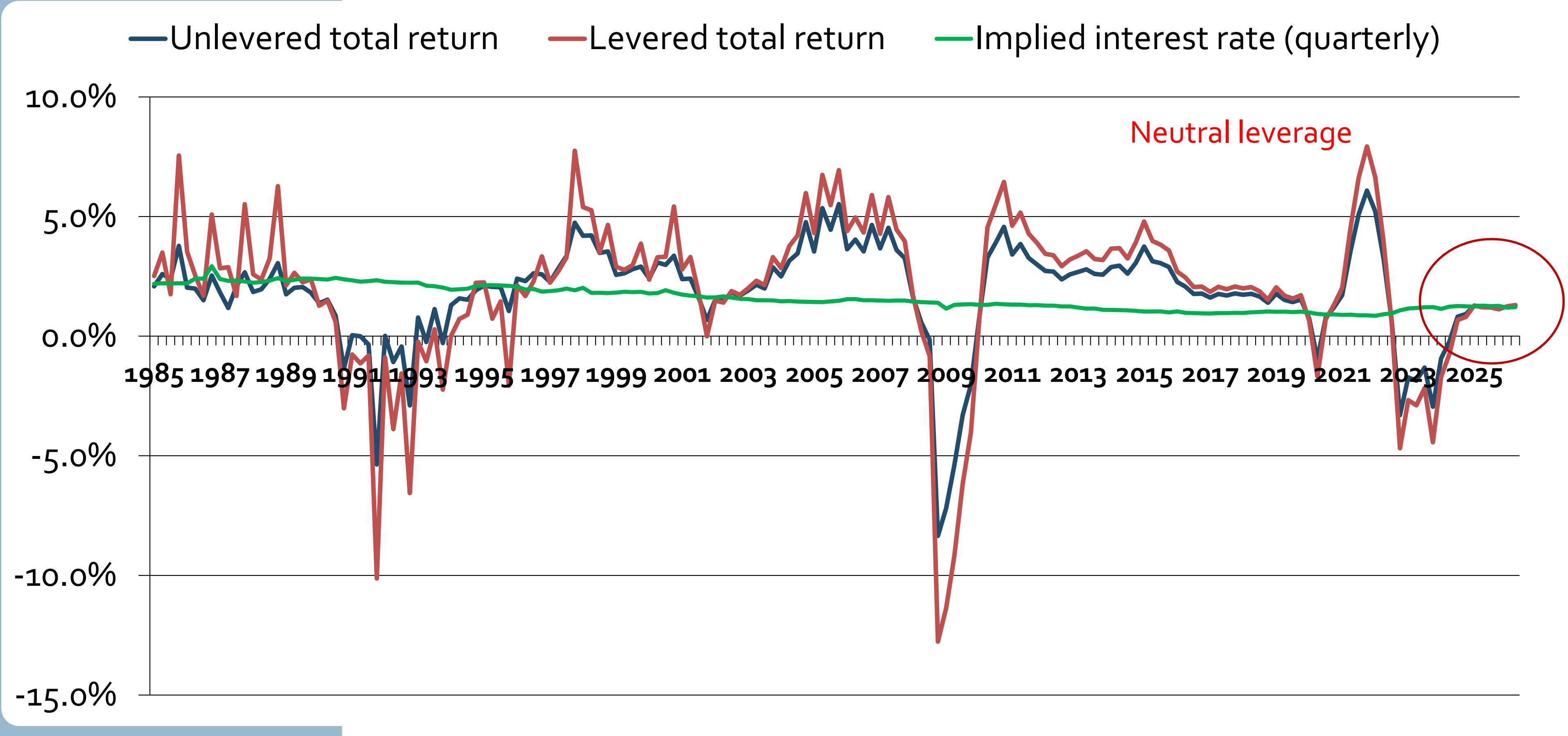
Most sectors driven by income returns

Senior housing cap rates compressing with growing investment



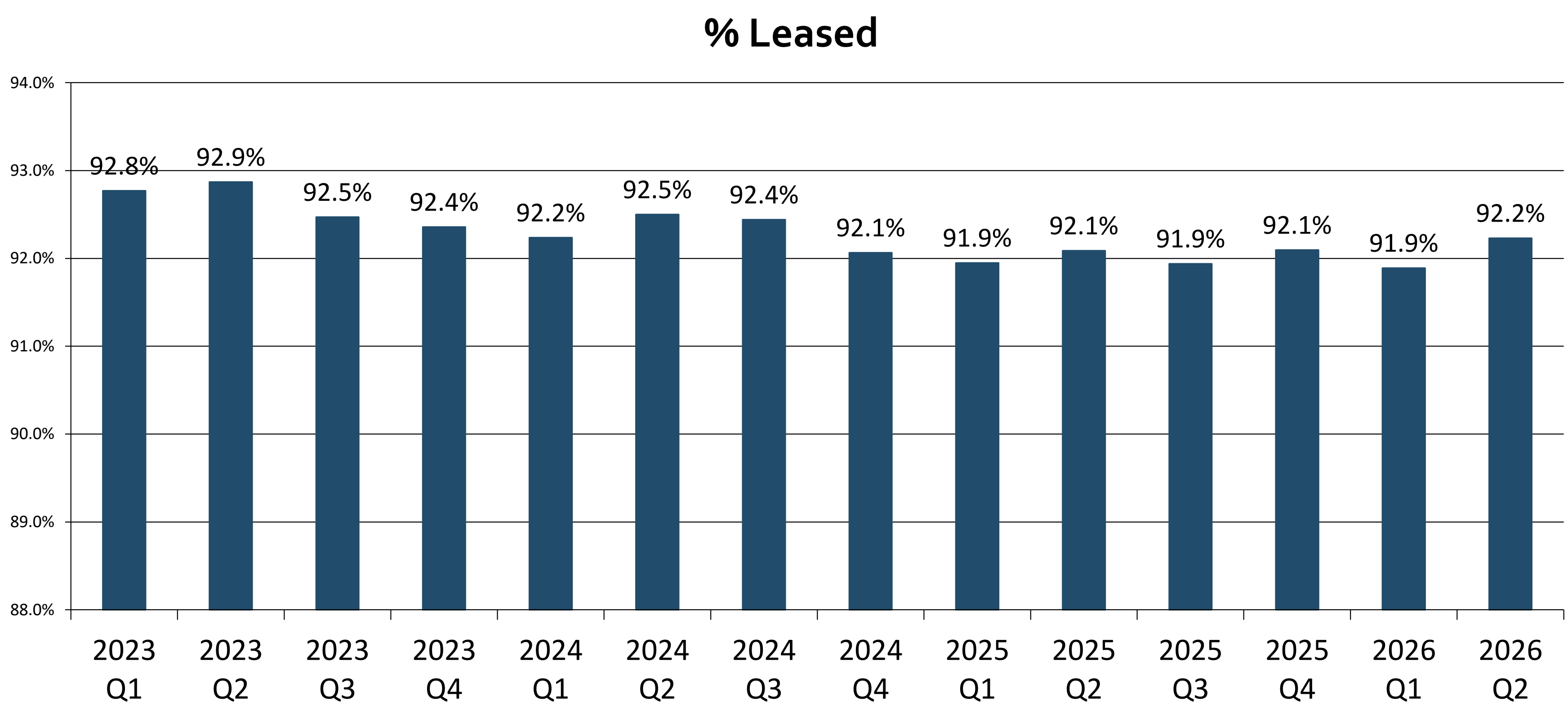
Source: NCREIF, LaSalle Investment Management. Data through Q2 2026; most recent as of 6 August 2026.
Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected.

NPI Returns and Implied Interest Rate — 1985 Q1 to 2026 Q2

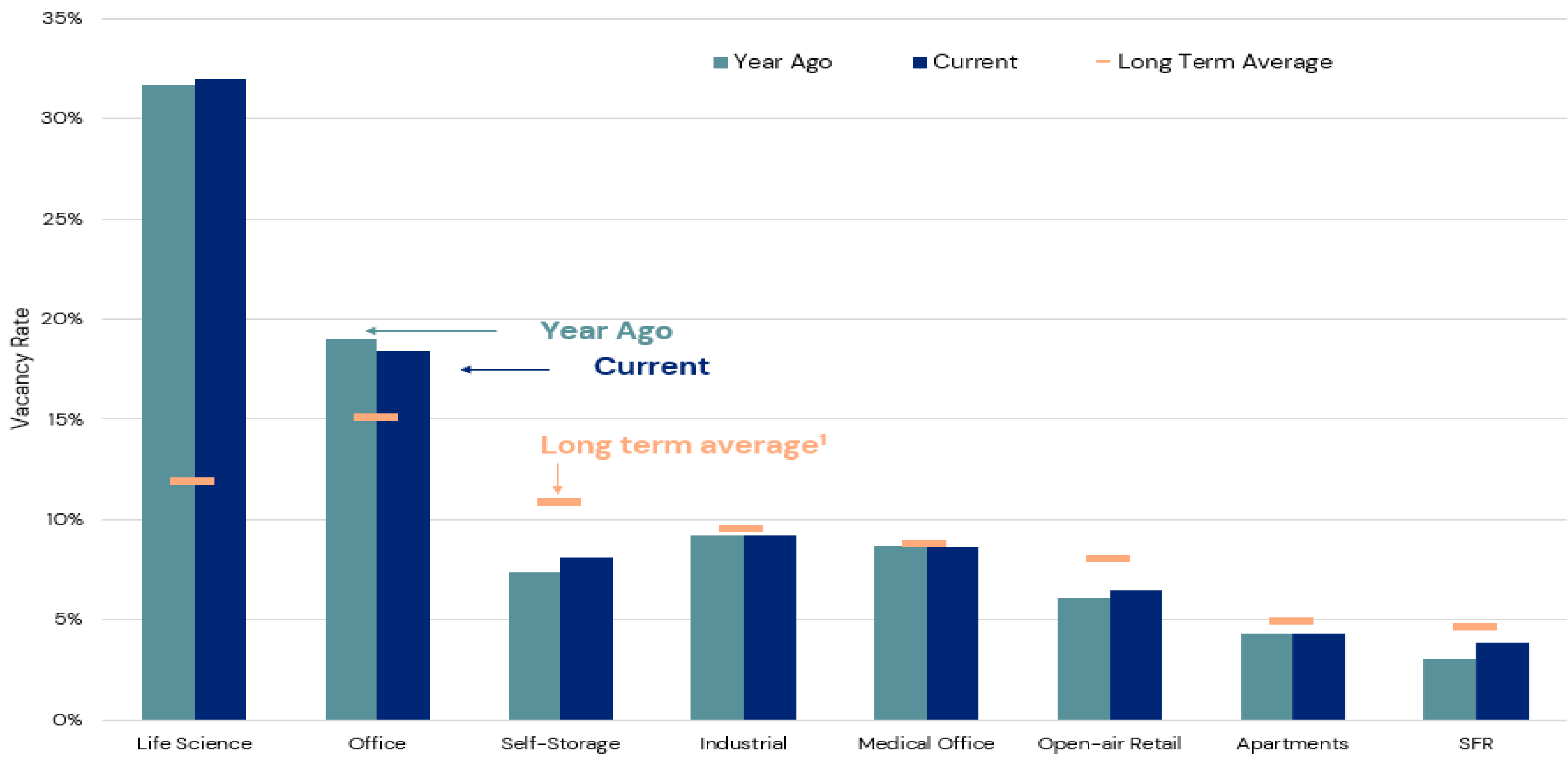


Average % Leased — NPI

MV-weighted occupancy across NPI properties



Many sectors at or below long-term vacancy



Source: JLL (Life Sciences – top 3 markets (Bay Area, Boston, and San Diego)), Green Street and Altus (SFR and Self-Storage), LaSalle analysis of CBRE EA (Industrial and Office), LaSalle analysis of RealPage (Apartments), LaSalle analysis of CoStar (Open-Air Retail and Medical Office). Data through Q2 2026 for all sectors except Self Storage, Open-air Retail, and SFR. Latest available as of 20 July 2026.

Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected.

[1] If 20 years of data was not available, the longest available historical period was used to calculate the long-term average.

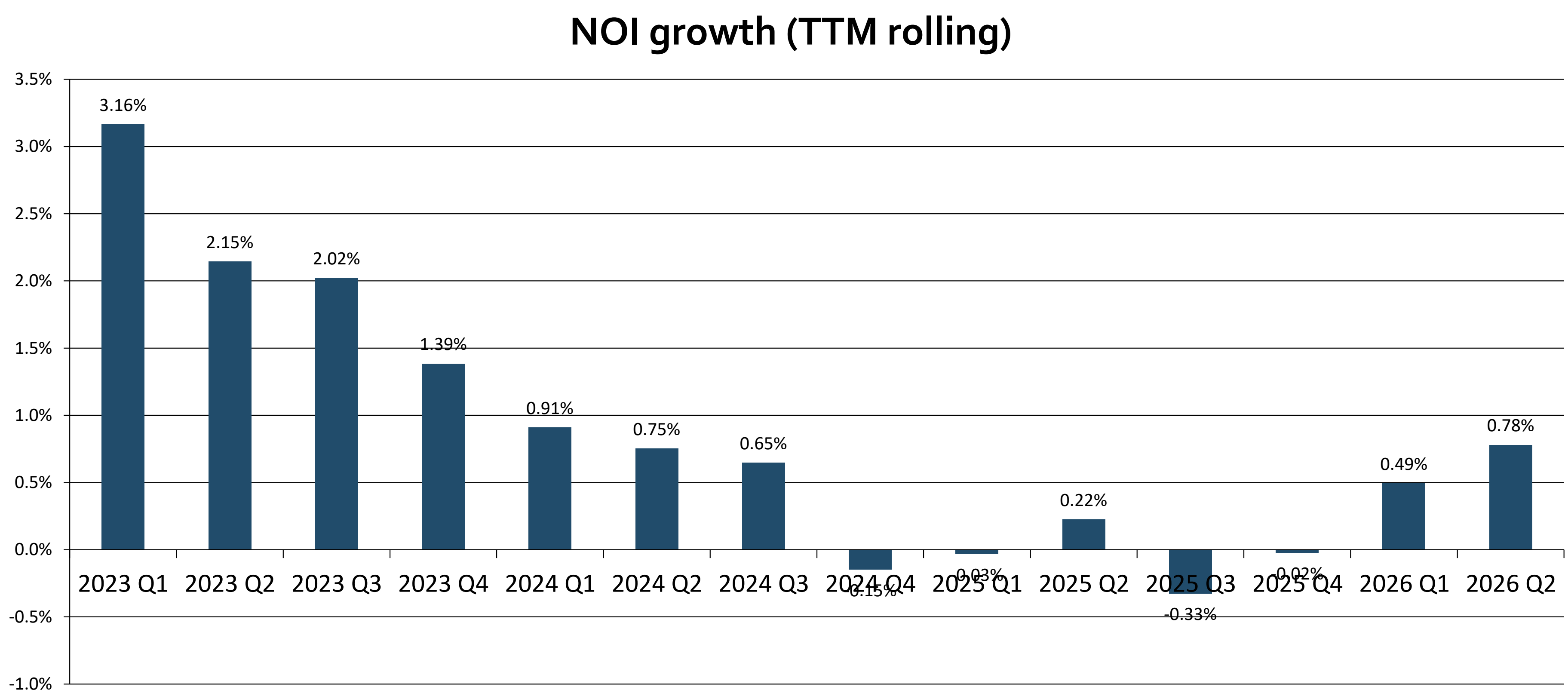
Construction pipelines retreat from cycle peaks

Higher borrowing costs and materials inflation point to tighter supply ahead

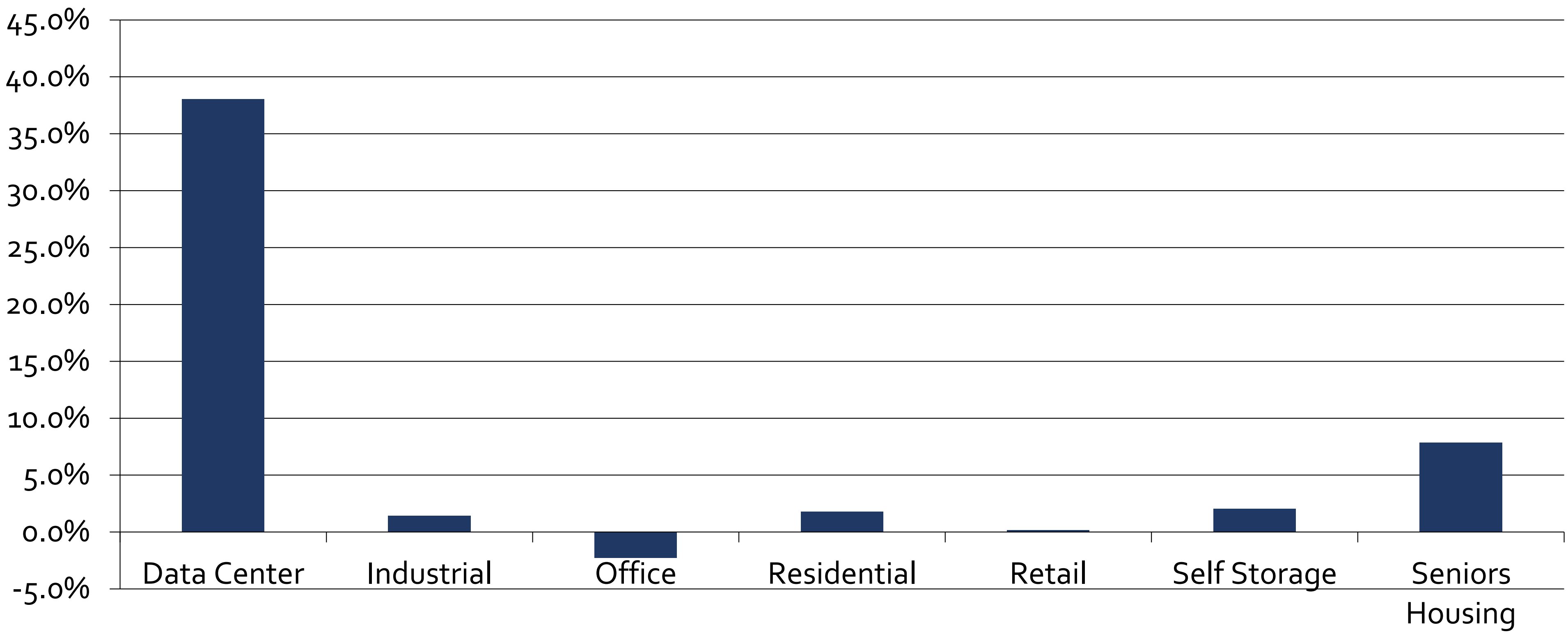
Source: RealPage, Costar. Data through Q4 2025. Latest as of 17 July 2026.
Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected.

Same-Store NOI Growth — Rolling 4Q vs Prior 4Q

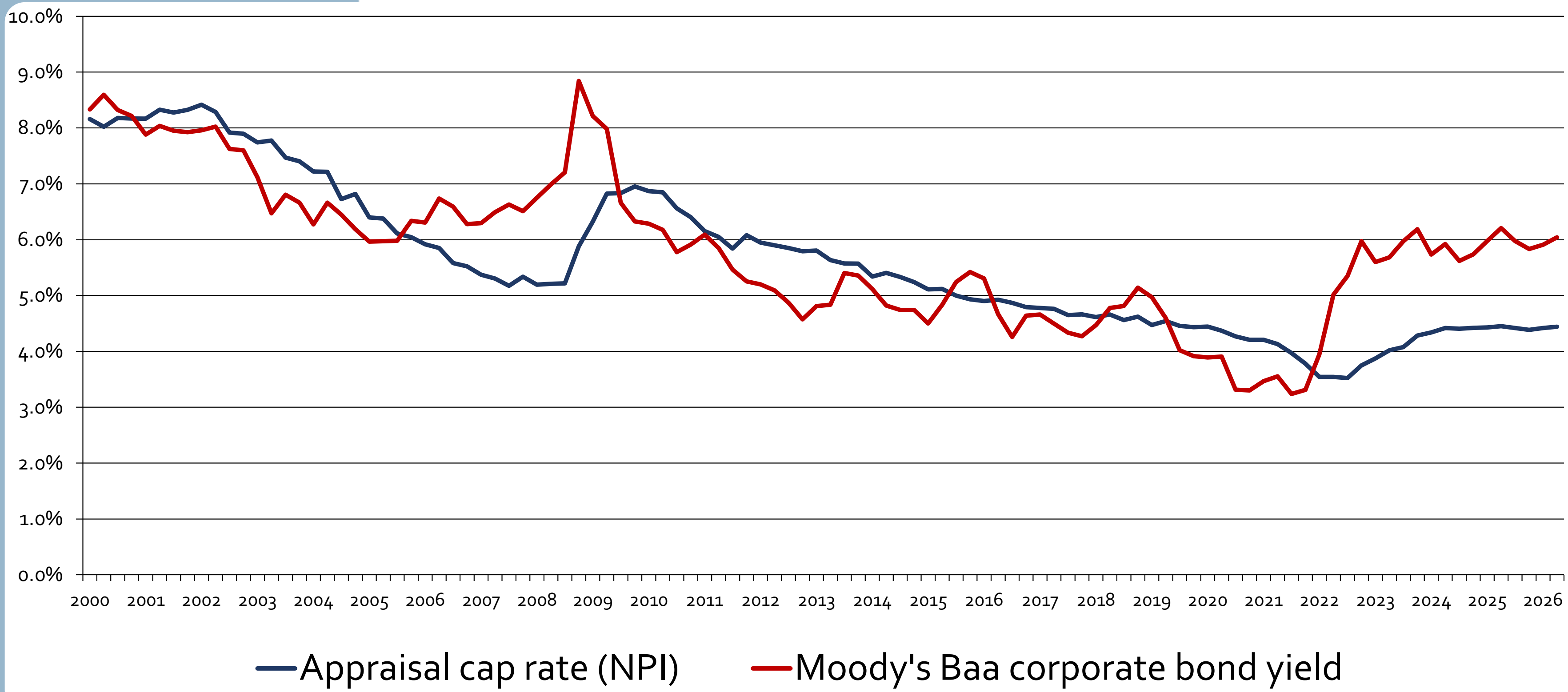
Sum of NOI for 4 quarters ending current quarter / sum for 4 quarters ending the previous quarter



NOI Growth by Prop Type (rolling 4 quarter)



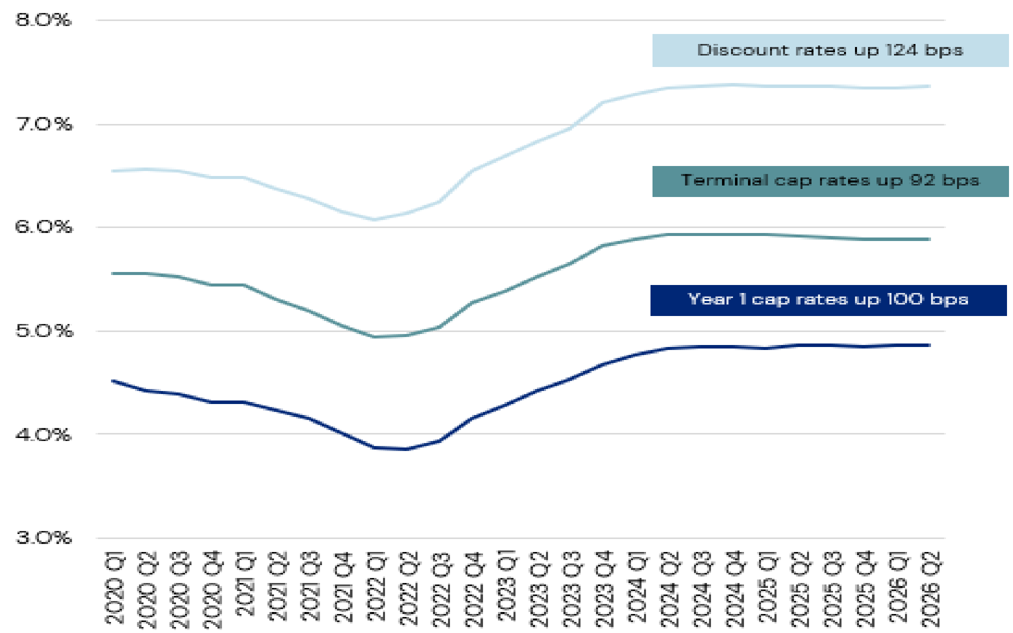
Implied Cap Rate Trend — NPI



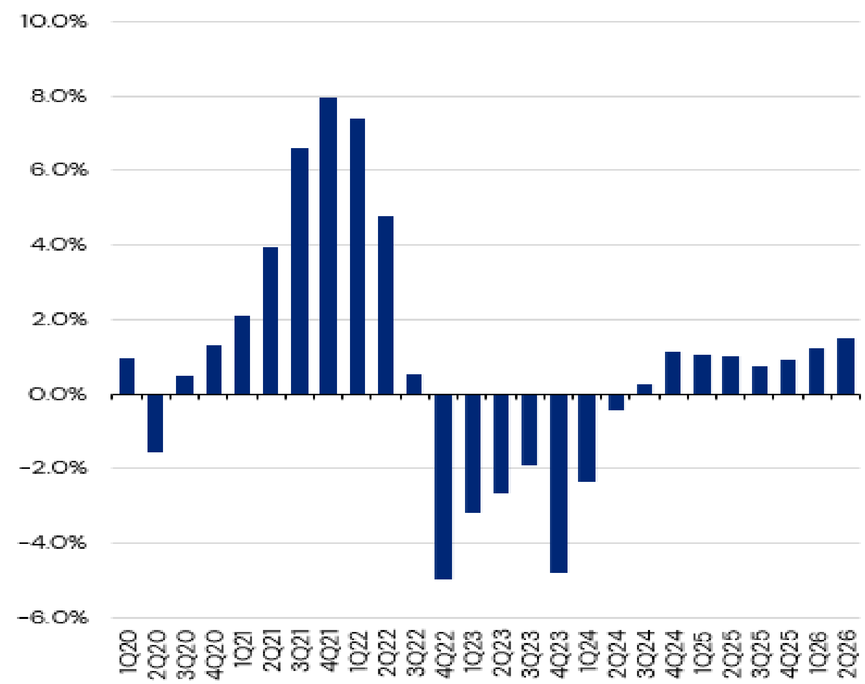
Appraisal metrics stabilizing

Varies across sectors

Altus Appraisal Metrics stable for 8 quarters

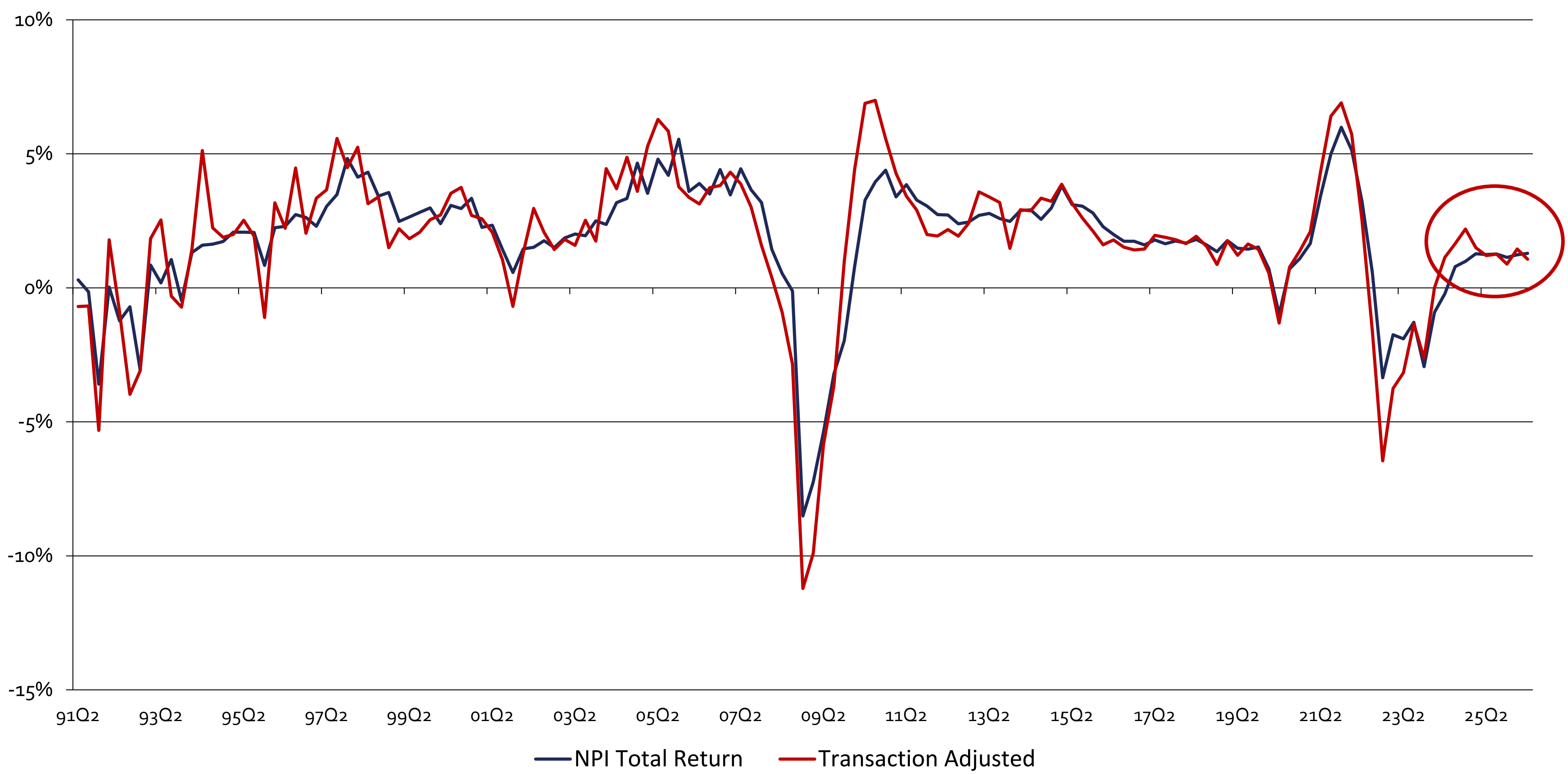


Gross ODCE Value Weighted Returns
(Quarterly Total Returns)



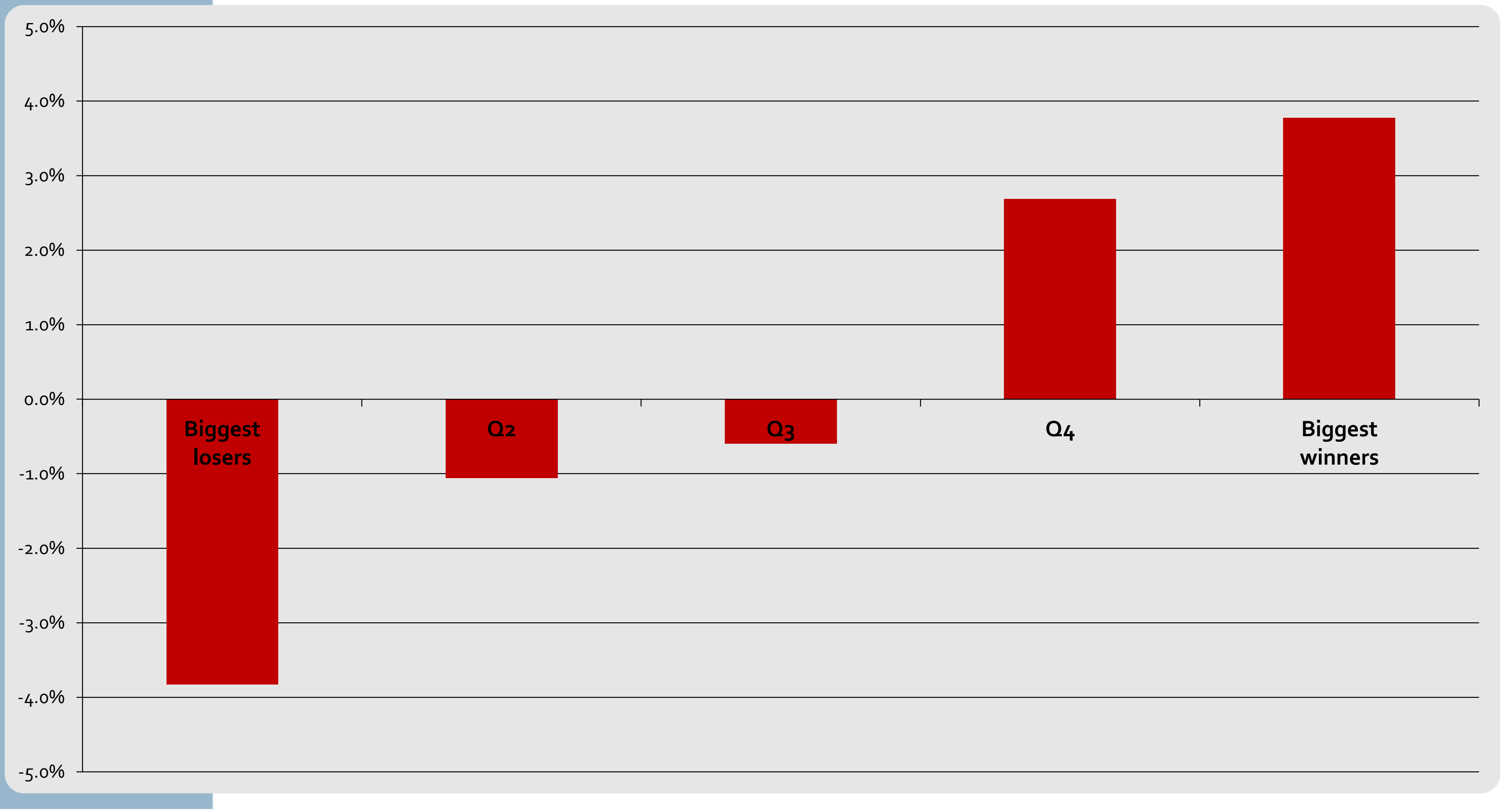
Source: Altus, NCREIF, RCA, Altus, and ODCE data through Q2 2026, Most recent as of 6 August 2026.
[1]Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected.

Quarterly Total Returns — NPI vs Transaction Adjusted NPI



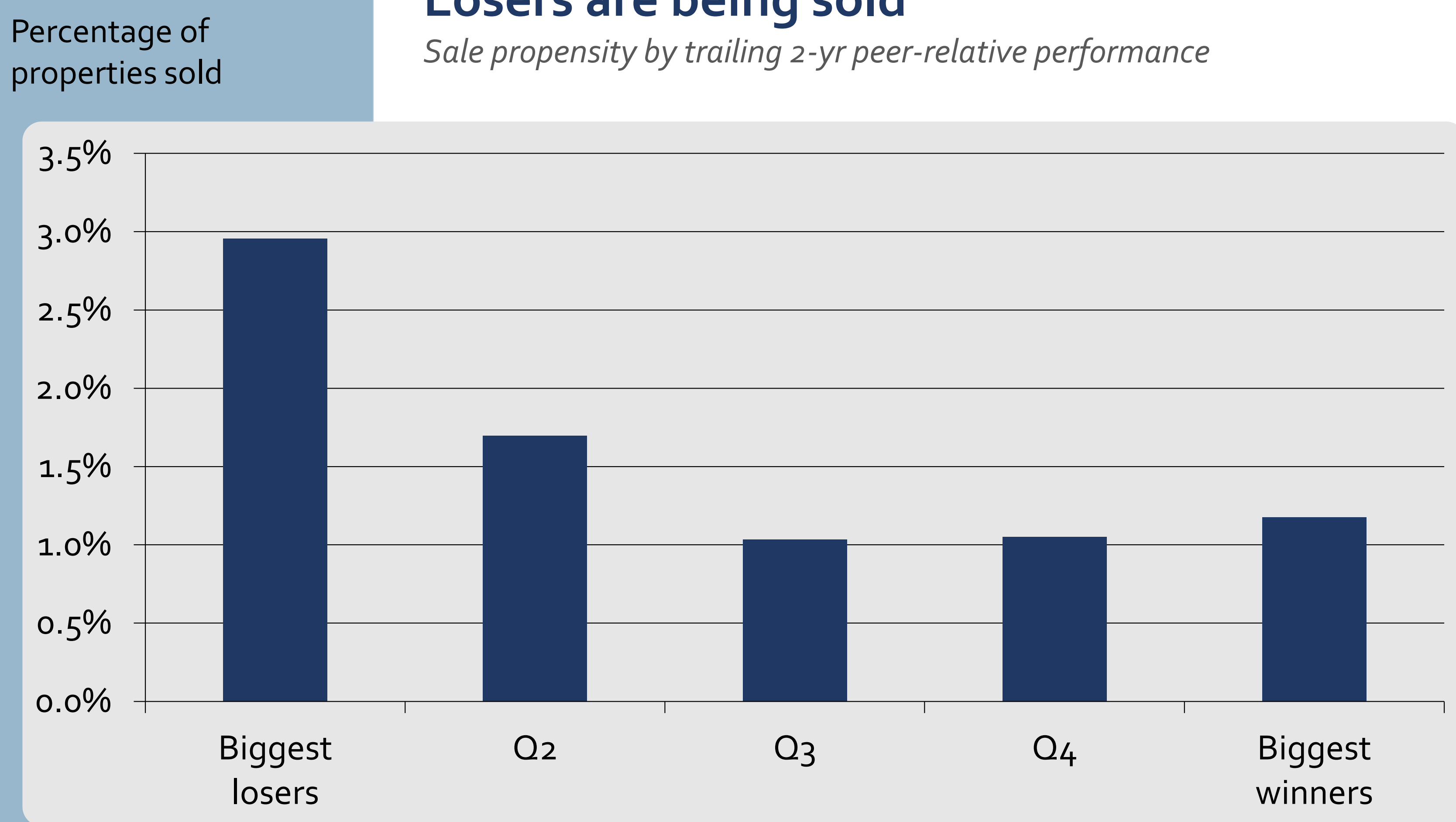
Sales Prices in Line with Appraisals

Sold properties clear within ±4% of current marks
Quintiles based on past 2 years of performance within each property sector



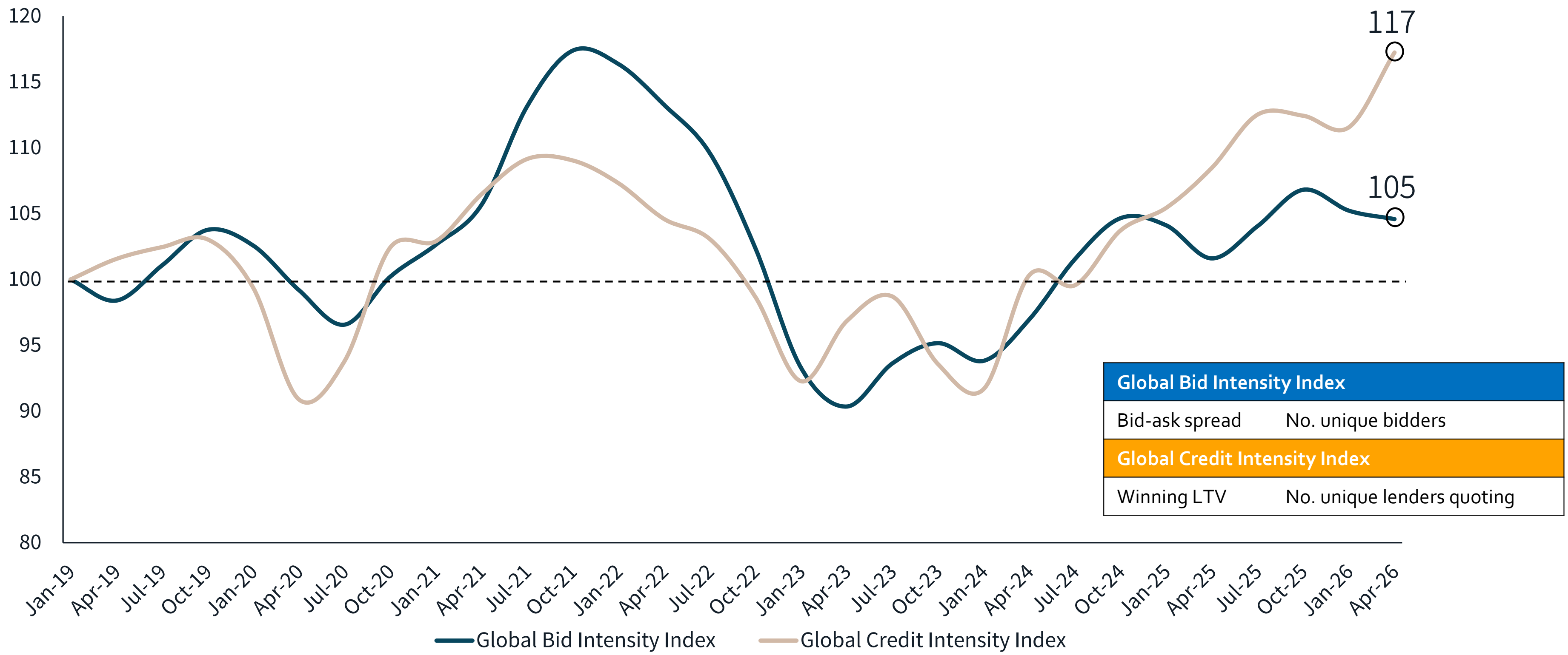
Losers are being sold

Sale propensity by trailing 2-yr peer-relative performance



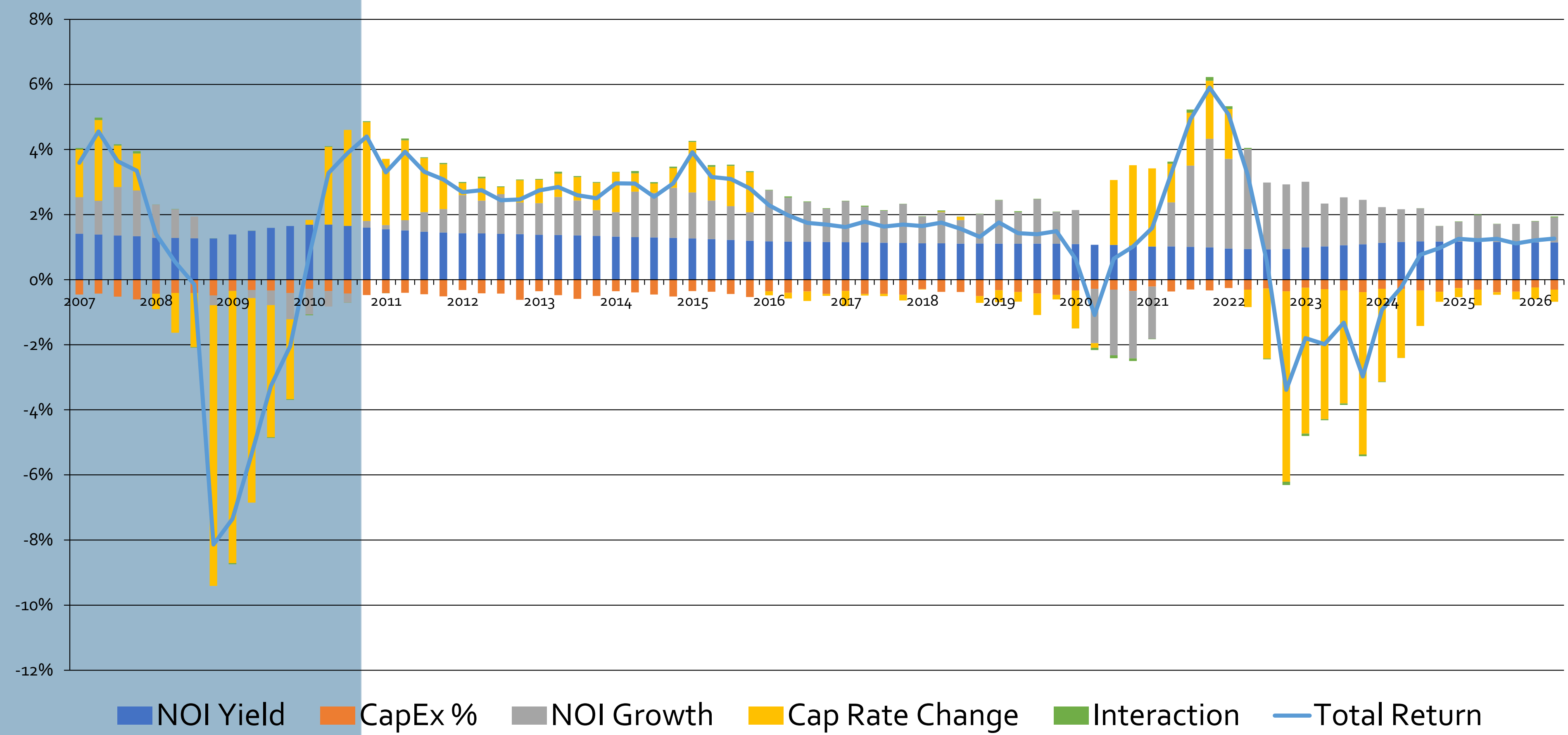
Competitive debt markets, steady investment sales

Global Bid & Credit Intensity Indices



Source: JLL Research, data refresh as of May 2026

National Return Components (Quarterly) — NPI



Question

NPI returns (annual) for all of 2026 will be:

A. Below 4%

B. 4% to 5%

C. 5% to 6%

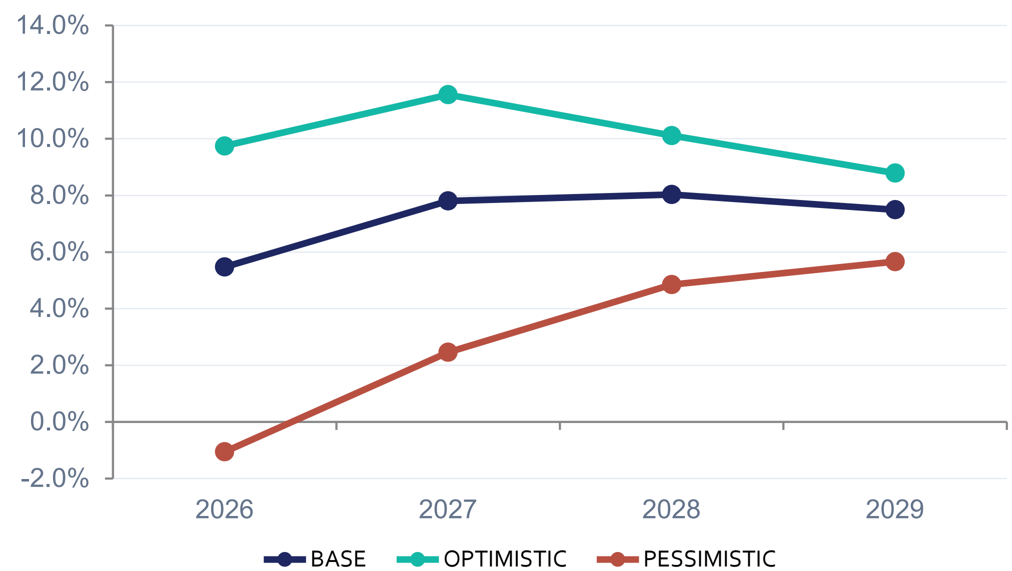
D. Above 6%

Last 2 quarters average 2.54%

National NPI total return — three scenarios (Claud's forecast – NOT NCREIF)

Wider scenario spread than the prior model; 2026 base case anchored at +5% (forecast prepared May 2026)

Year	BASE	OPTIMISTIC	PESSIMISTIC
2026	+5.47%	**+9.75%**	**-1.05%**
2027	+7.81%	**+11.56%**	**+2.46%**
2028	+8.03%	**+10.11%**	**+4.85%**
2029	+7.49%	**+8.79%**	**+5.66%**

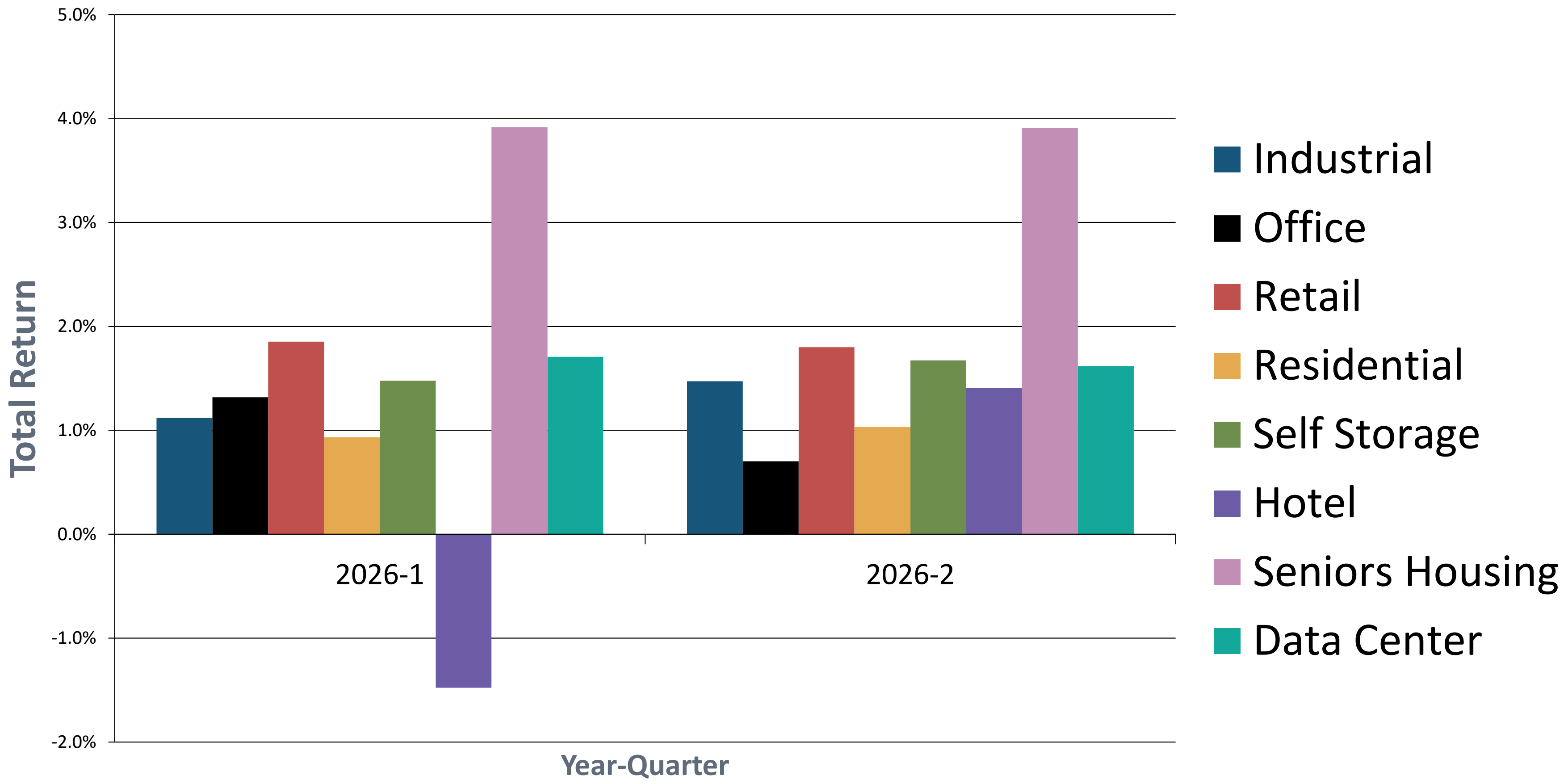


Since inception annual return 8.43%
Last 4 quarters Annual return 4.94%

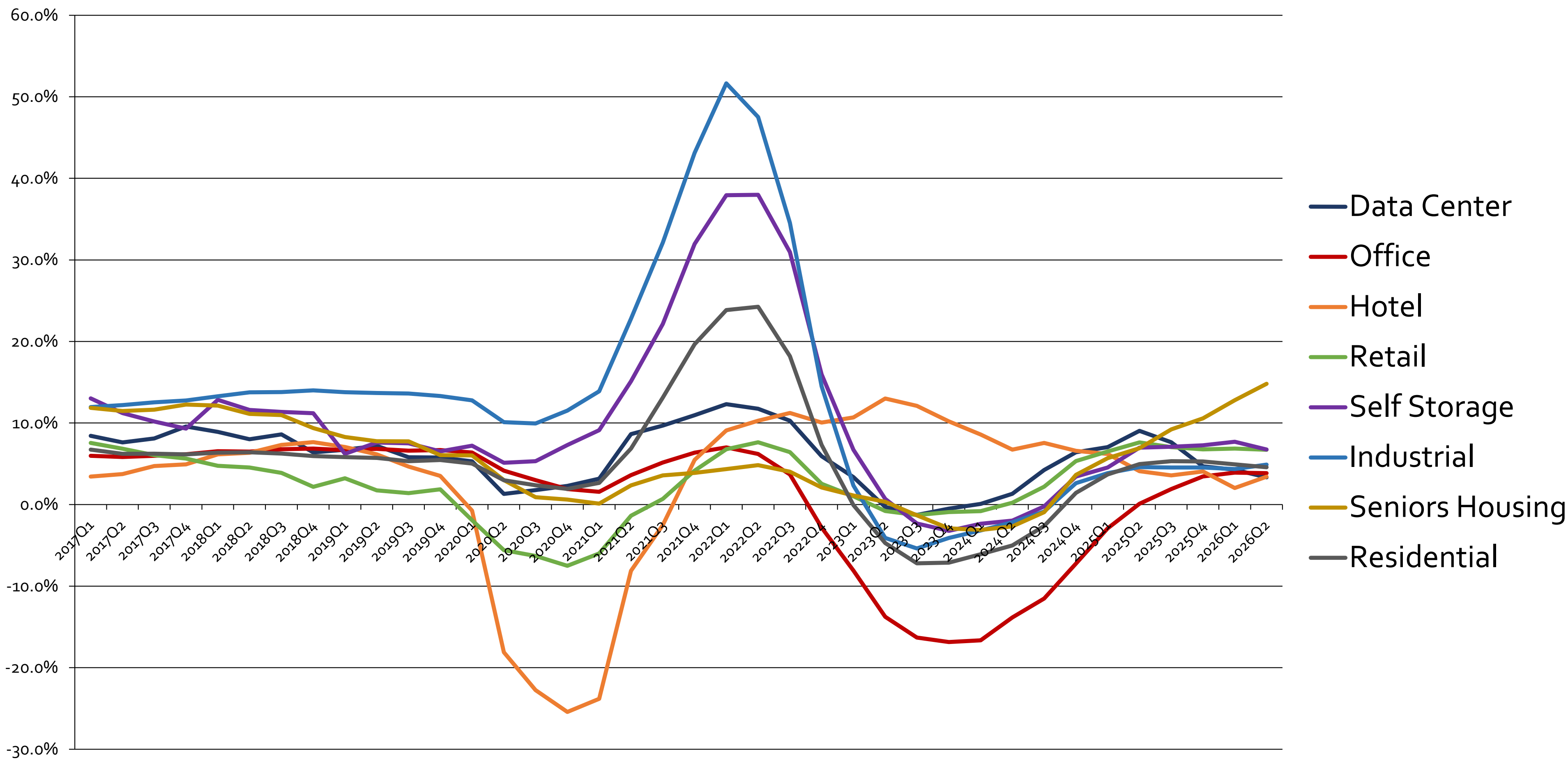
How the forecast works: per-sector structural model fit on NCREIF same-property data, 2000–2026 Q1. NOI growth is driven by GDP, sector employment and inflation; cap rates by the 10-year Treasury, the Baa credit spread and the VIX — each with strong quarterly persistence (AR(1) ≈ 0.8–0.95). Income return = cap rate; capital return ≈ NOI growth less the change in cap rates; less a sector capex drag (≈1.2%/yr). Sector forecasts are aggregated to the NPI by market-value weight (Industrial 35%, Residential 31%, Office 18%, Retail 13%, Self Storage 3%).

Scenarios differ only in the macro paths: 2026 10-year Treasury — Base 4.2%, Optimistic 3.9%, Pessimistic 4.7% — with matching GDP, jobs, CPI, credit-spread and VIX paths. The forecast is conditional on those paths, not probability-weighted, and 2026 Q1 is anchored to the actual NPI return.

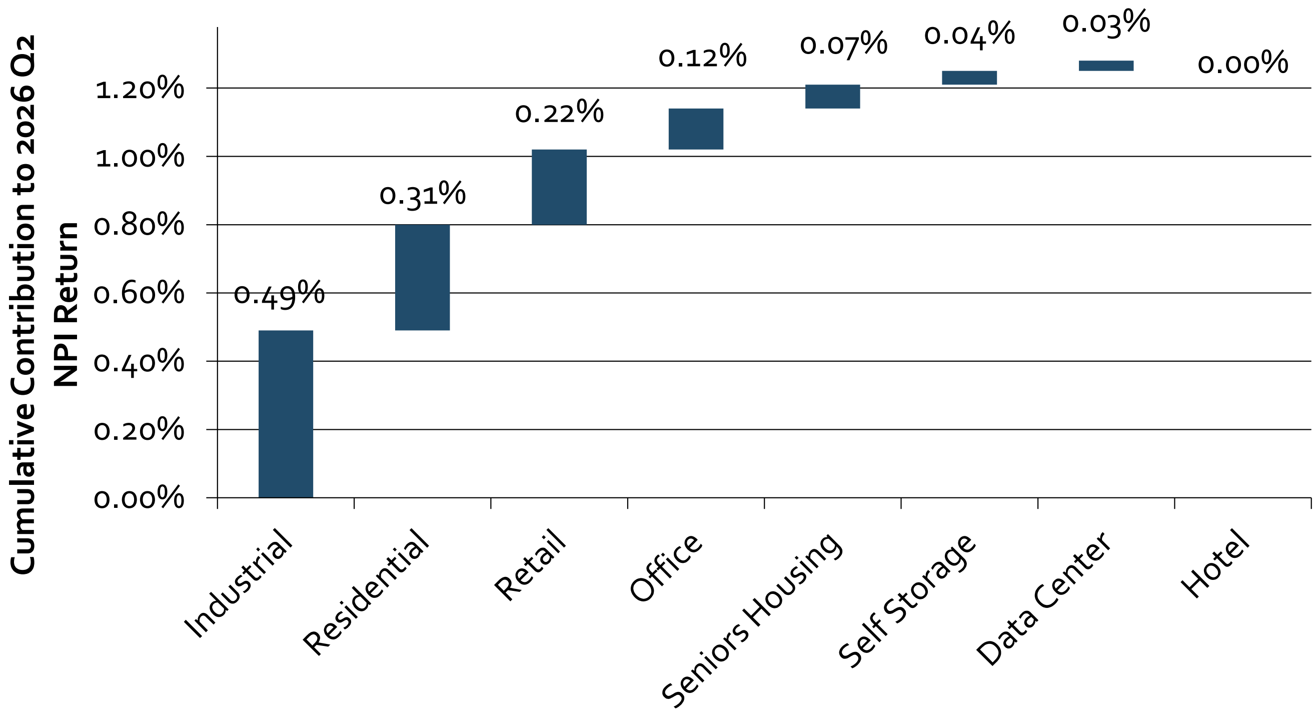
NPI Returns by Property Sector



Rolling 4-Qtr Returns



Contribution to 2026 Q2 NPI Return by Property Type

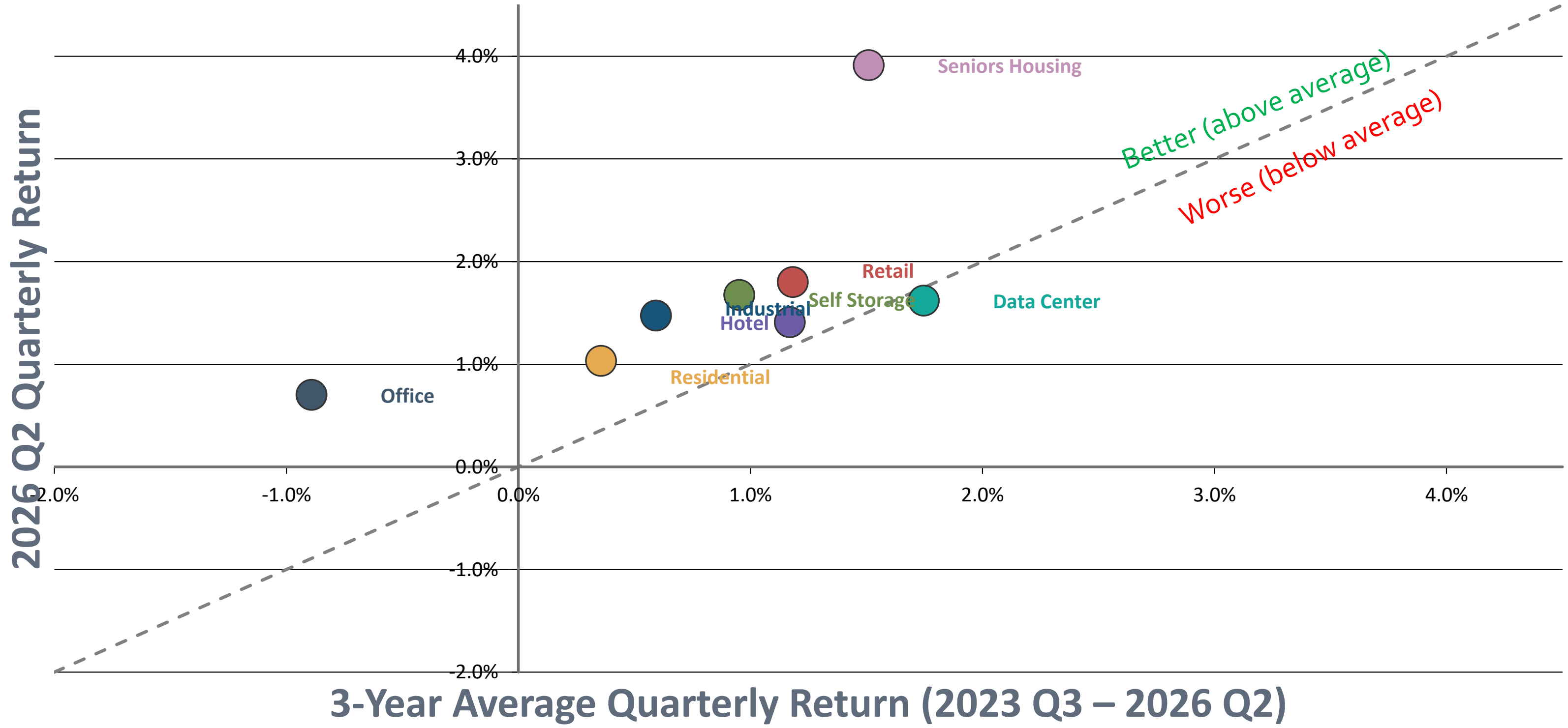


NPI Return = 1.29%

(128.7 bps total)

Industrial	+48.9 bps
Residential	+30.9 bps
Retail	+22.2 bps
Office	+12.1 bps
Seniors Housing	+6.6 bps
Self Storage	+4.4 bps
Data Center	+3.3 bps
Hotel	+0.3 bps

Return Momentum — All Property Types



Retail leads sectors in most large markets

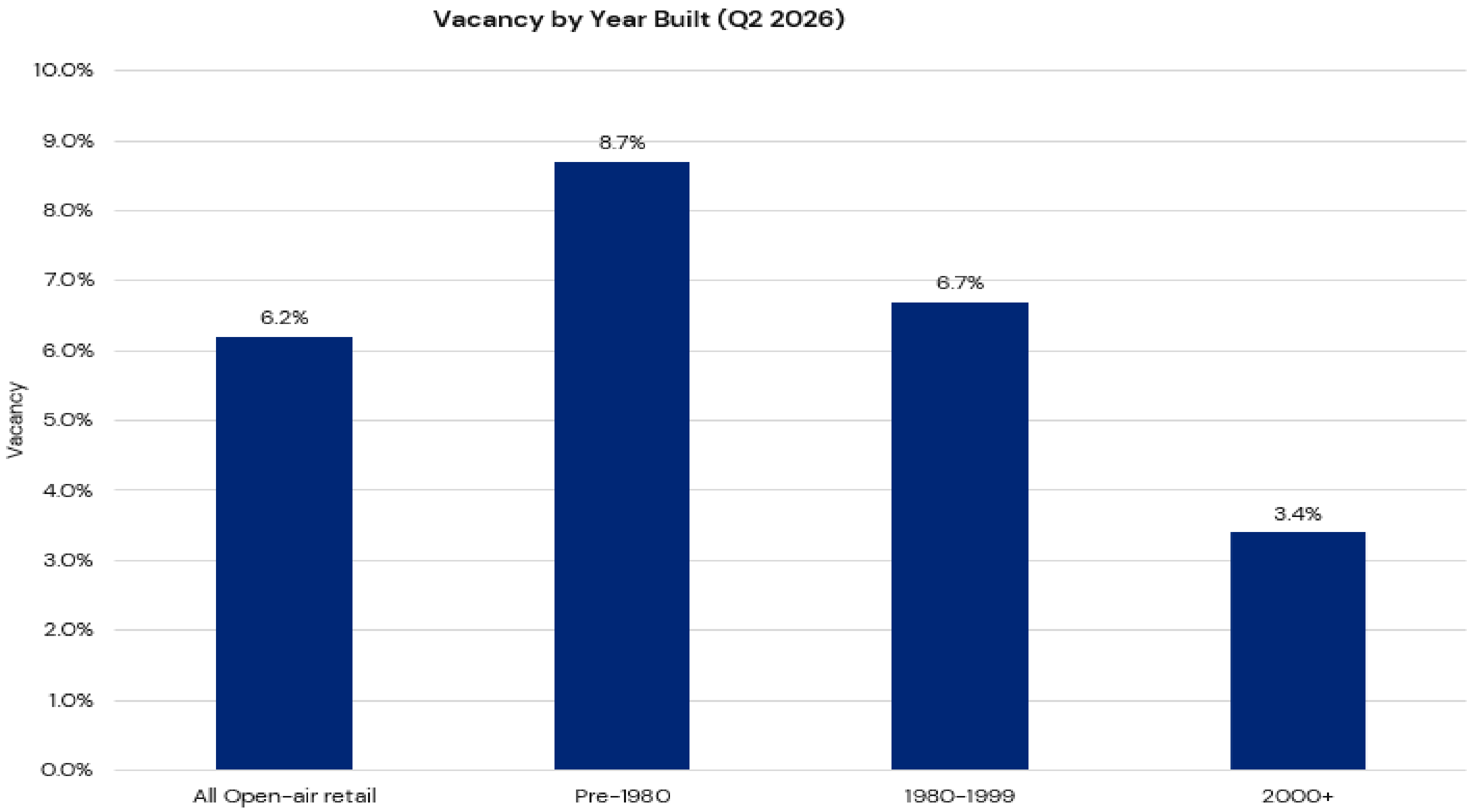
Riverside and other CA markets improve in trailing year NPI total returns

NPI Trailing 1 Year Total Returns by Metro	Total	Apartment	Industrial	Office	Retail
San Francisco	8.5%	14.8%	2.8%	7.2%	-6.6%
San Jose	7.4%	9.9%	6.7%	7.2%	7.3%
Miami	6.6%	6.3%	6.7%	4.9%	10.4%
Dallas	6.2%	3.4%	8.5%	9.2%	10.4%
New York	5.9%	5.2%	3.5%	6.6%	7.5%
Phoenix	5.9%	2.8%	7.7%	7.6%	10.3%
Orlando	5.4%	4.0%	9.5%	6.1%	6.9%
Oakland	5.4%	3.9%	7.5%	-1.7%	5.3%
Houston	5.1%	3.4%	11.3%	-3.3%	9.1%
Charlotte, NC	5.1%	2.1%	12.5%	10.8%	8.2%
Orange County	4.9%	6.9%	2.4%	5.6%	10.1%
Seattle	4.6%	5.0%	2.2%	4.2%	6.4%
San Diego	4.3%	5.0%	0.9%	1.5%	11.8%
Cambridge	3.2%	6.5%	4.8%	-0.8%	10.4%
Las Vegas	2.7%	-2.1%	5.6%	7.4%	10.3%
Denver	2.5%	0.5%	4.9%	3.2%	7.1%
Austin	2.5%	-0.4%	3.9%	2.4%	9.9%
Los Angeles	2.2%	2.3%	-0.3%	4.9%	5.4%
Boston	1.7%	5.9%	3.5%	-1.3%	7.7%
Riverside	0.4%	7.0%	-0.6%	–	10.3%
US	5.0%	4.6%	4.9%	3.8%	8.2%

Source: NCREIF, LaSalle Investment Management. Only includes Top 20 metro divisions by current Expanded NPI Market Value. Data through 2Q 2026.
Note: Retail refers to the Retail: Strip subtype in the Expanded NPI, Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue.

Limited retail supply helps keep vacant time low

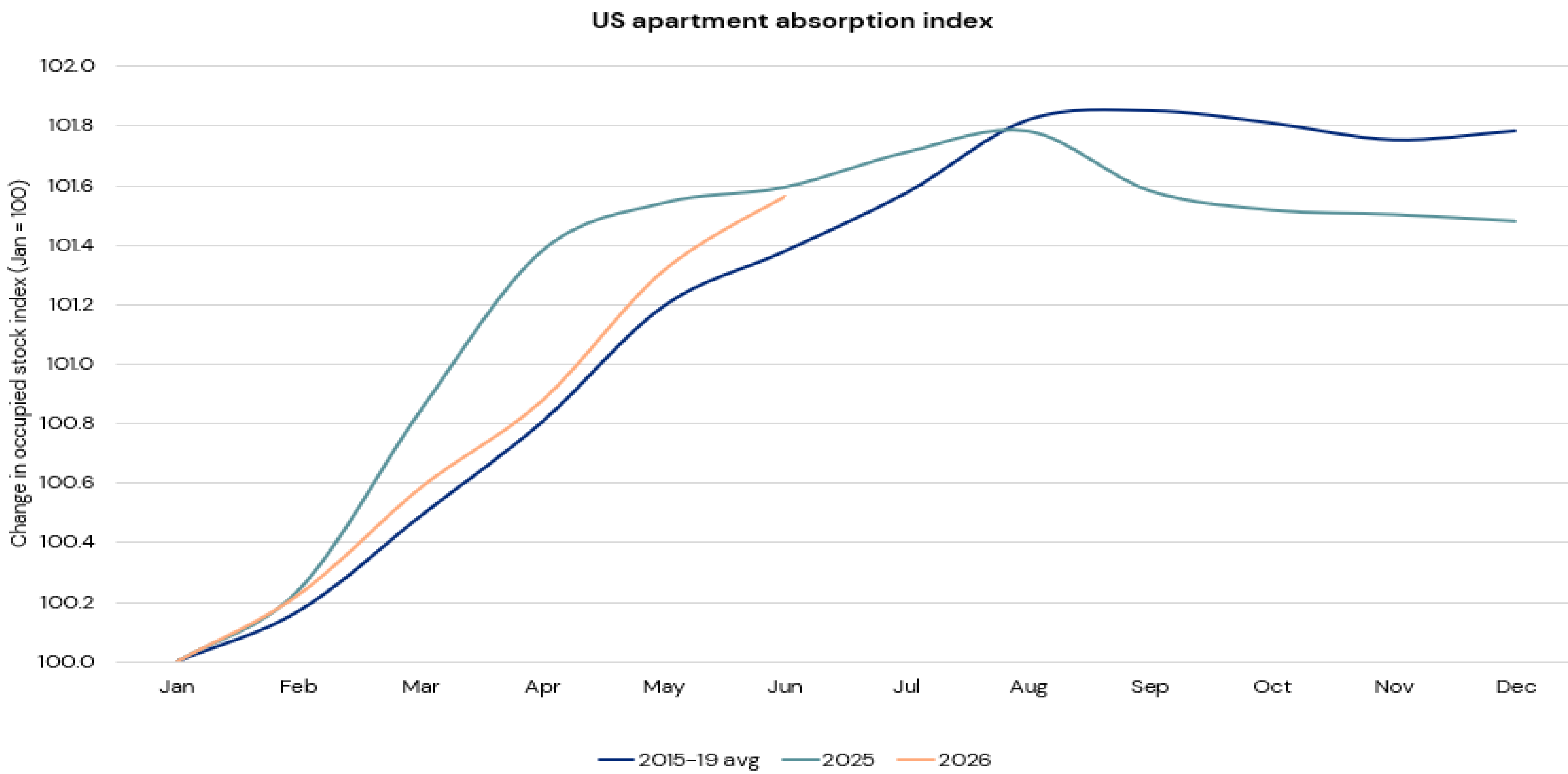
Higher quality assets continue to outperform



Source: CoStar. Open air retail (Neighborhood, community, strip, power center, lifestyle center), All US States, 30KSF+, existing, under construction, proposed, and final planning. Data through Q2 2026. Latest available as of 27 July 2026.
Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected.

Apartment demand healthy in 2026

Absorption fell below historical trends in the second half of 2025



Source: RealPage. Data through June 2026. As of 20 July 2026.
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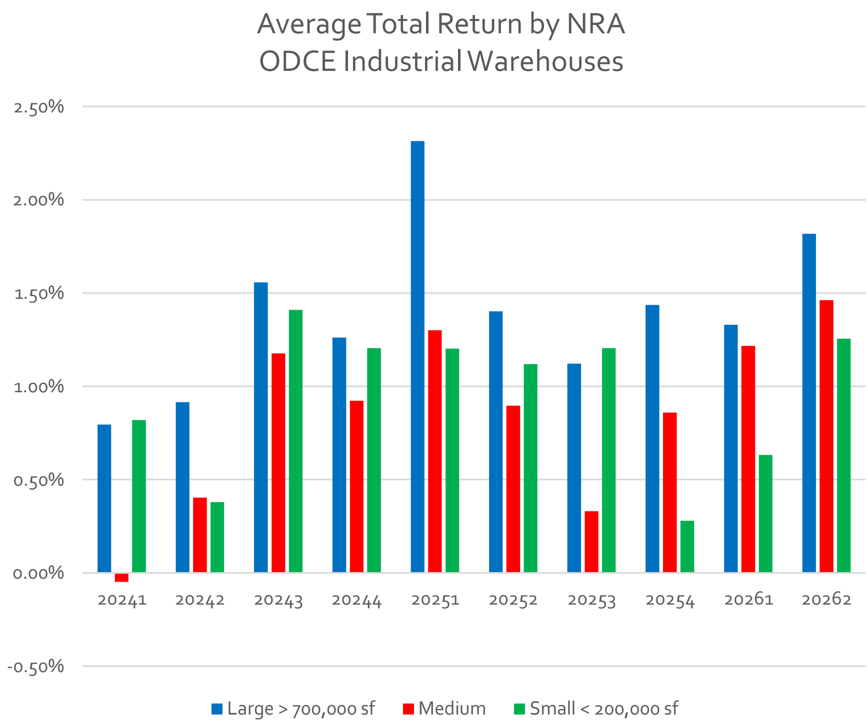
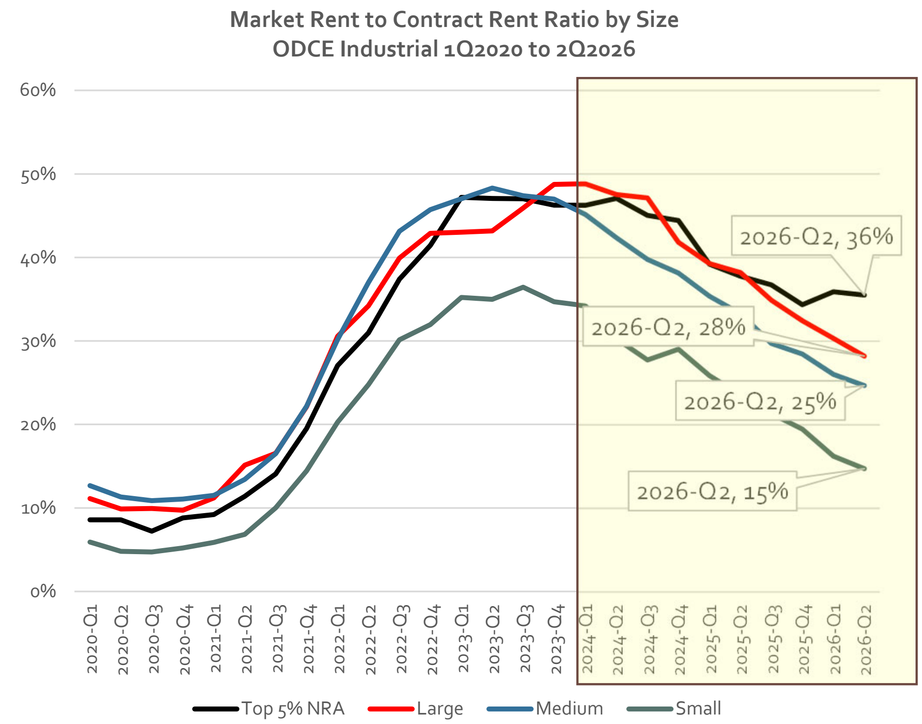
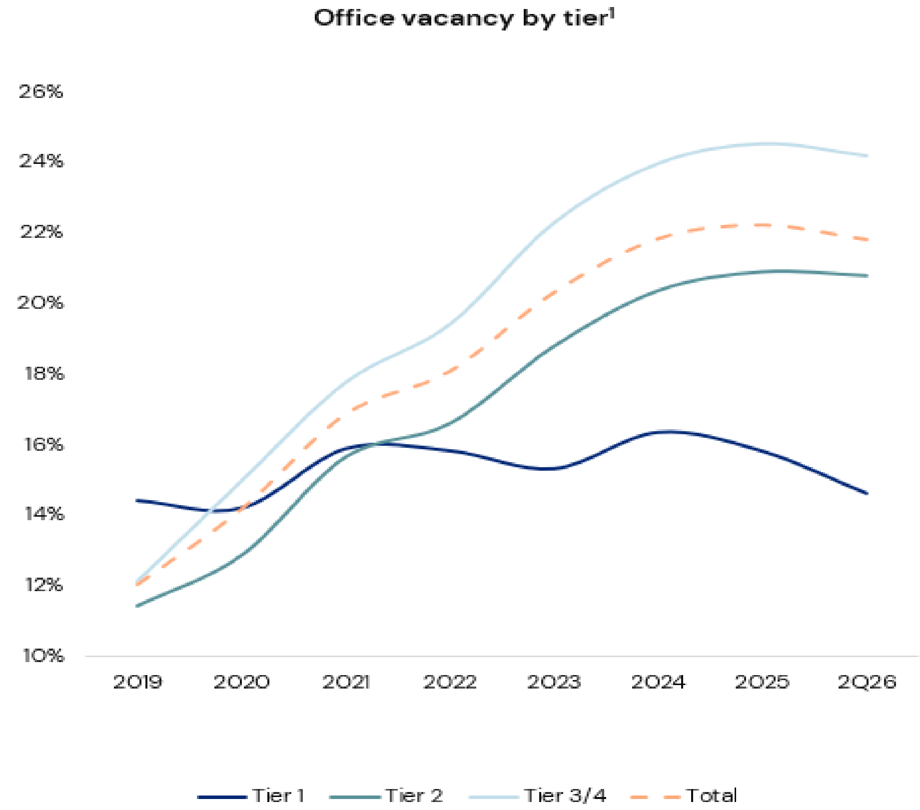
Industrial returns by size

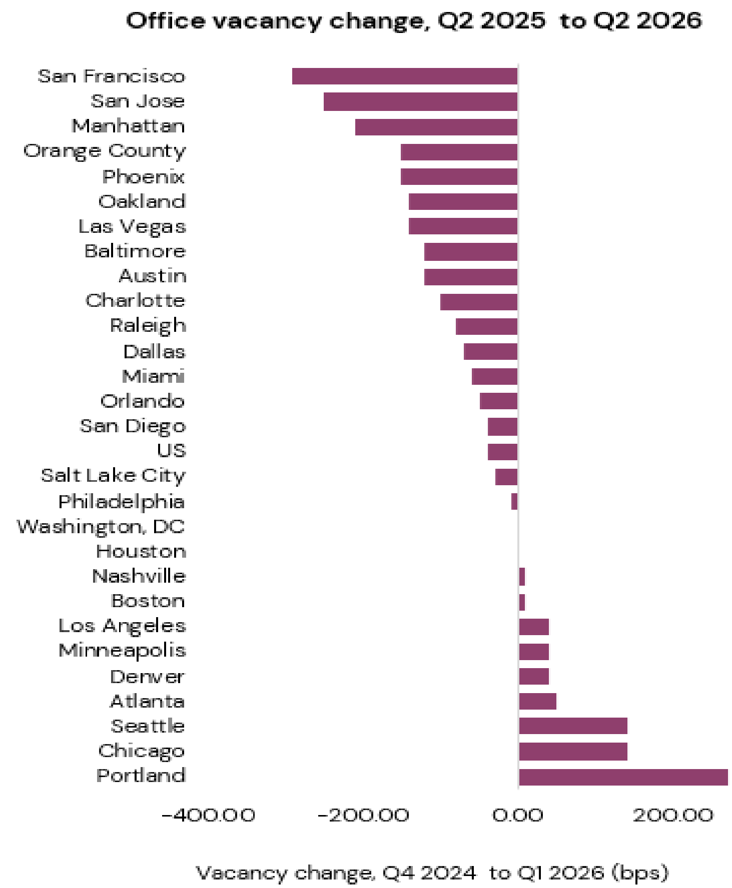




National office vacancy rate stabilizing

Performance and outlook varies significantly by market and quality tier



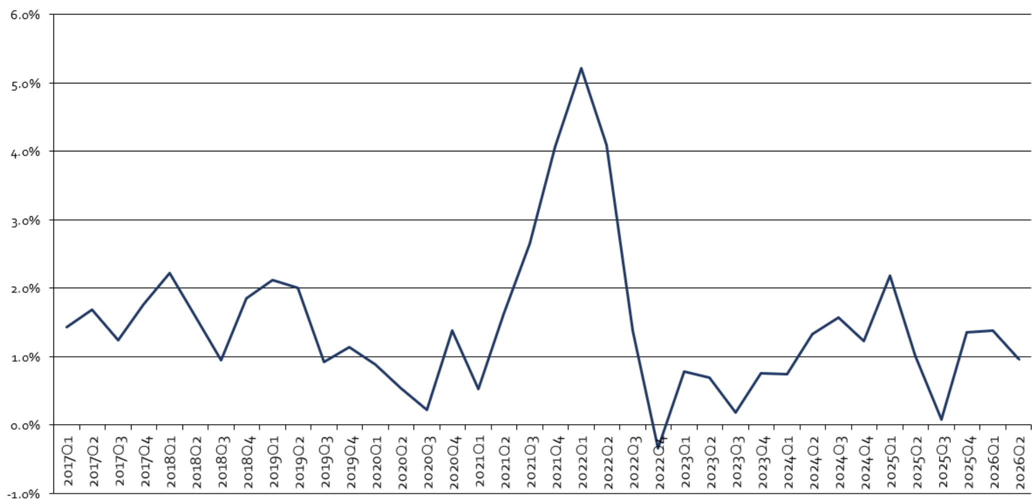


1 Building tiers as defined by JLL: Tier 1 = 2015+ vintage; Tier 2 = 2000-2014 built or pre-2000 renovated in 2010+; Tier 3 = 1990-1999 built or pre-1990-2009 repositionable; Tier 4 = Pre-1990 built without substantial renovation.

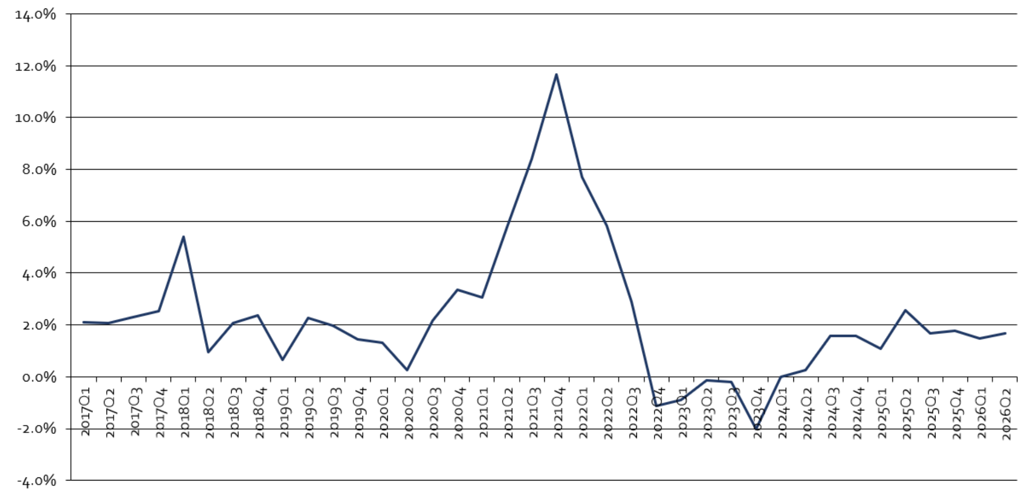
Source: CBRE-EA, JLL, LaSalle. July 2026.

Note: Past performance is not indicative of future results. There is no guarantee that any trends shown herein will continue or that any forecasts shown herein will materialize as expected

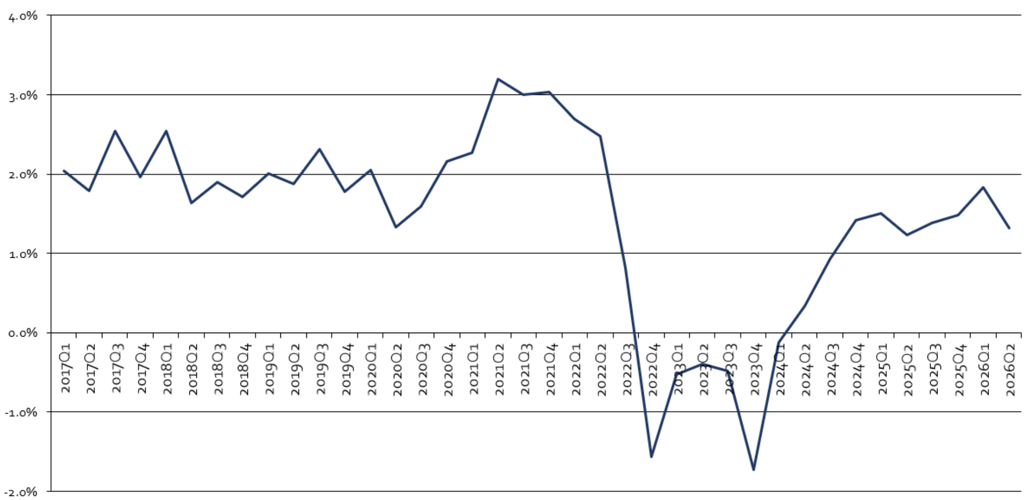
Student Housing



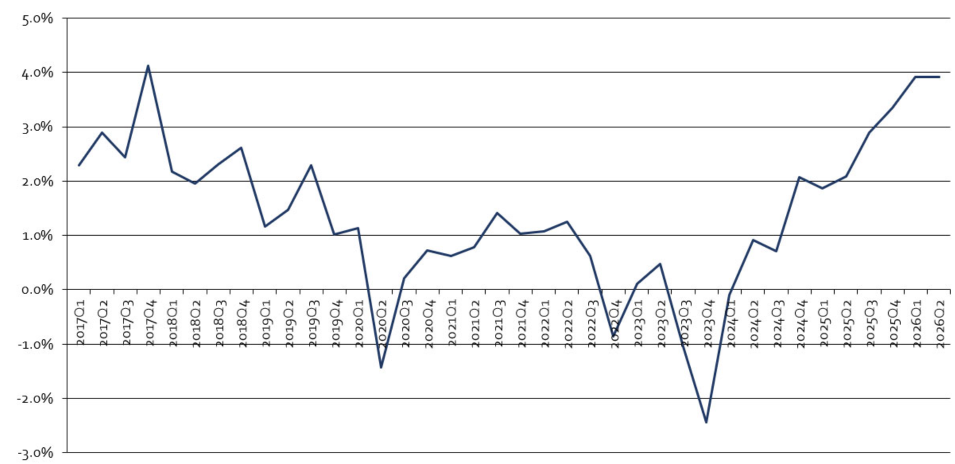
Self Storage



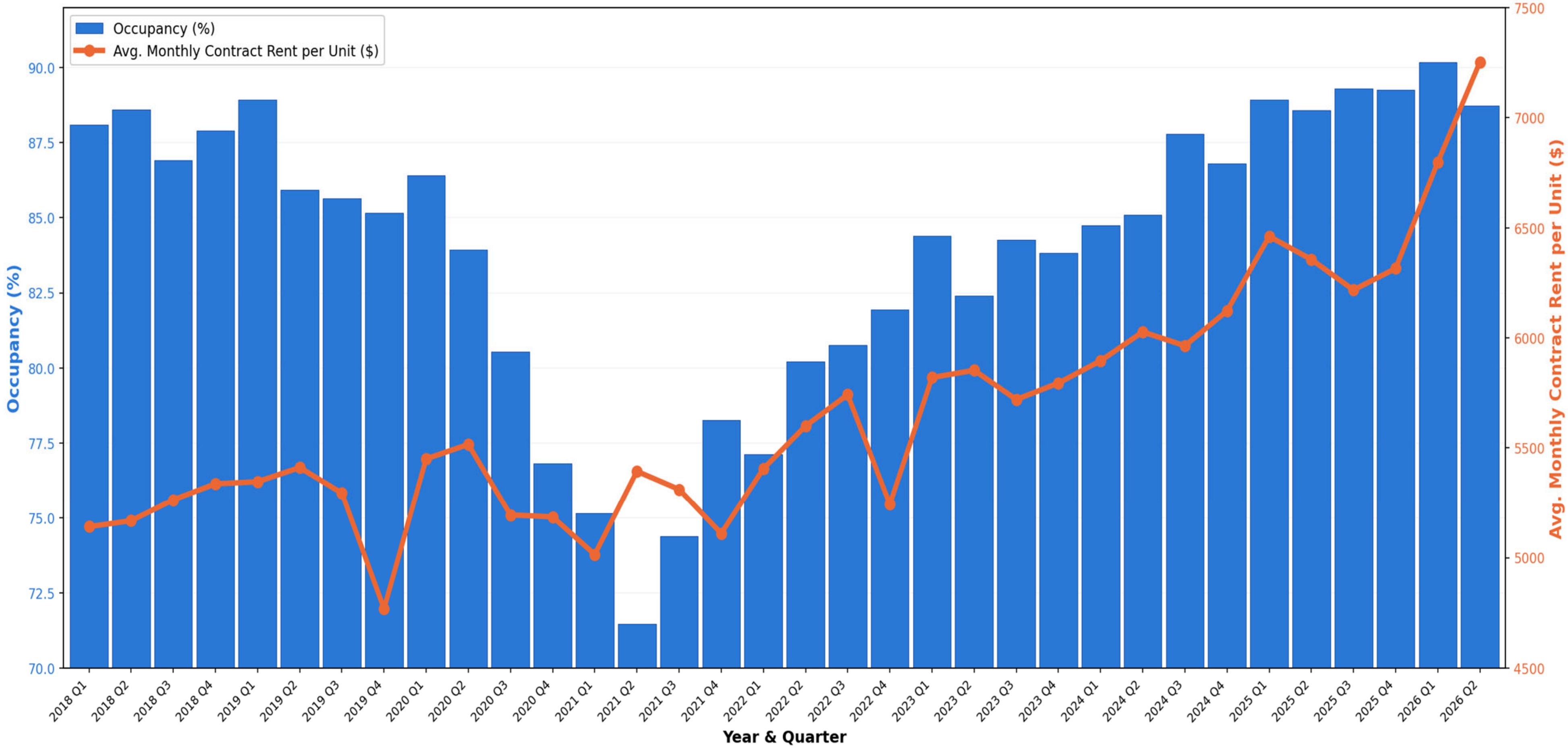
Medical Office



Seniors Housing

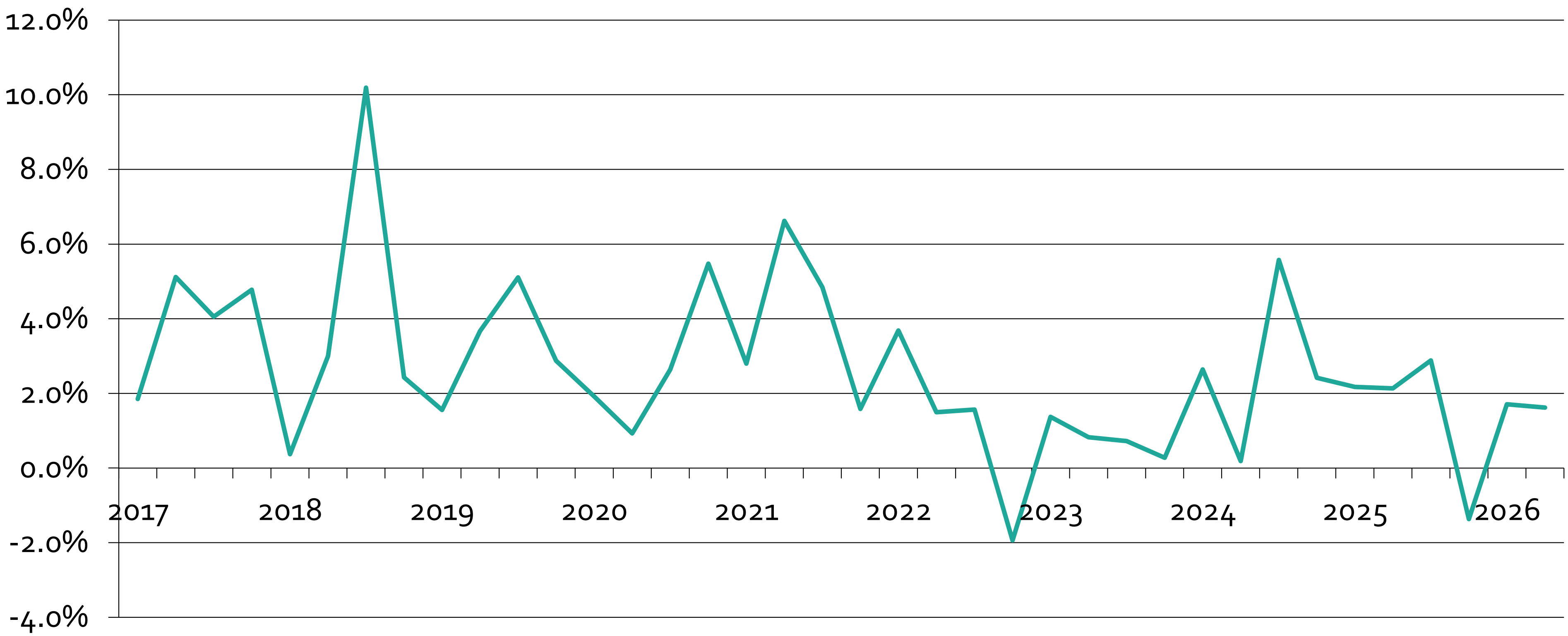


Senior Housing: Occupancy & Contract Rent Trends



Source: Altus Group client data — guest slide (Robby Tandjung)

Data Centers



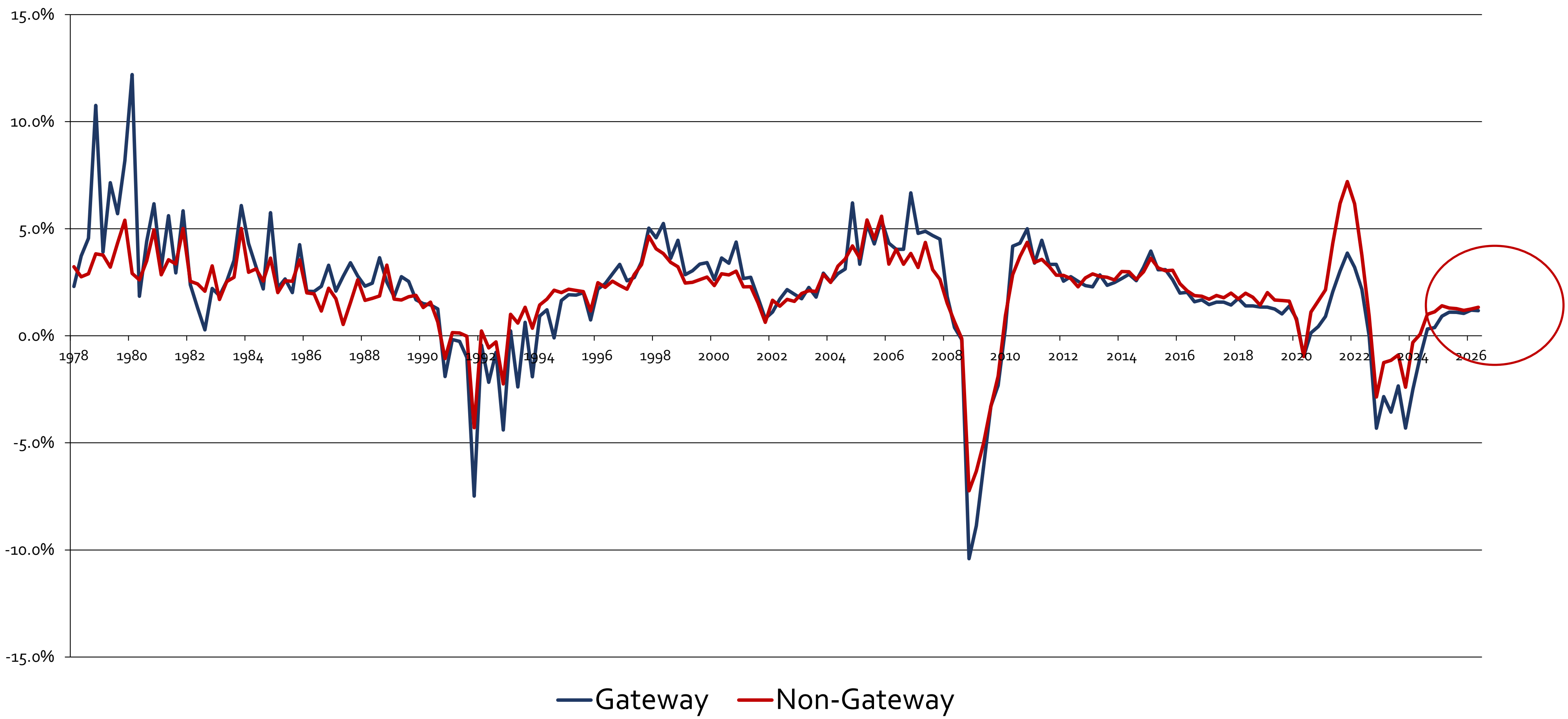
Question

- What Property Sector do you think will perform best (highest total **return**) for **<u>2026</u>**?
  - A. Residential
  - B. Office
  - C. Industrial
  - D. Retail
  - E. Alternatives (next slide)

Question

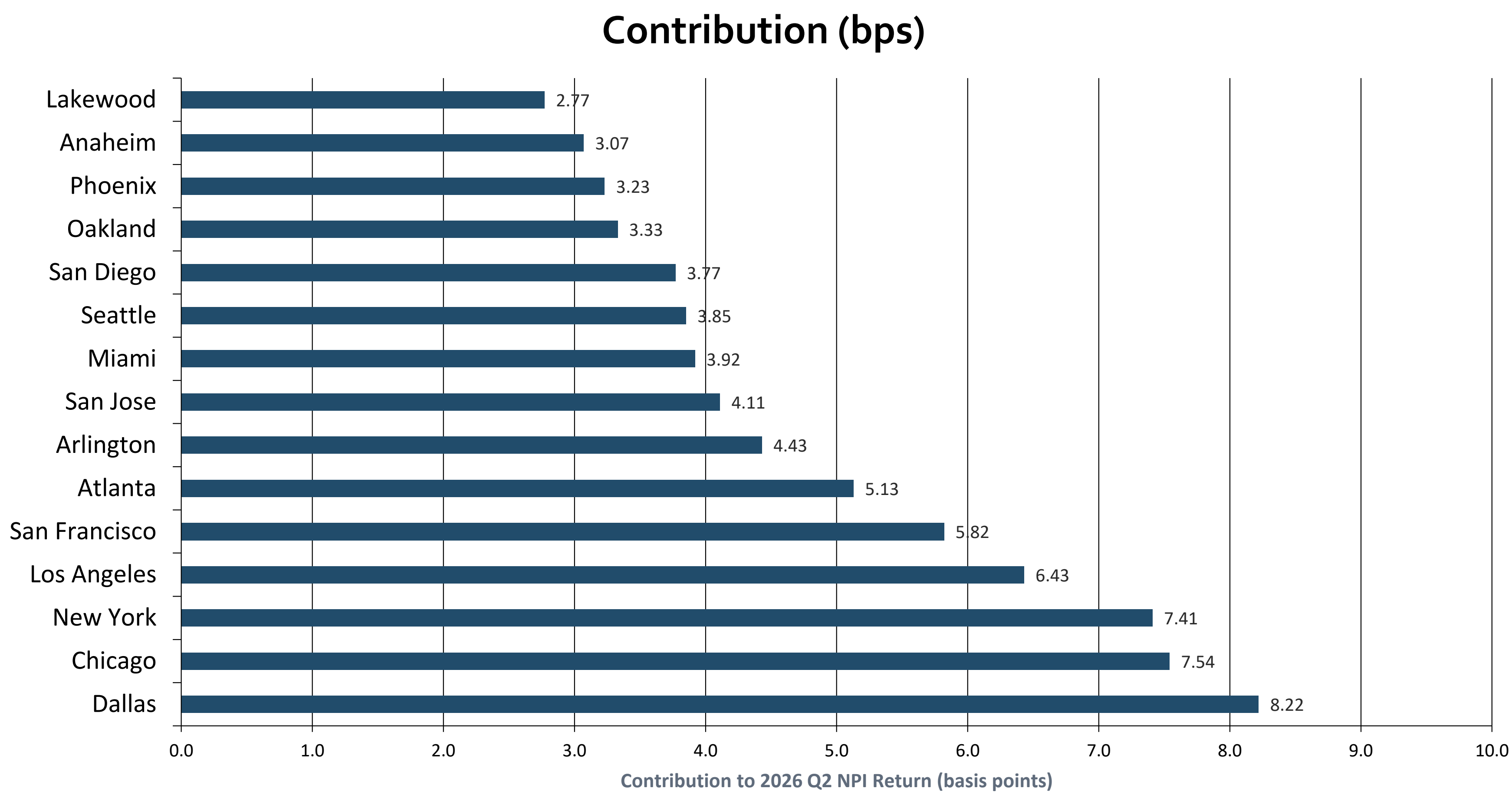
- What Property Sector do you think will perform best (highest total **return**) for **2026**?
  - A. Data centers
  - B. Self storage
  - C. Senior housing
  - D. Medical Office
  - E. Hotel

Gateway vs non-Gateway

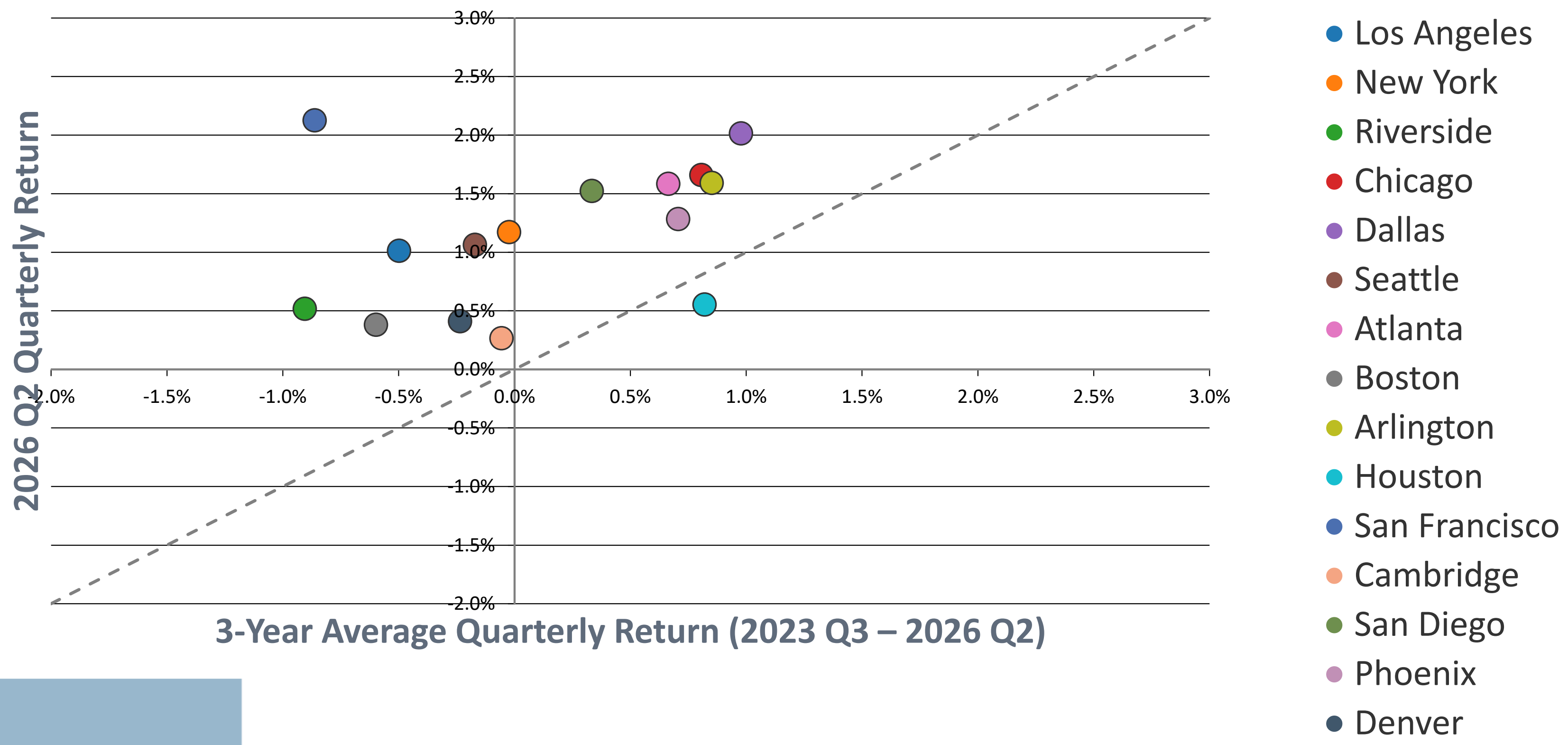


Gateway markets: Boston, New York (NY-NJ-White Plains), Chicago, Los Angeles, San Francisco, and Washington DC (CBSA/Division codes 14454, 35614, 16984, 31084, 41884, 47764). All other CBSAs = Non-Gateway.

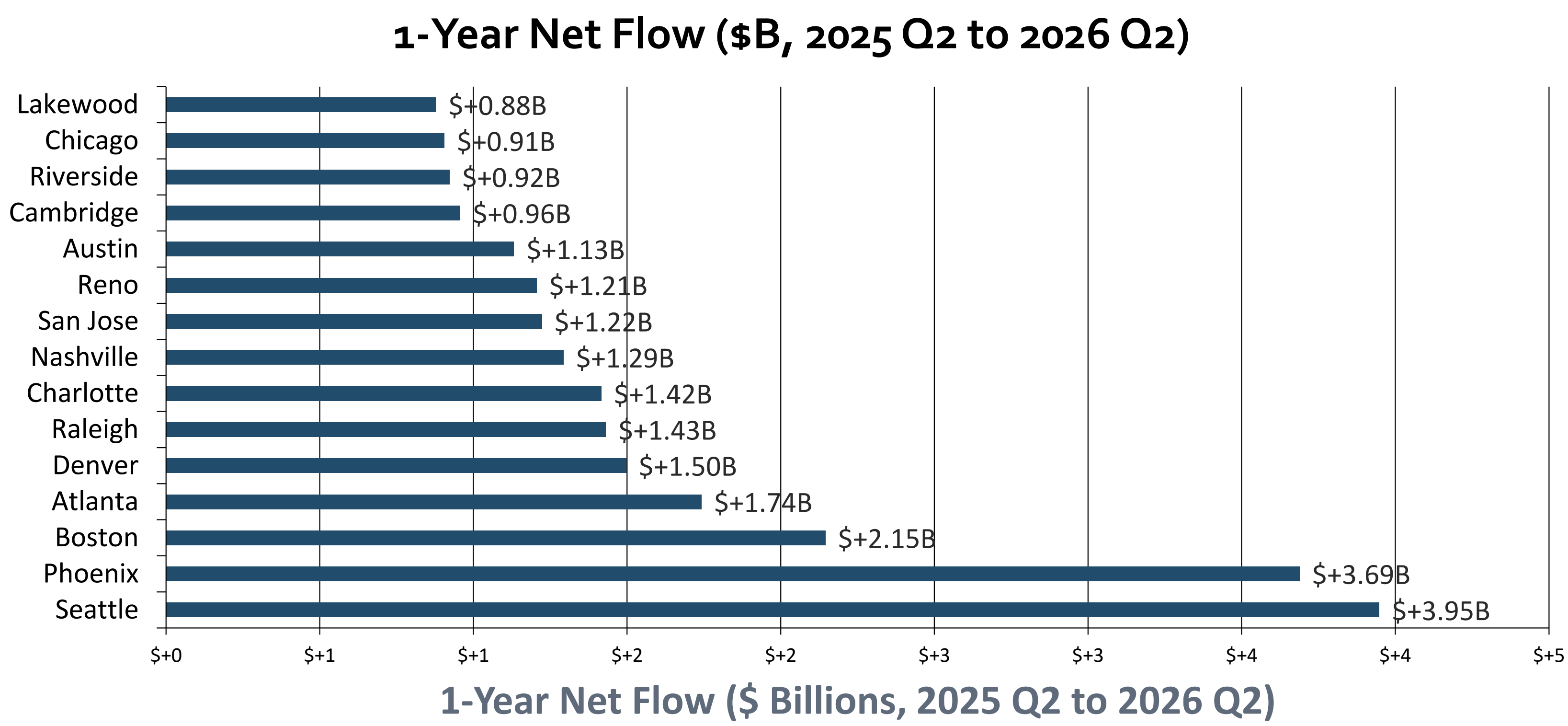
Top 15 CBSA-Divisions by Contribution to 2026 Q2 NPI Return



Return Momentum — Top 15 CBSA-Divisions

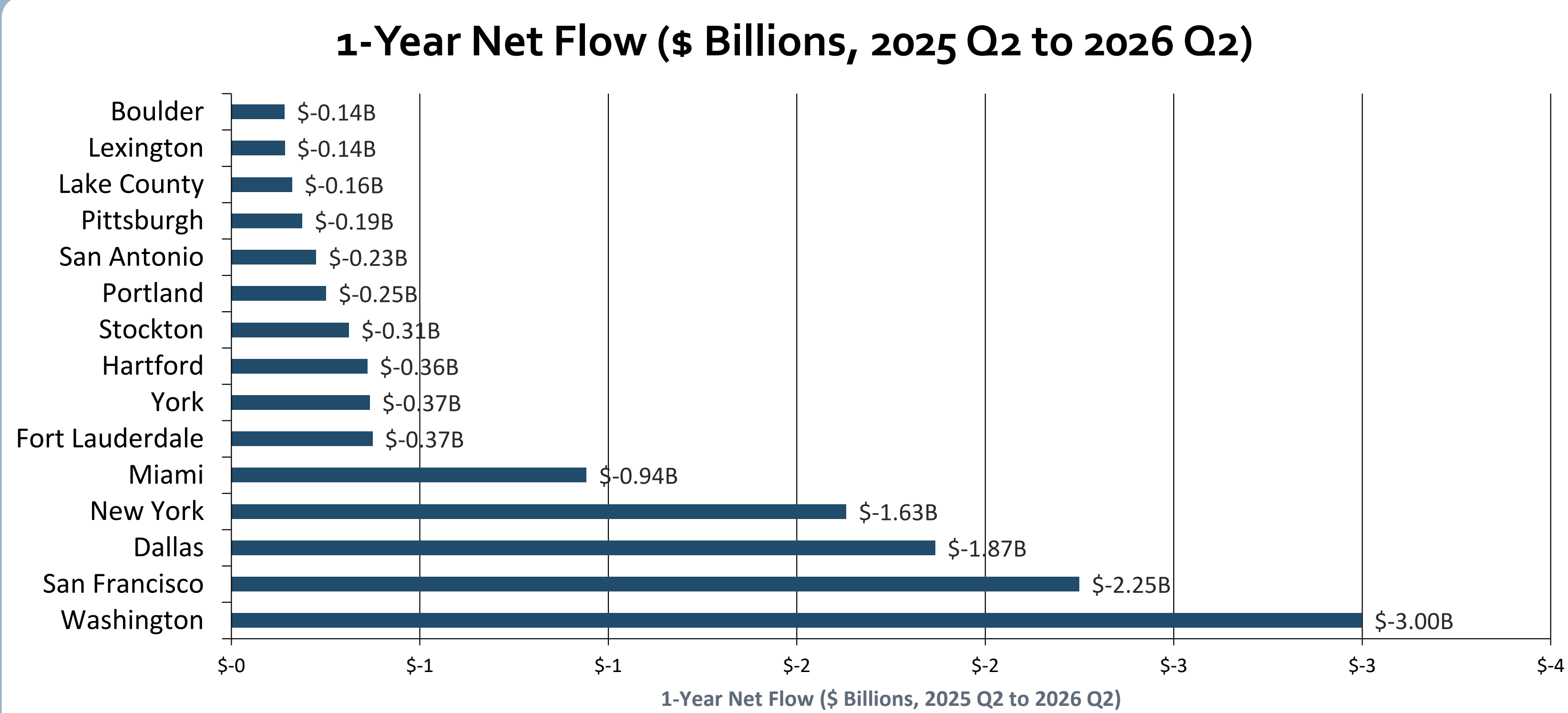


Top 15 CBSA Inflows — 1-Year Change vs. 2025 Q2



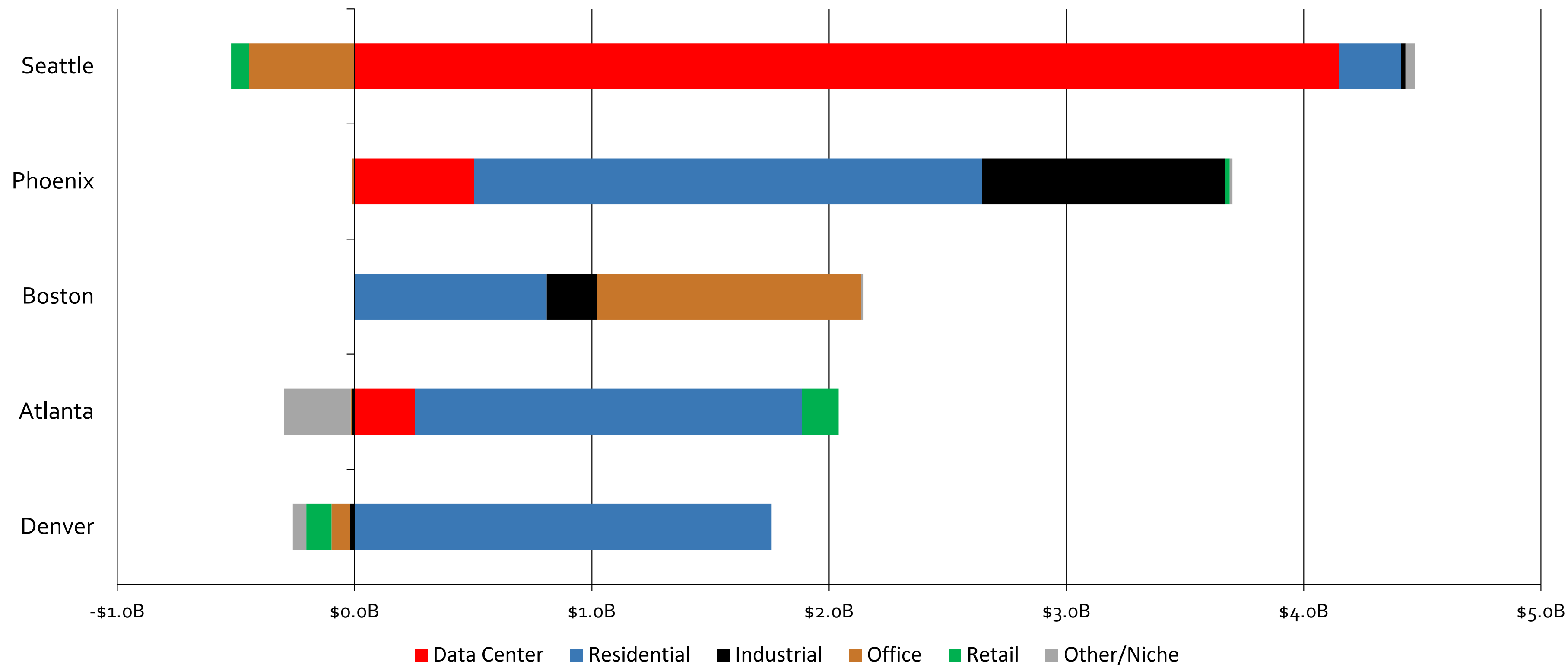
Seattle leads at +$4.0B — driven by a $4.1B data-center portfolio entering the index, not traditional sectors. Phoenix (+$3.7B) reflects continued Sun Belt residential and industrial acquisitions. Top 15 inflows total +$24.4B; all-CBSA net flow +$26.7B.

Top 15 CBSA Outflows — 1-Year Change vs. 2025 Q2



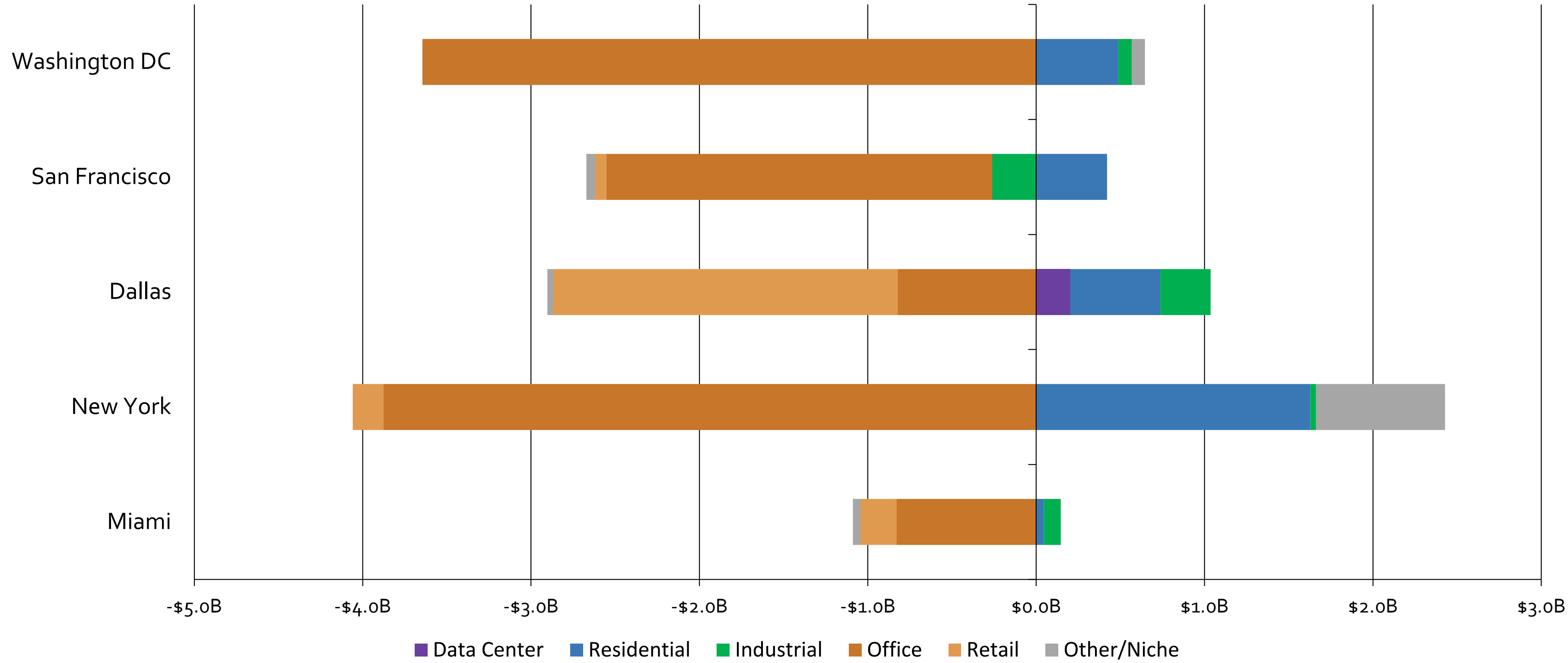
Washington DC leads outflows at $-3.0B, almost entirely office sales (12 properties, $3.9B). San Francisco is the same story ($3.3B of office exits). Coastal gateways still dominate outflows. Dallas reflects retail dispositions, with industrial actually net positive.

Behind the Top Inflows — 1-Year Net Flow by Sector



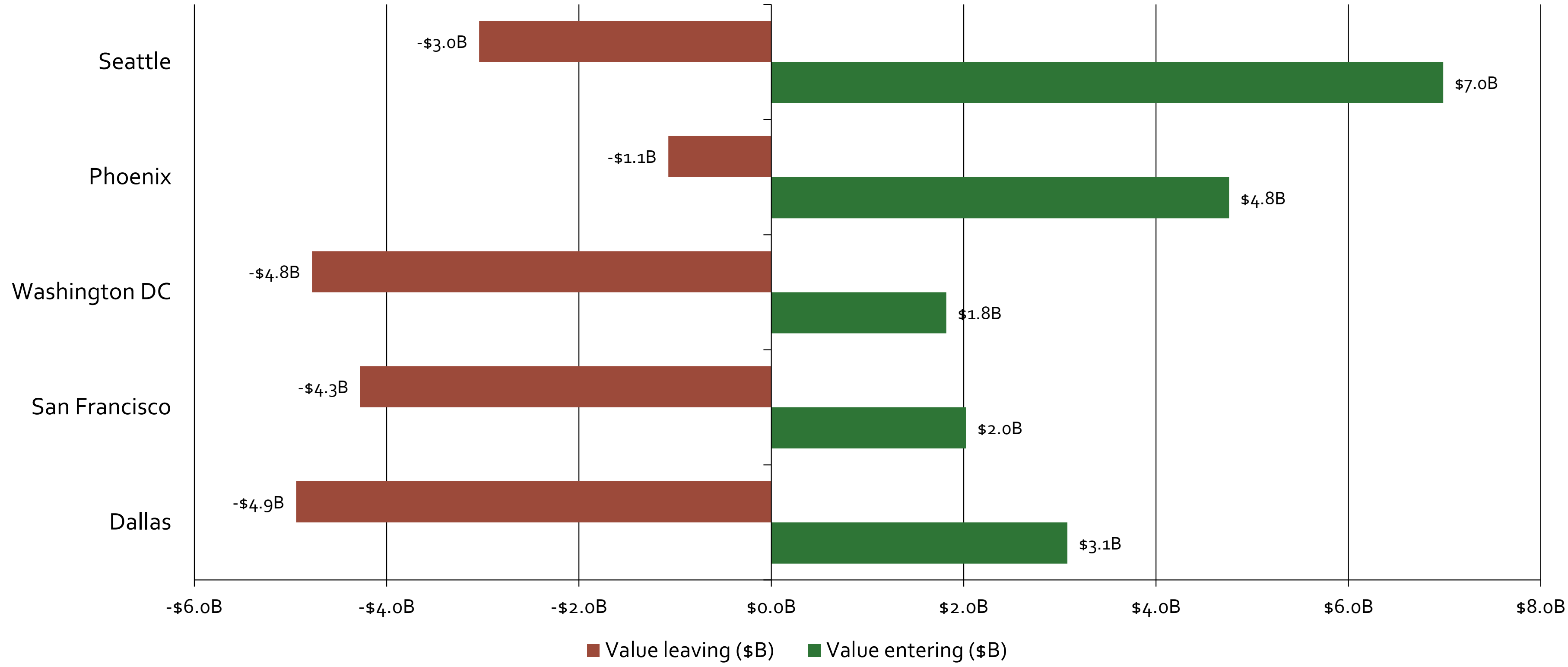
Seattle = data centers (+$4.15B; all other sectors net ≈ 0 or negative). Phoenix = residential (+$2.1B) + industrial warehouse (+$1.0B). Boston is the contrarian: OFFICE +$1.1B plus residential +$0.8B. Atlanta and Denver are residential stories (+$1.6B / +$1.8B).

Behind the Top Outflows — 1-Year Net Flow by Sector



Washington DC: office −$3.65B net (residential +$0.5B partially offsets). San Francisco: office −$2.3B. Dallas: RETAIL −$2.05B (industrial actually +$0.3B). New York: office −$3.9B net, offset by residential +$1.6B and niche +$0.8B. Miami: office −$0.8B.

Headline Markets — Value Entering vs. Leaving the Index (1 Year)



Gross flows behind the nets: Seattle saw $7.0B enter (incl. $4.2B data centers) against $3.0B leaving; DC saw $4.8B leave (mostly office) against $1.8B entering. The net bars on the main slides are the difference of these gross flows.

Question

Which of the following property sectors do you think will have the greatest amount of **new capital** (market value) added?

A. Office.

B. Industrial.

C. Retail.

D. Residential (including single family).

E. Alternatives (including data centers)

Summary of 2nd Quarter 2026

- Total return 1.29% — four quarters of improvement
- Capital return positive and building (+0.11%) as values firm
- NOI growth has turned the corner and is rising again
- Occupancy up slightly (92.2% MV-weighted)
- Appraisal cap rates essentially flat (~4.4%)
- Property count up
- Industrial and Residential drive the return; capital rotating to Sun Belt and tech metros

Thank you

For more information on NCREIF or the NCREIF data and indices, as well as the NCREIF Academy and upcoming conference, please visit:

www.NCREIF.org