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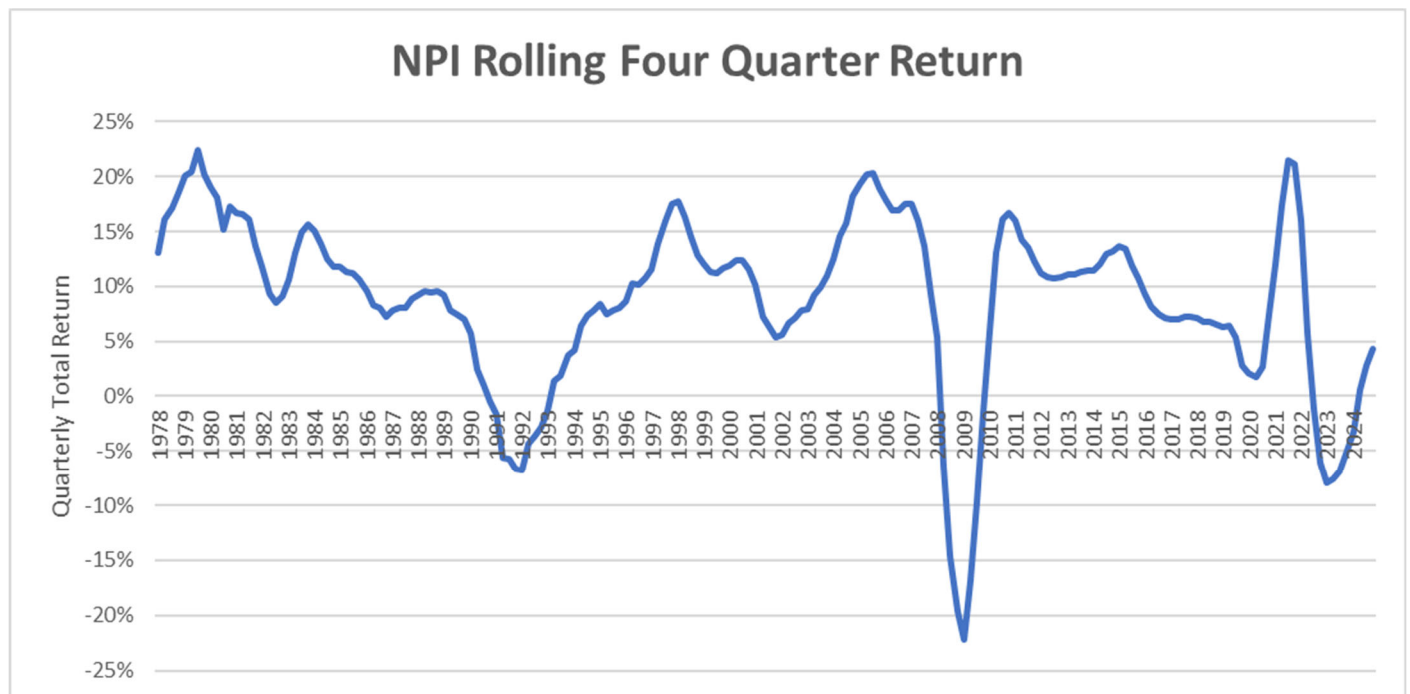
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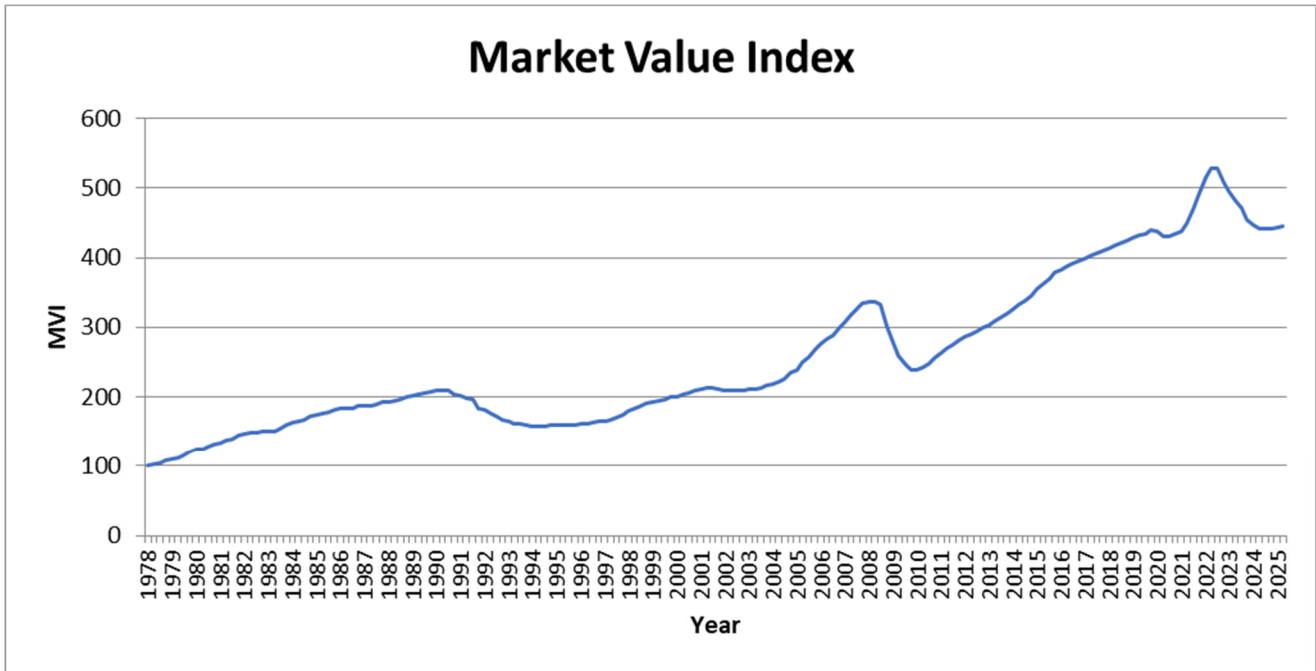
Fourth Consecutive Quarter of Positive Returns for Institutional Real Estate

CHICAGO, IL, July 25, 2025 –The National Council of Real Estate Investment Fiduciaries (NCREIF) has released second quarter 2025 results for the NCREIF Property Index. The NPI includes 12,860 properties, totaling over \$900 billion in market value. The unleveraged quarterly return for the second quarter of 2025 was 1.23%, bringing the total return for the past four quarters to 4.31% with all four returns in positive territory. The returns are detailed in the attached Snapshot Report. The NPI includes all operating properties managed by NCREIF data contributing members.



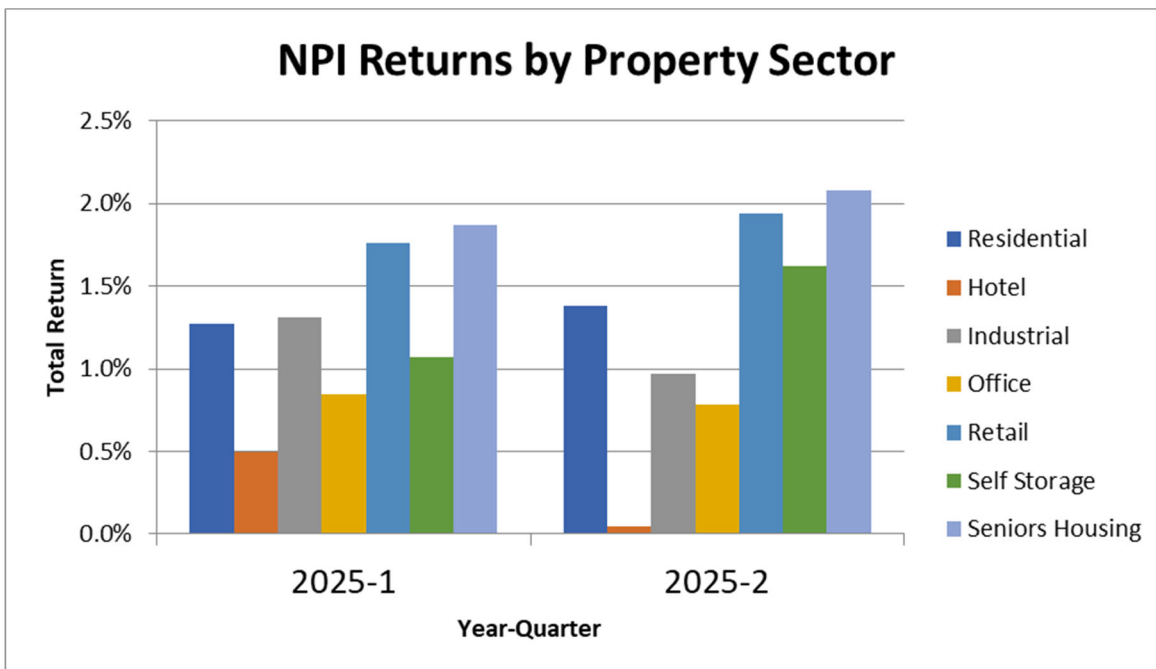
The positive 1.23% quarterly total return consisted of 1.19% of income and 0.04% of property appreciation. Appreciation is after the deduction of capital expenditures; this was the second consecutive quarter for positive appreciation return. These unleveraged returns are value-weighted for the properties and are calculated before consideration of investment advisory fees.

The market value of properties in the NPI increased slightly during the second quarter. This is the third quarter of market value increases after values dropped for 9 consecutive quarters.



All Sectors have Positive Returns

All property sectors produced positive total returns this quarter. Seniors housing took the lead this quarter with a return of 2.08% followed by retail at 1.94% and self-storage at 1.62%. Office returns dropped slightly from 0.85% last quarter to 0.78% this quarter. Hotel returns dropped the most from 0.49% last quarter to 0.04% this quarter. Residential returns increased to 1.38% in the second quarter from 1.28% in the first quarter.



Capitalization Rates and Net Operating Income (NOI) Growth

Market value-weighted capitalization (cap) rates based on appraisals for unsold properties in the index were up very slightly at 4.69% vs. 4.63% in the prior quarter. For those properties that did sell (which is a very small percentage of properties in the index), the average cap rate rose from 5.66% to 5.92%. 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 second quarter was 1.52% in the second quarter, up from 1.44% in the first quarter of 2025.

About the NCREIF Property Index

The NPI consists of 12,860 investment-grade, income-producing properties with a market value of \$904 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, 29% residential, 13% retail, 34% industrial with the remaining 5% 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 Monday August 4th at 11:00 CST to discuss the NCREIF Property Index (NPI) in more detail as well as a discussion of other trends based on the NCREIF data. [REGISTER HERE](#) for the webinar. An online replay of the webcast will be available on NCREIF’s website at 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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