

NPI Flash 1st Quarter 2023

	Market Value (\$ M)			1st Quarter	4th Quarter	One Year
	Percent of Total	Properties		2023 Returns	2022 Returns	
<i>NCREIF Property Index</i>						
Total Index	921,013.0	10,896	Total	-1.81	-3.50	-1.6
	100.0%		Income	1.01	0.95	3.9
			Appreciation	-2.82	-4.45	-5.4
<i>Property Type Subindexes</i>						
Industrial	301,908.3	5,411	Total	-0.82	-3.56	2.4
	32.8%		Income	0.83	0.76	3.2
			Appreciation	-1.65	-4.32	-0.8
Apartment	259,732.1	2,366	Total	-2.10	-3.21	-0.4
	28.2%		Income	0.95	0.91	3.7
			Appreciation	-3.05	-4.12	-4.0
Hotel	3,125.3	72	Total	2.30	3.37	10.5
	0.3%		Income	0.82	2.06	6.9
			Appreciation	1.47	1.31	3.4
Office	229,000.8	1,808	Total	-4.06	-4.80	-8.8
	24.9%		Income	1.14	1.06	4.4
			Appreciation	-5.2	-5.86	-12.7
Retail	127,246.5	1,239	Total	0.52	-1.61	1.0
	13.8%		Income	1.3	1.25	5.1
			Appreciation	-0.77	-2.86	-4.0
<i>Regional Subindexes</i>						
East	268,017.1	2,430	Total	-2.20	-3.85	-3.5
	29.1%		Income	0.99	0.96	3.9
			Appreciation	-3.19	-4.82	-7.2
Midwest	65,401.4	1,180	Total	-1.61	-3.40	-2.9
	7.1%		Income	1.16	1.12	4.5
			Appreciation	-2.77	-4.53	-7.2
South	206,563.5	3,253	Total	-0.89	-2.49	1.2
	22.4%		Income	1.09	1.02	4.2
			Appreciation	-1.97	-3.52	-2.9
West	381,031.1	4,033	Total	-2.08	-3.80	-1.6
	41.4%		Income	0.94	0.87	3.7
			Appreciation	-3.02	-4.67	-5.1

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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