

Valuation Trends & State of the CRE Market

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Where does the Data Come From: ODCE Coverage and SitusAMC Insights

ODCE Index Coverage

- All **25 funds**, providing broad institutional core real estate performance data across types and geographies, directly from NCREIF.

SitusAMC Real-Time Insights

- SitusAMC works on quarterly valuations **on \$500+ billion** in real estate, giving real-time market intelligence, including **~80%** of ODCE funds that report daily.

Combining Historical and Current Data

- The outlook merges historical ODCE data with forward-looking SitusAMC insights for comprehensive market understanding.

Benefits for Analysis

- This dual data approach helps identify market inflection points and understand sector and geographic performance dispersion.

1Q26 ODCE Index Results and Primary Return Drivers

Stable Income Supports Returns

- Income yields across core property types remain durable despite high interest rates and market uncertainty.

Mixed Valuation and Cap Rate Trends

- Valuation declines persist in some sectors while others stabilize; cap rate expansion slows.

Sector Performance Divergence

- Industrial and retail sectors show strength, multifamily normalizes, office faces bifurcation.

Geographic Market Variation

- Sunbelt and secondary markets improve while some CBD markets experience greater valuation pressure.

NFI-ODCE RETURNS					
	1Q26	4Q25	3Q25	2Q25	1Q25
Income	1.00%	1.01%	0.99%	1.01%	1.01%
Appreciation	0.24%	-0.09%	-0.26%	0.01%	0.05%
Total (Gross)	1.25%	0.91%	0.73%	1.03%	1.06%

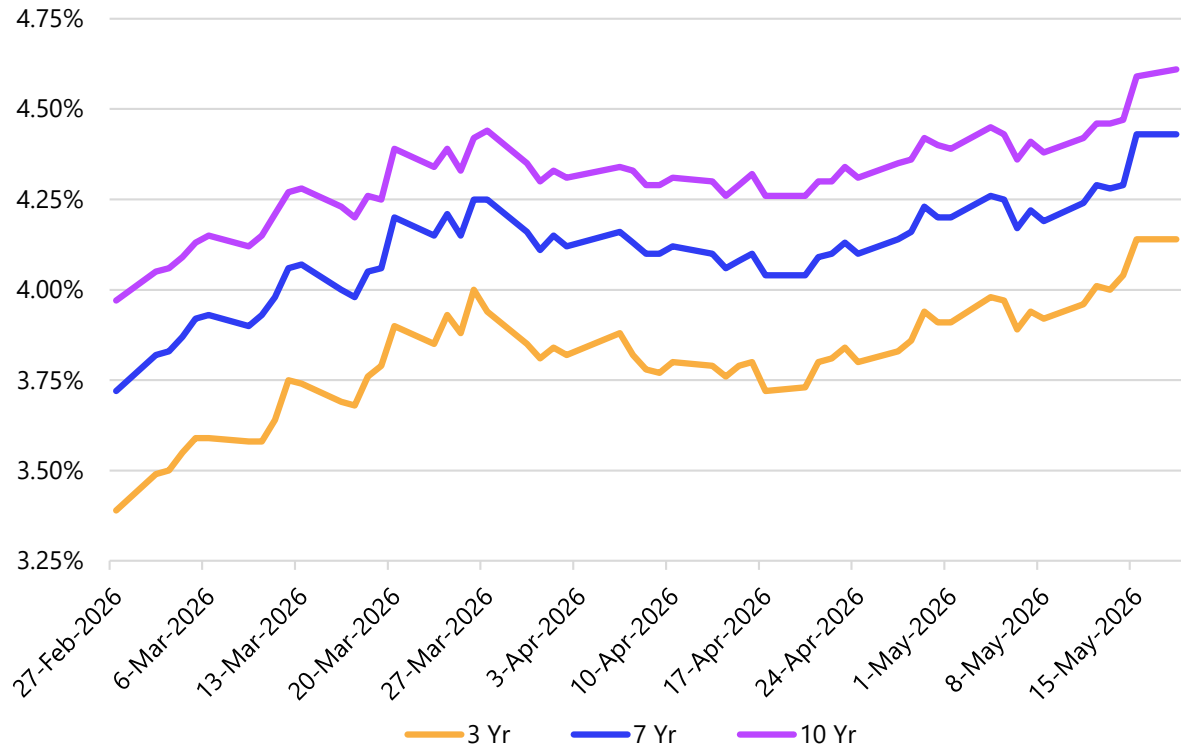




Capital Markets: Volatility & Uncertainty

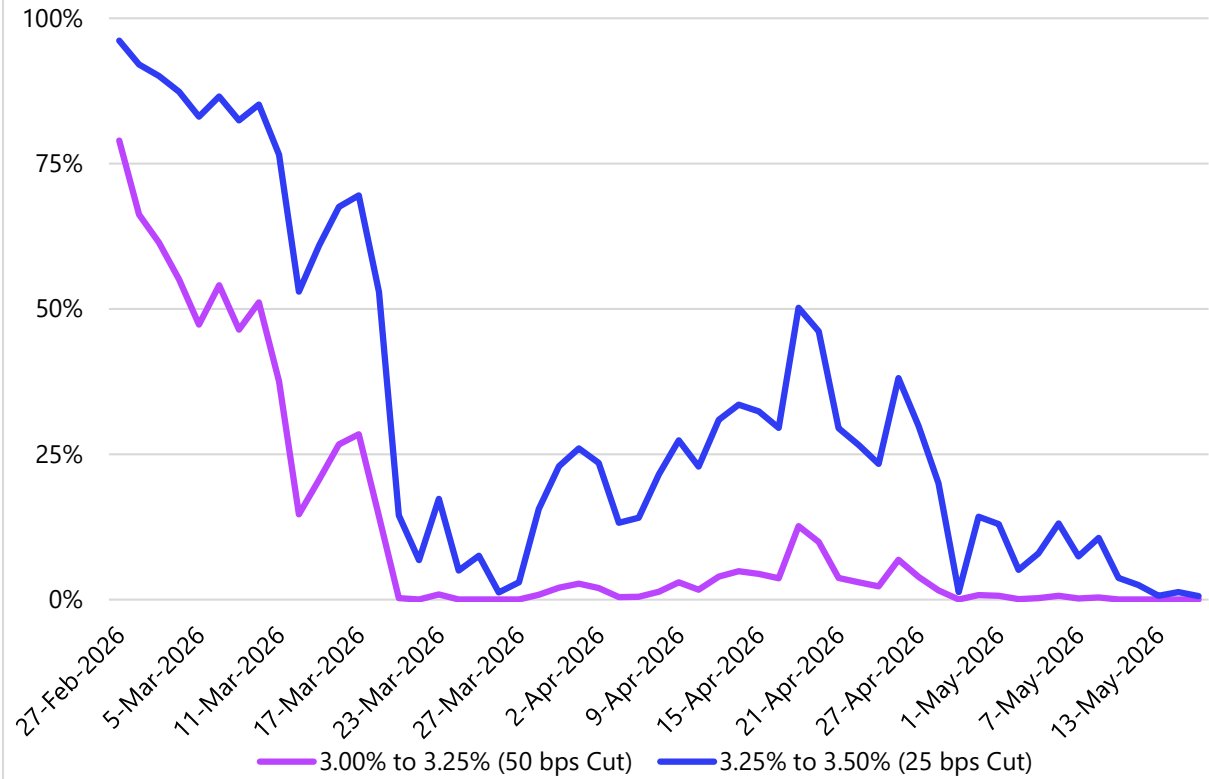
Uncertainty Driving Cost of Capital Higher & Plummeting Expectations of Future Rate Cuts

U.S. Treasury Rates - Yield Curve Movement



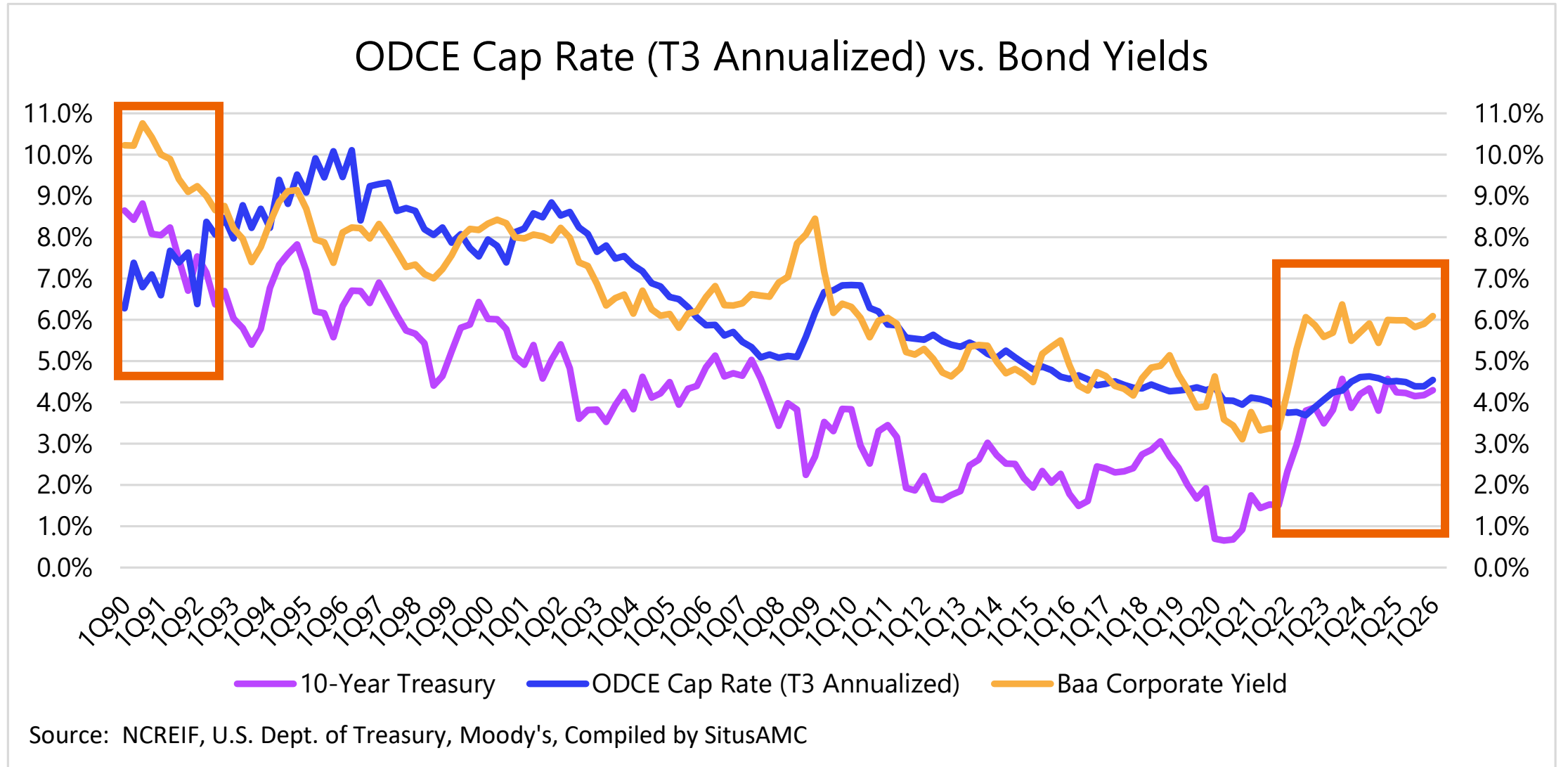
Source: US Treasury Dept., SitusAMC

Fed Funds Rate - Probability of Interest Rate Cuts



Source: CME Group, SitusAMC

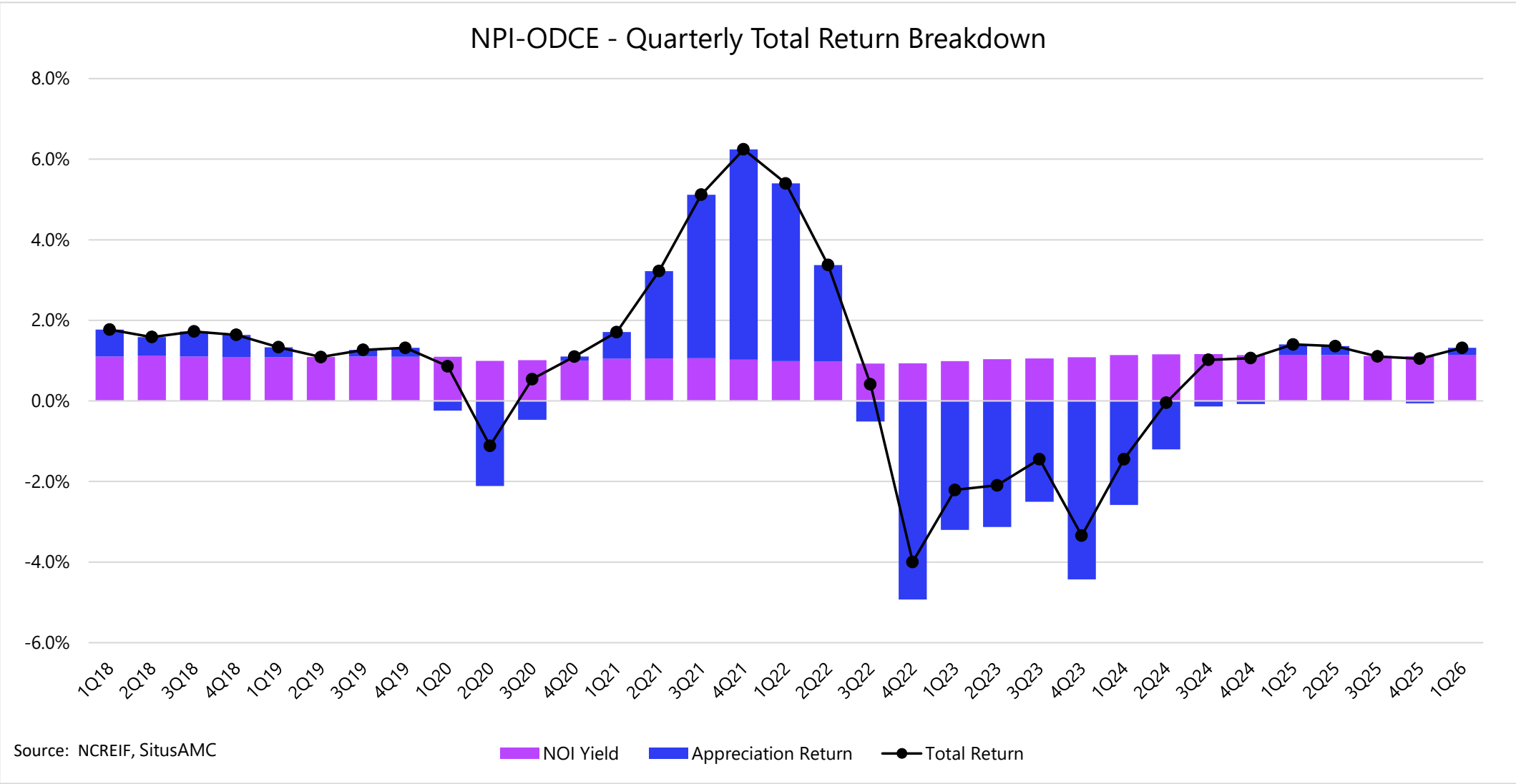
Persistent Rate Pressure Remains – Investor Underwriting Continues to Anticipate Easing



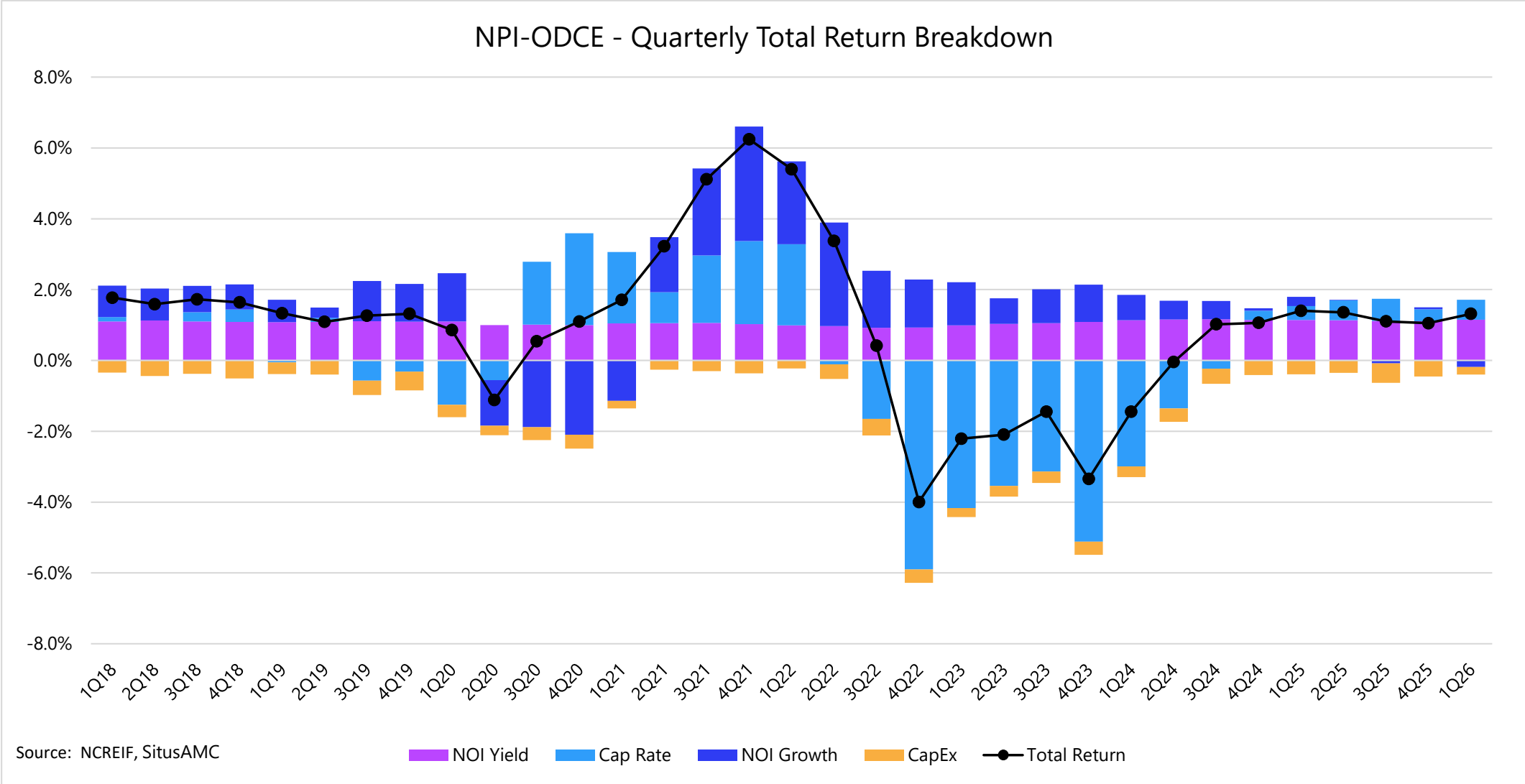


NCREIF ODCE:
Stability Through Income

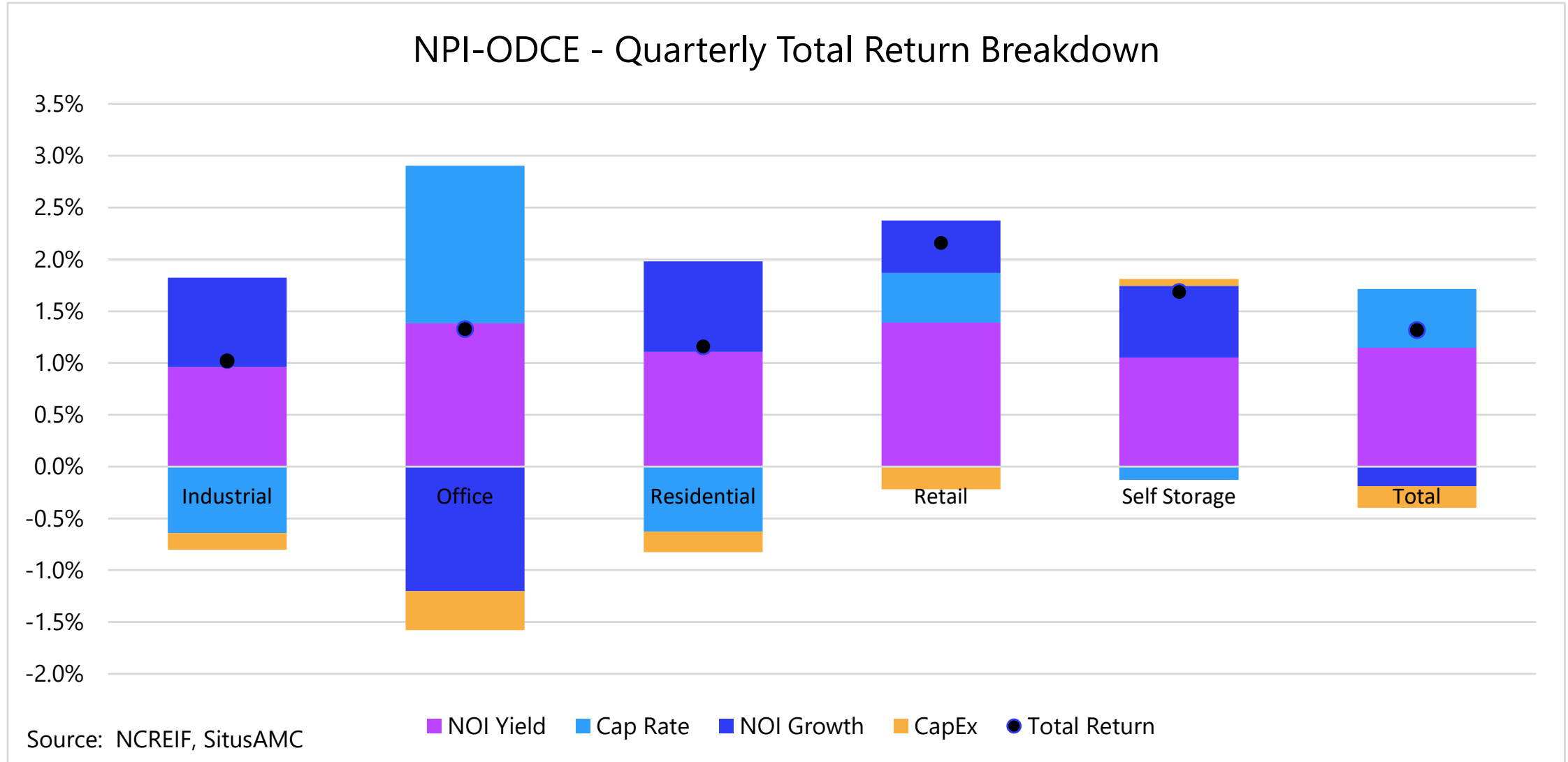
Driver of Total Return – Income Representing >90% of Total Return Since 1Q25



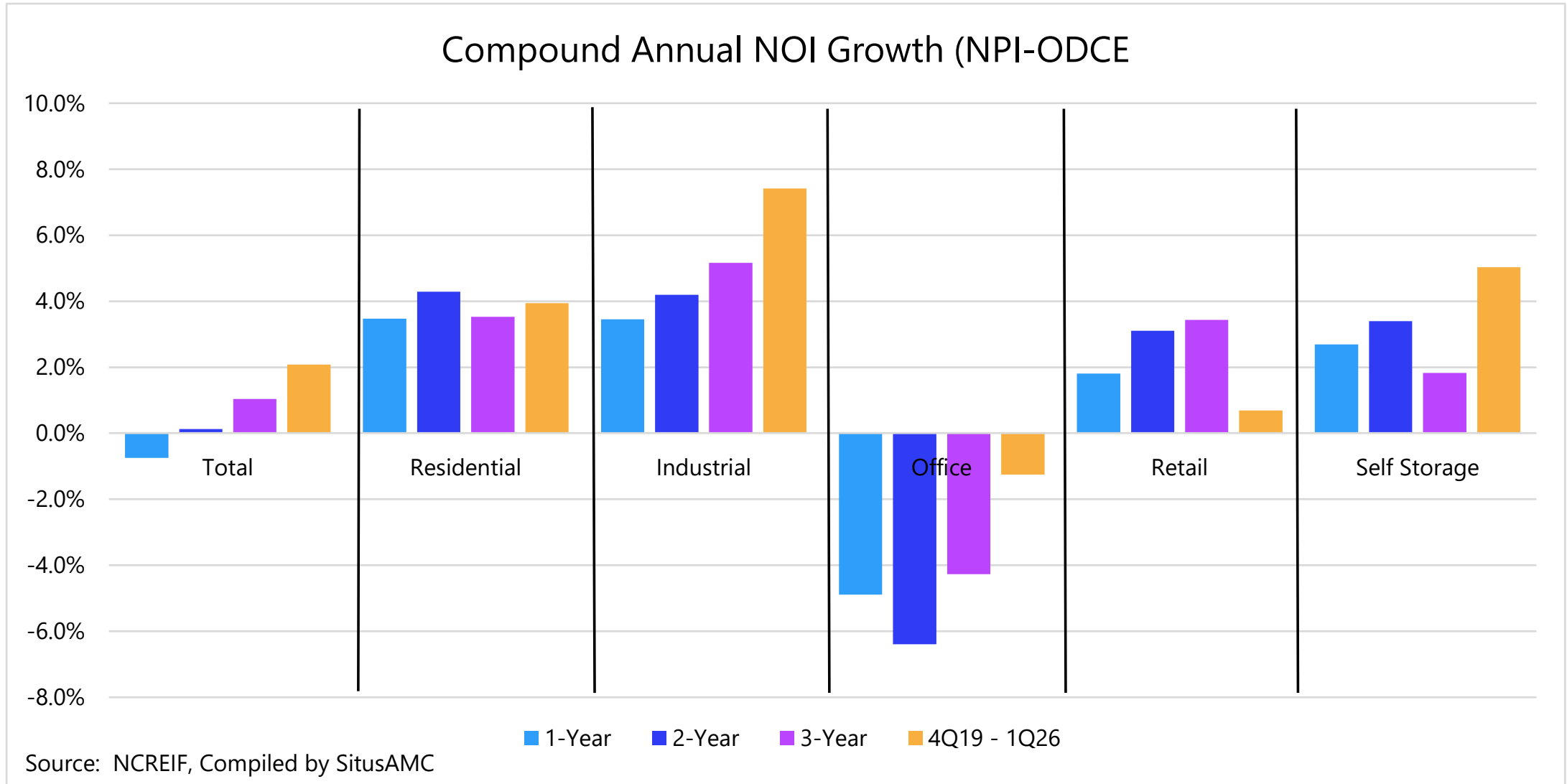
Composition of Total Return – NOI Growth Remains Weak



1Q26 Total Returns – Retail and Storage Continue to Lead...Industrial & Residential Remain As Laggards!

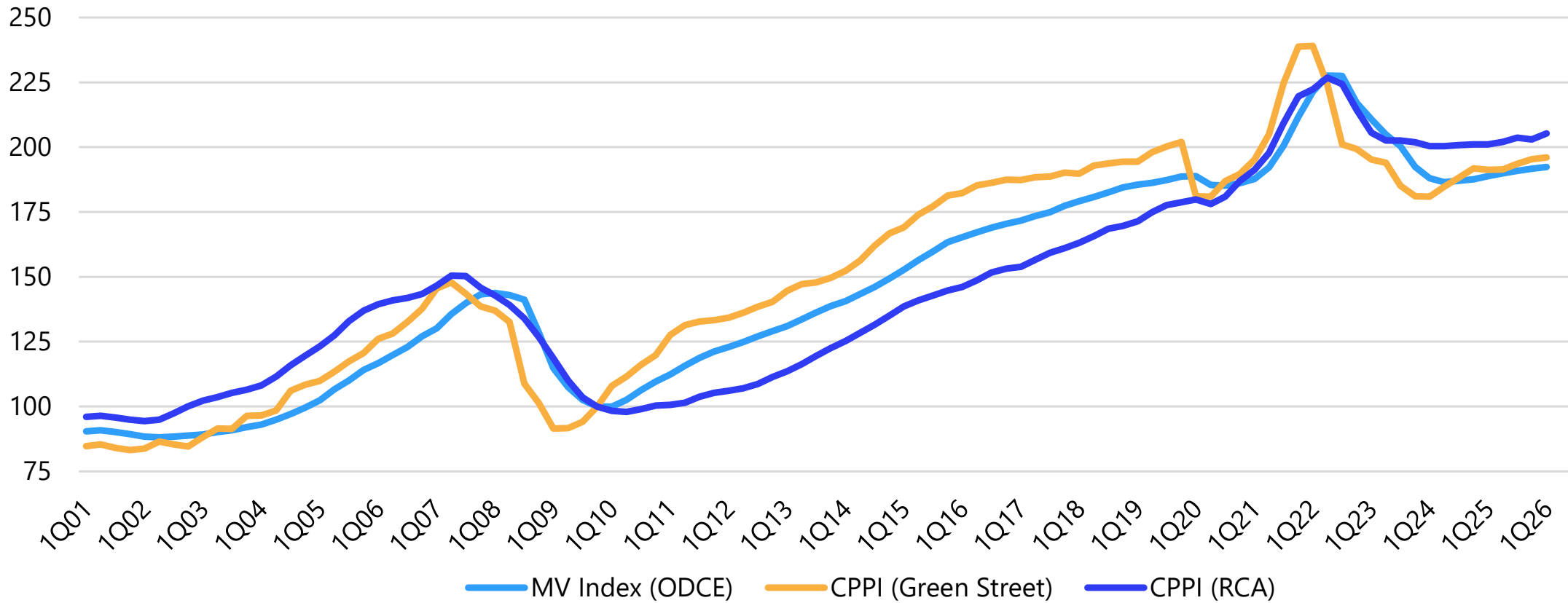


NOI Growth – Widespread Slowing...Office Slowly Improving (Albeit Still Negative)!



Real Estate Value Indices – Alignment Across Green Street and NPI-ODCE

Value Index Comparison: ODCE vs. CPPI



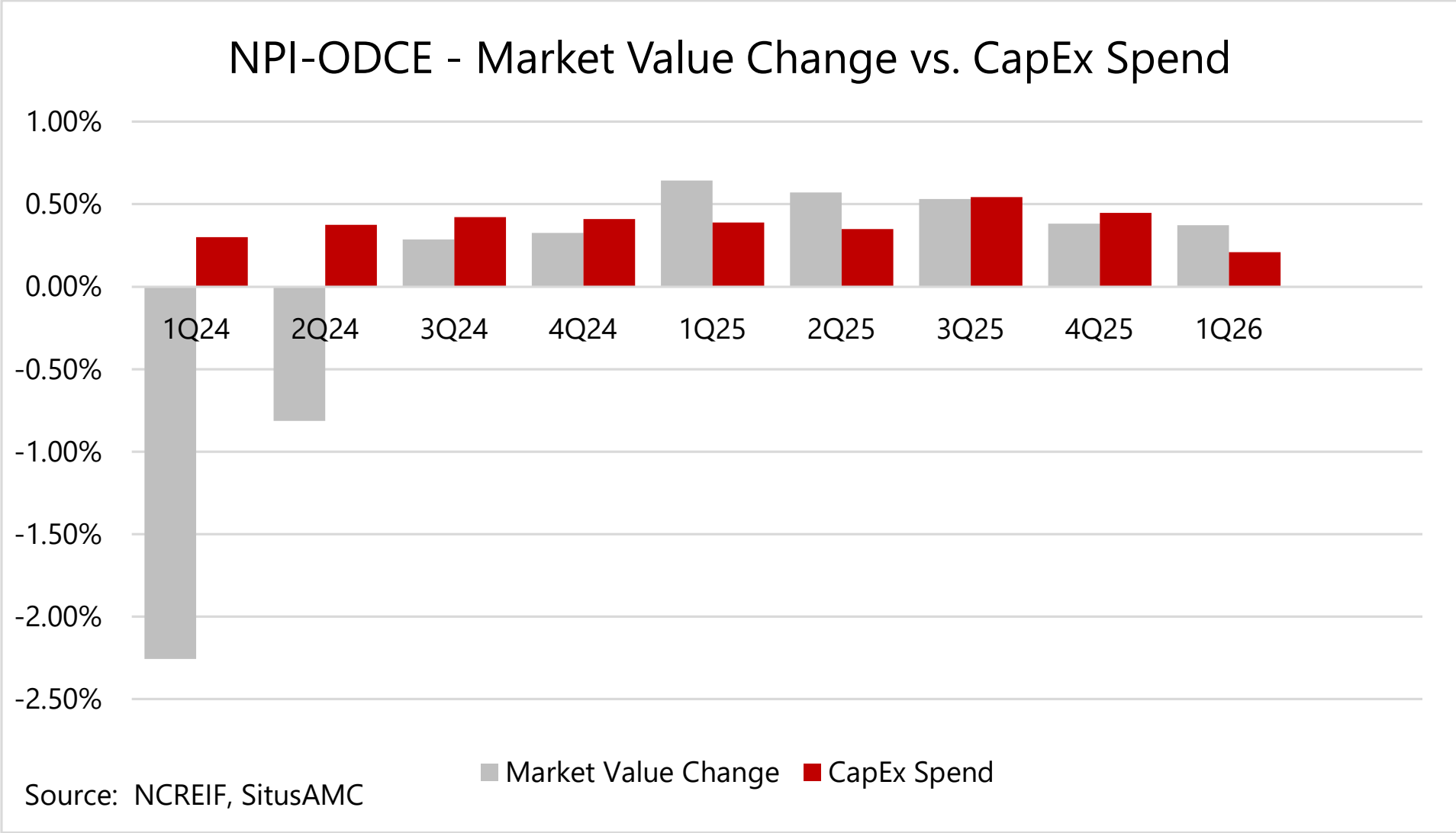
Source: NCREIF, Green Street, MSCI (RCA), Compiled by SitusAMC

Scale: 4Q09 = 100

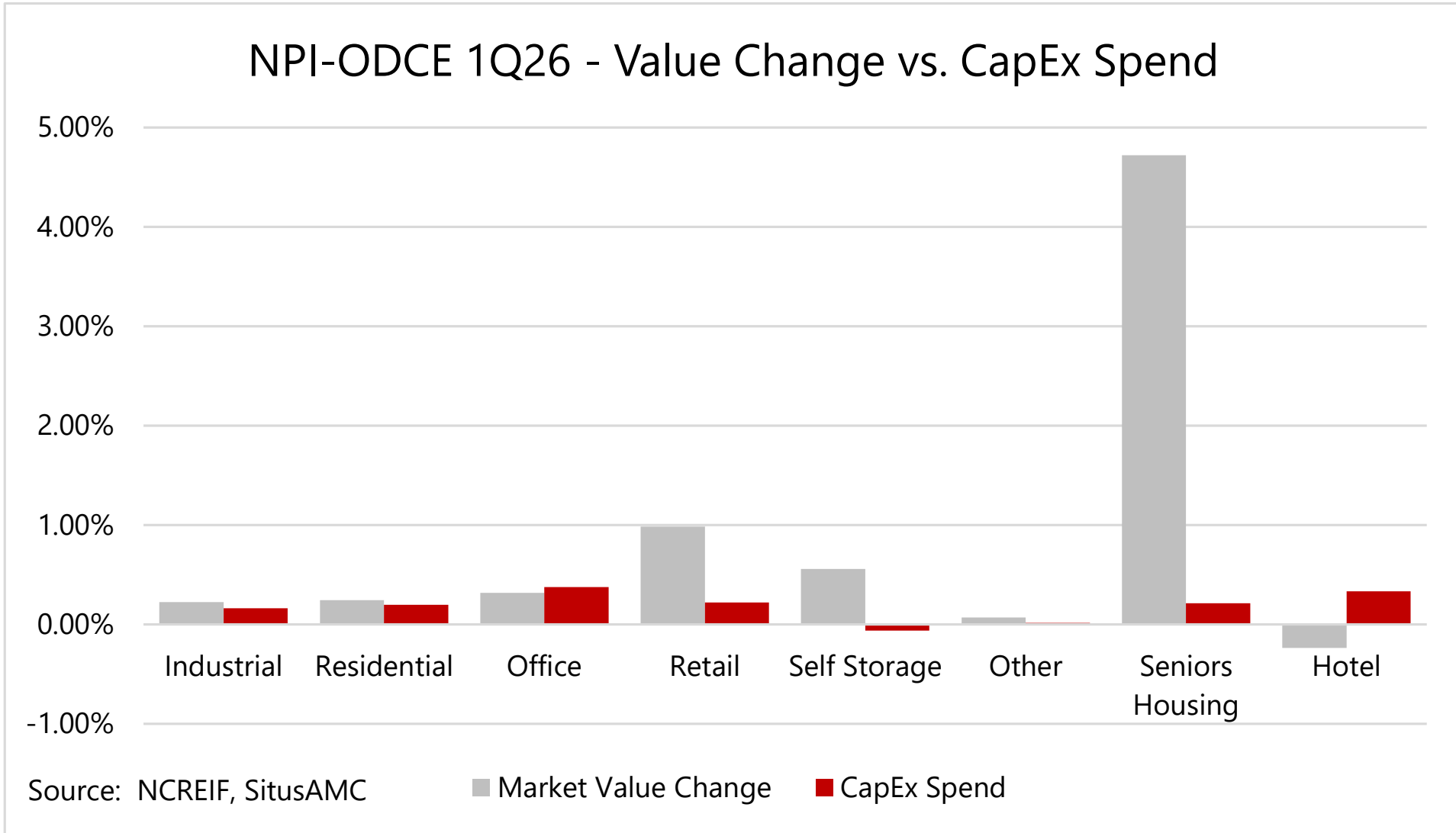


Market Values:
Moderate Increases

Quarterly Market Value Change – Seven Consecutive Quarters of Value Increases

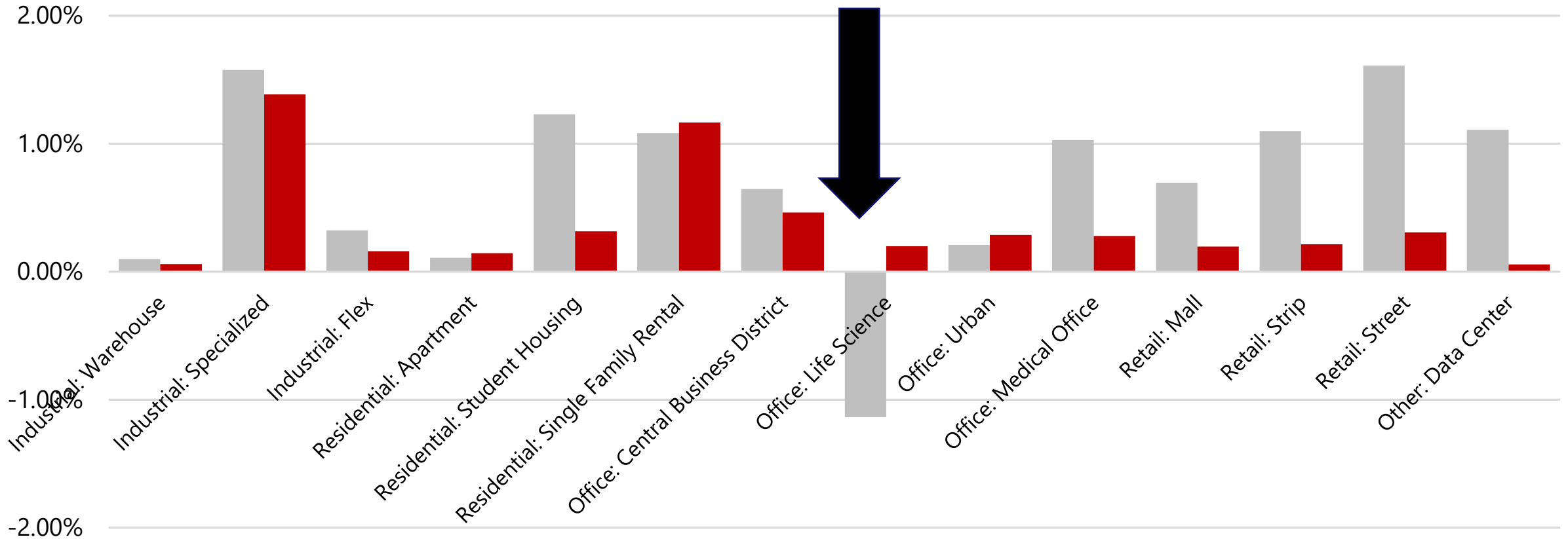


1Q26 Market Value Change (By Property Type) – Alternatives & Retail Leading the Way



1Q26 Market Value Change (By Subtype)

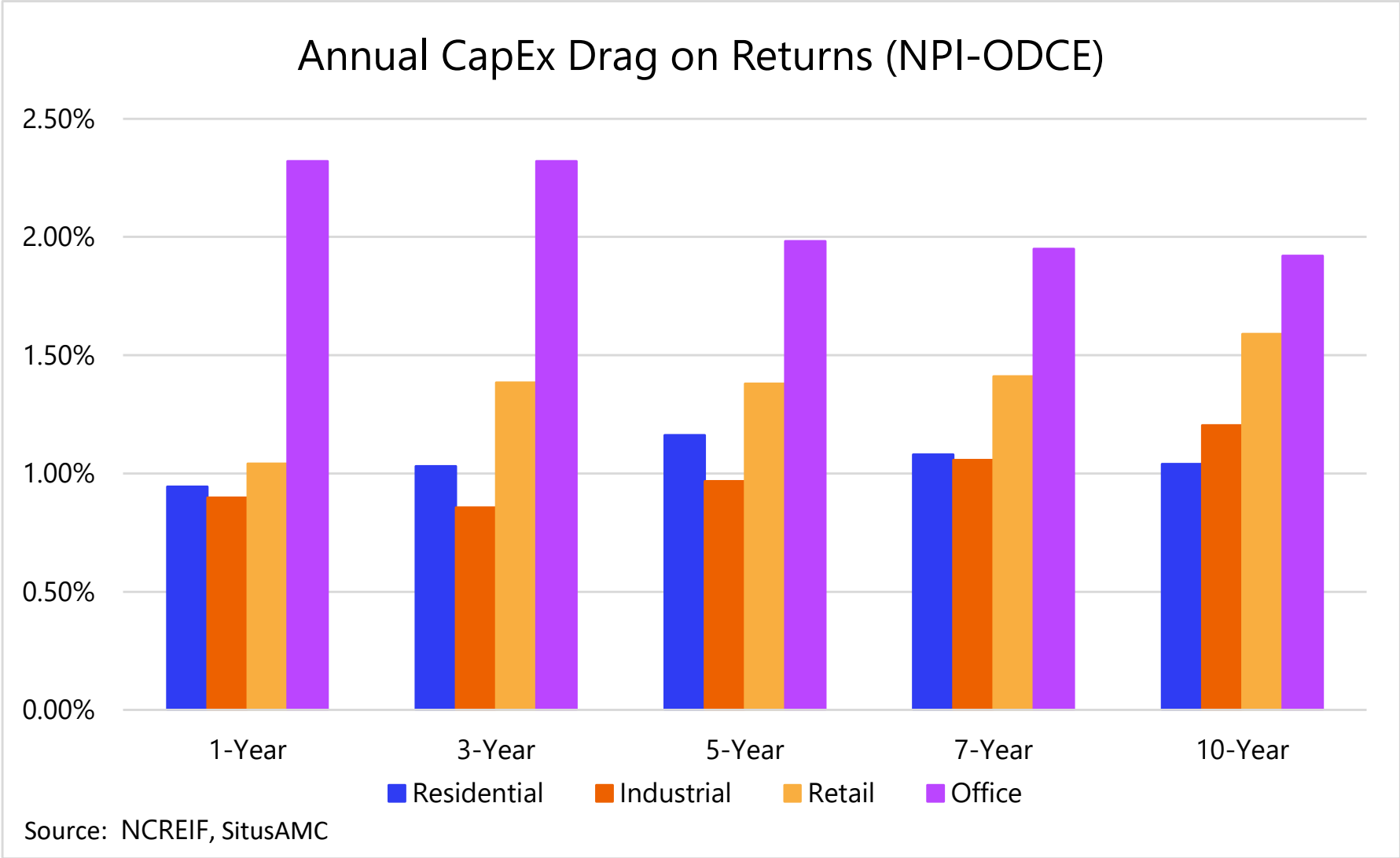
NPI-ODCE 1Q26 - Value Change vs. CapEx Spend



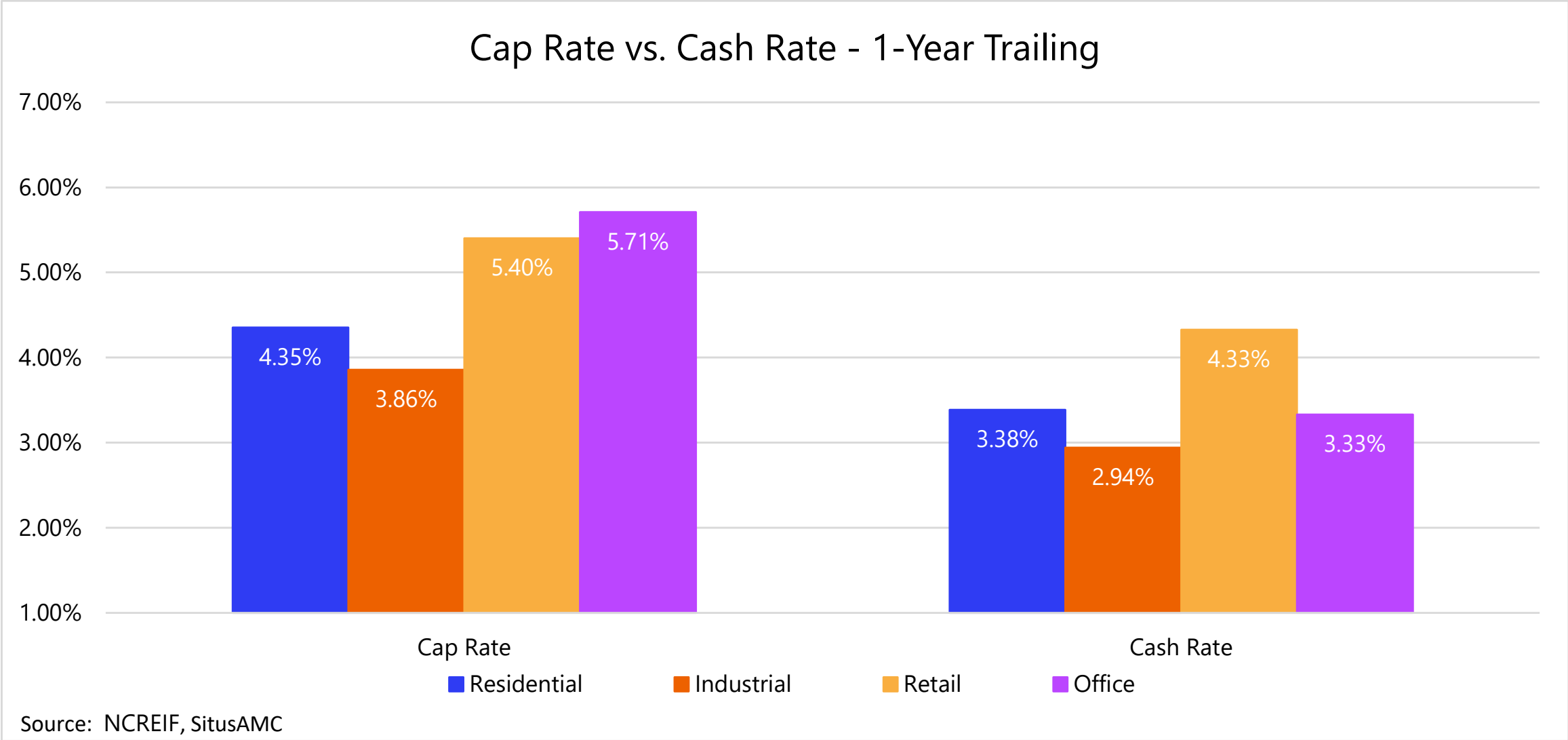
Source: NCREIF, SitusAMC

■ Market Value Change ■ CapEx Spend

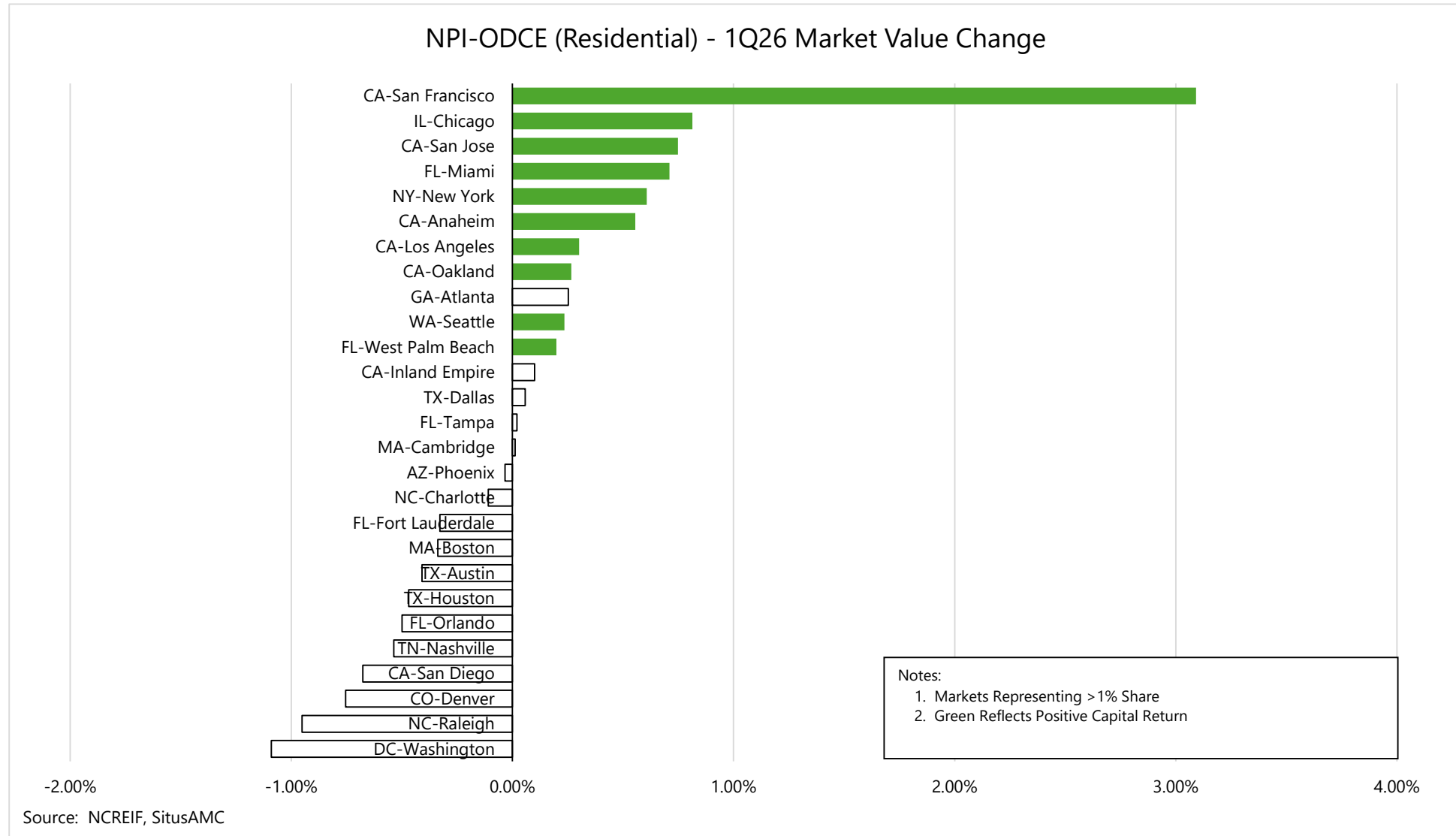
CapEx Drag – A Disadvantage That Has Only Worsened for Office!



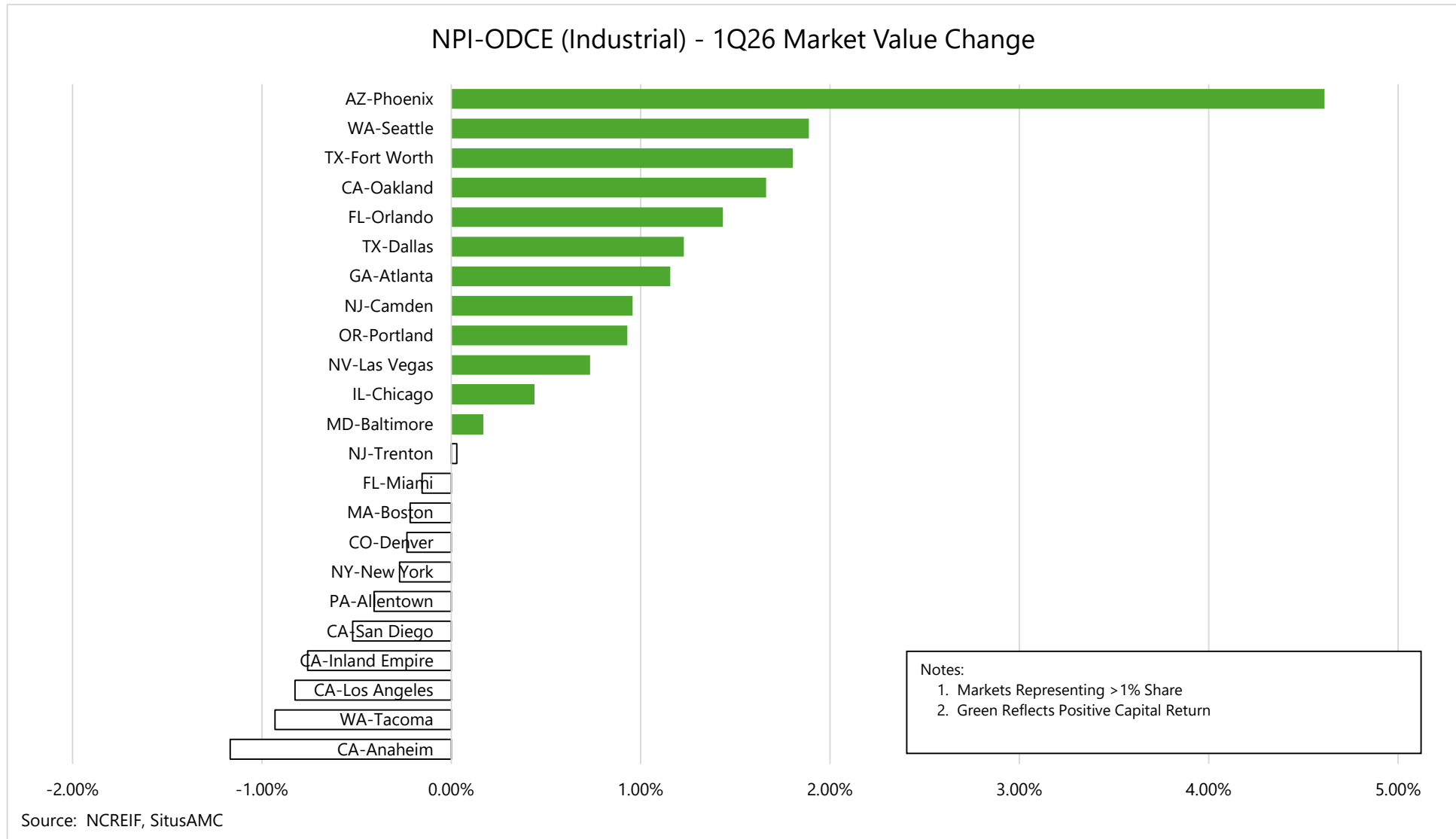
Cap Rates vs. Cash Rates – CapEx Drag in Focus



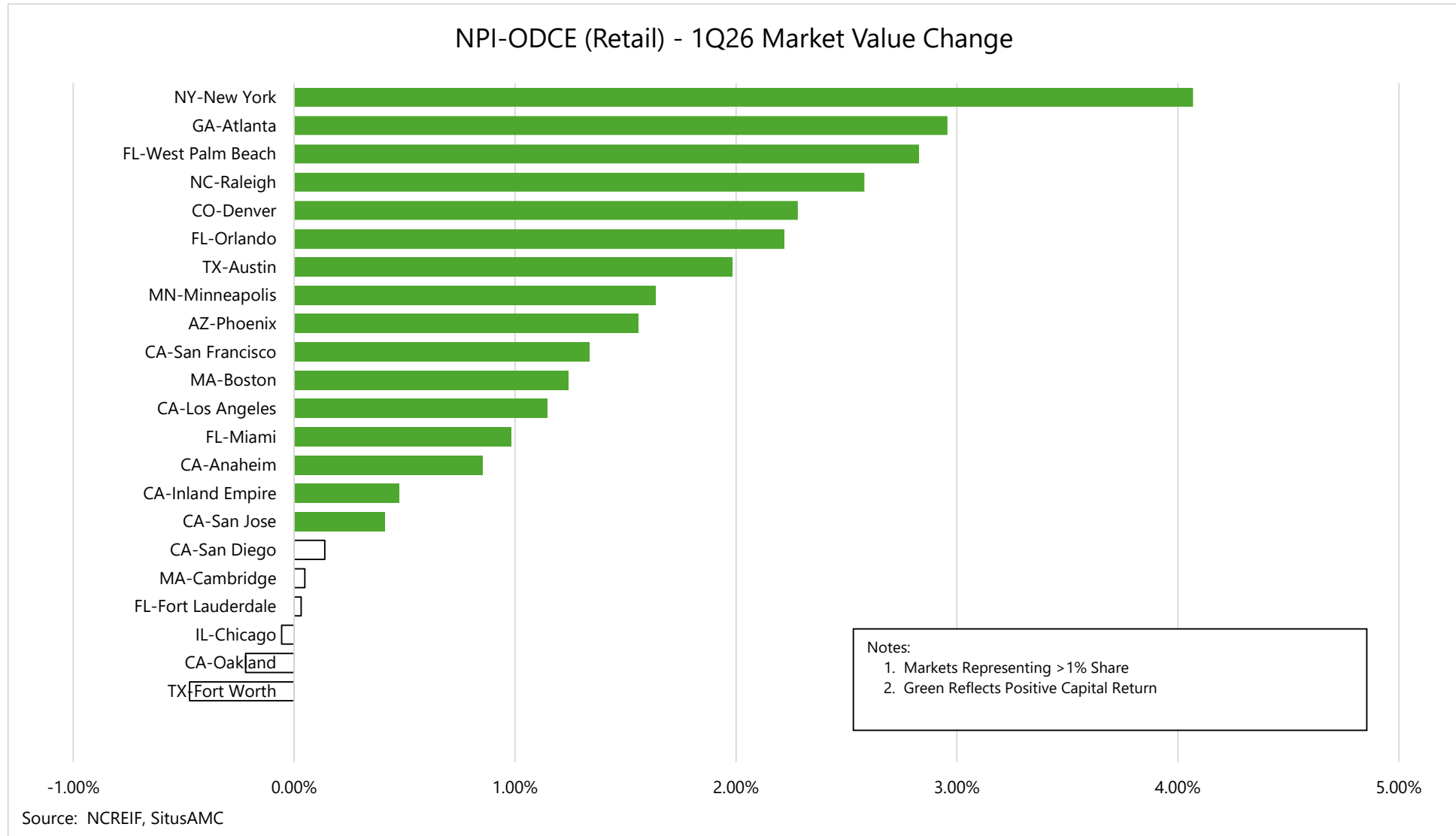
1Q26 Market Value Change (Residential)



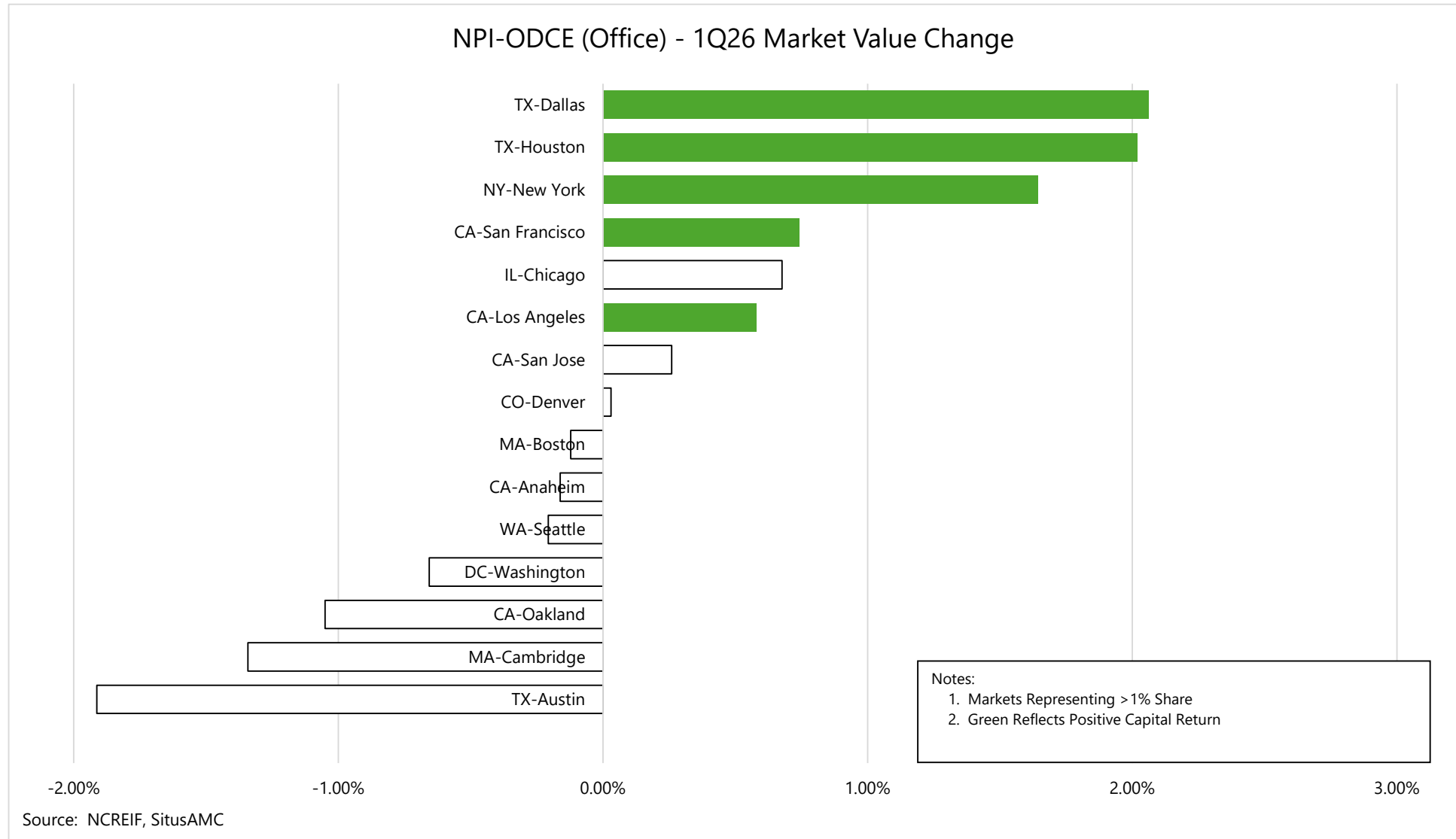
1Q26 Market Value Change (Industrial)



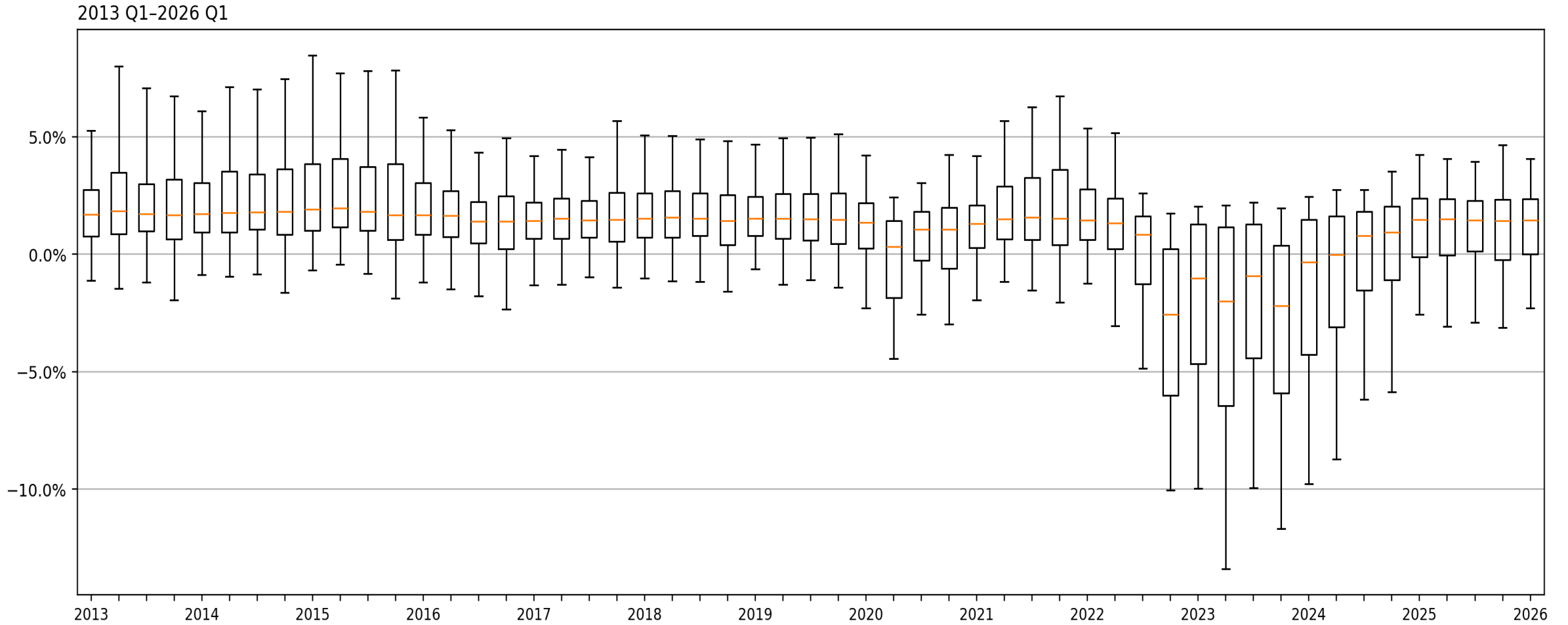
1Q26 Market Value Change (Retail)



1Q26 Market Value Change (Office)



NPI Total Return Dispersion (Office)

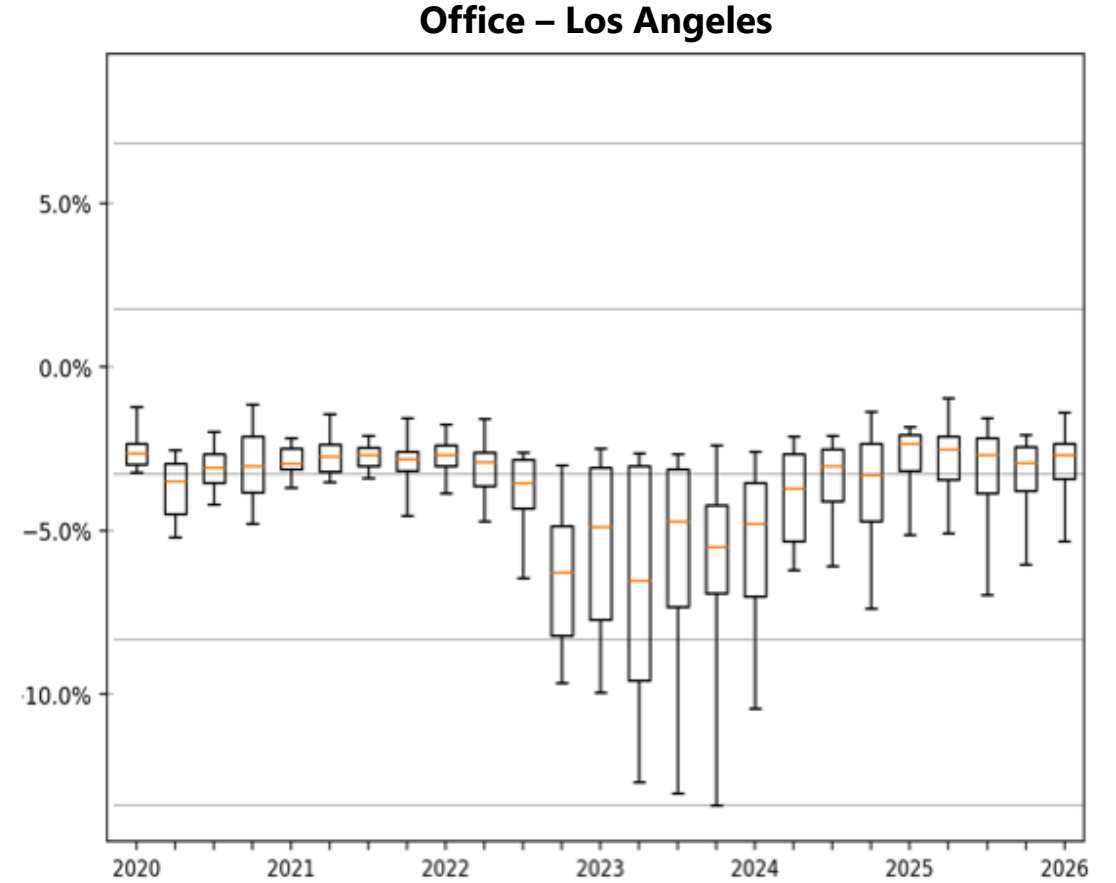
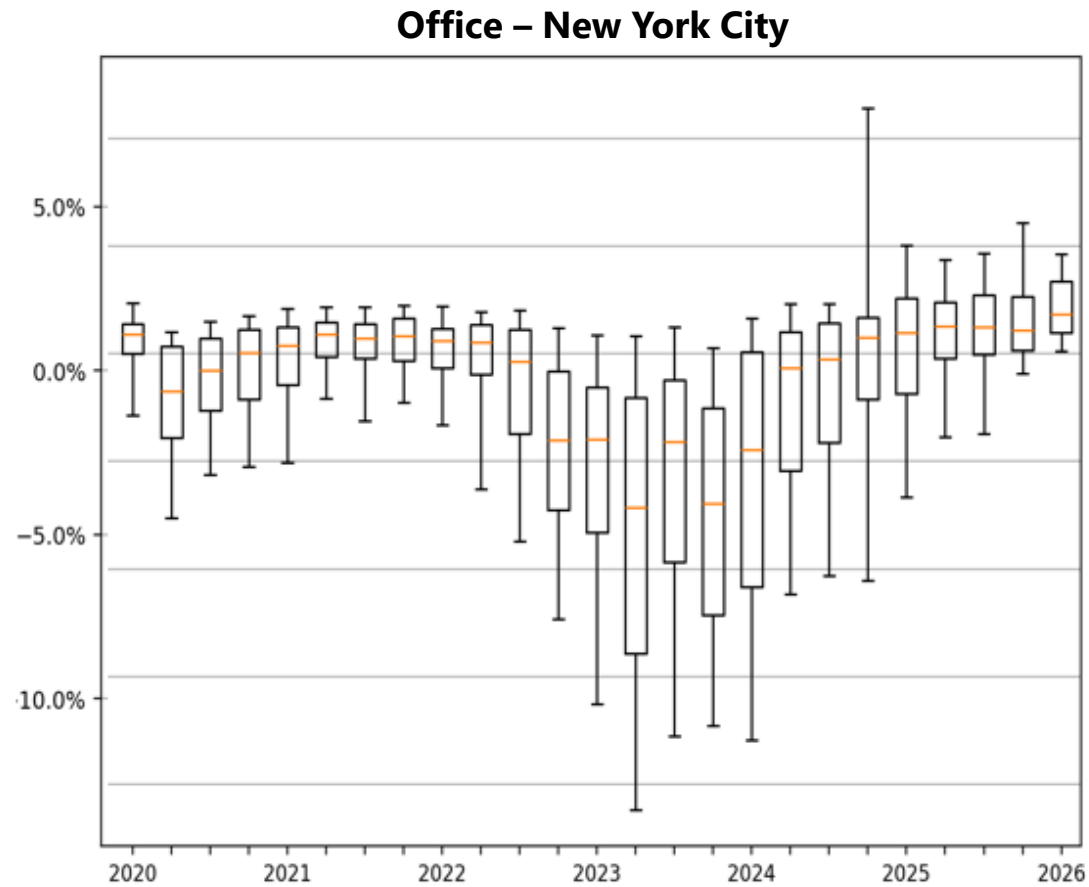


Source: NCREIF Property Index (NPI), 1Q26

Dispersion reflects property-level total return performance for the selected geography and property type.

Box = 25th–75th percentile, line = median, whiskers = 10th/90th percentile.

NPI Total Return Dispersion (Office – New York City vs. Los Angeles)

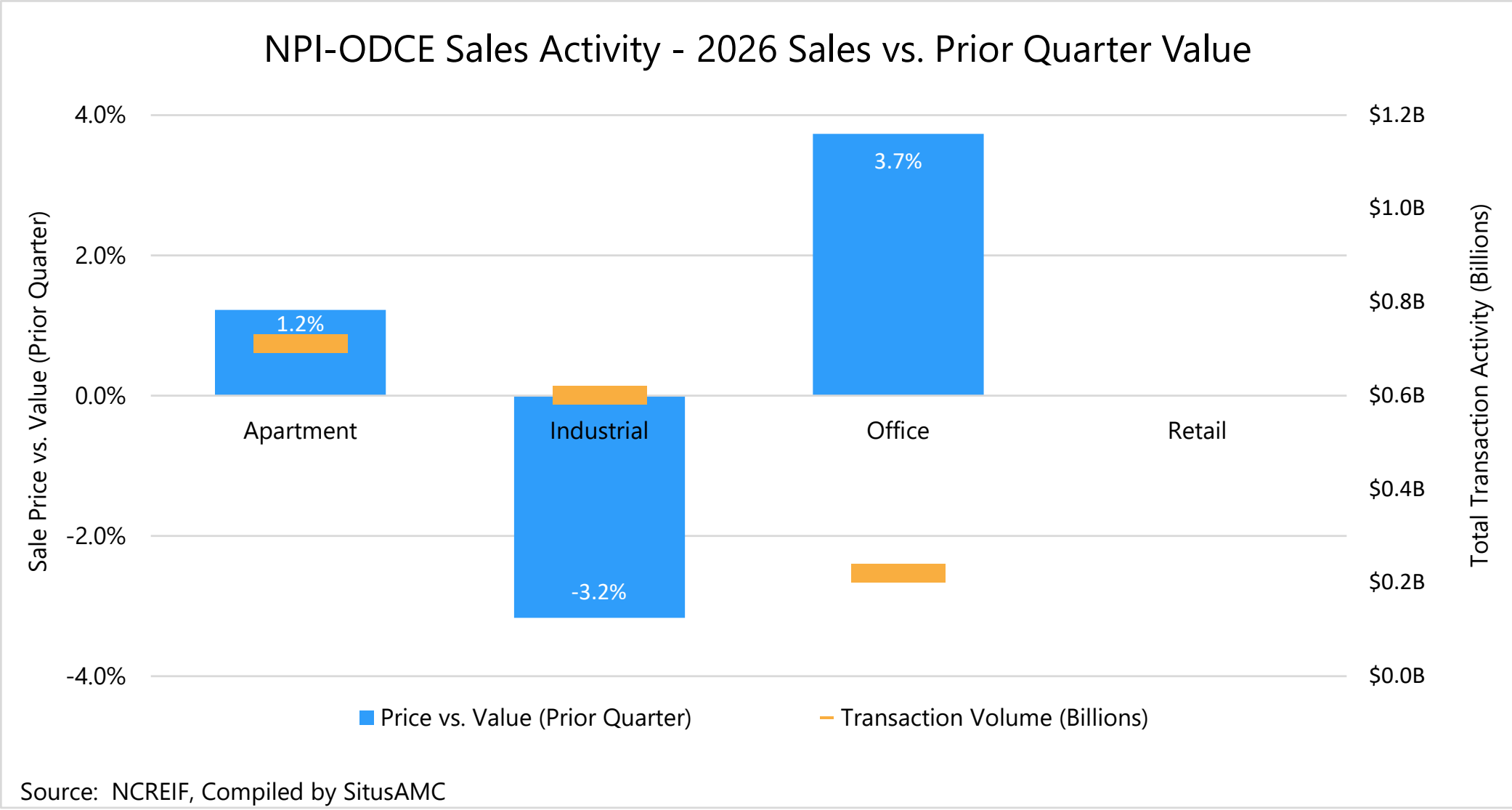


Source: NCREIF Property Index (NPI), 1Q26
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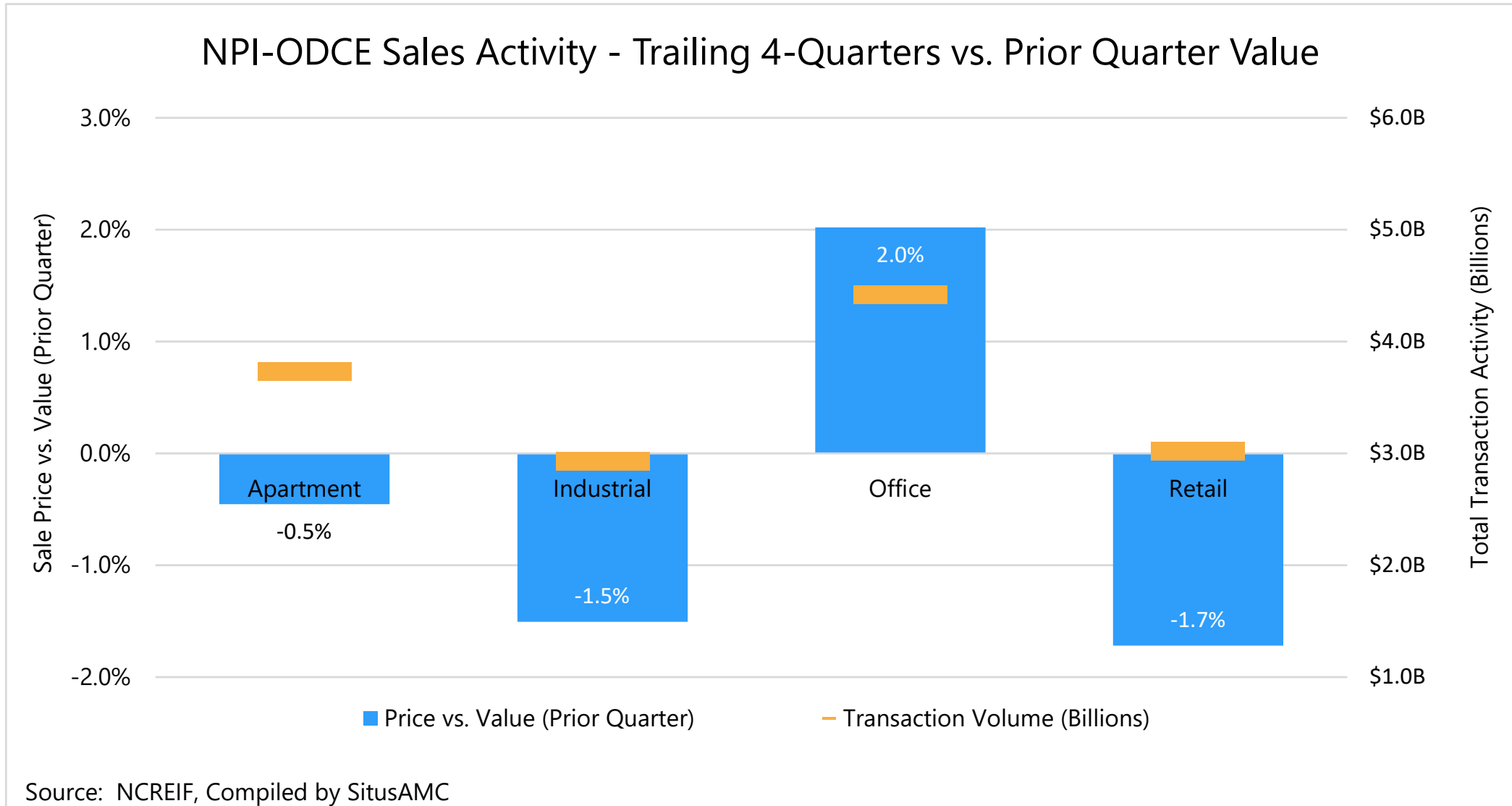


Price vs. Value:
Perspective From Sales

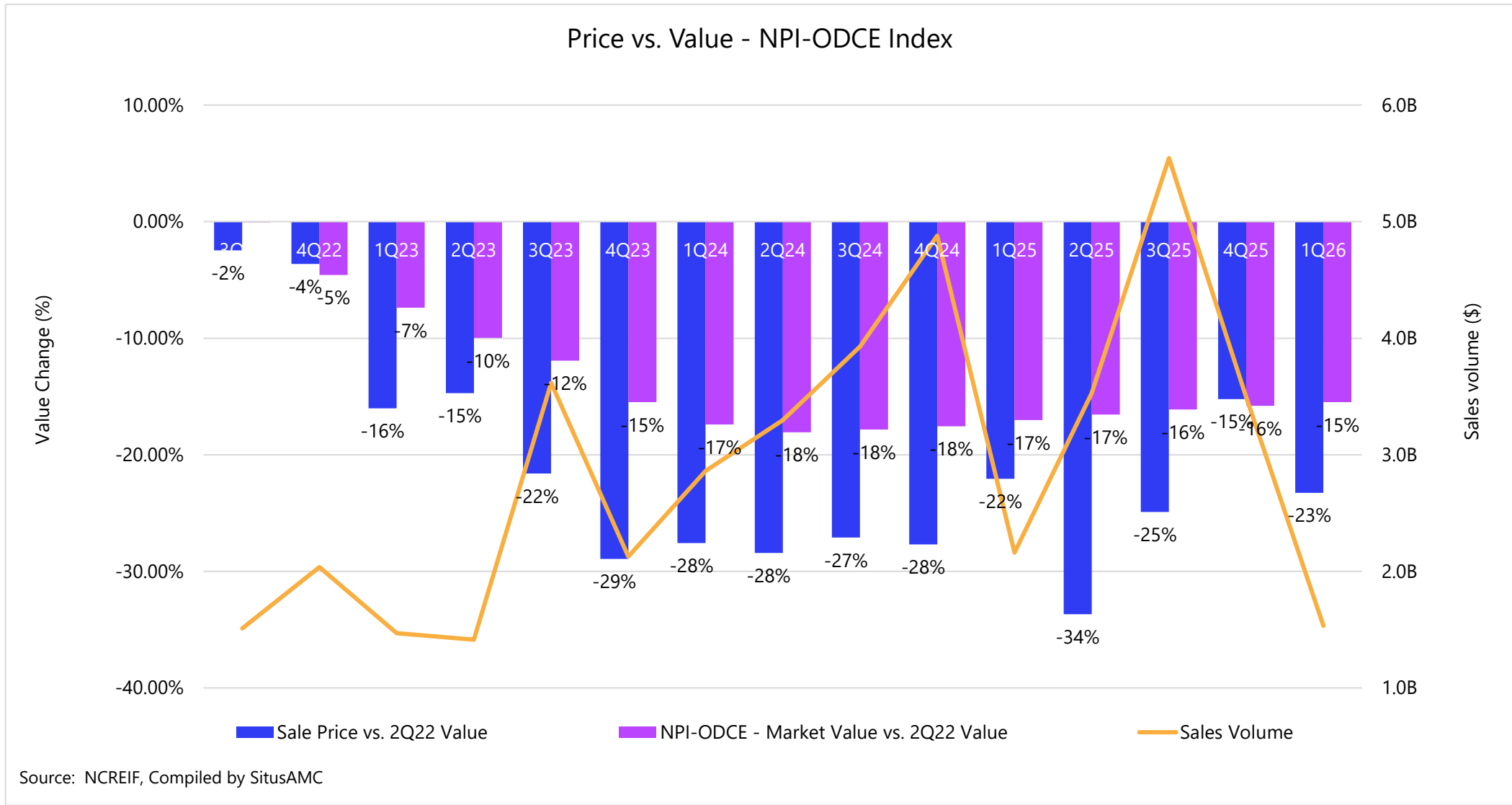
ODCE Price vs. Value (0% Variance) – Only \$1.5 Billion of Sales in 1st Quarter 2026



ODCE Price vs. Value (0% Variance) – ~\$14.1 Billion of Sales

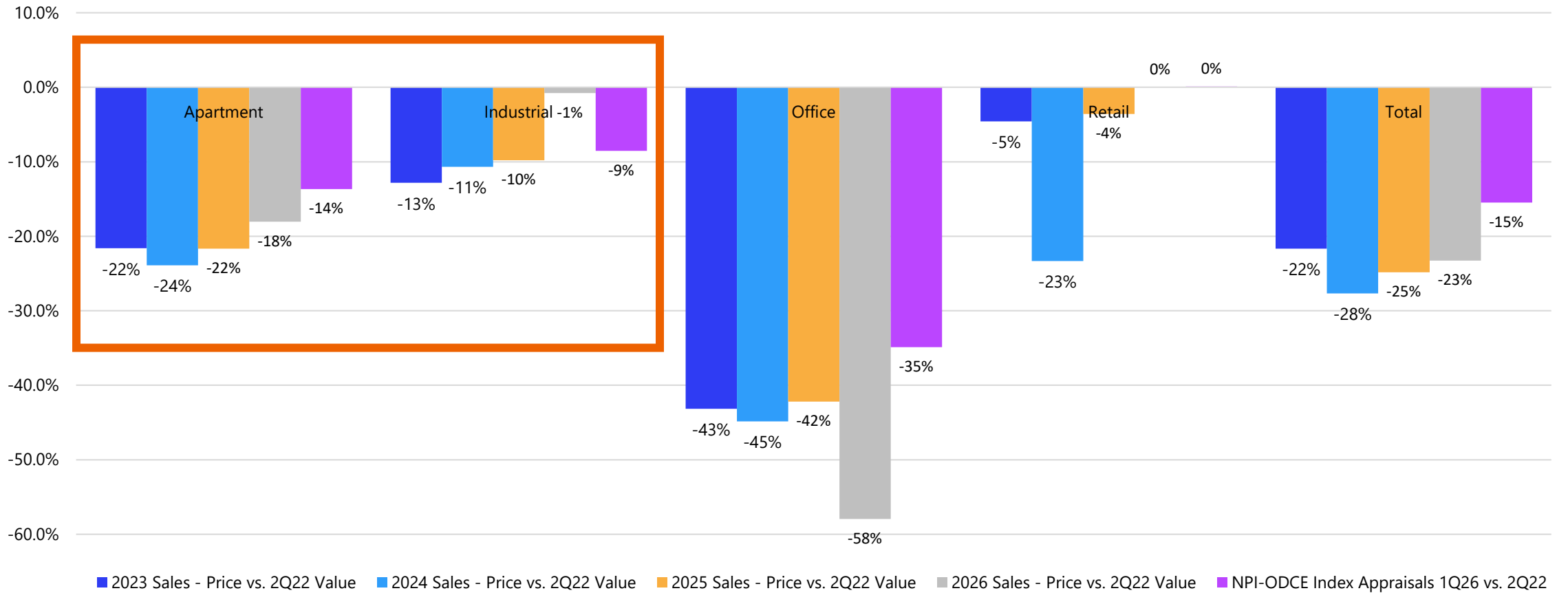


ODCE Price vs. Value – Reasonable Alignment Despite Declining Transaction Volume



ODCE Price vs. Value – 1Q26 Sales Activity Illustrating Increasing Value vs. Price Alignment

NPI-ODCE Sales Activity - Sale Prices vs. 2Q22 Value

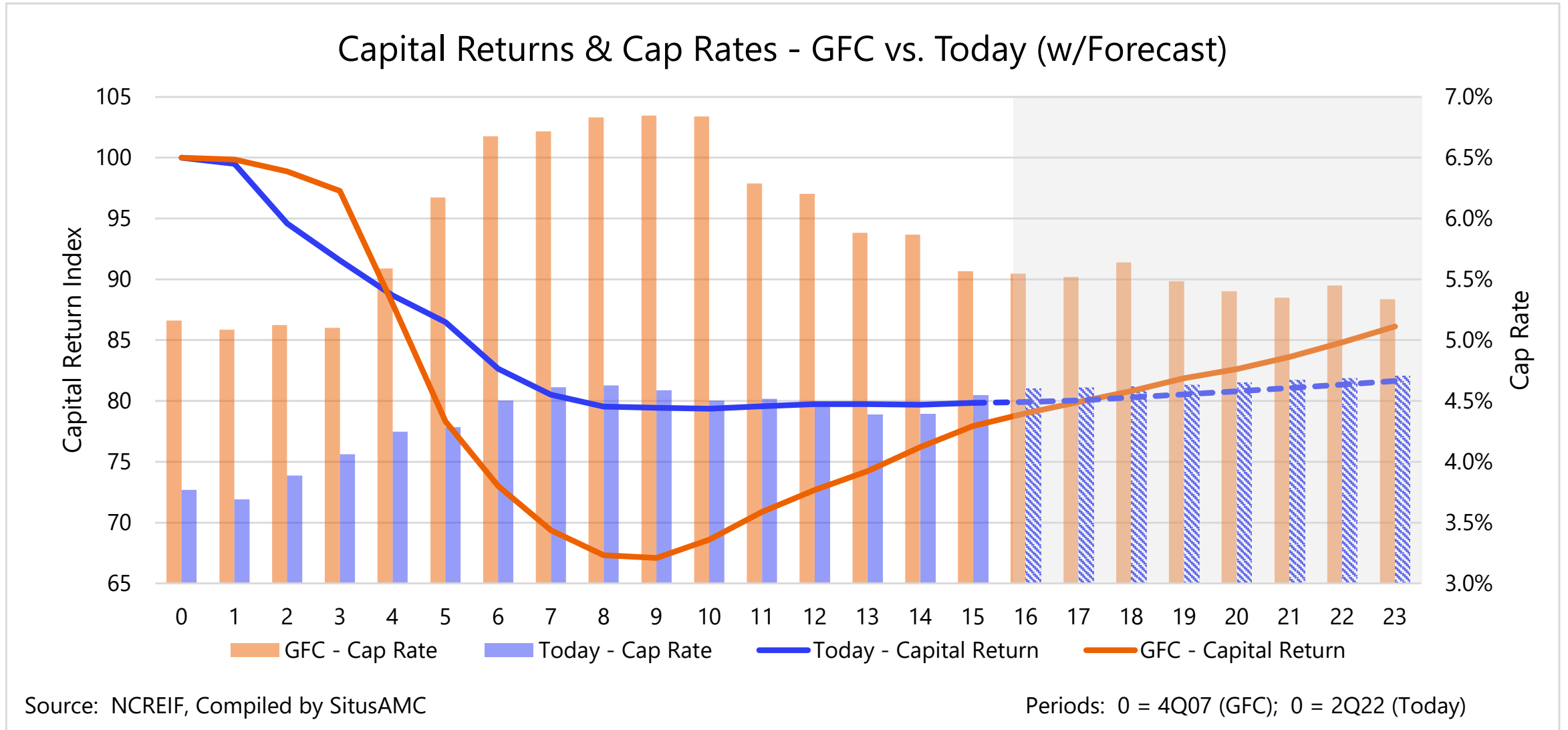


Source: NCREIF, Compiled by SitusAMC

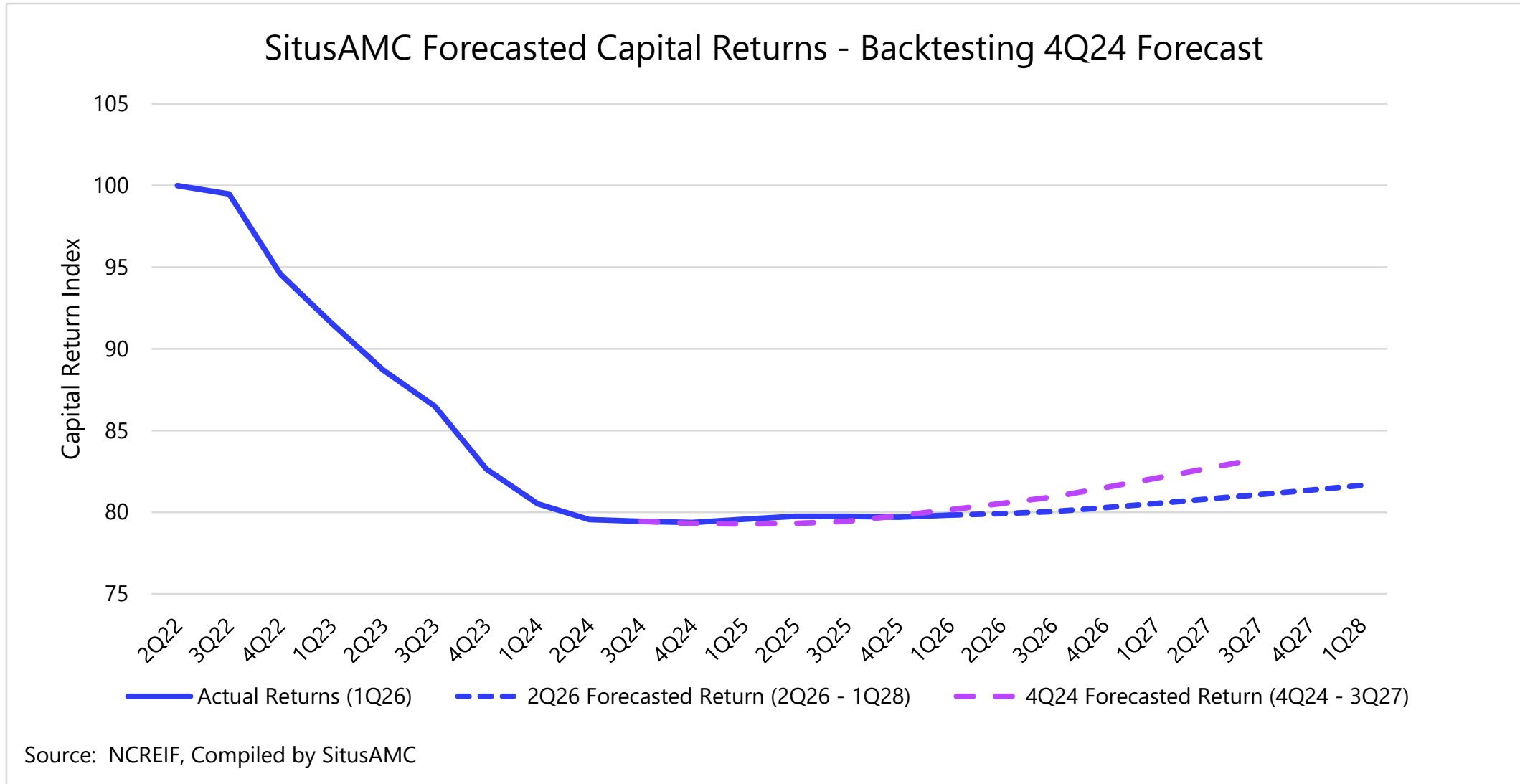


Returns & Cap Rates: What Lies Ahead

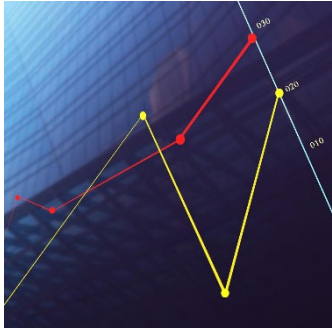
GFC Experienced Material Rebound in Returns (~25% over 3-Years) – Different Experience Today!



Building Trust Through Transparency



Early 2Q26 Trends Impacting Returns, Values, and Valuation Metrics



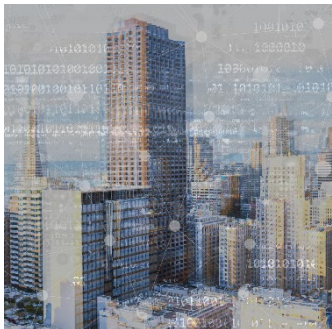
Selective Liquidity

* Transaction activity is modestly improving mainly for high-quality core assets with narrowing bid-ask spreads in favored sectors.



Asset-Level Dispersion

- * Widening gap driven by occupancy, WALT, and CapEx.
- * Broadly, values are flat-to-modestly higher, with exceptions.



Valuation and Geographic Trends

- * Growth oriented markets closing gap from cyclical oversupply.
- * Rent growth, not cap rates, is the swing factor.



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opportunity
everywhere.

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