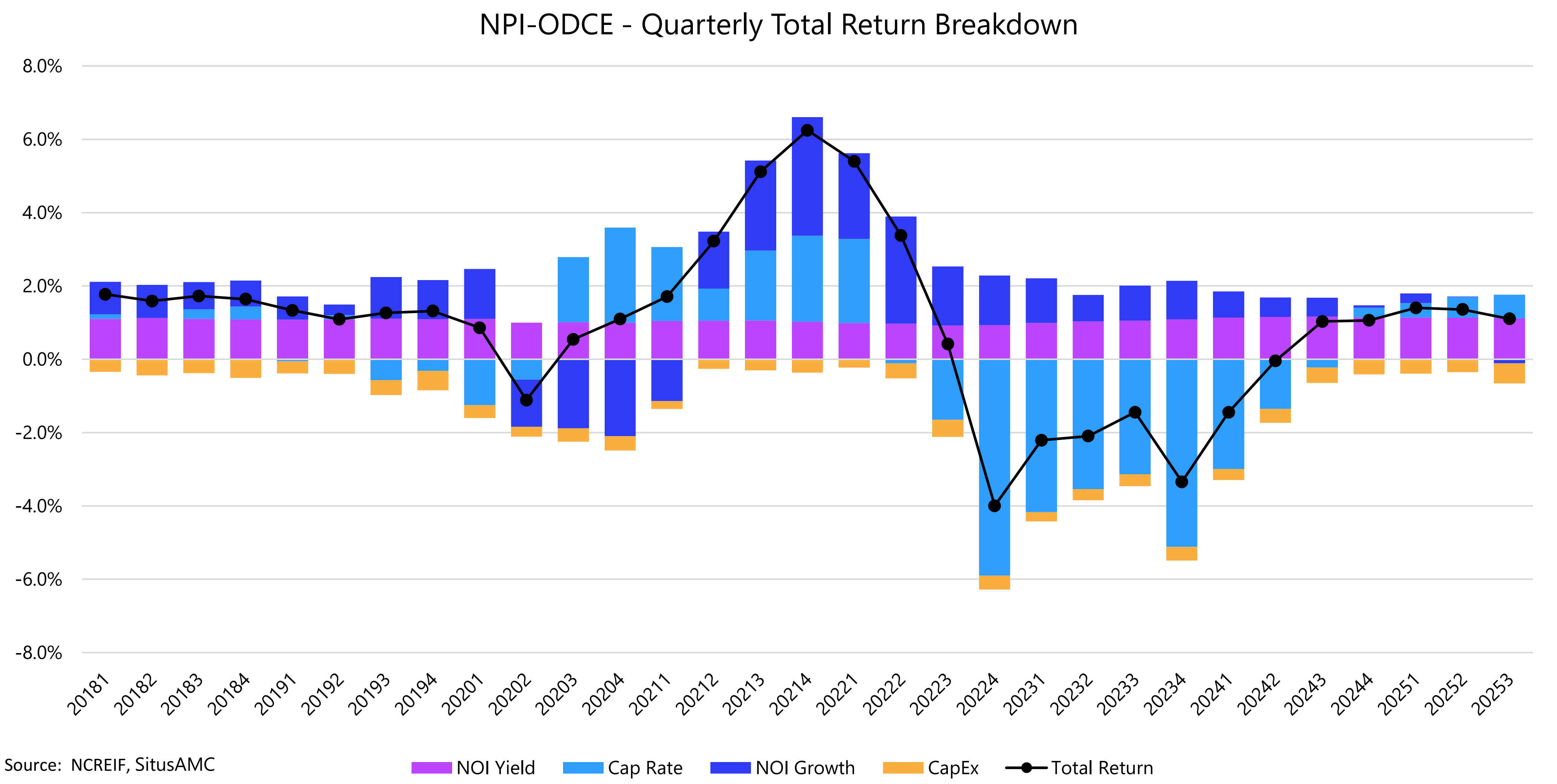
SitusAMC

Valuation Trends & State of the CRE Market

November 2025

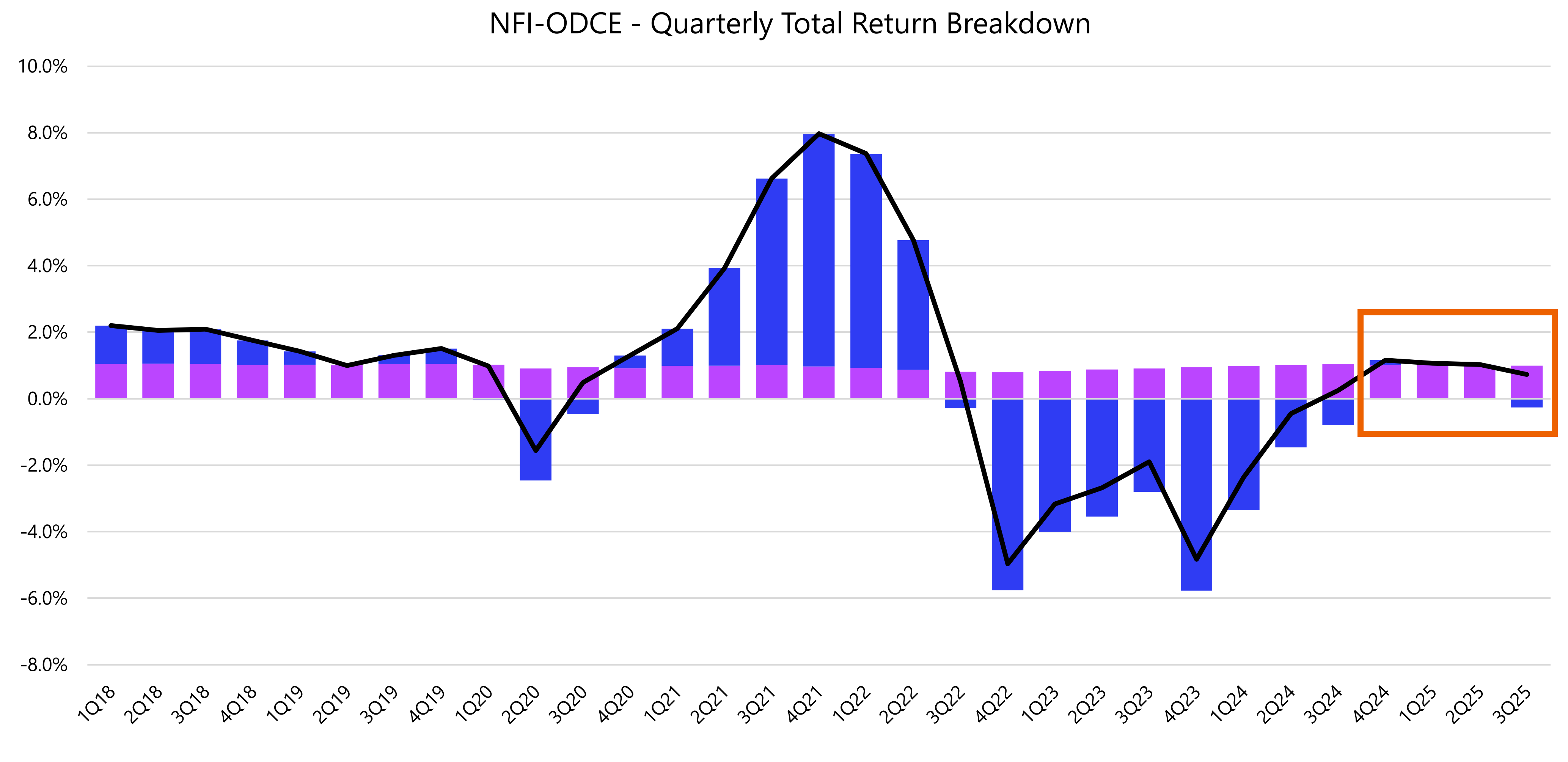
Dispersion: Unprecedented Times

Influencers of Total Return – Component Build-Up of Total Return



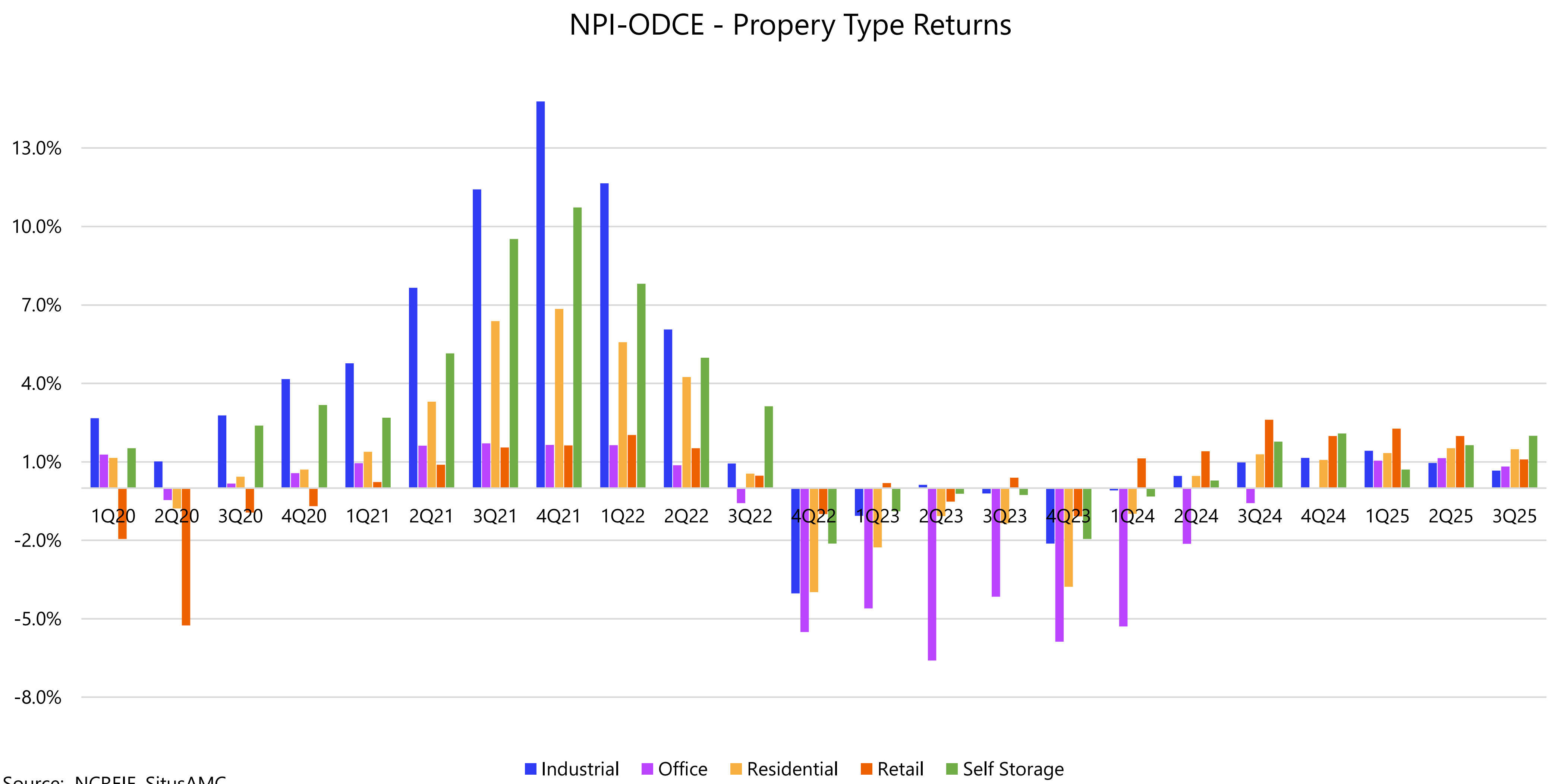
Source: NCREIF, SitusAMC

A Reversal of Sorts…But There's More to That Story



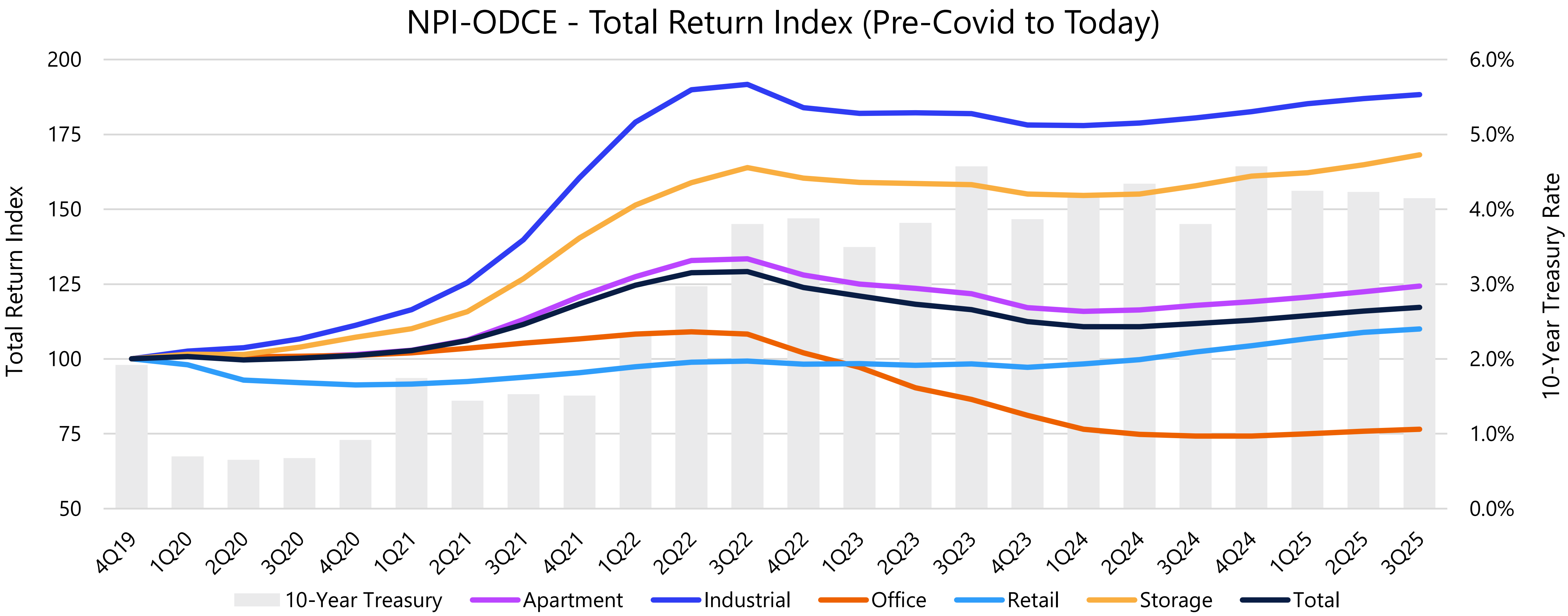
Source: NCREIF, SitusAMC

Property Sector Performance – Total Returns Positive, Stable, Muted Differentiation



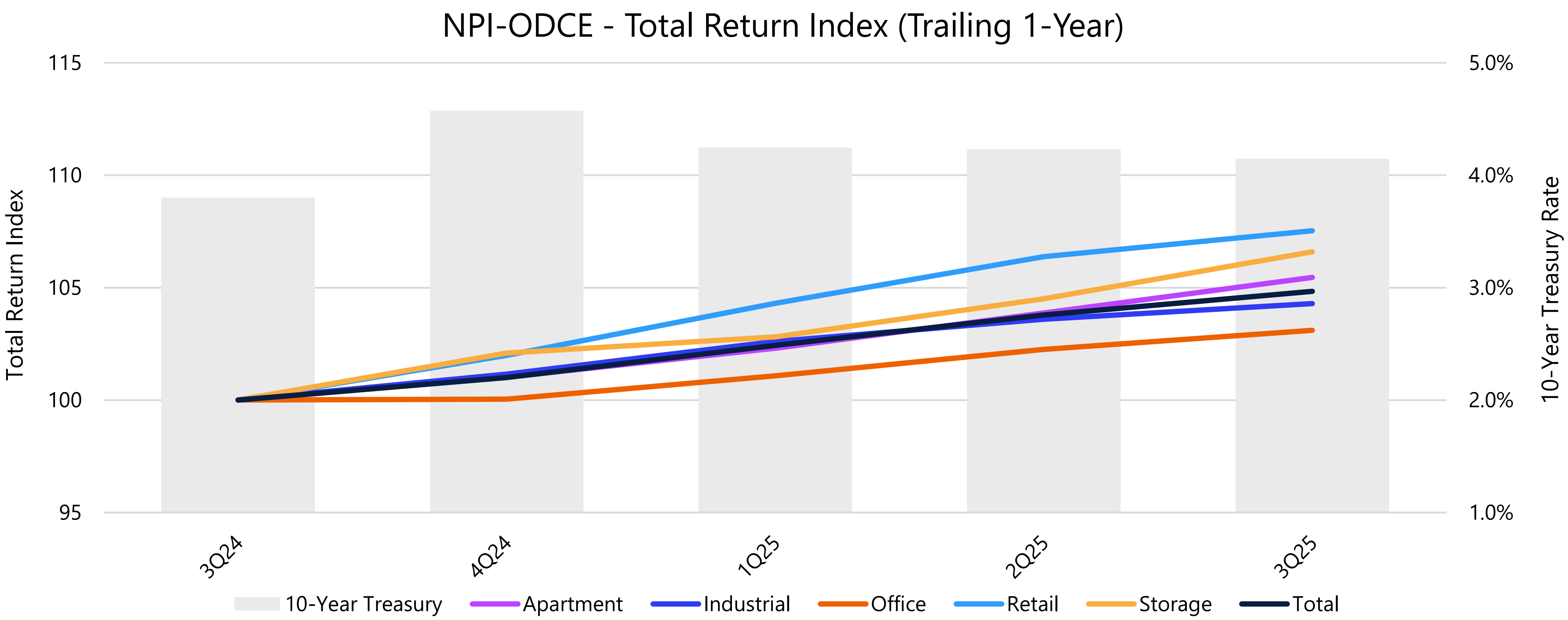
Source: NCREIF, SitusAMC

Property Sector Performance – Allocation Was Key Driver of Under/Over Performance



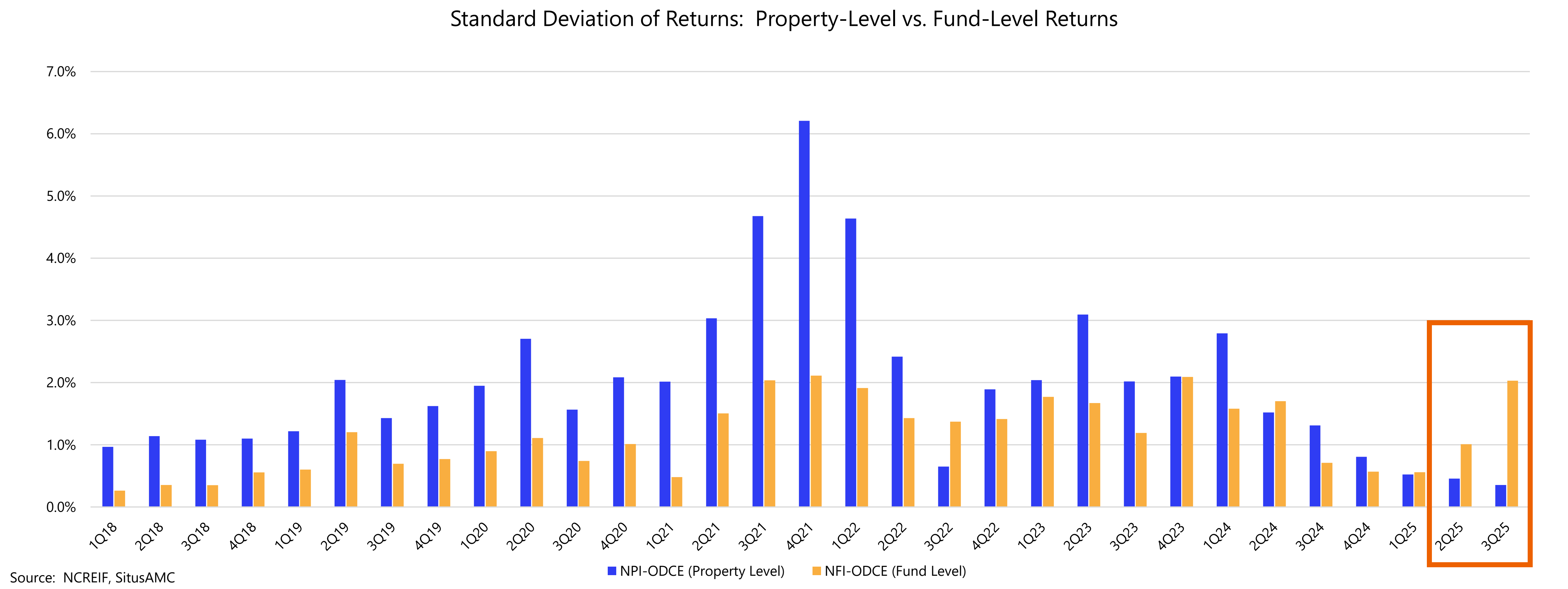
Source: NCREIF, U.S. Dept. of Treasury, Compiled by SitusAMC

Property Sector Performance – Allocation Not Key Differentiator Over Short Term (Albeit Office Slight Drag)



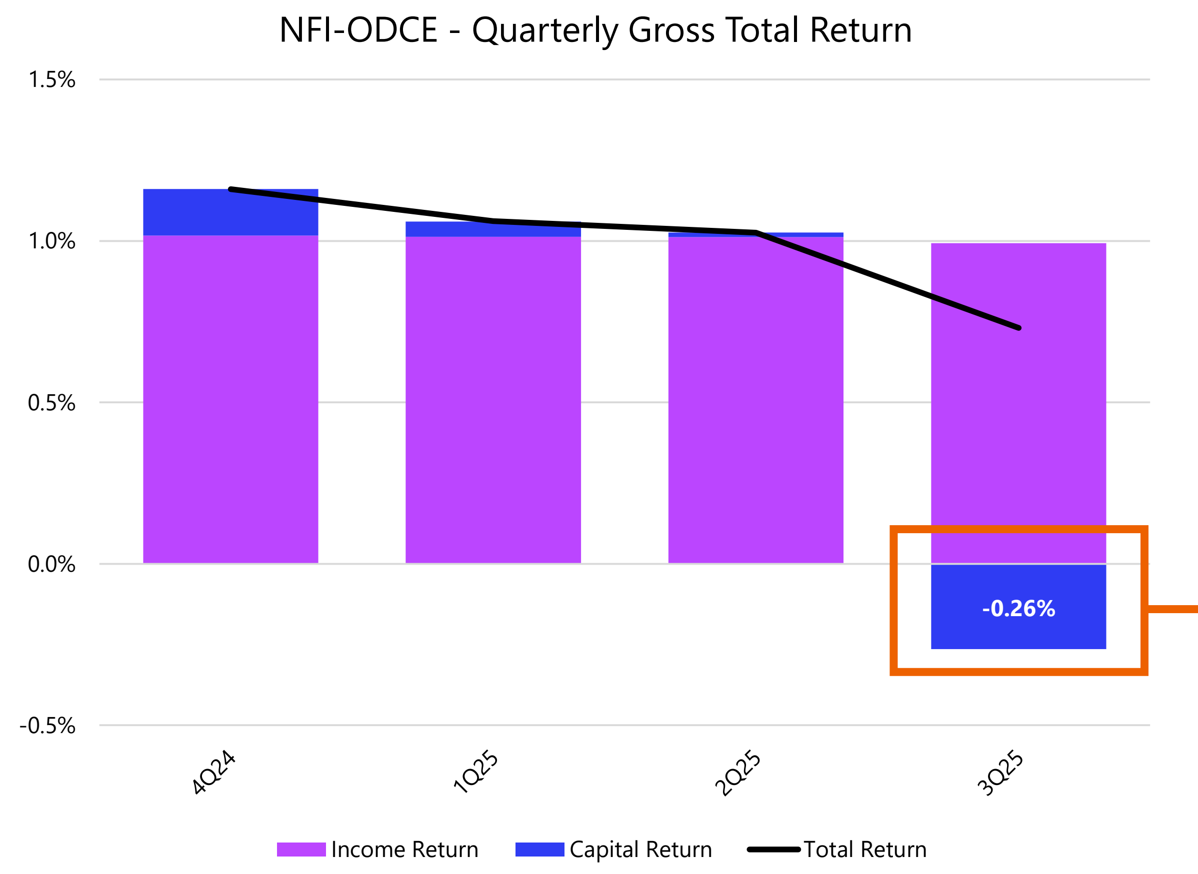
Source: NCREIF, U.S. Dept. of Treasury, Compiled by SitusAMC

Unprecedented Fund-Level Distribution – Not Explained by Property-Level Returns

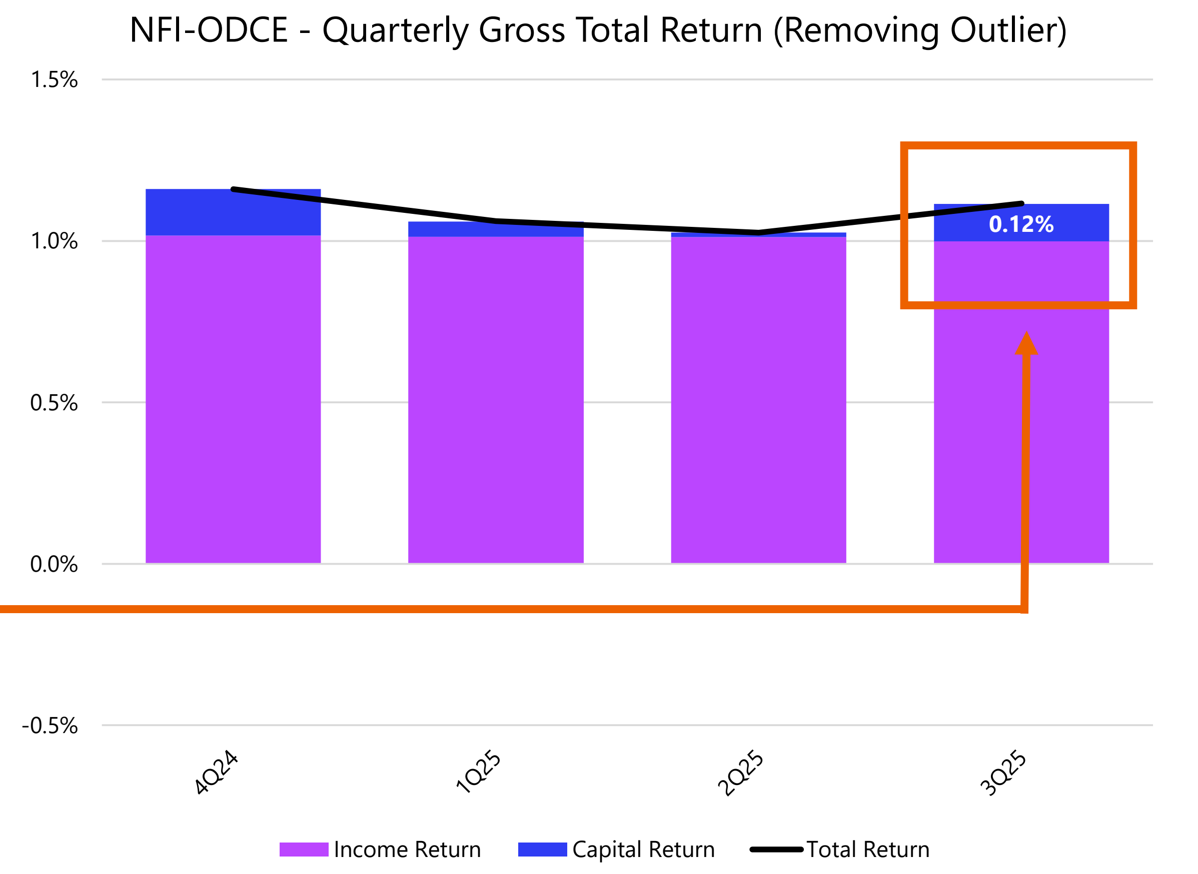


Source: NCREIF, SitusAMC

Headlines Don't Always Tell the Full Story: Details Matter in all Things CRE!



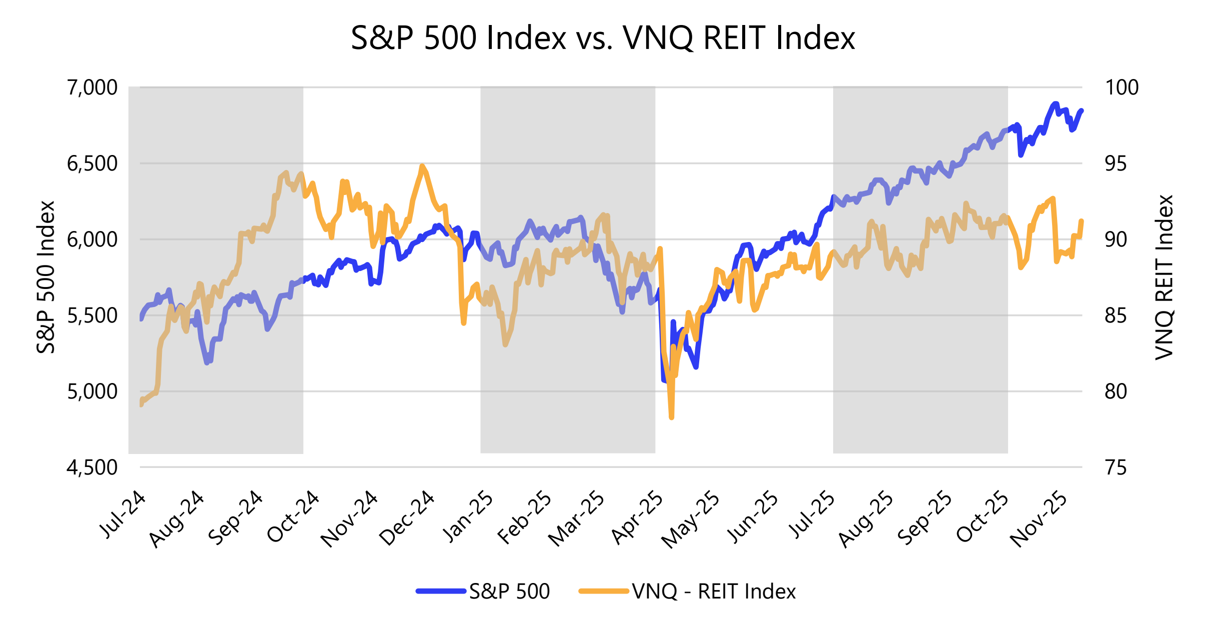
Source: NCREIF, SitusAMC

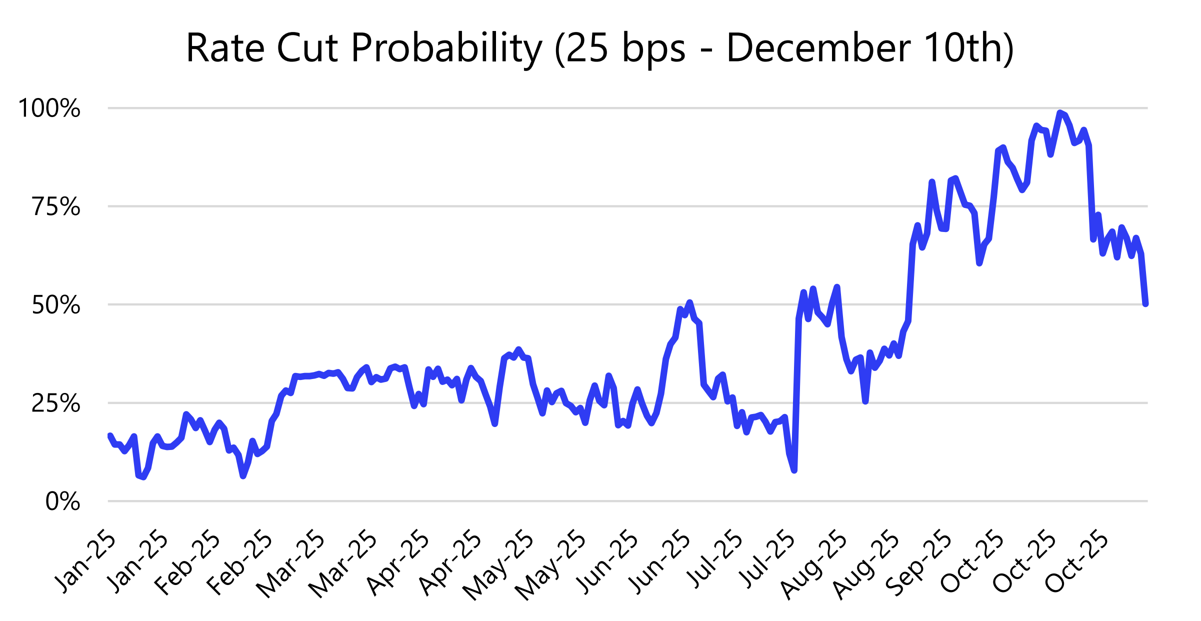


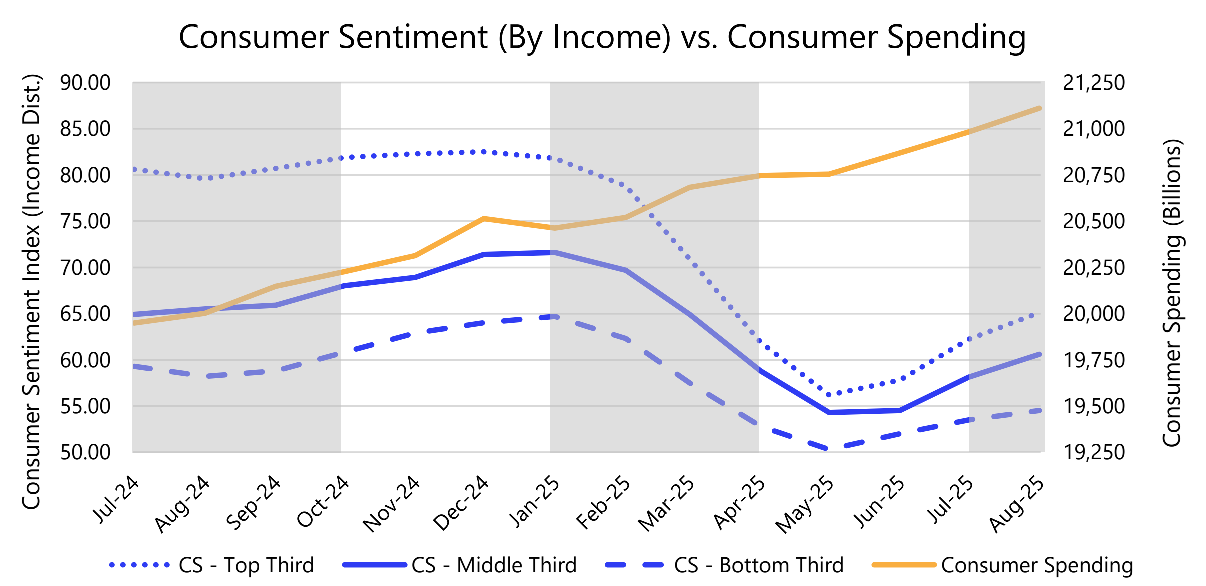
Source: NCREIF, SitusAMC

Interest Rates:
Where Do We Land?

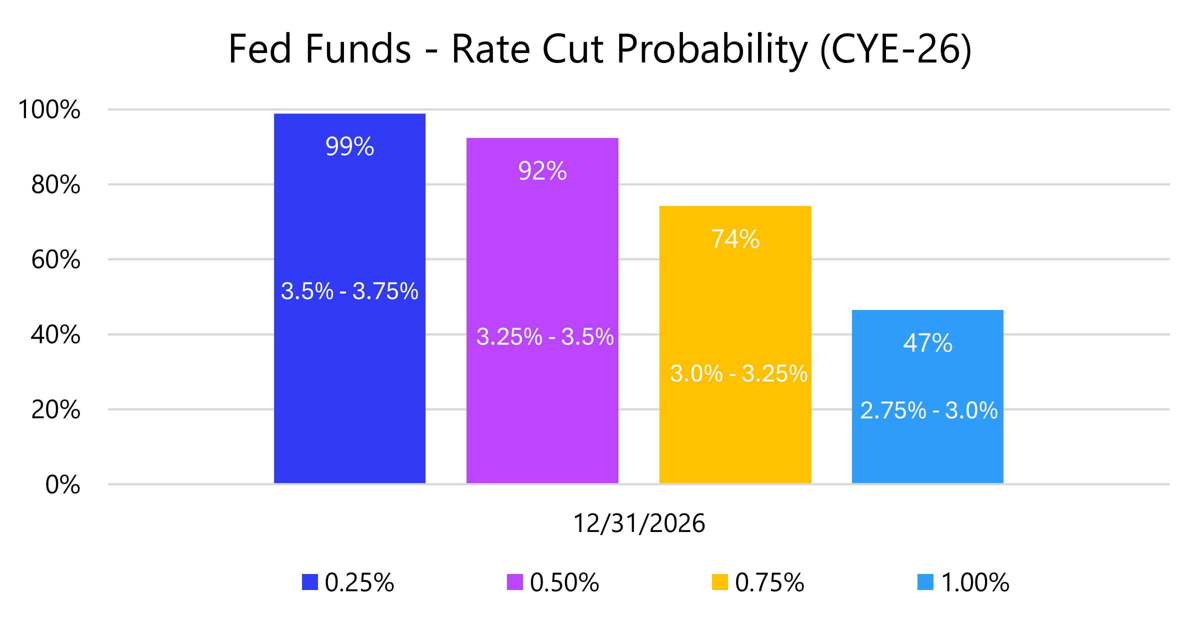
Public Markets Remain Strong – Keep Close Eye on Fragmented Consumer



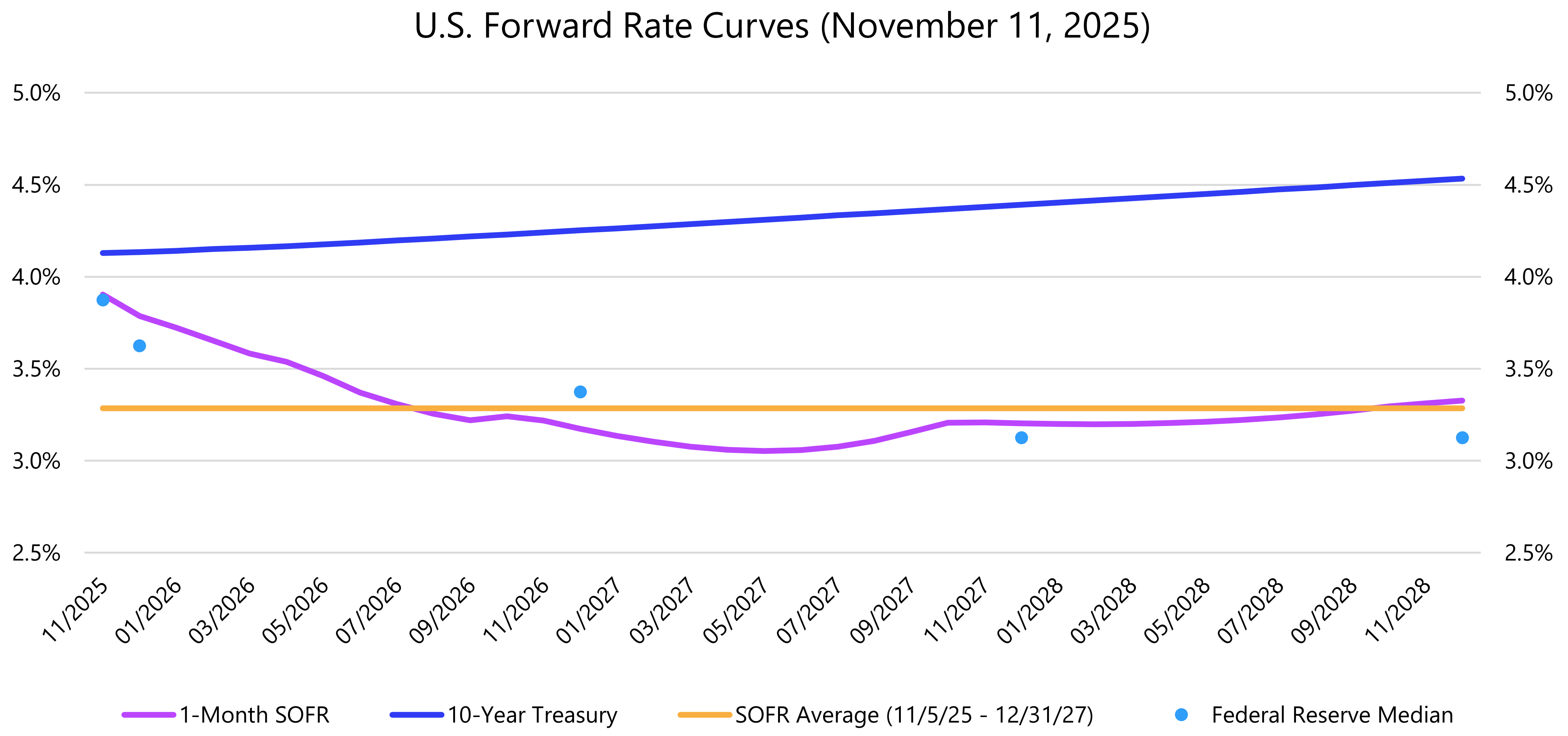




Source: UofM Survey, Bank of St. Louis FRED, SitusAMC

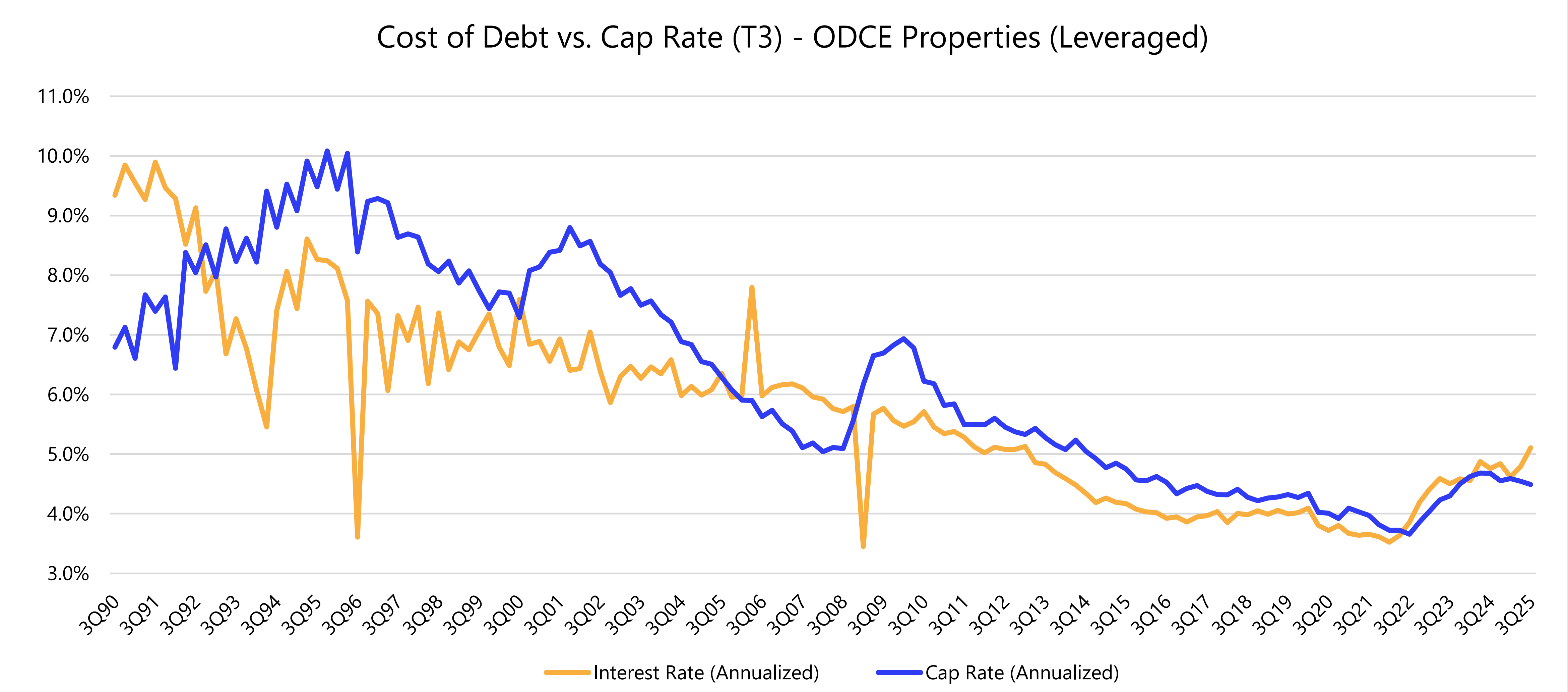


Forward Curve – SOFR Curve Aligns with Federal Reserves Rate Cut Expectations



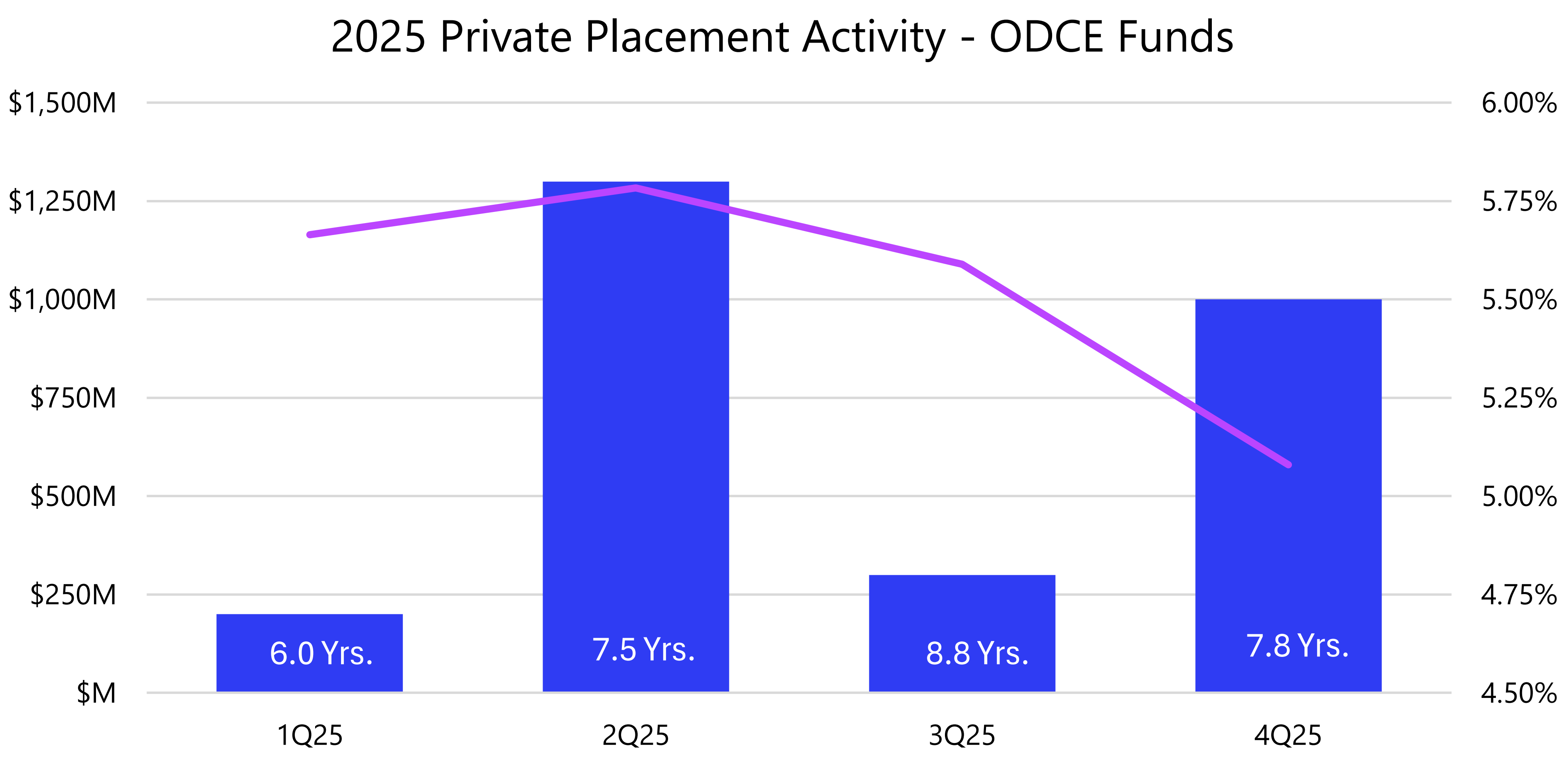
Source: Federal Reserve, SitusAMC

Cost of Debt vs. Cap Rates – High Correlation Over Past 30-Years!



Source: NCREIF, Compiled by SitusAMC

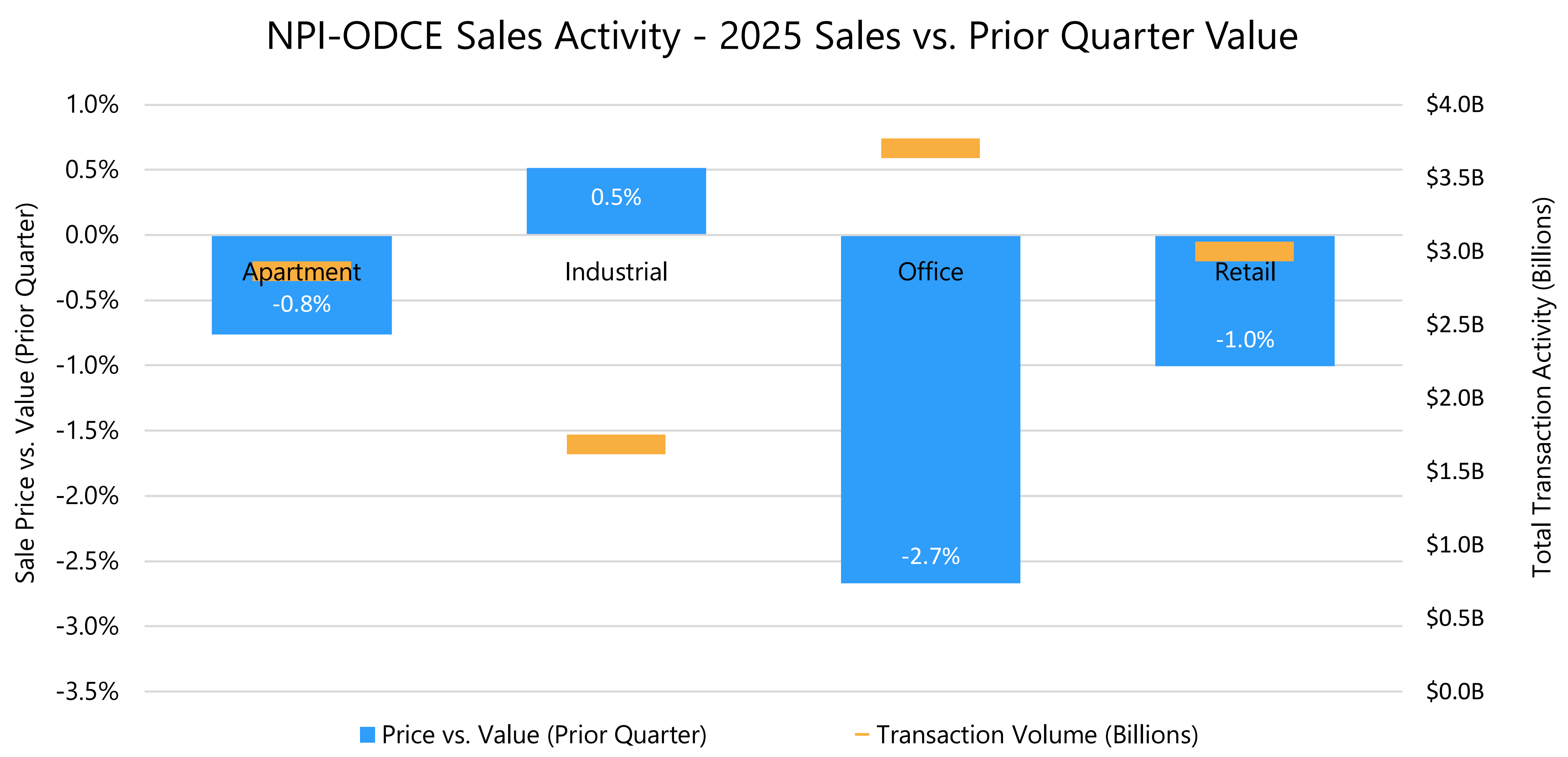
2025 Private Placement Financing – ODCE Funds Increase Borrowings as Rates Decline



Source: TD Bank, Compiled by SitusAMC

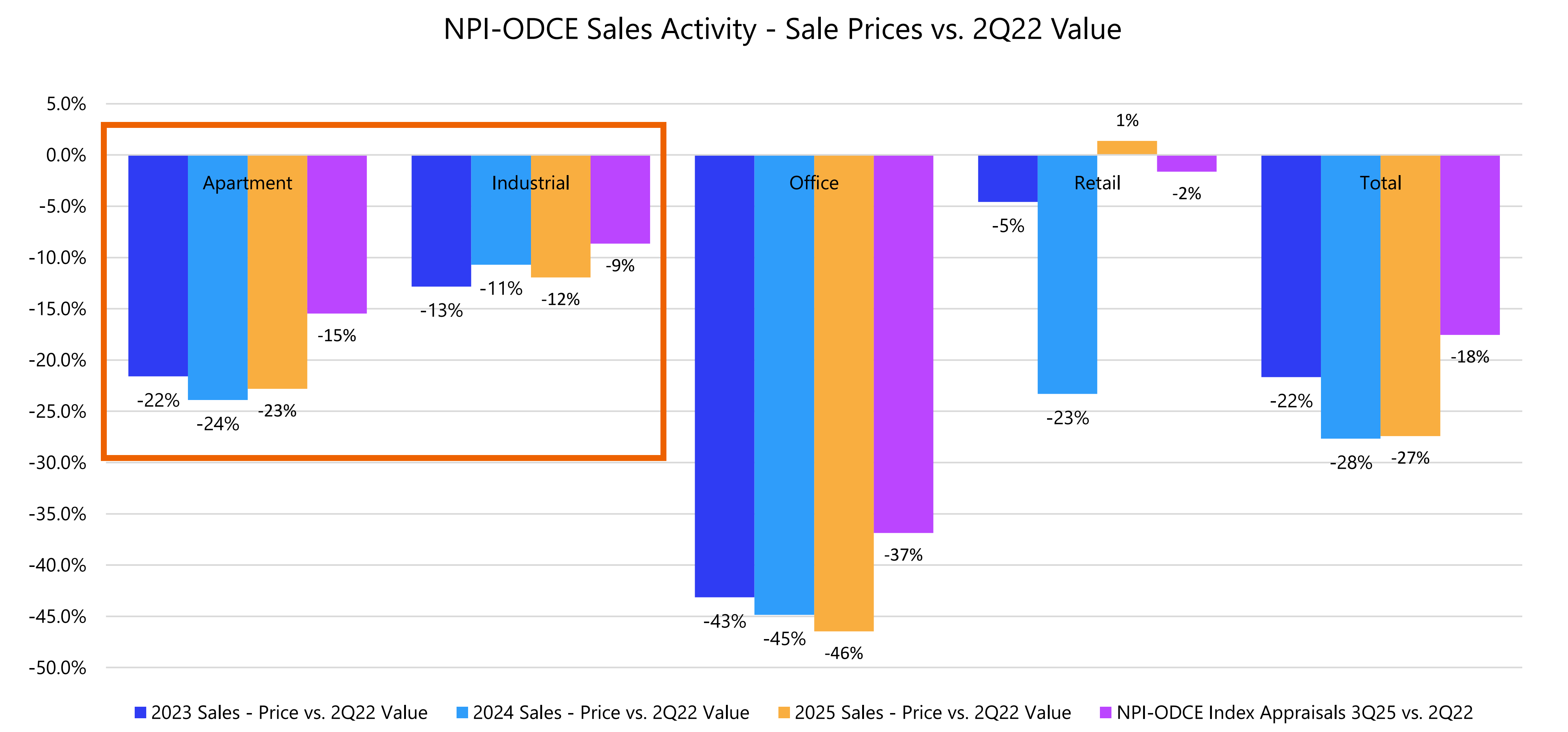
Value Drivers:
Operations vs. Rates

ODCE Price vs. Value (~1% Variance) – $11.2 Billion of Transactions in 2025



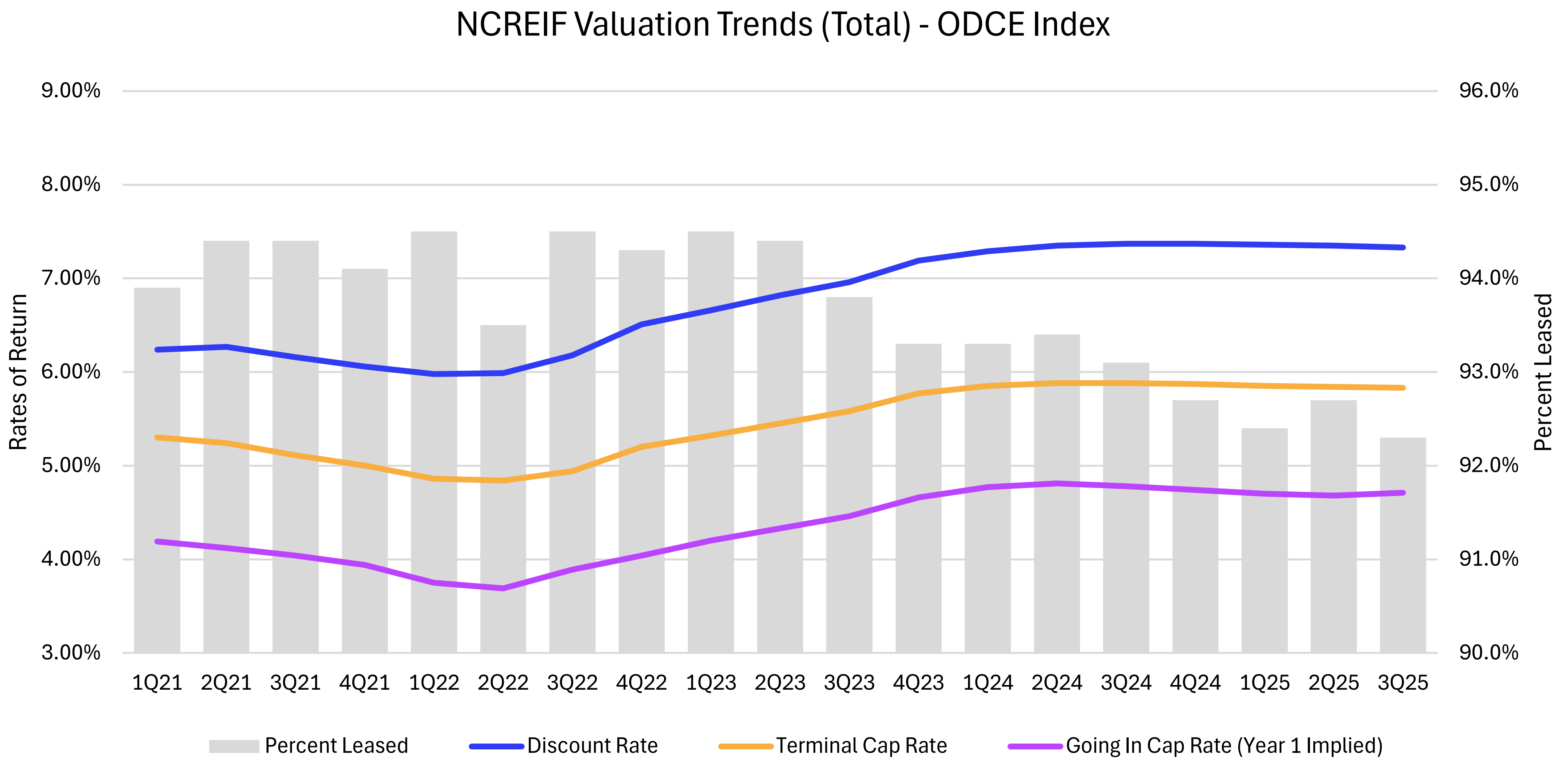
Source: NCREIF, Compiled by SitusAMC

ODCE Price vs. Value – Sales Activity Further Illustrates Rebound & Stability (Except Office)



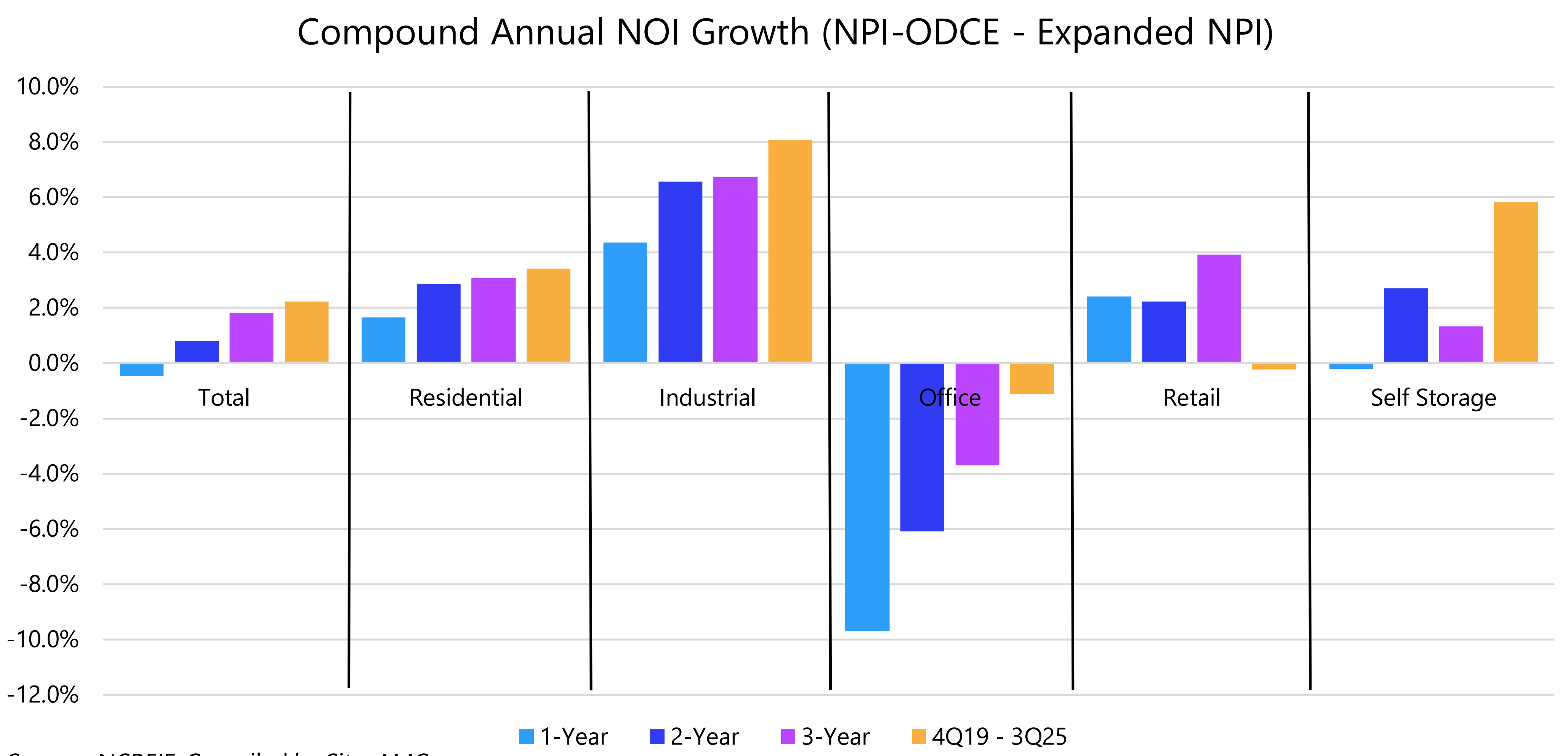
Source: NCREIF, Compiled by SitusAMC

NCREIF ODCE Value Trends – Only Source for 100% of ODCE Index



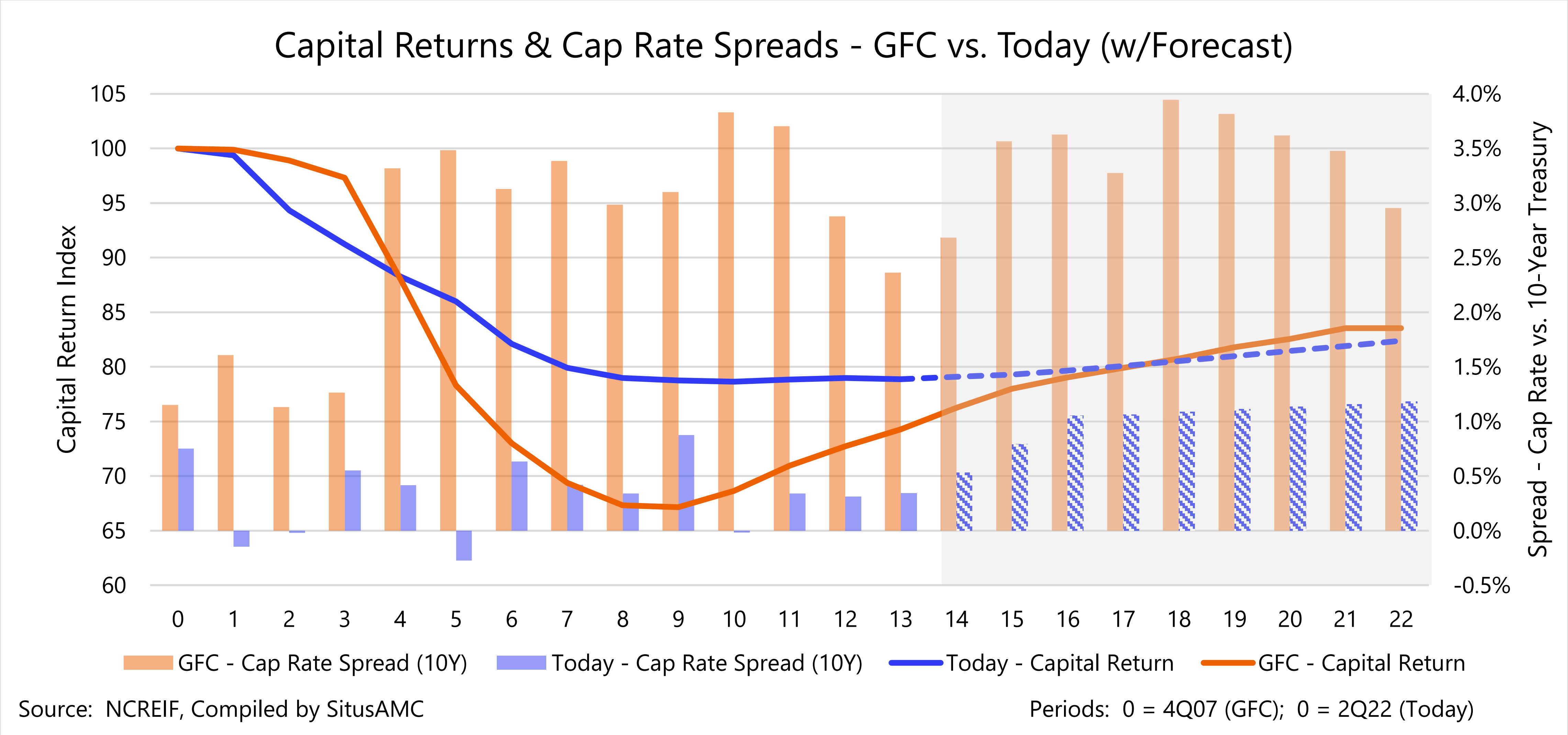
Source: NCREIF, Compiled by SitusAMC

NOI Growth – Widespread Slowing…Office in Tailspin & Keep Eye on Storage



Source: NCREIF, Compiled by SitusAMC

GFC Experienced Material Rebound in Returns (~25% over 3-Years) – Don't Expect The Same Today!



Question & Answer

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