



## FOR IMMEDIATE RELEASE

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## Property Prices Decline, But the End is Near

Newport Beach, CA, December 6, 2023 — The Green Street Commercial Property Price Index® decreased by 3.0% in November. The all-property index—a measure of pricing for institutional-quality commercial real estate—is down 22% from its March '22 peak.

“The rise in bond yields that occurred in September and October essentially froze the transaction market,” said Peter Rothmund, Co-Head of Strategic Research at Green Street. “The good news is that bonds have staged an epic rally since, and commercial property is now fairly priced vs. corporate bonds. Property pricing may well have hit bottom.”

### **About the Green Street Commercial Property Price Index®**

Green Street’s Commercial Property Price Index® is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

### **About Green Street**

Founded in 1985, Green Street is the preeminent independent research and advisory firm concentrating on the commercial real estate industry in North America and Europe. The company is a leading provider of real estate analytics, research, and data on both the listed and private markets. Additional information on Green Street is available at [www.greenstreet.com](http://www.greenstreet.com).

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# Commercial Property Price Index®

December 6, 2023

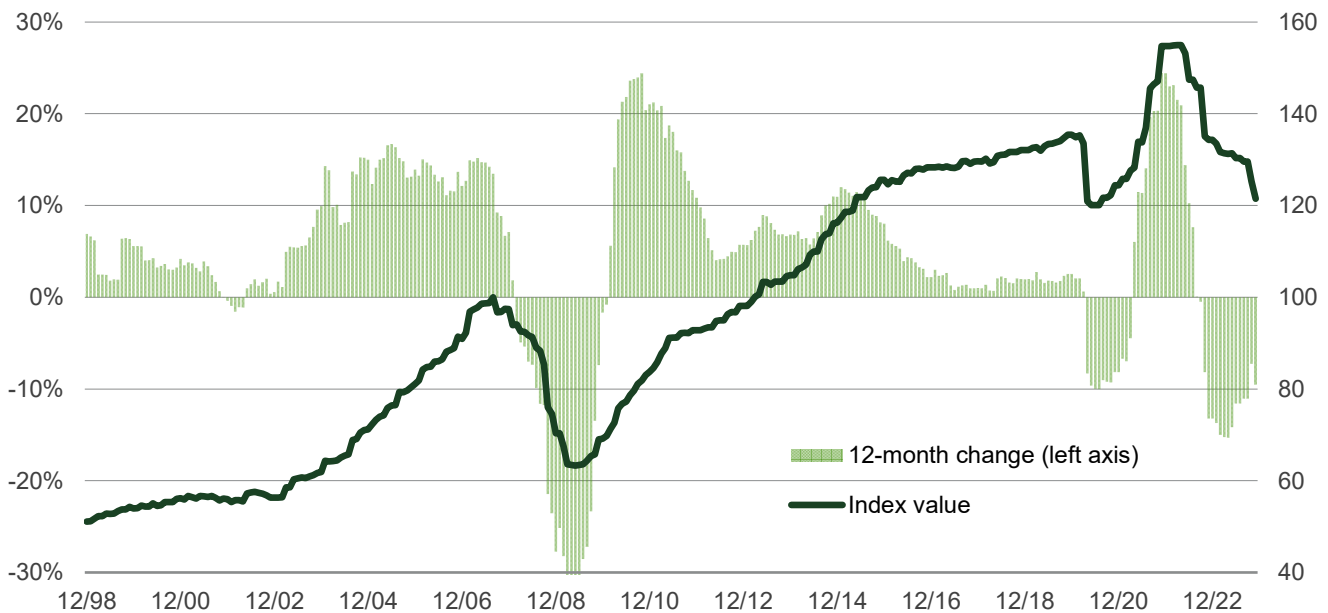


## Green Street CPPI®: All-Property Index

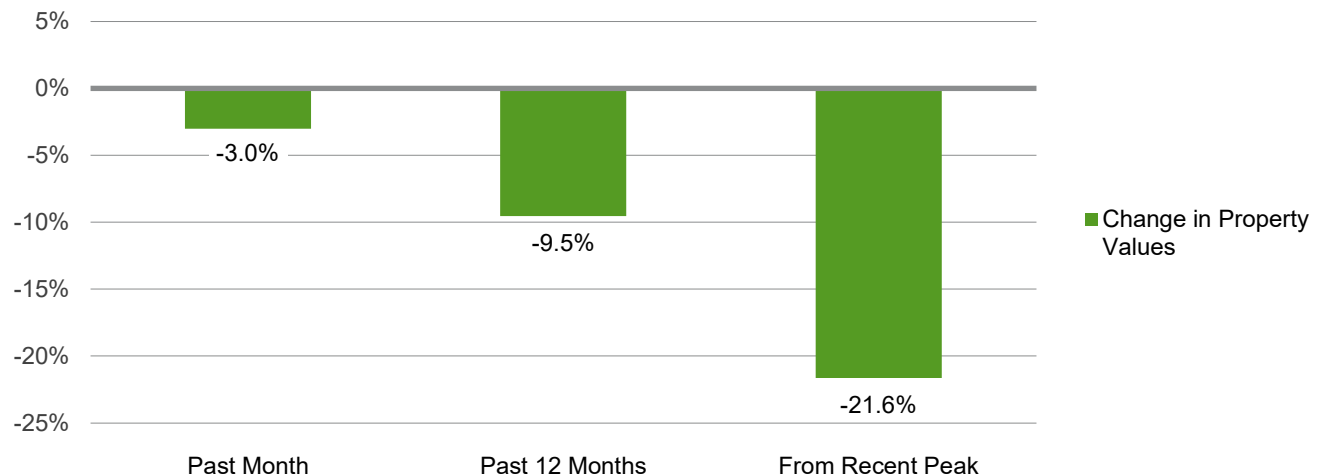
### Prices Decline Again

The Green Street Commercial Property Price Index® decreased by 3.0% in November. The all-property index—a measure of pricing for institutional-quality commercial real estate—is down 22% from its March '22 peak.

### Green Street Commercial Property Price Index®



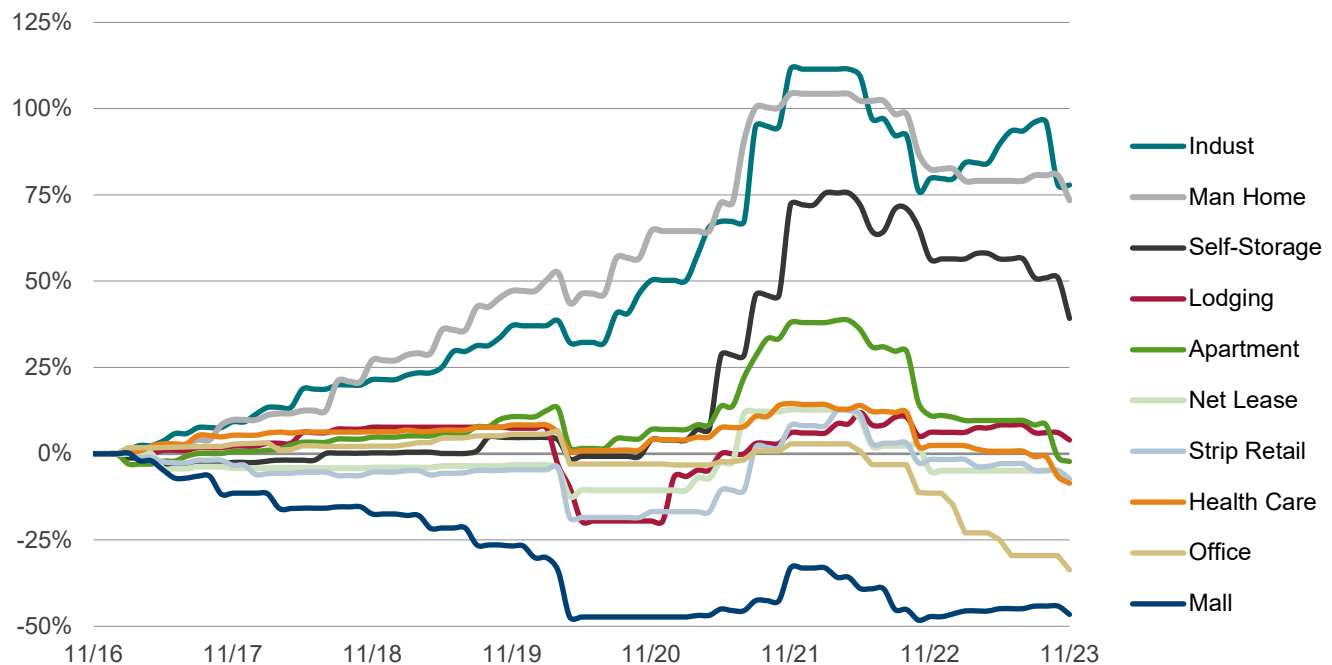
### Change in Commercial Property Values



## Green Street CPPI®: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 12 Mos	Recent Peak
All Property	121.5	-3.0%	-10%	-22%
Core Sector	120.5	-2.6%	-10%	-25%
Apartment	134.4	-1.3%	-12%	-30%
Industrial	213.6	0.0%	-1%	-16%
Mall	78.1	-4.3%	1%	-20%
Office	73.4	-5.9%	-25%	-35%
Strip Retail	108.7	-2.5%	-6%	-18%
Health Care	120.5	-2.1%	-11%	-20%
Lodging	105.4	-2.0%	-2%	-7%
Manufactured Home Park	274.9	-4.0%	-5%	-15%
Net Lease	94.1	-3.6%	-4%	-19%
Self-Storage	248.1	-7.8%	-11%	-21%

## Cumulative Change in CPPI®: Past Seven Years



All Property: retail (20%), office (17.5%), apartment (15%), health care (15%), industrial (12.5%), lodging (7.5%), net lease (5%), self-storage (5%), manufactured home park (2.5%). Retail is mall (50%) & strip retail (50%).

Core Sector: apartment (25%), industrial (25%), office (25%), and retail (25%)

Health care: medical office (30%), senior housing operating properties (25%), senior housing net leased (20%), skilled nursing (15%), and life science (10%)

## Green Street Commercial Property Price Index® Fact Sheet

Green Street's Commercial Property Price Index® is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

### Key Attributes of Green Street's Commercial Property Price Index®

- **Institutional Quality:** The index is based on Green Street's frequently updated estimates of price appreciation of the property portfolios owned by the REITs in its U.S. coverage universe. It is driven by the NAV models maintained by the research team, which, in turn, are driven primarily by changes in market cap rates and NOI growth. Since REITs own high-quality properties, the index measures the value of institutional-quality commercial real estate.
- **Timeliness:** Other indexes, based on either closed transactions or formal appraisals, reflect market prices from several months earlier. Also, the Green Street index value for a given month is released within days of month-end, whereas other indexes have a sizable lag.
- **Gauge of Aggregate Values:** Akin to familiar stock price indexes (e.g., S&P 500), asset value weighting provides a gauge of aggregate (as opposed to average) values. Equal-weighted indexes, by contrast, put the same emphasis on a small suburban strip center as they do a Manhattan office building.

Peter Rothemund, CFA

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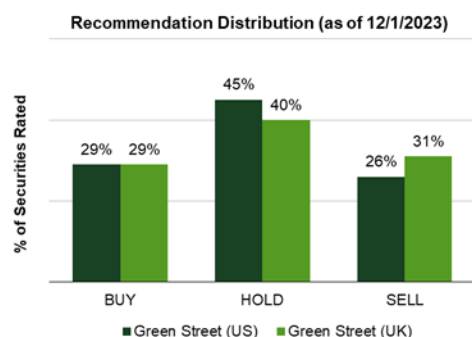
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**Total Return of Green Street's Recommendations<sup>1,2</sup>**

Year <sup>3</sup>	Buy	Hold	Sell	Universe
2023 YTD	4.2%	-0.3%	-5.2%	-0.2%
2022	-18.1%	-22.8%	-29.8%	-23.2%
2021	39.3%	40.4%	32.8%	38.3%
2020	3.3%	-13.0%	-22.5%	-10.7%
2019	31.6%	22.4%	17.5%	24.0%
2018	-5.1%	-8.6%	-9.2%	-7.0%
2017	6.4%	0.2%	2.1%	2.6%
2016	14.5%	14.7%	13.1%	14.4%
2015	8.3%	0.9%	-1.7%	2.4%
2014	41.6%	31.5%	27.3%	33.3%
2013	4.1%	0.6%	1.7%	2.2%
2012	24.5%	24.7%	18.9%	23.0%
2011	18.9%	7.6%	-4.7%	7.6%
2010	43.3%	32.8%	26.6%	33.8%
2009	59.0%	47.7%	6.0%	37.9%
2008	-28.1%	-30.9%	-52.6%	-37.3%
2007	-8.9%	-22.4%	-27.8%	-19.7%
2006	45.8%	29.6%	19.5%	31.6%
2005	26.3%	18.5%	-1.5%	15.9%
2004	42.8%	28.7%	16.4%	29.4%
2003	43.3%	37.4%	21.6%	34.6%
2002	17.3%	2.8%	2.6%	5.4%
2001	34.9%	19.1%	13.0%	21.1%
2000	53.4%	28.9%	5.9%	29.6%
1999	12.3%	-9.0%	-20.5%	-6.9%
1998	-1.6%	-15.1%	-15.5%	-12.1%
1997	36.7%	14.8%	7.2%	18.3%
1996	47.6%	30.7%	18.9%	32.1%
1995	22.9%	13.9%	0.5%	13.5%
1994	20.8%	-0.8%	-8.7%	3.1%
1993	27.3%	4.7%	8.1%	12.1%
<b>Cumulative Total Return</b>	<b>25968.3%</b>	<b>1266.5%</b>	<b>-2.7%</b>	<b>1524.8%</b>
<b>Annualized</b>	<b>19.8%</b>	<b>8.9%</b>	<b>-0.1%</b>	<b>9.5%</b>

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- (1) Hypothetical performance is based on research reports made by Green Street's North American Research Team only (includes securities in the US, Canada, and Australia). Since July 5, 2017, performance is calculated whenever a recommendation is changed using the share price at the most recent market close. Previously, performance was based on recommendations provided in Green Street's "Real Estate Securities Monthly" (RESM) and assumed no change in recommendation between RESM publications.
- (2) Beginning July 5, 2017, all companies in Green Street's North American coverage universe are included in the performance calculation. Previously, inclusion in the calculation of total return had been based on whether the companies were listed in the primary exhibit of Green Street's "Real Estate Securities Monthly" and had a rating other than "Not Rated".
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