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SAMPLE REPORT

U.S. Commercial Property Monthly

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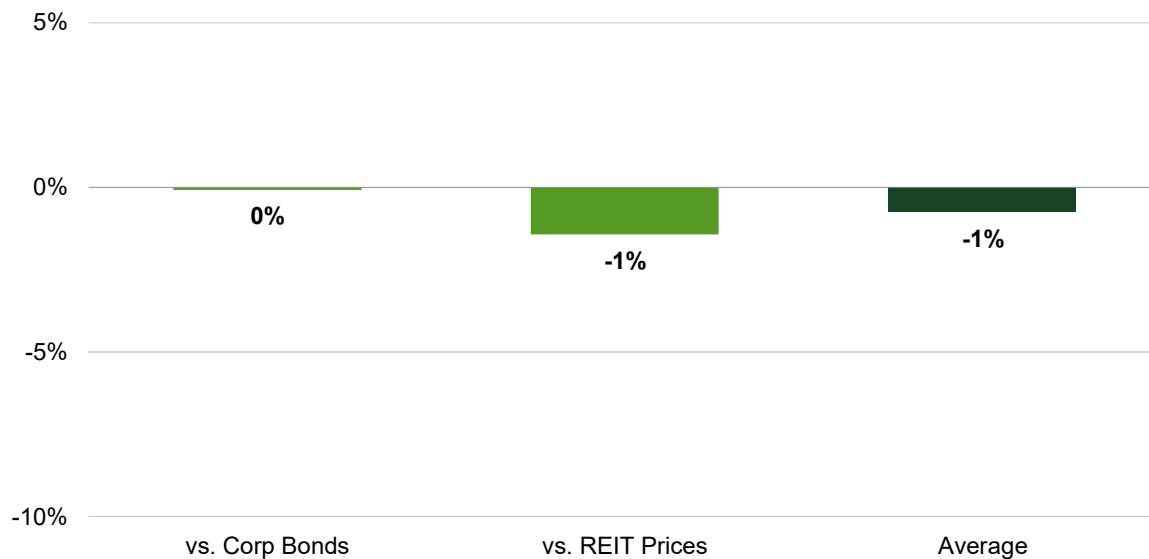
July 1, 2025 | Monthly update of real estate valuation



The U.S. Commercial Property Monthly contains:

- Valuation of commercial real estate in aggregate (see below) and at the sector level
- Listed REIT valuations relative to corporate bonds and versus the S&P 500
- REIT property sector valuations for seventeen property types
- Buy/hold/sell opinions, NAV and AFFO estimates, and commentary on changes

Fair Value of Private-Market Real Estate



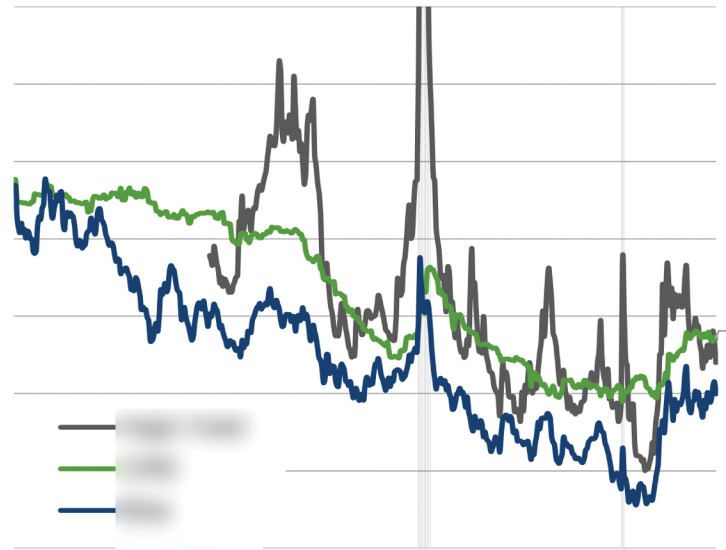
Private Market

Expected Returns: Green Street’s risk-adjusted expected returns are built on a proprietary cap rate time series, thoughtful cap-ex reserves that correspond with long-term ownership, growth expectations for the next five years, and long-term growth estimates that are built on market-implied inflation expectations. Expected returns are compared to yields on corporate bonds.

CRE U.S. Wtd. Average

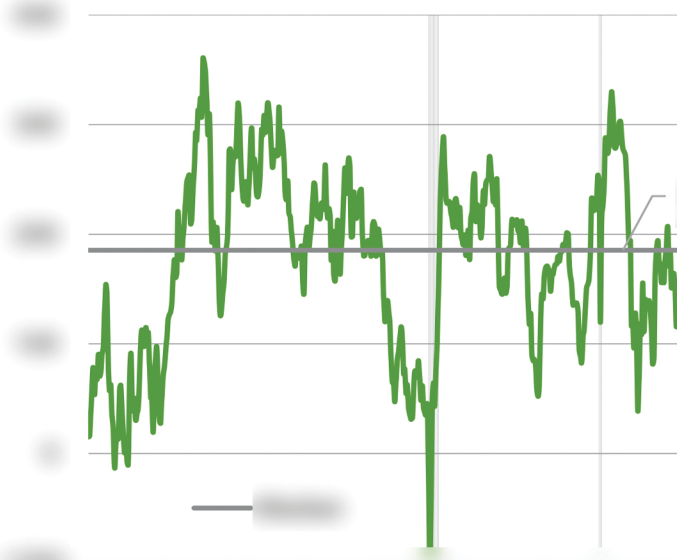
Cap Rate	
Cap Ex (% of NOI)	
Economic Cap Rate	
SS NOI Growth	
'26-'29	
Long-Term	
Property Risk Adjustments	
Volatility	
Other	
Risk-Adjusted Expected Return	
Baa-Rated Corp Bonds	
High-Yield Bonds	

CRE Expected Returns vs. Corporate Bonds

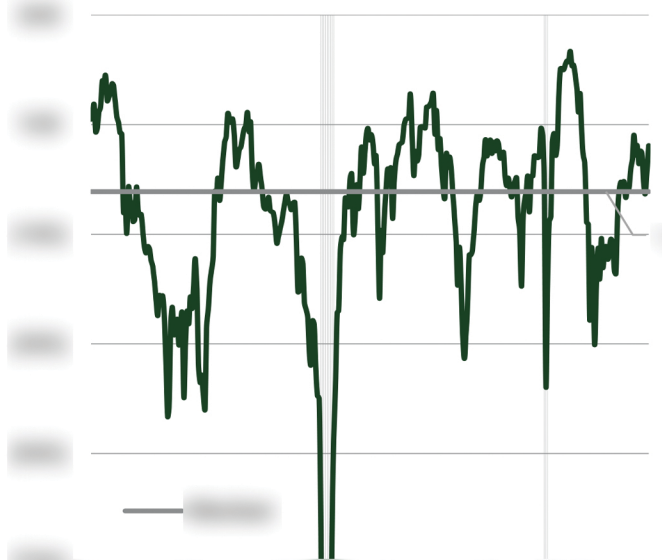


Spread vs. Corporates: Historically, unlevered expected returns on real estate have been approximately 100 bp higher than Baa yields and roughly 200 bp higher than high-yield rates. When quantifying real estate valuation vs. bonds, spreads vs. Baa yields are assumed to revert to their long-term norm. Because the comparison with high-yield bonds is volatile, it is assumed that spreads close only half of the gap with the historic median.

CRE vs. Baa-Rated Corp Bonds (bp)



CRE vs. High-Yield Bonds (bp)



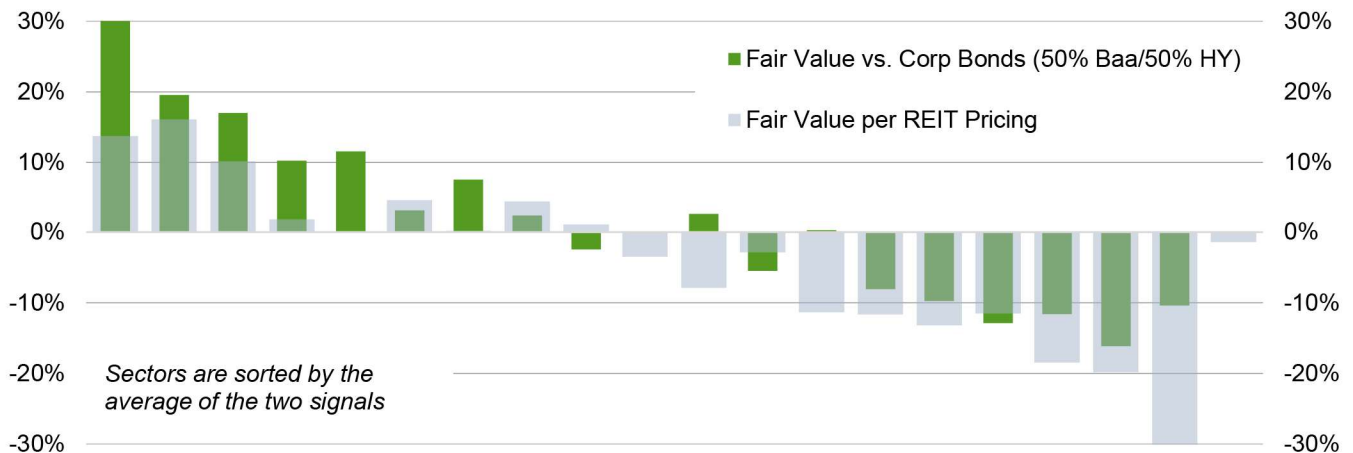
Private Market (continued)

Sector Returns: Sector-level expected returns are the basis for the aggregate return shown on p. 2. Sectors with higher expected returns are more attractively priced in the private real estate market, and vice versa.

Sector	Nominal Cap Rate	Cap Ex % of NOI	NOI Growth '26-'29	Long Trm	Risk Adjustments Volatility	Other	Private-Mkt DCF Expected Return
Self Storage	6.7%	2%	3.0%	2.0%	-	-0.2%	7.3%
Office	6.7%	2%	3.0%	2.0%	0.1%	-	7.0%
Industrial	6.7%	2%	3.0%	2.0%	-	-	7.0%
Multi-Family	6.7%	2%	3.0%	2.0%	-	-	7.0%
Hotels	6.7%	2%	3.0%	2.0%	0.1%	-	6.7%
Healthcare	6.7%	2%	3.0%	2.0%	-	-	6.7%
Senior Housing	6.7%	2%	3.0%	2.0%	-	-	6.7%
Specialty	6.7%	2%	3.0%	2.0%	-	-	6.7%
Other	6.7%	2%	3.0%	2.0%	0.1%	-	6.7%
U.S. Wtd. Average	6.0%	15%	3.5%	2.1%	0.0%	-0.1%	7.4

Public-Market Signals Matter Too: A comparison of expected returns with corp bond yields is one way to assess private-market valuation. Another is to quantify the premium the public market applies to private pricing (company-specific items are removed from GAV premiums). Both signals should be used.

Commercial Real Estate: Fair Value vs. Corporate Bonds & Implied by REIT Pricing

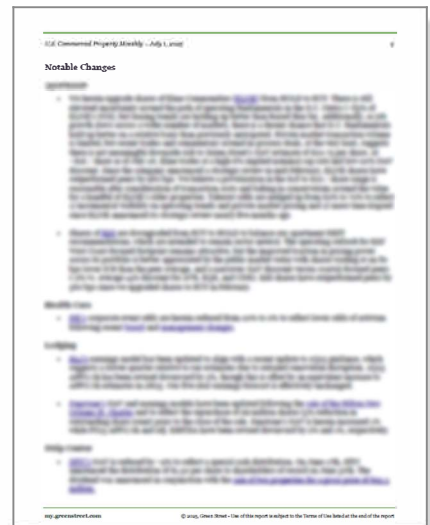
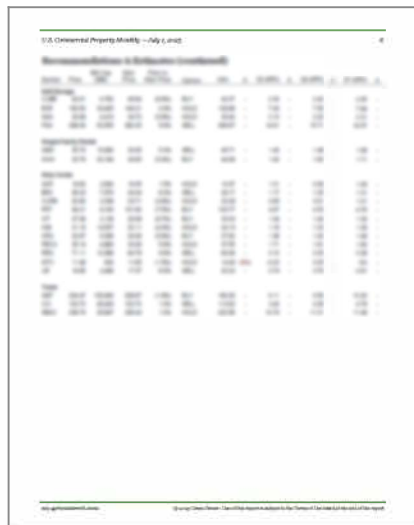
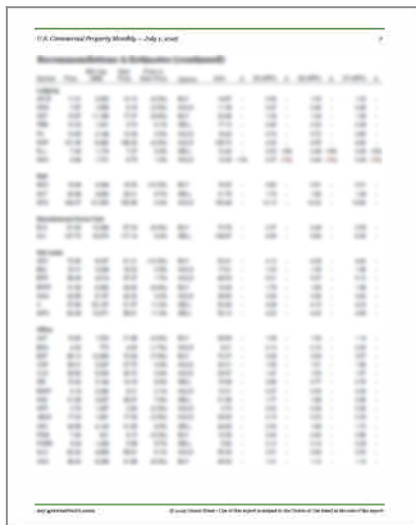
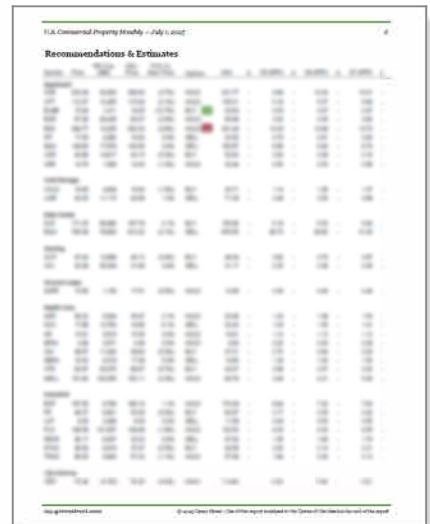
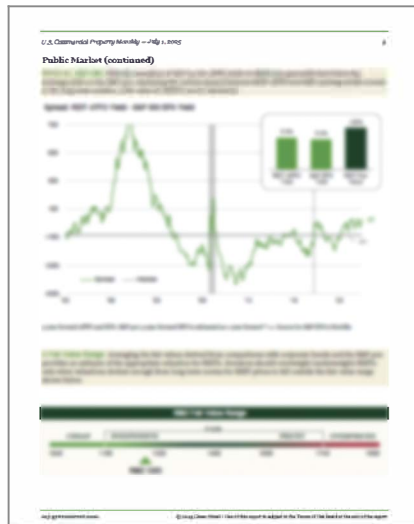
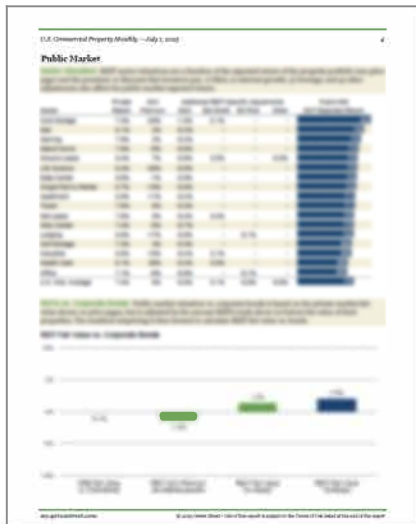


Cap rates shown are those for REIT-quality assets. Cold storage fair value vs. corp bonds adjusted to account for outsized G&A.

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