

**FOR IMMEDIATE RELEASE**

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## Modest Gains for Property Pricing Continues

Newport Beach, CA, November 6, 2018 — The Green Street Commercial Property Price Index was unchanged in October. The index has increased by 2% over the past year, in line with the type of modest gains seen over the past few years.

“Property prices continue to go up, but the pace has been rather uninspiring. Price appreciation has roughly matched inflation over the past couple of years,” said Peter Rothemund, Senior Analyst at Green Street Advisors. “Some property types such as industrial and manufactured home communities have seen much larger gains, but, for the most part, property pricing has been a bit of a yawner.”

### **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.

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# Commercial Property Price Index

November 6, 2018

DJIA: 25,461 | RMZ: 1121 | 10-Yr Treasury Note: 3.20%



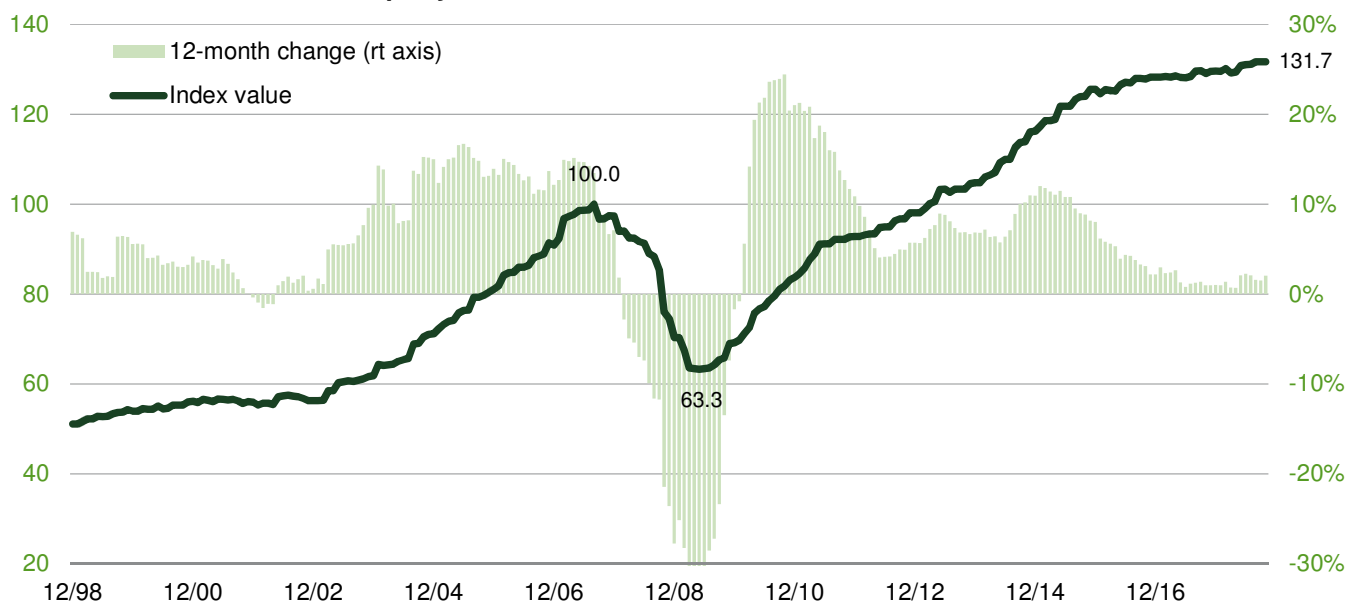
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## Green Street CPPI: All-Property Index

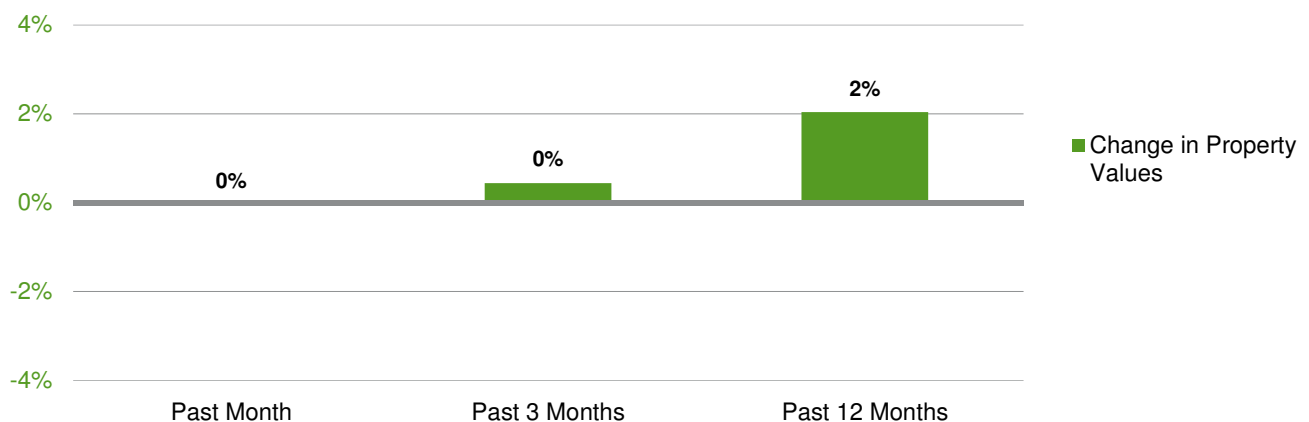
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Green Street Commercial Property Price Index



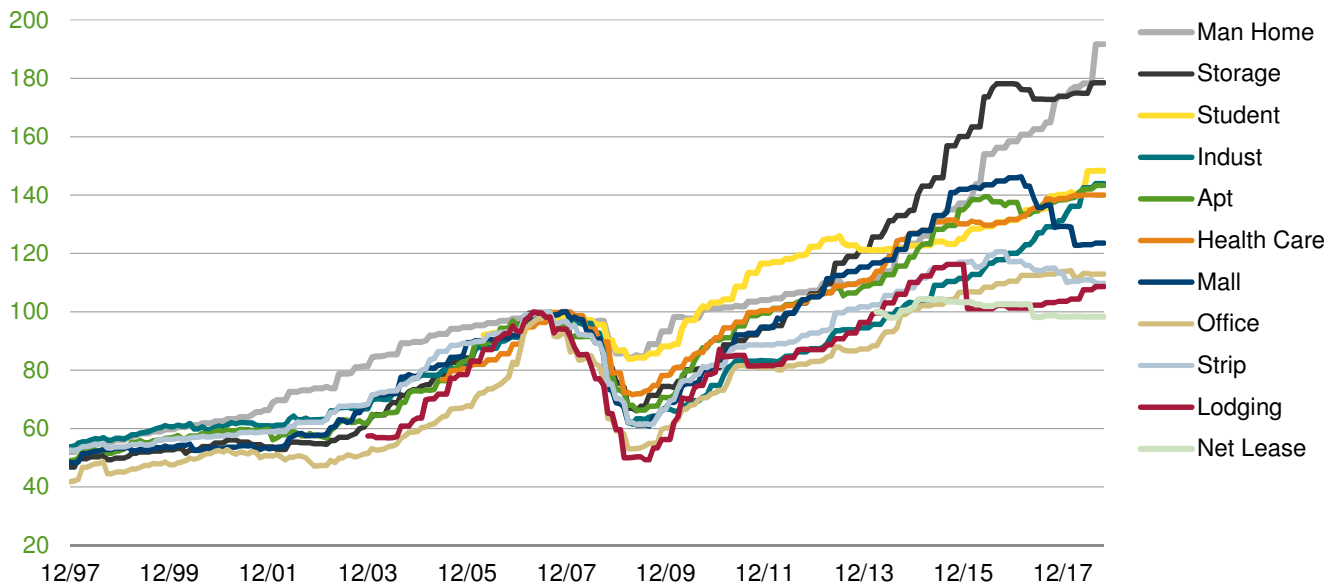
Change in Commercial Property Values



## Green Street CPPI: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 3 Mos	Past 12 Mos
All Property	131.7	0%	0%	2%
Core Sector	129.5	0%	0%	3%
Apartment	143.3	0%	1%	4%
Industrial	144.0	0%	1%	11%
Mall	123.6	0%	0%	-4%
Office	112.9	0%	0%	0%
Strip Retail	109.8	0%	-1%	-5%
Health Care	140.0	0%	0%	1%
Lodging	108.6	0%	1%	5%
Manufactured Home Park	191.7	0%	8%	12%
Net Lease	98.3	0%	0%	0%
Self Storage	178.5	0%	0%	3%
Student Housing	148.3	0%	0%	6%

### Green Street Property Sector Indexes



All Property: retail (20%), office (17.5%), apartment (15%), health care (15%), industrial (10%), lodging (7.5%), net lease (5%), self storage (5%), manufactured home park (2.5%), student housing (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

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### 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 prospects. Since REITs own high-quality properties, the index measures the value of institutional-quality commercial real estate.
- **Timeliness:** Other indices, 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 indices have a sizable lag.
- **Gauge of Aggregate Values:** Akin to familiar stock price indices (e.g., S&P 500), asset value weighting provides a gauge of aggregate (as opposed to average) values. Equal-weighted indices, by contrast, put the same emphasis on a small suburban strip center as they do a trophy Manhattan office building.

Peter Rothemund, CFA

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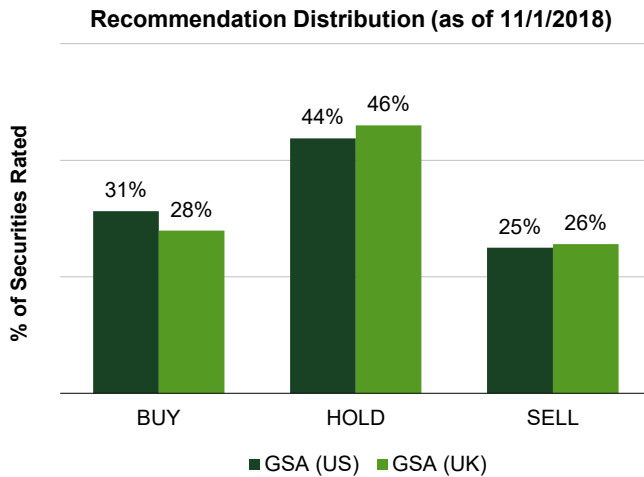
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**Total Return of Green Street's Recommendations<sup>1,2</sup>**

Year <sup>3</sup>	Buy	Hold	Sell	Universe
2018 YTD	-0.6%	-0.3%	-2.3%	-1.0%
2017	6.4%	0.2%	2.1%	2.6%
2016	14.9%	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	-6.9%	-22.4%	-27.8%	-19.7%
2006	45.8%	29.6%	19.5%	31.6%
2005	26.3%	18.5%	-1.8%	15.9%
2004	42.8%	28.7%	16.4%	29.4%
2003	43.3%	37.4%	21.8%	34.8%
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>16800.8%</b>	<b>1168.7%</b>	<b>29.7%</b>	<b>1373.6%</b>
<b>Annualized</b>	<b>22.0%</b>	<b>10.4%</b>	<b>1.0%</b>	<b>11.0%</b>

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