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3Q 2025 Private Real Estate Performance[i]
Benchmark Insights

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Summary Highlights

- The NCREIF Property Index returned 1.2% for 3Q 2025. Total returns were mainly driven by income at 1.2%, while appreciation amounted to 0.06%. The one-year total returns were 4.7%, comprised of 4.8% income return and -0.10% appreciation.
- Over the past year, private real estate surpassed both the listed REIT and bond markets and fell well short of the outsized returns in the stock market.
- Real estate values peaked in 2Q 2022 and have since declined -19% for the unleveraged NCREIF Property Index and -24.8% for the NFI-ODCE Index.
- In both the NPI and the NFI-ODCE, overall index values began stabilizing over the past few quarters. However, with valuation cap rate spreads remaining narrow to bond yields, there is a chance we may see additional depreciation in the NFI-ODCE index when year-end appraisals are completed in 4Q 2025.

[i] All data cited in this report is drawn from either the NCREIF Index, the NCREIF Property Trends report, the NFI-ODCE index or Bloomberg as of 3Q 2025, except as noted.

Relative Performance

Exhibit 1: Performance Trends[1]

	3Q 2025	1-YEAR	5-YEAR	10-YEAR	20-YEAR
Private Real Estate (NPI)	1.2%	4.7%	4.3%	5.3%	7.1%
NFI - ODCE	0.7%	4.0%	4.3%	5.5%	6.8%
Listed REITs	3.8%	-5.6%	7.1%	3.9%	3.9%
S&P 500	8.1%	17.6%	18.0%	16.1%	12.0%
Barclay's Aggregate Bond	1.9%	2.7%	-0.2%	2.3%	3.5%
Inflation (CPI)	2.8%	3.0%	4.5%	3.2%	2.5%
Federal Reserve Interest Rate	4.2%	4.3%	3.5%	2.3%	1.8%
2-Year Treasury Yield	3.6%	3.9%	3.4%	2.4%	1.9%
10-Year Treasury Yield	4.2%	4.3%	3.6%	2.7%	2.8%

- As of 3Q 2025, the S&P 500 delivered a total return of 17.6%. For the year-ending October 2025, the S&P 500 produced a total return of 20.6%, eclipsing most other asset classes.
- More staggering is the performance of major international equity markets that have surpassed the U.S. such as Japan (40.4%), Asia ex-Japan (26.5%), and emerging markets (28.5%).
- However, the S&P 500 is now trading at a multiple of 26.1x earnings, which is well ahead of its 10-year average of 20.6x.
- Conversely, valuation levels in the listed REIT market appear more reasonable when compared to the broader equity market. REITs are trading below their 10-year average (17.5) at 16.7x.
- The spread between the 10- and 2-year Treasury bond yields remains attractive at 60 bps, indicating a low risk of recession over the next 12 months. The latest running GDP estimate published by the Atlanta Federal Reserve indicates the economy could grow 4% in 3Q 2025[2].
- Inflation decelerated slowly over the past year and stood at 2.8% for the year. Inflation expectations as measured by the Federal Reserve's preferred measure were 2.3%.
- The Federal Reserve lowered interest rates recently and the effective rate is now 3.9%, or 1.6% higher than inflation expectations. Thus, real interest rates remain high compared to history.

[1]Crow Holdings Capital Research & Strategy using data from Bloomberg and NCREIF as of September 30, 2025. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change.

[2] Atlanta Federal Reserve GDP Now estimate as of November 6, 2025.

Property Sector Performance

- By major sector, retail, storage and residential each outperformed the overall index, posting total returns of 7.0%, 6.1%, and 5.3%, respectively. Industrial fell just short of the index (4.5% vs 4.7%), while hotels (3.5%) and office (1.9%) lagged the overall index.
- By sub-type, for the year ending 3Q 2025, manufactured housing led the way with a total return of 11.6%, far surpassing the overall NCREIF total return of 4.7%.
- Senior housing, necessity strip retail, malls, storage, and apartments also outperformed the overall index while student housing performed on-par with the index.
- Single-family rentals, office, and high-street retail all fell short of the index over the past year.

Exhibit 2: Performance Trends by Sector and Sub-Type[3]

PROPERTY SECTOR	NPI INDEX WEIGHT	INCOME	APPRECIATION	TOTAL RETURN	3-YR	5-YR	10-YR	20-YR	STANDARD DEVIATION
HOTEL	**0.4%**	**6.8%**	**-3.1%**	**3.5%**	**7.7%**	**6.4%**	**3.3%**	**5.5%**	**12.1%**
INDUSTRIAL	**33.7%**	**4.1%**	**0.4%**	**4.5%**	**-0.6%**	**13.0%**	**12.7%**	**10.7%**	**12.2%**
OFFICE	**18.0%**	**5.9%**	**-3.8%**	**1.9%**	**-8.6%**	**-3.4%**	**1.3%**	**5.0%**	**11.3%**
Central Business District	8.3%	5.8%	-3.4%	2.3%	-11.3%	-6.1%	-0.2%	5.1%	13.3%
Life Science	2.4%	4.6%	-5.6%	-1.1%	-5.2%	4.8%	8.8%	10.9%	15.0%
Medical Office	2.2%	5.7%	0.0%	5.7%	0.8%	4.6%	6.3%		4.4%
Suburban	1.5%	7.0%	-2.9%	3.9%	-5.7%	-0.4%	2.4%	4.3%	9.0%
RESIDENTIAL	**29.1%**	**4.5%**	**0.8%**	**5.3%**	**-1.5%**	**5.4%**	**5.5%**	**6.9%**	**9.7%**
Apartment	26.7%	4.5%	0.8%	5.3%	-1.8%	5.3%	5.5%	6.9%	9.7%
Manufactured Housing	0.3%	3.6%	7.8%	11.6%	9.9%				
Single Family Rental	0.9%	3.9%	0.1%	4.0%	-0.9%				
Student Housing	1.3%	5.1%	-0.6%	4.6%	3.5%	6.5%	6.6%		6.4%
RETAIL	**12.8%**	**5.6%**	**1.4%**	**7.0%**	**2.6%**	**3.0%**	**3.1%**	**6.3%**	**8.1%**
Mall	6.0%	5.5%	1.3%	6.9%	2.3%	2.0%	2.3%	6.7%	8.8%
Street	0.8%	4.5%	-2.7%	1.7%	-4.3%	-2.7%	-0.6%	4.8%	9.3%
Strip	6.0%	5.8%	2.0%	8.0%	4.1%	5.2%	4.7%	6.2%	7.3%
STORAGE	**2.6%**	**4.4%**	**1.7%**	**6.1%**	**1.2%**	**11.3%**	**10.9%**	**11.7%**	**11.6%**
SENIOR HOUSING	**1.4%**	**5.5%**	**3.6%**	**9.2%**	**2.3%**	**2.9%**	**5.9%**	**9.6%**	**9.3%**
TOTAL NPI	**100.0%**	**4.8%**	**-0.1%**	**4.7%**	**-2.2%**	**4.3%**	**5.3%**	**7.1%**	**9.6%**

[3]Crow Holdings Capital Research & Strategy using data from Bloomberg and NCREIF as of September 30, 2025. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change.

Valuations & Fundamentals[4]

Exhibit 3: Real Estate Cap Rates Higher vs. Other Asset Classes

Expectations for Lower Interest Rates Driving Bond Yields and Earnings Yield Lower vs Real Estate

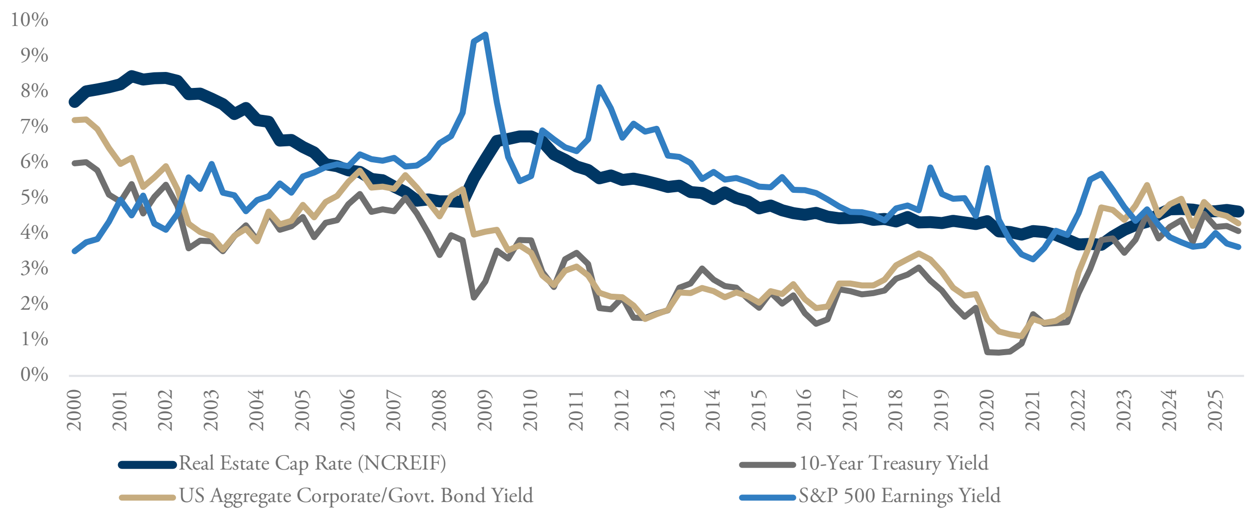
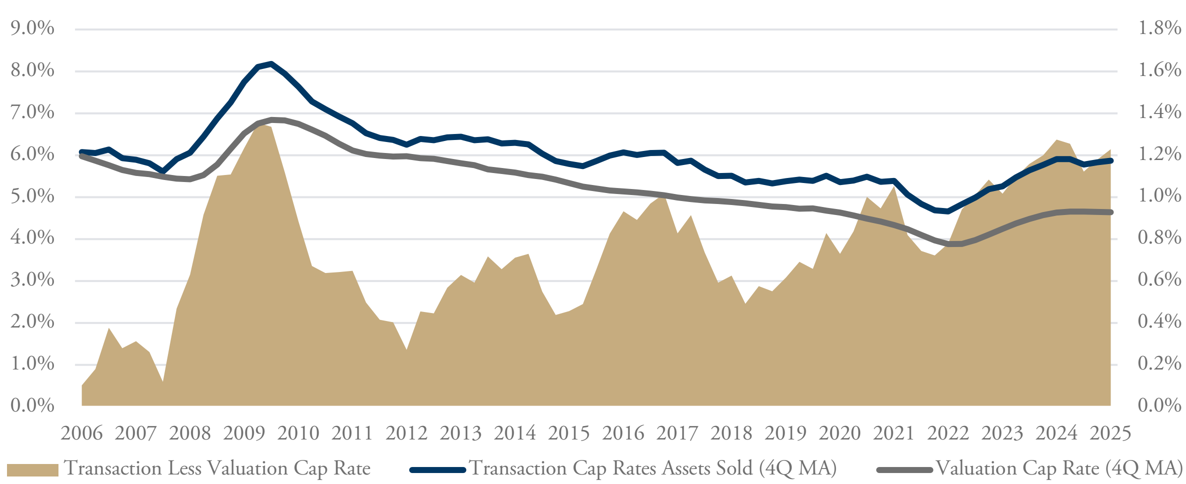


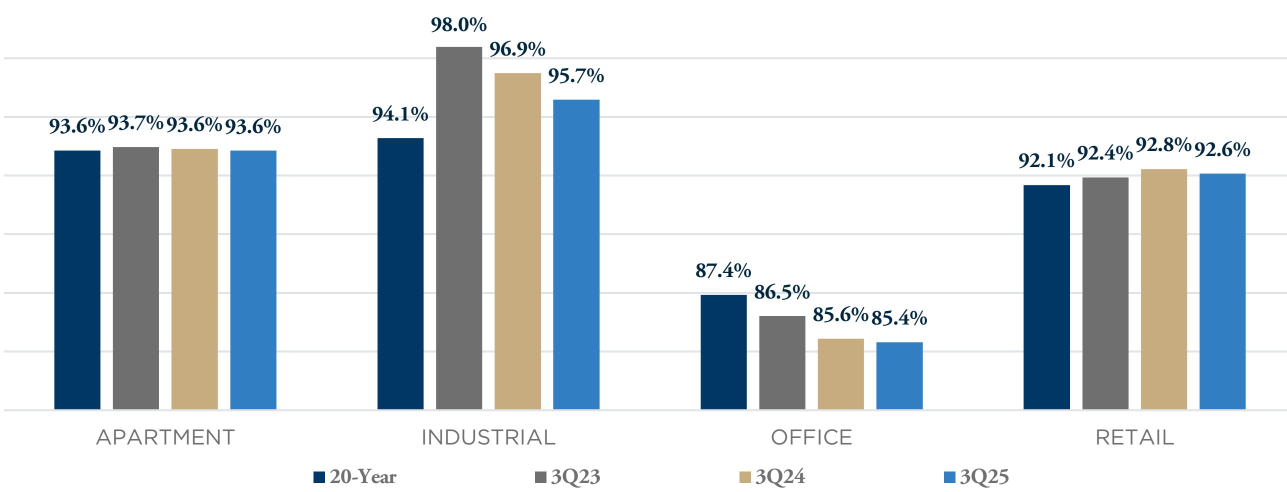
Exhibit 4: Transaction vs. Valuation Cap Rate Spread Is Wide



[4] Crow Holdings Capital Research & Strategy using data from NCREIF and Bloomberg from 1Q2000 – 3Q2025. The real estate cap rate reflects NCREIF's market value-weighted current value cap rate as of 3Q2025. The S&P 500 Earnings Yield is the reverse of the PE ratio and reflects earnings before extraordinary items. US Aggregate Bond Yield, S&P 500 Earnings Yield and the 10-Year Treasury Bond yield accessed through Bloomberg. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change.

- For the first time in several quarters, assets within the NCREIF Index are now valued at cap rates that are higher than other asset classes, such as the S&P 500 earnings yield, the Barclay's Aggregate Bond index yield, and the 10-year Treasury yield.
- Notably, assets within the NCREIF index are being sold from the index at a valuation cap rate of 5.9% compared to the current value cap rate of 4.6%. Over the last 20 years, the average cap rate spread between sold and held assets is 0.75%. Today, the difference is 1.3% and may signal that valuation cap rates in the index may increase to meet the transaction market.
- If this occurs, we could see additional value declines in the index compared to the spot market, where cap rates have a greater income yield risk premium to the other asset classes mentioned.
- Despite the valuation conditions, fundamentals for assets within the index remain attractive compared to history except for the office market.
- Occupancy rates for apartments are in line with their 20-year average (93.6%) and produced net operating income ("NOI") growth of 3.3% over the last 12 months. Industrial continues to perform quite well, with occupancy and NOI growth posting levels above their 20-year averages.
- Retail occupancy rates remain above average at 92.6% while NOI grew 1%, slightly trailing its 20-year average. The office market continues to struggle, with occupancy rates well below their 20-year average (85.4% vs 87.4%) along with the pace of NOI growth worsening (-5.2%).

Exhibit 5: Occupancy Rates by Property Sector[5]

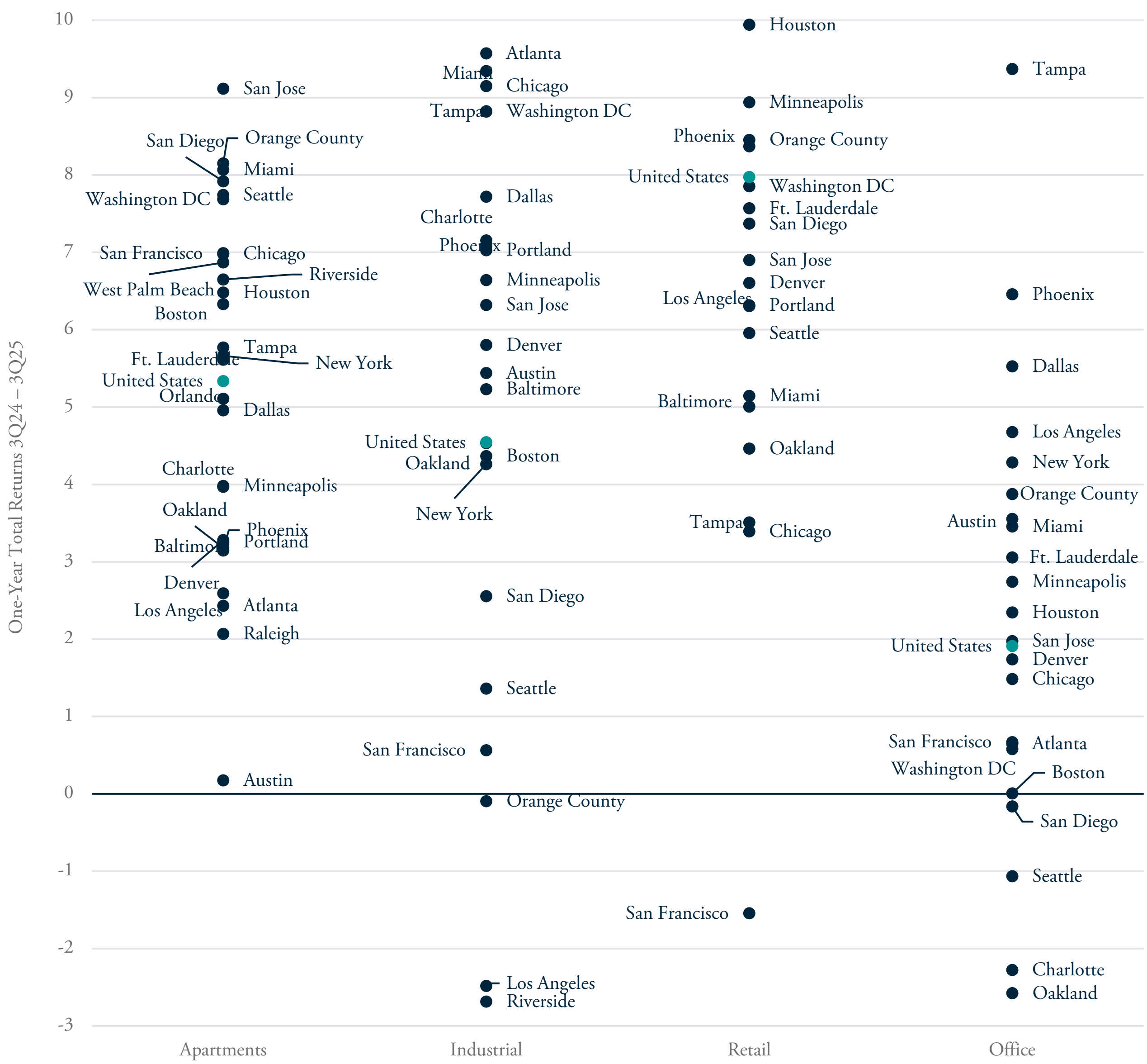


[5]Crow Holdings Research & Strategy using data from the NCREIF trends report as of 3Q2025, the latest data available. These do not reflect "same-store" statistics and may reflect survivor bias as weaker assets may have been sold and were not included in the index during the latest quarter. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change.

City-Level Performance[6]

Exhibit 6: One-Year NCREIF Total Returns by City and Sector

Retail, Industrial and Multifamily Leading – Fundamentals Driving Relative Performance



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[6] Crow Holdings Research and Strategy using data from NCREIF MSA as of 3Q 2025. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change. Analysis and information provided on the real estate market is dependent upon many factors outside of CHC's control, including changes in the domestic and global economic environment. These views and opinions are not intended to provide nor relied upon for investment advice and represent observations based on the information available at the time and are subject to change.

Apartments

- Some of the supply concerns across the nation have faded due in part to the amount of tenant demand that occurred over the year. For the year, more than 500,000 units were absorbed compared to 560,000 units delivered[7]. Across the U.S., San Jose was the top performing market (9%) followed by several other coastal markets such as southern California, Miami, Seattle, and Washington, D.C. to name a few where new construction did not increase as much over the last couple of years. Other markets such as Austin, Raleigh, Atlanta, Denver, Phoenix, L.A., and Portland lagged the overall market due to either high construction or weaker tenant demand.

Industrial

- Compared to apartments, the dispersion of total returns across the U.S. is slightly lower for industrial. However, L.A. and Riverside industrial comprise nearly 25% of the sub-index. The weaker relative performance of these markets dragged down the overall industrial index. Thus, the return distribution across cities is more asymmetrical with several markets spread across the U.S. outperforming the subindex. Atlanta, Miami, Chicago, Tampa, Washington, D.C., and Dallas top the list with performance of nearly 8% or more over the last year, while several West Coast markets underperformed the sub-index.

Retail

- The retail market continues to improve due to resilient consumer sales and tenant demand along with limited new construction. The dispersion of returns across the U.S. is much narrower than other property sectors. Also, most cities posted higher total returns over the last year compared to the overall index return of 4.7%. Houston led the markets, followed closely by Minneapolis, Phoenix, and Orange County. Of the markets shown, only San Francisco produced a modest negative total return. With higher occupancy and cap rates than most other sectors, retail could continue to lead other sectors heading into 2026.

Office

- Dispersion across cities remains high in the office sector compared to other sectors. Some "return-to-office" mandates may have an impact in cities like New York. Other cities such as Dallas, Tampa, and Phoenix have shown greater resilience. Still, the sector remains the most challenged and is facing high vacancies and low-to-negative NOI growth. Thus, performance may continue to be driven more by individual building characteristics versus market-level drivers.

[7] Co-Star as of 3Q 2025.