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Introducing the NFI-ODCE Index: The benchmark for private real estate

For decades, advisers have turned to the S&P 500 as the barometer for public equities – a single, trusted index that distills U.S. stock market performance into a transparent, consistent benchmark. In the world of private real estate, there's an equivalent standard: the NFI-ODCE Index.

The NFI-ODCE Index is the benchmark index for private real estate performance. Sponsored by the National Council of Real Estate Investment Fiduciaries (NCREIF), it includes the 25 largest, most established institutional core private real estate funds in the U.S., spanning thousands of prime, income-generating properties.

In the same way the S&P 500 helps advisers measure public market exposure and evaluate strategies, the NFI-ODCE Index brings the same level of clarity to private real estate. Already a trusted benchmark by institutions, such as pensions, endowments, foundations, and sovereign wealth funds, it has become increasingly relevant for advisers seeking to strengthen client portfolios with the potential of private real estate.

What the index measures

The NFI-ODCE Index tracks a diversified group of institutional, open-end, core real estate funds that invest primarily in stabilized, income-producing assets. These funds focus on long-term leased properties across a wide range of property types and major U.S. markets. To qualify for inclusion, funds must maintain high occupancy, limit leverage to 35 percent, broadly diversify, and generate most of their return from current income – making the index a strong proxy for long-term, low-volatility real estate investing. As of Q2 2025, the NFI-ODCE Index includes:

- 25 of the largest institutional core funds (J.P. Morgan, Invesco, Blackrock, Morgan Stanley, PGIM, and others)
- \$279 billion in asset value diversified by region, property type and manager
- 3,825 total properties, with 91 percent average occupancy and low average loan-to-value of 27 percent

Why it matters now

While the index has a nearly five-decade track record of stable returns, what makes it particularly relevant today is timing. After experiencing only its third major drawdown since inception in the wake of rising interest rates and COVID-related disruptions, the NFI-ODCE Index returned to positive performance in late 2024.

Historically, these drawdowns have been followed by multi-year periods of strong returns. After both the early 1990s Savings & Loan Crisis and the Global Financial Crisis of 2008-09, the index delivered outsized five-, seven- and ten-year annualized returns between 8.9 percent and 12.9 percent. With valuations reset, cap rates widened and leverage modest, many believe conditions point to a similar opportunity today.

For advisers, this may be a compelling entry point given its performance potential – and its low-volatility, income-driven approach that complements traditional stock and bond portfolios.

All data as of Q1 2025. S&P 500 (U.S. equities), Bloomberg Barclays U.S. Aggregate Bond Index (bonds), FTSE Nareit Equity (REITs). Sources: NFI-ODCE Index, (NCREIF Fund Index - Open End Diversified Core Equity).

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A resilient source of return

One reason institutions rely on the NFI-ODCE Index is its consistency. Since 1978, it has delivered:

- Positive annual returns in 40 of 47 years
- Gains in over 86 percent of calendar quarters
- An average annual total return of roughly 7.4 percent

These results reflect the index's focus on durable income and long-term value creation.

A benchmark built for long-term allocation

Unlike public REITs, which often mirror the movements of broader equity markets, the NFI-ODCE Index reflects the hallmarks of core private real estate – long leases, conservative financing, income durability, and low correlation to stocks and bonds. Over the past 15 years, the index has shown:

- -0.21 correlation to U.S. equities
- -0.03 correlation to REITs
- -0.26 correlation to bonds

This low correlation to traditional asset classes makes core private real estate exposure a powerful tool for enhancing diversification, reducing volatility and building more resilient portfolios across a wide range of client objectives.

Private real estate, now the third-largest asset class after stocks and bonds, has historically been underrepresented in individual portfolios. That's starting to change, thanks to wider adoption of adviser-friendly structures that deliver private real estate exposure in a regulated, semi-liquid, transparent wrapper.

The power of indexing comes to private real estate

The NFI-ODCE Index's credibility is in its history. With nearly five decades of track record, it represents the strategy behind many of the world's most sophisticated portfolios.

And just as advisers use index funds and ETFs to track benchmarks like the S&P 500, there is now a patented process and dedicated vehicle built to follow the NFI-ODCE Index. The index fund for private real estate, ticker: ODCEX, combines the discipline and institutional standards of the index with practical features like a low minimum, simplified tax reporting, periodic liquidity, and scalable, ease of execution for advisers.

For the first time, core private real estate has a true index fund – and advisers have a new way to bring institutional access to client portfolios.



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CORPORATE OVERVIEW

Accordant Investments is a registered investment adviser based in Scottsdale, AZ. Accordant creates investment solutions that allow private wealth investors to access private real estate in a way that was once only available to the world's largest investors.

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