**FOR IMMEDIATE RELEASE:**

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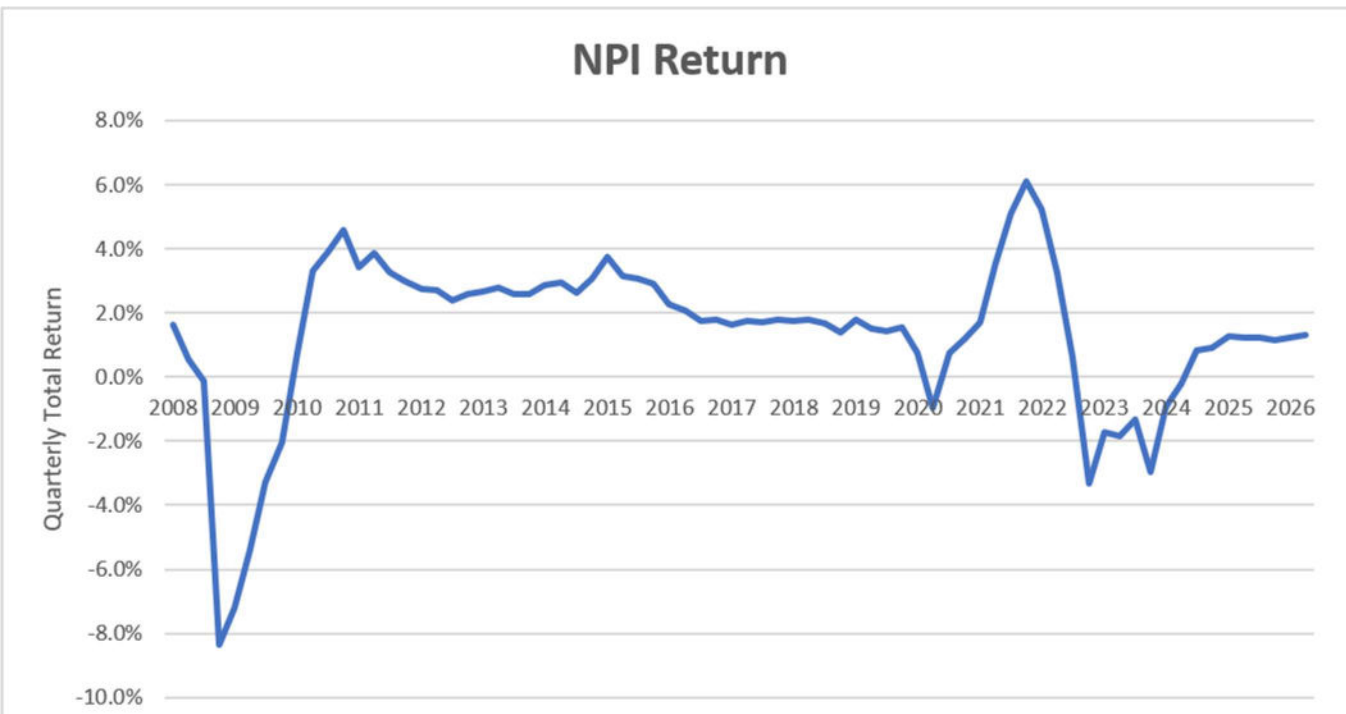
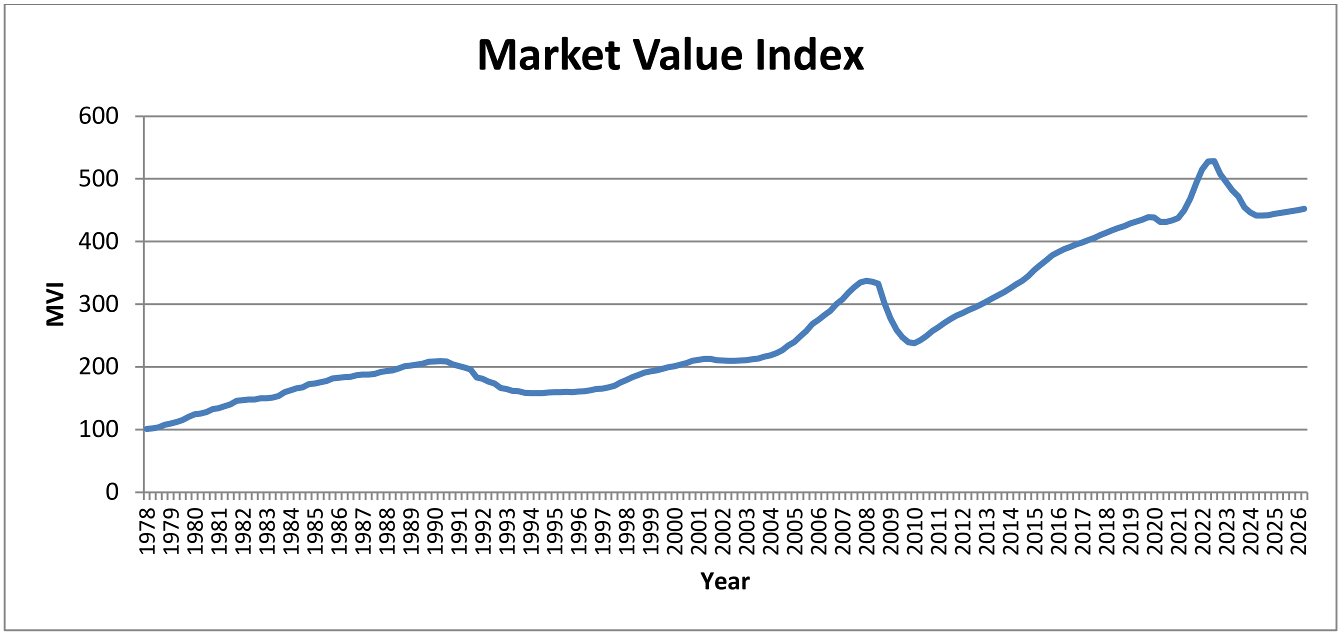
## Institutional Real Estate Returns Rise for a Fourth Straight Quarter

CHICAGO, IL, July 25, 2026 –The National Council of Real Estate Investment Fiduciaries (NCREIF) has released second quarter 2026 results for the NCREIF Property Index. The NPI includes 13,160 properties, totaling $943 billion in market value. The unleveraged quarterly return for the second quarter of 2026 was 1.29%, which was slightly better than the 1.24% return last quarter. The total return for the past four quarters reached 5.00% which is the highest since the $4^{th}$ quarter of 2022. All four quarters had increasing returns. The returns are detailed in the attached Snapshot Report. The NPI includes all operating properties managed by NCREIF data contributing members.

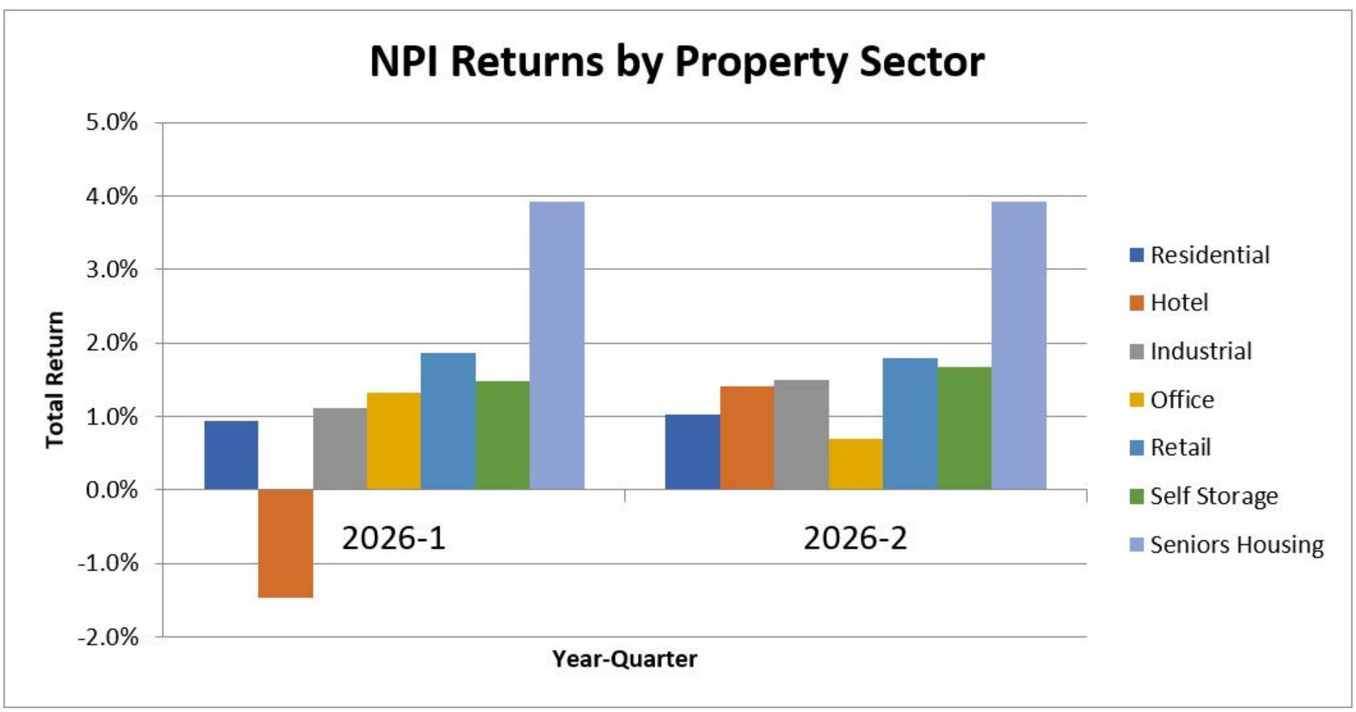



The total return of 1.29% consisted of an income return of 1.17% and a capital appreciation return of 0.12%. These unleveraged returns are value-weighted for the properties and are calculated before the impact of investment management advisory fees. The market value of properties in the NPI increased very slightly during the second quarter.




**Seniors Housing Continues to Dominate the Property Sectors**

Seniors housing continued to be in the lead with a return of 3.91% for the quarter, essentially unchanged from the prior quarter. This was followed by retail at 1.80% and self-storage at 1.67%, with self-storage rising from 1.48% and retail slipping slightly from 1.85%. Industrial improved to 1.49% from 1.12%, and hotels swung back into positive territory at 1.41% after a -1.48% return in the first quarter, although there is a very small number of hotels in the NPI and this may not reflect the broader hotel sector. Residential edged up to 1.03%, while office was the notable decliner, falling to 0.70% from 1.32%.



**Capitalization Rates and Net Operating Income (NOI) Growth**

Market value-weighted capitalization (cap) rates based on appraisals for unsold properties in the index were 4.63%, which was up just slightly from 4.60% from last quarter. For those properties that did sell (which is a very small percentage of properties in the index), the value weighted cap rate was 5.66%. Note that the appraisal and transaction cap rates are trailing NOI cap rates based on the accounting NOI reported for properties in the NPI. NOI growth during the quarter was 1.70%, down slightly from 2.17% last quarter.

***About the NCREIF Property Index***

The NPI consists of 13,160 investment-grade, income-producing properties with a market value of $943 billion and includes property data covering over 100 markets (core-based statistical areas or CBSAs). The market value breakdown by property type is about 17% office, 30% residential, 13% retail, 33% industrial with the remaining 7% consisting of hotel, self-storage, and seniors housing and "other" sectors. In addition, within each property type, data are further stratified by sub-type and location. These data enhance the ability of institutional investors to evaluate the risk and return of commercial real estate across the United States.

***Webinar***

NCREIF will hold a webinar on August 11th, 2026 at 1:00 CST to discuss the NCREIF Property Index (NPI) in more detail as well as a discussion of other trends based on the NCREIF data. You can register for the webinar by **CLICKING HERE**. An online replay of the webcast will be available on NCREIF's website at **www.NCREIF.org**.

The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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