

U.S. Industrial Sector Leads Way As Property Returns Rise

New York – August 17, 2015 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the results of the **IPD U.S. Quarterly Property Index for Q2 2015**, which shows that total returns on U.S. commercial property have increased for the second consecutive year.

Commercial property in the U.S. returned 12.6% in the year to June 2015, up from 11.2% in the year to June 2014, with the Industrial sector in particular performing well, giving a total return of 14.8%, a rise of 160 basis points from 2014.

- Returns across all sectors of the market improved, with Retail, Office, and Residential properties all experiencing a rise.
- Capital Growth rose for the fourth consecutive year, increasing 150 basis points from 5.5% in 2014 to 7.0% in 2015.
- Office properties in the West of the U.S. performed the strongest, returning 16.5% over the period. The worst performing sector was in the East, where Residential property returned only 7.9% versus 8.5% for the same period last year.

Ken O'Brien, Executive Director, MSCI commented: "The rise in total returns in the commercial sector has come almost exclusively from increases in capital growth. Office capital growth was 7.9% versus 5.4% last period, and Industrial improved to 8.6% from 6.9%. Income return was down from 5.4% to 5.2% with 'Other' properties experiencing the greatest decline from 6.1% to 5.6%.

"Expenditures on purchases increased by USD 7.0bn over the year from USD 24bn to USD 31bn, while sales activity increased also from USD 8.5bn to USD 13.5bn. Offices comprised the majority of the purchases with USD 18.2bn of activity."

The **IPD U.S. Quarterly Property Index** measures unleveraged total returns of directly held standing property investments from one open market valuation to the next. The index tracks performance of 4,237 property investments with a total capital value of USD 248.5bn as at June 2015.

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

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