

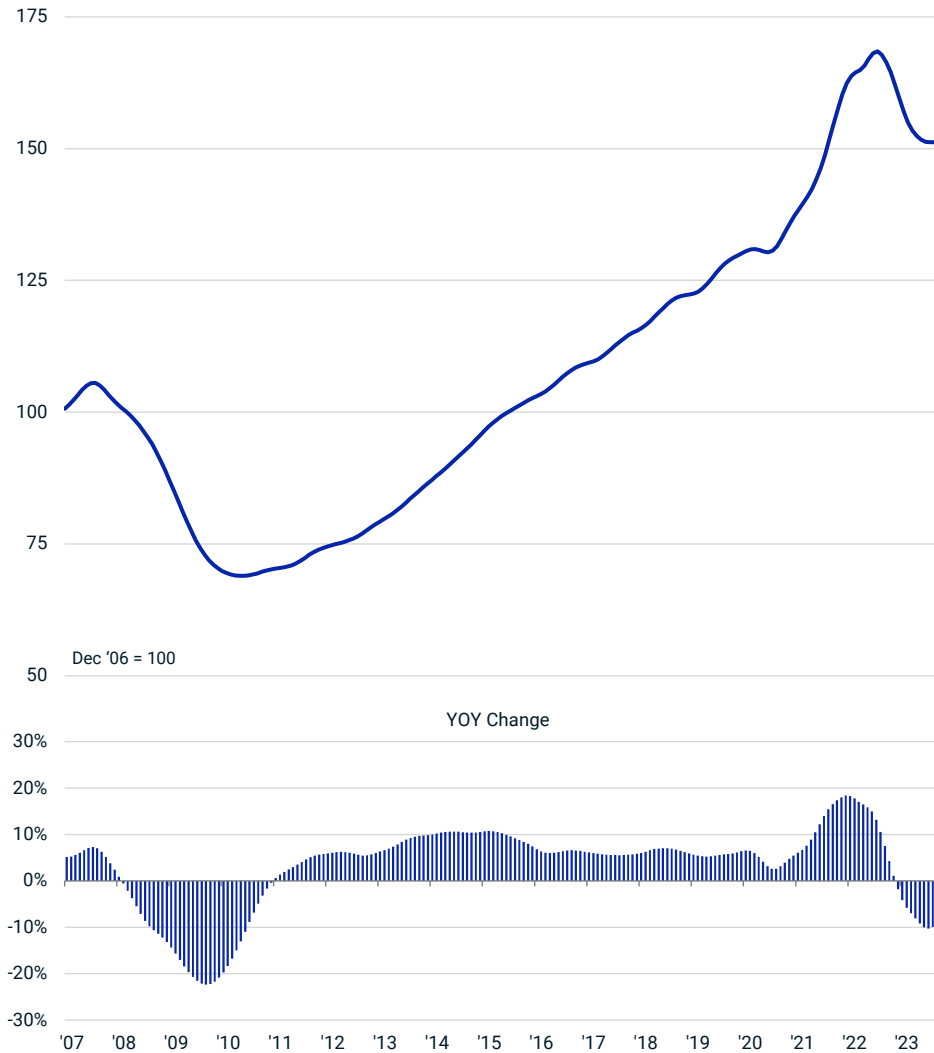
RCA CPPI™ US

Commercial property price indexes

-8.0% Change past year

0.0% Change past month

National All-Property Index



The pace of decline in U.S. commercial property prices decelerated in October, aided by improvements in industrial sector pricing. The RCA CPPI National All-Property Index fell 8.0% from a year ago and was little changed from September. At midyear, prices had been falling at around 10% YOY.

Industrial was the only sector to post annual and monthly growth in October, increasing 1.5% from a year ago and 0.6% from September. The monthly increase indicates an annualized growth rate of 7.5%. The industrial index has posted month-over-month increases since May after logging only minor price declines to start the year.

The apartment sector again saw the largest monthly and annual declines among the major property types. The spike in mortgage rates has led to a sharp drop in prices for apartment property, with the index falling 13.7% from a year prior and 1.0% from September. Despite the steep drop in prices in recent months, the index remains 15% above the level seen at the start of the pandemic in early 2020.

The index for all offices fell 9.5% YOY in October. Deal activity for office properties has wilted in 2023 because of the sector's additional challenges concerning tenant demand. However, in one positive sign, CBD office activity improved in October relative to October of 2022, as reported in *US Capital Trends*.

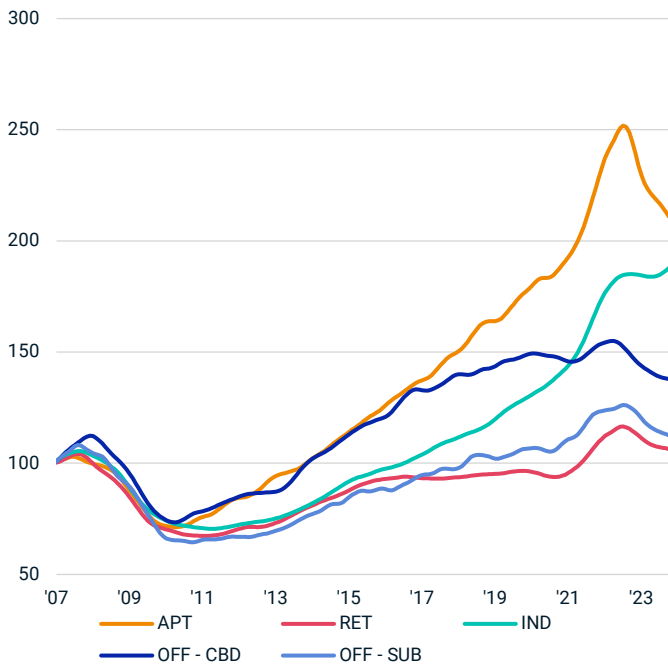
Retail prices fell 7.2% from a year earlier, for a tenth consecutive month of annual declines. Prices fell 0.3% versus September.

Prices in the 6 Major Metros and Non-Major Metros fell 4.6% and 9.0%, respectively, from a year ago. The Non-Major Metros have fared better since the onset of the pandemic as the index remains 19% above the April 2020 level, while prices in the Major Metros sit only 7% higher.

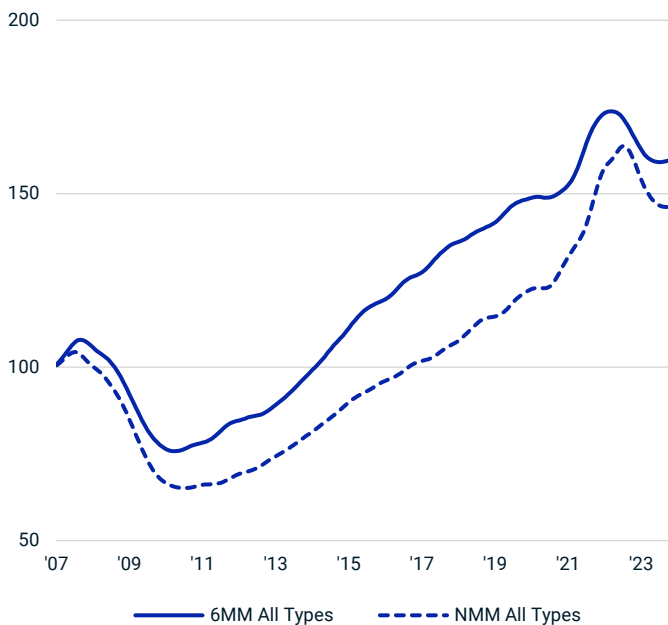
Change in RCA CPPI October 2023

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	-0.5%	-1.5%	-9.5%	3.1%	7.5%	47.5%
Office - CBD	-0.2%	-0.7%	-6.7%	-6.5%	-3.3%	40.1%
Office - Sub	-0.4%	-1.3%	-9.5%	4.7%	8.9%	49.3%
Industrial	0.6%	1.6%	1.5%	34.2%	60.7%	134.9%
Retail	-0.3%	-0.8%	-7.2%	13.2%	12.0%	34.3%
Commercial	0.2%	0.6%	-3.8%	13.8%	22.3%	62.0%
Apartment	-1.0%	-2.7%	-13.7%	12.5%	28.9%	113.1%
All Types	0.0%	0.1%	-8.0%	12.6%	24.0%	78.1%
6 Major Metros All Types	0.1%	0.3%	-4.6%	6.2%	13.7%	65.3%
Non-Major Metros All Types	0.0%	-0.3%	-9.0%	14.9%	28.0%	83.6%

National Property Types



Major Metros vs Non-Major Metros



Notes & Definitions

The RCA CPPI is based on repeat-sales (RS) transactions that occurred at any time up through the month of the current report. This CPPI report published November 2023 provides price indexes through October 2023. These indexes are estimated using transaction data collected through the month of November 2023 to the date of production. Because CPPI allows for backward revisions and incorporates any new data we receive subsequent to publishing, full history (from inception to current month) of future indexes will reflect adjustments due to additional transaction data.

The 6 Major Metros (6MM) are Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC. Non-Major Metros (NMM) refers to all secondary and tertiary markets.

All indexes are benchmarked to 100 at December 2006 and the time series extends to January 2001.

About the RCA CPPI™

The RCA CPPI (commercial property price indexes) are transaction-based indexes and accurately measure commercial real estate price movements using repeat-sales regression methodology. There are currently over 350 indexes which provide direct comparability across markets and property types in 15 countries.

A price indicator is a custom index generated using the same process as the RCA CPPI, but is not part of the official suite of indexes.

The RCA CPPI Global Cities report is published quarterly and the RCA CPPI US report monthly.

About MSCI

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