MSCI

Q3 2025

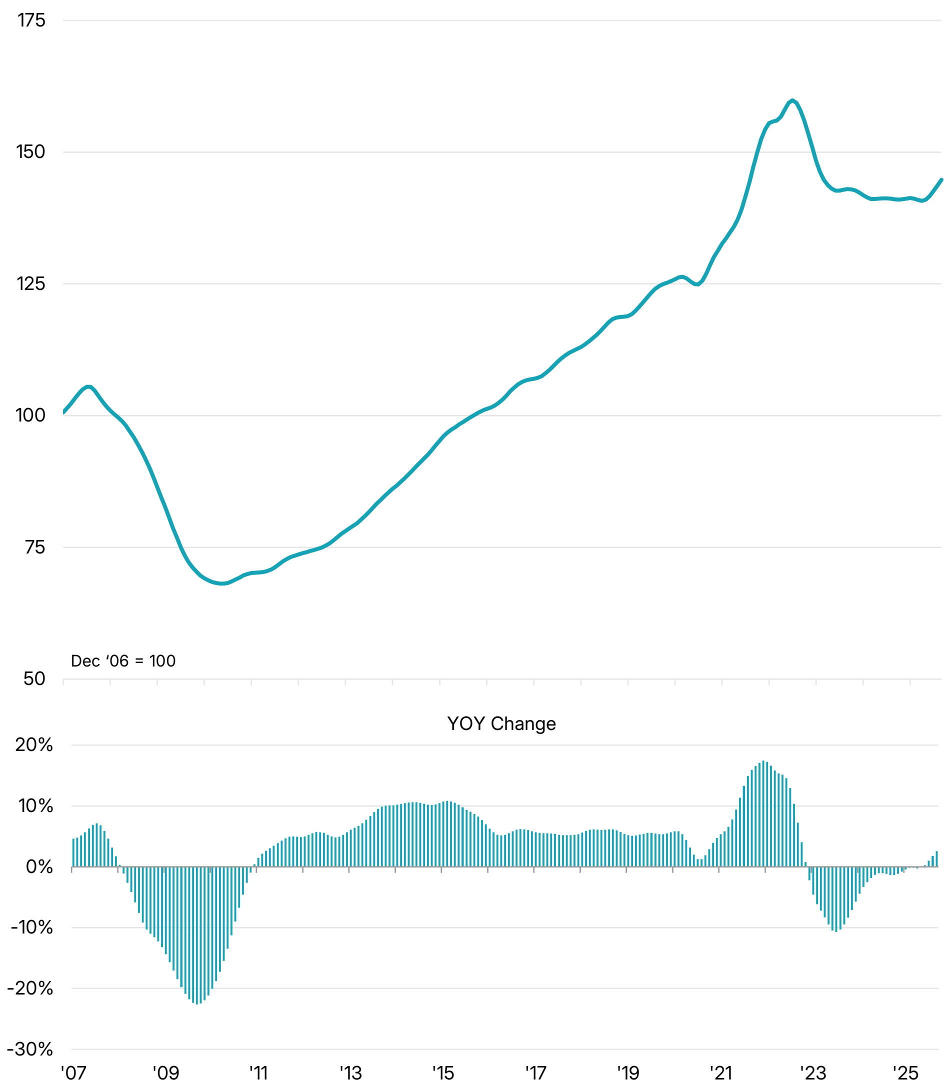
RCA CPPI™ US

Commercial property price indexes

2.6% Change past year

0.7% Change past month

National All-Property Index



Commercial property prices rose in September, with all major property sectors but one posting annual gains. The RCA CPPI US National All-Property Index increased 2.6% from a year earlier and rose 2.2% from the second quarter, suggesting a faster annualized pace of growth of 9.0%.

Investor sentiment leaned toward cautious optimism in the third quarter of 2025, as investment activity grew at a double-digit pace relative to a year prior. Deal activity has increased for six consecutive quarters, according to the latest edition of *US Capital Trends*. Expectations for additional Federal Reserve rate cuts later in 2025, following the 25-bp reduction in September, are helping to build a more favorable foundation for a potential market rebound.

The RCA CPPI for retail posted a 5.5% YOY gain in September. Retail prices have now increased for 17 consecutive months. The index for industrial properties, which had led growth across the sectors at the start of the year, rose 4.0% YOY. The industrial index is 14% above its March 2022 level, prior to the onset of interest rate shocks, while the retail index is 1% below that benchmark.

CBD and suburban office prices rose 5.1% and 4.5%, respectively, from a year earlier in September. The third quarter marked the first time since early 2022 that CBD office annual price growth outpaced suburban office. On a higher-frequency basis, both segments posted stronger gains than their annual pace.

Apartment prices declined 0.8% in September from the prior year. On a higher-frequency basis, the apartment index fell at an annualized rate of 3.3% from the previous quarter, eclipsing the actual rate of decline. The last time apartment prices grew was the end of 2022 and prices now sit 20% below their most recent peak in July of that year.

Change in RCA CPPI September 2025

	1-mth	3-mth	1-yr	3-yr	5-yr	10-yr
Office	1.4%	4.2%	7.1%	-16.8%	-5.0%	12.2%
Office - CBD	1.1%	3.4%	5.1%	-43.2%	-45.0%	-34.3%
Office - Sub	1.4%	3.6%	4.5%	-12.5%	1.8%	19.7%
Industrial	0.4%	1.4%	4.0%	11.3%	44.9%	104.9%
Retail	0.4%	1.3%	5.5%	-2.9%	18.8%	19.0%
Commercial	0.9%	2.9%	4.5%	-1.4%	17.4%	36.1%
Apartment	-0.3%	-0.8%	-0.8%	-18.9%	8.1%	62.2%
All Types	0.7%	2.2%	2.6%	-8.3%	14.0%	45.1%
6 Major Metros All Types	0.2%	0.5%	-1.8%	-12.0%	-1.8%	21.7%
Non-Major Metros All Types	0.6%	1.9%	4.0%	-6.6%	19.9%	55.1%

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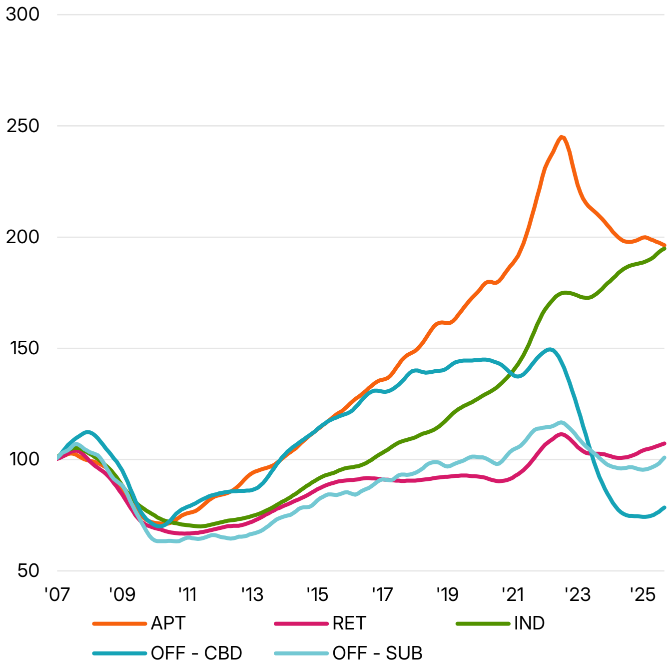
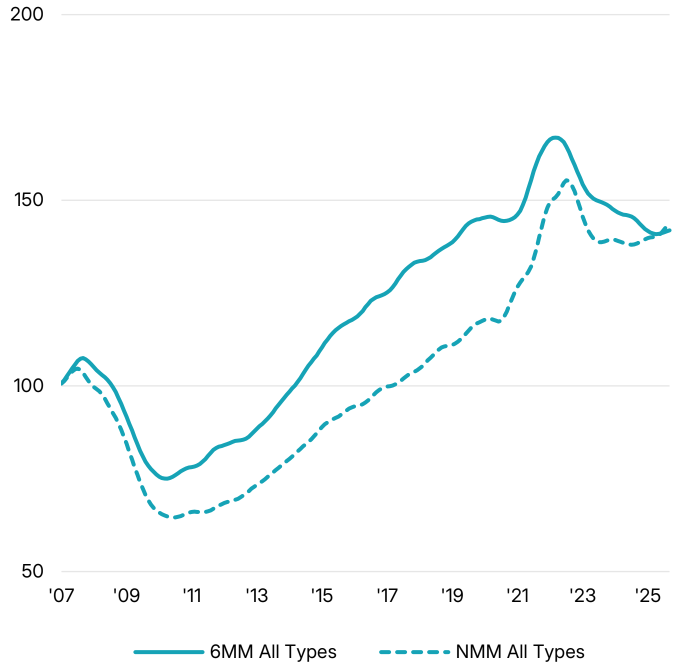
National Property Types

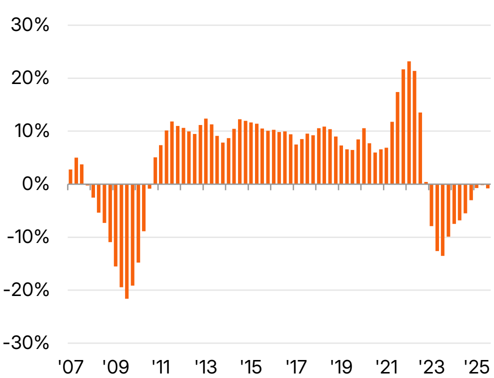


Major Metros vs Non-Major Metros

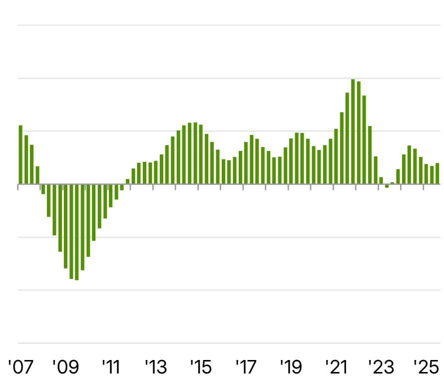


Year-Over-Year Change by Property Type

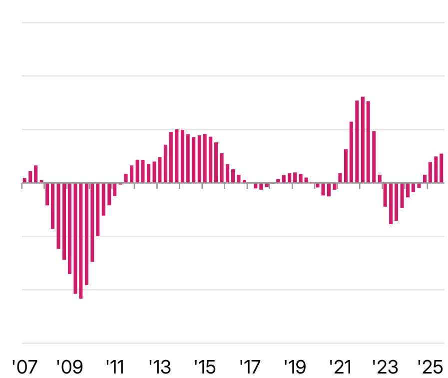
Apartment



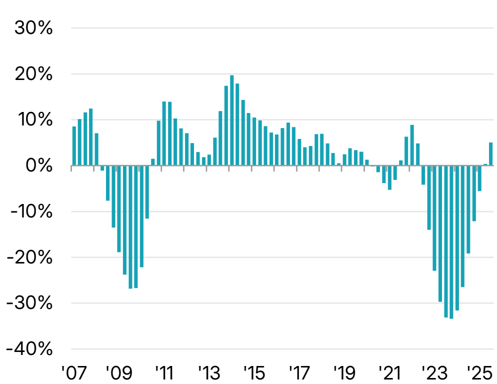
Industrial



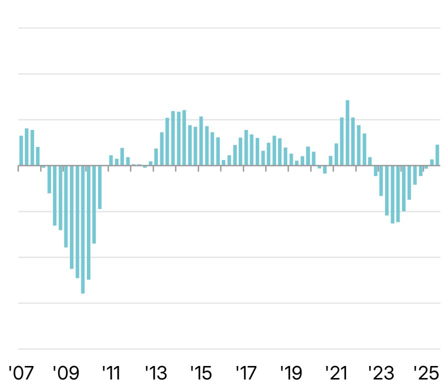
Retail



CBD Office



Suburban Office



Listen to Jim Costello as he discusses the state of the U.S. commercial real estate market in our quarterly webinar, Real Estate In Focus: US.

Register here for this event on Thursday, October 30.

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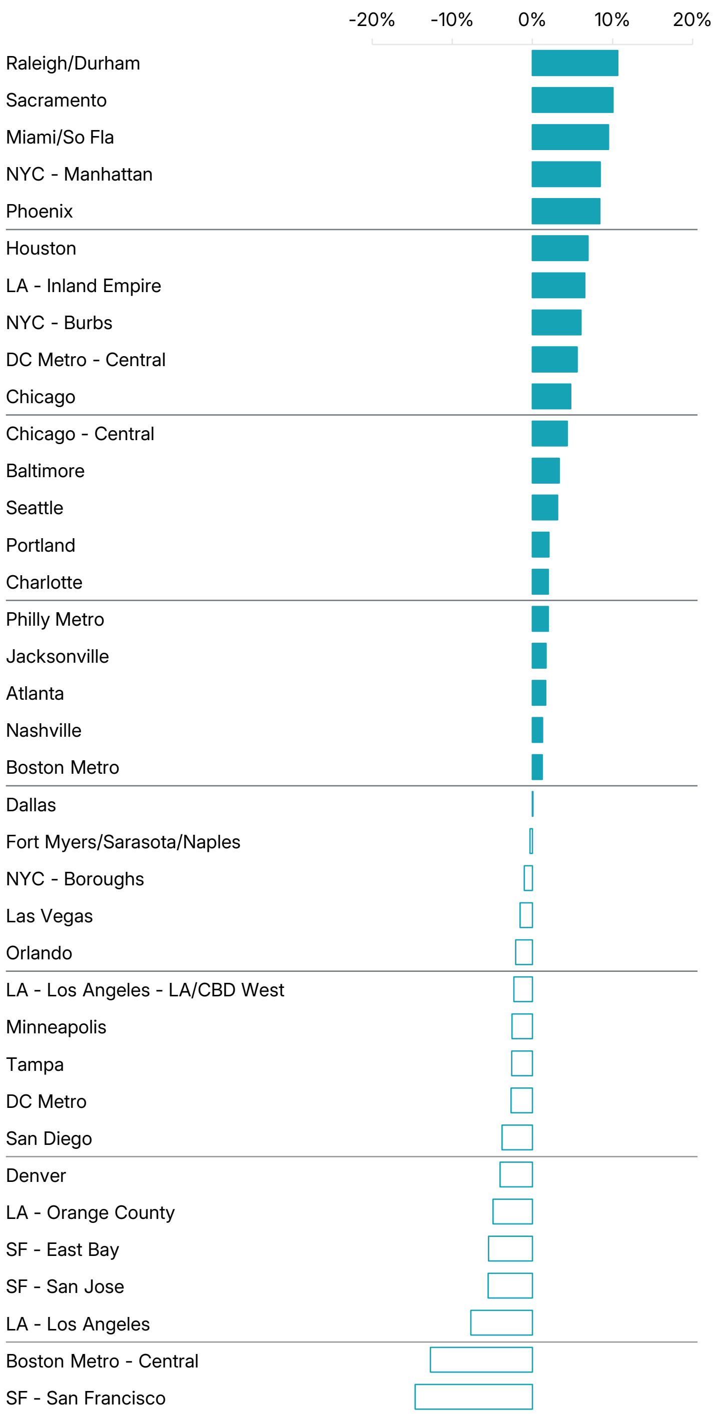
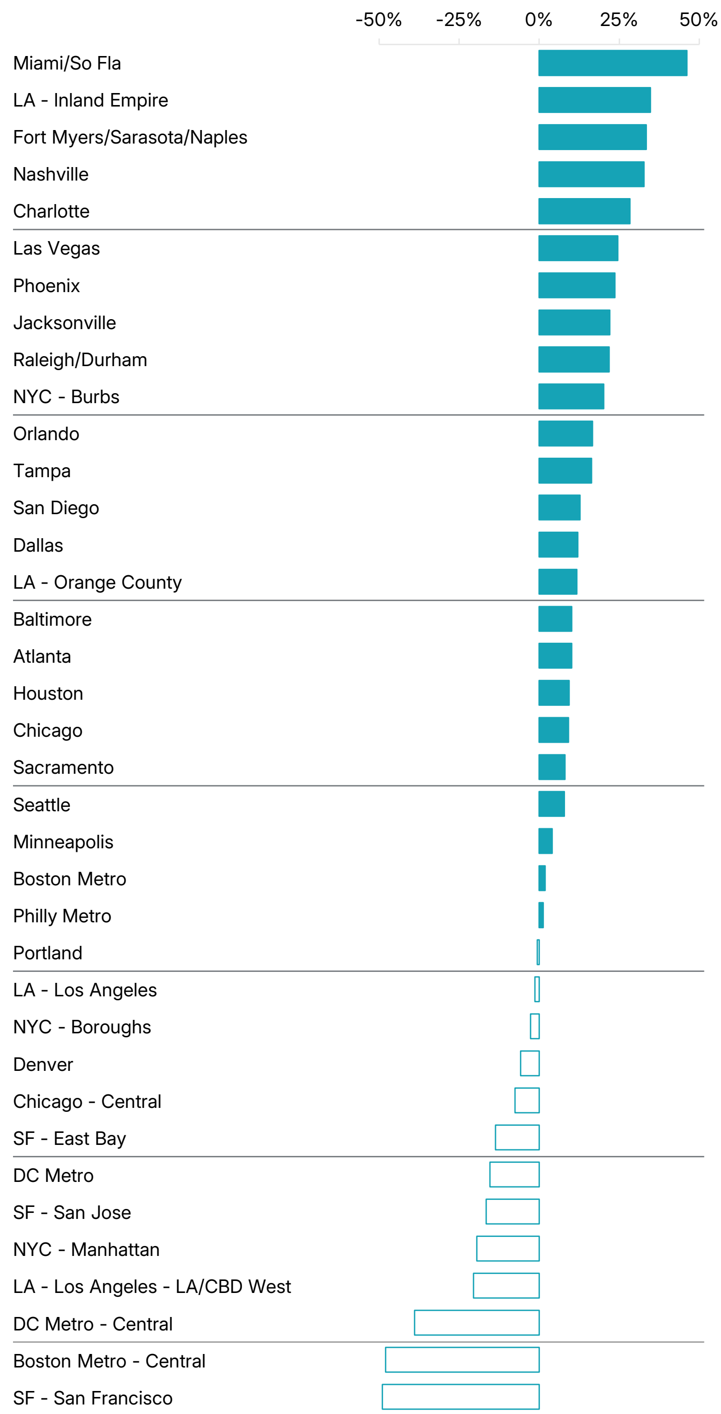
Price Change by Market, All Types

Past Year



Past Five Years



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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 October 2025 provides price indexes through September 2025. These indexes are estimated using transaction data collected through the month of October 2025 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 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.

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