

**FOR IMMEDIATE RELEASE**

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## Industrial and Lodging Values Increase

Newport Beach, CA, June 6, 2018 — The Green Street Commercial Property Price Index increased by 1% in May. Industrial and lodging values moved higher, while most other sectors were little changed. The aggregate index, which measures values across five major property sectors, has been moving sideways for the past two years.

“On average, commercial property pricing has barely budged over the past year, but the average masks big differences across property sectors,” said Peter Rothmund, Senior Analyst at Green Street Advisors. “Industrial continues to be red hot — prices are up 15% over the past year. Manufactured home parks are also up double-digits. And retail has seen prices decline, malls in particular.”

### **About the Green Street Commercial Property Price Index**

Green Street’s Commercial Property Price Index is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

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# Commercial Property Price Index

June 6, 2018

DJIA: 24,799 | RMZ: 1114 | 10-Yr Treasury Note: 2.92%



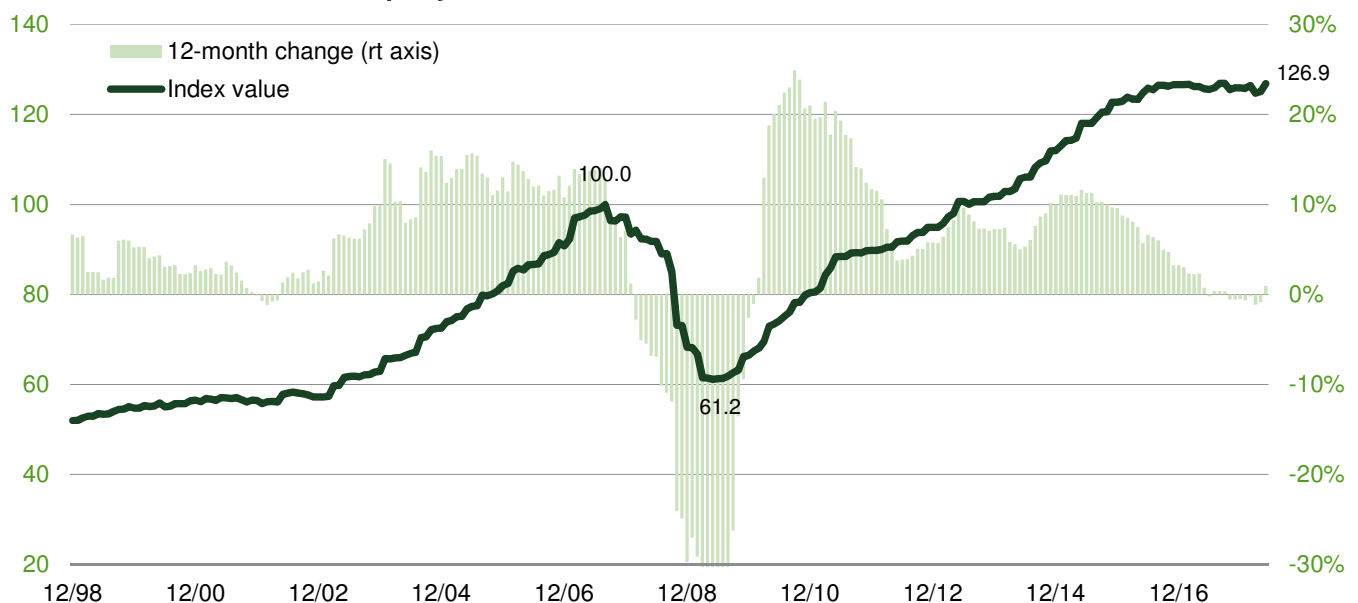
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## Green Street CPPI: All-Property Index

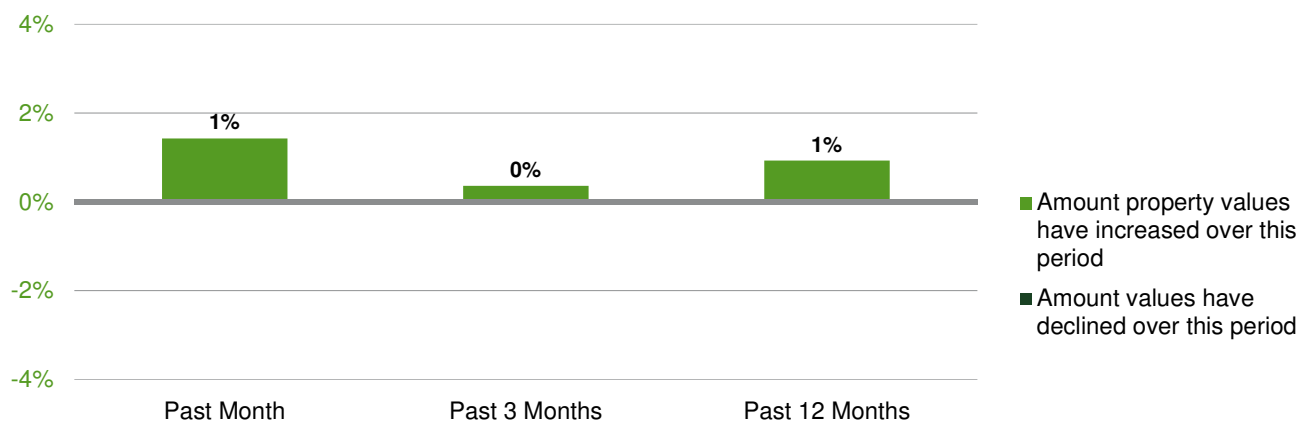
### Industrial and Lodging Increase

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### Green Street Commercial Property Price Index



### Change in Commercial Property Values

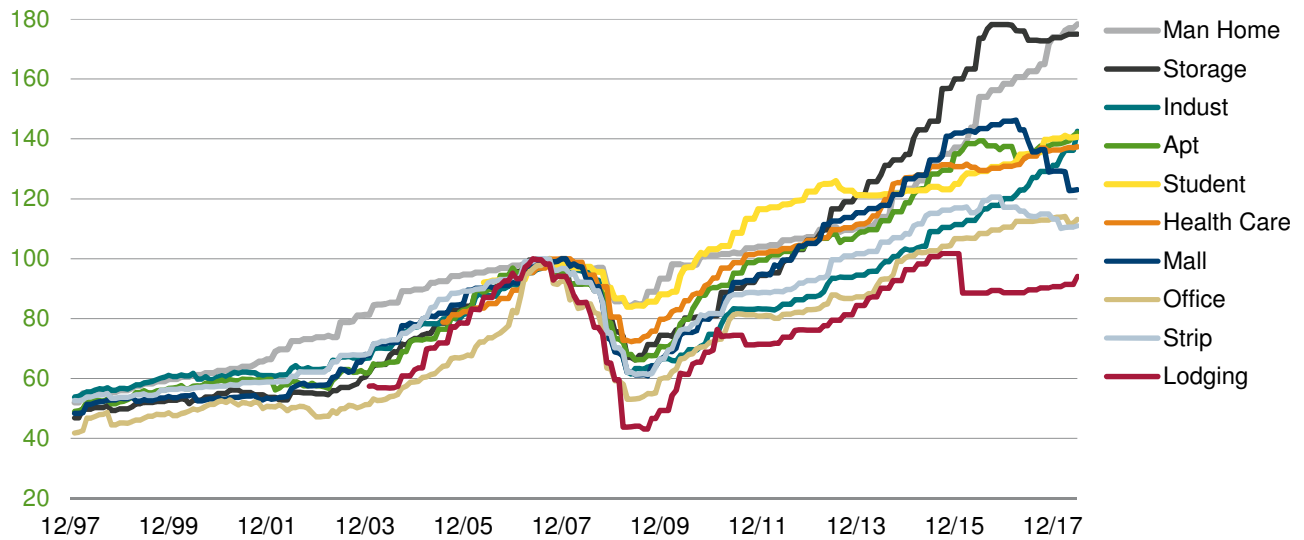


## Green Street CPPI: Sector-Level Indices

	Index Value	Change in Commercial Property Values		
		Past Month	Past 3 Mos	Past 12 Mos
Aggregate CPPI	126.9	1%	0%	1%
Apartment	142.0	1%	2%	6%
Industrial	142.6	5%	5%	15%
Mall	123.0	0%	-5%	-12%
Office	113.1	1%	-1%	1%
Strip Retail	110.9	0%	0%	-3%
Health Care	137.4	0%	0%	2%
Lodging	94.1	3%	3%	5%
Manufactured Home Park	178.3	1%	1%	10%
Self Storage	175.0	0%	0%	1%
Student Housing	140.7	0%	0%	4%

Aggregate CPPI is an average of the five major sectors; it does not include health care, lodging, man home, storage or student housing. Health Care is a blend of medical office, senior housing, skilled nursing, and life science.

### Green Street Property Sector Indices



Property sector indices are indexed to 100 at their '07 peaks.

## Green Street Commercial Property Price Index Fact Sheet

Green Street's Commercial Property Price Index is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

### Key Attributes of Green Street's Commercial Property Price Index

- **Institutional Quality:** The index is based on Green Street's frequently updated estimates of private-market value for REIT portfolios across the five major property sectors (apartment, industrial, mall, office & strip retail – aggregate asset value of \$600 BN). Since REITs own high-quality properties, the index measures the value of institutional-quality commercial real estate.
- **Timeliness:** Other indices, based on either closed transactions or formal appraisals, reflect market prices from several months earlier. Also, the Green Street index value for a given month is released within days of month-end, whereas other indices have a sizable lag.
- **Gauge of Aggregate Values:** Akin to familiar stock price indices (e.g., S&P 500), asset value weighting provides a gauge of aggregate (as opposed to average) values. Equal-weighted indices, by contrast, put the same emphasis on a small suburban strip center as they do a trophy Manhattan office building.

Peter Rothmund, CFA

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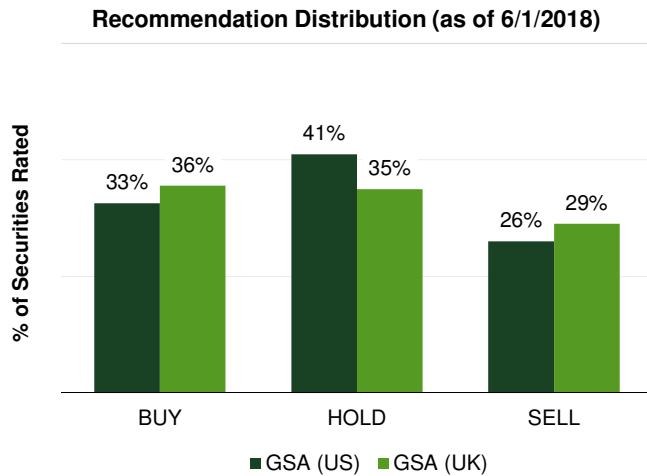
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**Total Return of Green Street's Recommendations<sup>1,2</sup>**

Year <sup>3</sup>	Buy	Hold	Sell	Universe
2018 YTD	-1.9%	-0.5%	-2.6%	-1.6%
2017	6.4%	0.2%	2.1%	2.6%
2016	14.9%	14.7%	13.1%	14.4%
2015	8.3%	0.9%	-1.7%	2.4%
2014	41.6%	31.5%	27.3%	33.3%
2013	4.1%	0.6%	1.7%	2.2%
2012	24.5%	24.7%	18.9%	23.0%
2011	18.9%	7.6%	-4.7%	7.6%
2010	43.3%	32.8%	26.6%	33.8%
2009	59.0%	47.7%	6.0%	37.9%
2008	-28.1%	-30.9%	-52.6%	-37.3%
2007	-6.9%	-22.4%	-27.8%	-19.7%
2006	45.8%	29.6%	19.5%	31.6%
2005	26.3%	18.5%	-1.8%	15.9%
2004	42.8%	28.7%	16.4%	29.4%
2003	43.3%	37.4%	21.8%	34.8%
2002	17.3%	2.8%	2.6%	5.4%
2001	34.9%	19.1%	13.0%	21.1%
2000	53.4%	28.9%	5.9%	29.6%
1999	12.3%	-9.0%	-20.5%	-6.9%
1998	-1.6%	-15.1%	-15.5%	-12.1%
1997	36.7%	14.8%	7.2%	18.3%
1996	47.6%	30.7%	18.9%	32.1%
1995	22.9%	13.9%	0.5%	13.5%
1994	20.8%	-0.8%	-8.7%	3.1%
1993	27.3%	4.7%	8.1%	12.1%
<b>Cumulative Total Return</b>	<b>16572.3%</b>	<b>1165.2%</b>	<b>29.3%</b>	<b>1364.5%</b>
<b>Annualized</b>	<b>22.4%</b>	<b>10.5%</b>	<b>1.0%</b>	<b>11.2%</b>

The results shown above are hypothetical; they do not represent the actual trading of securities. Actual performance will vary from the hypothetical performance shown above due to, but not limited to 1) advisory fees and other expenses that one would pay; 2) transaction costs; 3) the inability to execute trades at the last published price (the hypothetical returns assume execution at the last closing price); 4) the inability to maintain an equally-weighted portfolio in size (the returns above assume an equal weighting); and 5) market and economic factors will almost certainly cause one to invest differently than projected by the model that simulated the above returns. All returns include the reinvestment of dividends. Past performance, particularly hypothetical performance, cannot be used to predict future performance.

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- Beginning July 5, 2017, all companies in Green Street's North American coverage universe are included in the performance calculation. Previously, inclusion in the calculation of total return had been based on whether the companies were listed in the primary exhibit of Green Street's "Real Estate Securities Monthly" and had a rating other than "Not Rated".
- From 1993 until July 3, 2017, the returns for each year cover the period following the first RESM issued in the respective year through the first RESM issued in the following year and are not based on a calendar year. Subsequent to July 5, 2017, returns are based on calendar months.

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*Green Street will furnish upon request available investment information regarding the recommendation*



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