

**FOR IMMEDIATE RELEASE**

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## Property Prices Unchanged

Newport Beach, CA, January 6, 2017 — The Green Street Commercial Property Price Index was unchanged in December. Property prices rose 3% in 2016, with most of the gains occurring in the first half of the year. Values have been relatively flat since.

“Price appreciation has really slowed down over the past several months. And that’s been the case across the board. Even self-storage — where prices were rising at a double-digit annual clip — has seen price appreciation come to a near stop” said Peter Rothmund, Senior Analyst at Green Street Advisors.

### **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

January 6, 2017

DJIA: 19,899 | RMZ: 1173 | 10-Yr Treasury Note: 2.35%



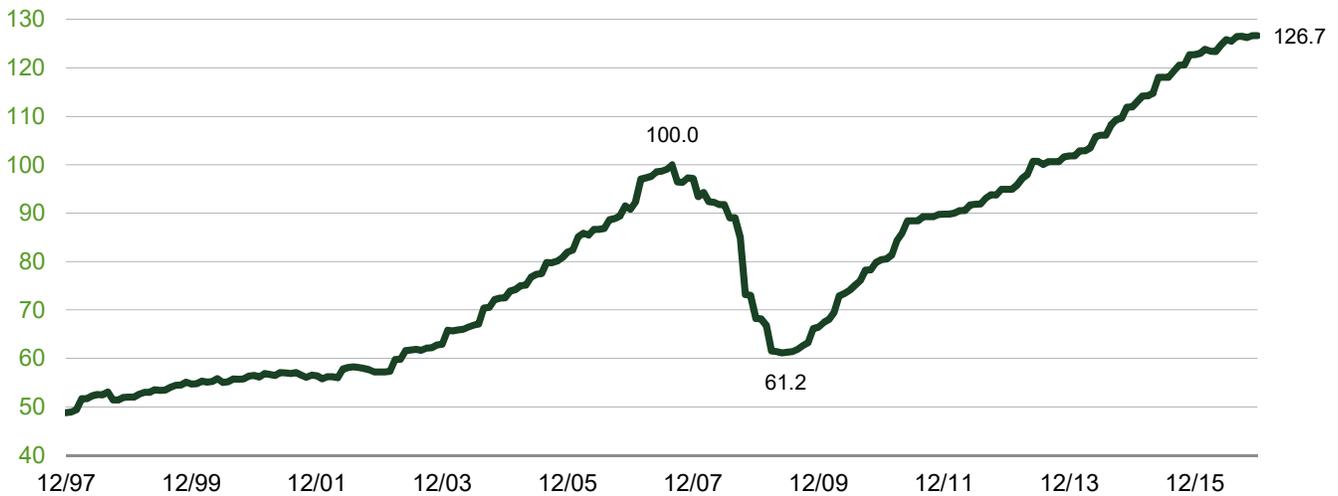
Green Street Advisors

## Green Street CPPI: All-Property Index

### Property Prices Unchanged

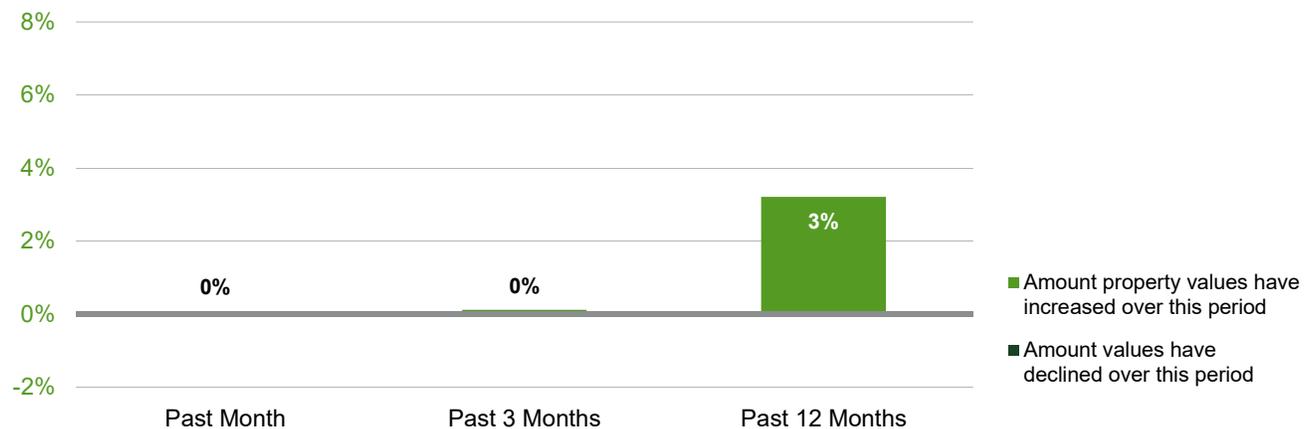
The Green Street Commercial Property Price Index was unchanged in December. Property prices rose 3% in 2016, with most of the gains occurring in the first half of the year. Values have been relatively flat since.

### Green Street Commercial Property Price Index



Green Street Commercial Property Price Index is indexed to 100 in August '07.

### Change in Commercial Property Values

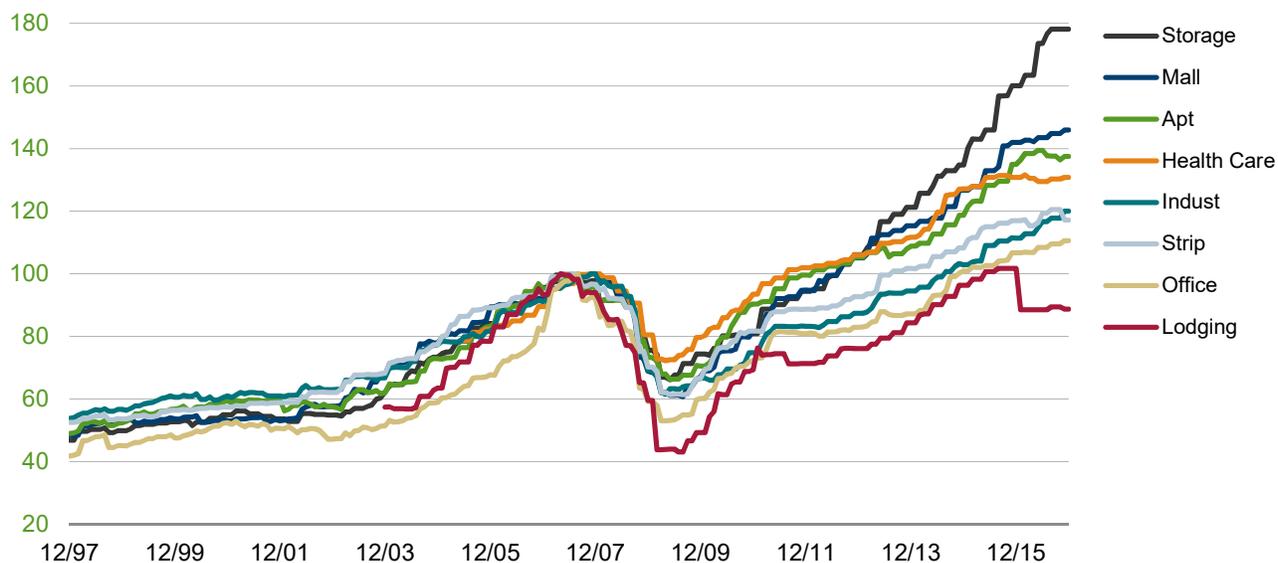


## Green Street CPPI: Sector-Level Indices

	Index Value	Change in Commercial Property Values		
		Past Month	Past 3 Mos	Past 12 Mos
Aggregate CPPI	126.7	0%	0%	3%
Apartment	137.5	0%	0%	2%
Industrial	120.1	0%	2%	8%
Mall	146.0	0%	1%	3%
Office	110.6	0%	1%	4%
Strip Retail	117.2	0%	-3%	0%
Health Care	130.8	0%	0%	0%
Lodging	88.7	0%	-1%	-13%
Self Storage	178.2	0%	0%	11%

Aggregate CPPI is an average of the five major sectors; it does not include health care, lodging, or storage. 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 Rothemund, CFA

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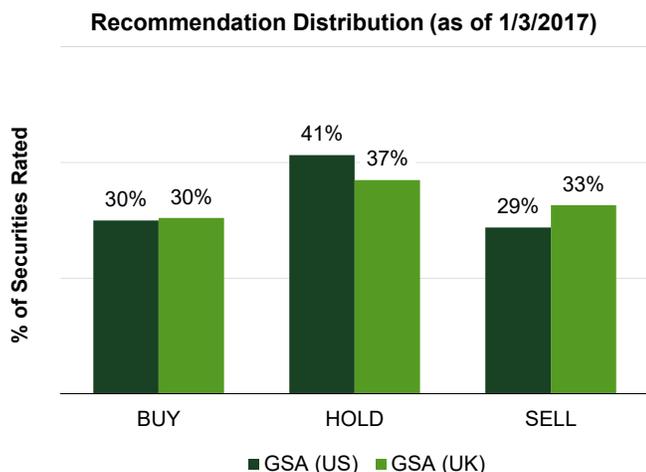
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Green Street's "BUYs" have historically achieved far higher total returns than its "HOLDs", which, in turn, have outperformed its "SELLs".

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

Year <sup>3</sup>	Buy	Hold	Sell	Universe <sup>4</sup>
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%	33.3%
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>15876.1%</b>	<b>1169.6%</b>	<b>30.1%</b>	<b>1350.7%</b>
<b>Annualized</b>	<b>23.6%</b>	<b>11.2%</b>	<b>1.1%</b>	<b>11.8%</b>

The results shown in the table in the upper right corner are hypothetical; they do not represent the actual trading of securities. Actual performance will vary from this hypothetical performance 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 hypothetical returns 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, can not be used to predict future performance.

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- Company inclusion in the calculation of total return has been based on whether the companies were listed in the primary exhibit of Green Street's "Real Estate Securities Monthly". Beginning April 28, 2000, Gaming C-Corps and Hotel C-Corps, with the exception of Starwood Hotels and Homestead Village, were no longer included in the primary exhibit and therefore no longer included in the calculation of total return. Beginning March 3, 2003, the remaining hotel companies were excluded.
- The returns for each year cover the period following the first "Real Estate Securities Monthly" issued in the respective year through the first "Real Estate Securities Monthly" issued in the following year and are not based on a calendar year.
- All securities covered by Green Street with a published rating that were included in the calculation of total return. Excludes "not rated" securities.

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



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