

November 2023

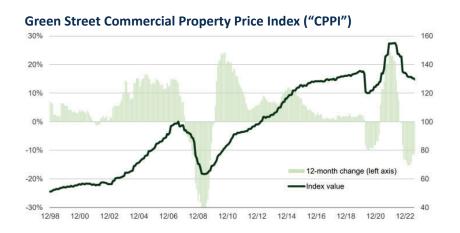


November 2023





## As of September 2023, Property Price Index Fell 16% Since It Last Peaked in March 2022



| Change in CPPI Values<br>by Property Type | Past 12<br>Months | Recent<br>Peak<br>(03'22) |
|---|-------------------|---------------------------|
| Office                                    | -27%              | -31%                      |
| Apartment                                 | -16%              | -22%                      |
| Strip Retail                              | -8%               | -15%                      |
| Mall                                      | 2%                | -16%                      |
| Industrial                                | 2%                | -7%                       |
| Lodging                                   | -4%               | -5%                       |
|   |                   |                           |
| <b>Green Street CPPI</b>                  | -11%              | -16%                      |

Nationally, office properties have experienced the largest drop in values in the last 1.5 years, followed by apartments.

Source: Green Street Commercial Property Price Index. Tracks the pricing of institutional-quality commercial real estate, as of 9/30/2023.

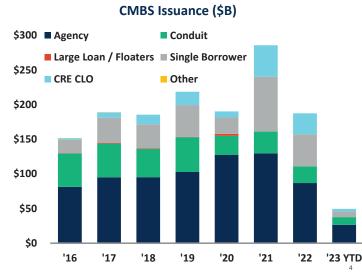
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# MACCO F F T I

#### **CRE Debt Flows Plummeted in 2023**

Borrowing and lending dropped sharply in 2023 following rising debt costs, declining asset values, and various sector specific challenges. The severely constrained lending conditions are likely to continue in the immediate future.



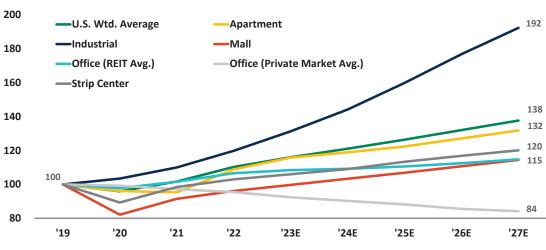




### **Office Private Market Sector NOI Declining**

Office private market NOI has been declining and is expected to stay on this trajectory despite robust growth exhibited by other property types over the same period.

### Net Operating Income Growth



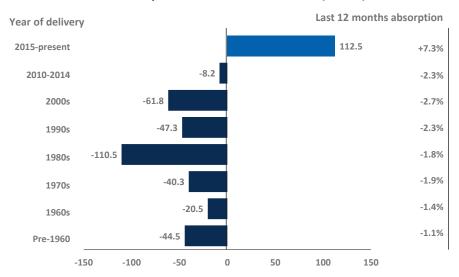
Source: Green Street Debt Insights (October 2023)

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# **Competing for Tenants, Only Top-Tier Office Properties Are Seeing Positive Net Absorptions**

#### Net Absorption Since COVID-19 Onset (mln sf)



Source: JLL Research; data as of Q2'23

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Title search: Leasing and Real Estate Issues - Are We Prepared for the Office Apocalypse?

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First appeared as part of the conference materials for the  $42^{nd}$  Annual Jay L. Westbrook Bankruptcy Conference session "Leasing and Real Estate Issues - Are We Prepared for the Office Apocalypse?"