

Commercial Property Pricing Held Steady In April **Prices aren't going up but they're not going down either.**

By Lynn Pollack

The Green Street Commercial Property Price Index held steady across all asset types in April. The firm's all-property index is up just 0.2% this year, in stark juxtaposition to last year's 24% increase.

"Commercial property prices are not going up anymore, but for the most part, they're not going down either," said Peter Rothmund, Co-Head of Strategic Research at Green Street. "That's about as good as one could hope for in this environment, and a lot better than bonds and stocks, which have both lost about 10% in value as interest rates have increased."

Green Street's index is a time series of unleveraged US commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. The firm says the index is differentiated by its emphasis on high-quality properties and its ability to capture changes in the aggregate value of the commercial property sector.

Between February and March, the headline rate for US commercial real estate property price growth slowed for the first time after 17 straight months of increases, according to Real Capital Analytics. The company's CPPI national all-property index dropped 0.4% during that time, the first month-over-month decrease since June 2020.

Deal flow, however, is continuing apace. Sales across all asset classes increased overall by 56% in Q1 over the same period a year ago and pushed up 47% in March over prior year totals, according to RCA's latest US Capital Trends. Individual asset sales increased at 58% year over year in Q1, slightly outpacing the overall market, while entity-level deals totaled \$11.8 billion.

But "closing a commercial property transaction is a process measured in months and weeks however, so the activity through the end of March likely reflects sentiment from the start of the year," RCA's Jim Costello noted in that report. "The fallout from recent uncertainty, if any, would likely be seen in the coming months."