

Commercial Real Estate Prices Have Surpassed Pre-Covid Levels

August 5, 2021 | Kelsey Neubauer, Bisnow New York City (<https://www.bisnow.com/author/kelsey-neubauer-224160>) (<mailto:kelsey.neubauer@bisnow.com>)



U.S. commercial real estate property values overall have surpassed their pre-pandemic rates.

Green Street (<https://www.bisnow.com/tags/green-street>)’s commercial property price index (<https://gs-prod-usw2-website.s3.us-west->

[2.amazonaws.com/uploads/2021/06/04142416/GSCPPI20210805.pdf](https://www.amazonaws.com/uploads/2021/06/04142416/GSCPPI20210805.pdf)), which is determined by the net asset values of properties owned by real estate investment trusts, hit 137 last month, 1.3% above where the index sat in February 2020.

“With interest rates as low as they are, private equity shops flush with capital, and many REITs in the bidding tent as well, further price gains are expected,” Green Street co-Head of Strategic Research Peter Rothmund (<https://www.bisnow.com/tags/peter-rothemund>) said in a statement.

July’s prices were up 14% up year-over-year and 2.4% higher than they were in June. Before last month, February 2020 had the highest index since at least 1998, according to Green Street.

Mobile home park values, self-storage and industrial properties grew the fastest last month; since the coronavirus pandemic hit, all three types of property have seen over a 20% uptick.

Not all asset classes saw a boost, though — retail, office and hospitality have all taken a hit since the pandemic began. Mall values went down the most — 18% below their pre-pandemic value, with office down 8%, retail down 7% and lodging down 7%.

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