



The real alternative to alternatives

Looking for an investment opportunity that provides competitive returns with a strong income component? **Look no further than under your feet.**

Investment in farmland:

- is an excellent portfolio diversifier
- has historically provided a strong hedge against inflation
- has been resilient in times of financial stress
- benefits from favorable long-term demographics to drive demand

With USD 2.5 billion in assets—comprising over 283,000 acres in 16 key agricultural states—we are one of the largest managers of US farmland and offer over 40 years of investment experience.

Have you considered adding farmland as part of your real estate portfolio or as a complement to your alternatives portfolio?

Find out more at: ubs.com/realestate-us

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In my Chair's Report this summer, I noted that central banks were moving in an accommodative direction after an extended period of elevated rates. In fact, the Federal Reserve lowered rates by 50 basis points (bps) in September and just announced a 25bps move in the same direction. It is motivated by gradual progress toward its 2% inflation target and some signs of a slowing labor market. In the lead-up to its September cut, worries were also surfacing over the sufficiency of returns to massive corporate investment in artificial intelligence (AI).

Those AI concerns could explain why the NASDAQ Composite Index lagged broader indices including the S&P 500 and MSCI World during the quarter. Talk emerged of a rotation out of previously high-flying sectors such as tech and into value-related categories. Public real estate has been among the beneficiaries of inter-sector rotation. The FTSE Nareit US Real Estate All REITs Index rose by more than 16% during 3Q2024. Private real estate returns were more muted over the same horizon. The NCREIF Property Index Expanded (NPI) rose by 0.83%, with income returns offsetting a small negative appreciation figure.

Employment numbers and headline index returns give us important data about the economy and real estate marketplace. Dialogue with our industry peers is just as important to understanding what's happening in our sector and the broader macroeconomic and geopolitical contexts in which we do business. Those of you who attended PREA's Annual Investor Conference in Washington, DC, can attest to the quality and breadth of information exchanged. Sessions covered international affairs, liquidity solutions, banking and finance, data centers, and the relationship between global elections and the economy. Leading up to the presidential election in the US, we heard detailed analysis of how the decision would influence policies across the domains of trade, immigration, and regulation, with implications for inflation, interest rates, and even REIT prices.

I had the pleasure of joining a panel on the undersupply of US housing and the ways investors are addressing it. The dinner reception featured a moving and humor-filled discussion between Roy March and Trevor Noah. The concluding keynote breakfast gave us the opportunity to hear from Conference Co-Chairs Julie Donegan and Drew Goldman, in conversation with Sonny Kalsi on the key issues they see as major institutional investors. Please join me in thanking them, their fellow Co-Chair, Sarah Jancot, and all who enlivened the conference with their presence, ideas, and perspectives. [See a recap of the event here.](#)

As at all major conferences, PREA's affinity groups met in Washington. These smaller-scale gatherings give members opportunities to focus on topics of particular interest, such as capital markets, development, and innovation. Their conference meetings occur during the lunch hour, either onsite at the hotel or nearby as members embark on property tours or other activities relevant to their areas of interest. If you have not yet joined one of these groups, I encourage you to [explore the options here.](#)

Additional opportunities for more personalized interaction include PREA Near You (local meetings of members in cities across the country) and the PREA Institute (held each summer in collaboration with a university real estate center). Be on the lookout for announcements of these dynamic events. And on November 21, PREA Director of Research Greg MacKinnon will host a [webinar on retail](#) with experts Colin Rosenbaum (CBRE Investment Management) and Vince Tibone (Green Street Advisors). Your member benefits extend throughout the year and across a variety of media, offering myriad ways to stay on top of market activity and in contact with your industry colleagues.

Regards,

Anar Chudgar

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