

Quick Take: Informational

Apartments and Office

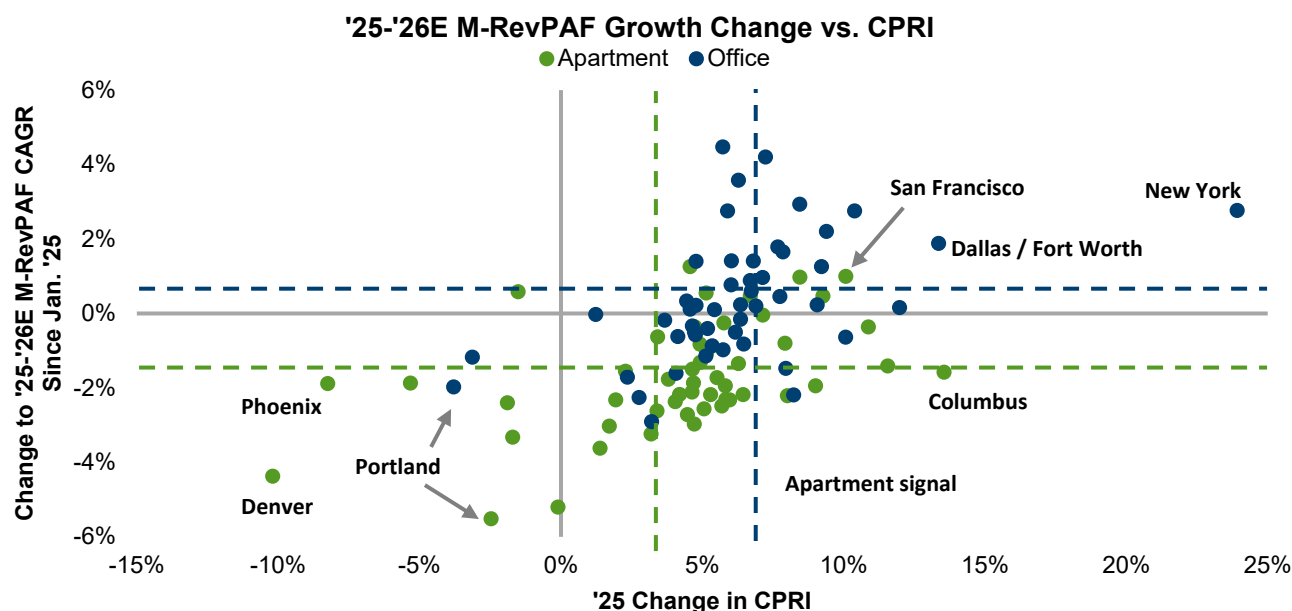
Riding the Wave



March 10, 2026

Thoughtful private market and sector selection provide a valuable opportunity to generate alpha. Consistent upward adjustments to near-term growth expectations – in other words, repeated positive surprises – will often lead to outsized returns. [The ensuing momentum in total returns tends to be sustained](#), and this is why we have recently increased the momentum variable in our market selection process. Two recent examples are instructive. Recurring upward adjustments to near-term growth in the office sector, especially in cities with strong return-to-office trends, show operational momentum as rent and occupancy growth recover in certain markets. By contrast, a tough labor market and slowing population growth are near-term concerns for the apartment sector, where returns have been mediocre, and M-RevPAF growth forecasts (combined changes in rent and occupancy) for '26 and '27 were recently cut further.

- **New York office** is a prime example, with a 280 bp positive adjustment to '25-'26 M-RevPAF growth vs. the forecast set in January '25 correlated with Green Street's Commercial Property Return Index (CPRI) growing 24% in '25. The market ranks 6th/50 on risk-adjusted expected return and is likely to have the highest rent and occupancy growth in '26 and '27.
- **Portland apartment and office** signals currently mirror each other, and '25-'26 rent and occupancy growth forecasts have seen some of the largest negative surprises. The market continues to face [societal challenges and business outmigration](#), which has hurt returns.
- **Columbus apartments** are a rare example where Green Street is going against recent operational momentum. The market hit an inflection point in '25 with a significantly positive return, but [the prospective supply pipeline continues to build](#), challenging the potential for further rent growth.



Source: Green Street

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