

# Nuveen Global Cities REIT year end update

Marketing communication | 31 Mar 2025

Nuveen Global Cities REIT, Inc. (GCREIT) continues to seek value for our investors on a global scale, while constructing and managing a portfolio that we believe is resilient in the current market environment and well positioned to capture the upside of what is to come as the next cycle appears to have begun for U.S. real estate. Core real estate has produced two consecutive quarters of positive total returns which has historically indicated the recovery phase of the cycle.<sup>1</sup>

Institutional investors entered 2025 slightly under their target real estate allocations, which could help spur investment into the asset class in 2025. Transaction activity in Q4 2024 was up 32% year over year as valuations have stabilized.<sup>2</sup> Traditional lenders have re-entered the market causing spreads to tighten and, in turn, helping to partially offset elevated interest rates. Transaction pricing remained flat in Q4 with green shoots in retail and industrial, both with annual pricing gains.

Fundamentals may continue to benefit as the supply pipeline has dropped significantly due to higher interest rates and inflationary development costs. It is our expectation that occupancy rates and rental growth may steadily grow and may drive healthy net operating income margins. The potential for interest rates to moderate over the hold period may create additional upside through capital appreciation, but the income potential alone could offer appealing investment opportunities in 2025.

With a focus on defensive cash flow and high quality, core assets, Nuveen Global Cities REIT, Inc. (GCREIT) will leverage its strong balance sheet, local Nuveen Real Estate sector teams and top-down research driven approach to acquire assets that provide the best relative value and risk adjusted returns. GCREIT continues to be well positioned as an active buyer in today's repriced market and has recently acquired two transactions in high convictions sectors:

**Necessity Retail:** We believe strong fundamentals, limited supply, and solid tenant demand combined with reset pricing have set the asset class up for a solid recovery. The retail real estate sector may offer the resilient income and growth investors are seeking. In the U.S., we believe grocery-anchored retail appears to be set up for solid performance. Renewed retailer demand and lack of new construction have combined to produce historically low vacancy rates. Meanwhile, tight vacancy (at 5.9%) supports growing rents at grocery-anchored centers, resulting in 3.8% market rent growth year over year.<sup>3</sup> We believe this sector may be positioned for favorable returns and management sees meaningful opportunities in the grocery-anchored space.

## *Recent Retail Transaction: Short Pump Station*

In Q4 2024, GCREIT acquired a Trader Joe's anchored retail property in Richmond, Virginia.

In addition to a high performing Trader Joe's, the rent roll is comprised of 20 diverse necessity retail, food & beverage, and soft service & goods tenants with rents substantially below market allowing for future mark to market upside.

Richmond's population and median income growth have outpaced the national average in recent years leading to sustained growth and healthy fundamentals in the Short Pump submarket.<sup>4</sup> Submarket vacancy has compressed deeply in recent years driven by the lack of supply since 2017 and positive demand post-covid.

This investment increased the overall retail exposure to 12.5% and decreased the REIT's weighted average cost of debt as accretive, long term, fixed rate debt was assumed with this transaction.



This material must be preceded or accompanied by a prospectus for Nuveen Global Cities REIT, Inc. This material does not constitute an offer to sell or a solicitation of an offer to buy any security. An offering is made only by a prospectus to individuals who meet minimum suitability requirements. This sales literature must be read in conjunction with a prospectus in order to understand fully all the implications and risks of the offering of securities to which it relates. A copy of the prospectus must be made available to you in connection with this offering. No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of these securities or determined if the prospectus is truthful or complete, or determined whether the offering can be sold to any or all purchasers in compliance with existing or future suitability or conduct standards including Regulation Best Interest. Any representation to the contrary is a criminal offense.

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**Industrial:** We believe structural demand tailwinds like e-commerce growth and supply chain modernization and diversification will stimulate demand for distribution and last mile facilities. Despite short-term supply headwinds, especially for bulk logistics, supply risk is receding. It has been a decade since starts were this low for U.S. industrial.<sup>5</sup> Because development timeframes are typically measured in years, muted new starts will translate into muted deliveries over the medium-term.

## *Recent Industrial Transaction: Mountain View Industrial*

In Q1 2025, GCREIT acquired a 260,000 square foot, 100% occupied, state-of-the-art class A light industrial building in the Riverton submarket of Salt Lake City, UT.

The property was acquired off-market at a substantial discount to both replacement cost and recent trades in the area adding to GCREIT's portfolio of attractive industrial investments.

Salt Lake City is a target market for industrial due to consistent positive population growth over the past 10 years which has driven local economic conditions in turn creating the need for more industrial space. Salt Lake City has the fourth lowest industrial vacancy among all major U.S. markets with Riverton vacancy averaging just 2% over the last 10 years.<sup>6</sup> Additionally, the Property is well located with direct access to major thoroughfares providing easy access to the broader Salt Lake City market.



Management believes Nuveen Real Estate remains fully capable of investing and supporting all of its client portfolios and is committed to the welfare of its employees and clients. We have the benefit of the resources, planning and strategy across Nuveen

Real Estate and its parent, TIAA, a 100-year-old company with more than \$1.3 trillion of assets under management as of 30 Dec 2024. TIAA's initial \$300 million investment into GCREIT provides true co-alignment and attention from Nuveen Real Estate and its leadership team.

We believe GCREIT's commitment to quality, diversification and strategic portfolio construction will continue to offer an attractive relative return.

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**For more information contact: 800.752.8700 or visit [nuveenglobalreit.com](http://nuveenglobalreit.com)**

1 NCREIF ODCE; Nuveen Real Estate Research Q4 2024.

2 RCA, February 2025.

3 CoStar as of Q3 2024.

4 CoStar, February 2025.

5 CoStar, Nuveen Real Estate Research.

6 CoStar as of December 2024.

Clients should consult their professional advisors before making any tax or investment decisions. This information should not replace a client's consultation with a professional advisor regarding their tax situation. Neither Nuveen nor any of its affiliates or their employees provide legal or tax advice. Tax rates and IRS regulations are subject to change at any time, which could materially affect the information provided herein.

A copy of the Nuveen Global Cities REIT, Inc. prospectus is available at [www.nuveen.com/gcreit](http://www.nuveen.com/gcreit).

## Important disclosures:

All portfolio data in this commentary is as of 31 Dec 2024, unless otherwise disclosed. This material contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved.

You should carefully review the "Risk Factors" section of our prospectus for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Financial professionals should independently evaluate the risks associated with products or services and exercise independent judgment with respect to their clients.

Nuveen Real Estate is a real estate investment management holding company owned by Teachers Insurance and Annuity Association of America (TIAA). Nuveen Securities, LLC, member FINRA and SIPC, is the dealer manager for the Nuveen Global Cities REIT, Inc. offering.

## Risk factors:

Nuveen Global Cities REIT, Inc. is a non-listed REIT, which offers limited liquidity as compared to other products, such as publicly listed REITs. Investors in Nuveen Global Cities REIT, Inc. are not receiving publicly listed shares. An investment in Nuveen Global Cities REIT, Inc. involves a high degree of risk, including the same risks associated with an investment in real estate investments, including fluctuations in property values, higher expenses or lower expected income, currency movement risks and potential environmental liabilities. Please consider all risks carefully prior to investing in any particular strategy, including the following risks for Nuveen Global Cities REIT, Inc.:

There is no assurance that we will achieve our investment objectives.

You will not have the opportunity to evaluate our future investments before we make them, and we may not have the opportunity to evaluate or approve investments made by entities in which we invest, such as the International Affiliated Funds, which makes your investment more speculative.

Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases are subject to available liquidity and other significant restrictions. Further, our board of directors may modify or suspend our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.

The purchase and repurchase price for shares of our common stock is generally based on our prior month's NAV (subject to material changes as described above) and is not based on any public trading market. While we obtain independent periodic appraisals of our properties the appraisal of properties is inherently subjective, and our NAV may not accurately reflect the actual price at which our assets could be liquidated on any given day.

Our board of directors may also determine to terminate our share repurchase plan if required by applicable law or in connection with a transaction in which our stockholders receive liquidity for their shares of our common stock, such as a sale or merger of our company or listing of our shares on a national securities exchange.

We have no employees and are dependent on our Advisor and its affiliates to conduct our operations. Our Advisor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Nuveen Real Estate Accounts, the allocation of time of investment professionals and the fees that we pay to our Advisor.

We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.

This is a "best efforts" offering. If we are not able to raise a substantial amount of capital in the near term, our ability to achieve our investment objectives could be adversely affected.

There are limits on the ownership and transferability of our shares.

If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.

Our investments in International Affiliated Funds may be subject to currency, inflation or other governmental and regulatory risks specific to the countries in which the International Affiliated Funds operate and own assets.

The defined terms have the meanings assigned to them in the prospectus.