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Real Estate Stocks Improve but Offer Negative Return in First Five Months of 2023



CHART OF THE DAY

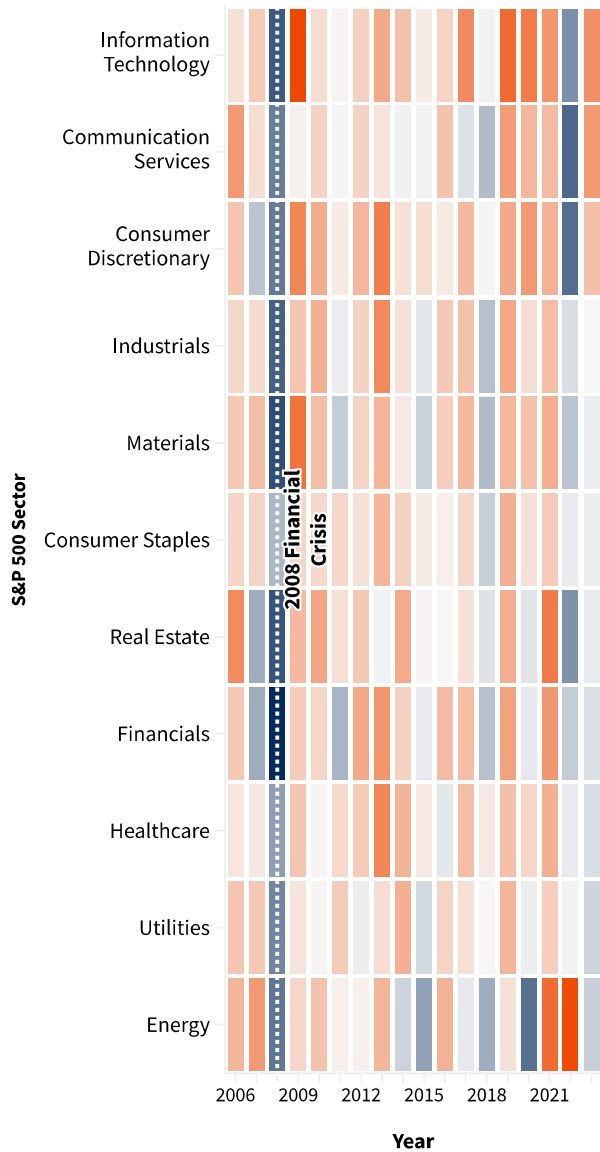
Real Estate Stocks Improve but Offer Negative Return in First Five Months of 2023

Performance Put Category in Middle Among Industries in S&P 500

Information Technology Leads Other Sectors in S&P 500 Annual Performance

Hover Over Tiles for Yearly Return Rates

Yearly Return Rates -60% 60%



By [Lou Hirsh](#) and [Nicole Shih](#)
CoStar News

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Stocks of real estate investment, management and development companies returns in the first five months of this year gave investors that can be considered at the middle of the

pack among industries tracked in the S&P 500, according to numbers from data firm Macrobond.

Figures showed the real estate category, consisting primarily of real estate investment trusts, had a return of negative 3.5% through May 30. That's not nearly as good as information technology, which led all categories with a positive return of 35%, but not as bad as the consumer discretionary category, with a negative 19% return year to date.

Technology in the first five months staged a turnaround from 2022, when it posted a full-year negative 29% return, despite this industry being among the biggest generators of layoffs and office space pullbacks in 2023.

Real estate is also doing relatively better in 2023, after stocks in the category overall registered a full-year 2022 return of negative 28%, according to Macrobond and S&P Global.

Analysts are on alert for changes in inflation, interest rates, employment and other factors that could alter the fortunes of all stock categories for the rest of 2023. Financial services firm LPL Financial cautioned that the S&P 500 could see a "June swoon," even if a deal reached on Capitol Hill to raise the debt ceiling provides a short-term lift to financial markets.

Much will depend on whether other stock categories can join a 2023 buying rally that has been dominated primarily by technology stocks, Adam Turnquist, chief technical research strategist for LPL, said in a May 31 report.