

Real Estate Information Standards

2012 Business Plan

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MISSION AND STRATEGIC OBJECTIVES

REIS Mission

- Establish and implement information standards for the real estate market to facilitate informed investment decision making

Strategic Objectives

Establish Standards

- Create, develop and maintain transparent, consistent, complete and relevant reporting of financial and operating information to investors
- Respond to and provide guidance to external standard setting organizations on their real estate related initiatives

Implement Standards

- Engage and utilize existing resources of sponsors to promote awareness, education and compliance

Within 3 years, REIS will be recognized as the U.S. authority on private real estate investment information reporting because it:

- Supports efficient investor price discovery by facilitating comparative analysis, and performance measurement
- Assists managers by creating reporting efficiencies, transparency and consistency

**STRATEGIC OBJECTIVES AND 2012 TACTICAL ACTIONS, AND
MEASUREMENT**

Strategic Objectives and the Current Environment

Strategic Objective	Current Environment
<p>Create, develop and maintain transparent, consistent, complete and relevant reporting of financial and operating information to investors</p>	<p>Industry participants are reexamining products, metrics and relationships:</p> <ul style="list-style-type: none">•emphasis on risk management,•risk avoidance has led to an investor emphasis on core assets and less leverage•reevaluation of complicated financial structures,•greater understanding of impacts of financial leverage•revisiting inflation as an investment consideration. <p>This reexamination includes active conversations between investors and investment managers about:</p> <ul style="list-style-type: none">valuation practices,sustainabilityinformation requirements, andrisk-management practices.
<p>Respond to and provide guidance to external standard setting organizations on their real estate related initiatives</p>	<p>Certain regulatory bodies are proposing potentially inconsistent and conflicting standards.</p>
<p>Engage and utilize existing resources of sponsors to promote awareness, education and compliance</p>	<p>Investors are not sufficiently educated and engaged regarding REIS</p>

Strategic Objectives and 2011 Accomplishments

Strategic Objective	2011 Accomplishments
<p>Create, develop and maintain transparent, consistent, complete and relevant reporting of financial and operating information to investors</p>	<ul style="list-style-type: none"> • REIS Handbook-Volume I Exposure Draft (adopting release expected Q3, 2011) <ul style="list-style-type: none"> – Single -chapter approach to Create, develop and maintain compliance and verification – Added portfolio and asset risk assessment measures – Expanded performance metrics and disclosures – Maintained strategic alignment with GIPS and GAAP
<p>Respond to and provide guidance to external standard setting organizations on their real estate related initiatives</p>	<ul style="list-style-type: none"> • <i>GIPS</i> <ul style="list-style-type: none"> – Guidance Statement on Alternative Investment Strategies and Structures • <i>IVSC</i> <ul style="list-style-type: none"> – Technical Information Paper #1: Discounted Cash Flow Method for Real Property and Business Valuations • <i>OSCRE (response due 8/31)</i> <ul style="list-style-type: none"> – Investment Performance Standards
<p>Engage and utilize existing resources of sponsors to promote awareness, education and compliance</p>	<ul style="list-style-type: none"> • Established REIS Investor Committee • REIS Handbook webinar • Investor only webinar • Joined CFA Institute’s Approved Provider Program (CPE)

Strategic Objectives and 2012 Tactical Actions, and Measurement

Strategic Objective

Create, develop and maintain transparent, consistent, complete and relevant reporting of financial and operating information to investors

2012 Action Plan

Conduct annual review and update of REIS U.S. reference materials

Prioritize standards revisions for subsequent revisions to Handbook (after 2012)

Initiate research and development projects surrounding globalization and risk analysis

Measurement

Materials produced.

Education Sessions held.

Research and development progress reported in REIS Board face-to-face meetings

Strategic Objectives and 2012 Tactical Actions, and Measurement

Strategic Objective

Respond to and provide guidance to external standard setting organizations on their real estate related initiatives

2012 Action Plan

Monitor Foundational Standard Setting Organizations for REIS-relevant Activities and Engage Organizations on Those Issues

Measurement

Documentation that we kept pace and have made thoughtful decisions regarding each planned or issued pronouncement and our contacts with the various groups (calls, correspondence, etc)

Strategic Objectives and 2012 Tactical Actions, and Measurement

Strategic Objective

Engage and utilize existing resources of sponsors to promote awareness, education and compliance

2012 Action Plan

Develop and implement compliance assessment program

- 1) Finalize Handbook and checklists
- 2) Survey industry and gather self-assessment checklist copies to determine compliance status and gain industry feedback
- 3) Schedule “town meeting” sessions at NCREIF and PREA meetings to report survey results and seek feedback –Spring conferences

Continue engagement of investor community through webinars, presentations, etc.

Develop and implement ongoing education programs (web based on in-person) for industry participants

Draft endorsement letter and gather endorsement from a meaningful percentage of industry participants (investors, consultants and investment managers)-by November 30, 2012

Measurement

Compliance-Establish baseline so we can figure out where we are and define progress. Survey the industry and request self assessment forms for all products.

Industry Engagement-Prepare an endorsement letter that investors, consultants and investment managers can sign, their names could be listed on our web site.

REIS Board Objectives , 2012 Tactical Actions, and Measurement

Strategic Objective

Ensure standards process functions smoothly, promote standards via education and consistent communication with industry participants; sponsors and REIS team

2012 Action Plan

Oversee compliance assessment program development

Oversee and participate in ongoing education programs (web based or in-person) for industry participants

Develop and implement marketing and branding program

Measurement

Annual review of governing documents to ensure obligations to industry and defined duties are being met

Annual Report to Sponsors containing summary of standards changes and progress on major initiatives

REIS TEAM

REIS Board Members

REIS Board Chair

John Baczewski, *President, Real Estate Fiduciary Services, LLC*

REIS Board Members

Vacant

Rick Carlson (Independent)

(retired) Global Managing Partner – Real Estate Services, Deloitte & Touche, LLP

Blake Eagle (Independent)

Senior Advisor, NCREIF; (retired) Executive Director, NCREIF

Susan Hudson-Wilson (Independent)

(retired) Founder, Property and Portfolio Research, Inc.

Devon W. Olson

Director - Real Estate, Utah Retirement Systems

Joseph Pagliari (Independent)

Clinical Professor of Real Estate, University of Chicago Booth School of Business

Lynn Thurber

Chairman, LaSalle Investment Management

Charles Tschampion (Independent)

Director, Special Projects, CFA Institute; (retired) Managing Director, General Motors Asset Management

REIS Council Members

REIS Council Chair

Ken Greguski

Director, Global Head of Performance and Client Reporting, RREEF

Council Members

Neal Armstrong*

Director, Global Fund Finance, RREEF

Sally Ann Flood

Partner, Deloitte & Touche, LLC

Bruce Frank*

Senior Partner, Ernst and Young, LLP.

Maritza Matlosz*

Director, Real Estate Equity, BlackRock

Barbara McDowell*

Director, Portfolio Analytics, ORG Portfolio Management

Jeannie Murphy

Managing Director, Stockbridge Real Estate Funds

Tim Schlitzer*

Senior Investment Officer, MassPRIM

Candice Todd*

Executive Director, Morgan Stanley Real Estate

Jim Strezewski

Senior Vice President, LaSalle Investment Management

Rick Wincott

Executive Vice President, Altus Group US.-Research, Valuation and Advisory

REIS, Director of Operations

Marybeth Kronenwetter

Real Estate Investment Advisors, Inc

Joint Board and Council Permanent Workgroups

To keep abreast of industry initiatives, provide timely response to and forge alliances with other standard-setting bodies and increase industry awareness, the REIS Board has established five workgroups consisting of Board and Council members. (Chair in bold.)

Workgroup	Board Member	Council Member(s)	Other Members
Accounting and Valuation	Rick Carlson	Bruce Frank Neal Armstrong Sally Ann Flood Rick Wincott	Del Kendall (NCREIF Valuation Chair), Peter Bloomfield and Connie Tirondola (NCREIF Accounting Committee Vice-chairs)
Performance	Chuck Tschampion	Maritza Matlosz Barbara McDowell	Jamie Kingsley (NCREIF Performance Committee Chair), Bill Swiderski (PMC, Vice-chair) Ken Robinson (CFA Institute)

Board Sub-Committees and Task Forces

The Board has established sub-Committees and Task Forces to gather information and/or initiate projects(Chair in bold.)

Workgroup	Board Member	Council Member(s)	2012 action
Investor Committee	Devon Olson	Tim Schlitzer	Peter Crosson , David Julier, Mike Morrell (NCREIF Plan Sponsor Committee Chair), Nathan Zinn
Compliance			
Education		Ken Greguski	Stacy Gaskins/Gail Haynes
Globalization	Lynn Thurber	Ken Greguski Jim Strezewski	Working groups monitor technical convergence Monitor sister organizations; understand Sponsor goals
Risk Management	Joe Pagliari	TBD	Understand progress toward developing “common language”