



Real Estate Information Standards (REIS)

REIS NEWS November, 2009

Highlights:

- Plan sponsors indicate strong desire for standards during PREA Plan Sponsor Council Meeting
- Webinar on Debt Valuation planned for December 10 and 15 – in time for year-end reporting
- FASB defers sensitivity analysis disclosures
- REIS Fair Value Accounting Policy Manual to be updated and in time for year-end reporting

Strong Desire for Standards expressed at PREA Plan Sponsor Council

On October 27, Michael Giliberto, REIS Board member, made a [presentation](#) about REIS to the PREA Plan Sponsor Council. The presentation which addressed the investor community's need for REIS and its support for current and future REIS initiatives was well received. As part of our continuing initiative to increase industry awareness of REIS, a similar presentation is planned during the [February NCREIF Conference](#) in Miami, Florida.

Webinar on Debt Valuation-December 10 and 15

On December 10 at 2 PM Eastern and again on December 15 at 10 AM Eastern, the REIS Council will host a one-hour webinar on debt valuation. The webinar will provide education and guidance on the differing debt valuation methods used in our industry (which were described in recently issued [REIS guidance](#)) and explore how net asset values and performance returns of two identical investments may be different when different methodologies are selected. In order to promote comparability across investments and funds, expanded disclosures for year-end reporting will be suggested. Webinar participants will be polled to assess the industry's current views on debt valuation and the suggested disclosures. Poll results will be used by the REIS Council and Board to as input to future REIS initiatives. Investors, advisors, accountants, portfolio managers, performance analysts and consultants are encouraged to attend the webinar. Registration materials will be sent to all PREA and NCREIF members around December 1.

FASB Defers Sensitivity Analysis Disclosures

During its November 11 meeting, the FASB Board decided to defer the consideration of Level 3 (unobservable inputs) sensitivity disclosures which were described in the Proposed Accounting Standards Update, *Fair Value Measurement and Disclosures (Topic 820), Improving Disclosures about Fair Value Measurements*. The valuation of real estate investments is primarily dependent upon unobservable inputs. The [REIS comment letter](#) addressed the pitfalls of providing meaningful sensitivity disclosures within the audited financial statements. The FASB plans to reconsider the sensitivity disclosures as part of the joint fair value measurements project.

Fair Value Accounting Policy Manual

The annual update of the REIS Fair Value Accounting Policy Manual will be available by year-end. Upon approval by the REIS Board, it will be incorporated into the REIS Standards document which is available at www.reisus.org.

REIS News is published monthly and provides a status report of significant developments within REIS and the foundational standards' bodies on which it depends (USPAP, U.S. Fair Value GAAP, and GIPS). More detailed information can be found at www.reisus.org.

