



Real Estate Information Standards (REIS)

REIS NEWS
December, 2010

Highlights:

- REIS organization responds to FASB exposure draft, *Leases*, expressing industry concerns.
- Progress on REIS Handbook continues. Exposure draft expected in first quarter 2011.
- REIS organization reaches key goals in 2010

REIS Organization responds to FASB exposure draft,

On December 15, the REIS organization submitted a [response](#) to the FASB's proposed accounting standards update, *Leases*. Our response argued for a scope exemption for our industry as the proposed accounting for lessors would distort our financial statements rather than increase comparability and transparency. We also indicated that the proposed accounting for both lessors and lessees may have significant unintended negative consequences to the business fundamentals of investing in real estate. Members of the NCREIF Accounting Committee actively participated in this effort.

REIS Handbook

The REIS Council is undertaking a comprehensive evaluation and review of the proposed REIS Handbook. The Handbook has been designed to facilitate compliance with the REIS standards. REIS compliance is a top priority for the 2011 strategic agenda. An exposure draft of the REIS Handbook is expected to be made available for public comment during the first quarter of 2011.

REIS Organization reaches key goals in 2010

During 2010, the REIS organization reached key goals and we anticipate even more progress in 2011.

Goal: Increase industry awareness by engaging and educating industry participants on REIS matters

- *Survey:* Conducted baseline survey of investor community which evidenced support for REIS initiative but need for more awareness (Quarter 1)
- *Presentations:* NCREIF winter conference (February); Appraisal Summit (July); Annual GIPS Conference (October); PREA Reporting and Valuation Affinity Group (October); Appraisal Institute webinar (November)
- *Publications:* *Why REIS is Important to our Industry*, (NCREIF Real Estate Performance Report and PREA Quarterly, Quarter 1) *A Common Goal: Real Estate Information Standards-the Time is Now*, published by Institutional Real Estate Letter North America (October)

Goal: Develop and refine real estate specific standards and guidance

- Issued REIS Performance Measurement Resource Manual
- Updated Fair Value Accounting Policy Manual for conforming changes

Goal: Respond to and provide guidance to established standard setters on their initiatives

- *Valuation:* IVSC Exposure Draft for New International Valuation Standards (9/10)
- *Performance:* GIPS Exposure Draft Guidance Statement on Real Estate (11/10)
- *Accounting:* Met with FASB staff to discuss fair value considerations for the real estate industry (Quarter 4); Comment letters- *Fair Value Measurements and Disclosures; Leases*

We look forward to the challenges that lie ahead and appreciate the industry's continued support.

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.