



Real Estate Information Standards (REIS)

REIS NEWS February, 2010

Highlights:

- Performance Measurement Resource Manual available for public comment until April 1, 2010
- GIPS 2010 issued requiring annual external appraisals and closed-end fund metrics
- REIS Council approves REIS hierarchy; REIS handbook to be developed by year end.

Performance Measurement Resource Manual

The [Performance Measurement Resource Manual](#) is available for public comment on the REIS web site until April 1, 2010. The Manual provides detailed calculation instructions on property, investment and fund level time-weighted returns, IRRs, equity multiples and other metrics and also provides a list of recommended performance disclosures and a sample performance presentation. Comments are encouraged.

GIPS 2010

On January 29, 2010, the GIPS Executive Committee adopted [GIPS 2010](#). The GIPS Standards are the foundational standard for performance measurement within the REIS Standards. Most notably for real estate, the 2010 version of the GIPS Standards requires external valuations every twelve months beginning on or after January 1, 2012 unless client agreements stipulate otherwise. However, the maximum period between external valuations cannot exceed 36 months. In addition, from periods beginning on or after January 1, 2011, the GIPS 2010 Standards also require calculation and presentation of since inception IRR and other multiples for closed-end funds. Finally, the 2010 version of the GIPS standards has new compliance statement requirements: one for firms which are verified; one for Composites of a verified firm that have also had a performance examination; and one for firms that have not been verified.

REIS Hierarchy

The REIS Council has approved the REIS hierarchy-a significant first step in the preparation of the REIS Handbook. The REIS hierarchy includes two levels: Level A which includes the existing four chapters of the REIS Standards; and Level B which includes REIS Interpretations, REIS Manuals, REIS Guides and REIS Adopting Releases. Collectively, the REIS hierarchy includes the various sources of guidance and relative authority of such guidance issued by the REIS Board. The REIS hierarchy will be presented to the REIS Board for its approval in March. Work on development of the REIS Handbook will commence in March and is expected to be completed by year-end. The Handbook will facilitate compliance and verifiability of the REIS Standards.

Next REIS Council Meeting

The next REIS Council meeting will be conducted via teleconference at Noon Eastern on March 17, 2010. All are welcome to attend. Call in information and materials for the meeting will be posted on the REIS website (www.reisus.org) a few days in advance of the meeting.