



## Real Estate Information Standards (REIS)

REIS NEWS  
March, 2009

### **Highlights:**

- Preliminary task force findings for guidance on implementation of FAS 157 for debt discussed at March NCREIF conference: guidance to include illustrative examples
- REIS Council approves adopting release for REIS Accounting and Fair Value Accounting Policy Manual
- REIS Council approves prospectus to respond to exposure draft for GIPS 2010
- REIS Board and Council to hold strategic planning joint session March 26

### **Guidance on Implementation of FASB 157, *Fair Value Measurements for Debt***

At the March NCREIF conference, members of this guidance task force discussed preliminary findings from the task force deliberations. The task force is recommending a holistic approach to financial statement valuation, requiring fair value consideration of all financial statement elements. There are two principle drivers of the valuation process: market participant behavior and the value of the invested dollar. Preliminarily, the task force has concluded that the value of secured debt in certain circumstances may be par value; however an analysis must be prepared to support that valuation. Feedback emphasized the need for examples and illustrations on how to value debt which will be incorporated into the guidance document. Members of the task force will present its preliminary findings and seek feedback during the PREA Reporting and Valuation Affinity Group meeting on March 25. The timetable for completion of the project remains on schedule for delivery in May.

### **Adopting Release for REIS Accounting and Fair Value Accounting Policy Manual**

The REIS Council approved this document for submission to the REIS Board. After Board approval, the information will be incorporated into the REIS document in order to deliver useful information in time for first quarter 2009 reporting. Currently, the REIS Standard requires the preparation of fair value, U.S. GAAP financial statement information and the election of FASB 159, *The Fair Value Option* for all debt.

### **GIPS 2010 Exposure Draft**

The REIS Council approved the prospectus for submission to the REIS Board. The REIS Council and Board will submit a response and all firms are also encouraged to respond to the [exposure draft](#) by the July 1, 2009 deadline. Of particular importance for our industry, there are proposed requirements for annual external valuations for all properties beginning January 1, 2012 and new calculation, presentation and disclosure requirements associated with closed-end funds.

### **Joint Session of REIS Council and Board-March 26, 2009**

The REIS Council and Board will meet in open joint session from noon to 3 PM Eastern at the conclusion of the PREA Spring Conference. Interested parties can call 888-245-8770; room 344572 to hear the discussion. A substantial portion of the meeting time will be devoted to the development of a strategic plan for REIS including: hierarchy, applicability and verifiability.

*REIS News 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 about the REIS Board and Council (including meeting minutes) are available on the [REIS page of the NCREIF web site](#).*

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