



Real Estate Information Standards (REIS)

REIS NEWS

May, 2009

Highlights:

- REIS Council's support of new real estate provisions within GIPS 2010 Exposure Draft mixed.
- REIS Council supports responding to FASB on FSP 157-F; *Measuring Liabilities under FASB Statement No. 157*
- REIS Board and Council to meet together June 17, 2009 at NCREIF meeting in Chicago.

GIPS 2010 Exposure Draft

The REIS Council approved the REIS Council and Board response to the GIPS 2010 Exposure Draft. With respect to the real estate provisions, the REIS Council supported the additional requirements for closed-end funds including since inception IRR and the additional multiples. The REIS Council did not support the proposal to require annual external appraisals citing that market pressures should drive the frequency of external valuations if they are needed more frequently than every 36 months. The REIS Council also did not support the requirement to disclose component time-weighted returns. The REIS Standards currently recognizes two different fair value reporting models – the operating and non-operating models. Reported net asset values are the same under both models but components may differ, limiting the comparability of return components. The REIS Board will consider approval of the response to the GIPS Executive Committee during its June meeting and anticipates sending the response by the deadline of July 1, 2009. The REIS Council encourages all firms to respond to the [GIPS 2010 Exposure Draft](#), irrespective of support for its provisions.

Response to FSP 157-F

The REIS Council will draft a response to the FASB on the proposed FSP 157-F, *Measuring Liabilities under FASB Statement No. 157* and will submit it to the REIS Board for its approval and delivery to the FASB by the June 1, 2009 due date. The response is expected to address our industry's diverging treatments for Unit of Account and non-transferable debt and related ramifications of investment performance to the capital market. The response is not expected to draw conclusions as to preferable treatment as the work of the Implementation Guidance Task Force has not completed its deliberations.

Joint Session of REIS Council and Board

The REIS Council and Board will meet in open joint session on June 17 during the NCREIF conference. Discussions will focus on: Implementation Guidance for FAS 157; a 2-3 year strategic plan for REIS and a comprehensive re-write of the Standards document. The strategic plan will include the development of a comprehensive industry education and public relations effort for REIS to increase its level of industry acceptance.

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](#).

Two Prudential Plaza
180 N. Stetson Ave., Suite 2515
Chicago, IL 60601
312.819.5890