



# REIS

## REAL ESTATE INFORMATION STANDARDS

December 2, 2011

Ms. Leslie F. Seidman  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7, P. O. Box 5116  
Norwalk, CT 06856-5116

VIA Electronic Mail ([director@fasb.org](mailto:director@fasb.org))

**Re: Reference Numbers: 2011-210 and 2011-200**

Dear Chairman Seidman:

We are writing you to request granting an extension to the public comment period on the amendments to **ASC 946: *Financial Services - Investment Companies*** (IC) and the proposed **ASC 973: *Investment Property Entities*** (IPE) standards (collectively referred to as the "EDs") until February 15, 2012. We sincerely appreciate your willingness to engage in ongoing dialogue and collaboration particularly during the last year and hope you consider this request.

Our reasons for this request are described below:

***Building industry-wide consensus is time-consuming***

The task force assembled to prepare our response is a diverse group of private real estate industry practitioners including, investors, investment managers, accountants, appraisers, portfolio managers and performance measurement specialists. From discussions with the FASB staff, we understand you desire the industry's perspective, particularly from the investor community. We think the assembled team of industry participants successfully accommodates your request. At the same time, the benefits of the industry-wide task force also bring diversity in opinion. As you can appreciate, reaching supportable positions for our entire industry takes a significant amount of time to deliberate. Our process also includes significant input from the [Real Estate Information Standards \(REIS\) Council and REIS Board](#), the latter who ultimately executes our response.

***Comparable and consistent GAAP is of paramount importance to our industry***

The industry priority is to ensure that our response addresses the need for GAAP which results in comparable and consistent net asset value calculated on a fair value basis (FVNAV). This complex matter does not necessarily have an easy solution. The EDs may cause certain entities to account for its investments in a substantially different manner than what has been industry practice for more than 25 years. The issue is exacerbated because the accounting proposed within the EDs results in a FVNAV which may differ between ICs and IPEs.

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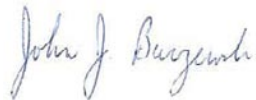


***Global investors are demanding convergence***

Under the best of circumstances, the deadlines established by the FASB to respond to the exposure drafts was aggressive. For example, the IASB issued its exposure draft, *Investment Entities* in August, whereas the FASB exposure draft, *Investment Companies* in October. Both responses are presently due on the same date. As our industry includes investors and managers who invest globally, we need to examine both proposals from the vantage point of a converged standard. As the positions taken in these two exposure drafts relating to key issues (e.g. consolidation) diverge, we need to thoroughly vet the issues which diverge to develop a consensus response. Similarly, the same rigor needs to be applied to our review and comments on the Investment Property Entities (IPE) in light of what has been established through IAS 40, *Investment Property*.

For the reasons mentioned above, we sincerely hope you will consider granting an extension until February 15, 2012.

Yours truly,

A handwritten signature in cursive script that reads "John J. Baczewski".

John J. Baczewski  
REIS Board Chair