

NCREIF

*National Council of Real Estate
Investment Fiduciaries*

*Performance
Measurement
Tools
and
Data Products*

Product Descriptions and Pricing

NCREIF Performance Measurement Tools and Data Products

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NCREIF Property Index (NPI)

Quarterly index tracking the performance of core institutional property markets in the U.S.

The objective of the **NCREIF Property Index (NPI)** is to provide a historical measurement of property-level returns to increase the understanding of, and lend credibility to, real estate as an institutional investment asset class.

- Comprised exclusively of operating properties acquired, at least in part, on behalf of tax-exempt institutions and held in a fiduciary environment.
- Start date is the fourth quarter of 1977; currently over 4,500 properties with a gross fair market value of over \$175 billion. Each property's return is weighted by its market value.
- Includes properties with leverage, but all returns are reported on an unleveraged basis.
- A "composite" index defined by the membership of NCREIF analogous to the NYSE Composite Index based on the stocks listed on that exchange.

Reported Measurements:	Across Property Types/Subtypes:	Across Geographies:
Property-level Returns: <ul style="list-style-type: none">- Total Return- Income Return- Appreciation Return	Apartment Properties: <ul style="list-style-type: none">- Garden Apartments- High-rise Apartments	Regions: <ul style="list-style-type: none">- East- Midwest- South- West
Other Measurements: <ul style="list-style-type: none">- Market Value- Number of Properties- Net Operating Income- Capital Improvements- Partial Sales	Industrial Properties: <ul style="list-style-type: none">- Warehouse Properties- R&D Properties- Flex Properties	Divisions: <ul style="list-style-type: none">- Northeast- Mideast- East North Central- West North Central- Southeast- Southwest- Mountain- Pacific
Over Time Periods: <ul style="list-style-type: none">- Quarterly- Annually- Calendar Years- Annualized Over Time- Since Inception	Office Properties: <ul style="list-style-type: none">- in CBD Locations- in Suburban Locations	States <i>(with sufficient sample size)</i>
	Retail Properties: <ul style="list-style-type: none">- Neighborhood Centers- Community Centers- Regional Centers- Super Regional Centers	Metropolitan Areas <i>(with sufficient sample size)</i>
	Hotel Properties	

NCREIF Property Index (NPI)

NPI Reports and Spreadsheets

All Reports and Spreadsheet files are available to Data Subscribers via the Data Access Log In area of the NCREIF web site.

Real Estate Performance Report

“Glossy” quarterly hard-copy publication with the NPI results by property type and geographic area. Included are graphics, statistical tables, market sector editorials, real estate investment industry overviews and results of special studies. The report also contains results for the Timberland Index and the Farmland Index.

NPI Detail Report (Adobe .pdf file)

- Return series by property type/subtype, region, division and MSA
- 3 sections stating returns for: past 5 quarters, calendar year and annualized
- Available in hard copy down to the 20-property level masking criteria

NPI Detail Spreadsheets (.csv file)

- Return series by property type/subtype, region, division and MSA
- Quarterly returns stated back to inception
- Available down to the 4-property level masking criteria

NCREIF Web Site Database Query Tools

NPI Database Query Screen

Members may use the query screen on the NCREIF web site to perform queries of the data using their self-selected criteria within the masking criteria. Sample query options include:

- Location: Entire U.S., Region, Division, State, MSA
- Property Type (and their subtypes): Apartment, Hotel, Industrial, Office, Retail
- Properties only held in open-end funds, or exclude those properties
- Properties with or without leverage
- Minimum/Maximum market value
- Returns that are value weighted (traditional approach) or equal weighted
- Income based on NOI or cash flow

NCREIF Operating Database Query Screen

In addition to collecting income and expense data that is used to calculate Net Operating Income on properties included in the NPI, NCREIF collects this data on non-NPI qualifying properties as well. Examples of non-NPI qualifying properties would be those with all taxable investors (such as public REITs or Insurance Company General Accounts) or non-core property types (such as Senior Housing or Self-Storage). This data allows you to see trends in different income and expense categories for selected property types and locations. The data is included in the NCREIF Operating Database and members can query this database on the NCREIF web site using a query screen similar to the one used for the NPI Database.

IRR Downloadable Tool

This tool is a downloadable Access database program with pre-calculated NCREIF indices included in the program that allows you to query any combinations of data by property type and subtype, and by geography (national, regional, divisional or MSA). User-friendly forms in the program allow you to simulate what the Internal Rate of Return (IRR) would have been if you purchased properties like those in the NCREIF database for a specified property type and location.

NCREIF Property Index Trends Spreadsheets

A quarterly report tracking the changes in both capitalization rates and net operating income (NOI).

Within the quarterly **Property Index Trends** spreadsheet file, the trends in capitalization rates or “cap rates” computed from the NPI properties sold each quarter are detailed across each major property type and major U.S. region.

Currently, on average, around 500 properties within the NCREIF property database are sold each year. NCREIF collects information about these sold properties, including the gross and net sale price. In fact, when a property is sold, the actual sale price rather than the appraised value is used to incorporate that property’s performance in the calculation of the NCREIF Property Index (NPI).

While NCREIF does not suggest that these capitalization rates be used to estimate the value of a particular property, they are a valuable source of trends in property values. There is no other database in existence that includes the depth of history on capitalization rates for institutionally owned investment real estate where the capitalization rates are based on actual sales rather than investor surveys.

In addition to these capitalization rates, vacancy rates are presented by property type and by region. Also included is the calculation of the percentage change in the aggregate Net Operating Income (NOI) among each quarter’s set of properties, as well as other measures that would help identify trends in real estate income property.

NCREIF Fund Indices

NCREIF Fund Level indices are designed to reflect the US institutional investor private equity real estate markets.

Open-end Diversified Core Equity (“NFI-ODCE”)

Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable US operating properties.

Funds included in NFI-ODCE must:

- be operated for institutional investors and available to U.S. Defined Benefit Plans.
- be marketed as an open-end fund that provides at least quarterly redemption provisions requests, exclusive of lockout periods.
- be marketed as a diversified core investment strategy, primarily investing in private equity real estate.
- comply with the NCREIF Real Estate Information Standards; including annual audits, quarterly valuations and time-weighted returns.
- meet the following investment guidelines;

Net Assets criteria

- **Real Estate** – at least 80% of market value of net assets is invested in real estate [no more than 20% of such assets invested in cash and/or cash equivalents]

Real Estate Net Assets criteria

- **Investments** – at least 80% of market value of real estate net assets in private equity real estate properties [no more than 20% of such assets invested in, but not limited to, property debt, public company equity/debt or private company (operating business) equity/debt].
- **Domain** – at least 95% of market value of real estate net assets in US markets.
- **Property Types** – at least 80% of market value of real estate net assets invested in office, industrial, apartment, and retail property types.
- **Life Cycle** – at least 80% of market value of real estate net assets invested in operating properties [no more than 20% of such assets invested in, but not limited to, (pre)development/redevelopment or initial leasing/lease-up cycles].
- **Diversification** – no more than 70% (\pm for market forces) of market value of real estate net assets in one property type or one region as defined by the NCREIF Property Index (“NPI”).

Total Assets Criteria

- **Leverage** – no more than 40% leverage. Leverage is defined as the ratio of total debt, grossed-up for ownership share of off-balance sheet debt, to the fund’s total assets, also which are grossed-up for such off-balance sheet debt.

Attributes of the NFI-ODCE Index:

- a capitalization-weighted, gross of fees, time-weighted return Index. Published reports also contain equal-weighted and net of fees information.
- set at 100 for income, appreciation and total return as of December 31, 1977 (same as NPI, the NCREIF Property Index).
- includes property investments at ownership share, cash balances and leverage (i.e. returns reflect the fund's actual asset ownership positions and financing strategy).
- consists of 14 active funds, representing approximately \$82 billion in gross assets and \$70 billion in net assets, as well as 12 legacy funds.

NFI-ODCE Reports and Spreadsheets

All Reports and Spreadsheet files are available to Data Subscribers via the Data Access Log In area of the NCREIF web site.

NFI-ODCE Preliminary Snapshot Report (.pdf file)

A two page report published approximately 8 business days following quarter-end with NFI-ODCE Index returns for current and previous quarters and annualized periods including 1, 3, 5, 10 years and since-inception. Returns are presented on a gross and net of fee basis, as well as on a value-weighted and equal-weighted basis. Stock, Bond and other market indices are also shown.

NFI-ODCE Report (.pdf file)

A16 page detail report published at month-end following quarter-end that shows returns, risk measures, percentiles, balance sheet, cash flows, occupancy and diversification by property type and region. An Index fund list, Index Policy and Glossary of Terms are also included.

NFI-ODCE Detail Spreadsheets (.xls file)

Quarterly return series, as well as other relevant data and statistics for the Index, and percentiles since inception.

NCREIF/Townsend Fund Index

This report presents the performance information of over 600 private equity real estate funds pursuing core, value added, and opportunistic investment strategies using both open-ended and closed-ended structures. The performance data is comprised of both active investments, representing over \$350 billion and 300 funds, as well as funds that have completed their full lifecycle or discontinued operations.

The return information is presented both in the time-weighted format which is most appropriate for open-end vehicles and vintage-year descriptive statistics which are most appropriate for closed-ended vehicles that exhibit performance patterns dependent on their lifecycle.

NCREIF Farmland Index

and

NCREIF Timberland Index

There are many NCREIF members that have Farmland and Timberland properties under management that are held on behalf of tax-exempt institutions. These managers report their income and market value data to NCREIF each quarter and NCREIF produces an Index on these properties. The Timberland managers also report their data on a fund-level to NCREIF each quarter for the newly released Timberland Fund Index.

Each of these indices are released each quarter with a Detail Report (.pdf file) and a Detail Spreadsheet file (.xls file). The format of these are similar to those released with the NPI each quarter. The Detail Reports have a past 5 quarter, calendar year and annualized return section. The Detail Spreadsheet includes all of the quarterly returns back to inception.

The NCREIF Farmland Index inception date is First Quarter 1991 and the inception date for the NCREIF Timberland Index is First Quarter 1987.

NCREIF Performance Returns Workbook

A publication that summarizes the collected knowledge relating to performance returns in a comprehensive document; standardizes the calculation of returns in the institutional real estate industry through the collection and presentation of formulas and calculations; and provides suggested guidance for the execution of the calculations presented in the Workbook through the use of examples and spreadsheet templates.

FYI – NCREIF hosts several seminars each year that guides students through the Workbook using Excel templates while sitting at individual PCs.

Data Product Pricing – Non Members

NCREIF Web Site Database Access

\$8,500 per year

Includes the following data products:

1. NPI Query Screen Tool
2. NPI Performance Report (“Glossy Report”)
3. NPI Quarterly Detail Spreadsheets
4. NPI Quarterly Detail Report
5. NPI Trends Spreadsheet
6. NCREIF Operating Data Query Screen Tool (includes non-NPI properties too)
7. IRR Downloadable Query Screen Tool
8. NCREIF Farmland Index Report & Spreadsheets
9. NCREIF Timberland Index Report & Spreadsheets

\$10,000 per year

For access to all of the above PLUS the NCREIF Fund Index products.

NCREIF Performance Report (“Glossy”)

\$1,500 per year for 1 copy each quarter

NCREIF Property Index Trends Spreadsheets

\$2,500 per year

Includes the following data:

1. Sold Property (Transactions) Data
2. Cap Rates
3. Vacancy Data
4. NOI Growth

NCREIF Fund Indices Reports & Spreadsheets

\$2,500 per year

Farmland Index Report & Spreadsheets

\$750 per year

Timberland Index Report & Spreadsheets

\$750 per year

Performance Returns Workbook

\$100 per copy

Non-Member Data Product Order Form

Product Order Form – Fax to 312.819.5891

Subscriber Information:

NAME: _____

COMPANY: _____

ADDRESS: _____

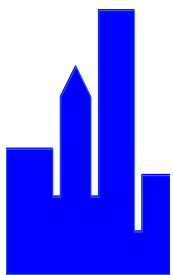
PHONE: _____ FAX: _____

E-Mail Address: _____

NCREIF Web Site Database Access	Non-Members	___ \$8,500/yr
Plus the NFI Products	Non-Members	___ \$10,000/yr
NPI Quarterly Real Estate Performance Report (“Glossy”)	Non-Members	___ \$1,500/yr
NPI Quarterly Detail Report	Non-Members	___ \$3,000/yr
NCREIF Quarterly Property Index Trends Spreadsheets	Non-Members	___ \$2,500/yr
NCREIF Fund Indices Reports & Spreadsheets	Non-Members	___ \$2,500/yr
NCREIF Timberland Quarterly Detail Report and Spreadsheets	Non-Members	___ \$750/yr
NCREIF Farmland Quarterly Detail Report and Spreadsheets	Non-Members	___ \$750/yr
NCREIF Performance Returns Workbook	Non-Members	___ \$100 each

Visa/Mastercard Number: _____ Expiration: _____

Note: Product invoicing is based on a pro-rated schedule, and will depend on which quarter your subscription begins. The following year’s subscription invoice will be mailed to you in December for the next calendar year.



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