



Performance Measurement Committee

**NCREIF Virtual
Summer Conference 2020**

July 13th



Performance Measurement

NCREIF INITIATIVES

New Initiatives

- Debt Mark to Market Reporting
- Chart of Accounts refresh (within NCREIF, not Global)
- Occupancy Aggregation Method



Performance Measurement

Update on Performance Manual

Changes to the Manual

- Reverted to the original structure
- Include hyperlinks and updated references
- Refreshed existing guidance for consistency and ease of use

Additional Notes

- Provided redline and clean version; formatting to be finalized post vote
- Very special thank you to Karol Vogel, Alden Johnson, Tanner Beverly, Jamie Kingsley, Marybeth Kronenwetter and James Hendriksen
- Additional thank you for those who provided feedback



Performance Measurement

Update on Performance Manual

Going Forward

- Looking to recruit small PNR Manual task force headed by a Chair / Vice Chair
- We need to set the roadmap for 2021 changes by the fall conference
- Additional ideas for updates to the manual are always welcome



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COVID 19 Impact

Impact on our roles

- Increased collaboration
 - Accounting
 - Deferral Methodology
 - Portfolio Management
 - Stress Testing Portfolios
 - Open End/Evergreen Separate Accounts vs Closed End– Not as big of concern on short term cash flows
 - Reviewing capital expenditures with Asset Management team & scenarios that put strain on investment level and fund level leverage facilities.
 - Will revenue impacts affects accounts ability to meet current debt covenants?
 - Asset Management
 - Work closely with tenants to manage rent relief/deferral requests
 - Maximize near term collections



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COVID 19 Impact

Impact on overall performance

- Overall performance impact
 - Downward pressure on income → Income due to abatements/bad debt → Appreciation
 - Deferred rent impact – varies by tenant
- Income Return
 - Volatility due to inconsistency is Bad Debt and Deferral Methodology between Advisors
- Appreciation
 - Increased transparency into valuation methodology
- Reviewing manager vs. manager performance – what do we need to know?



Performance Measurement

COVID 19 Impact

What can NCREIF do to help?

- Additional Benchmarking
 - Collection % by Sector
 - Tenant Mix/Quality of Tenants
 - Valuation Methodology
 - Review of reserves for bad debt
- Set guidance for consistent industry practices relating to valuation in light of lack of abundant transaction activity.