

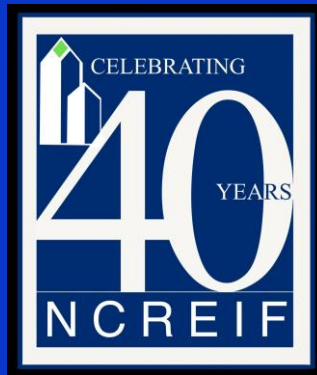
NCREIF

Summer Conference
2022



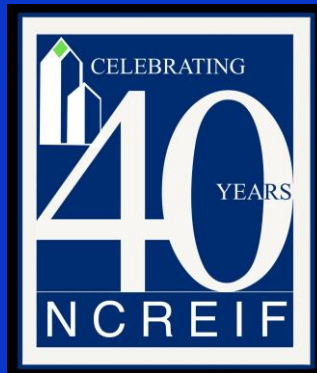
NCREIF Summer Conference 2022

Valuation Committee
Business

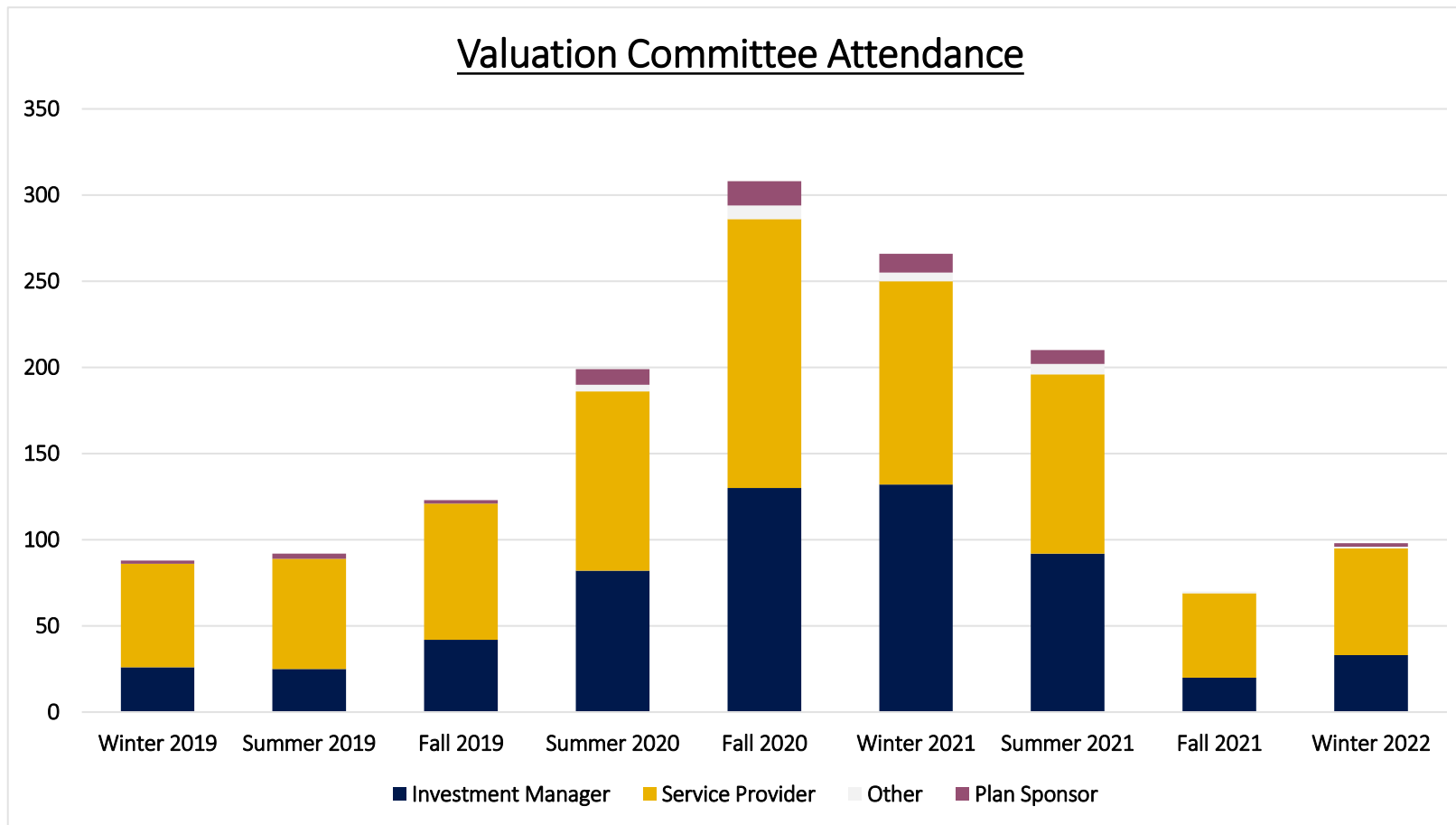


Valuation Committee Business

- Recap From Miami Conference
- Resuming Inside the Chief Appraiser's Office Discussion Series
- Development White Paper Update
- IAVS Update – Harris Markowitz
- TAFAC Update – Alyce DeJong
- NCREIF Valuation Metrics Update – Alyce DeJong
- Reporting Standards / NCREIF Debt Fund Update – John Kjelstrom
- Appraisal Institute Update – Bill Garber
- Hot Topics Open Discussion: ESG Underwriting

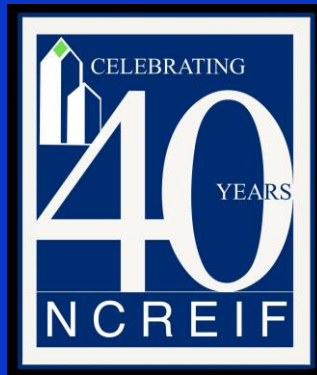


Recap Winter Conference

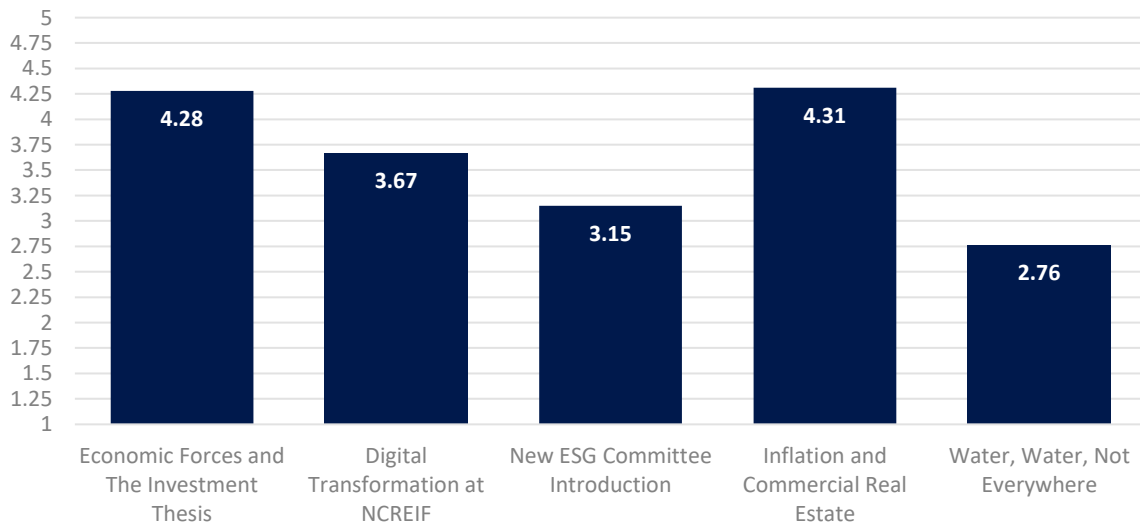


Recap Winter Conference

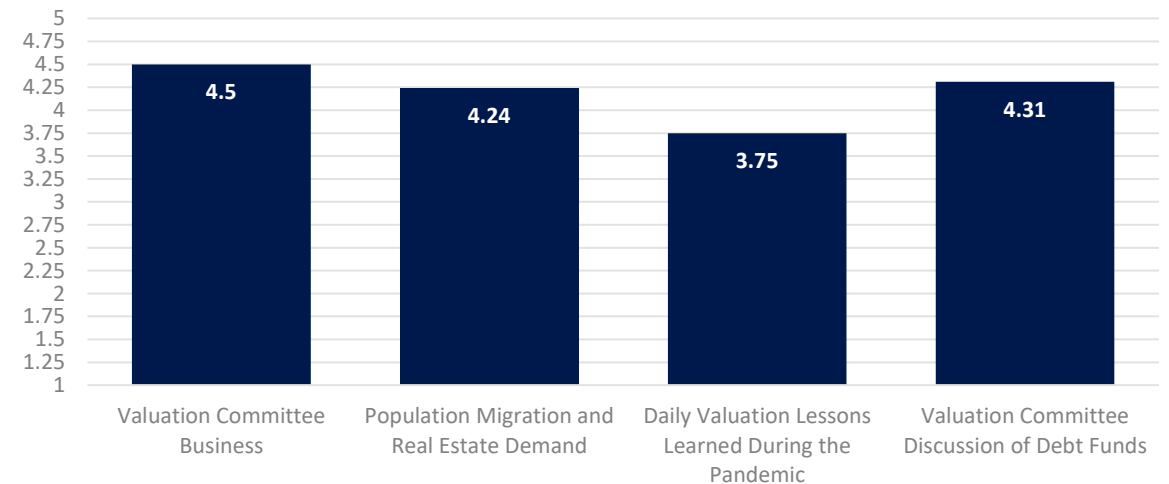
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Feedback General Sessions

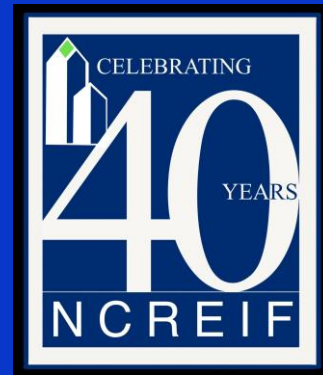


Feedback Valuation Committee Sessions



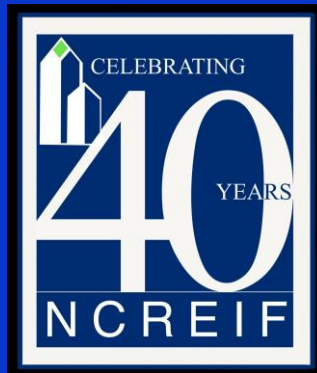
Suggestion for Discussion Topics

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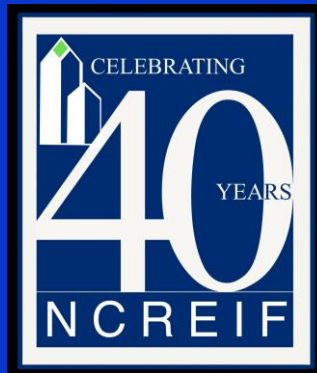
- ESG (4 requests)
- The "ask an investment manager" sessions from a couple years ago were great
- Continued discussions of the direction of asset types; Industrial, Retail, Office and Multifamily property sub-sectors
- Development Pipeline and Implications for the Industrial & Apartment Sectors
- **NCREIF Valuation Metrics Update**
- Impact of rising interest rates on capitalization and yield rates
- How valuers can use NCREIF data might be an interesting topic
- Credit Quality of Tenants
- More discussions on technology as it relates to valuation

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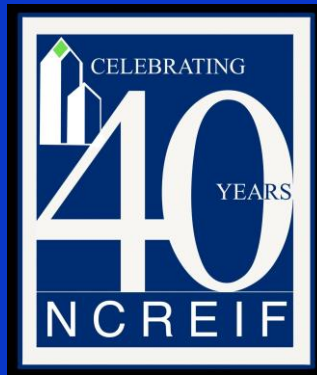
Resuming The Chief Appraisers Discussion Series

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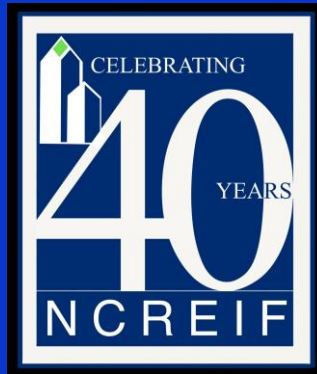
Development Paper Update

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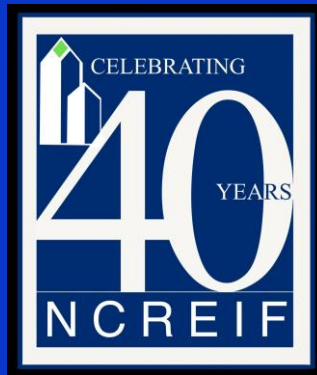
IAVS Update

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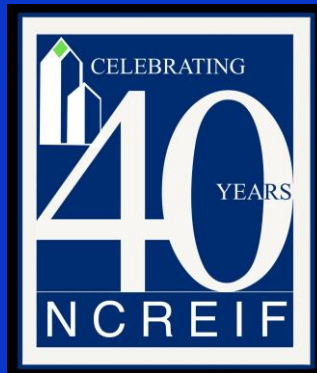
TAFAC Update

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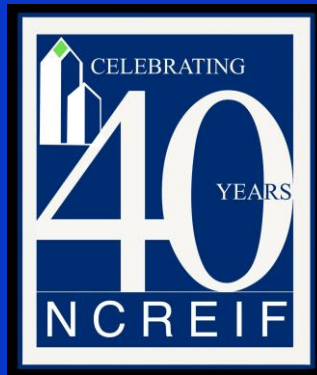
Valuation Metrics Update

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Reporting Standards / NCREIF Debt Funds Update

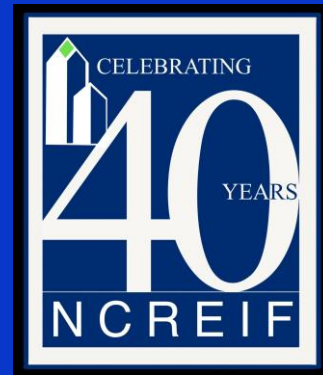
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Appraisal Institute Update

Open Discussion ESG & Underwriting

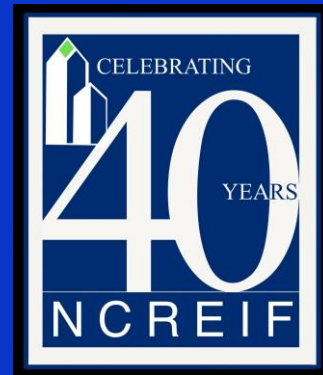
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- When comparing buildings what if any ESG ratings are you considering?
 - ❖ Leed
 - ❖ Energy Star
 - ❖ Energy Usage Intensity
- What assumptions if any is your firm adjusting to account for ESG differences
 - ❖ Cap & Discount Rates
 - ❖ Tenant Retention Rates
 - ❖ Downtime, Vacancy, Lease Up
 - ❖ utilities expense

Open Discussion ESG & Underwriting

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- Do you quantify whatever adjustments you are making and if so how?
 - ❖ Estimate Capital Cost To Correct
 - ❖ Carbon Tax implications
 - ❖ Benchmarking
 - ❖ Best Guess
- What should the NCREIF valuation community be doing/proposing?
 - ❖ Addressing in appraisal reports if & how ESG was incorporated
 - ❖ Adjustments to Valuation Assumptions
 - ❖ ESG Benchmarking