



SPRING CONFERENCE 2026

Accounting Committee
March 17-18





DAY 1 AGENDA

- Introductions
- Reporting Standards Update
- Hot Topics
- Planning for the Future

DAY 2 AGENDA

Morning Session

Joint Session with Performance

- Negative NAV
- Carried Interest Part II

Afternoon Session

Joint Session with Performance

- SEC Update with Lindsey Simon

Joint Session with Valuation

- Valuation Manual Update

ATTENDANCE

- Check-in with the conference app for attendance
- Tuesday Check-in Code: **Accounting0317**
- Paper sign in sheets are at the registration desk

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CHAIR INTRODUCTIONS



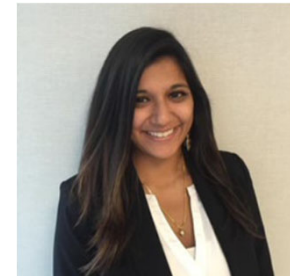
Christy Daniels
Principal



Amy Pearce
SS&C Technologies



John Confrey
Forvis Mazars



Nibha Gosai
Heitman

ACCOUNTING COMMITTEE – CHAIR ROTATION

Rotation - 4 years / 4 chairs (new addition each year) <i>One carryover year with overlap of who is rolling off</i> <i>Structured process of Public, Fund Admin and Investment Advisor Rotation</i>						
	2027	2028	2029	2030	2031	2032
	(Nov 26 - Nov 27)	(Nov 27 - Nov 28)	(Nov 28 - Nov 29)	(Nov 29 - Nov 30)	(Nov 30 - Nov 31)	(Nov 31 - Nov 32)
Fund Admin	Other (Fund admin, sponsor, etc) Nov 26 - Nov 30					
Public Accounting		Public Accounting (Nov 27 - Nov 31)				
Inv. Advisor			Investment Advisor (Nov 28 - Nov 32)			



ABOUT NCREIF

- NCREIF is a Not - For - Profit Premier Industry Association
- Membership includes Real Estate Investment Managers, Industry Consultants and Service Providers, Investors and Academicians.
- Leading source of institutional real estate performance data and information.



ACCOUNTING COMMITTEE – MISSION STATEMENT



To enhance the consistency, transparency, and verifiability of accounting and reporting for institutional real estate assets held in a fiduciary setting.



Reviews, develops, documents and promotes standards for accounting and reporting with the intention to supplement and in some cases, clarify, but not replace other established standards from authorized bodies, including but not limited to US GAAP.



Monitors the actions of applicable standard-setting and supervisory agencies and works with the Reporting Standards Council to ensure the entire organization is aware of these agencies' activities and as appropriate assists the Reporting Standards Council in communication with these agencies.



Provides members with tools and/or resources created through the collective efforts of the membership, and supports the activities of other NCREIF committees by supplying information and research when appropriate.



WHO'S IN THE ROOM

Who is attending for the first time?

What discipline do you work in?

- Real Estate Investment Advisor
- Public Accounting
- Fund Administration
- Other

NCREIF PREA REPORTING STANDARDS UPDATES

Lauren DeMartini – MetLife Investment Management

Benay Kirk – Alter Domus

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ASSET LEVEL REPORTING

Call for Volunteers!

- Goal: Create an example disclosure for the Asset Level Reporting Expansion to go into the FV Manual.
- Determine location of data elements within the Quarterly Report.

In August 2025 the NCREF PREA Reporting Standards was published and expanded to include recommended asset level reporting elements.

Key changes made were:

- New RECOMMENDED frequency: SOI to QUARTERLY for Equity funds and SMAs.
- New RECOMMENDED data elements :
 - Informational – Legal Share, Effective Share
 - Financial – Gross and Net Real Estate Asset Value, TTM NOI
 - Performance – Since Inception Gross & Net IRR, Gross & Net TVPI, Gross & Net TWR for qrt, 1-, 3-, and 5-year periods
 - Operations – Life Cycle, Lease Percent, Average WALT
 - Leverage – Loan Principal Balance, Loan Market Value, LTV (Principal), LTV (FV), DSCR, Interest Rate, Associated Derivative Type, Derivative Maturity Date, Debt Maturity Date, Fully Extended Maturity Date
 - Valuation – Discount Rate, Terminal Rate, Going-in Cap Rate, Three-year & Ten-year Rent Growth
 - Business plan – Projected Exit Date, Gross & Net Projected IRR

NEGATIVE NAV: 2026+ INITIATIVE

- Performance Committee Taskforce worked on updating the white paper from 2011.
- Joint Session between Performance and Accounting (Wednesday at 10:15am):
 - Debut updated paper
 - Present performance recommendations
- Next Steps: Review whitepaper to determine if relevant accounting considerations are or should be included.
 - ❖ Adjust asset or debt value
 - ❖ Cash at property
 - ❖ Interest expense
 - ❖ Other assets & liabilities
 - ❖ FMV of asset without FMV of debt election

DEBT MANUAL

Released on December 2, 2025

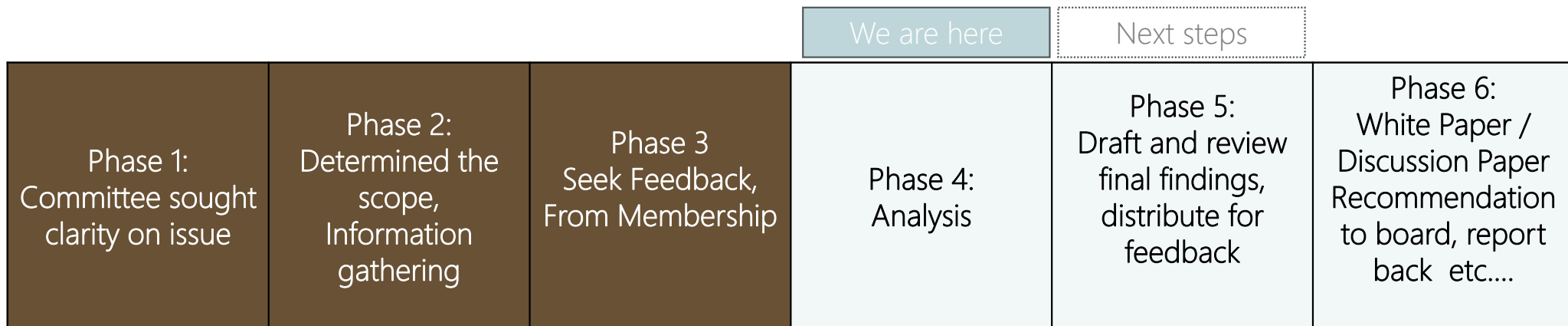
- 2026 Update: Prospectus approved to create a taskforce to review and update the Reporting Standards Volume I specifically for Debt Funds
- Taskforce kickoff call occurred to discuss scope and timing of work
- 3Q2026: Draft Deliverable for Taskforce & RS Council
- 4Q2026: Public Comment Period
- 1Q2027: Obtain Final Approvals & Publish!

NCREIF/CREFC Aggregate & Index Update

- 3Q25 NCREIF/CREFC Open-end Debt Fund Aggregate Report Released January 7, 2026.
 - Fund-level aggregate comprising open-end funds; including core to value-add strategies
 - Certain Investment Manager & Fund inclusion criteria
 - Not a benchmark
- 3Q25 NCREIF/CREFC Open-end Moderate-Yield Debt Fund Index Released January 7, 2026.
 - Evaluated six quarters worth of inclusion criteria data for each Fund in the Aggregate, as well as how the funds are marketed to the public, to determine inclusion in the index
 - Anticipated to be published quarterly
 - Still in 'consultation' phase to allow industry feedback prior to formal launch

DIVIDEND YIELD

- **Objective** – Enhance the current definition within the Reporting Standards (Alternative Component TWR Calculations) and clarify the calculation methodology to promote a more uniform standard, especially for open-ended real estate funds.
- The task force has expanded since the April update. As a result, it now includes a wider range of real estate industry perspectives.
- The task force is continuing to gather new information from its participants.



DIVIDEND YIELD

Two Metrics are Emerging:

Distribution (Dividend) Yield – past 12-month rolling distributions/current NAV. May be proxy for future distributions. This metric is currently not defined in the Reporting Standards.

Distribution (Dividend) Return – distributions/weighted average equity, calculated quarterly and linked for multi-periods. May be presented alongside component returns. This metric is currently defined in the Reporting Standards.

Recent task force discussion points:

Numerator – Key questions raised:

What is included in the numerator?

Should the numerator be measured before or after fees?

Should the numerator be calculated on a cash or accrual basis?

Should the numerator be disclosed as a breakout by component (e.g., operating income, gains on sale, proceeds for mortgages, etc.)?

Are tax implications being considered in the numerator definition/calculation?

Denominator – Key questions raised:

Prior discussions noted that Net Asset Value (NAV) used in any calculation may need further clarification.

COMPLEX STRUCTURES

Taskforce was created to develop a whitepaper with a comprehensive overview of fund structures and their underlying components.

Fund Structures to be covered:

- Separate Accounts
- Joint Ventures
- REITs
- Master/Feeder Funds
- Blocker Vehicles
- Parallel Funds
- Alternative Investment Vehicles (AIV)
- Fund of Funds
- Trusts

Themes to be addressed for each Fund Structure:

- Investor Need/Demand
- Cost
- Tax & Regulatory Drivers
- Accounting/Performance/Valuation Considerations
- Operational Challenges
- Common Pitfalls

Proposed Timing:

- 4Q2026: Draft Deliverable for Taskforce & RS Council

OPERATING MODEL -NET DISCUSSION

Background

Understanding How Financial Reporting Presentation Models Impact Comparability of Performance Measurement

- There are alternative fair value financial reporting presentation models used in the industry, and these models impact the presentation of the balance sheet and the income statement for funds and separate accounts.
- The financial reporting presentation model impacts the fund level time-weighted return (TWR) calculations for appreciation and income (the total return calculation remains the same across all financial reporting presentation models).
- When comparing TWRs to ODCE, managers and investors should consider the comparability of their fund's financial reporting presentation to ODCE. For example, the component returns for the non-operating presentation model are not comparable to ODCE.

OPERATING MODEL -NET DISCUSSION

Overview – Comparison Table

	Operating Model - Gross Presentation	Non-operating Model
Statement of Net Assets Presentation	Separate line items for the gross assets and gross liabilities of the Fund's investments in real estate	One line item for the Fund's fair value of its net equity position in each of its real estate investments
Revenue Recognition - Investment Income	Gross investment/property level revenue and expenses	Revenue recognized when dividends are received from the investee; dividend income is presented as a component of Net Investment Income
Revenue Recognition - Unrealized Gain/(Loss)	The difference between fair value and the adjusted cost basis of an investment is the unrealized gain or loss associated with the asset and liability, and if applicable, the noncontrolling interest	The difference between fair value and the adjusted cost basis of an investment (at Fund's ownership) is reported as unrealized gain or loss

OPERATING MODEL -NET DISCUSSION

NCREIF PREA Fair Value Manual 2.04 Non-operating Model

- 2.04(a) - Financial statements prepared under the Non-operating Model report all investments at fair value on a recurring basis. Each presentation may report revenue recognition differently utilizing either the dividend method or the equity in earnings method; however, FV NAV should generally be the same under both methods.

OPERATING MODEL -NET DISCUSSION

Overview – Comparison Table



	Operating Model - Gross Presentation	Operating Model - Net Presentation ¹	Non-operating Model
Statement of Net Assets Presentation	Separate line items for the gross assets and gross liabilities of the Fund's investments in real estate	One line item for the Fund's fair value of its net equity position in each of its real estate investments	One line item for the Fund's fair value of its net equity position in each of its real estate investments
Revenue Recognition - Investment Income	Gross investment/property level revenue and expenses	One line approach; Fund's share of investment earnings and loss on the accrual basis	Revenue recognized when dividends are received from the investee; dividend income is presented as a component of Net Investment Income
Revenue Recognition - Unrealized Gain/(Loss)	The difference between fair value and the adjusted cost basis of an investment is the unrealized gain or loss associated with the asset and liability, and if applicable, the noncontrolling interest	The difference between fair value and the adjusted cost basis of an investment (at Fund's ownership) is reported as unrealized gain or loss	The difference between fair value and the adjusted cost basis of an investment (at Fund's ownership) is reported as unrealized gain or loss

¹ Operating Model Net Presentation is not currently included in the Appendix section of the Fair Value Accounting Policy Manual

OPERATING MODEL -NET DISCUSSION

	Operating Model (Gross)	Operating Model (Net)	Non-Operating Model (Dividend Income)
Consolidated Statements of Net Assets			
Real estate investments	\$ 500	\$ 200	\$ 200
Notes payable	300		
Net Assets	\$ 200	\$ 200	\$ 200
Consolidated Statements of Operations			
Revenue from real estate investments	20		
Earnings from real estate investments		13	
Income distributions from real estate equity investments (div income)			8
Total Income	20	13	8
Real estate expenses and taxes	7		
Net Investment Income	\$ 13	\$ 13	\$ 8
Net realized and unrealized gain (loss):			
Realized gain from sales of real estate invest.	6	6	11
Less: Previously recorded unrealized gain on sales of real estate invest.	(2)	(2)	(3)
Net realized and unrealized gain from the sale of real estate invest.	4	4	8
Unrealized gain (loss) on real estate investments and improvements	5	5	6
Net realized and unrealized gain	\$ 9	\$ 9	\$ 14
Net increase in net assets resulting from operations	\$ 22	\$ 22	\$ 22

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OPERATING MODEL -NET DISCUSSION

Models Presentation - Return Example

	Operating Model (Gross)	Operating Model (Net)	Non-Operating Model (Dividend Income)
Net Investment Income	\$ 13	\$ 13	\$ 8
Net realized and unrealized gain	\$ 9	\$ 9	\$ 14
Net increase in net assets resulting from operations	\$ 22	\$ 22	\$ 22
Time Weighted Returns (fund level, single period)			
Income Return	7.20%	7.20%	4.43%
Appreciation Return	4.99%	4.99%	7.76%
Total Return	12.19%	12.19%	12.19%
ODCE Performance			
Income Return	8.10%	8.10%	8.10%
Appreciation Return	4.23%	4.23%	4.23%
Total Return	12.33%	12.33%	12.33%
Fund vs. ODCE Performance			
Income Return	-0.90%	-0.90%	-3.67%
Appreciation Return	0.76%	0.76%	3.53%
Total Return	-0.14%	-0.14%	-0.14%

OPERATING MODEL -NET DISCUSSION

Next Steps

Consider future applicability of Operating Model – Net within the Fair Value Manual?

GLOBAL DEFINITION DATABASE

<https://reportingstandards.info/global-standards/>

November 1 2025-February 28, 2026

- 3 Terms were globally converged
- Total number of globally converged terms: 234
- 4 additional terms recently approved by GDD task force

Global Definitions Database



The Global Definitions Database (GDD) is the leading global source of definitions for the non-listed real estate sector.

Global definitions are an important step towards producing global standards and aligning the INREV Guidelines with the NCREIF PREA Reporting Standards. The GDD provides a common glossary of non-listed real estate terms. Many terms have been agreed to globally, while others are specific to Asian, European and North American standards, guidelines and data products. This has been indicated in the source.

A common set of terms is a critical component of the global standardisation initiative and our interactive online tool makes them easily accessible. This provides the industry with one unique depository of definitions that will help increase transparency and align the industry globally.



[SHOW ALL DEFINITIONS](#)

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THANK YOU

Questions?

Email jkingesley@ncreif.org or

administrator@reportingstandards.info

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MEMBER SURVEY: EXPENSE CONSIDERATIONS FOR OUTSOURCED FUNCTIONS

Peter Bloomfield, KPMG

Nikki Darling, KPMG

Amy Pearce, SS&C

Nguyen Hoang, SS&C

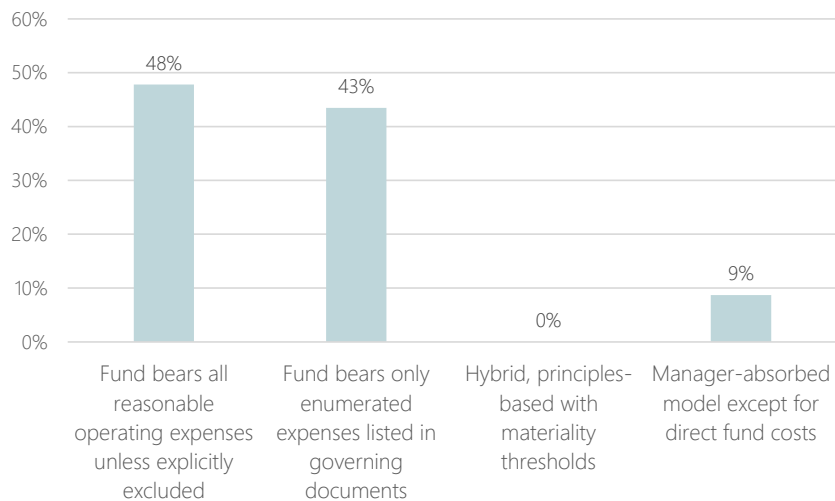
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WHICH BEST DESCRIBES YOUR FUND'S OVERALL EXPENSE ALLOCATION PHILOSOPHY?

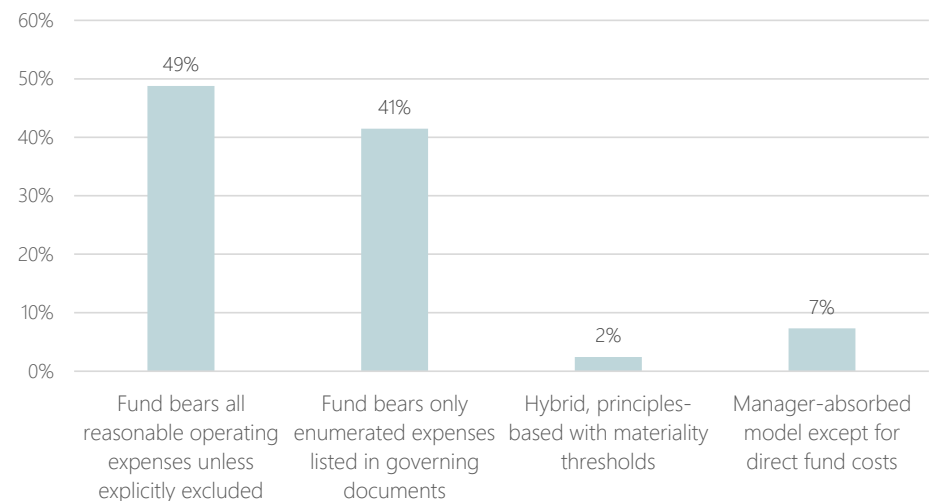
ODCE Funds Responses

Which best describes your fund's overall expense allocation philosophy?



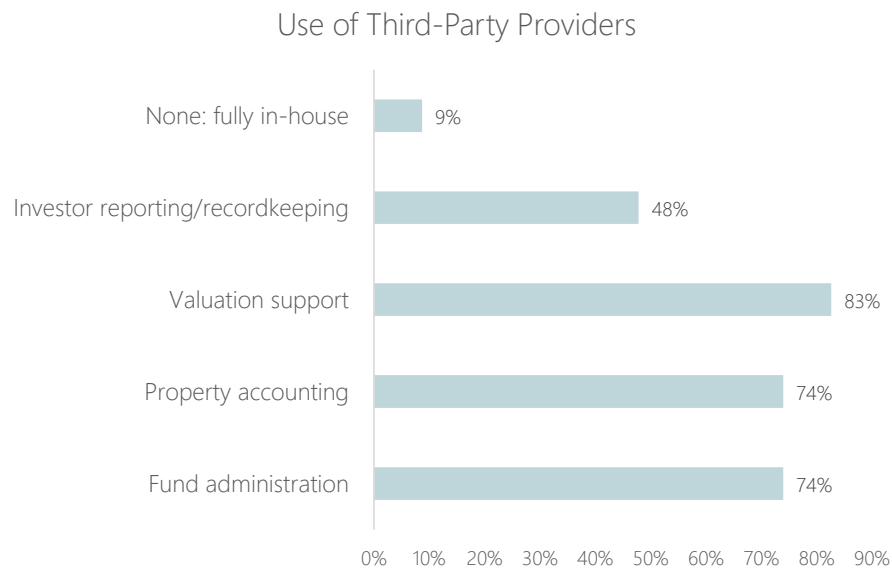
All Member Fund Responses

Which best describes your fund's overall expense allocation philosophy?

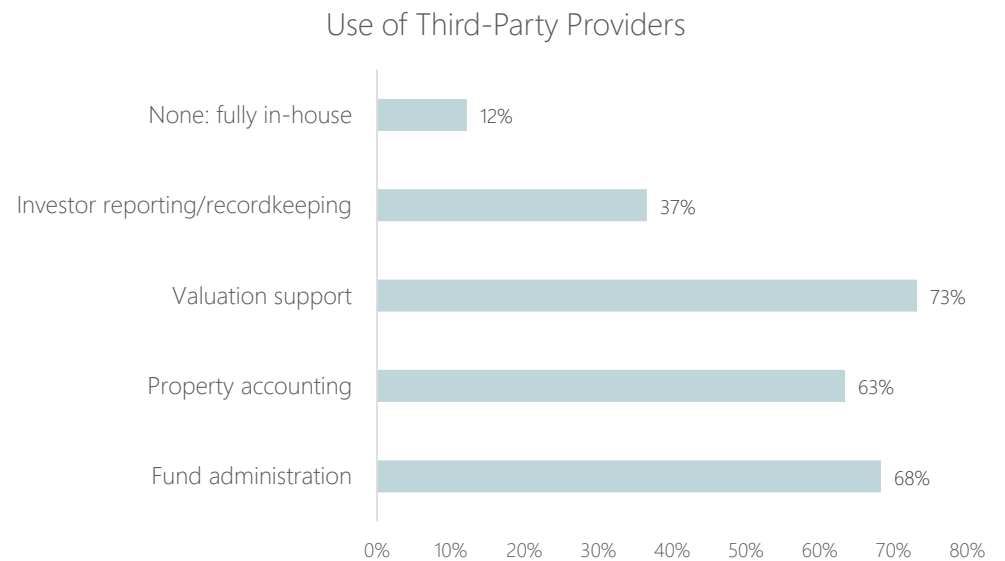


USE OF THIRD-PARTY PROVIDERS

ODCE Funds Responses



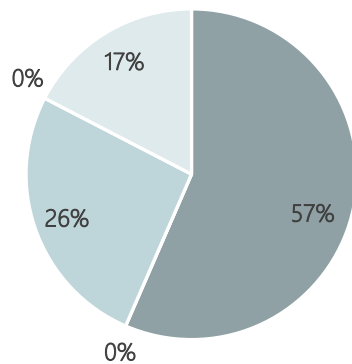
All Member Fund Responses



TIMING OF OUTSOURCING DECISION

ODCE Funds Responses

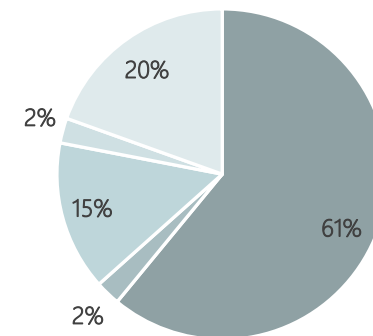
Timing of Outsourcing Decision



- At fund launch
- Within first 1-2 years
- Mid-life operational shift
- Following a scale/AUM growth event
- Not applicable

All Member Fund Responses

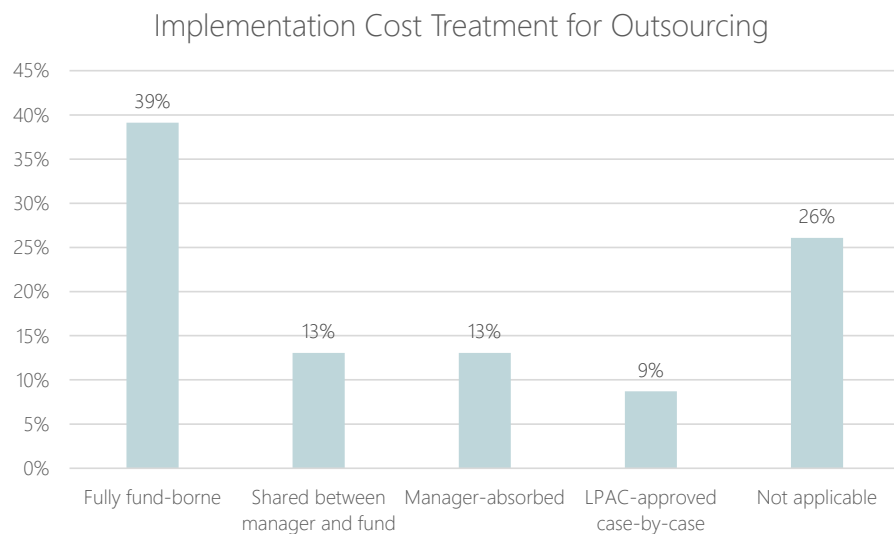
Timing of Outsourcing Decision



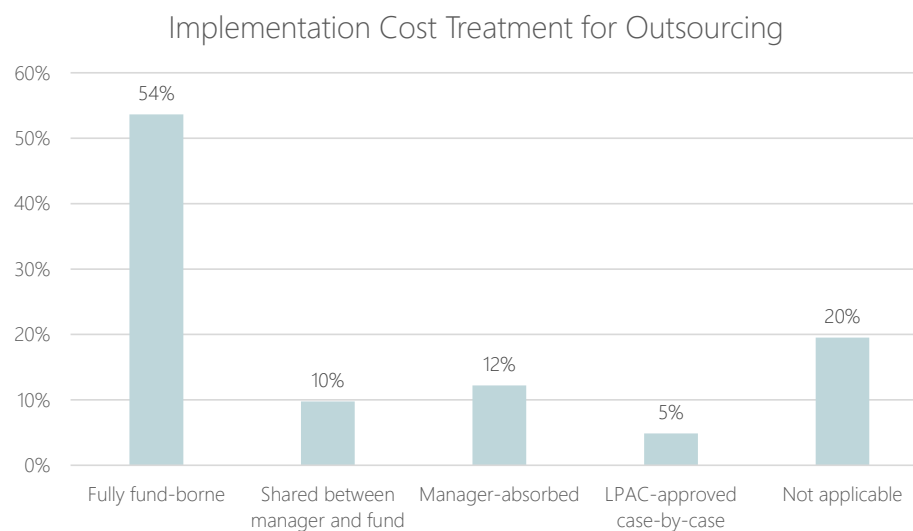
- At fund launch
- Within first 1-2 years
- Mid-life operational shift
- Following a scale/AUM growth event
- Not applicable

IMPLEMENTATION COST TREATMENT FOR OUTSOURCING

ODCE Funds Responses



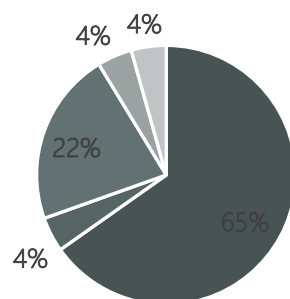
All Member Fund Responses



ARE FUND ADMINISTRATION COSTS CHARGED TO THE FUND?

ODCE Funds Responses

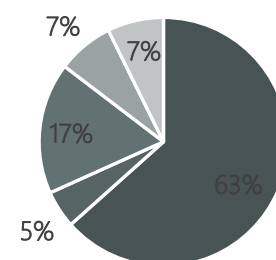
Are fund administration costs charged to the fund?



- Yes, fully fund-borne
- Yes, capped or partially absorbed
- No — manager absorbs
- Varies by share class/vehicle
- No Response

All Member Fund Responses

Are fund administration costs charged to the fund?

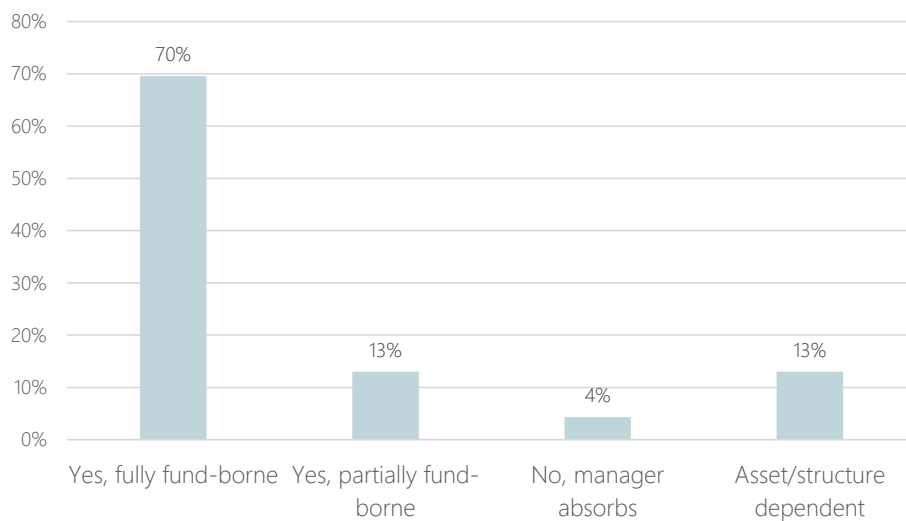


- Yes, fully fund-borne
- Yes, capped or partially absorbed
- No — manager absorbs
- Varies by share class/vehicle
- No Response

ARE PROPERTY-LEVEL ACCOUNTING COSTS CHARGED TO THE FUND?

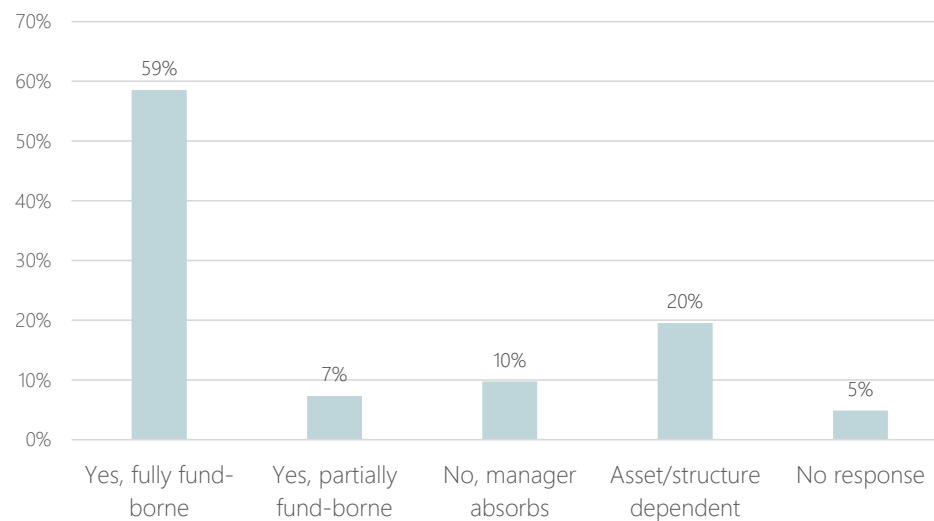
ODCE Funds Responses

Are property-level accounting costs charged to the fund?



All Member Fund Responses

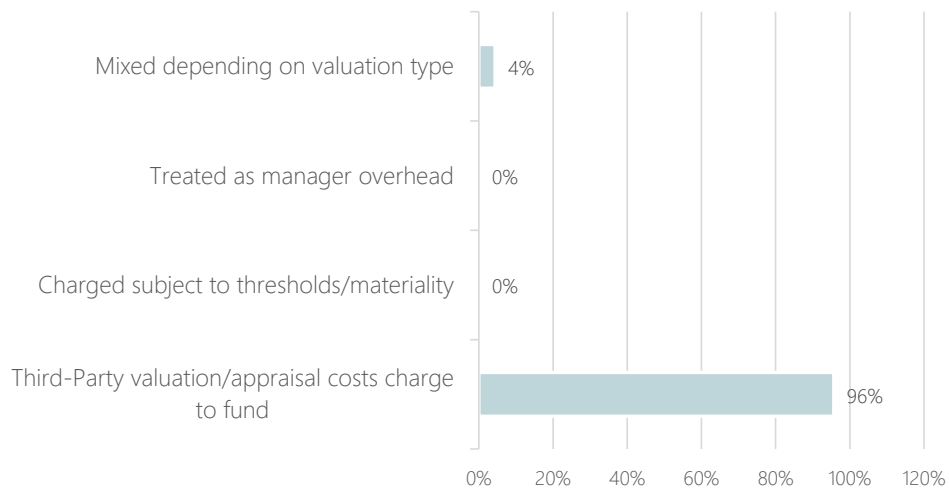
Are property-level accounting costs charged to the fund?



HOW ARE VALUATION-RELATED COSTS TREATED?

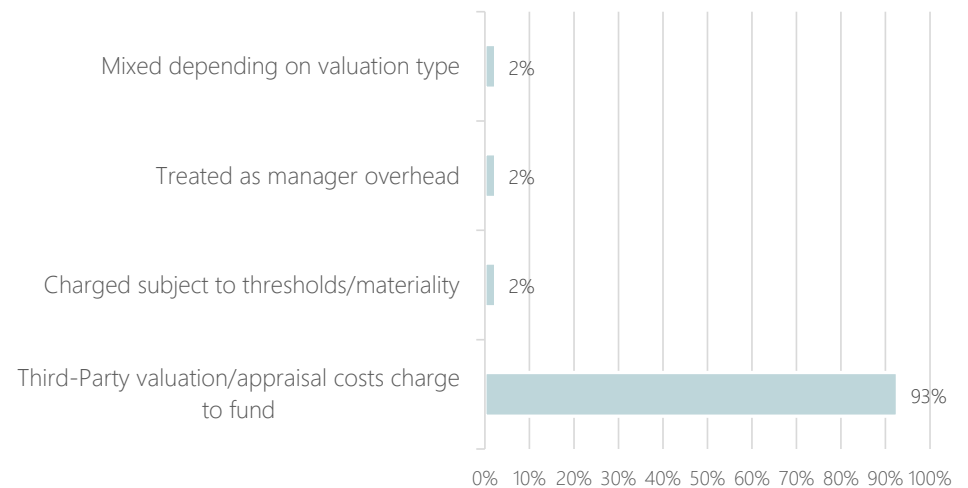
ODCE Funds Responses

How are valuation-related costs treated?



All Member Fund Responses

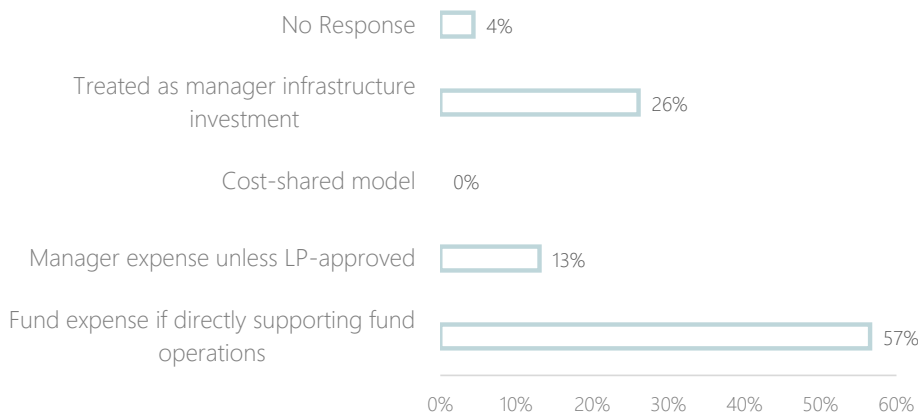
How are valuation-related costs treated?



HOW DO YOU TREAT TECHNOLOGY IMPLEMENTATION COSTS SUCH AS NEW REPORTING PLATFORMS, DATA TOOLS, SYSTEM UPGRADES?

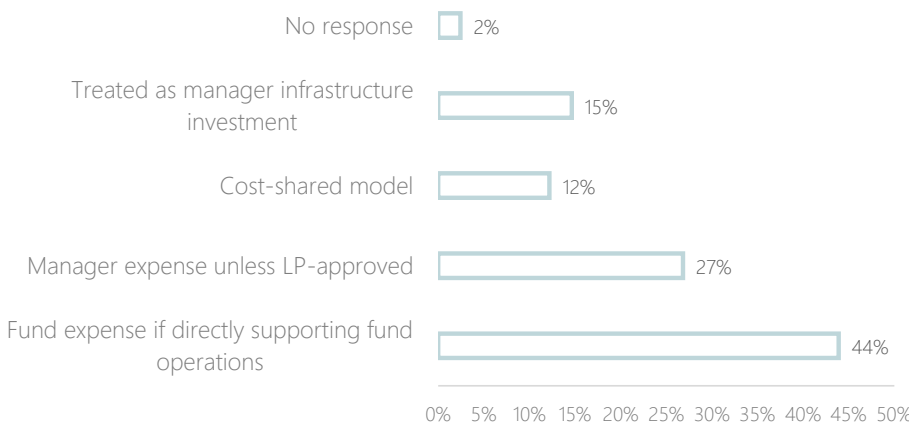
ODCE Funds Responses

How do you treat technology implementation costs such as new reporting platforms, data tools, system upgrades?



All Member Fund Responses

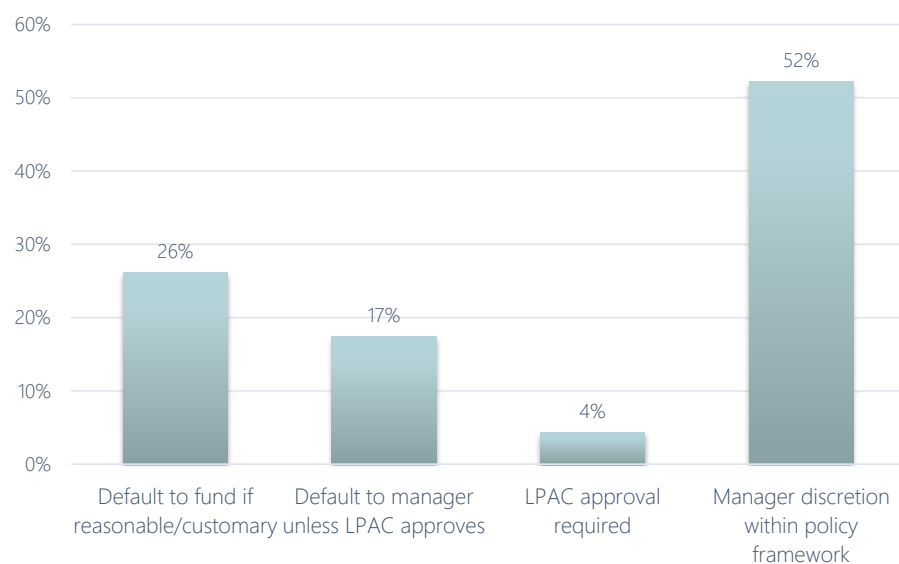
How do you treat technology implementation costs such as new reporting platforms, data tools, system upgrades?



IF AN EXPENSE IS NOT EXPLICITLY ENUMERATED IN THE LPA, WHAT IS THE DEFAULT APPROACH?

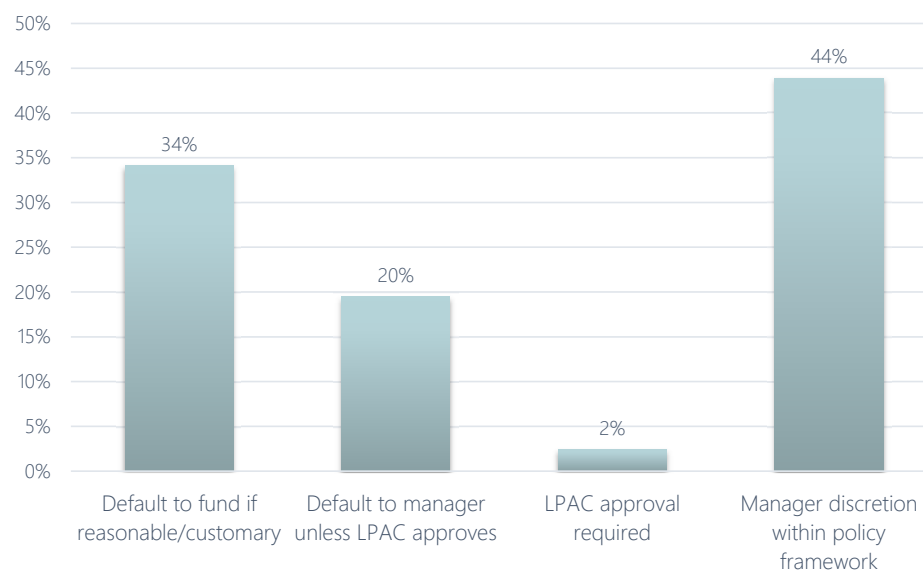
ODCE Funds Responses

If an expense is not explicitly enumerated in the LPA, what is the default approach?



All Member Fund Responses

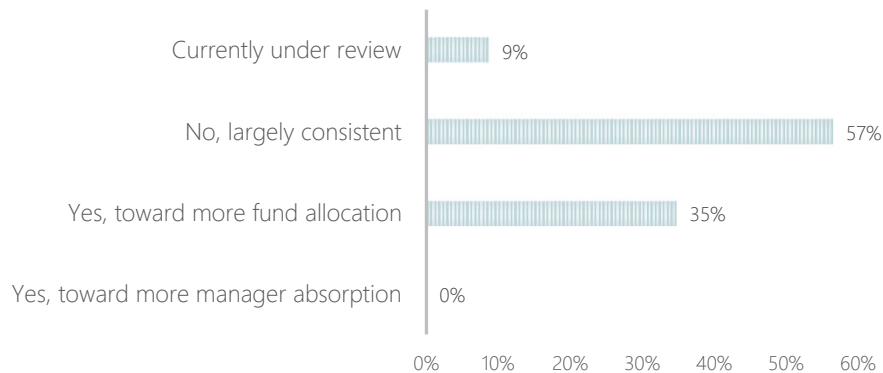
If an expense is not explicitly enumerated in the LPA, what is the default approach?



HAS YOUR EXPENSE ALLOCATION APPROACH EVOLVED IN RECENT YEARS?

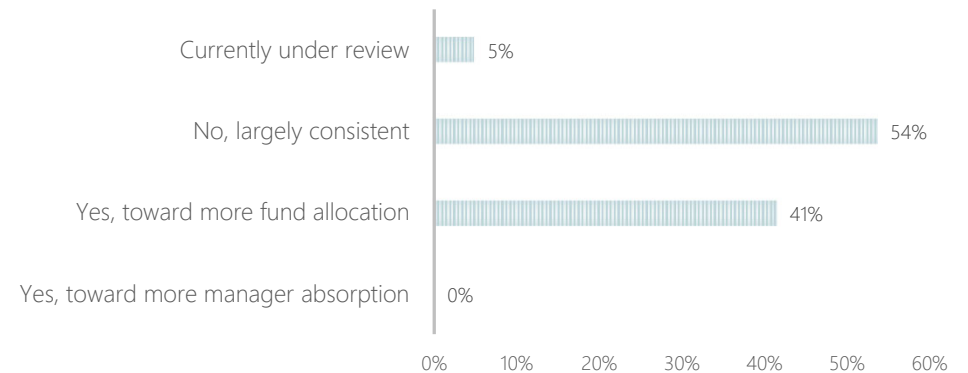
ODCE Funds Responses

HAS YOUR EXPENSE ALLOCATION APPROACH EVOLVED IN RECENT YEARS?



All Member Fund Responses

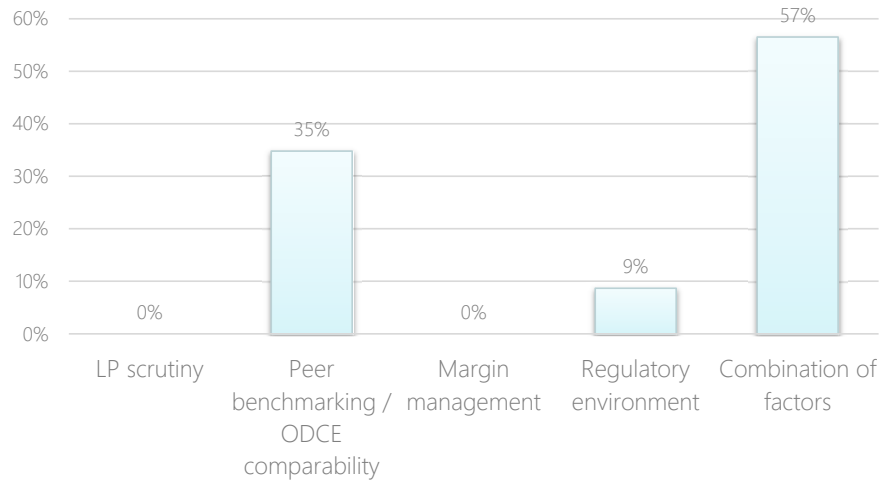
HAS YOUR EXPENSE ALLOCATION APPROACH EVOLVED IN RECENT YEARS?



WHAT IS THE PRIMARY DRIVER OF EXPENSE POLICY DECISIONS TODAY?

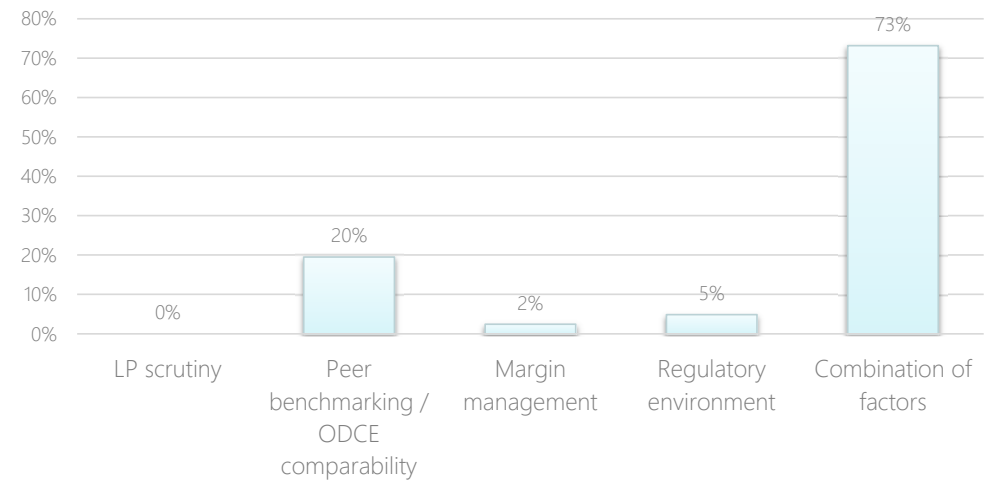
ODCE Funds Responses

What is the primary driver of expense policy decisions today?



All Member Fund Responses

What is the primary driver of expense policy decisions today?





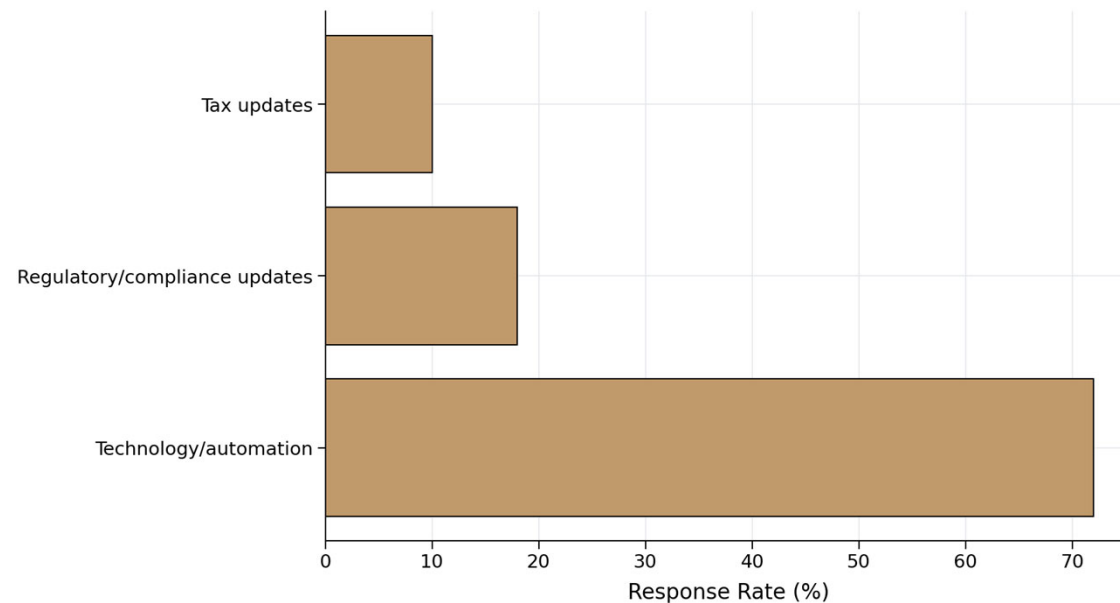
HOT TOPICS

- Deduction of sales costs in a discounted cash flow analysis at reversion (typically 10 years)
- Treatment of purchasing a LP interest at a discount

FUTURE PLANNING – POLLING QUESTION 1

Which accounting topics would you like to see expanded in the summer session?

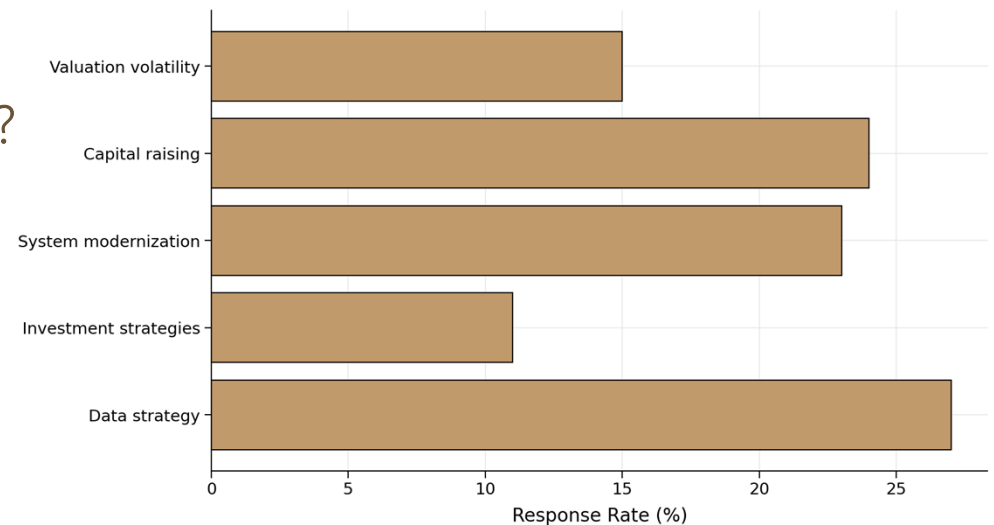
- a. Tax Updates
- b. Regulatory/Compliance Updates
- c. Technology/Automation



FUTURE PLANNING – POLLING QUESTION 2

What emerging issues in real estate accounting are most important for your organization over the next 12–24 months? (select all that apply)

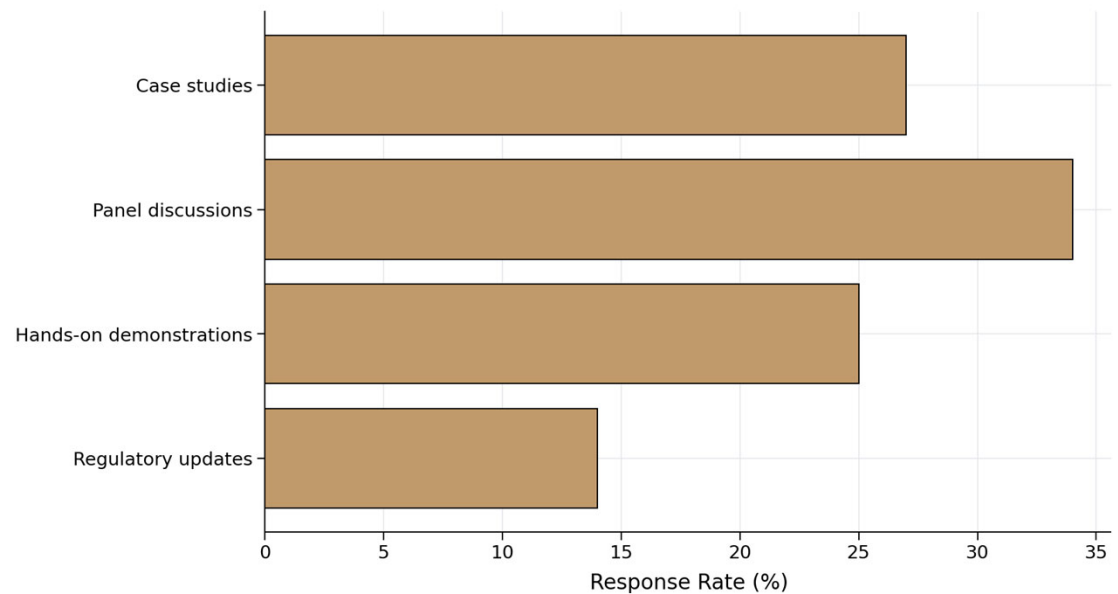
- a. Valuation Volatility
- b. Capital Raising
- c. System Modernization
- d. Investment Strategies
- e. Data Strategy



FUTURE PLANNING – POLLING QUESTION 3

Which type of session format do you find most valuable? (select all that apply)

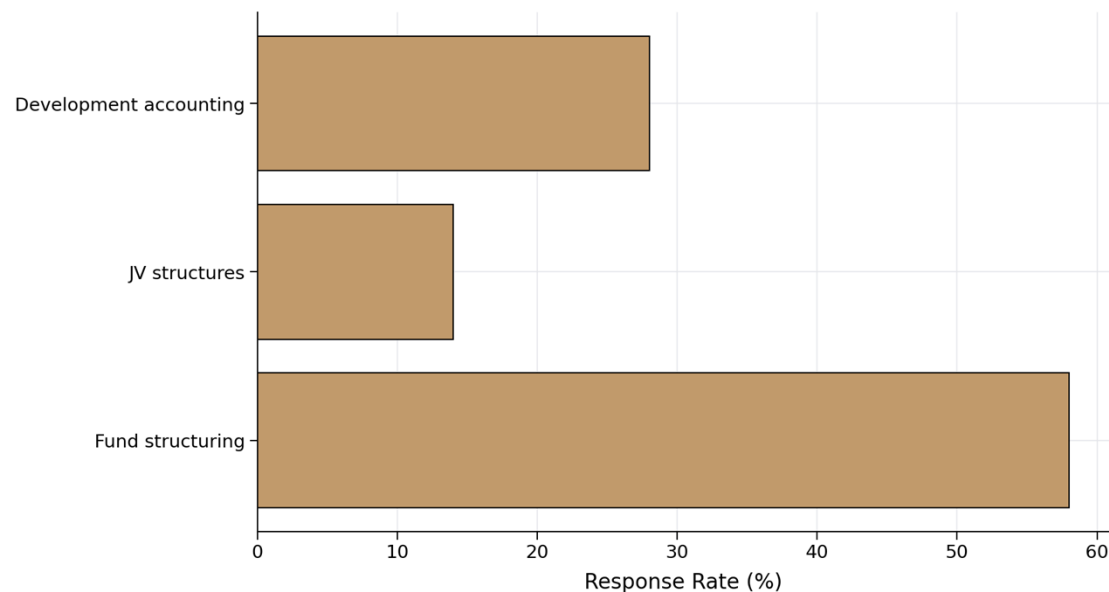
- a. Case Studies
- b. Panel Discussions
- c. Hands-on Demonstrations
- d. Regulatory Updates



FUTURE PLANNING – POLLING QUESTION 4

Are there technical topics that we should cover in more depth?

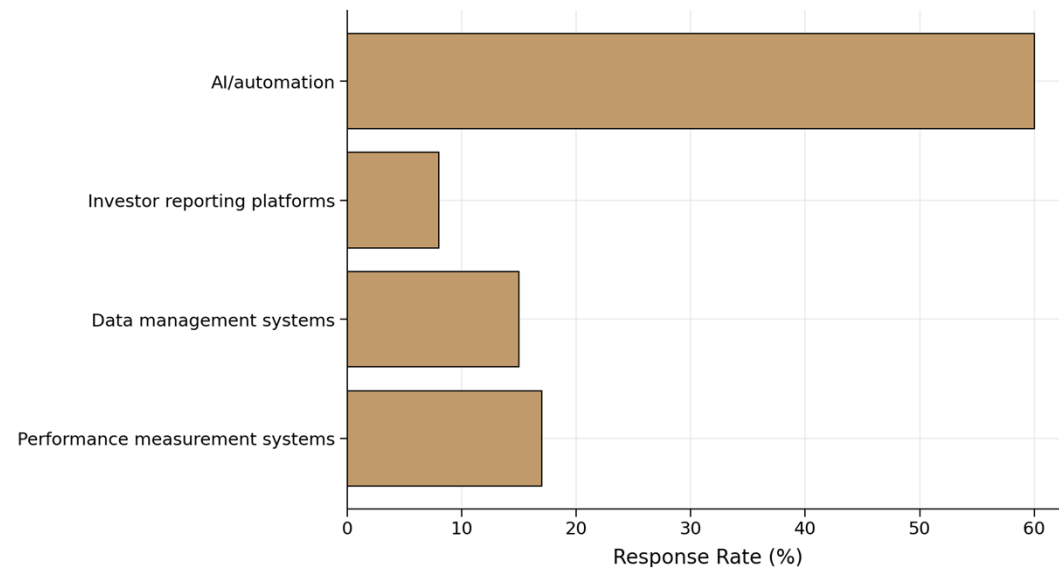
- a. Development Accounting
- b. JV Structures
- c. Fund Structuring



FUTURE PLANNING – POLLING QUESTION 5

Which tools or processes would you like to learn more about?

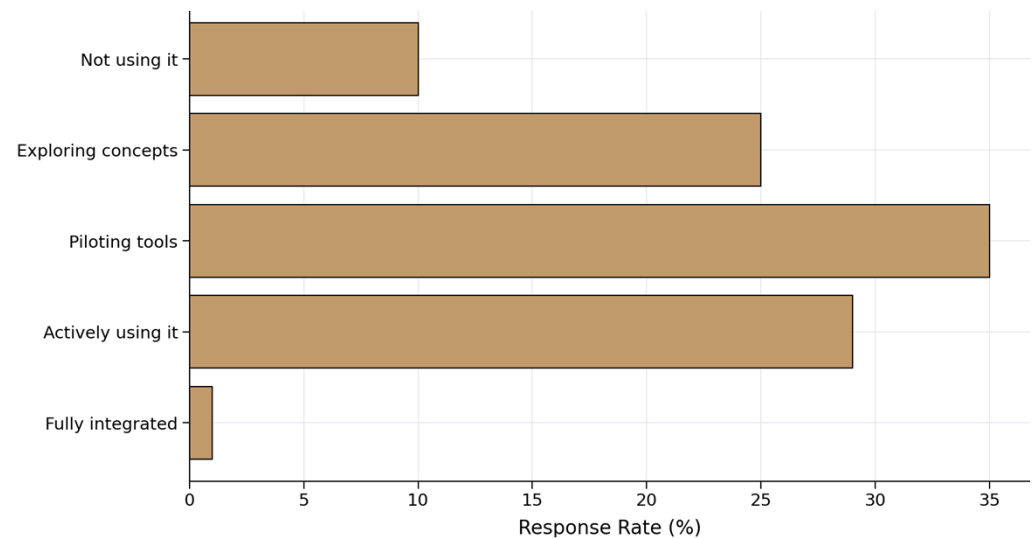
- a. AI/Automation
- b. Investor Reporting Platforms
- c. Data Management Systems
- d. Performance Measurement Systems



FUTURE PLANNING – POLLING QUESTION 6

How would you describe your organization's current use of AI in accounting?

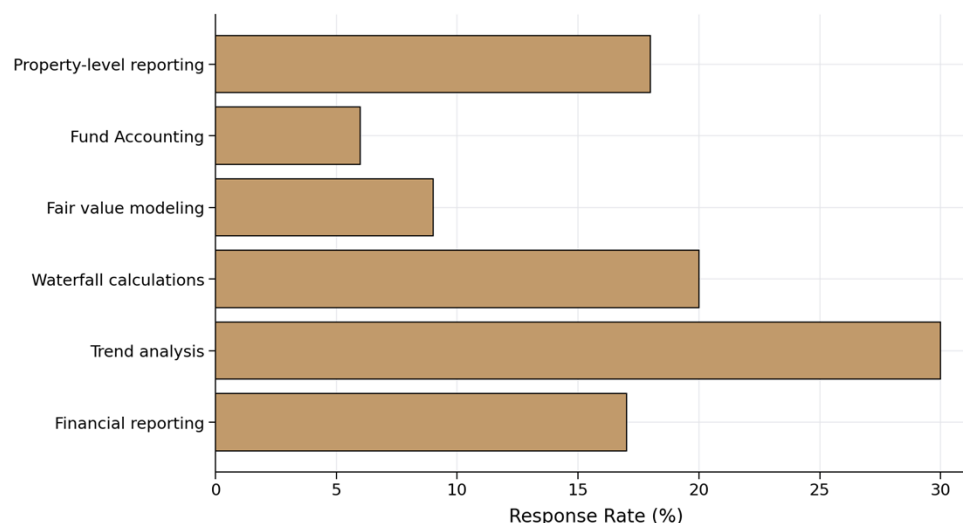
- a. Not using it
- b. Exploring concepts
- c. Piloting tools
- d. Actively using it
- e. Fully integrated



FUTURE PLANNING – POLLING QUESTION 7

Which real estate accounting tasks do you believe are most suitable for AI? (select all that apply)

- a. Property level reporting
- b. Fund accounting
- c. Fair value modeling
- d. Waterfall calculations
- e. Trend analysis
- f. Financial Reporting





THANK YOU

Questions?

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