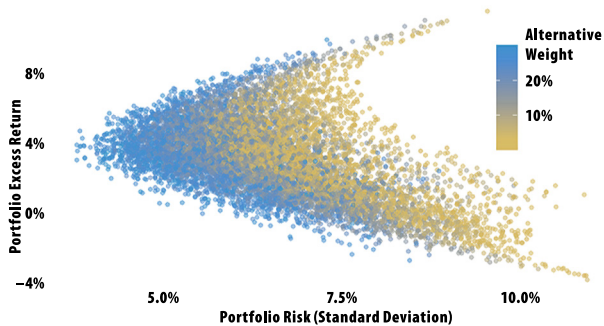


The Summer PREA Quarterly presents two features. In an effort to stay on top of the latest trends, we used ChatGPT to provide a brief summary here of each article. First is about “ODCE Adopts an Alternative Approach” by Michael Steinberg and Scott Dunphy of MetLife Investment Management.

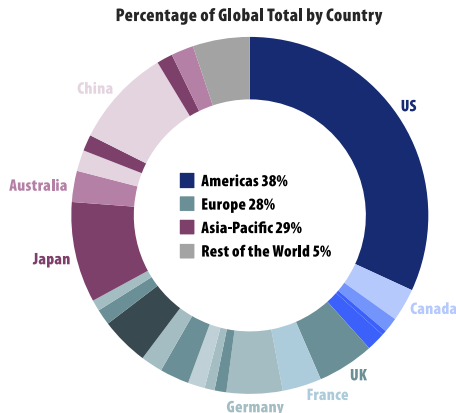
The CFA Institute defines a valid benchmark as specified in advance, relevant, measurable, unambiguous, representative of current investment options, and complete. The NCREIF Fund Index—Open End Diversified Core Equity (NFI-ODCE) has long served institutional investors in private commercial real estate with its clear criteria. However, “unambiguous” criteria may conflict with being “complete” and “representative.” ODCE is expanding to include more property types, enhancing diversification but potentially increasing performance dispersion. NCREIF has updated criteria to reflect current markets, aligning ODCE more with public REIT trends. This evolution aims to keep core real estate benchmarks relevant and effective, capturing a broader range of investment opportunities.

Alternative Property Types on the Efficient Frontier



Sources: MetLife Investment Management, Nareit; as of 1Q2024

Share of the Institutional Invested Real Estate Universe



Source: LaSalle; estimates as of June 30, 2023

stable political environment make it attractive for foreign investors, which remain cautiously optimistic in the short term and bullish in the long term.

The *Quarterly's* second feature, “Outside Looking In: How Foreign Investors See the US Real Estate Market Today,” is by Brian Klinksiek at LaSalle, who has been handling the Global Markets column in 2024 but moves over to a feature for this focus on foreign investment in the US.

Foreign investors are an important but not dominant source of capital for US commercial real estate, making up about 12% of total investment since 2010, compared with 30% to 60% in other developed markets. They play a significant role as limited partners in funds, holding nearly 18% of the NFI-ODCE net asset value in 2022, up from less than 5% in 2012. Foreign investment in US real estate has recently declined to 6% to 8% of total activity. The US market’s size, diversity of property types, and

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