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Mission

To serve its members engaged in institutional real estate investment through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.

Vision

To serve and educate our members in the global institutional real estate investment community regarding real estate investments.

- Our membership is inclusive and diverse
- We meet their needs by providing valuable, balanced, useful information in a technologically advanced manner

- We provide superior interactive forums
- We promote high standards of industry practice and professionalism
At the end of 2009, the global economy was markedly changed from its condition a year earlier. Some economic indicators had improved considerably, whereas others pointed to continued distress. Relief that the most severe phase of the crisis had abated was offset by concern that any recovery would be sluggish and uneven.

In mid-September 2009, Federal Reserve Chairman Ben Bernanke declared that the recession had “very likely” ended. Growth in the country’s gross domestic product turned positive in the second half of the year, following four straight quarters of GDP contraction. Other gauges of economic activity, including measures of consumer spending, industrial production and manufacturing output, reflected stabilization, if not a return to robust expansion. Outside the US, growth resumed at an even more vigorous pace in many emerging economies, including those of China and India, while debt concerns surfaced in many developed countries, most notably Greece, Ireland, Italy, Portugal and Spain.

The stock market advanced considerably from its March nadir, helping many investors recoup a portion of their previous losses. REITs were among the publicly-listed instruments that rebounded from their earlier lows, but the picture was far less rosy for private real estate investments. Double-digit increases in the public markets were mirrored by comparable declines in both appraisal-based and transaction-based private real estate indices. Rental income remained under pressure amid stubbornly high unemployment in many countries and resultant weakness in occupier demand.

Given these mottled signs of improvement, which did little to ease the sense of uncertainty pervading the investment markets, investor interest in high-quality, independent information about the real estate asset class and wider economy remained very strong. PREA delivered on this demand through its existing products and services as well as a complement of new initiatives. Conference sessions and PREA Quarterly magazine articles explored subjects of particular significance in the current environment, such as the outlook for real estate capital sources, the relationship between limited and general partners and the risk-return tradeoff in the purchase or origination of commercial real estate debt. In addition to organizing the Spring and Fall Conferences, CEO Leadership Forum and PREA Institute, we presented a forum on the government’s Public-Private Investment Program (PPIP) in collaboration with the Securities Industry and Financial Markets Association (SIFMA), held a well-received regional summit in...
New York, and, in furtherance of our strategic priority of global engagement, co-hosted the Association for Real Estate Securitization’s Pension Fund Forum in Tokyo.

Recognizing the added value of delivering information expeditiously to our members, we expanded upon our use of electronic tools and web-based content last year. We inaugurated our webinar series with four successful broadcasts on topics including the debt markets, alignment of interests among industry constituencies, and the role of real estate in an institutional portfolio. We also transitioned the Research Review to a paperless format and rearranged its production schedule so that members will receive reviews electronically as the cited papers are published. Additionally, we began distributing daily news blasts by email, allowing recipients to stay up to date with industry events and developments through one convenient channel. To help tie together these electronic resources, we redesigned PREA's website and introduced an investors-only webpage that provides a wealth of research and statistical information as well as a communications platform specifically geared to our investor members.

As we move into 2010, we will build upon recent accomplishments through further enhancement of our products and services, including a continued commitment to electronic communication, expansion of our regional summit series, and a relaunch of the affinity group program to clarify its mission and improve the quality of member participation. As always, the success of these initiatives will depend on the active engagement of PREA members, led by the Board of Directors and its Executive Committee. They, in cooperation with the standing committees and PREA staff, ensure that our organizational imperative of facilitating investor education continues to animate our work on behalf of our members and the institutional real estate community.

Regards,

Gail Haynes
President
1979  Initial Meeting with Thomas Gochberg, Peter Aldrich and Meyer Melnikoff

1981  Peter Aldrich named Chairman of PREA, Thomas Gochberg named President
      John Tuzzolino and Smith Barney oversee operations

1982  PREA is chartered in the state of New York

1983  PREA is incorporated

1984  NAREIT assumes administration of PREA, Mercer Jackson is the Executive Vice President
      First Spring Conference is held

1985  Mark Decker replaces Jackson as NAREIT’s Executive Vice President

1987  PREA membership reaches 147 firms

1988  First PREA Quarterly is published

1989  PREA headquarters are established in Connecticut with its own staff and Bob Staley as Executive Director
      First Graaskamp award is given in memory of Dr. James A. Graaskamp
      First Annual Plan Sponsor Conference is held

1991  PREA commissions bibliography of all existing research on the subject of real estate’s role in an institutional portfolio

1992  PREA forms a Research Committee, the first PREA Institute is held at MIT

1993  PREA joins forces with NCREIF and NAREIM to begin work on Real Estate Information Standards
      PREA involved in issues related to the Omnibus Reconciliation Act of 1993

1994  Gail Haynes is promoted to Executive Director
      PREA establishes scholarship program
      PREA membership is 327 firms

1995  Bylaws are amended to provide an ex-officio seat for the Chairman of the Plan Sponsor Council Executive Committee
      PREA educates DOL on payment of Real Estate Advisory Performance Fees

1996  First Research Review is published, PREA launches its website

1997  The PREA Board holds a strategic planning session, setting forth parameters on governance, policy and committee structure

1999  PREA holds its first CEO Leadership Forum
      PREA membership is 372 firms, PREA funds CIO/CFO Survey, PREA celebrates 20 years

To serve its members engaged in institutional real estate investment through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.
2000 PREA funds a benchmarking study directed by the Real Estate Research Institute (RERI) and authored by David Geltner and David Ling

2001 PREA assumes administration of RERI

2002 PREA, along with other industry associations, backs the Terrorism Risk Insurance Act of 2002. PREA creates an in-house Research Department

2003 PREA collaborates with Institutional Investor and sponsors the first special real estate issue of the Journal of Portfolio Management. PREA conducts a Plan Sponsor Investment Survey. PREA Board holds a strategic planning session, reviewing the Association’s mission, vision, products and services.

2004 PREA funds two research papers—How Investors Think about Real Estate: A Behavioral Finance Approach and Private Real Estate Fund Options for Defined Contribution Plans. PREA membership increases to 434 firms.

2005 PREA celebrates 25 years.

2005 PREA publishes first annual Investment Management Guide. PREA membership is 460 firms

2006 PREA Board holds a strategic planning session identifying the five strategic priorities described further in the following section of this report. PREA funds paper—An International Comparative Study of the Pension Plan Community and Real Estate Investments

2007 PREA introduces RISB and partners with ARES to launch the Real Estate Information Standards Board. PREA launches Affinity Group Program. PREA partners with FPL Associates to launch the Plan Sponsor Compensation Survey. PREA introduces Regional Program for Plan Sponsors. PREA again collaborates with Institutional Investor and sponsors a second special real estate issue of the Journal of Portfolio Management.

2008 PREA again collaborates with Institutional Investor and sponsors a third special real estate issue of the Journal of Portfolio Management. PREA membership grows to 632 firms

2009 PREA celebrates 30 years.
Highlights and Accomplishments in 2009

Since the 2007 inception of its most recent strategic plan, PREA has been operating under five areas of focus identified and supported by the Board of Directors. While the goals and ongoing priorities of these five areas of focus have remained consistent over the timeframe covered by the strategic plan, the specific efforts develop and evolve each year to move PREA closer toward the established goals. Please note that many of our accomplishments can and do fall into more than one of the five areas of focus.
I. Research

Goal
Provide members with timely, relevant and reliable information by becoming a key, authoritative source for industry and academic research.

Ongoing Priorities
PREA will continue to work to enhance and expand upon existing research products as well as initiate new outputs deemed necessary and valuable by the Research Committee and members. Additionally, PREA will undertake original research projects as a means to educate our members and to further PREA’s voice in the market. We will continue to collaborate with other organizations on industry-wide research projects and initiatives such as the independent Real Estate Information Standards (REIS) Board.

2009 Efforts
- Welcomed Dr. Greg MacKinnon as PREA’s Director of Research, working closely with Jack Nowakowski, the Director of Education and Industry Data Resources.
- PREA’s Director of Research became the regular contributing writer for the Capital Markets department of the PREA Quarterly.
- Expanded collaborations with like industry groups, both domestically and internationally, and continued to identify areas of cooperation with universities and other academic institutions. One such collaboration resulted in The Investment Intentions Asia Survey, a joint research project with the Asian Real Estate Association (AREA), the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) and PREA. The study aimed to provide a guide to expected trends among European, US and Asian investors, fund managers and fund of funds managers active in the Asian non-listed real estate fund industry.
- PREA continued its role as a founding sponsor and administrator of the Real Estate Research Institute (RERI), an industry group that encourages academic research.
- PREA maintained its collaboration with NCREIF in support of the independent Real Estate Information Standards (REIS) Board.
II. Education

**Goal**
Enhance existing products and services and introduce new innovations to meet the changing needs of members and the industry at large.

**Ongoing Priorities**
Building on existing capabilities, PREA will continue to improve communications with its members and targeted non-members. This will occur over a variety of mediums including events, publications, research outputs, the website and other tools. Better communication will promote and will eventually reinforce the view of our organization as a key informational source within the industry.

Taking into account member input and feedback, we will focus on those areas that provide additional opportunities for dialogue between managers and investors. Additionally, there will be an increased emphasis on global content across all products and services.

**2009 Efforts**
- Co-hosted a summit with the Securities Industry and Financial Markets Association (SIFMA). This one-day summit provided an in-depth discussion and analysis of the Public-Private Investment Program ("PPIP"), the U.S. Treasury’s plan to address legacy assets remaining on the balance sheets of financial institutions.
- Produced and hosted two highly attended conferences in a challenging economic environment. These conferences featured speakers and participants drawn from the ranks of the seniormost leaders in our industry and beyond. From the attendance and feedback received, it was evident that the conferences included the right voices discussing the most current and critical issues of the day. See details on the specific events later in this report.
- Published the *PREA Quarterly* magazine with an emphasis on quality content and publication standards. Details of each issue are provided under the Products & Services section of this report.
- Instituted a highly-successful webinar series whose content focuses on current industry issues and developments. With members suggesting topics, this proved to be a productive and popular medium through which to reach our audience.
- Completed redesign and launch of PREA’s website with an emphasis on providing our members with one resource for clear and relevant information, including industry and research data, news and market indices and membership information.
- Implemented daily industry news blast emails to our members as an additional service and continued regular quarterly informational communications with membership via email.

Note: The Fall 2005 conference was a joint conference held with NCREIF.
III. Member Experience

**Goal**
As the PREA membership continues to grow, the objective is to ensure that members feel personally vested in the organization through smaller-scale forums and member interaction.

**Ongoing Priorities**
PREA will attract new members in a way that provides balanced growth. It is clear that it is important to existing members that PREA maintain the dynamic of small groups and personal interaction that they expect while our membership and global reach expand. A balanced growth approach will carefully incorporate new members into the organization without jeopardizing the familiarity many members value from PREA.

**2009 Efforts**
- Announced plans for the 2010 launch of the John W. Koza Leadership Program. Named in recognition of former chairman John Koza, a respected industry leader and exponent of investor education, the Leadership Fellows Program is designed to promote engagement in PREA among up-and-coming leaders in the institutional investor community. The objective is to familiarize young investors with the organization early in their careers to ensure that they are fully aware of the educational resources available to them.
- The program will also be a source of the association’s next generation of institutional leadership.
- Continued to refine and promote PREA’s affinity groups. These are designed to encourage candid and open dialogue among members around a specific topic. Membership in each group is limited in order to maintain a small group dynamic. Meetings are held in conjunction with our Spring and Fall Conferences.

**Affinity Group Topics**
- Green Buildings/Sustainable Investing
- International Real Estate Investment
- Development Trends, Redevelopment and Repositioning Trends
- Capital Markets
- Alternative Real Estate Investment
- Reporting & Valuation

- Hosted a breakfast meeting for new members and first time attendees at the Spring and the Fall conferences.
- Continued to evaluate ways in which to engage non-members, such as participation in regional lunches or workshops. Non-member breakfasts were introduced in specific regions.
- Expanded and rotated committee membership.
- Added more networking time with the PREA café and scheduled free time into conference programming.

**Plan Sponsor Member Experience**
- At the suggestion of the Plan Sponsor Council, PREA’s Research Department conducted the first PREA Management Fees & Terms Study and published the results. The objective of the study was to analyze the fee structures and fee levels of private property investment funds with the aim of creating a systematic approach of gathering and reporting information on fee structures, increasing the transparency and comparability of fee structures and levels of private real estate investment funds.
- Continued annual publication of the PREA Investor Report, which is designed to represent the real estate investment activities of the universe of public and private retirement plans, endowments, foundations, and other funds, both in the industry generally and within the PREA membership specifically.
- The Plan Sponsor Council Executive Committee continued to focus on the specific and unique needs of PREA’s plan sponsor members.
- Designed an investor only section of the website to be launched in conjunction with PREA’s new site.
- Continued to develop and expand the Regional Luncheon program for plan sponsors.
IV. Membership

Goal
Continue to meet the needs of our existing membership while taking steps to reflect the industry as a whole.

Ongoing Priorities
PREA must continue to meet the needs of its existing membership while taking steps to reflect the industry which it serves. This includes welcoming different types of investors, managers and other organizations both domestically and globally. Through this type of expansion and evolution, PREA can ensure its endurance as a leading industry association.

The second part of this priority is to ensure PREA is meeting the demands of our existing members in the most effective, efficient manner possible. Growth is an important element of PREA's continued success but maintaining existing members' satisfaction is why we are here. It is also the reason new members will join.

2009 Efforts
- Maintained PREA's overall membership and grew investor membership by almost 5%

PREA’s Total Membership - 5-Year Period
- Maintained the 1:4 ratio of plan sponsors to investment managers and other members as in previous years. We continue to track this ratio to ensure that the composition of our membership reflects that of the industry at large.
- Continued to focus on engaging senior level executives and industry leaders to be involved in PREA, in leadership roles and as participants in committees, events and publications. The high level of interest and willingness of our members to participate in PREA has allowed us to sustain the high quality of services PREA delivers. We greatly appreciate the knowledge and talent that our volunteer members contribute to the overall success of the organization.

Membership Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Members</th>
<th>Plan Sponsor Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>472</td>
<td>112</td>
</tr>
<tr>
<td>2006</td>
<td>532</td>
<td>122</td>
</tr>
<tr>
<td>2007</td>
<td>572</td>
<td>129</td>
</tr>
<tr>
<td>2008</td>
<td>632</td>
<td>147</td>
</tr>
<tr>
<td>2009</td>
<td>632</td>
<td>155</td>
</tr>
</tbody>
</table>

PREA’s Total Membership Retention – 5-Year Period
- Maintained the 1:4 ratio of plan sponsors to investment managers and other members as in previous years. We continue to track this ratio to ensure that the composition of our membership reflects that of the industry at large.

Membership Retention Over a Five-Year Period

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Sponsors</td>
<td>24.5%</td>
</tr>
<tr>
<td>Investment Managers</td>
<td>38.5%</td>
</tr>
<tr>
<td>Others</td>
<td>37%</td>
</tr>
</tbody>
</table>

Total Membership Over The Past Five Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Retained Members</th>
<th>New Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>36</td>
<td>436</td>
</tr>
<tr>
<td>2006</td>
<td>91</td>
<td>441</td>
</tr>
<tr>
<td>2007</td>
<td>63</td>
<td>509</td>
</tr>
<tr>
<td>2008</td>
<td>101</td>
<td>531</td>
</tr>
<tr>
<td>2009</td>
<td>76</td>
<td>556</td>
</tr>
</tbody>
</table>
V. Global Presence

**Goal**
To collaborate on educational and research opportunities with global, like organizations to further PREA's global engagement and presence.

**Ongoing Priorities**
The institutional real estate investment community is global. As an association reflective of the industry, PREA must expand its global reach to reflect the growing interest in opportunities outside the United States among its members and within the industry.

**2009 Efforts**
- Co-hosted the Pension Fund Forum with the Association for Real Estate Securitization (ARES) in Tokyo, the first time that PREA hosted an overseas event. In keeping with PREA's educational focus, the goal of this event was to offer the audience a better understanding of real estate as a global asset class. Through keynote addresses, panel discussions, and face-to-face interactions, members of PREA and ARES had the unique opportunity to learn from one another while expanding each organization’s geographic reach.
- Expanded relationships and collaborated with similar foreign groups, i.e., European Association for Investors in Non-Listed Real Estate Vehicles (INREV), Investment Property Databank (IPD), Investment Property Forum (IPF), and Asian Real Estate Association (AREA).
To serve its members engaged in institutional real estate investment through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.
Events
PREA’s meetings and conferences provide varied opportunities for investors to communicate with peers and to learn more about today’s most important investment trends and topics. An emphasis on the objective and unbiased exchange of information is maintained through the selection of highly-respected presenters and a “no-marketing” policy.

The Spring Conference, initially held in 1984, and the Annual Plan Sponsor Real Estate Conference, which debuted in 1990, are the two largest events hosted each year. The CEO Leadership Forum, initiated in 1999 and held the day prior to the Spring Conference, is an invitation-only meeting designed to facilitate high-level discussion of investment strategy among leading managers, investors and consultants. Affinity groups, which meet in conjunction with the Spring and Annual conferences, are geared toward more personalized interaction and dialogue surrounding issues of particular interest to attendees, such as global investment and development. The closed plan sponsor-only sessions afford extra time for investors to meet with their peers and consider issues of special importance to the plan sponsor community.

The PREA Institute, a collaboration with real estate faculty at major research universities, offers a select group of participants the chance to explore the academic aspects of property investment and portfolio management. The Institute’s speakers, panelists and attendees are carefully chosen to promote a balance of theory and practice in the program and discussions. Regional plan sponsor breakfasts provide a setting for investors to meet locally and talk over matters that they have identified as mutually interesting or important. Recently launched products and services include regional meetings for all member constituencies, Research Department white papers, a compendium of industry statistics, and industry news blasts.
Spring Conference

Held as it was during the depths of the downturn—reflected in such indicators as negative GDP growth, steadily mounting unemployment and lows going back a decade for many public equities prices—PREA’s Spring Conference was appropriately titled Managing Through Crisis. Its location in the nation’s capital was also fitting given the scale of government’s response to the crisis through a number of programs and other measures.

The conference began with a keynote address by economist Martin Wolf of The Financial Times of London. Describing the troubled economic backdrop as the most severe and most global crisis “we have ever seen,” Wolf began by identifying its most insidious causes, including three that had received relatively scant attention: global trade and currency imbalances, a consequent credit boom, and financial innovation. He went on to identify three major possible outcomes—described as “swift recovery,” “global breakdown,” and “muddling through”—whose likelihoods of occurring were each contingent on how such economic drivers as consumer spending unfolded in the ensuing months and years.

Following Wolf’s address, a panel of investor chief investment officers, moderated by Andre Perold, discussed such issues as how their strategies had changed as a result of the crisis, the durability of the long-horizon investing and Yale endowment models, and the centrality of liquidity concerns. Though there was widespread agreement among the investors that they would maintain their commitment to core elements of their investment strategies, including investment in the real estate asset class, tactical shifts and adjustments in response to liquidity constraints were also seen as necessary.

The theme of “strategies in a troubled environment” continued in the subsequent manager panel, during which debt and equity approaches and the attendant risks and opportunities were considered. Next, a panel of experts on the debt markets dissected the process of a real estate workout, an area of widespread interest in light of looming maturities and rising defaults. The first day of the conference concluded with a keynote speech by Tom Brokaw, who shared his exceptional insights into the world events and people behind them that he had covered over a long and distinguished career in journalism.

The second day of the conference opened with a keynote talk on government’s response to the crisis through monetary and fiscal policy (including TARP) from an individual uniquely qualified to address this subject: Timothy Ryan, presently CEO of the Securities Industry and Financial Markets Association (SIFMA), served as Director of the Treasury Department’s Office of Thrift Supervision (OTS) and as a Director of the Resolution Trust Corporation (RTC). Subsequently, Ron Insana moderated a panel of industry leaders on the essential elements of a recovery, including the restoration of liquidity to the real estate capital markets and renewal of the securitization market. The final session, an interactive town hall discussion expertly moderated by Mary Ludgin and Asieh Mansour, used an electronic tally system to record the audience’s opinions on various aspects of real estate investment and the economy in general.
Spring Conference Speakers
Co-Chairs:
Bruce Cohen
Chairman and Chief Executive Officer, Wrightwood Capital
David B. Henry
President, Vice Chairman & Chief Investment Officer, Kimco Realty Corporation
Matthew J. Lustig
Managing Director, Lazard Frères & Co. (“Lazard”) and Lazard Alternative Investments LLC

Speakers:
Martin Wolf
Associate Editor and Chief Economics Commentator, Financial Times
Andre Perold
George Gund Professor of Finance and Banking, Harvard Business School
Donna Dean
CIO, The Rockefeller Foundation
Tony Kao
CIO, General Motors Asset Management
Mansco Perry, III
CIO, Maryland State Retirement Agency
Ross Smotrich
Managing Director, Equity Research, Barclays Capital
Linda Assante
Partner, Oak Hill Investment Management, L.P.
David O’Connor
President, High Rise Capital Management, L.P.
David Sherman
President, Metropolitan Real Estate Equity Management, LLC
Rick Jones
Partner, Dechert LLP, Finance & Real Estate Group
Leonard Cotton
Former Vice Chairman, Centerline Capital Group
Jim Glasgow
Portfolio Manager, Managing Director, Five Mile Capital Partners LLC
Reggie Leese
Portfolio Manager and Managing Director, Blackrock
Christopher Mayer
Senior Vice Dean and Paul Milstein Professor of Real Estate, Center for Real Estate, Columbia University
Tom Brokaw
NBC News
Timothy Ryan
President and CEO, Securities Industry and Financial Markets Association (SIFMA)
Ron Insana
Senior Analyst, CNBC
Milton Cooper
Chairman, Kimco Realty Corporation
Tom Flexner
Global Head of Real Estate, Citi Institutional Clients Group
Bob Larson
Chairman, Lazard Real Estate Partners LLC
Olivier Piani
CEO, Allianz Real Estate
Mary Ludgin
Managing Director & Director of Research, Heitman
Asieh Mansour
Chief Economist & Strategist, RREEF Alternatives

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PREA Institute

In a departure from the tradition of holding the PREA Institute in affiliation with a single university, in 2009 the event was planned in collaboration with a group of “all-star” faculty from highly respected academic programs throughout the country. The Institute was held at the University of Chicago’s Gleacher Center.

A Conversation with Eugene Fama
The opening session of the Institute was a keynote conversation with Eugene Fama, widely recognized as the “father of modern finance.” After providing background on the relevant research, moderator Jacques Gordon asked Fama to talk about his early contributions to the finance world. Fama spoke about how, at the beginning of his academic career, computing allowed economists to ask research questions (namely, what stock prices should be if markets were functioning as expected), that previously had been much more difficult to explore. As he developed finance theories around these new tools, he found weaknesses in William Sharpe’s Capital Asset Pricing Model, specifically involving the model’s dependence on measures of market sensitivity to the exclusion of other factors. Fama described how, working with collaborator Kenneth French, he developed an alternative to CAPM that became known as the “three-factor model,” as it incorporated returns in the overall market, on a portfolio of small stocks, and on a portfolio of value stocks. Gordon next guided Fama into a discussion of how the three-factor model could be applied to institutional real estate, both publicly listed and private (it was agreed that the potential existed, with some caveats). The conversation then shifted to criticisms of Fama’s Efficient Market Hypothesis. Fama argued that available evidence supports the hypothesis. He also denied suggestions that the hypothesis caused the financial crisis. Additional topics of discussion included challenges to the EMH from the behavioral finance field and use of the hypothesis to support passive investment strategies.

Following the keynote discussion, Institute participants heard from eight other “all-star” researchers from seven different academic institutions throughout the United States:

Kenneth Rosen
UC Berkeley, addressed both “macro” concerns involving the broader economy and “micro” issues specific to real estate. He noted an improvement in the economic picture over the previous three quarters, but remained cautious about the prospects for a long-term recovery.

Joe Gyourko
University of Pennsylvania, focused primarily on the housing bubble, distinguishing between the supply and demand fundamentals in “coastal” markets like New York and San Francisco and those in “sun belt” markets like Phoenix, where supply is less constrained. He stressed that many of the same economic phenomena that determine the path of housing prices influence commercial real estate pricing as well.

Peter Linneman
University of Pennsylvania, compared real estate performance at the global level, observing weakness throughout much of Europe relative to the United States. By contrast, he saw signs of resilience in Latin America, India and China,
owing either to strength in underlying economies or to real estate’s treatment as the “risk free” asset class.

William Wheaton
MIT, shared his perspective on how increasing transportation costs will influence urban morphologies, though not necessarily as one might expect. The relationship between transportation technologies and settlement patterns will depend, he noted, on which model (i.e. monocentric vs. polycentric) predominates in the future.

Charles Wurtzebach
DePaul University, analyzed the challenges confronting the institutional real estate community in the current environment, including communications and regulatory demands on managers, the need on all sides to make sure that incentives are properly aligned, the difficulty of obtaining financing, and the test of creating value at the property level.

Chris Mayer
Columbia University, focused on the role played by the securitization markets in inflating the real estate bubble, and the role securitization will have to play in a recovery. Mayer also assessed different aspects of non-securitized real estate, including owner-occupied housing and commercial property markets.

Timothy Riddiough
University of Wisconsin, also addressed securitization’s role in the crisis. He posed the question of whether securitization inherently causes market disruption or whether its misuse can have such negative consequences. Like Mayer, he underscored the importance of securitization markets to achieving a market rebound.

Joe Pagliari
University of Chicago, spoke about joint ventures, identifying the areas of the property markets to which JV investment is best suited. Pagliari also addressed the need to adjust for leverage on different investments so that comparisons can be made in the context of risk-parity and discussed his research into the effects of incentive fees on the motivations of operating partners.
The financial crisis had subsided to some extent by the time of the October conference, as noted in its opening presentation, but uncertainty continued to infuse the investment landscape. This sense of ambiguity underscored the advantages of conferring with industry peers and exchanging perspectives.

CNN's Fareed Zakaria was the opening keynote speaker. He questioned how so many people missed the approach of the financial crisis and how, once it emerged, its severity and length were overestimated. He attributed these "fundamental errors of analysis" to a misreading of the global economy and, more widely, of global political and economic stability. Despite media reports to the contrary, Zakaria asserted, we are living in a time of relative global peace and economic prosperity, especially in many of the world's emerging markets. In fact, outsize growth in many such nations, though itself mostly salutary, helped fuel the conditions that led to economic upheaval: China, India and others accumulated foreign exchange reserves in the trillions of dollars. A large share of these reserves were invested in US government debt, catalyzing a "collapse in the cost of capital" that enabled reckless investment behavior and led to bubbles in asset classes including real estate.

Following the keynote, a panel of experts drawn from the investment world and academia examined the most important "macro trends" affecting real estate and other sectors, among them trends in central bank policy, inflation, currency movement and global trade. Next, a panel moderated by Ron Insana focused on the possible effects of government programs and actions on the future of real estate. Among those aspects of government intervention considered were the Public Private Investment Fund (PPIF), the Term Asset-Backed Securities Loan Facility (TALF) and the FDIC's methods of resolving commercial real estate loans at troubled institutions. Afterward, a panel of real estate industry leaders moderated by Linda Assante considered how capital sources for the asset class had changed and might evolve in the future. The dinner program that night featured NBC's Jay Leno and a presentation of the Graaskamp Award to the University of Pennsylvania's Peter Linneman.

The second day's sessions included a timely panel devoted to GP-LP issues that arise in commingled fund or joint venture relationships and another in which panelists discussed the new investment models expected to emerge during and after the current period of market weakness. After a first day of conference sessions geared toward the effects of outside factors on the real estate asset class, these panels offered an outlook on how investors within the asset class were responding.

The conference program concluded with a well-received conversation among the institutional investors co-chairing the event: Marjorie Tsang, Mike DiRe and Eric Lang. The session was moderated by Laurie Dotter. In general, the final day's conversations revealed the need and desire to reconcile the benefits of existing investment paradigms with the advantages of new investment models and ways of conducting business.
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Fall Conference Speakers

Co-Chairs:
Marjorie Tsang
Assistant Comptroller for Real Estate Investments, New York State Common Retirement Fund
Mike DiRe
Director of Real Estate, California State Teachers’ Retirement Fund
Eric Lang
Managing Director – Real Assets, Teacher Retirement System of Texas

Speakers:
Fareed Zakaria
Newsweek Editor, columnist, CNN host
Jacques Gordon
Global Strategist, LaSalle Investment Management
Peter Linneman
Albert Sussman Professor of Real Estate, Finance, and Public Policy, Wharton School of Business, University of Pennsylvania
Kenneth Rosen
Chairman, Rosen Real Estate Securities
Jonathan Sokoloff
Managing Partner, Leonard Green & Partners
Darrell Spence, Vice President, Capital Strategy Research, Inc.

Ron Insana
Senior Analyst, CNBC
Sacha Baro
Managing Director, Head of Capital Markets Group, BlackRock
Michael Gordon
Co-Founder, CEO and CIO, Angelo, Gordon & Co.

Spencer Haber
Founder, Chairman, CEO, Portfolio Manager, H/2 Capital Partners, LLC
David Miller
Acting Chief Investment Officer, Office of Financial Stability, U.S. Department of Treasury
Andrew Rabinowitz
COO and Partner, Marathon Asset Management

Linda Assante
Partner, Oak Hill Investment Management
Graeme Eadie
Senior Vice President-Real Estate Investments, CPP Investment Board
Michael Carp
Managing Director and Regional Head-Americas, Head of Investments, GIC Real Estate, Inc.

Volker Kraft
Managing Director, ECE Investment International G.m.b.H.
Guido Verhoeof
Head of Private Real Estate, PGGM

Ted Leary
President, Crosswater Realty Advisors
Steve Coyle
CIO, Global Realty Partners, Cohen & Steers Capital Management, Inc.

Barden Gale
CEO, J.E. Robert Companies
Peter Lewis
Sr. Investment Officer, Liberty Mutual Group
Bill Lindsay
Partner, PCCP, LLC
Jack Koch
Principal, Townsend Group

Joanne Douvas
Principal, Clerestory Capital Partners, LLC
Steve Mason
Managing Director, North America Real Estate, APG Asset Management, US, Inc.

Walter Stackler
Managing Director and Co-Head, Real Estate Private Fund Group, Credit Suisse

Maury Tognarelli
President & CEO, Heitman
Margaret Waters
Principal and Manager of Private Real Estate Fund Investments, Bessemer Trust
Laurie Dotter
Senior Vice President, Texas Treasury Safekeeping Trust Company
New and Special Events

**PREA expanded upon** its existing meetings and events in 2009 to present a summit in New York on the government’s Public-Private Investment Program (PPIP) in collaboration with the Securities Industry and Financial Markets Association (SIFMA), and to co-host the Pension Fund Forum in Tokyo with its main sponsor, the Association for Real Estate Securitization (ARES). These meetings constituted a response to member demand for information on current market events and government’s response to the financial crisis as well as a major step toward realizing PREA’s strategic priority of global engagement.

**PREA/SIFMA Public-Private Investment Program Summit**

This event presented an opportunity to delve into the Public Private Investment Program (PPIP) as well as the commercial real estate and debt markets and government measures more broadly. After an introduction and opening remarks from Timothy Ryan, the President and CEO of the Securities Industry and Financial Markets Association (SIFMA), attendees heard from William C. Dudley, the President and CEO of the Federal Reserve Bank of New York, who set the stage with an overview of the program. Following his remarks, an expert panel discussed the impact of PPIP on financial institutions. A subsequent panel featured a view from the Federal Deposit Insurance Corporation; panelists included Jim Wigand, who was involved in the resolution of failed financial institutions at the FDIC, and Joseph Jiampietro, who had just joined the government entity as a senior adviser for markets. Following that, an industry panel addressed commercial real estate opportunities that might arise from the Legacy Loan portion of the Public Private Investment Program (PPIP) and from the Term Asset-Backed Securities Loan Facility (TALF). They also addressed the role these programs might play in “jump-starting” a commercial real estate market that moderator Bart Steinfeld (of Jones Lang LaSalle) described as “moribund” at that time. The keynote lunch speech by David Miller, Director of Investments for the US Treasury Department’s Office of Financial Stability, focused on the Legacy Securities portion of PPIP. Miller began with a review of how the legacy assets problem arose, then described the structure and expected benefits of the legacy securities program. He ended with an update on the fund manager selection process. The summit concluded with panels on the outlook for legacy loans and the outlook for the Securities PPIP and an expanded TALF program.
New York Regional Summit

PREA’s regional summits were created to give members the opportunity to meet locally to “check in” with their peers about current market events. The troubled economic conditions that prevailed throughout most of the past year enhanced the value of such opportunities. The New York Regional Summit, held in September, was a spirited exchange between leading investors and managers about a variety of industry concerns, including liquidity, alignment of interests, and new investment models. Participants debated whether a real estate illiquidity premium was justified, and if so, at what level. Also considered were the importance of communication between different parties, and the balance between LP and GP authority with regard to fund documentation, catch-ups and clawbacks, capital calls, incentive fees and other issues. Summit attendees also discussed the current fund paradigm, whether that model was broken, and how it might change in the future, with particular emphasis on the size and specialization of operators and the use of leverage.

ARES/PREA Pension Fund Forum

The Association for Real Estate Securitization (ARES) held its fifth annual Pension Fund Forum in 2009. It invited PREA to co-host this event, which marked the first jointly-sponsored Forum and the first time PREA hosted an overseas meeting. The November 19 event was attended by more than 320 individuals, more than 100 of whom were from pension funds or other institutional investors. The first session was a presentation on the global economy and the prospects for recovery in Japan’s capital and asset markets by Professor Yuichiro Kawaguchi of Waseda University’s Graduate School of Finance. The following presentation by Ray Torto of CB Richard Ellis addressed investor thinking and intentions in the wake of the Bear Stearns and Lehman Brothers crises. He observed a certain degree of optimism among US investors relative to the real estate asset class, but noted that property pricing in the US did not yet seem to have reached a bottom as in Europe and Asia. Next, ARES Senior Researcher Koji Sawada provided an overview of his organization’s J-REIT database, an ARES member benefit. The following panel discussion featured Japanese, Canadian and American industry leaders who discussed pension fund investment in real estate. They described the sometimes disparate reasons for investor interest in the asset class in each country, but concurred that communication between investors and managers is of paramount importance. Subsequently, Tim Bellman, Global Head of Research and Strategy for ING Real Estate Investment Management, discussed how Japanese and Asian property markets fit into a global real estate investment strategy, with emphasis on the demographic trends underpinning occupier demand and investment returns. The final conference session was devoted to the evolution of institutional investment markets in Asia, with particular emphasis on aspects of the Japanese market. Also discussed were the growth potential in countries including Singapore, Taiwan, South Korea, China, India, Indonesia and Thailand, as well as the tax and legal considerations that must be taken into account in those locales.
Educational Initiatives

WEBINAR SERIES
PREA launched its webinar series in 2009. Webinars are internet-based forums through which presenters can provide graphics and written materials to complement their spoken dialogue. These online discussions allow participants to gain valuable insight into current industry issues without leaving their desks. Webinars are a complimentary member benefit and can be accessed either in real time or replayed after the initial broadcast is complete. Four webinars were held in 2009 on the following subjects:

**The Debt Market**
Tuesday, Feb. 24, 2009
PREA held the association’s first-ever webinar in February. The hour long discussion allowed for an in-depth examination of the current condition of the commercial real estate debt markets. Experts from both the investor and manager communities participated, shedding light on issues like defaults, debt pricing and extension prospects from multiple perspectives.

**Participants:**
Gadi Kaufmann, RCLCO/Robert Charles Lesser & Co.
Robert Brennan, Credit Suisse
Field Griffith, Virginia Retirement System
Richard M. Walsh, New York Life Investments
Darrell Wheeler, Citi Global Markets

**Alignment of Interests – General Partners, Limited Partners and Joint Venture Partners: What are the Issues?**
Tuesday, May 19, 2009
This webinar was the first of a two-part webinar series dealing with shifting investment relationships. During this broadcast, participants established which issues are most on the minds of investors and managers. They also discussed the role of the financial crisis in bringing these issues to the fore. The conversation set the stage for a subsequent follow-up webinar on how all constituencies will face these challenges going forward.

**Participants:**
Field Griffith, Virginia Retirement System
Michael DiRe, California State Teachers’ Retirement System
Stephen Furnary, ING Clarion
Sanford Herrick, Hudson Realty Capital, LLC
James Lavan, Colorado Public Employees Retirement Association
Ted Leary, Crosswater Realty Advisors, Inc.

**Alignment of Interests – General Partners, Limited Partners and Joint Venture Partners: What are the Solutions?**
Tuesday, June 2, 2009
Panelists looked to the future during this webinar, answering the question: Where do we go from here? The group discussed the concerns most on the minds of investors, including manager fees, co-investment and communication with limited partners, fund documentation, and investor discretion through advisory board or other roles. These discussion points provide a useful rubric by which to structure GP-LP negotiations moving forward.

**Participants:**
Lawrence Hass, Paul Hastings, Janofsky & Walker
Keith Barket, Angelo, Gordon & Company
Jamie Behar, Promark Global Advisors
Steve Hason, APG Asset Management US Inc.
Jeff Jacobson, LaSalle Investment Management, Inc.

**The Role of Real Estate in an Institutional Portfolio Today**
Nov. 10, 2009
Presenters discussed the traditional roles commercial real estate is thought to play in an institutional portfolio: inflation hedge, diversifier, and return generator. They debated whether the market downturn exposed deficiencies in any of these areas, and considered ways in which the asset class can evolve to meet short term, crisis-related obstacles as well as the long term needs of investors.

**Participants:**
Bret Wilkerson, Property & Portfolio Research
Jon Braeutigam, Michigan Department of Treasury
Nancy Everett, Promark Global Advisors
Rebecca Gratsinger, R.V. Kuhns & Associates, Inc.
Catherine Polleys, Ennis Knupp & Associates
Weak market performance, distress and government intervention were among the themes explored in this issue of the Quarterly. In the One-on-One, Arizona State finance professor Tony Sanders spoke about the Troubled Asset Relief Program (TARP), about which he had recently testified before Congress. Feature article writers examined topics including risk management, the risk-return tradeoff in real estate, and investment innovation as it relates to accountability, transparency, liquidity and alignment of interests. Reports of market disruption were common to all department articles, including Capital Markets and Real Estate Securities pieces on the resulting denominator effect, a Global Markets in which UK real estate performance was described as “dismal,” and Plan Sponsor Corner submissions in which the GP-LP paradigm prevalent in the United States was called into question. Washington Update contributors identified possible modes of participation in government rescue plans for institutional real estate investors, and in a Washington Update sidebar, investors in global real estate were advised to pay heed to corruption, bribery and accounting risks in light of stepped-up enforcement of the U.S. Foreign Corrupt Practices Act. In a special Point of View commentary, a prominent manager likened the commercial real estate environment to a “perfect storm.”
Considering that the stock market was brushing against its March 2009 lows as this issue was taking shape, it is not surprising to see the downturn reflected in the three feature articles devoted to answering the question “What’s on investors’ minds?” In one Feature, issues at the center of the GP-LP relationship, including those surrounding capital commitments and fund extensions, were addressed. In another Feature, the dearth of real estate transactions and implications for investors were observed. In a third Feature, the asset allocation process was broken into its component parts (mathematics, economics and governance) and the evolution of asset allocation in the context of rebalancing and liquidity challenges was contemplated. The One-on-One conversation with Mark Anson focused on the financial crisis itself, including a reckoning of its causes, effects and severity. In the Plan Sponsor Corner, a prominent investor dug further into the relationship between general and limited partners, stressing the importance of accurate information to ensuring successful collaboration. The department articles generally also took measure of market distress, including accounts of lower transaction activity and an overleveraged market. A Point of View writer likewise recognized the extent of market troubles, but maintained that the core motivations for institutional property investment would nonetheless persevere over the long term.
Summer 2009

IN THIS ISSUE
- One-on-One: Robert Shiller
- Property Types in Focus: Office, Industrial, Retail and Multifamily
- Capital Markets Report: Liquidity and Price Discovery
- Institute Recap: A Meeting of the Academic All Stars

The front cover of this issue—depicting a road sign with the warning “rough road”—epitomized the economic backdrop at the time of publication. The downturn had affected different parts of the real estate world in different ways, however, and in recognition of this variation each of the issue’s four feature articles was devoted to a major property type. Whereas the Feature on retail emphasized credit tightening and household deleveraging, the office article concentrated on supply and demand fundamentals. Both the industrial and multifamily writers recognized favorable demand drivers like population growth in the long term as well as detriments in the near term related to the broader economy. In the One-on-One interview, Yale’s Robert Shiller addressed the financial crisis he had predicted during the preceding boom. He also spoke about financial innovation and, in particular, the development of a robust derivatives market. Department writers considered timely issues including government support of private infrastructure investment, property pricing and liquidity dynamics, global real estate performance and REIT returns. A recap of PREA’s 2009 “all star” Institute was also provided.
The debt markets were on the minds of investors as the year drew to a close, and the topic received due attention in the Quarterly’s Fall issue. One Feature writer assessed the US commercial debt markets, and especially the three most prominent sources of financing: banks, insurance companies and commercial mortgage-backed securities. Another Feature writer described the expanding global market for non-performing loans. In a special Point of View piece, contributors suggested that investors look into the possible benefits of buying existing debt or originating new debt in a distressed economic climate. In another pair of Features, writers highlighted the importance of fund documentation in approaching such contingencies as fund bankruptcy and in maintaining clarity on management fees, unfunded commitments and similar issues. In a special Retrospective article, selected Quarterly articles written over the course of the publication’s history were reviewed. These articles were chosen and analyzed for how they reflected the state of industry thinking about asset allocation strategy, risk management, and global investment. In the One-on-One, Christopher Steiner of Forbes spoke about his new book $20 Per Gallon, his prediction of higher energy prices and the wide-ranging implications for real estate, the economy and everyday life.
To serve its members engaged in institutional real estate investment through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.
In 2009, PREA enhanced its efforts to bring the latest and most relevant property research to its members through its Research Review publication. As in previous years, we asked highly respected researchers and practitioners to evaluate academic articles that had recently appeared in real estate journals. The number of articles reviewed expanded to 32 from 23 the year before, and were divided into the following classifications, including a new category, “special interest”:

**Performance and Valuation**
Real estate index performance, pricing, appraisal and liquidity are among the subjects of these articles.

**Portfolio Management**
These articles cover issues that arise at the portfolio level, including risk management, asset allocation, trading intensity and investment diversification.

**Public Markets**
This section is devoted to REIT-specific concerns, including certain types of risk exposure, return asymmetry and variation in capital structure.

**International**
The articles in this area involve global real estate investing, including international property index and benchmark analysis and determination of correlations between real estate performance proxies in different countries.

**Debt Markets**
The market tumult of the past two-plus years has enhanced investor interest in research on the debt markets, which in this section includes articles on CMBS default and loss.

**Special Interest**
This new section allows for an exploration of topics outside of the traditional classifications. In this issue of the Research Review, they include an examination of the possible economic advantages of green investing, an investigation into the criteria underlying institutional investors’ decisions to hire or terminate managers and a study of how quality of business or quality of life factors might influence migration patterns within the United States.

Each review includes a general description of the research, a recapitulation of the paper’s data and methodology, thoughts on how the research might apply to investors, and a consideration of “caveats,” or limitations in the study’s methodology or applicability. An Index of Other Papers provides the titles of other articles of interest that were not fully reviewed.

In the final quarter of 2009, PREA began its planned transition to a paperless, electronically distributed format for the Research Review. This new, more timely mode of delivery will ensure that reviews are made available on a real-time basis, allowing members to keep up with relevant academic research as it is published.
November 2009 saw the introduction of a new series of reports for PREA members, the PREA Research Report series. These reports are prepared by Greg MacKinnon, PREA’s new Director of Research, who brings years of experience in academia to the project. The Research Reports are designed to deliver unbiased research on timely topics and address questions of relevance to investors, and to do so in an accessible and user-friendly manner. In many cases the questions underlying the Research Report come from actual questions asked by PREA members in discussion with our research department. By publishing online, and announcing new Research Reports as they come out via our daily e-mail News Blast, these short reports can be distributed to members based on a short turnaround time; hence, as well as addressing issues of long term significance to investors, the reports can also address issues of importance in current market conditions. The economic dislocation of the past two years has highlighted the importance of staying attuned to rapid market shifts and underscored the need for independent research and perspectives.

Selected titles from 2009:

Active versus Passive Management of Funds of Real Estate Securities: A Review of the Academic Evidence (November 2009)

Do REITS Have an Advantage When Credit is Tight? (December 2009)

An Estimate of the Value of Commercial Real Estate Assets Held by Pension Funds Globally (December 2009)
In 2009, PREA teamed with Institutional Investor to sponsor the fourth special real estate-specific issue of the Journal of Portfolio Management. The issue features ten articles on a variety of subjects, including the differences and commonalities between commercial real estate and owner-occupied housing, relative value in commercial mortgage investment at an inflection point for default and refinancing risks, the use of REIT-based “pure play” indices to better understand and more precisely trade commercial real estate, and the use of derivatives to hedge real estate risks.

Two articles are focused on factors that influence capitalization rates. Others address issues of investment style outside of the traditional classifications of geography and property type, the risk premium on real estate in developed and emerging economies, and measurement of the breadth and economic output of the middle and affluent classes in emerging countries. An introductory article charts the evolution of real estate as an asset class, including the application to property investing of capital asset pricing, diversification strategies, securitization and other tools of portfolio management. The article also takes note of how the economic dislocation of recent years has highlighted the importance of risk management in real estate and investing generally.

**Titles and Authors**

**Real Estate’s Evolution as an Asset Class**
Jim Clayton, S. Michael Giliberto, Jacques N. Gordon, Susan Hudson-Wilson, Frank J. Fabozzi, and Youguo Liang

**Understanding Commercial Real Estate: How Different from Housing Is It?**
Joseph Gyourko

**Capital Markets Impact on Commercial Real Estate Cap Rates: A Practitioner’s View**
Martha S. Peyton

**The Secular and Cyclic Determinants of Capitalization Rates: The Role of Property Fundamentals. Macroeconomic Factors, and “Structural Changes”**
Serguei Chervachidze, James Costello, and William Wheaton

**Commercial Mortgage Default and Refinancing Risk: A Primer**
Patrick J. Corcoran

**REIT-Based Property Return Indices: A New Way to Track and Trade Commercial Real Estate**
Holly Horrigan, Brad Case, David Geltner, and Henry Pollakowski

**Hedging Real Estate Risk**
Frank J. Fabozzi, Robert J. Shiller and Radu S. Tunaru

**Style Analysis in Real Estate Markets: Beyond the Sector and Region Dichotomy**
Franz Fuerst and Gianluca Marcato

**The Real Estate Risk Premium: A Developed/Emerging Country Panel Data Analysis**
John D’Argensio and Frederic Laurin

**Sizing Up the Middle Class in Developing Countries**
Mandipa Kapas and Youguo Liang
Other Publications

**Investment Management Guide**

This publication provides profiles of PREA’s investment management members. For each organization, it includes contact information, a company overview, and a breakdown of managed assets by property type, geographic distribution and fund name. In 2009, the Guide was made fully searchable online through PREA’s website. Members can search for listed investment management firms by location, products offered (i.e. commingled funds, separate accounts), investment style (i.e. core, value add), assets under management, or property type. Last year, the Guide featured 173 corporate participants and $8.56 billion in total real estate allocations, of which 61% were made in the US and 37% were made outside North America.

**Investor Report**

Previously known as the Plan Sponsor Research Report, the Investor Report is designed to capture the real estate investment activities of the universe of public and private retirement plans, endowments, foundations, and other funds through a representative sample of participating investor firms. Data collected from participants is aggregated to ensure confidentiality but paints a valuable portrait of the property holdings and investment trends of the institutional investor community. In the most recent report, published in August of 2009, participants’ real estate allocations averaged 9.6% of total assets, an increase from 7.2% the previous year, and 90% of participants applied various forms of leverage.

New Publications from the Research Department

**Compendium of Statistics**

The Compendium is a one-stop source for commercial real estate information culled from dozens of industry sources. Data included in the publication includes NCREIF and IPD property returns, REIT returns, rent growth and vacancy rates by geographic region, real estate transaction volume, and CMBS/CMBX spreads. Also featured are sales charts representing large commercial property sales and capitalization rate tabulations for US core properties in general and by property type. The Compendium is updated on a monthly basis or more frequently depending on member requests or market changes.

**Industry News Blast**

In 2009, PREA began sending out daily news blasts covering real estate related events and developments. Articles are selected for inclusion in the blasts from industry publications and the popular press. Each day, they number between about five and 15 pieces relevant to the property markets. Selected articles in 2009 involved large property transactions, industry-wide trends and the government’s Term Asset-Backed Loan Facility (TALF). Member response to the news blast service has been overwhelmingly positive.
In keeping with our educational mission, PREA awards scholarships on an annual basis to promising students studying real estate at the undergraduate and graduate levels. PREA also partners with the Robert A. Toigo Foundation to grant a PREA/Toigo scholarship which is awarded to minority and women students. Since 1994, PREA has awarded nearly $400,000 in scholarships to more than 150 students studying real estate and related fields across more than forty academic institutions in the United States and Canada.

### PREA Real Estate Scholarship Recipients

- **Alison Baumann**  
  University of Pennsylvania
- **Tom Burns**  
  Columbia University
- **Suzanne Lanyi Charles**  
  Harvard University
- **Alex King Davidson**  
  University of Virginia
- **Josh DiSalle**  
  University of Denver
- **Lindsay Erickson**  
  Arizona State University
- **Jared Joella**  
  University of Pennsylvania
- **Lauren Roy**  
  Columbia University
- **William Peeples**  
  University of Texas
- **Jonathan (J.T.) Sizemore**  
  University of Southern California
- **Stephen Terzolo**  
  George Mason University
- **Tyler Williams**  
  Cornell University
- **Josue Sanchez**  
  Stanford Graduate School of Business
- **Katherine Williams**  
  Stanford Graduate School of Business
- **Michael James Wong**  
  Florida State University

### PREA-Toigo Scholarship Recipients

- **Cheryl Gladstone**  
  Columbia Business School
- **Daniel Reyes**  
  Kellogg Business School
- **Josue Sanchez**  
  Harvard Business School
- **Katherine Williams**  
  Stanford Graduate School of Business
Graaskamp Award

**Dr. Peter Linneman**, Albert Sussman Professor of Real Estate, Finance, and Public Policy, Wharton School of Business, University of Pennsylvania, was selected as the 2009 recipient of the James A. Graaskamp Award. The award was presented to him at PREA’s 19th Annual Plan Sponsor Real Estate Conference.

Dr. Linneman’s body of work embodies the very spirit of the Graaskamp Award, which is given to recognize those persons who contribute to the common body of knowledge some practical insights gained through significant research. Dr. Linneman is the principal of Linneman Associates and also serves as the Albert Sussman Professor of Real Estate, Finance, and Public Policy at the Wharton School of Business, the University of Pennsylvania. A member of Wharton’s faculty since 1979, he served as the founding chairman of Wharton’s Real Estate Department, and was the Director of Wharton’s Zell-Lurie Real Estate Center for 13 years. He is the founding co-editor of The Wharton Real Estate Review. His teaching and research focus on real estate and investment strategies. He has published over 80 articles during his career and is widely recognized as one of the leading strategic thinkers in the real estate industry.

The James A. Graaskamp Award is presented biennially by PREA. Dr. Graaskamp’s pioneering research sought to bridge the gap between academia and the marketplace. Appropriately, the award acknowledges the critical role of research in the furtherance of prudent institutional investment in real estate by honoring research that is both of high academic integrity and significant practical use. The award carries with it a scholarship of $10,000 presented to the university chosen by the recipient.
To serve its members engaged in institutional real estate investment through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.

### 2009-2010 Board of Directors

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<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
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<tr>
<td>Russell Appel</td>
<td>Chairman, Praedium Group LLC</td>
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<td>Jamie Behar</td>
<td>Vice Chairman, General Motors Asset Management</td>
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<td>Raymond Torto</td>
<td>Treasurer, CB Richard Ellis</td>
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<td>Glenn Lowenstein</td>
<td>Secretary, The Lionstone Group</td>
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<td>Laurie DOTTER</td>
<td>Vice Chairman, Plan Sponsor, Council Executive Committee, Texas Treasury Safekeeping Trust Company</td>
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<td>Jon Braeutigam</td>
<td>Michigan Department of Treasury</td>
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<td>Theodore Eliopoulos</td>
<td>California Public Employees’ Retirement System</td>
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<td>Jeffrey Fisher</td>
<td>Indiana University Center for RE Studies, Kelley School of Business</td>
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<td>Gloria Gil</td>
<td>University of California</td>
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<td>Jonathan Gray</td>
<td>The Blackstone Group</td>
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<td>Dale Anne Reiss</td>
<td>Ernst &amp; Young LLP</td>
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<td>Brian Schneider</td>
<td>University of Pennsylvania Investment Office</td>
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<td>Karl Smith Jr.</td>
<td>KHS Real Estate Partners</td>
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<td>Sara Stratton</td>
<td>Qwest Asset Management Company</td>
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<td>Micolyn Yalonis</td>
<td>The Townsend Group</td>
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<tr>
<td>Lawrence Hass</td>
<td>Counsel to the Board, Paul, Hastings, Janofsky &amp; Walker LLP</td>
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Plan Sponsor Council Executive Committee

Devon Olson
Committee Chairman
Utah Retirement Systems

Jamie Behar
Promark Global Advisors

Peter Crosson
Alaska Electrical Pension Fund

Laurie Dotter
Texas Treasury Safekeeping Trust Company

Joan Fallon
U.S. Steel & Carnegie Pension Fund

Gloria Gil
University of California

Steve Hason
APG Asset Management US Inc.

Peter Katseff
Tennessee Consolidated Retirement System

Eric Lang
Teacher Retirement System of Texas

Ville Raitio
ATP Real Estate

Michael Speidel
Brown University Investment Office

Marjorie Tsang
New York State Common Retirement Fund
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CONFERENCE COMMITTEE
David Boyle, Co-Chairman, Morgan Stanley
Greg Moran, Co-Chairman, Dividend Capital Group
Trina Bigby-Sanders, Los Angeles County Employees Retirement Association
Spencer Haber, H/2 Capital Partners LLC
Peter Katseff, Tennessee Consolidated Retirement System
Howard Margolis, Quadrangle Group LLC

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Victor Del Pizzo, Lucent Asset Management Corporation
Brent Ellis, Colony Capital, LLC
Joyce Frater, Morgan Stanley
Patrick Kendall, Cornerstone Real Estate Advisers LLC
Jeffrey Kusumi, Rubenstein Partners
Christian D. MacDonald, Buchanan Street Partners
Tuba Malinowski, Principal Real Estate Investors
Barbara McDowell, ORG Portfolio Management LLC
Melissa Quackenbush, Honeywell Capital Management LLC
Holly T. Reynolds, BPG Properties, Ltd.
Timothy V. Schiltzer, Mass PRIM
Jamie Shen, Callan Associates, Inc.
Max Swango, Invesco Real Estate
Christopher White, Fortis Investments

NEW PROGRAMS COMMITTEE
Gadi Kaufmann, Chairman RCLCO/Robert Charles Lesser & Co.
Linda Assante, Oak Hill Investment Management, L.P.
Julie Brenton
Field Griffith, Virginia Retirement System
Xavier Gutierrez, Phoenix Realty Group
Jen Mantz, Morgan Stanley
Steve Quazzo, Transwestern Investment Management, LLC
Michael Speidel, Brown University Investment Office

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Jay Farris, Aliston & Bird
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Lawrence Hass, Paul, Hastings, Janofsky & Walker LLP
Herbert Krueger, Mayer Brown LLP
John H. Kuhl, Cox Castle & Nicholson LLP
Lennie Occhino, Mayer Brown LLP
William Salisbury, Fiduciary Services, Inc.

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Sheila Kneeshaw, City of Detroit General Retirement System
Mary Ryan McCarthy, Hines
David Sherman, Metropolitan Real Estate Equity Management LLC
Pamela Wright, Credit Suisse
Eric Wurtzebach, Macquarie Capital (USA) Inc.

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Max Swango, Invesco Real Estate
Christopher White, Fortis Investments

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