Why Real Estate?

(updated to Q2 2019)
Why Real Estate?

▪ One of the most common questions faced by investors, investment managers, and consultants.
  ▪ As the premier association representing the institutional real estate community, PREA is also often asked this question.

▪ What are the benefits to having an allocation to commercial real estate within an overall portfolio and why should investors consider such an allocation?

▪ The following presents a brief outline of standard arguments in favor of a real estate allocation along with illustrative numbers updated on a continuing basis, and with links to more detailed resources available to members on the PREA website.
What is Real Estate?

- Important to define exactly what one means by “real estate”.
- Overall real estate market often described as being composed of **Four Quadrants**:

<table>
<thead>
<tr>
<th>Private Equity</th>
<th>Public Equity (e.g. REITs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Debt</td>
<td>Public Debt (e.g. CMBS)</td>
</tr>
</tbody>
</table>
Values are estimated based on combining several sources. Date of each source varies from Q4 2018 to Q2 2019. These are estimates only, based on available data; final estimates are sensitive to assumptions made.

Private equity is on a net asset value basis and based on professionally managed properties held for investment purposes (e.g. does not include owner occupied); only includes portfolios with total value greater than $100 million (e.g. does not include small investors). Public equity includes market value of equity REITs, minus their holdings of cash and debt investments. Public Debt includes CMBS, mortgage REITs, debt investments held by equity REITs, and corp. bonds of REITs. Private Debt includes all multi-family and commercial mortgages except those in CMBS, held by mortgage REITs, or held by GSEs (i.e. not pooled) or by federal, state, or local governments.

Sources: PREA, MSCI, NCREIF, NAREIT, Federal Reserve Flow of Funds

Updated: October 2019
What is Real Estate?

- Each quadrant can have its own role within a portfolio.
- Here, however, we do not discuss real estate debt.

PREA Resources:

- See “Comparing Real Estate Debt and Equity Investments”, PREA Quarterly, Winter 2015,
- See “Real Estate Debt Funds: A Short Primer”, PREA Quarterly, Summer 2016
- See “The Building Blocks of Real Estate Debt: What Investors Should Know About This Growing Option”, PREA Quarterly, Fall 2018
What is Real Estate?

- Public-market and private-market equity real estate are highly related but not perfect substitutes for one another.
  - Each has its own distinct advantages and disadvantages.

PREA Resources:

- For resources comparing the characteristics of REITs and private real estate, see:
  - *PREA Research Report: “REITs and Real Estate: Is There Room for Both in a Portfolio?”,* October 2010
  - “REITS Versus Private Equity Real Estate: Three Topics of Debate”, *PREA Quarterly, Spring 2014*

- In this report, we examine only private market equity investments in real estate.
What is Real Estate?

- **Private equity real estate**: ownership interest in commercial properties.

- Spread across sectors such as office, industrial, retail, and apartment, as well as other more specialized sectors such as hotels, self-storage, seniors housing, student housing etc.

- Asset class typically accessed by institutions via direct ownership (sometimes in joint venture with others) or via private equity real estate funds (either closed- or open-ended).
What is Real Estate?

- Private market investment that allows opportunity to attempt to increase value through control of the asset.
  - Distinct from public market investments which are typically held passively

- Cashflows based on leases, with opportunity for changes in property value.
  - Leases are a debt-like obligation of the lessee.
  - As leases roll-over and market rents change, property income changes. Further, owners can work to improve the property to increase lease rates and occupancy – increases cashflow and property value.

- **Combines aspects of both debt and equity** (but unique and not replicable using those asset classes).
What is Real Estate?

- As a private market investment, real estate is relatively illiquid.
  - Greater costs and time involved in real estate transactions compared to stocks or bonds
  - Must be factored into investment decision making; the need for liquidity varies across investors.
  - Many investors believe that real estate should, on average, earn an “illiquidity premium” – i.e. extra return to compensate for its lack of liquidity
    - This can be an attraction to the asset class, especially for investors who do not require liquidity in their real estate investments.
    - However, there is little empirical evidence on the size of this return premium, or even whether it does actually exist.
A variety of different vehicles exist for institutional investors to access commercial real estate investments:

### Open-end funds

Fund holds an existing portfolio of properties, investors enter or exit the fund at NAV. Investors can submit orders to enter or exit each quarter.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Liquidity (relative to other private real estate options)</td>
<td>• Limited control</td>
</tr>
<tr>
<td>• Access to a professionally managed and diversified portfolio</td>
<td>• Liquidity may not be available when most desired (entry queues in up markets and exit queues in down markets)</td>
</tr>
<tr>
<td>• Relatively low fees</td>
<td></td>
</tr>
<tr>
<td>• Can see portfolio before investing</td>
<td></td>
</tr>
</tbody>
</table>

This is not meant to be a complete description of these real estate investment vehicles; only a very brief general overview is provided. Because of variation across specific investments the descriptions may not be accurate in all cases and do not apply to all structures. Those wishing full details should consult their legal advisor or investment consultant.
### Closed-end funds

Fund with limited life. Investors commit capital, capital is called and invested during investment period, assets are liquidated and capital returned by end of fund life (often an option to extend life for limited period). Typically follow value-add or opportunistic strategies.

**Advantages**
- Access to managerial expertise in specific areas
- Investor can choose funds following specific strategy
- Wide array of specialized strategies available
- Managers usually have flexibility to pursue opportunities (downside: investors have little control)

**Disadvantages**
- Higher fees generally, including carried interest
- Limited control
- Lack of liquidity, capital locked up for life of fund
- Usually blind pool
- J-curve effect
- Fixed life may not coincide with real estate cycle

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# Investment Vehicles

## Separate account

Investor contracts with manager to invest capital on their behalf. Capital is not pooled with other investors.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Access to expert managers</td>
<td>• Need substantial capital to obtain a diversified portfolio</td>
</tr>
<tr>
<td>• Control and flexibility, can set parameters and varying levels of manager discretion</td>
<td></td>
</tr>
<tr>
<td>• Limited liquidity (same as property)</td>
<td></td>
</tr>
</tbody>
</table>

## Direct investment

Investor has direct ownership of properties; invests themselves. May also involve joint ventures with partners for some properties.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Greatest control</td>
<td>• Need in-house expertise</td>
</tr>
<tr>
<td>• Overall costs lower (for large investors)</td>
<td>• Need substantial capital to obtain a diversified portfolio</td>
</tr>
</tbody>
</table>

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## Investment Vehicles

### Fund of funds

Fund which pools capital of investors and invests in real estate funds.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expert manager creates portfolio of funds</td>
<td>• double layer of fees</td>
</tr>
</tbody>
</table>

### Co-investment

Existing investor in a fund also invests alongside fund in a specific asset.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| • Control, ability to select individual investments  
| • Lower overall fees compared to funds alone | • Need in-house expertise to evaluate opportunities  
| | • Large ticket investments – need significant size |

This is not meant to be a complete description of these real estate investment vehicles; only a very brief general overview is provided. Because of variation across specific investments the descriptions may not be accurate in all cases and do not apply to all structures. Those wishing full details should consult their legal advisor or investment consultant.
### REITs

Publicly traded real estate securities. Exempt from corporate tax on distributed earnings.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Liquidity (shares trade on stock exchange)</td>
<td>• Short term volatility</td>
</tr>
<tr>
<td>• Transparency (publicly traded company reports)</td>
<td>• Values may depart significantly from underlying real estate in short run</td>
</tr>
<tr>
<td>• Diversified portfolio easy to create for any amount of capital</td>
<td>• Correlated with equity market in short run, may reduce diversification potential</td>
</tr>
<tr>
<td>• REITs (or similar) available in various countries, easy to diversify internationally</td>
<td></td>
</tr>
<tr>
<td>• Access to non-traditional property types</td>
<td></td>
</tr>
</tbody>
</table>

This is not meant to be a complete description of these real estate investment vehicles; only a very brief general overview is provided. Because of variation across specific investments the descriptions may not be accurate in all cases and do not apply to all structures. Those wishing full details should consult their legal advisor or investment consultant.
What is Real Estate?

- Often broken into three categories based on risk/return profile: **core, value-add, opportunistic**.
- No universally accepted definitions of these classes, but typical industry view:

  **Core**
  lower risk, lower expected return, most return from income, typically low leverage

  **Value-add**
  medium risk, medium expected return, return from income and capital gains, typically medium level of leverage

  **Opportunistic**
  higher risk, higher expected return, return mostly from capital gains, typically higher leverage
What is Real Estate?

Research comparing performance and looking at differences in investment characteristics across core, value-add, and opportunistic strategies:


▪️ “Do Core and Opportunistic Funds Have Different Risk Factor Exposures?”, PREA Quarterly, Winter 2019
Institutional allocations within real estate, for North American investors:

- Core, 67.3%
- Value-add, 17.7%
- Opportunistic, 15.0%

The discussion that follows concentrates on the lower risk categories of real estate that form the basis for most institutional portfolios.

Source: PREA 2019 Investment Intentions Survey
Five characteristics of commercial real estate commonly cited as benefits of the asset class:

1. Good returns with relatively low volatility
2. Income generation
3. Diversification
4. Inflation hedge
5. Important component of the investable universe
PREA Resources (click links to access on PREA website):

- **PREA Research Report**: “Private Real Estate Allocations in Multi-Asset Investment Portfolios”, November 2011
  - Discussion and analysis of major characteristics of asset class as well as citations to other research on the issues

- For actual and target real estate allocations of institutional investors see the [PREA Investment Intentions Survey](#)

- For a look at how pension funds globally invest in real estate, including how much, the approaches used, and the relative costs of the different approaches, see: “A Global Perspective on Pension Fund Investments in Real Estate”, PREA-sponsored special real estate issue of *The Journal of Portfolio Management*, 2013.

A quantitative analysis of optimal real allocations (including public and private, direct and via funds) can be found in “Real Estate in Mixed-Asset Portfolios for Various Investment Horizons”, PREA-sponsored special real estate issue of The Journal of Portfolio Management, 2019.


For a discussion of the issues to consider, and the process involved, in creating a real estate allocation from across the various risk/return categories, see “Creating an Optimal Real Estate Asset Allocation”, PREA Quarterly, Winter 2015.

Defined contribution (DC) plans are becoming an increasingly important aspect of the institutional investing landscape. For an examination of the role of real estate within a DC paradigm see:

- “The Evolving Role of Real Estate in Defined Contribution Plans”, PREA Quarterly, Fall 2014
- “Defined Contribution Plans: Can Real Estate Help Individuals Save or, and Spend In, Retirement?”, PREA Quarterly, Summer 2016
- “The 4% Rule: Does Real Estate Make a Difference?”, April 2017
### Good Returns & Low Volatility

**Annual returns, 1978 to 2018:**

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P 500</th>
<th>Barclays US Aggregate Bond Index</th>
<th>NCREIF Property Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave. return per year</td>
<td>13.28%</td>
<td>7.38%</td>
<td>9.43%</td>
</tr>
<tr>
<td>Volatility</td>
<td>16.35%</td>
<td>6.83%</td>
<td>7.45%</td>
</tr>
<tr>
<td>Sharpe measure*</td>
<td>0.48</td>
<td>0.32</td>
<td>0.51</td>
</tr>
</tbody>
</table>

*Sharpe calculated as average return above one year Treasury yield, divided by volatility. Gives average return per unit of risk; is commonly used to measure risk-adjusted performance.

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*The NCREIF Property Index represents returns to a direct, unlevered investment in a diversified portfolio of U.S. commercial property.*
Good Returns & Low Volatility

Compound average returns (annualized), to Q2 2019:

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P 500</th>
<th>Barclays US Aggregate Bond Index</th>
<th>NCREIF Property Index</th>
<th>MSCI/PREA U.S. Property Fund Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>10.5%</td>
<td>7.9%</td>
<td>6.5%</td>
<td>6.9%</td>
</tr>
<tr>
<td>3 years</td>
<td>14.1%</td>
<td>2.3%</td>
<td>6.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>5 years</td>
<td>10.7%</td>
<td>2.9%</td>
<td>8.8%</td>
<td>10.2%</td>
</tr>
<tr>
<td>10 years</td>
<td>14.6%</td>
<td>3.9%</td>
<td>9.2%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

Sources: PREA Research, NCREIF, MSCI, Refinitiv Datastream

- The **MSCI/PREA U.S. Property Fund Index** measures returns, including leverage and other aspects of the fund structure, to open-end real estate funds and is therefore investable for institutional investors. Returns presented are gross of fees.
Different sectors within real estate may have different investment characteristics

Most common property types are office, apartment, retail, and industrial (there are many other sub-sectors and more specialized sectors such as student housing, seniors housing, self storage, etc.)

Annual returns, 1990* to 2018:

<table>
<thead>
<tr>
<th></th>
<th>Office</th>
<th>Apartment</th>
<th>Retail</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave. return/year</td>
<td>7.3%</td>
<td>9.0%</td>
<td>8.6%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Volatility</td>
<td>9.8%</td>
<td>7.5%</td>
<td>7.4%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Source: PREA Research, NCREIF

* 1990 is chosen as a starting point as the NCREIF database contains a relatively small number of properties from some sectors (especially apartment) in earlier years.
There can be significant variation over time in the relative performance of different property types.

The “quilt chart” below ranks the four main property types each of the last fifteen years by their total return that year. Each property type is color coded so that changes in rank over time can be seen easily.

|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

Source: PREA Research based on NCREIF data

Each property type has been the top performer and the worst performer in different years.
Good Returns & Low Volatility

- One must be careful in comparing volatility of real estate to other asset classes.

- The NCREIF Property Index (NPI) and PREA | IPD U.S. Property Fund Index are based on appraised values, which typically lag and are smoother than market based prices.
  - Further, due to illiquidity, real estate may by its nature react more gradually to changing conditions than public market securities.

- Also, the indices may not reflect the risk of the actual real estate strategy being undertaken by an investor.
  - Indices do not include higher risk types of real estate investments, and the NPI is unlevered.

- For an overview of indices measuring U.S. commercial real estate returns, see [A Primer on Commercial Real Estate Indices, PREA Research Report, December 2016](#).
Appraisals vs. Transaction Prices

- Using annual data (as on previous slides) mitigates the appraisal smoothing issue, but does not necessarily entirely solve it.

- An index based on transaction prices may provide a more accurate view of risk.

**Annual returns, 1985* to 2018:**

<table>
<thead>
<tr>
<th></th>
<th>NCREIF Transaction Based Index</th>
<th>NCREIF Property Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave. return/year</td>
<td>8.80%</td>
<td>8.21%</td>
</tr>
<tr>
<td>Volatility</td>
<td>9.47%</td>
<td>7.47%</td>
</tr>
<tr>
<td>Sharpe measure</td>
<td>0.48</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Sources: PREA Research, NCREIF, Thomson Reuters Datastream

- The NCREIF TBI is based on the same universe as the NPI, but is adjusted based on transaction prices of properties that sold during a quarter.

*The NCREIF TBI is only available back to 1985.*
A risk measure less affected by the different characteristics of private and public markets is **maximum drawdown**

- the greatest peak-to-trough loss experienced over a time period

**Maximum drawdown over Q1 1978 to Q2 2019:**

<table>
<thead>
<tr>
<th>Index</th>
<th>Maximum Drawdown (%)</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500</td>
<td>-45.4%</td>
<td>(Q3 2007 - Q1 2009)</td>
</tr>
<tr>
<td>Barclays US Aggregate Bond Index</td>
<td>-12.6%</td>
<td>(Q2 1979 - Q1 1980)</td>
</tr>
<tr>
<td>NCREIF Property Index</td>
<td>-23.9%</td>
<td>(Q2 2008 - Q4 2009)</td>
</tr>
</tbody>
</table>
For a fuller discussion of the volatility of real estate compared to other asset classes, including the effect of appraisal smoothing, leverage and investor strategy, see: “Is Real Estate Really a Low Volatility Asset Class?”, PREA Quarterly, Winter 2011

For research on the effects of appraisal smoothing, methods to “de-smooth” real estate returns to make them comparable to public market indices, and the effects on asset allocation decisions, see: “Smoothing and Implications for Asset Allocation Choices”, PREA-sponsored special real estate issue of The Journal of Portfolio Management, 2007.
### Income Generation

Recent income generation by asset class (as of Q2 2019):

Real estate, different views on the asset class...

<table>
<thead>
<tr>
<th>Income return on NCREIF Property Index</th>
<th>Cashflow return (i.e. net of CAPEX) on NCREIF Property Index</th>
<th>Income return on MSCI/PREA U.S. Property Fund Index, gross of fees</th>
<th>Income return on MSCI/PREA U.S. Property Fund Index, net of fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5%</td>
<td>2.8%</td>
<td>4.1%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

... compared to equities and bonds:

<table>
<thead>
<tr>
<th>Dividend Yield on S&amp;P 500</th>
<th>Yield on Barclays US Aggregate Bond Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.95%</td>
<td>2.49%</td>
</tr>
</tbody>
</table>
Incorporating the effect of ongoing capital expenditures, leverage, and fund fees can reduce the observed income advantage of real estate relative to other asset classes, see "Is Core Real Estate an Income Producing Asset Class? Maybe Not", *PREA Quarterly*, Winter 2018

For a more detailed discussion on the income return from real estate and caveats in interpreting it, see also: "The Income Return from Real Estate: Do You Know What You Are Really Getting?", *PREA Quarterly*, Summer 2013
## Diversification

### Correlations (annual returns):

<table>
<thead>
<tr>
<th></th>
<th>Large Cap Equities</th>
<th>Midcap Equities</th>
<th>Small Cap Equities</th>
<th>Treasuries</th>
<th>Inv. Gr. Corp. Bonds</th>
<th>High Yield Corp. Bonds</th>
<th>Hedge Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCREIF Property Index (appraisal based index)</td>
<td>0.14</td>
<td>0.07</td>
<td>0.07</td>
<td>-0.02</td>
<td>-0.24</td>
<td>-0.38</td>
<td>0.15</td>
</tr>
<tr>
<td>NCREIF TBI (transaction price based index)</td>
<td>0.25</td>
<td>0.14</td>
<td>0.13</td>
<td>0.10</td>
<td>0.00</td>
<td>-0.23</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Based on annual returns to: NCREIF Property Index, NCREIF Transaction Based Index, Russell Top 200 Index, Russell Midcap Index, Russell 2000, Barclays US Treasury Index, Barclays US Corp. Investment Grade Index, Barclays US Corp. High Yield Index, Dow Jones-Credit Suisse Hedge Fund Index. Correlations based on data to 2018, beginning in 1978 (NPI), 1985 (NTBI), 1979 (equity indices), 1978 (Treasury and investment grade), 1984 (high yield), and 1994 (hedge funds).

Sources: PREA Research, NCREIF, Refinitiv Datastream
• Using an appraisal based index for real estate tends to deflate the reported correlations (due to appraisal smoothing)

• However, even using a transaction price based index, real estate still shows low correlations with other asset classes
  • good diversifier within a portfolio
See “Yes, Stocks, Bonds, and Real Estate Are Driven by Different Risk Factors”, PREA Quarterly, Fall 2018, for a look at differences across asset classes.

For a discussion of real estate as a diversifier in the context of the financial crisis, see: “Real Estate’s Evolution as an Asset Class”, PREA-sponsored special real estate issue of The Journal of Portfolio Management, 2009

Investors are increasingly concerned with hedging against extreme market events, or “tail risk”, and worried that the relationships between asset classes can change with market conditions. For an analysis, see: PREA Research Report, “Risk Management and Diversification with Real Estate: Correlation is Not Enough”, February 2012

For a discussion of tail-risk in real estate portfolios, see: “Hedging ‘Fat–Tail’ Risk in Real Estate”, PREA Quarterly, Summer 2010
In managing risk, many institutional investors, especially private sector pension plans, have adopted a **Liability Driven Investing (LDI)** approach:

For a discussion of LDI for institutional investors, see: “**Incorporating Liability Driven Investment Strategies Into Investment Policy**”, *PREA Quarterly*, Summer 2010

For a description of LDI and analysis of real estate's role in hedging plan liabilities, see: *PREA Research Report*, “**Liability Driven Investing: What Is It and Does Real Estate Fit?**”, September 2011

See also, “**Impact of Pension Plan Liabilities on Real Estate Investment**”, PREA-sponsored special real estate issue of *The Journal of Portfolio Management*, 2005
Real estate’s inflation hedging abilities have been tested using a variety of methodologies, with different conclusions. There remains debate about whether real estate is more effective as an inflation hedge than other asset classes.
Inflation

Compound real (i.e., after inflation) returns to real estate, to Q2 2019:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Annualized compound real return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>4.8%</td>
</tr>
<tr>
<td>3 years</td>
<td>4.7%</td>
</tr>
<tr>
<td>5 years</td>
<td>7.2%</td>
</tr>
<tr>
<td>7 years</td>
<td>7.7%</td>
</tr>
<tr>
<td>10 years</td>
<td>7.4%</td>
</tr>
<tr>
<td>Since inception (1978)</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Based on NCREIF Property Index and CPI.
Sources: PREA Research, NCREIF, Bureau of Labor Statistics
For more detailed discussions of real estate’s ability to hedge inflation see:

- “Does Real Estate Provide an Inflation Hedge? If You Choose the Right Real Estate”, *PREA Quarterly*, Summer 2011

Commercial real estate is a large part of the universe of potential investments faced by institutions.

See earlier slide: Real estate equity (private+public) held by investors estimated at $1.8 trillion in the US. This would be much larger if included owner-occupied property.

Across all Four Quadrants, value of institutional US market estimated at $6.1 trillion

Real estate has a significant allocation in the global market portfolio
  - Traditional portfolio theory views the allocations of the market portfolio as the optimal market-neutral allocations

As a significant part of the investable universe, an institution with no real estate allocation could be viewed as making an active bet that real estate will underperform.
For a discussion of real estate within the global market portfolio, and examples of its use in developing portfolio allocations and development of forward-looking forecasts, see: “Global Commercial Real Estate: A Strategic Asset Allocation Study”, PREA-sponsored special real estate issue of The Journal of Portfolio Management, 2007
This presentation is not meant to cover all considerations in determining a real estate allocation; it presents only a brief outline of the characteristics of real estate most commonly cited as benefits. The discussion is based on real estate as a general asset class; specific investment strategies within real estate may have different characteristics.

No consideration has been given to investor-specific circumstances, goals, and risk tolerances that must be considered when forming investment policy.

The information and materials contained in this report are provided for informational purposes only and are not intended to be construed as investment advice. The information and materials contained in this report are provided "as is" and "as available" and as such, PREA does not warrant the accuracy, adequacy or completeness of this information and materials and expressly disclaims liability for errors or omissions in this information and materials.

ABOUT PREA: Founded in 1979, the Pension Real Estate Association (PREA) is a non-profit trade association for the global institutional real estate investment industry. PREA currently lists over 700 corporate member firms across the United States, Canada, Europe, and Asia. Our members include public and corporate pension funds, endowments, foundations, Taft-Hartley funds, insurance companies, investment advisory firms, REITs, developers, real estate operating companies, and industry service providers.

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