

International Valuation Standards Board
41 Moorgate
London EC2R 6PP, United Kingdom



Via E-mail Only: CommentLetters@ivsc.org

14 September 2012

Dear Sir/Madam:

We appreciate the opportunity to provide comments to the International Valuation Standards Board in response to the Proposed Exposure Draft entitled "The Role of the Professional Valuer in the Audit Process" published by the International Valuation Standards Board on behalf of the International Valuation Standards Council (IVSC). We support the Board's goal of providing continuous improvement to the existing valuation standards and process. We understand that the area of valuation is an evolving one that must be met by continued oversight and monitoring in order to maintain credibility by those that require valuations. Valuations are a critical component in our conduct of business, being relied upon for allocation of capital, making investment decisions, and for asset and performance reporting to investors. Identifying the need for professional valuers to have a better understanding of the role of the auditor and the regulatory environment under which auditors operate is critical. Equally as important is how they can effectively assist each other during the audit process.

Responding Organization

The REIS initiative is sponsored by NCREIF and PREA to develop, refine and integrate each of the standards within the Foundational Standards¹ and provides interpretive guidance concerning their application within the private institutional real estate investment industry. NCREIF is an association of institutional real estate professionals which includes investment managers, plan sponsors (i.e. pension funds and endowments), academicians, consultants, public accountants and other service providers who share a common interest in the industry of private institutional real estate investment. NCREIF serves the institutional real estate community as an unbiased collector and disseminator of real estate performance information. NCREIF produces several quarterly indices that show real estate performance returns using data submitted by its members, most notably the NCREIF property index (NPI) and the NCREIF open end diversified core equity index (ODCE). PREA is a nonprofit organization whose members are engaged in the investment of tax-exempt pension and endowment funds into real estate assets. PREA's mission is to serve its members engaged in institutional real estate investments through the sponsorship of objective forums for education, research initiatives, membership interaction, and information exchange. Collectively the organizations represent the institutional real estate community consisting of over 9,000 investment properties with a fair value of approximately \$350 billion.

Response to Proposed IVSC

As you indicate in the exposure draft today's business world has created some challenges for preparers of financial statements, their auditors and professional valuers. This is sometimes exasperated by the needs of the investors and/or users of those statements. REIS recognizes and appreciates the overall objective of the IVSC to address the issues around valuation measurements and provide guidance to the professional valuer and auditor so that their respective responsibilities are aligned to provide a more meaningful and effective

¹ Within REIS, Foundational Standards include U.S. Generally Accepted Accounting Principles, the Global Investment Performance Standards and the Uniform Standards of Professional Appraisal Practice.

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result. REIS endorses the proposed exposure draft and is in support of the exposure draft as written. We believe that the exposure draft does achieve its objective of explaining the role of the professional valuer in the audit process.

Should you wish to discuss the contents of this letter with us, please feel free to contact John Baczewski at the above address or on 978-887-3750.

Very truly yours,

A handwritten signature in cursive script that reads "John J. Baczewski".

John Baczewski
Chairman, REIS Board
Real estate Information Standards.