



NFI-ODCE INCLUSION CRITERIA CHANGES

Hello, NCREIF Members!

We would like to inform you that the NCREIF Board of Directors met recently during the NCREIF Spring Conference to discuss, and vote on, recommended changes to the NFI-ODCE inclusion policy related to the allocation of the six property subtypes: *single family rental, manufactured housing, student housing, industrial life science, office life science, and medical office*.

After consideration of comments received from the NFI-ODCE managers, investors, and the general membership, the Board approved the following three revisions **effective First Quarter 2024**:

- **The 75%/25% property type policy test was revised to reflect the changes to definitions that were made previously within the NPI. The inclusion test will refer to Residential instead of Apartment. To clarify, the 6 above-listed subtype allocations within the four property types count toward the 75% test. Please note that for purposes of this test, self-storage will not be treated as a separate main property type and therefore will be part of the remaining 25% "Other" allocation.**

The revised policy reads:

*Property Types – at least 75% of the fund's aggregate gross market value of real estate at effective ownership share are invested in office, industrial, **residential**, and retail property types. For the purposes of this test, the fund is allowed to include the value of a loan investment if the underlying collateral is one of the four property types mentioned. These four property types are as defined by the NCREIF Property Index.*

- **A new Inclusion policy was added to limit the amount invested in the six property subtypes.**

The new policy reads:

Property Subtypes – A maximum of 25% of the fund's aggregate gross market value of real estate at effective ownership share can be invested in the six expanded property subtypes that are single family rental, manufactured housing, student housing, industrial life science, office life science, and medical office.

- **A new policy was approved to increase governance over the NFI-ODCE Inclusion Policy.**

The new policy reads:

The NCREIF Board of Directors will review the NFI-ODCE Inclusion Policy at a minimum of every three years to ensure industry alignment and adjust as necessary.