



FOR IMMEDIATE RELEASE:

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Chicago, IL August 4, 2023: NCREIF Teams Up with CREFC to Deliver New CRE Debt Fund Aggregate. NCREIF has teamed up with the Commercial Real Estate Finance Council (CREFC), a trade association dedicated exclusively to the commercial real estate finance industry and committed to promoting strong and liquid debt markets across platforms, to produce and promote the NCREIF/CREFC Open-end Debt Fund Aggregate (the “Debt Aggregate”). In short, this product will deliver a fund-level compilation of open-end debt funds providing financing to commercial and multifamily real estate borrowers/owners. The Debt Aggregate will be issued in a draft “consultation” format for at least one year, which allows time for industry feedback before it is rolled out as an official product.

The Debt Aggregate currently consists of 15 funds from 13 managers that operate open-end debt funds with manager self-reported styles including core, core-plus and value-add. As a result, the Debt Aggregate is NOT an index or a benchmark, but more like a research tool to enhance and encourage transparency and understanding of debt as an investment.

To be included in the Debt Aggregate, investment managers must:

Offer an open-end fund product to institutional investors that operate as debt providers for predominantly private U.S. commercial real estate,

- Calculate quarterly net asset values and time-weighted returns on a market-value basis,
- Agree to submit all requested data and do so within the time frame required, and
- Be a NCREIF data contributing member once the Debt Aggregate becomes an official product.

It should be noted that the funds included have different structures, strategies, liquidity provisions, dividend, accounting, and valuation policies, all of which affect performance returns and comparability. Therefore, this Debt Aggregate should not be used as an index or a benchmark.

The Debt Aggregate is a project by the industry and for the industry, and furthers both NCREIF’s and CREFC’s missions:

“NCREIF is a member-driven, not-for-profit association that improves private real estate investment industry knowledge by providing transparent and consistent data, performance measurement, analytics, standards and education.”

“CREFC is the trade association for the commercial real estate finance industry. CREFC promotes liquidity, transparency, and efficiency in the commercial real estate finance markets. It does this by acting as a legislative and regulatory advocate for the industry, playing a vital role in setting market standards and best practices, and providing education for market participants. Member firms include balance sheet and securitized lenders, loan and bond investors, private equity firms, servicers, and rating agencies, among others.”

Next Steps. Phase II development will include specific style benchmarks that establish definitions and parameters for core, core-plus, and value-add. In connection with this, we are working closely with the NCREIF/PREA (Pension Real Estate Association) Reporting Standards that has successfully brought standardization and transparency to the institutional private equity real estate industry and includes debt funds.

NCREIF and CREFC believe the Debt Aggregate will enhance investors’ interest & understanding of the rewards and risks of private real estate open-end debt funds, which may lead to increased allocations to debt, in turn benefiting managers, investors, and commercial real estate finance industry professionals.

If you have any questions or need additional information, please contact:

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The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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