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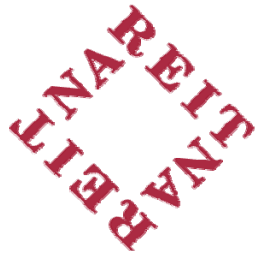
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**NATIONAL ASSOCIATION OF
REAL ESTATE INVESTMENT TRUSTS®**

VIA E-MAIL

April 10, 2006

Ms. Suzanne Q. Bielstein
Director- Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: File Reference 1250-001, *The Fair Value Option for Financial Assets and Financial Liabilities* (the Project)

Dear Ms. Bielstein:

The National Association of Real Estate Investment Trusts (NAREIT®) welcomes this opportunity to respond to the request for comments from the Financial Accounting Standards Board (FASB or Board) on the proposal contained in FASB Exposure Draft (ED) *The Fair Value Option for Financial Assets and Financial Liabilities*.

NAREIT is the representative voice for U.S. real estate investment trusts (REITs) and publicly traded real estate companies worldwide. Members are REITs and other businesses that develop, own, operate and finance income-producing real estate, as well as those firms and individuals who advise study and service those businesses.

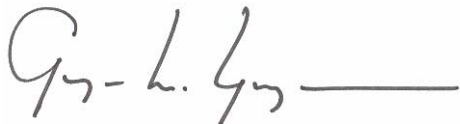
NAREIT commends the FASB's efforts to continue to develop high-quality accounting standards that improve the transparency, usefulness and credibility of financial reporting. In particular, we support the efforts to harmonize U.S. standards and international accounting standards.



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With respect to Issue 5 included in the ED, we noted that, in the February 27, 2006 Memorandum of Understanding between the FASB and IASB, the FASB has committed to include the examination of accounting for investment property in the context of the Fair Value Option project, thus affirming the bases for including investment property in Phase 2 of the project. NAREIT supports the Board's commitment to examine the accounting for investment property in the context of the Fair Value Option project, and we look forward to working constructively with the Board as it considers how to harmonize reporting of investment property between U.S. GAAP and IFRS.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. L. Yungmann", followed by a horizontal line.

George L. Yungmann
Senior Vice President, Financial Standards
National Association of Real Estate Investment Trusts

