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**NAREIT's Law, Accounting
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March 30 - April 1

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**Analysis of 2015 SEC Comment Letters
On Form 10-Ks Filed by REITs**

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Scope of Survey



- ◆ Reviewed Comment letters issued March 1, 2015 to September 30, 2015 on Form 10-Ks Filed in 2015
- ◆ Limited to Traded REITs (Equity and Mortgage)
- ◆ Review Covered 91 Letters and 229 comments

General Types of Comments





Summary of Legal Comments

◆ Most Frequent Topic of Comments:

◆ Property Operating Metrics:

- ◆ average rents
- ◆ Occupancy
- ◆ geographic/tenant diversification

◆ Other Topics:

- ◆ Related Party Transactions
- ◆ Certifications



Summary of Accounting/Financial Reporting Comments

◆ Most Frequent Topics of Comments:

- ◆ Non-GAAP Measures
- ◆ MD&A
 - ◆ results of operations
 - ◆ liquidity and capital resources

◆ Other Topics:

- ◆ Significant Accounting Policies
- ◆ Fair Value

Summary of Non-GAAP Comments



- ◆ Most Frequent Topics of Non-GAAP Comments:
 - ◆ Labeling issues—primarily clarifying whether FFO includes amounts allocable to unitholders
 - ◆ Questioning whether a particular Non-GAAP measure not disclosed in 10-K is a “key performance indicator” or “key liquidity indicator” that should be disclosed in MD&A
 - ◆ Failure to comply with Item 10(e) requirements
 - ◆ When FFO is identified as “NAREIT FFO”, questioning whether certain adjustments are consistent with the NAREIT definition

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