

Real Estate Index Announcement

April 2020

CLARIFICATION ON THE USE OF VALUATION DATA WITH SIGNIFICANT UNCERTAINTY DISCLOSURES IN THE MSCI PRIVATE REAL ESTATE INDEXES

INDEX ANNOUNCEMENT

April 2020: Related to the COVID-19 pandemic, MSCI would like to provide the users of its private real estate indexes with more clarity regarding the valuation data used in the index calculations.

As a result of the impacts of the COVID-19 pandemic, certain valuers have included a significant uncertainty disclosure to their valuation data as of March 2020. The intention of such disclosure according to IVSC¹ is to highlight that the valuation data has been impacted by extraordinary circumstances and may have required valuers to make significant assumptions based on the use of a broader a set of information to deal with for the limited availability of valuation input data including, amongst others, private real estate transaction comparables and data obtained from site visits.

While it is up to individual valuers to decide on the application and qualification of the disclosures and the wording of the significant uncertainty disclosure may vary by market and/or by valuers. However, the rationale remains consistent.

MSCI would like to inform users of its indexes that valuation data used in the calculation of its indexes as of March 2020 may carry significant uncertainty disclosures. This data represents the best professionally assessed estimations of asset values currently available in the market. Reported returns, capital and market rental value movements may be subject to the disclosure.

¹ International Valuation Standards Council – [Dealing with valuation uncertainty at times of market unrest](#)

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