

November 2023

Public minutes

FTSE EPRA Nareit Americas Regional Advisory Committee

30 November 2023



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Attendees

Members: nine (9); apologies: five (5)

EPRA: three (3)

NAREIT: three (3)

FTSE Russell: six (6) including the Chair and Committee Secretary

Attendees were reminded of their obligations in relation to confidentiality of information, conflicts of interest and competition law. There were no declarations.

1. **Statutory governance matters and committee information**

1.1 Membership changes

1.1.1 None.

1.2 Minutes

1.2.1 The minutes of the meeting held on Thursday 31 August 2023 were approved as presented.

1.2.2 The public minutes of the meeting held on Thursday 31 August 2023 were approved as presented.

1.3 Governance

1.3.1 None.

1.4 Action points and matters arising

1.4.1 Eligibility of fund management activities – treatment in the EBITDA calculation: follow up to the discussion at the September 2023 meeting, covered under item 3.1.

1.5 Key notices and updates

1.5.1 Methodology notices published since the last meeting: FTSE Russell provided a verbal update on the recently published notice regarding the rule update to the eligible universe to include companies from Hotels and Motels (Subsector 40501025): [FTSE EPRA Nareit Global Real Estate Index Series - Ground Rule Update - Published 27 November 2023](#). There were no requests for clarification.

2. **Index Review**

2.1 The preliminary review announcement for the Developed and the Emerging Indices was released on Wednesday 29 November 2023.

2.1.1 The review for December 2023 for the Americas region was summarised as follows:

- Developed Americas: no changes.
- Emerging Americas: one (1) focus reclassification change.

2.1.2 There were no comments.

2.1.3 *Post-meeting note*: no changes were made to the preliminary review announcement published on the FTSE Russell website on Wednesday 29 November 2023: [FTSE EPRA Nareit Global Real Estate Index Series Quarterly Review](#).

3. **Index methodology and policy**

3.1 Proposed eligibility of fund and property management activities – treatment in the EBITDA calculation (presented for support): the current index ground rules specify that the management of investment funds and properties and all related services are not considered as a relevant real estate activity ([rule 4.7.C](#)). Consequent to the feedback received from the committee members at the September 2023 meeting to also

consider the eligibility of relevant property management revenue, the index partners undertook further analysis on companies with exposure to property management services. The results were included in the meeting materials.

- 3.1.1 Given the increasing relevance of investment fund and property management services, the index partners proposed three conditions under which the management of investment funds and property management services would be considered as relevant real estate activities for the EBITDA calculation.
 - 3.1.2 A discussion took place, and the committee members provided their comments.
 - 3.1.3 **Summary:** the committee members were supportive of the updated proposal, namely, for fund management revenue, property management services and development management services to be considered as relevant real estate activities for the EBITDA calculation. All changes and proposals are subject to approval by the FTSE Russell Index Governance Board. FTSE Russell reserves the right to make changes to or revise any planned methodology updates and index treatments, as well as revert to the advisory committees with further questions. *Post-meeting note:* [FTSE EPRA Nareit Global Real Estate Index Series - Ground Rule – Published 01 February 2024](#) and [FTSE EPRA Nareit Global Real Estate Index Series – Ground Rule Clarification – Published 20 February 2024](#).
- 4. AOB**
- 4.1 One item was raised by a committee member.
- 5. Meeting dates**
- 5.1 The meeting dates for 2024 were included in the agenda and duly noted.
 - 5.1.1 2024: 29 February / 06 June / 05 September / 05 December

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