Are Non-Traditional Property Types Real Estate?

The Real Estate Research Institute (RERI) invites proposals for research projects addressing the question: Are non-traditional property types “real estate” and what are their characteristics? The characteristics in question include the risk and return properties of non-traditional property types, the correlations of their returns with traditional property types and other asset classes, and other potentially important aspects of these asset for investors. Non-traditional property types include self-storage, senior housing, student housing, medical office, data centers, billboards, lab space, cell towers, prisons, etc. Proposals may consider either US or non-US property markets (or both).

RERI has relationships with a number of data providers and, if required for the proposed project, RERI may be able to help facilitate acquisition of required data on non-traditional property types where possible – see below.

Funding will be provided for one or more proposals that address some or all of the following:

- overview of the prevalence of non-traditional properties in direct real estate funds and the return-risk characteristics of these properties.
- analysis of the return-risk behavior of REITs holding traditional versus non-traditional properties and of non-traditional property REITs versus direct traditional property.
- assessment of the nature of diversification offered by non-traditional property investment when inserted into multi-asset portfolios of various compositions
- assessment of the nature of diversification offered by non-traditional property investment within the context of a traditional property portfolio (both direct and REITs)
- assessment of whether non-traditional property types have a significant role to play within institutional real estate portfolios, given the traditional roles played by real estate within the overall portfolio
- can, or should, some non-traditional property types be considered “core”?
- analysis of whether REIT status aligns with the needs of non-traditional property REITs
- other topics examining the characteristics of non-traditional property types

Data:

Researchers are free to source their own data for this project. However, RERI has relationships with a number of organizations holding data on non-traditional property types and will work with researchers to help facilitate the acquisition of data if required. Potential data providers include: NCREIF (return and other property specific data on institutionally held real estate in the US), IPD (return data in the US and...
globally), Green Street Advisors (data on the performance of REIT shares and underlying property held by REITs in specialty sectors), Axiometrics (data on student housing), NIC (data on seniors housing), CoStar (data on medical office and other types), Reis (student housing data), and potentially others. In all cases it is the authors’ ultimate responsibility to contact data providers and source required data, but RERI will assist in this where possible.

**Selection Process:** The RERI Directed Research Committee will evaluate proposals and recommend those to be funded to the RERI Board of Directors. Research projects should enhance the quality of day-to-day real estate decision making through their thoughtful approach to addressing the project’s questions, practical relevance of their proposal, appropriateness and clarity of methodology and persuasiveness of presentation.

**Nature of Special Project Research:** The RERI Directed Research Committee will be involved in providing oversight and direction to the authors of this project. This will include reviewing the progress of the project, providing suggestions, and approving the final report. Researchers will be required to participate in at least two update meetings with the Directed Research Committee to facilitate these interactions. The Committee can therefore be viewed as both the evaluator of the project as it progresses as well as a resource for the authors. Authors may be invited to present their work at a RERI Research Conference and/or research roundtable at the discretion of the Committee.

**Submission requirements:** (a) Proposals should not exceed six pages in length, double spaced, including references and attachments (but excluding resumes). (b) Only e-mailed proposals will be accepted. (c) **The deadline for receipt of proposals is midnight EST March 31, 2015.** Proposals submitted after the deadline will not be considered, nor will faxed or mailed hardcopy submissions. Decisions regarding the awarding of grants will be made and communicated to authors in April 2015.

To facilitate processing, applicants should structure the proposal in accordance with the section outline shown below:

**Cover Page:** Project title, name of researcher(s), organizational affiliation(s), contact details for each researcher (including daytime telephone number and email address), and a one paragraph abstract of the proposal.

**Section 1.** Well-defined research objective addressing the point(s) shown in this RFP.

**Section 2.** Concise description of methodology. Complex proposals may benefit from a diagram or flow chart presentation of the methodology, as well as a narrative description.

**Section 3.** (a) Description of principal data sets and availability. (b) Plan for procuring third-party data in a timely manner.

**Section 4.** Research project timeline, including proposed end date at which the final report will be due, and a statement outlining authors’ general availability and willingness to engage in discussions with the RERI Directed Research Committee concerning the project as it progresses. As various projects differ in their scope, a formal deadline for the final report will be determined by the Committee, in consultation with the authors, once the proposal has been considered. Once a final deadline is determined and agreed to, authors are expected to abide by it in order to receive the final installment of funding. A minimum of two update meetings (via conference call) will be scheduled to provide updates to the committee as the project progresses, and for the committee to provide feedback and suggestions to the researchers.
Section 5. Estimated budget showing the total cost of the project including data costs and support for researchers. Project funding up to $25,000 will be considered (RERI will not pay university overhead costs or costs of purchasing equipment.).

Required Attachment. One-page resume for each of the principal researchers, showing experience and understanding of the research topic as evidenced by selective references to previous work experience, presentations and/or publications,

RERI requires that work associated with this funding not be submitted for publication or presented in final form prior to acceptance by RERI’s Directed Research Committee, unless prior written permission is obtained from RERI.

Proposals and information requests should be e-mailed to:

E-mail: reri@reri.org

(Please use subject line: RERI Directed Research Proposal)

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