



OBJECTIVE

To establish the management of certain types of real estate investments owned directly by the university or Ohio State University Foundation.

POLICY

Applies to: All university personnel responsible the management of real estate investments owned directly by the university or Ohio State University Foundation.

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I. Background

- A. The university's Long-Term Investment Pool invests in real estate utilizing various vehicles.
- B. There are professionally managed funds, including Real Estate Investment Trust (REIT) Index funds. These funds are managed by third party real estate managers, and incorporate their own formal valuation and revaluation policies and procedures. These funds are not the focus of this policy.
- C. The Long-Term Investment Pool directly owns real estate. The Ohio State University Foundation owns the residence used by the president of the university, and also receives real estate gifts. This policy covers those types of real estate investments; including those owned directly by the university or Foundation for investment purposes.

II. Valuation

- A. Real estate investments are valued at market value for reporting purposes.
- B. Market values are determined by obtaining a qualified appraisal of all directly-owned real estate properties. Member of Appraisal Institute (MAI) appraisers are utilized to determine fair market values.
- C. Each directly-owned investment property will be appraised at least every two years. Appraisals will typically be conducted in the spring, to be available for June 30 valuations.



III. Valuation exceptions

- A. In certain instances a valuation may not be needed.
- B. Management shall perform the following steps to conclude whether an appraisal is necessary or an exception if warranted:
 - 1. Perform and document a walk-through of the property.
 - 2. Consult with real estate appraiser(s) or broker(s) concerning market conditions, documenting conclusions.
- C. If after collecting the above information, it is determined that the market value has not changed from the previous appraisal, then an exception will be made and documented.
- D. An exception should not be made two subsequent times.
- E. Every property will be appraised at least every four years without exception.

RESOURCES

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