

Real estate index announcement

October 2020

MSCI to consult on a calculation methodology change to lease term-based measures for UK and Ireland Property Indexes

October 2020: MSCI intends to change the calculation methodology for certain lease term-based measures reported in risk reports in order to improve the relevance and representativeness of these measures. These measures are calculated at tenancy level as well as at aggregate levels (property, portfolio, segment, sector or any composite levels).

The proposed change to the methodology is to weight the aggregate measures based on current rent passing compared to weights applied based on future rent steps. The impacted measures include all variants of remaining lease term and average lease length at aggregate level and rent per sqm at tenancy level.

A document describing MSCI's proposal for the methodology change is available on the [MSCI website](#). MSCI invites feedback from the real estate investment community on this consultation on or before October 23, 2020 and will announce the results of the consultation on or before November 6, 2020.

Market participants can contact real estate client service if they wish to discuss on this consultation directly with MSCI or [email](#) their comments. This consultation may or may not lead to the implementation of the proposal. Consultation feedback will remain confidential. MSCI may publicly disclose the feedback of a participant if so, requested by any participant. In that case, the relevant feedback would be published at the same time as the results of the consultation.

Contact us

realestate@msci.com

+ 44 20 7336 4783

AMERICAS

Canada + 1 416 687 6284

US + 1 212 804 3900

EUROPE, MIDDLE EAST & AFRICA

UK + 44 20 7336 9200

France + 44 20 7336 4783

Germany + 49 691 3385 900

Italy + 44 20 7336 9684

Netherlands + 44 20 7336 9200

Spain + 34 93 467 7403

South Africa + 27 11 656 2115

Sweden + 46 8 400 252 30

ASIA PACIFIC

Australia + 61 2 9033 9300

Hong Kong + 852 2844 9333

Singapore + 65 6826 9339

Japan + 81 3 5211 1455

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

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