



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

Responsible Office

Office of Business and Finance

POLICY

Issued: 01/27/2008

Reviewed: 07/21/2015

The university will regularly appraise all real estate investments to determine current market value.

Purpose of the Policy

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

Policy Details

- I. Background
 - A. The university's long-term investment pool invests in real estate using various vehicles.
 - B. There are professionally managed funds, including real estate investment trust (REIT) and real estate oriented private equity 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 may directly own real estate. The Ohio State University Foundation receives real estate gifts, most of which are sold, but may be held for investment. The university's general fund may also own investment real estate. This policy covers these types of real estate investments, including those owned directly by the university or Foundation for investment purposes.

PROCEDURE

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- I. 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 the Appraisal Institute (MAI) appraisers are used to determine fair market values.
 - C. Each directly-owned real estate investment property will be appraised at least every two years, unless an exception is warranted. Appraisals will typically be conducted in the spring, to be available for June 30 valuations.
- II. Valuation Exceptions
 - A. In certain instances a valuation may not be needed.
 - B. Management must perform the following steps to conclude whether an appraisal is necessary or an exception is 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.



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- C. If after collecting the above information, if 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 consecutive times.
- E. Every property must be appraised at least every four years without exception.

Responsibilities

Position or Office	Responsibilities
Office of Financial Services Office of Investments	Perform steps to conclude whether an appraisal is necessary or an exception is warranted, as appropriate.

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Office of Financial Services, Office of Business and Finance	Phone: 614-292-6261 Fax: 614-292-7568	u.osu.edu/treasurer/treasurer.ohio-state.edu/
Policy questions	Office of Investments, Office of Business and Finance	Phone: 614-292-7887	investments.osu.edu/

History

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