

REDI Frequently Asked Questions (FAQ)

Clarifications and Common Implementation Questions for New Users

The following FAQ was developed based on detailed implementation feedback received from industry practitioners reviewing the REDI Data Model v1.0. It is intended to help new users better understand common areas of confusion, improve reporting consistency, and support operational adoption across LPs, GPs, consultants, and software providers.

REDI is designed to operationalize structured investment reporting using shared definitions and reusable data templates. As with any industry data model, implementation details matter — particularly when moving from PDFs and bespoke reporting into scalable structured data workflows.

General Questions

What is REDI?

REDI (Real Estate Data Initiative) is a global, investor-led collaboration focused on improving how investment-level real estate data is reported, shared, and operationalized across the industry. REDI is not a new reporting standard — it is a practical implementation framework designed to operationalize existing standards and common investor reporting requirements.

Is REDI mandatory?

No. REDI adoption is entirely voluntary. REDI provides a shared reference point that LPs, GPs, consultants, service providers, and software vendors can use to reduce custom reporting and improve consistency over time.

Does REDI replace INREV, NCREIF, PREA, OSCRE or other standards?

No. REDI aligns to existing standards where available and highlights areas where standards may not yet exist. Standards organizations continue to own and maintain the underlying definitions. REDI provides a practical implementation layer for operational reporting.

Data Model and Reporting Questions

Ownership Basis and Reporting Logic

Should asset-level values be reported at 100% ownership or economic ownership share?

Asset-level reporting is generally intended to be provided at 100% ownership values, while fund-level reporting reflects the investor's economic ownership share.

This distinction is particularly important in joint venture structures where legal ownership and economic ownership may differ. Incorrectly reporting asset-level metrics at economic ownership share can create reconciliation issues at the fund level.

Why is this important?

A common implementation error occurs when asset-level Gross Market Value (GMV) or Net Operating Income (NOI) is reported at economic ownership share instead of 100% ownership. While the numbers may appear reasonable in isolation, they will not reconcile properly when rolled up to the fund level.

Will REDI include reconciliation checks in templates?

The REDI Committee has discussed the possibility of introducing reconciliation checks in future template versions, such as comparing:

Sum of (Asset GMV × Ownership %) ≈ Fund RE Investments GMV

This would help identify reporting inconsistencies before submission.

NOI (Net Operating Income)

Which NOI convention should be used?

NOI conventions can vary materially across managers and regions. Common approaches include:

- Before property management fees
- After property management fees but before reserves
- After reserves and certain capital allocations

Where definitions already exist through standards bodies such as NCREIF, PREA, or INREV, REDI references those standards rather than redefining terms independently. ***For further clarity, these standards define NOI as after property management fees, before reserves and capital allocations.***

Why does this matter?

Different NOI methodologies can create materially different results, particularly across property types and geographies. Consistency in interpretation is critical for benchmarking, analytics, and AI-driven analysis.

Will REDI add more implementation guidance?

Potential clarifying guidance may be considered in future template versions or implementation materials.

Cap Rate and Valuation Fields

Why are there multiple cap rate fields in the model?

The REDI valuation sub-domain includes multiple valuation assumptions commonly used in institutional real estate underwriting and valuation models, including:

- Going-in Cap Rate
- Discount Rate
- Terminal Cap Rate
- Stabilized Cap Rate
- Net Initial Yield

Not all valuation metrics appear in every template – they vary based on the region the template is designed for.

Why do users sometimes struggle with these fields?

Terminology varies globally. For example:

- European appraisers may use “Net Initial Yield” rather than “Going-in Cap Rate”
- “Current Yield” is sometimes confused with “Going-in Cap Rate”

- “Terminal Cap Rate” may be confused with a deal-specific exit assumption

Will REDI standardize terminology globally?

REDI primarily aligns to existing standards bodies and regional definitions rather than replacing them. However, additional implementation guidance and examples may be added over time to improve consistency.

Property Type and Subtype Mapping

Why is property subtype mapping challenging?

Many firms maintain internal taxonomies that do not align directly to standardized property categories.

Examples:

- “Logistics” may map clearly to “Industrial – Warehouse”
- Specialized asset classes (e.g., cold storage, Japanese mixed-use industrial, long-term rental housing) may not map cleanly

Why did REDI create a separate Data Center property type?

REDI largely follows NCREIF property taxonomy standards because they were viewed as the most robust and current available framework. However, Data Centers were elevated into their own category due to their increasing importance and operational differences relative to other “Other” asset types.

Will REDI provide implementation examples?

The committee recognizes that community-sourced mapping guidance and implementation examples may become valuable companion resources as adoption grows.

Currency Reporting

How should multi-currency funds report asset-level financials?

The REDI model includes Reporting Currency fields at both the fund and asset levels.

Should asset-level financials be reported in local currency or fund currency?

REDI intentionally allows flexibility because different firms use different operational approaches.

Some firms:

- Report asset-level data in local currency
- Translate at the fund level

Others:

- Convert all asset-level reporting into fund reporting currency

Why didn't REDI prescribe one approach?

This topic was extensively debated within the Data Model Sub-Committee. The decision was ultimately made to preserve flexibility to avoid discouraging participation from firms that operationalize currency differently.

The REDI review templates include currency conversion functionality to support top-down and bottom-up validation approaches.

Will additional guidance be added?

The committee may consider adding further clarifying disclaimers or examples in future template versions.

Lease and Tenant Reporting Questions

Lease Roll (Next 12 Months)

What does "Lease Roll" represent?

Lease Roll definitions within REDI specifically reference contract rent exposure.

Why is clarification important?

In the broader market, lease roll may sometimes be interpreted differently, including:

- Percentage of rentable area
- Percentage of lease count
- Percentage of revenue

REDI's definition is specifically tied to contract rent exposure.

Weighted Average Lease Term (WALT)

How is WALT calculated?

The REDI definition specifically references weighting based on contract rent.

Why does this matter?

Some managers weight lease term by:

- Area
- Rent
- Lease count

These approaches can produce materially different portfolio-level results.

Ownership and Debt Reporting

Legal vs Economic Ownership

Why is this distinction important?

Legal ownership percentage and economic ownership percentage may differ materially due to:

- Promote structures
- Preferred equity arrangements
- Complex JV waterfalls

Example

A manager may legally own 80% of an asset but economically participate at only 60%.

Using the wrong ownership basis can cascade into incorrect:

- NAV calculations
- Distributions

- IRRs
 - Exposure analytics
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Debt Reporting Across Different Domains

Why does debt appear in multiple sections of the model?

Debt can exist at:

- Fund level
- Asset/property level
- Loan investment level

How should debt be categorized?

General guidance:

- Fund-level debt → unsecured facilities such as subscription lines or NAV facilities
- Asset-level debt → property-secured mortgages
- Loan investment domain → debt investments held as investments

How does REDI prevent double counting?

The Instructions tabs within the REDI templates specify where debt should be reported and caution users not to double count obligations across reporting domains.

Future Evolution of REDI

Will REDI continue evolving after v1.0?

Yes. REDI is governed through a formal committee and versioning process designed to evolve transparently over time based on industry feedback.

How can users provide feedback?

Stakeholders are encouraged to provide implementation feedback, particularly around:

- Operational adoption challenges

- Missing data sets
- Regional terminology differences
- Validation rules
- Training and implementation guidance needs

The REDI Committee expects that ongoing industry participation will help strengthen future versions of the model and supporting templates.

Key Takeaway

REDI is intended to create a practical bridge between traditional document-centric reporting and a more interoperable, structured-data future for commercial real estate investment management. As adoption grows, implementation guidance, examples, tooling, and operational best practices are expected to mature alongside the model itself.