

2015 Real Estate Industry Update

A landscape for change:
Transforming for the future



Welcome



Welcome to Deloitte's 2015 real estate industry update

The real estate industry has been on quite a journey during the past decade.

I always look forward to our industry update roadshow and meeting over a thousand real estate professionals from all over the country. One of the highlights for me is being able to kick off each event by moderating a panel of local real estate executives and listening to their views on the current state of the real estate industry. This year we are especially looking forward to hearing our panelists' views on key disrupters in the industry and how they might affect real estate in the short and long term.

My colleagues and I have prepared a great program for you this year. We are excited about our panel as well as hearing our national leadership team discuss accounting and tax updates for the industry. We look forward to your active participation and questions during our program today. If you would like to speak with one of our presenters following our event, please do so. Our contact information is listed in this book and we always welcome your feedback. Thank you again for joining us today. I hope you find our 2015 Real Estate Industry Update informative and insightful.



Bob O'Brien

US and Global Deloitte Real Estate Leader

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Agenda

Wednesday, December 16, 2015

8:00 a.m.–8:30 a.m. Registration and breakfast

8:30 a.m.–9:30 a.m. Welcome and panel discussion

9:30 a.m.–9:40 a.m. Break and networking time

9:40 a.m.–10:40 a.m. Accounting update

10:40 a.m.–10:50 a.m. Break and networking time

10:50 a.m.–11:20 a.m. Accounting update

11:20 a.m.–11:50 a.m. Tax update

11:50 a.m.–12:00 p.m. Closing comments and wrap up

Panelists



Bob O'Brien

US and Global Deloitte
Real Estate Leader
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Bob O'Brien serves as the Global and US Real Estate Industry Sector Leader for Deloitte, where Bob works with the Deloitte's real estate professionals in the US and globally to leverage Deloitte's deep industry expertise across consulting, tax, audit, enterprise risk and financial advisory services. He has over 30 years of public accounting and transaction experience serving publicly held and privately held clients in various industries, with a focus on the real estate and hospitality industries. Bob has worked with some of the world's largest public REITs, private equity real estate funds and hospitality companies.



Shane C. Garrison

Executive Vice President,
CIO, and COO
Retail Properties of
America, Inc.

Shane C. Garrison serves as Executive Vice President, Chief Investment Officer, and Chief Operating Officer of Retail Properties of America, Inc. (RPAI). Located in Oak Brook, IL, RPAI is a self-managed REIT focused on the acquisition, development and management of strategically located retail assets. RPAI's current portfolio consists of over 250 properties nationally, both wholly and partially owned, totaling in excess of 39 million square feet, including lifestyle, power and community centers, as well as single-tenant net lease properties, in locations demonstrating strong demographics.

In his current role, Mr. Garrison is responsible for several operating functions within the company, including leasing, property management, asset management, which includes acquisitions and dispositions, joint ventures and construction operations. He also serves as an Executive Committee member of RPAI's joint venture entity MS Inland Fund, LLC and as an Advisory Board member of RPAI's joint venture entities RC Inland L.P. and RC Inland REIT LP.

Mr. Garrison has served as RPAI'S Chief Operating Officer since January 1, 2012, as Executive Vice President since October 12, 2010 and as Chief Investment Officer since the internalization of RPAI's management on November 15, 2007. Prior to that time, Mr. Garrison served as Vice President of Asset Management of Inland US Management LLC, which was a property management company affiliated with RPAI's former business manager/advisor, since 2004. In this prior role, Mr. Garrison underwrote over \$1.2 billion of assets acquired by RPAI, and went on to spearhead RPAI's development and joint venture initiatives. Previously, Mr. Garrison had served as head of asset management for ECI Properties, a small boutique owner of industrial and retail properties, and the general manager of the Midwest region for Circuit City, a large electronics retailer.

Mr. Garrison received his B.S. in Business Administration from Illinois State University and an MBA in Real Estate Finance from DePaul University. He has recently earned credentials as a Certified Retail Property Executive (CRX) from the International Council of Shopping Centers (ICSC).



Shobi Khan

Executive Vice President,
Chief Operating Officer
General Growth
Properties, Inc.

As chief operating officer, Mr. Khan's oversight includes asset management, investments, joint-venture partnerships and day-to-day operations. Prior to GGP, Mr. Khan served as U.S. chief investment officer at Bentall Kennedy, one of North America's largest real estate investment advisors, where he held direct responsibility for U.S. investment activity and served on the company's management group and investment committees. Prior to Bentall Kennedy, Mr. Khan was senior vice president of investments at Equity Office Properties Trust. During his 11 years at EOP, he led the underwriting of \$16 billion in office REIT mergers and was involved with EOP's \$39 billion sale to Blackstone in 2007. Prior to joining EOP in 1996, Mr. Khan served with Katz Hollis, Inc. in Los Angeles, where he completed more than \$5 billion in tax allocation bond transactions and public/private-financing assignments throughout the United States. Before joining Katz Hollis, he was with Arthur Andersen in San Francisco, where he was responsible for various real estate consulting engagements. Mr. Khan holds an MBA from the University of Southern California and a bachelor's degree from the University of California at Berkeley. He is an active member of the International Council of Shopping Centers (ICSC).



Charles E. Sullivan

President and COO – US
Operations
Global Logistic
Properties

Charles E. Sullivan is President and Chief Operating Officer of GLP's US operations, and a member of GLP's Executive Committee. He joined GLP US as a part of its acquisition of IndCor Properties where he had been serving on the executive management team. Prior to IndCor, Mr. Sullivan was the Head of Global Operations at Prologis, where he also served as Head of North American Operations, Senior Vice President and Regional Director of the Southeast, Northeast, and Mexican regions.

Mr. Sullivan currently serves on the Board of Directors of the Real Estate Center at the University of North Carolina at Chapel Hill. Mr. Sullivan received his Master of Business Administration from the Kenan-Flagler Business School at the University of North Carolina, and a Bachelor of Arts in Business Administration from the University of South Florida.

Presenters



Johnnie Akin
Senior Manager
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Johnnie is currently on a management development program assignment assisting Chris Dubrowski, the director of professional practice for Deloitte's national Real Estate Services practice. In this role, Johnnie presents on emerging real estate accounting issues gained through his development. The role also involves developing industry positions on accounting and auditing issues, communicating those positions to the Deloitte real estate practice, and serving as a consultation resource for Deloitte clients and professionals.

He has ten years of public accounting experience which includes over nine years of real estate experience focused on fair value measurements relating to impairments, acquisitions and troubled debt restructurings, consolidation conclusions, related party transactions, and public company filings.



Craig R. Boyer
Principal
Deloitte Tax LLP
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Craig is a principal in the Chicago office of Deloitte Tax LLP. He focuses on assisting wealthy families, real estate and financial service companies to implement efficient and advantageous tax strategies and structures. Craig has over 25 years of experience providing tax services to foreign and domestic real estate investors, fund sponsors, private and publicly traded REITs, hedge funds, private equity funds, and family investment partnerships. He assists clients with all aspects of federal tax structuring, planning and compliance. He is Deloitte's National Competency Leader for Passthrough Taxation, including the treatment of partnerships, real estate investment trusts ("REIT") and S Corporations, and is a member of Deloitte's Global Real Estate Fund, Hedge Fund & Private Equity, and Distressed Debt teams. Craig is a frequent speaker and author on partnership topics.



Chris Dubrowski
Partner
Deloitte & Touche LLP
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Chris Dubrowski is the director of professional practice for Deloitte's national Real Estate Services practice. In this role, he assists clients and engagement teams around the country in identifying and resolving real estate-related technical accounting and auditing issues and participates in establishing firm positions on emerging accounting issues.



Jeffrey J. Smith
Partner
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Jeff is the audit leader of Deloitte's Central region real estate practice and has 24 years of audit and accounting experience. Throughout his career, he has worked with public and private owners, developers, sponsors, managers, and lenders in nearly all sectors of the real estate and hospitality industries.

Jeff has strong experience in historical cost and fair-value reporting, as well as in accounting for complex lease, contract, and finance transactions, including debt restructuring and bankruptcy. He has assisted numerous public companies with SEC filings and has directed Deloitte's efforts on many public equity and debt offerings, including initial public offerings.

In addition to the engagements where he has served as the lead audit partner, Jeff is an engagement quality control review reviewer for other large public and private clients. In this capacity, he independently confirms the quality and accuracy of the audit work performed by Deloitte teams.



Joe Wisniewski
Partner
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Joe is a partner with Deloitte Tax LLP, with over 30 years of experience consulting with clients on various tax matters. He specializes in tax issues relating to partnerships, real estate investment trusts and unrelated business income tax for the real estate industry. He has served a wide range of real estate clients including private equity firms, pension advisors, institutional investors, REITs, and developers with structuring fund formations for both domestic and international investment in real estate, REIT structuring, debt restructurings, merger and acquisition transactions, due diligence projects and ongoing operational tax matters. Joe also has significant experience helping companies design fund structures which accommodate the tax sensitivities of various domestic and international investor types.

