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**NATIONAL ASSOCIATION OF
REAL ESTATE INVESTMENT TRUSTS®**

August 1, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Subject: File Number S7-11-08 Securities and Exchange Commission Proposed Rule, *Interactive Data to Improve Financial Reporting*

Dear Ms. Morris:

The National Association of Real Estate Investment Trusts® (NAREIT) welcomes this opportunity to respond to the request for comments from the Securities and Exchange Commission (SEC) on the proposed rule, *Interactive Data to Improve Financial Reporting*.

NAREIT is the worldwide representative voice for real estate investment trusts (REITs) and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT's members are REITs and other businesses throughout the world that own, operate and finance income-producing real estate, as well as those firms and individuals who advise, study and service those businesses.

We commend and support the SEC's efforts to continue to improve the transparency, usefulness and credibility of public financial reporting. NAREIT is strongly committed to improving the relevance and usefulness of financial reporting and routinely provides input on SEC, Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) proposals. In particular, we support the efforts to achieve additional convergence between Generally Accepted Accounting Principles in the U.S. (US GAAP) and International Financial Reporting Standards (IFRS).

In support of the eXtensible Business Reporting Language (XBRL or interactive data) initiative, NAREIT sponsored a webcast presented by XBRL US representatives on February 28, 2008, and held a XBRL training session at NAREIT's Law & Accounting Conference that included Jeffrey Naumann,



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Enabling Technology Specialist, Securities and Exchange Commission, in March 2008. Our members found both forums to be useful in learning about XBRL and several of our members, as well as NAREIT staff, submitted specific comments on the XBRL US GAAP real estate taxonomy by the April 4, 2008 deadline. Additionally, on April 4, 2008, NAREIT submitted a comment letter to the SEC on the XBRL US GAAP real estate taxonomy, which summarized several of the comments on the taxonomy specific to REITs.

NAREIT extends its gratitude to the SEC for the approval of several of our recommendations that were incorporated into the final taxonomy issued in late April. Most notably, we are pleased with the statement of income exclusive to REITs. We recognize that the taxonomy is currently available for comment via XBRL US and we will continue to work with our members to develop XBRL best practices for REITs and the real estate industry.

This letter offers certain general and specific comments in response to the proposed rule issued for comment on May 30, 2008. We believe that interactive data format has the potential to improve the comparability between financial statements. However, if guidance on the proper usage and extension of the taxonomies is not provided (as tags are selected and/or created based on the preparer's judgment), then the comparability between financial statements will not be optimized.

NAREIT again is committed to developing XBRL best practices for our industry, particularly in accordance with the joint FASB and IASB *Financial Statement Presentation* Project. Ideally, NAREIT would like to incorporate its global real estate financial statement model into the real estate taxonomy within XBRL. The global real estate financial statement model, developed by NAREIT and its global partners, was introduced to the SEC and its staff at a meeting on July 2, 2008.

We believe the SEC should consider modifying the proposed rule for the items discussed below that are related to the implementation process to ensure the successful adoption of XBRL, while maintaining the importance of the preparation of the financial statements as opposed to the format in which the financial statements are filed.

The Timing for the Adoption of XBRL

If finally adopted, NAREIT recommends that the SEC implement XBRL financial information starting with an interim period, such as initial XBRL financial information to be filed beginning the second or third quarter of 2009. We support a phase-in approach over three years in adopting XBRL; however, we believe that the start date of the proposed three-year, phase-in schedule may be too aggressive.

We believe that the 10-K is not the appropriate document to require the adoption of initial XBRL financial information, especially for first time users of XBRL software. For



example, the proposed rule currently contains a timetable indicating that large accelerated US GAAP filers with public float over \$5 billion submit XBRL financial information beginning with fiscal periods ending on or after December 15, 2008. Form 10-K requires significantly more financial information than Form 10-Q, including additional footnote disclosures. Although the 30-day grace period for first time filers of XBRL financial information would provide some relief to filers, it would conflict with other year-end reporting requirements, in addition to Form 10-K, and may coincide with the preparation of the first quarter Form 10-Q. NAREIT believes that the second or third interim reporting periods would allow for a better transition period to implement an entirely new process, such as XBRL, into the financial reporting process.

Furthermore, NAREIT concurs with the one-time 30-day grace period for first time filers and recommends a permanent grace period of at least five and ten business days after subsequent Form 10-Q and 10-K filing deadlines, respectively. We also agree with the 30-day grace period allotted for filers in year two to comply with levels two and three footnote tagging requirements. Filing XBRL financial information concurrently with Form 10-Q and 10-K filings may interfere with the preparation of high quality financial statements in order to meet the deadline for XBRL financial information. The preparation of XBRL financial information cannot effectively be completed before the original financial statements have been finalized and NAREIT does not believe that the timeliness and accuracy of the original financial statements should be jeopardized simply to have the XBRL financial information filed concurrently.

Required Financial Information and Documents to be Filed in XBRL Format

With the exception of level four footnote tagging requirements, NAREIT agrees with the financial information that would be required to be tagged, which would include the financial statements, notes and financial statement schedules, and would be filed as a new exhibit to annual and quarterly reports. NAREIT suggests that the SEC postpone the level four footnote tagging requirement to future years until after the complexities are faced over the next few years as US GAAP converges with IFRS.

Level four footnote tagging discussed in the proposed rule, which would require each amount separately tagged and each narrative disclosure separately tagged within each footnote, would involve a tremendous amount of time, cost and effort. Following adoption, filers of XBRL financial information would already have to amend existing tags for the financial statements and footnotes to adapt to the ever changing taxonomy due to changes in accounting standards and industry practice. To further require filers to tag footnotes at such a detailed level as level four would drastically increase the amount of time, cost and effort to update all tags before the required deadline.

Moreover, level four footnote tagging would duplicate efforts for those filers required to submit XBRL financial information in the earlier years of the timetable, because they would have to tag the footnotes in level four detail at adoption and then subsequently go



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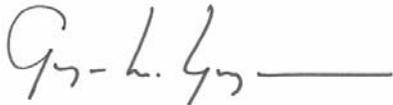
through the same detail tagging process based on new standards, primarily due to the convergence of FASB and IASB standards. The level four footnote tagging requirement would also produce major inconsistencies among XBRL financial information, as preparers would extensively tailor the taxonomy to mirror the footnotes.

We urge the SEC to allow more time to perform further cost-benefit analysis of XBRL financial information, in particular, to determine the usefulness of level four footnote tagging. NAREIT encourages the SEC to provide the option of level four footnote tagging and to make it a requirement after the US GAAP and IFRS convergence and if thorough analysis proves that the benefits of level four footnote tagging exceed the costs.

NAREIT further recommends that the SEC permit voluntary filings in XBRL format for earnings releases furnished in Form 8-K, Management's Discussion & Analysis contained in Forms 10-Q and 10-K, executive compensation reporting requirements and all other '34 Act SEC filings. NAREIT believes that it is premature to mandate these filings in XBRL format and suggests that the SEC provide the opportunity for filers to put XBRL to practice before expanding XBRL to these other SEC filings.

If the SEC or its staff would like to discuss NAREIT's views as expressed in this comment letter, please do not hesitate to contact George Yungmann at (202) 739-9432 or Sally Glenn at (202) 739-9442.

Respectfully submitted,



George L. Yungmann
Senior Vice President, Financial Standards



Sally R. Glenn
Director, Financial Standards

