

**For Immediate Release
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Canadian securities regulators outline disclosure expectations for real estate reporting issuers

Toronto – The Canadian Securities Administrators (CSA) today published CSA Staff Notice 52-329 *Distribution Disclosures and Non-GAAP Financial Measures in the Real Estate Industry*. The notice details findings of a recent review and provides additional guidance on disclosure expectations relating to distributions and non-GAAP financial measures for real estate reporting issuers.

“We continue to closely monitor non-GAAP financial measures in the real estate sector,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “Investors need sufficient information to understand what these measures represent and how they are calculated. Real estate reporting issuers are expected to provide transparent disclosures regarding distributions and non-GAAP financial measures.”

The CSA reviewed distribution disclosures relative to National Policy 41-201 *Income Trusts and Other Indirect Offerings* and non-GAAP financial measure disclosures relative to CSA Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*. The findings of the review indicate that the quality of disclosure pertaining to distributions and non-GAAP financial measures in the real estate industry needs improvement.

Key findings from the review included the following items. For distributions, staff found opportunities for better disclosure when distributions exceed operating cash flows. For non-GAAP financial measures, staff identified a lack of transparency about various adjustments made in arriving at non-GAAP financial measures, particularly those relating to maintenance capital expenditures and working capital. Staff also noted instances where non-GAAP financial measures were presented with greater prominence than the most directly comparable measure specified under the issuer’s GAAP.

Non-GAAP financial measures and distribution disclosures continue to remain areas of focus for the CSA, and real estate reporting issuers are encouraged to refer to the guidance published.

The notice can be found on CSA members’ websites.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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