



## Press Release

### **S&P Launches U.S. Commercial Real Estate Indices Developed with Schwab**

*Only Index Provider to Offer Both Commercial & Residential Real Estate Indices in the U.S.*

**New York, August 7, 2007** – Expanding its widely followed suite of investable real estate indices, Standard & Poor's announced today the launch of the S&P/GRA Commercial Real Estate Indices (SPCREX). The indices measure the change in commercial real estate prices by property sector and geographic region, and are designed to be a reliable and consistent benchmark for commercial real estate prices in the United States. The S&P/GRA Commercial Real Estate Indices are created jointly with GRA, the real estate research and investment management group of Charles Schwab Investment Management, Inc.

The S&P/GRA Commercial Real Estate Indices are comprised of ten commercial real estate indices: a national composite, five geographic regions (Desert Mountain West, Mid-Atlantic South, Midwest, Northeast, and Pacific West) and four national property sectors (apartments, office, retail, and warehouse). Each month, GRA collects and codes thousands of completed commercial real estate transactions in order to provide the foundation for the unique, price-based SPCREX indices. The indices are maintained and published by Standard & Poor's and GRA.

“With the launch of our commercial real estate indices, Standard & Poor's is bringing liquidity and tradability to an important and growing asset class,” says David Blitzer, Managing Director and Chairman of the Index Committee at Standard & Poor's. “As they are completely based on closed commercial real estate transactions, investors will be able to account for actual movements in commercial real estate prices in the U.S.”

“SPCREX combines the best of GRA's 20-year history in the commercial real estate index sector with S&P's market leadership in creative index services,” says Jim Sempere, Managing Director of Real Estate Investments and Research for Charles Schwab Investment Management. “We have created a real property index that will be the new standard for the industry – the long-awaited investment tool for the burgeoning property derivatives marketplace.”

The S&P/GRA Commercial Real Estate Indices are calculated to reflect underlying real estate and capital market fundamentals by measuring the change in commercial real estate prices by property sector and geographic region. Reported index values are based on a 3-month rolling average transaction price per square foot, and are computed using a stock value, or market capitalization-weighted, methodology. This approach utilizes average transaction prices per square foot and commercial real estate stock data to derive index levels.

To be eligible for inclusion, property sales must be identified as closed transactions in the defined commercial real estate regions and sectors. Closed commercial transactions are those where the escrow has closed and the title has been transferred to the new owner. There are no transactions included in the index that are appraisals, just listed, sales pending, or in escrow.

Announcements of index levels for the S&P/GRA Commercial Real Estate Indices are made at 9:00 a.m. Eastern Time, on the second to last Tuesday of each month starting August 21<sup>st</sup>. For more information, please visit [www.spcrex.standardandpoors.com](http://www.spcrex.standardandpoors.com).

#### **About Standard & Poor's Index Services**

Standard & Poor's Index Services, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Its family of indices includes the S&P 500, an index with \$1.32 trillion invested and \$4.91 trillion benchmarked, and the S&P Global 1200, a composite index comprised of seven regional and country headline indices. For more information, please visit [www.standardandpoors.com/indices](http://www.standardandpoors.com/indices).

#### **About Standard & Poor's**

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 21 countries. Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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