

February 15, 2012

Ms. Susan Cosper Technical Director File Reference No. 2011-210 Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, Connecticut 06856-5116

Reference: Request for Public Comment: Real Estate-Investment Property Entities (Topic 973), File Reference No. 2011-210.

Dear Ms. Cosper:

Cole Real Estate Investments ("Cole", "we", "our") appreciates the opportunity to provide comments on the Financial Accounting Standards Board's ("FASB") proposed update: Real Estate-Investment Property Entities (Topic 973) (the "Proposed Update").

By way of background, Cole is one of the most active investors and owners of core real estate assets and manages one of the country's largest portfolios of retail properties. Cole is the sponsor of six Real Estate Investment Trusts ("REITs") that primarily target net leased single tenant and multi-tenant properties under long-term leases with high credit quality tenants, as well as, single tenant office and industrial properties. These REITs and other Cole related entities own or manage 59.6 million square feet of commercial real estate in 47 states with a combined acquisition cost of approximately \$9.8 billion.

We appreciate the FASB's effort to continue to develop high-quality financial accounting and reporting standards and have provided detailed responses below addressing selected general issues from the Proposed Update.

Overall, we believe the Proposed Update should not be issued in its current form because i) the criteria to define an investment property entity under the Proposed Update is vague and broad, ii) the Proposed Update doesn't converge with International Financial Reporting Standards ("IFRS") and iii) the Proposed Update does not have sufficient detailed guidance regarding its implementation, particularly, clarification around the process to fair value investment properties.

We believe the criteria used in the Proposed Update to define an investment property entity are entity-based, vague and broadly defined. The criteria have the potential to allow companies that are peers within the same industry to apply and interpret the criteria differently, resulting in inconsistencies and a lack of comparability in financial reporting, operating results and other key industry metrics. If the Proposed Update is issued, we believe the criteria should be based on the Company's business activity itself and should apply to all investment property regardless of the industry, legal structure or entity.

We believe the Proposed Update is inconsistent with the FASB's mission to achieve converged, high-quality accounting standards with IFRS, as the Proposed Update does not converge with its IFRS counterpart International Accounting Standard No. 40, *Investment Property* ("IAS 40"). IAS 40 provides accounting guidance for reporting investment property across all industries and allows an entity to make an accounting policy election to report its investment properties at either fair value or cost. If the Proposed Updated is issued, we believe the accounting and reporting guidance should be converged with IAS 40, including retaining the accounting policy election option to measure investment properties at either fair value or cost.

If the Proposed Update is issued, we believe detailed implementation guidance and a process to fair value investment properties should be included in the final update. For example, do all investment properties need to be fair valued at each measurement period or would a rotational basis be acceptable? Including such guidance, would assist preparers of the financial statements in the implementation of the guidance and ensure consistency in the application of the guidance amongst companies and across industries.



Also, because the Proposed Update requires a cumulative effect adjustment at the beginning of the year of adoption there would be a significant effort involved in determining the cumulative effect change in accounting and resulting impact on the comparability of prior year results as compared to the year of adoption. If the Proposed Update is issued, we believe the required adoption date should take into account the significant time and resources that will be required by management to not only account for investment properties at fair value on a recurring basis, but also to determine this cumulative effect adjustment in the year of adoption.

In addition, we generally agree with the views expressed in the comment letter issued by The National Association of Real Estate Investment Trusts ("NAREIT"), specifically, the issues raised with i) IFRS convergence with IAS 40, ii) developing entity-based standards as opposed to activity-based standards, iii) the criteria used to define investment property entities and iv) the elimination of the equity method of accounting by investment property entities and the requirement that these investments be reported at fair value.

In closing, based on the number of guidance and implementation issues noted in our comment letter and within NAREIT's comment letter, we believe the Proposed Update should be re-exposed for public comment prior to its issuance.

We thank you for your consideration of these comments and we appreciate the opportunity to provide our comments on the Proposed Update.

Best Regards,

Matthew J. Peel, CPA

Director of Financial Reporting and Accounting

Cole Real Estate Investments

Whother J Pul