

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2023.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 33-92990; 333-263515

TIAA REAL ESTATE ACCOUNT

(Exact name of registrant as specified in its charter)

New York

NOT APPLICABLE

(State or other jurisdiction)

(I.R.S. Employer Identification No.)

C/O TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

730 Third Avenue

10017-3206

New York, New York

(Zip code)

(Address of principal executive offices)

(212) 490-9000

Registrant's telephone number, including area code

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange of which registered
NONE		

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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PART I. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

TIAA REAL ESTATE ACCOUNT CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (Unaudited)

(In millions, except per accumulation unit amounts)

	March 31, 2023	December 31, 2022
ASSETS		
Investments, at fair value:		
Real estate properties (cost: \$14,424.5 and \$14,323.2)	\$ 20,057.9	\$ 20,444.0
Real estate joint ventures (cost: \$5,789.4 and \$5,738.1)	6,762.1	7,103.6
Real estate funds (cost: \$815.2 and \$787.7)	931.9	893.4
Real estate operating business (cost: \$355.0 and \$355.0)	636.0	641.9
Marketable securities (cost: \$1,273.4 and \$2,077.1)	1,255.3	2,030.2
Loans receivable (principal: \$1,549.2 and \$1,546.0)	1,378.9	1,418.7
Loans receivable with related parties (principal: \$71.3 and \$69.9)	71.3	69.9
Total investments (cost: \$24,278.0 and \$24,897.0)	\$ 31,093.4	\$ 32,601.7
Cash and cash equivalents	177.9	72.4
Due from investment manager	2.3	—
Other	337.2	359.5
TOTAL ASSETS	\$ 31,610.8	\$ 33,033.6
LIABILITIES		
Loans payable, at fair value (principal outstanding: \$2,222.1 and \$2,168.7)	2,129.9	2,069.7
Other unsecured debt, at fair value (principal outstanding: \$1,000.0 and \$1,000.0)	960.0	953.1
Due to investment manager	—	7.1
Accrued real estate property expenses	282.8	291.8
Payable for securities purchased	138.3	—
Other	49.5	53.8
TOTAL LIABILITIES	\$ 3,560.5	\$ 3,375.5
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Accumulation Fund	27,441.1	29,025.7
Annuity Fund	609.2	632.4
TOTAL NET ASSETS	\$ 28,050.3	\$ 29,658.1
NUMBER OF ACCUMULATION UNITS OUTSTANDING	50.5	52.1
NET ASSET VALUE, PER ACCUMULATION UNIT	\$ 543.524	\$ 556.923

See notes to the consolidated financial statements

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, Unaudited)

	For the Three Months Ended March 31,	
	2023	2022
INVESTMENT INCOME		
<i>Real estate income, net:</i>		
Rental income	\$ 334.5	\$ 303.7
Real estate property level expenses and taxes:		
Operating expenses	79.4	73.6
Real estate taxes	53.4	51.7
Interest expense	23.2	19.6
Total real estate property level expenses and taxes	156.0	144.9
Real estate income, net	178.5	158.8
Income from real estate joint ventures	53.3	60.5
Income from real estate funds	6.6	6.0
Interest	40.3	20.7
Other	—	0.8
TOTAL INVESTMENT INCOME	278.7	246.8
<i>Expenses:</i>		
Investment management charges	21.8	22.5
Administrative charges	11.9	13.5
Distribution charges	4.8	7.3
Mortality and expense risk charges	—	0.4
Liquidity guarantee charges	19.9	22.7
Interest expense	11.4	1.3
TOTAL EXPENSES	69.8	67.7
INVESTMENT INCOME, NET	208.9	179.1
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND DEBT		
<i>Net realized gain (loss) on investments:</i>		
Real estate properties	—	(8.4)
Real estate joint ventures	—	50.9
Marketable securities	(19.1)	(1.0)
Net realized (loss) gain on investments	(19.1)	41.5
<i>Net change in unrealized gain (loss) on:</i>		
Real estate properties	(487.4)	1,212.4
Real estate joint ventures	(377.3)	71.9
Real estate funds	11.0	(9.4)
Real estate operating business	(5.9)	60.4
Foreign currency exchange on forward contracts	(0.5)	—
Marketable securities	28.7	(28.6)
Loans receivable	(43.0)	1.0
Loans payable	(6.8)	3.7
Other unsecured debt	(6.9)	—
Net change in unrealized (loss) gain on investments and debt	(888.1)	1,311.4
NET REALIZED AND UNREALIZED (LOSS) GAIN ON INVESTMENTS AND DEBT	(907.2)	1,352.9
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (698.3)	\$ 1,532.0

See notes to the consolidated financial statements

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(In millions, Unaudited)

	For the Three Months Ended March 31,	
	2023	2022
FROM OPERATIONS		
Investment income, net	\$ 208.9	\$ 179.1
Net realized (loss) gain on investments	(19.1)	41.5
Net change in unrealized (loss) gain on investments and debt	(888.1)	1,311.4
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	(698.3)	1,532.0
FROM PARTICIPANT TRANSACTIONS		
Premiums	510.6	808.4
Annuity payments	(14.4)	(12.5)
Death benefits	(37.3)	(30.6)
Withdrawals	(1,368.4)	(598.3)
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM PARTICIPANT TRANSACTIONS	(909.5)	167.0
NET (DECREASE) INCREASE IN NET ASSETS	(1,607.8)	1,699.0
NET ASSETS		
Beginning of period	29,658.1	28,072.0
End of period	<u>\$ 28,050.3</u>	<u>\$ 29,771.0</u>

See notes to the consolidated financial statements

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions, Unaudited)

	For the Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (decrease) increase in net assets resulting from operations	\$ (698.3)	\$ 1,532.0
<i>Adjustments to reconcile net changes in net assets resulting from operations to net cash used in operating activities:</i>		
Net realized loss (gain) on investments	19.1	(41.5)
Net change in unrealized loss (gain) on investments and debt	888.1	(1,311.4)
Purchase of real estate properties	(0.3)	(137.2)
Capital improvements on real estate properties	(96.1)	(84.8)
Proceeds from sales of real estate properties	—	157.7
Purchases of other real estate investments	(66.1)	(369.8)
Proceeds from sales of other real estate investments	2.5	310.8
Purchases and originations of loans receivable	(11.0)	(5.2)
Purchases and originations of loans receivable with related parties	(1.5)	—
Proceeds from sales of loans receivable	—	161.4
Proceeds from payoffs of loans receivable	7.9	8.2
Decrease (Increase) in other investments	784.6	(363.2)
Net change in due to/from investment manager	(9.3)	0.7
(Increase) in receivable for securities sold	—	(4.8)
Increase in payable for securities purchased	138.3	45.0
Decrease in other assets	13.8	20.3
(Increase) in other liabilities	(18.6)	(35.0)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	953.1	(116.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage loan proceeds received	98.9	3.0
Payments of mortgage loans	(45.5)	(41.8)
Premiums	510.6	808.4
Annuity payments	(14.4)	(12.5)
Death benefits	(37.3)	(30.6)
Withdrawals	(1,368.4)	(598.3)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(856.1)	128.2
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	97.0	11.4
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of period cash, cash equivalents and restricted cash	117.0	46.0
Net increase in cash, cash equivalents and restricted cash	97.0	11.4
End of period cash, cash equivalents and restricted cash	<u>\$ 214.0</u>	<u>\$ 57.4</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 30.1</u>	<u>\$ 21.9</u>

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows (in millions):

	As of March 31,	
	2023	2022
Cash and cash equivalents	\$ 177.9	\$ 34.9
Restricted cash ⁽¹⁾	36.1	22.5
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>\$ 214.0</u>	<u>\$ 57.4</u>

⁽¹⁾ Restricted cash is included within other assets in the Consolidated Statements of Assets and Liabilities.

See notes to the consolidated financial statements

TIAA REAL ESTATE ACCOUNT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1—Organization and Significant Accounting Policies

Business: The TIAA Real Estate Account (“Account”) is an insurance separate account of Teachers Insurance and Annuity Association of America (“TIAA”) and was established by resolution of TIAA’s Board of Trustees (the “Board”) on February 22, 1995, under the insurance laws of the State of New York, for the purpose of funding variable annuity contracts issued by TIAA. The Account offers individual and group accumulating annuity contracts (with contributions made on a pre-tax or after-tax basis), as well as individual lifetime and term-certain variable payout annuity contracts (including the payment of death benefits to beneficiaries). Investors are entitled to transfer funds to or from the Account, and make withdrawals from the Account on a daily basis, under certain circumstances. Funds invested in the Account for each category of contract are expressed in terms of units, and unit values will fluctuate depending on the Account’s performance.

The investment objective of the Account is to seek favorable total returns primarily through the rental income and appreciation of a diversified portfolio of directly held, private real estate investments and real estate-related investments while offering investors guaranteed, daily liquidity. The Account holds real estate properties directly and through subsidiaries wholly-owned by TIAA for the sole benefit of the Account. The Account also holds limited interests in real estate joint ventures and funds, as well as investments in loans receivable with real estate properties as underlying collateral. Additionally, the Account invests in real estate-related and non-real estate-related publicly traded securities, cash and other instruments to maintain adequate liquidity levels for operating expenses, capital expenditures and to fund benefit payments (withdrawals, transfers and related transactions).

Interim Financial Information: The Consolidated Financial Statements of the Account as of March 31, 2023 and for the three months ended March 31, 2023 and 2022 are unaudited and include all adjustments necessary to present a fair statement of results for the interim periods presented. Results of operations for the interim periods are not necessarily indicative of results for the entire year. These Consolidated Financial Statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, certain footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted from this report pursuant to the rules of the SEC. As a result, these Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Account’s Annual Report on Form 10-K for the year ended December 31, 2022 (“2022 Form 10-K”).

Use of Estimates: The Consolidated Financial Statements were prepared in accordance with GAAP, which requires the use of estimates made by management. Actual results may vary from those estimates and such differences may be material.

Basis of Presentation: The accompanying Consolidated Financial Statements include the Account and those subsidiaries wholly-owned by TIAA for the benefit of the Account. Certain prior period amounts have been reclassified for comparative purposes to conform to the current period financial statement presentation. These reclassifications had no effect on previously reported results of operations or cash flows. All significant intercompany accounts and transactions between the Account and such subsidiaries have been eliminated.

The Accumulation Unit Value (“AUV”) used for financial reporting purposes may differ from the AUV used for processing transactions. The AUV used for financial reporting purposes includes security and participant (or “contract owner”) transactions effective through the period end date to which this report relates. Total return is computed based on the AUV used for processing transactions.

Significant Accounting Policy Updates: There were no changes to the Account’s significant accounting policies as described in the Account’s 2022 Form 10-K.

Recent Accounting Pronouncements: In March 2023, the FASB issued ASU 2023-01—Leases (Topic 842): Common Control Arrangements. The amendments in this Update provide a practical expedient for private

companies and not-for-profit entities that are not conduit bond obligors to use the written terms and conditions of a common control arrangement to determine: 1. Whether a lease exists and, if so, 2. The classification of and accounting for that lease. The practical expedient may be applied on an arrangement-by-arrangement basis. If no written terms and conditions exist, an entity is prohibited from applying the practical expedient and must evaluate the enforceable terms and conditions to apply Topic 842. In addition, the ASU requires all entities (that is, including public companies) to amortize leasehold improvements associated with common control leases over the useful life to the common control group. Lastly, leasehold improvements should be accounted for as a transfer between entities under common control through an adjustment to equity (or net assets for not-for-profit entities) if, and when, the lessee no longer controls the use of the underlying asset. Additionally, those leasehold improvements are subject to the impairment guidance in Topic 360, Property, Plant, and Equipment. The amendments in this Update are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been made available for issuance. If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Management does not expect the guidance to materially impact the Account.

In March 2020, the FASB issued ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). The guidance provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848 ("ASU 2022-06"). The amendments in ASU 2022-06 extend the period of time preparers can utilize the reference rate reform relief guidance. ASU 2022-06 is effective for all entities upon issuance. To ensure the relief in Topic 848 covers the period of time during which a significant number of modifications may take place, the ASU defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management does not expect the guidance to have a material impact to the Account.

Note 2—Related Party Transactions

Investment management, administrative and distribution services are provided to the Account at cost by TIAA. Services provided at cost are paid by the Account on a daily basis based upon projected expenses to be provided to the Account. Payments are adjusted periodically to ensure daily payments are as close as possible to the Account's actual expenses incurred. Differences between actual expenses and the amounts paid by the Account are reconciled and adjusted quarterly.

Investment management services for the Account are provided by TIAA officers, under the direction and control of the Board, pursuant to investment management procedures adopted by TIAA for the Account. TIAA's investment management decisions for the Account are subject to review by the independent fiduciary. TIAA also provides various portfolio accounting and related services for the Account.

Part of TIAA's compensation for provision of at cost investment management services to the Account includes reimbursement of costs incurred by TIAA to manage certain of the Account's joint ventures. Such joint ventures also reimburse the Account directly in its capacity as general partner or managing member (collectively, the "GP") of the joint venture in the form of an asset management fee for GP-related services provided by the Account, and such fee is based on a percentage of the fair market value of the underlying properties held in the joint venture.

The Account is a party to the Distribution Agreement for the Contracts Funded by the TIAA Real Estate Account (the "Distribution Agreement"), dated January 1, 2008, by and among TIAA, for itself and on behalf of the Account, and TIAA-CREF Individual and Institutional Services, LLC ("Services"). Services is a direct wholly-owned subsidiary of TIAA, and is registered with the SEC as a broker-dealer and a registered investment adviser and is a member of the Financial Industry Regulatory Authority. Pursuant to the Distribution Agreement, Services performs distribution services for the Account which include, among other things, (i) distribution of annuity contracts issued by TIAA and funded by the Account, (ii) advising existing annuity contract owners in connection with their accumulations and (iii) helping employers implement and manage retirement plans. In addition, TIAA

performs administrative functions for the Account, which include, among other things, (i) maintaining accounting records and performing accounting services, (ii) receiving and allocating premiums, (iii) calculating and making annuity payments, (iv) processing withdrawal requests, (v) providing regulatory compliance and reporting services, (vi) maintaining the Account's records of contract ownership and (vii) otherwise assisting generally in all aspects of the Account's operations. Both distribution services (pursuant to the Distribution Agreement) and administrative services are provided to the Account by Services and TIAA, as applicable, on an at cost basis. The Distribution Agreement is terminable by either party upon 60 days written notice and terminates automatically upon any assignment thereof.

In addition to providing the services described above, TIAA charges the Account fees to bear certain mortality and expense risks and risks with providing the liquidity guarantee. These fees are charged as a percentage of the net assets of the Account. Rates for these fees are established annually.

Once an Account participant begins receiving lifetime annuity income benefits, payment levels cannot be reduced as a result of the Account's actual mortality experience. As such, mortality and expense risk are contractual charges for TIAA's assumption of this risk.

TIAA provides the Account with a liquidity guarantee enabling the Account to have funds available to meet contract owner redemption, transfer or cash withdrawal requests. The liquidity guarantee is required by the New York State Department of Financial Services and is subject to a prohibited transaction exemption that the Account received in 1996 (96-76) from the U.S. Department of Labor (the "PTE 96-76"). The Account pays TIAA for the risk associated with providing the liquidity guarantee through a daily deduction from the Account's net assets. Whether the liquidity guarantee is exercised is based on the cash level of the Account from time to time, as well as recent contract owner withdrawal activity and the Account's expected working capital, debt service and cash needs, and subject to the oversight of the independent fiduciary. If the Account cannot fund contract owner withdrawal or redemption requests from the Account's own cash flow and liquid investments, TIAA will fund them by purchasing accumulation units issued by the Account (accumulation units that are purchased by TIAA are generally referred to as "liquidity units"). TIAA guarantees that contract owners can redeem their accumulation units at the accumulation unit value next determined after their transfer or cash withdrawal request is received in good order. Liquidity units owned by TIAA are valued in the same manner as accumulation units owned by the Account's contract owners. The independent fiduciary, which has the right to adjust the percentage of total accumulation units that TIAA's ownership should not exceed (the "trigger point"), has established the trigger point at 45% of the outstanding accumulation units.

Expenses for the services and fees described above are identified as such in the accompanying Consolidated Statements of Operations and are further identified as "Expenses" in *Note 12—Financial Highlights*.

The Account has loans receivable outstanding with related parties as of March 31, 2023. Two of the loans are with a joint venture partner and the other loans are with joint ventures in which the Account also has an equity interest. The loans are held at fair value in accordance with the valuation policies described in *Note 1—Organization and Significant Accounting Policies* of the Account's 2022 Form 10-K. The following table presents the key terms of the loans as of the reporting date (in millions):

Principal		Related Party	Equity Ownership Interest	Interest Rate	Maturity Date	Fair Value at	
2023	2022					March 31, 2023	December 31, 2022
36.5	36.5	MRA Hub 34 Holding, LLC	95.00%	2.50% + LIBOR	9/1/2023	\$ 36.5	\$ 36.5
0.5	0.5	MRA 34 LLC	—%	3.75% + LIBOR	8/26/2023	0.5	0.5
32.8	32.8	THP Student Housing, LLC	97.00%	3.20%	9/1/2024	32.9	32.9
1.5	—	MR MCC 3 Sponsor, LLC	80.00%	6.00%	12/1/2025	1.4	—
TOTAL LOANS RECEIVABLE WITH RELATED PARTIES						71.3	69.9

Note 3—Concentrations of Risk

Concentrations of risk may arise when a number of properties are located in a similar geographic region such that the economic conditions of that region could impact tenants' obligations to meet their contractual obligations or cause the values of individual properties to decline. Additionally, concentrations of risk may arise if any one tenant comprises a significant amount of the Account's rent, or if tenants are concentrated in a particular industry.

As of March 31, 2023, the Account had no significant concentrations of tenants as no single tenant had annual contract rent that made up more than 4% of the rental income of the Account. Moreover, the Account's tenants have no notable concentration present in any one industry.

The Account's wholly-owned real estate investments and investments in joint ventures are primarily located in the United States. The following table represents the diversification of the Account's portfolio by region and property type as of March 31, 2023:

Diversification by Fair Value ⁽¹⁾						
	West ⁽²⁾	South ⁽³⁾	East ⁽⁴⁾	Midwest ⁽⁵⁾	Foreign ⁽⁶⁾	Total
Industrial	17.2 %	7.7 %	2.6 %	1.5 %	— %	29.0 %
Apartments	8.0 %	10.6 %	6.8 %	1.0 %	— %	26.4 %
Office	7.6 %	5.5 %	13.0 %	0.2 %	— %	26.3 %
Retail	3.7 %	5.4 %	2.7 %	0.7 %	— %	12.5 %
Other ⁽⁷⁾	1.8 %	2.1 %	1.5 %	0.3 %	0.1 %	5.8 %
Total	38.3 %	31.3 %	26.6 %	3.7 %	0.1 %	100.0 %

⁽¹⁾ Wholly-owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.

⁽²⁾ Properties in the "West" region are located in: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY.

⁽³⁾ Properties in the "South" region are located in: AL, AR, FL, GA, LA, MS, OK, TN, TX.

⁽⁴⁾ Properties in the "East" region are located in: CT, DC, DE, KY, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV.

⁽⁵⁾ Properties in the "Midwest" region are located in: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI.

⁽⁶⁾ Represents a developable land investment in Ireland.

⁽⁷⁾ Represents interests in Storage Portfolio investments, a hotel investment and land.

Note 4—Leases

The Account's wholly-owned real estate properties are leased to tenants under operating lease agreements which expire on various dates through 2051. Rental income is recognized in accordance with the billing terms of the lease agreements. The leases do not have material variable payments, material residual value guarantees or material restrictive covenants. Certain leases have the option to extend or terminate at the tenant's discretion, with termination options resulting in additional fees due to the Account. Aggregate minimum annual rentals for wholly-owned real estate investments owned by the Account through the non-cancelable lease term, excluding short-term residential leases, as of March 31, 2023 and December 31, 2022 are as follows (in millions):

Years Ended	As of	
	March 31, 2023	December 31, 2022
2023	\$ 541.8 ⁽¹⁾	\$ 689.0
2024	682.8	634.5
2025	607.1	556.9
2026	495.5	460.0
2027	381.7	362.0
Thereafter	1,238.4	1,276.1
Total	\$ 3,947.3	\$ 3,978.5

⁽¹⁾ Representative of minimum rents owed for the remaining months of the calendar year ending December 31, 2023.

Certain leases provide for additional rental amounts based upon the recovery of actual operating expenses in excess of specified base amounts, sales volume or contractual increases as defined in the lease agreement. These contractual contingent rentals are not included in the table above.

The Account has ground leases for which the Account is the lessee. The leases do not contain material residual value guarantees or material restrictive covenants. The fair value of right-of-use assets and leases liabilities related to ground leases are reflected on the balance sheet within other assets and other liabilities, respectively.

The fair values and key terms of the right-of-use assets and lease liabilities related to the Account's ground leases are as follows (in millions):

	As of	
	March 31, 2023	December 31, 2022
Assets:		
Right-of-use assets, at fair value	\$ 37.3	\$ 43.3
Liabilities:		
Ground lease liabilities, at fair value	\$ 37.3	\$ 43.3
Key Terms:		
Weighted-average remaining lease term (years)	66.6	69.9
Weighted-average discount rate ⁽¹⁾	7.93 %	7.51 %

⁽¹⁾ Discount rates are reflective of the rates utilized during the most recent appraisal of the associated real estate investments.

For both the three months ended March 31, 2023 and 2022, operating lease costs related to ground leases were \$0.6 million and \$0.5 million, respectively. These costs include variable lease costs, which are immaterial. Aggregate future minimum annual payments for ground leases held by the Account are as follows (in millions):

	As of	
	March 31, 2023	December 31, 2022
Years Ended		
2023	\$ 1.8 ⁽¹⁾	\$ 2.4
2024	2.5	2.4
2025	2.6	2.5
2026	2.6	2.5
2027	2.6	2.5
Thereafter	448.7	424.3
Total	\$ 460.8	\$ 436.6

⁽¹⁾ Representative of minimum rents owed for the remaining months of the calendar year ending December 31, 2023.

Note 5—Assets and Liabilities Measured at Fair Value on a Recurring Basis

Valuation Hierarchy: The Account's fair value measurements are grouped into three levels, as defined by the FASB. The levels are defined as follows:

- Level 1 fair value inputs are quoted prices for identical items in active, liquid and visible markets such as stock exchanges.
- Level 2 fair value inputs are observable information for similar items in active or inactive markets, and appropriately consider counterparty creditworthiness in the valuations.
- Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an asset or liability at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate.

An asset or liability's categorization within the valuation hierarchy described above is based upon the lowest level of input that is significant to the fair value measurement. Real estate fund investments are excluded from the valuation hierarchy, as these investments are fair valued using their net asset value as a practical expedient since market quotations or values from independent pricing services are not readily available. See *Note 1—Organization and Significant Accounting Policies* of the Account's 2022 Form 10-K for further discussion regarding the use of a practical expedient for the valuation of real estate funds.

The following tables show the major categories of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023 and December 31, 2022, using unadjusted quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3); and fair value using the practical expedient (millions):

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Fair Value Using Practical Expedient	Total at March 31, 2023
Real estate properties	\$ —	\$ —	\$ 20,057.9	\$ —	\$ 20,057.9
Real estate joint ventures	—	—	6,762.1	—	6,762.1
Real estate funds	—	—	—	931.9	931.9
Real estate operating business	—	—	636.0	—	636.0
Marketable securities:					
U.S. government agency notes	—	709.2	—	—	709.2
Foreign government agency notes	—	17.1	—	—	17.1
U.S. treasury securities	—	255.8	—	—	255.8
Corporate bonds	—	273.2	—	—	273.2
Loans receivable ⁽¹⁾	—	—	1,450.2	—	1,450.2
Total Investments at March 31, 2023	\$ —	\$ 1,255.3	\$ 28,906.2	\$ 931.9	\$ 31,093.4
Loans payable	\$ —	\$ —	\$ (2,129.9)	\$ —	\$ (2,129.9)
Other unsecured debt	\$ —	\$ (460.0)	\$ (500.0)	\$ —	\$ (960.0)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Fair Value Using Practical Expedient	Total at December 31, 2022
Real estate properties	\$ —	\$ —	\$ 20,444.0	\$ —	\$ 20,444.0
Real estate joint ventures	—	—	7,103.6	—	7,103.6
Real estate funds	—	—	—	893.4	893.4
Real estate operating business	—	—	641.9	—	641.9
Marketable securities:					
U.S. government agency notes	—	902.9	—	—	902.9
Foreign government agency notes	—	16.9	—	—	16.9
U.S. treasury securities	—	574.0	—	—	574.0
Corporate bonds	—	536.4	—	—	536.4
Loans receivable ⁽¹⁾	—	—	1,488.6	—	1,488.6
Total Investments at December 31, 2022	\$ —	\$ 2,030.2	\$ 29,678.1	\$ 893.4	\$ 32,601.7
Loans payable	\$ —	\$ —	\$ (2,069.7)	\$ —	\$ (2,069.7)
Other unsecured debt	\$ —	\$ (453.1)	\$ (500.0)	\$ —	\$ (953.1)

⁽¹⁾ Includes loans receivable with related parties.

The following tables show the reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended March 31, 2023 and 2022 (in millions):

	Real Estate Properties	Real Estate Joint Ventures	Real Estate Operating Business	Loans Receivable ⁽³⁾	Total Level 3 Investments	Loans Payable	Other Unsecured Debt
For the three months ended March 31, 2023							
Beginning balance January 1, 2023	\$ 20,444.0	\$ 7,103.6	\$ 641.9	\$ 1,488.6	\$ 29,678.1	\$ (2,069.7)	\$ (500.0)
Total realized and unrealized (losses) included in changes in net assets	(487.4)	(377.3)	(5.9)	(43.0)	(913.6)	(6.8)	—
Purchases ⁽¹⁾	101.3	36.2	—	12.5	150.0	(98.9)	—
Sales	—	—	—	—	—	—	—
Settlements ⁽²⁾	—	(0.4)	—	(7.9)	(8.3)	45.5	—
Ending balance March 31, 2023	<u>\$ 20,057.9</u>	<u>\$ 6,762.1</u>	<u>\$ 636.0</u>	<u>\$ 1,450.2</u>	<u>\$ 28,906.2</u>	<u>\$ (2,129.9)</u>	<u>\$ (500.0)</u>

	Real Estate Properties	Real Estate Joint Ventures	Real Estate Operating Business	Loans Receivable ⁽³⁾	Total Level 3 Investments	Loans Payable	Line of Credit
For the three months ended March 31, 2022							
Beginning balance January 1, 2022	\$ 18,903.9	\$ 7,175.9	\$ 326.3	\$ 1,492.6	\$ 27,898.7	\$ (2,380.5)	\$ (500.0)
Total realized and unrealized gains included in changes in net assets	1,204.0	122.8	60.4	1.0	1,388.2	3.7	—
Purchases ⁽¹⁾	228.9	251.3	100.9	5.2	586.3	(3.0)	—
Sales ⁽⁴⁾	(157.7)	—	—	(161.4)	(319.1)	—	—
Settlements ⁽²⁾	—	(296.7)	—	(8.2)	(304.9)	41.8	—
Ending balance March 31, 2022	<u>\$ 20,179.1</u>	<u>\$ 7,253.3</u>	<u>\$ 487.6</u>	<u>\$ 1,329.2</u>	<u>\$ 29,249.2</u>	<u>\$ (2,338.0)</u>	<u>\$ (500.0)</u>

(1) Includes purchases, contributions for joint ventures, capital expenditures, lending for loans receivable, assumption of loans payable and term loan borrowings.

(2) Includes operating income for real estate joint ventures net of distributions, payments of loans receivable, and payments of loans payable and line of credit.

(3) Includes loans receivable with related parties.

(4) Real estate properties amount shown is inclusive of post closing realized losses.

The following table shows quantitative information about unobservable inputs related to the Level 3 fair value measurements as of March 31, 2023.

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs ⁽¹⁾	Range (Weighted Average)
Real Estate Properties and Joint Ventures	Office	Income Approach—Discounted Cash Flow	Discount Rate	6.0% - 9.3% (7.2%)
			Terminal Capitalization Rate	5.0% - 8.5% (6.0%)
	Industrial	Income Approach—Discounted Cash Flow	Discount Rate	6.0% - 8.0% (6.8%)
			Terminal Capitalization Rate	4.5% - 7.0% (5.1%)
	Apartment	Income Approach—Discounted Cash Flow	Discount Rate	5.8% - 7.3% (6.3%)
			Terminal Capitalization Rate	4.5% - 5.8% (5.0%)
	Retail	Income Approach—Discounted Cash Flow	Discount Rate	6.0% - 11.5% (7.4%)
			Terminal Capitalization Rate	5.0% - 8.8% (6.0%)
	Hotel	Income Approach—Discounted Cash Flow	Discount Rate	10.0%
			Terminal Capitalization Rate	8.0%
Real Estate Operating Business		Income Approach—Discounted Cash Flow	Discount Rate	10.8%
			Terminal Growth Rate	7.3%
		Market Approach	EBITDA Multiple	31.8x
Loans Payable	Office	Discounted Cash Flow	Loan to Value Ratio	36.0% - 67.2% (50.5%)
			Equivalency Rate	5.9% - 8.8% (6.7%)
	Industrial	Discounted Cash Flow	Loan to Value Ratio	28.3% - 37.0% (31.5%)
			Equivalency Rate	5.4% - 6.0% (5.6%)
	Apartment	Discounted Cash Flow	Loan to Value Ratio	26.3% - 68.0% (41.4%)
			Equivalency Rate	5.8% - 7.0% (6.4%)
	Retail	Discounted Cash Flow	Loan to Value Ratio	47.3% - 77.7% (56.5%)
			Equivalency Rate	5.4% - 7.2% (6.3%)

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs ⁽¹⁾	Range (Weighted Average)
		Net Present Value	Loan to Value Ratio Weighted Average Cost of Capital Risk Premium Multiple	47.3% - 77.7% (56.5%) 1.1 - 1.5 (1.3)
Loans Receivable, including those with related parties	Office	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	40.1% - 105.0% (69.4%) 6.4% - 19.7% (10.0%)
	Industrial	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	8.8% - 66.2% (41.5%) 6.0% - 10.0% (7.0%)
	Apartment	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	60.8% - 70.4% (65.0%) 7.0% - 8.7% (7.7%)
	Retail & Hospitality	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	54.9% - 130.5% (86.6%) 7.9% - 18.8% (10.8%)

The following table shows quantitative information about unobservable inputs related to the Level 3 fair value measurements as of March 31, 2022.

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs ⁽¹⁾	Range (Weighted Average)
Real Estate Properties and Joint Ventures	Office	Income Approach—Discounted Cash Flow	Discount Rate Terminal Capitalization Rate	5.8% - 9.8% (6.6%) 4.5% - 8.5% (5.5%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	4.0% - 8.0% (5.0%)
		Income Approach—Discounted Cash Flow	Discount Rate Terminal Capitalization Rate	4.8% - 8.0% (5.8%) 3.5% - 6.8% (4.4%)
	Industrial	Income Approach—Direct Capitalization	Overall Capitalization Rate	2.0% - 6.0% (3.8%)
		Income Approach—Discounted Cash Flow	Discount Rate Terminal Capitalization Rate	5.3% - 7.0% (5.8%) 4.0% - 5.5% (4.5%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.5% - 5.0% (4.0%)
	Apartment	Income Approach—Discounted Cash Flow	Discount Rate Terminal Capitalization Rate	6.0% - 11.5% (7.0%) 5.0% - 8.7% (5.7%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	4.5% - 8.6% (5.2%)
		Income Approach—Discounted Cash Flow	Discount Rate Terminal Capitalization Rate	9.8% 7.8%
		Income Approach—Direct Capitalization	Overall Capitalization Rate	7.5%
Real Estate Operating Business		Income Approach—Discounted Cash Flow	Discount Rate	8.2 %
			Terminal Growth Rate	5.3 %
		Market Approach	EBITDA Multiple	25.0x
Loans Receivable, including those with related parties	Office	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	40.4% - 94.7% (69.8%) 2.3% - 9.5% (5.6%)
	Industrial	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	29.9% - 71.3% (65.3%) 4.3% - 5.2% (4.7%)
	Residential	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	38.4% - 76.5% (49.0%) 2.5% - 8.6% (5.0%)
	Retail & Hospitality	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	59.8% - 79.8% (67.6%) 3.0% - 7.3% (4.3%)
Loans Payable	Office	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	35.8% - 57.5% (45.4%) 1.8% - 3.7% (3.2%)
		Net Present Value	Loan to Value Ratio Weighted Average Cost of Capital Risk Premium Multiple	35.8% - 57.5% (45.4%) 1.2 - 1.4 (1.3)
	Industrial	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	31.2% - 38.4% (34.1%) 3.3% - 3.9% (3.6%)
		Net Present Value	Loan to Value Ratio Weighted Average Cost of Capital Risk Premium Multiple	31.2% - 38.4% (34.1%) 1.2 - 1.3 (1.2)
	Residential	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	27.2% - 67.8% (41.2%) 1.9% - 3.2% (2.6%)
		Net Present Value	Loan to Value Ratio Weighted Average Cost of Capital Risk Premium Multiple	27.2% - 67.8% (41.2%) 1.2 - 1.5 (1.3)
	Retail	Discounted Cash Flow	Loan to Value Ratio Equivalency Rate	34.8% - 74.2% (45.4%) 3.2% - 4.2% (3.6%)
		Net Present Value	Loan to Value Ratio Weighted Average Cost of Capital Risk Premium Multiple	34.8% - 74.2% (45.4%) 1.2 - 1.8 (1.4)

⁽¹⁾ Equivalency Rate is defined as the prevailing market interest rate used to discount the contractual loan payments.

Significant increases (decreases) in any of those inputs in isolation would result in significantly lower (higher) fair value measurements, respectively.

Line of Credit and Other Unsecured Debt: The Account's line of credit and term loans are recorded at par as Management believes par approximates fair value due to the short-term nature of the credit facility.

During the three months ended March 31, 2023 and 2022, there were no transfers between Levels 1, 2 or 3.

The amount of total net unrealized gains (losses) included in changes in net assets relating to Level 3 investments and loans payable using significant unobservable inputs still held as of the reporting date is as follows (millions):

	Real Estate Properties	Real Estate Joint Ventures	Real Estate Operating Business	Loans Receivable ⁽¹⁾	Total Level 3 Investments	Loans Payable
For the three months ended March 31, 2023	\$ (487.3)	\$ (391.1)	\$ (6.0)	\$ (43.0)	\$ (927.4)	\$ (6.8)
For the three months ended March 31, 2022	\$ 1,202.3	\$ 125.6	\$ 60.4	\$ 0.9	\$ 1,389.2	\$ 3.7

⁽¹⁾ Amount shown is reflective of loans receivable and loans receivable with related parties.

Note 6—Investments in Joint Ventures

The Account owns interests in several real estate properties through joint ventures and receives distributions and allocations of profits and losses from the joint ventures based on the Account's ownership interest in those investments. Several of these joint ventures have loans payable collateralized by the properties owned by the aforementioned joint ventures. At March 31, 2023, the Account held investments in joint ventures with ownership interest percentages that ranged from 2.0% to 98.5%. Certain joint ventures are subject to adjusted distribution percentages when earnings in the investment reach a predetermined threshold.

A condensed summary of the results of operations of the joint ventures are shown below (millions):

	For the Three Months Ended March 31,	
	2023	2022
Operating Revenue and Expenses		
Revenues	\$ 305.6	\$ 269.2
Expenses	184.3	167.3
Excess of revenues over expenses	\$ 121.3	\$ 101.9

Note 7—Investments in Real Estate Funds

The Account has ownership interests in real estate funds (each a "Fund", and collectively the "Funds"). The Funds are set up as limited partnerships or entities similar to a limited partnership, and as such, meet the definition of a VIE as the limited partners collectively lack the power, through voting or similar rights, to direct the activities of the Fund that most significantly impact the Fund's economic performance. Management has determined that the Account is not the primary beneficiary for any of the Funds, as the Account lacks the power to direct the activities of each Fund that most significantly impact the respective Fund's economic performance, and the Account further lacks substantive kick-out rights to remove the entity with these powers. Refer to *Note 1—Organization and Significant Accounting Policies* of the Account's 2022 Form 10-K for a description of the methodology used to determine the primary beneficiary of a VIE.

No financial support (such as loans or financial guarantees) was provided to the Funds during the three months ended March 31, 2023. The Account is contractually obligated to make additional capital contributions in certain Funds in future years. These commitments are included in the maximum exposure to loss presented below.

The carrying amount and maximum exposure to loss relating to unconsolidated VIEs in which the Account holds a variable interest but is not the primary beneficiary were as follows at March 31, 2023 (in millions):

Fund Name	Carrying Amount	Maximum Exposure to Loss	Liquidity Provisions	Investment Strategy
LCS SHIP Venture I, LLC (90.0% Account Interest)	\$ 243.0	\$ 243.0	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2025. The Account is permitted to sell or transfer its interest in the fund, subject to consent and approval of the manager.	To invest in senior housing properties.
Veritas - Trophy VI, LLC (90.4% Account Interest)	\$ 75.6	\$ 88.6	Redemptions prohibited prior to liquidation. The Account is not permitted to sell or transfer its interest in the fund until August 2023. After this date, the Account can sell or transfer its interest in the fund with the consent and approval of the manager.	To invest in multi-family properties primarily in the San Francisco Bay and Los Angeles metropolitan statistical area ("MSA").
SP V - II, LLC (61.8% Account Interest)	\$ 102.3	\$ 112.3	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2023. The Account is permitted to sell or transfer its interest in the fund, subject to consent and approval of the manager.	To invest in medical office properties in the U.S.
Taconic New York City GP Fund, LP (60.0% Account Interest)	\$ 28.9	\$ 28.9	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2024. The Account is permitted to sell its interest in the fund, subject to consent and approval of the general partner.	To invest in real estate and real estate-related assets in the New York City MSA.
Silverpeak NRE FundCo LLC (90.0% Account Interest)	\$ 40.1	\$ 66.3	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2028. The Account is permitted to sell its interest in the fund to qualified institutional investors, subject to consent and approval of the manager.	To invest in alternative real estate investments primarily in major U.S. metropolitan markets.
IDR - Core Property Index Fund, LLC (1.1% Account Interest)	\$ 43.8	\$ 43.8	Redemptions are permitted for a full calendar quarter and upon at least 90 days prior written notice, subject to fund availability. The Account is permitted to sell its interest in the fund, subject to consent and approval of the manager.	To invest primarily in open-ended funds that fall within the NFI-ODCE Index and are actively managed.
Townsend Group Value-Add Fund (99.0% Account Interest)	\$ 178.6	\$ 255.8	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2027. The Account is prohibited from transferring its interest in the fund without consent by the general partner, which can be withheld in their sole discretion.	To invest in value-add real estate investment opportunities in the U.S. market.
Flagler REA Healthcare Properties Partnership (90.0% Account Interest)	\$ 20.7	\$ 20.7	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2025. The Account is permitted to transfer its interest in the fund to a qualified institutional investor, subject to the right first offer by the partner, following the one year anniversary of the fund launch.	To acquire healthcare properties within the top 50 MSA's in the U.S.

Fund Name	Carrying Amount	Maximum Exposure to Loss	Liquidity Provisions	Investment Strategy
Grubb Southeast Real Estate Fund VI, LLC (66.7% Account Interest)	\$ 18.7	\$ 18.7	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2026. The Account is permitted to sell or transfer its interest in the fund with the consent and approval of the manager.	To acquire office investments across the Southeast.
Silverpeak NRE FundCo 2 LLC (90.0% Account Interest)	\$ 86.8	\$ 112.2	Redemptions prohibited prior to liquidation. The Account is permitted to sell its interest in the fund to qualified institutional investors, subject to consent and approval of the manager.	To invest in value-add real estate investment opportunities in the top 25 major U.S. metropolitan markets.
JCR Capital - REA Preferred Equity Parallel Fund (31.1% Account Interest)	\$ 61.1	\$ 102.9	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2026. The Account is prohibited from transferring its interest in the fund without consent by the general partner, which can be withheld in their sole discretion	To invest primarily in multi-family properties.
Silverpeak NRE FundCo 3 LLC (90.0% Account Interest)	\$ 32.3	\$ 99.7	Redemptions prohibited prior to liquidation. The Account is permitted to sell its interest in the fund to qualified institutional investors, subject to consent and approval of the manager.	To invest in value-add real estate investment opportunities in the top 25 major U.S. metropolitan markets.
Total		\$ 931.9	\$ 1,192.9	

Note 8—Loans Receivable

The Account's loan receivable portfolio is primarily comprised of mezzanine loans secured by the borrower's direct and indirect interests in commercial real estate. Mezzanine loans are subordinate to first mortgages on the underlying real estate collateral. The following property types represent the underlying real estate collateral for the Account's loans (in millions):

	March 31, 2023			December 31, 2022		
	Principal Outstanding	Fair Value	% of Fair Value	Principal Outstanding	Fair Value	% of Fair Value
Office ⁽¹⁾	\$ 1,082.5	\$ 923.5	63.7 %	\$ 904.6	\$ 788.4	52.9 %
Apartments ⁽¹⁾	214.5	209.4	14.4 %	214.2	209.6	14.1 %
Industrial	133.6	130.8	9.0 %	131.6	130.6	8.8 %
Hotel	139.3	136.0	9.4 %	139.3	134.9	9.1 %
Retail	49.1	49.0	3.4 %	226.1	225.1	15.1 %
Land	1.5	1.5	0.1 %	—	—	— %
	<u>\$ 1,620.5</u>	<u>\$ 1,450.2</u>	<u>100.0 %</u>	<u>\$ 1,615.8</u>	<u>\$ 1,488.6</u>	<u>100.0 %</u>

⁽¹⁾ Includes loans receivable with related parties.

The Account monitors the risk profile of the loan receivable portfolio with the assistance of a third-party rating service that models the loans and assigns risk ratings based on inputs such as loan-to-value ratios, yields, credit quality of the borrowers, property types of the collateral, geographic and local market dynamics, physical condition of the collateral, and the underlying structure of the loans. Ratings for loans are updated monthly. Assigned ratings can range from AAA to C, with an AAA designation representing debt with the lowest level of credit risk and C representing a greater risk of default or principal loss. Loans that are more than 90 days past due are classified as delinquent and assigned a D rating. Mezzanine debt in good health is typically reflective of a risk rating in the B range (e.g., BBB, BB, or B), as these ratings reflect borrowers' having adequate financial resources to service their

financial commitments, but also acknowledging that adverse economic conditions, should they occur, would likely impede on a borrowers' ability to pay.

All borrowers of loans rated C or higher are current as of March 31, 2023.

The following table presents the fair values of the Account's loan portfolio based on the risk ratings as of March 31, 2023 (in millions), listed in order of the strength of the risk rating (from strongest to weakest):

	March 31, 2023			December 31, 2022		
	Number of Loans	Fair Value	% of Fair Value	Number of Loans	Fair Value	% of Fair Value
A+	1	100.2	6.9 %	1	—	— %
A	1	47.6	3.3 %	2	130.6	8.8 %
A-	—	—	— %	1	—	— %
BBB+	2	114.2	7.9 %	3	191.0	12.8 %
BBB	2	134.4	9.3 %	2	137.4	9.2 %
BBB-	2	228.5	15.8 %	1	47.5	3.2 %
BB+	1	40.7	2.8 %	2	64.9	4.4 %
BB	1	57.8	4.0 %	2	72.3	4.8 %
BB-	2	79.3	5.5 %	1	18.9	1.3 %
B+	3	120.8	8.3 %	3	87.2	5.9 %
B	—	—	— %	2	72.5	4.9 %
B-	4	117.8	8.1 %	5	171.0	11.5 %
CCC+	1	38.2	2.6 %	3	223.4	15.0 %
CCC	3	63.8	4.4 %	—	—	— %
CCC-	2	122.0	8.4 %	2	60.9	4.1 %
CC	1	21.8	1.5 %	1	66.0	4.4 %
C	2	91.8	6.3 %	1	75.1	5.0 %
D	1	—	— %	—	—	— %
NR ⁽¹⁾	4	71.3	4.9 %	3	69.9	4.7 %
	<u>33</u>	<u>\$ 1,450.2</u>	<u>100.0 %</u>	<u>35</u>	<u>\$ 1,488.6</u>	<u>100.0 %</u>

⁽¹⁾ "NR" designates loans not assigned an internal credit rating. As of March 31, 2023 and December 31, 2022, all loans with NR designations were with related parties. The loans are collateralized by equity interests in real estate investments.

The following table represents loans receivable in nonaccrual status as of March 31, 2023 (in millions). Loans are placed in nonaccrual status when a loan is more than 90 days in arrears or at any point when management believes the full collection of principal is doubtful.

Aging	Number of Loans	Principal Outstanding	Fair Value
Past Due - 90 Days +	1	\$ 92.9	\$ —

Note 9—Loans Payable

At March 31, 2023, the Account had outstanding loans payable secured by the following assets (in millions):

Property	Annual Interest Rate and Payment Frequency	Principal Amounts Outstanding as of		Maturity
		March 31, 2023	December 31, 2022	
1001 Pennsylvania Avenue ⁽¹⁾	3.70% paid monthly	\$ 299.4	\$ 301.2	June 1, 2023
Biltmore at Midtown	3.94% paid monthly	36.4	36.4	July 5, 2023
Cherry Knoll	3.78% paid monthly	35.3	35.3	July 5, 2023
Lofts at SoDo	3.94% paid monthly	35.1	35.1	July 5, 2023
San Diego Office Portfolio ⁽²⁾	1.61% + SOFR paid monthly	58.2	58.2	August 9, 2023
Pacific City	2.10% + SOFR paid monthly	105.0	105.0	October 1, 2023
The Stratum ⁽²⁾	2.25% + LIBOR paid monthly	40.4	40.4	May 9, 2024
Spring House Innovation Park ⁽²⁾	1.25% + LIBOR paid monthly	55.5	52.3	July 9, 2024
1401 H Street NW	3.65% paid monthly	115.0	115.0	November 5, 2024
The District on La Frontera ⁽¹⁾	3.84% paid monthly	36.8	37.0	December 1, 2024
The District on La Frontera ⁽¹⁾	4.96% paid monthly	4.2	4.2	December 1, 2024
Circa Green Lake	3.71% paid monthly	52.0	52.0	March 5, 2025
Union - South Lake Union	3.66% paid monthly	57.0	57.0	March 5, 2025
Holly Street Village	3.65% paid monthly	81.0	81.0	May 1, 2025
Henley at Kingstowne ⁽¹⁾	3.60% paid monthly	67.3	67.7	May 1, 2025
32 South State Street	4.48% paid monthly	24.0	24.0	June 6, 2025
Project Sonic ⁽²⁾	2.00% + SOFR paid monthly	93.5	—	June 9, 2025
Vista Station Office Portfolio ⁽¹⁾	4.00% paid monthly	18.5	18.6	July 1, 2025
780 Third Avenue	3.55% paid monthly	150.0	150.0	August 1, 2025
780 Third Avenue	3.55% paid monthly	20.0	20.0	August 1, 2025
Reserve at Chino Hills ⁽²⁾	1.50% + LIBOR paid monthly	74.4	72.5	August 9, 2025
Vista Station Office Portfolio ⁽¹⁾	4.20% paid monthly	41.7	41.9	November 1, 2025
Sixth & Main ⁽²⁾⁽³⁾	1.87% + LIBOR paid monthly	—	41.1	November 9, 2025
701 Brickell Avenue ⁽¹⁾	3.66% paid monthly	177.6	178.5	April 1, 2026
Marketplace at Mill Creek	3.82% paid monthly	39.6	39.6	September 11, 2027
Overlook At King Of Prussia	3.82% paid monthly	40.8	40.8	September 11, 2027
Winslow Bay	3.82% paid monthly	25.8	25.8	September 11, 2027
1900 K Street, NW ⁽¹⁾	3.93% paid monthly	160.6	161.1	April 1, 2028
99 High Street	3.90% paid monthly	277.0	277.0	March 1, 2030
Total Principal Outstanding		\$ 2,222.1	\$ 2,168.7	
Fair Value Adjustment ⁽⁴⁾		(92.2)	(99.0)	
Total Loans Payable		<u>\$ 2,129.9</u>	<u>\$ 2,069.7</u>	

⁽¹⁾ The mortgage is adjusted monthly for principal payments.

⁽²⁾ The loan is collateralized by a mezzanine loan receivable. The mezzanine loan receivable is collateralized by the property reflected within the table above.

⁽³⁾ The principal amount of the outstanding debt was paid off during the quarter.

⁽⁴⁾ The fair value adjustment consists of the difference (positive or negative) between the principal amount of the outstanding debt and the fair value of the outstanding debt. See Note 1—Organization and Significant Accounting Policies.

Note 10—Credit Facility

The Account has a credit agreement (the "Credit Agreement") with a syndicate of third-party bank lenders, including JPMorgan Chase Bank, N.A., comprised of revolving credit loans ("Line of Credit") up to \$945.0 million and up to \$500.0 million in term loans ("Term Loans"). The Account may use the proceeds of borrowings under the Credit Agreement for general organizational purposes in the ordinary course of business, including to finance certain real estate portfolio investments. The Account may prepay borrowings under the Credit Facility at any time during the life of the loan without penalty.

The Account may elect for each borrowing under the Credit Agreement to bear annual interest at an adjusted base rate ("ABR") or adjusted SOFR plus an applicable margin which is dependent on the leverage ratio of the Account. The applicable margin for adjusted SOFR Term Loans ranges from 1.00% to 1.50% and for ABR Term Loans ranges from 0.00% to 0.50%. The applicable margin for adjusted SOFR Revolving Credit Loans ranges from 0.875% to 1.30% and for ABR Revolving Credit Loans ranges from 0.00% to 0.30%. In addition, the Account pays facility fees ranging from 0.125% to 0.20%, depending on the leverage ratio of the Account, on the total revolving commitments (used and unused) under the Credit Agreement.

As of March 31, 2023, the Account was in compliance with all covenants required by the Credit Agreement.

The following table provides a summary of the key characteristics of the Credit Agreement, as of March 31, 2023:

Current Balance - Line of Credit (in millions)	\$	—
Current Balance - Term Loans (in millions)	\$	500.0
Maximum Capacity (in millions)	\$	1,445.0
Inception Date		September 16, 2022
Revolving Commitment Termination and Term Loan Maturity Date		September 16, 2024
Extension Option ⁽¹⁾		Yes
ABR Revolving Credit Loans Interest Rate		ABR + Applicable Margin
ABR Term Loans Interest Rate		ABR + Applicable Margin
SOFR Revolving Credit Loans Interest Rate		Adjusted SOFR + Applicable Margin
SOFR Term Loans Interest Rate ⁽³⁾		Adjusted SOFR + Applicable Margin
Facility Fee ⁽²⁾		0.125% - 0.20% quarterly

⁽¹⁾ The Account has three options to extend the Commitment Termination Date for an additional twelve months each. The Account may also request additional funding, not to exceed \$55.0 million, at any time prior to the Commitment Termination Date or the Term Loan Maturity Date; however, this request is subject to approval at the sole discretion of the lenders and is not guaranteed.

⁽²⁾ The Account is charged a fee on the Line of Credit, whether used or unused, which is determined based on the Account's loan-to-value ratio.

⁽³⁾ The weighted average interest rate for the three months ended March 31, 2023 was 5.629%.

Note 11—Senior Notes Payable

In June 2022, the Account entered into a note purchase agreement with certain qualified institutional investors. Under the note purchase agreement, the Account issued \$500.0 million of debt securities, in the form of Series A senior notes and Series B senior notes (the "Series A and B Notes"). The Account is obligated to repay the Series A and B Notes at par, plus accrued and unpaid interest to, but not including, the date of repayment. The Account may also prepay the Series A and B Notes in whole or in part at any time, or from time to time, at the Account's option at par plus accrued interest to the prepayment date and, if prepaid on or before 90 days prior to the applicable maturity date, a make-whole premium.

On March 21, 2023, the Account entered into another note purchase agreement with certain qualified institutional investors. Under this note purchase agreement, the Account agreed to issue on May 30, 2023, \$400.0 million of debt securities, in the form of Series C senior notes (the "Series C Notes") that will mature on May 30, 2027. The Series C Notes will bear interest at an annual rate of 5.50%, payable semi-annually and will be subject to the same prepayment terms as the Series A and B Notes.

As of March 31, 2023, the Account was in compliance with all covenants required by the note purchase agreements.

The following table provides a summary of the key characteristics of the outstanding senior notes payable, as of March 31, 2023:

	Principal (in millions)	Interest Rate	Maturity Date
Series A	\$ 300.0	3.24%	June 10, 2029
Series B	\$ 200.0	3.35%	June 10, 2032

Note 12—Financial Highlights

Selected condensed financial information for an Accumulation Unit of the Account is presented below. Per Accumulation Unit data is calculated on average units outstanding.

	For the Three Months Ended March 31, 2023	Years Ended December 31,		
		2022	2021	2020
Per Accumulation Unit Data:				
Rental income	\$ 6.520	\$ 23.751	\$ 22.672	\$ 21.145
Real estate property level expenses and taxes	3.041	11.042	10.683	10.027
Real estate income, net	3.479	12.709	11.989	11.118
Other income	1.954	6.559	5.474	4.980
Total income	5.433	19.268	17.463	16.098
Expense charges ⁽¹⁾	1.361	5.121	4.035	3.603
Investment income, net	4.072	14.147	13.428	12.495
Net realized and unrealized gain (loss) on investments and debt	(17.471)	28.011	64.615	(16.195)
Net increase (decrease) in Accumulation Unit Value	(13.399)	42.158	78.043	(3.700)
Accumulation Unit Value:				
Beginning of period	556.923	514.765	436.722	440.422
End of period	<u>\$ 543.524</u>	<u>\$ 556.923</u>	<u>\$ 514.765</u>	<u>\$ 436.722</u>
Total return ⁽³⁾	(2.41)%	8.19 %	17.87 %	(0.84)%
Ratios to Average net assets ⁽²⁾ :				
Expenses ⁽¹⁾	0.98 %	0.89 %	0.84 %	0.81 %
Investment income, net	2.94 %	2.45 %	2.82 %	2.85 %
Portfolio turnover rate ⁽³⁾ :				
Real estate properties ⁽⁴⁾	0.2 %	5.6 %	7.6 %	7.1 %
Marketable securities ⁽⁵⁾	7.0 %	4.7 %	— %	113.4 %
Accumulation Units outstanding at end of period (millions)				
	50.5	52.1	53.4	52.0
Net assets end of period (millions)	\$ 28,050.3	\$ 29,658.1	\$ 28,072.0	\$ 23,243.9

⁽¹⁾ Expense charges per Accumulation Unit and the Ratio of Expenses to average net assets reflect the year-to-date Account level expenses and exclude real estate property level expenses which are included in real estate income, net.

⁽²⁾ Percentages for the three months ended March 31, 2023 are annualized.

⁽³⁾ Percentages for the three months ended March 31, 2023 are not annualized.

⁽⁴⁾ Real estate investment portfolio turnover rate is calculated by dividing the lesser of purchases or sales of real estate property investments (including contributions to, or return of capital distributions received from, existing real estate joint ventures and fund investments) by the average value of the portfolio of real estate investments held during the period.

⁽⁵⁾ Marketable securities portfolio turnover rate is calculated by dividing the lesser of purchases or sales of securities, excluding securities having maturity dates at acquisition of one year or less, by the average value of the portfolio securities held during the period.

Note 13—Accumulation Units

Changes in the number of Accumulation Units outstanding were as follows (in millions):

	For the Three Months Ended March 31, 2023	For the Year Ended December 31, 2022
Outstanding:		
Beginning of period	52.1	53.4
Credited for premiums	0.9	5.4
Annuity, other periodic payments, withdrawals and death benefits	(2.5)	(6.7)
End of period	<u>50.5</u>	<u>52.1</u>

Note 14—Commitments and Contingencies

Commitments—As of March 31, 2023 and December 31, 2022, the Account had the following immediately callable commitments to purchase additional interests in its real estate funds or provide additional funding through its loans receivable investments (in millions):

	Commitment Expiration	March 31, 2023	December 31, 2022
Real Estate Funds⁽¹⁾			
Silverpeak NRE FundCo 3 LLC	06/2023	\$ 67.4	\$ 70.0
SP V - II, LLC	08/2023	10.0	10.0
Veritas Trophy VI, LLC	08/2023	13.0	15.4
Taconic New York City GP Fund, LP	11/2023	—	4.2
JCR Capital - REA Preferred Equity Parallel Fund	02/2024	41.8	48.6
Flagler - REA Healthcare Properties Partnership	02/2025	—	1.2
Townsend Group Value-Add Fund	12/2026	77.2	84.7
Silverpeak NRE FundCo LLC	12/2028	26.2	26.2
Silverpeak NRE FundCo 2 LLC	12/2029	25.4	29.6
		<u>\$ 261.0</u>	<u>\$ 289.9</u>
Loans Receivable⁽²⁾			
311 South Wacker Mezzanine	03/2023	—	2.2
SCG Oakland Portfolio Mezzanine	04/2023	0.5	5.4
Five Oak Mezzanine	05/2023	1.5	1.5
MRA Hub 34 Holding, LLC	08/2023	1.4	1.5
Liberty Park Mezzanine	11/2023	2.6	2.6
Colony New England Hotel Portfolio Senior Loan	11/2023	3.6	3.6
Colony New England Hotel Portfolio Mezzanine	11/2023	1.2	1.2
Exo Apartments Mezzanine	01/2024	3.9	2.4
The Stratum Senior Loan	05/2024	1.3	1.3
The Stratum Mezzanine	05/2024	0.4	0.4
Spring House Innovation Park Senior Loan	07/2024	19.5	23.4
Spring House Innovation Park Mezzanine	07/2024	6.5	7.8
Project Sonic Senior Loan	06/2025	2.4	3.9
Project Sonic Mezzanine	06/2025	0.8	1.3
One Biscayne Tower Senior Loan	07/2025	31.8	31.8
One Biscayne Tower Mezzanine	07/2025	10.6	10.6
The Reserve at Chino Hills	08/2025	10.7	12.7
735 Watkins Mill	08/2025	7.7	9.2

	Commitment Expiration	March 31, 2023	December 31, 2022
Sixth and Main Senior Loan	11/2025	5.3	6.2
Sixth and Main Mezzanine	11/2025	2.8	3.4
		\$ 114.5	\$ 132.4
TOTAL COMMITMENTS		\$ 375.5	\$ 422.3

- (1) Additional capital can be called during the commitment period at any time. The commitment period can only be extended by the manager with the consent of the Account. The commitment expiration date is reflective of the most recent signed agreement between the Account and the fund manager, including any side letter agreements.
- (2) Advances from the Account can be requested during the commitment period at any time. The commitment expiration date is reflective of the most recent signed agreement between the Account and the borrower, including any side letter agreements. Certain loans contain extension clauses on the term of the loan that do not require the Account's prior consent. If elected, the Account's commitment may be extended through the extension term.

Contingencies—In the normal course of business, the Account may be named, from time to time, as a defendant or may be involved in various legal actions, including arbitration, class actions and other litigation.

The Account establishes an accrual for all litigation and regulatory matters when it believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be higher or lower than the amounts accrued for those matters.

As of the date of this report, management of the Account does not believe that the results of any such claims or litigation, individually or in the aggregate, will have a material effect on the Account's business, financial position or results of operations.

Note 15—Subsequent Events

In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure subsequent to March 31, 2023, through May 5, 2023, the date the financial statements were issued and determined there were no material events or transactions to disclose.

TIAA REAL ESTATE ACCOUNT
CONDENSED CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

REAL ESTATE PROPERTIES

Location/Sector	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Alabama				
Retail	53.5	0.2 %	55.3	0.2 %
	\$ 53.5	0.2 %	\$ 55.3	0.2 %
Arizona				
Industrial	50.4	0.2 %	48.3	0.2 %
Land	4.5	— %	4.3	— %
	\$ 54.9	0.2 %	\$ 52.6	0.2 %
California				
Industrial	3,926.3	14.0 %	3,924.6	13.2 %
Apartment	1,525.6	5.4 %	1,567.0	5.3 %
Office	568.4	2.0 %	574.2	1.9 %
Retail	437.2	1.6 %	441.0	1.5 %
	\$ 6,457.5	23.0 %	\$ 6,506.8	21.9 %
Colorado				
Office	83.1	0.3 %	102.0	0.3 %
Industrial	46.7	0.2 %	49.0	0.2 %
	\$ 129.8	0.5 %	\$ 151.0	0.5 %
Connecticut				
Office	33.3	0.1 %	35.4	0.1 %
	\$ 33.3	0.1 %	\$ 35.4	0.1 %
Florida				
Apartment	1,240.8	4.4 %	1,304.4	4.4 %
Industrial	736.4	2.6 %	714.0	2.4 %
Office	495.8	1.8 %	503.0	1.7 %
Retail	157.1	0.6 %	157.6	0.5 %
	\$ 2,630.1	9.4 %	\$ 2,679.0	9.0 %
Georgia				
Apartment	425.0	1.5 %	456.7	1.5 %
Retail	256.2	0.9 %	253.7	0.9 %
Industrial	242.9	0.9 %	258.3	0.9 %
	\$ 924.1	3.3 %	\$ 968.7	3.3 %
Illinois				
Retail	180.7	0.7 %	189.3	0.6 %
Industrial	157.8	0.6 %	182.1	0.6 %
Apartment	124.0	0.4 %	129.4	0.4 %
Land	38.0	0.1 %	5.7	— %
	\$ 500.5	1.8 %	\$ 506.5	1.7 %
Indiana				
Industrial	102.0	0.4 %	108.0	0.4 %
	\$ 102.0	0.4 %	\$ 108.0	0.4 %
Maryland				
Apartment	87.2	0.3 %	86.5	0.3 %

TIAA REAL ESTATE ACCOUNT
CONDENSED CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

REAL ESTATE PROPERTIES

Location/Sector	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Industrial	77.9	0.3 %	68.4	0.2 %
Retail	72.3	0.3 %	74.4	0.3 %
	\$ 237.4	0.9 %	\$ 229.3	0.8 %
Massachusetts				
Office	668.6	2.4 %	687.3	2.3 %
Industrial	161.7	0.6 %	169.5	0.6 %
Retail	123.0	0.4 %	123.0	0.4 %
Apartment	56.3	0.2 %	57.7	0.2 %
	\$ 1,009.6	3.6 %	\$ 1,037.5	3.5 %
Minnesota				
Industrial	148.3	0.5 %	149.1	0.5 %
Apartment	95.3	0.3 %	100.8	0.3 %
	\$ 243.6	0.8 %	\$ 249.9	0.8 %
New Jersey				
Industrial	373.4	1.3 %	388.7	1.3 %
Retail	89.2	0.3 %	90.5	0.3 %
	\$ 462.6	1.6 %	\$ 479.2	1.6 %
New York				
Office	740.9	2.6 %	787.0	2.7 %
Apartment	272.9	1.0 %	266.8	0.9 %
	\$ 1,013.8	3.6 %	\$ 1,053.8	3.6 %
North Carolina				
Retail	90.1	0.3 %	90.3	0.3 %
Apartment	81.5	0.3 %	86.4	0.3 %
	\$ 171.6	0.6 %	\$ 176.7	0.6 %
Oregon				
Apartment	39.5	0.1 %	41.3	0.1 %
	\$ 39.5	0.1 %	\$ 41.3	0.1 %
Pennsylvania				
Retail	67.1	0.2 %	68.1	0.2 %
	\$ 67.1	0.2 %	\$ 68.1	0.2 %
South Carolina				
Apartment	82.7	0.3 %	89.5	0.3 %
Retail	47.2	0.2 %	46.9	0.2 %
	\$ 129.9	0.5 %	\$ 136.4	0.5 %
Tennessee				
Retail	150.1	0.5 %	149.5	0.5 %
Industrial	71.2	0.3 %	73.9	0.3 %
Apartment	38.5	0.1 %	38.6	0.1 %
	\$ 259.8	0.9 %	\$ 262.0	0.9 %
Texas				
Industrial	965.3	3.4 %	936.5	3.2 %
Apartment	685.4	2.4 %	706.9	2.4 %
Office	556.7	2.0 %	591.8	2.0 %

TIAA REAL ESTATE ACCOUNT
CONDENSED CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

REAL ESTATE PROPERTIES

Location/Sector	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Hotel	90.0	0.3 %	87.6	0.3 %
	\$ 2,297.4	8.1 %	\$ 2,322.8	7.8 %
Utah				
Office	111.7	0.4 %	119.5	0.4 %
	\$ 111.7	0.4 %	\$ 119.5	0.4 %
Virginia				
Apartment	411.5	1.5 %	414.0	1.4 %
Retail	153.1	0.6 %	152.7	0.5 %
Office	106.3	0.4 %	114.1	0.4 %
	\$ 670.9	2.5 %	\$ 680.8	2.3 %
Washington				
Industrial	587.8	2.1 %	595.2	2.0 %
Apartment	311.1	1.1 %	327.1	1.1 %
	\$ 898.9	3.2 %	\$ 922.3	3.1 %
Washington D.C.				
Office	1,224.6	4.4 %	1,248.0	4.2 %
Apartment	333.8	1.2 %	353.1	1.2 %
	\$ 1,558.4	5.6 %	\$ 1,601.1	5.4 %
TOTAL REAL ESTATE PROPERTIES				
(Cost: \$14,424.5 and \$14,323.2)	\$ 20,057.9	71.5 %	\$ 20,444.0	68.9 %

REAL ESTATE JOINT VENTURES

Location/Sector	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Arizona				
Land	23.7	0.1 %	17.3	0.1 %
	\$ 23.7	0.1 %	\$ 17.3	0.1 %
California				
Office	958.4	3.4 %	1,082.2	3.6 %
Retail	50.9	0.2 %	50.6	0.2 %
	\$ 1,009.3	3.6 %	\$ 1,132.8	3.8 %
Florida				
Retail	605.9	2.2 %	624.8	2.1 %
	\$ 605.9	2.2 %	\$ 624.8	2.1 %
Georgia				
Land	7.1	— %	—	— %
	\$ 7.1	— %	\$ —	— %
Maryland				
Land	28.5	0.1 %	16.0	0.1 %
Retail	16.9	0.1 %	17.1	0.1 %
	\$ 45.4	0.2 %	\$ 33.1	0.1 %
Massachusetts				
Office	423.0	1.5 %	447.6	1.5 %
	\$ 423.0	1.5 %	\$ 447.6	1.5 %
Nevada				
Retail	505.4	1.8 %	503.9	1.7 %
	\$ 505.4	1.8 %	\$ 503.9	1.7 %

TIAA REAL ESTATE ACCOUNT
CONDENSED CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

REAL ESTATE JOINT VENTURES

Location/Sector	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
New York				
Office	124.7	0.4 %	139.7	0.5 %
Industrial	73.5	0.3 %	78.5	0.3 %
Apartment	48.0	0.2 %	51.7	0.2 %
Retail	34.5	0.1 %	32.9	0.1 %
	\$ 280.7	1.0 %	\$ 302.8	1.0 %
North Carolina				
Apartments	92.7	0.3 %	—	— %
Office	43.8	0.2 %	49.3	0.2 %
Retail	41.6	0.1 %	143.0	0.5 %
Land	29.7	0.1 %	30.8	0.1 %
	\$ 207.8	0.7 %	\$ 223.1	0.8 %
South Carolina				
Apartment	60.8	0.2 %	60.0	0.2 %
Land	7.8	— %	8.7	— %
	\$ 68.6	0.2 %	\$ 68.7	0.2 %
Tennessee				
Retail	213.2	0.8 %	225.0	0.8 %
	\$ 213.2	0.8 %	\$ 225.0	0.8 %
Texas				
Office	329.7	1.2 %	348.8	1.2 %
Industrial	55.0	0.2 %	53.3	0.2 %
Land	23.8	0.1 %	28.8	0.1 %
	\$ 408.5	1.5 %	\$ 430.9	1.5 %
Washington				
Office	112.1	0.4 %	135.9	0.5 %
	\$ 112.1	0.4 %	\$ 135.9	0.5 %
Various⁽¹⁾				
Storage	1,292.4	4.6 %	1,310.2	4.4 %
Apartment	1,064.3	3.8 %	1,146.4	3.9 %
Office	460.6	1.6 %	471.7	1.6 %
	\$ 2,817.3	10.0 %	\$ 2,928.3	9.9 %
Foreign⁽²⁾				
Land	24.8	0.1 %	20.4	0.1 %
Other ⁽³⁾	9.3	— %	9.0	— %
	\$ 34.1	0.1 %	\$ 29.4	0.1 %
TOTAL REAL ESTATE JOINT VENTURES				
(Cost: \$5,789.4 and \$5,738.1)	\$ 6,762.1	24.1 %	\$ 7,103.6	24.0 %

⁽¹⁾ Properties within these investments are located throughout the United States.

⁽²⁾ Property is located outside of the United States.

⁽³⁾ The value represents the equity interest in the joint venture, which does not currently hold any properties.

TIAA REAL ESTATE ACCOUNT
CONDENSED CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

MARKETABLE SECURITIES

	March 31, 2023		December 31, 2022	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Corporate bonds	273.2	1.0 %	536.4	1.8 %
U.S. government agency notes	709.2	2.5 %	902.9	3.0 %
Foreign government agency notes	17.1	0.1 %	16.9	0.1 %
U.S. treasury securities	255.8	0.9 %	574.0	1.9 %
TOTAL MARKETABLE SECURITIES				
(Cost: \$1,273.4 and \$2,077.1)	\$ 1,255.3	4.5 %	\$ 2,030.2	6.8 %
TOTAL REAL ESTATE FUNDS				
(Cost: \$815.2 and \$787.7)	\$ 931.9	3.3 %	\$ 893.4	3.0 %
TOTAL REAL ESTATE OPERATING BUSINESS				
(Cost: \$355.0 and \$355.0)	\$ 636.0	2.3 %	\$ 641.9	2.2 %
TOTAL LOANS RECEIVABLE				
(Cost: \$1,549.2 and \$1,546.0)	\$ 1,378.9	4.9 %	\$ 1,418.7	4.8 %
TOTAL LOANS RECEIVABLE WITH RELATED PARTIES				
(Cost: \$71.3 and \$69.9)	\$ 71.3	0.3 %	\$ 69.9	0.2 %
TOTAL INVESTMENTS				
(Cost: \$24,278.0 and \$24,897.0)	\$ 31,093.4	110.9 %	\$ 32,601.7	109.9 %

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Account's financial condition and results of operations should be read together with the Consolidated Financial Statements and notes contained in this report and with consideration to the sub-section entitled "Forward-Looking Statements," which begins below, and the section entitled "Item 1A. Risk Factors," of the Account's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 9, 2023 (the "Form 10-K"), as such risk factors may be updated in Item 1A of this Form 10-Q or in subsequent reports. The past performance of the Account is not indicative of future results.

Forward-looking Statements

Some statements in this Form 10-Q which are not historical facts may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about management's expectations, beliefs, intentions or strategies for the future, include the assumptions and beliefs underlying these forward-looking statements, and are based on current expectations, estimates and projections about the real estate industry, domestic and global economic conditions, including conditions in the credit and capital markets, employment rates, the sectors and markets in which the Account invests and operates, and the transactions described in this Form 10-Q. While management believes the assumptions underlying any of its forward-looking statements and information to be reasonable, such information may be subject to uncertainties and may involve certain risks which may be difficult to predict and are beyond management's control. These risks and uncertainties could cause actual results to differ materially from those contained in any forward-looking statement. These risks and uncertainties include, but are not limited to, the risks associated with the following:

- Acquiring, owning and selling real property and real estate investments, including risks related to general economic and real estate market conditions, the risk that the Account's properties become too concentrated (whether by geography, sector or by tenant mix) and the risk that the sales price of a property might differ from its estimated or appraised value;
- Property valuations, including the fact that the Account's appraisals are generally obtained on a quarterly basis and there may be periods in between appraisals of a property during which the value attributed to the property for purposes of the Account's daily accumulation unit value may be more or less than the actual realizable value of the property;
- Financing the Account's properties, including the risk of default on loans secured by the Account's properties (which could lead to foreclosure);
- Contract owner transactions, in particular that (i) significant net contract owner transfers out of the Account may impair our ability to pursue or consummate new investment opportunities, (ii) significant net contract owner transfers into the Account may result, on a temporary basis, in our cash holdings and/or holdings in liquid non-real estate-related investments exceeding our long-term targeted holding levels and (iii) high levels of cash and liquid non-real estate-related investments in the Account during times of appreciating real estate values can impair the Account's overall return;
- Joint ventures and real estate funds, including the risk that the Account may have limited rights with respect to the joint venture or that a co-venturer or fund manager may have financial difficulties;
- Governmental regulatory matters such as zoning laws, rent control laws, and property and other taxes;
- Potential liability for damage to the environment or injury to individuals caused by hazardous substances used or found on its properties, as well as risks associated with federal and state environmental laws, that may impose restrictions on the manner in which a property may be used;
- Certain catastrophic losses that may be uninsurable, as well as risks related to climate-related changes and hazards, which could adversely impact the Account's investment returns;
- ESG criteria used to assess economic risk or financial opportunity projections in the evaluation of commercial real estate investments may not materialize in the way we have anticipated, resulting in the Account subsequently underperforming relative to other investment vehicles that did not utilize such ESG criteria in selecting and managing portfolio properties;

- Countries with emerging market, foreign commercial real properties, foreign real estate loans, foreign debt investments and foreign securities investments that may experience unique risks such as changes in currency exchange rates, imposition of market controls or currency exchange controls, seizure, expropriation or nationalization of assets, political, social or diplomatic events or unrest, regulatory and taxation risks and risks associated with enforcing judgments in foreign countries that could cause the Account to lose money;
- Investments in REITs, including changes in the value of the underlying properties or by the quality of any credit extended, as well as exposure to market risk due to changing conditions in the financial markets;
- Investments in mortgage-backed securities, which are subject to the same risks inherent in real estate investing, making mortgage loans and investing in debt securities. For example, the underlying mortgage loans may experience defaults, are subject to prepayment risks and are sensitive to economic conditions impacting the credit markets generally;
- Risks associated with the Account's investments in mortgage loans, including (i) borrower default that results in the Account being unable to recover its original investment, (ii) liens that may have priority over the Account's security interest, (iii) a deterioration in the financial condition of tenants, and (iv) changes in interest rates for the Account's variable-rate mortgage loans and other debt instruments;
- Risks associated with the Account's investments in, and leasing of, single-family real estate include risks relating to the condition of the properties, the credit quality and employment stability of the tenants, and compliance with applicable local laws regarding the acquisition and leasing of single family real estate (which may include manufactured housing);
- Investment securities issued by U.S. Government agencies and U.S. Government-sponsored entities, including the risk that the issuer may not have their securities backed by the full faith and credit of the U.S. Government, which could adversely affect the pricing and value of such securities;
- Risks associated with investments in liquid, fixed-income investments and real estate-related liquid assets (which could include, from time to time, registered or unregistered REIT securities and CMBS), and non-real estate-related liquid assets,
- Conflicts of interests associated with TIAA serving as investment manager of the Account and provider of the liquidity guarantee while also serving as an investment manager to other real estate accounts or funds;
- Lending securities, which has the Account bear the market risk with respect to the investment of collateral or a portion of the income generated by interest paid by the securities lending agent on the cash collateral balance;
- The Account's requirement to sell property in the event that TIAA owns too large of a percentage of the Account's accumulation units, which sales could occur at a time or price that is not optimal for the Account's returns; and
- The tax rules applicable to the contracts vary and your rights under a contract may be subject to the terms of your employer's retirement plan itself, regardless of the terms of the contract. We cannot provide detailed information on all tax aspects of owning the contracts. Tax rules may change without notice, and we cannot predict whether, when, or how tax rules could change or what, if any, tax legislation will actually be proposed or enacted.

More detailed discussions of certain of these risk factors are contained in the section of the Form 10-K entitled "Item 1A. Risk Factors" and "Part II, Item 1A, Risk Factors" in this Report and also in the section below entitled "Quantitative and Qualitative Disclosures About Market Risk." These risks could cause actual results to differ materially from historical experience or management's present expectations.

Caution should be taken not to place undue reliance on management's forward-looking statements, which represent management's views only as of the date that this report is filed. Neither management nor the Account undertake any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, changed assumptions, future events or otherwise.

Commercial real estate market statistics discussed in this section are obtained by the Account from sources that management considers reliable, but some of the data are preliminary for the period ended March 31, 2023 and may be subsequently revised. Prior period data may have been adjusted to reflect updated calculations. Investors should

not rely exclusively on the data presented below in forming a judgment regarding the current or prospective performance of the commercial real estate market generally.

ABOUT THE TIAA REAL ESTATE ACCOUNT

The Account was established, under the laws of New York, in February 1995 as a separate account of TIAA and interests in the Account were first offered to eligible contract owners on October 2, 1995. The Account offers individual and group accumulating annuity contracts (with contributions made on a pre-tax or after-tax basis), as well as individual lifetime and term-certain variable payout annuity contracts (including the payment of death benefits to beneficiaries). Investors are entitled to transfer funds to or from the Account under certain circumstances. Funds invested in the Account for each category of contract are expressed in terms of units, and unit values will fluctuate depending on the Account's performance.

Investment Objective and Strategy

The Real Estate Account seeks to generate favorable total returns primarily through the rental income and appreciation of a diversified portfolio of directly held, private real estate investments and real estate-related investments, while offering investors guaranteed, daily liquidity.

Real Estate-Related Investments. The Account intends to have between 75% and 85% of its net assets invested directly in real estate or real estate-related investments with the goal of producing favorable long-term returns primarily through rental income and appreciation. These investments may consist of:

- Direct ownership interests in domestic and foreign real estate;
- Direct ownership of real estate through interests in joint ventures; or
- Indirect interests in real estate through real estate-related securities, such as:
 - private real estate limited partnerships and limited liability companies (collectively, "real estate funds");
 - real estate operating businesses;
 - investments in equity or debt securities of domestic and foreign companies whose operations involve real estate (i.e., that primarily own, develop or manage real estate) which may not be real estate investment trusts ("REITs");
 - domestic or foreign loans, including conventional commercial mortgage loans, participating mortgage loans, secured domestic and foreign (including U.K.) mezzanine loans, subordinated loans and collateralized mortgage obligations, including commercial mortgage-backed securities ("CMBS"), collateralized mortgage obligations ("CMOs") and other similar investments; and
 - public and/or privately placed, domestic and foreign, registered and unregistered equity investments in REITs, which investments may consist of registered or unregistered common or preferred stock interests.

The Account's principal strategy is to purchase direct ownership interests in income-producing real estate, including the four primary sectors of office, industrial, retail, and multi-family, and alternative real estate sectors (defined as real estate outside of the four primary sectors noted above). The Account targets holding between 65% and 85% of the Account's net assets in such direct ownership interests.

In addition, the Account is authorized to hold up to 25% of its net assets in liquid real estate-related securities, including publicly traded REITs and CMBS. Management intends that the Account will not hold more than 10% of net assets in such securities on a long-term basis. As of March 31, 2023, the Account did not hold any publicly traded REIT securities or CMBS.

In making commercial real estate investments within the Account, TIAA seeks to make investments that are suitable from a financial perspective, taking into account the potential financial impacts associated with industry recognized environmental, social and governance ("ESG") criteria. The Account intends to promote awareness of these criteria to its joint venture partners, vendors and other stakeholders in connection with portfolio related activity involving commercial real estate transactions. TIAA believes awareness, and, as appropriate, implementation of ESG criteria in commercial real estate holdings is beneficial to total long-term returns for the Account. In its evaluation of commercial real estate opportunities, the Account will take ESG considerations into account as part of the financial

assessment of a commercial real estate portfolio asset, and not to achieve a desired outcome or as an investment qualification or screen. Ultimately, the Account will make an investment decision that incorporates ESG criteria only to the extent that the criteria is reasonably expected to enhance our understanding of the investment's ability to achieve desired returns for the Account.

Liquid, Fixed-Income Investments. The Account will invest the remaining portion of its assets (targeted to be between 15% and 25% of its net assets) in the following types of liquid, fixed income investments;

- U.S. Treasury or U.S. Government agency securities;
- Intermediate-term or long-term government related instruments, such as bond or other fixed-income securities issued by U.S. Government agencies, U.S. states or municipalities or U.S. Government-sponsored entities as well as foreign governments and their agencies (including those in emerging markets) and supranational or multinational organizations (e.g., European Union);
- Intermediate-term or long-term non-government related instruments, such as corporate debt securities, domestic- or foreign mezzanine or other debt, and structured securities, (e.g. unsecured debt obligations with a return linked to the performance of an underlying asset). Such structured securities may include asset-backed securities (“ABS”) issued by domestic or foreign entities, mortgage backed securities (“MBS”), residential mortgage backed securities (“RMBS”), debt securities of foreign governments, and collateralized debt (“CDO”), collateralized bond (“CBO”) and collateralized loan (“CLO”) obligations, but only if such non-government related instruments are investment-grade securities;
- Money market instruments and other cash equivalents. These will usually be high-quality, short-term debt instruments, including U.S. Government or government agency securities, commercial paper, certificates of deposit, bankers’ acceptances, repurchase agreements, interest-bearing time deposits, and corporate debt securities; and
- To a limited extent, privately issued (or non-publicly traded) debt securities, including Rule 144A securities, issued by domestic and foreign companies that do not primarily own or manage real estate, but only if such domestic and foreign privately issued debt securities are investment-grade securities.

Liquid Securities Generally. Primarily due to management’s need to manage fluctuations in cash flows, in particular during and following periods of significant contract owner net transfer activity into or out of the Account, the Account may, on a temporary basis (i) exceed the upper end of its targeted holdings (currently 35% of the Account’s net assets) in liquid securities of all types, including both publicly traded non-real estate-related liquid investments and liquid real estate-related securities, such as REITs, and structured securities including ABS, RMBS, CMBS and MBS, or (ii) be below the low end of its targeted holdings in such liquid securities (currently 15% of the Account’s net assets).

The portion of the Account’s net assets invested in liquid investments of all types may exceed the upper end of its target, for example, if (i) the Account receives a large inflow of money in a short period of time, in particular due to significant contract owner transfer activity into the Account, (ii) the Account receives significant proceeds from sales or financings of direct real estate assets, (iii) there is a lack of attractive direct real estate investments available on the market, and/or (iv) the Account anticipates more near-term cash needs, including to acquire or improve direct real estate investments, pay expenses or repay indebtedness. Conversely, the portion of the Account’s net assets invested in liquid investments of all types may exceed the lower end of its target, for example, during and immediately following periods of significant net contract owner outflows.

Foreign Investments. The Account may also make foreign real estate, foreign real estate-related investments and foreign liquid, fixed-income investments. Under the Account’s investment guidelines, investments in direct foreign real estate and real estate loans, together with foreign real estate-related securities and foreign liquid, fixed-income investments may not comprise more than 25% of the Account’s net assets. However, management does not intend such foreign investments, in the aggregate, to exceed 10% of the Account's net assets. As of March 31, 2023, the fair value of the Account's foreign real estate investments was \$34.1 million.

In managing any domestic or foreign mezzanine debt or other domestic or foreign loans or securities, the Account may enter into certain derivatives transactions (including forward currency contracts and swaps, futures contracts,

put and call options and other hedging transactions) in order to hedge against the risks of exchange rate uncertainties, interest rate uncertainties and foreign currency or market fluctuations impacting the Account's domestic or foreign investments. The Account does not intend to speculate in such transactions.

FIRST QUARTER 2023 U.S. ECONOMIC AND COMMERCIAL REAL ESTATE OVERVIEW

The Account invests primarily in high-quality, core real estate in order to meet its investment objective of obtaining favorable long-term returns through rental income and the appreciation of its real estate holdings.

Economic Overview and Outlook

Key Macro Economic Indicators*	Actuals		Forecast	
	2022	1Q 2023	2023	2024
Economy⁽¹⁾				
Gross Domestic Product ("GDP")	0.9%	2.1%	1.2%	2.2%
Employment Growth ⁽²⁾	401	345	115	59
Unemployment Rate	3.6%	3.5%	3.9%	4.2%
Interest Rates⁽³⁾				
10 Year Treasury	3.9%	3.5%	4.0%	3.8%

Sources: Bloomberg, BEA, Bureau of Labor Statistics ("BLS"), Federal Reserve and Moody's Analytics

* Data subject to revision

(1) GDP growth rates are annual rates. Quarterly unemployment rates are the reported value for the final month of the quarter while annual values represent a twelve-month average.

(2) Values presented in thousands. Forecast values represent average monthly employment growth in the respective periods.

(3) Treasury rates are an average over the stated period.

Global growth conditions remained subdued at the start of the year, as major economies continue to deal with persistently high inflation, tight monetary policy and the continued fallout from the Russia/Ukraine conflict. The U.S. economy grew at an estimated 2.1% annualized pace quarter-over-quarter in the first quarter of 2023, as year-over-year growth improved to 1.2%. The labor market continued to surprise on the upside in recent months, with employers hiring over a million new workers in the first quarter and unemployment remaining near historic lows at 3.5%. In addition, inflation remains above the Federal Reserve's target rate but continued to ease in the first quarter. As a result, real income growth improved during the quarter, leaving consumers in a solid position to increase spending.

Other areas of the U.S. economy have sputtered at the start of the year. High interest rates and tighter lending standards have stunted activity in the housing sector and curbed business investment growth. Manufacturing production has also struggled in 2023 and is now 1.1% lower than at this point last year.

Recent turmoil in the banking sector has introduced some additional risk into the economic outlook. The U.S. government quickly moved to backstop deposits at Silicon Valley Bank and Signature Bank and has signaled that it is willing to provide support to other banking institutions to prevent contagion in financial markets. To the extent that this is successful, the impact of recent troubles on the broader macroeconomy is likely to be minimal. However, some financial institutions are likely to tighten lending conditions further to shore up balance sheets, and a broader fallout in the financial sector with wide-ranging economic implications is possible if the government's planned backstop proves to be insufficient.

Despite challenges in the banking sector, the Federal Reserve continued to tighten monetary policy in the first quarter, raising the federal funds rate 25 basis points in February and matching that increase in March. Cumulatively, the central bank has now raised the effective federal funds rate 475 basis points since the start of 2022, bringing the target range to 4.75%-5%. Federal Reserve officials have consistently stated that they are committed to bringing inflation back to normal, even if the economy falls into recession in upcoming quarters. However, recent statements suggest that the central bank is nearing the end of the current rate hiking cycle, with markets expecting only one more 25 basis point increase this year.

Real Estate Market Conditions and Outlook

Elevated interest rates continued to disrupt private commercial real estate markets in the first quarter of 2023, putting upward pressure on cap rates and reducing property values across all core property types. Macroeconomic uncertainty and interest rate volatility remain headwinds in capital markets, leading to limited liquidity and reduced deal activity. According to preliminary results from Real Capital Analytics, sales of commercial properties fell to \$85.6 billion in the first quarter of 2023, down 42.0% from the fourth quarter of 2022 and down 55.9% year-over-year. Sector fundamentals remain solid in key focus areas like housing, industrial, and alternatives, however, which benefit from low vacancy rates and healthy net operating income growth.

The Account returned -2.41% in the first quarter of 2023 and 0.14% since March 31, 2022. Over the last year, borrowing costs have increased in response to high inflation, which caused a decrease in transaction activity. As a result of both factors, property values have been adjusted downward. The first quarter net return was negative for the second consecutive quarter since September 2020 and reflects the impact of these broader economic conditions. Despite market headwinds, the Account remains focused on improving portfolio diversification by reducing exposure to lower-growth assets and acquiring assets with higher growth prospects and economic resiliency. The Account has been less active from a transaction standpoint in 2023 due to the ongoing market volatility and will closely monitor conditions for the most prudent timing for potential dispositions and acquisitions.

Data for the Account's top five markets in terms of market value as of March 31, 2023 are provided below. The five markets presented below represent 41.9% of the Account's total real estate portfolio. Across all markets, the Account's properties are 92.0% leased.

Top 5 Metro Areas by Fair Market Value⁽¹⁾	Account % Leased Fair Value Weighted⁽²⁾	Number of Property Investments	Metro Area Fair Value as a % of Total RE Portfolio⁽³⁾	Metro Area Fair Value as a % of Total Investments
Riverside-San Bernardino-Ontario, CA	100.0%	7	9.9%	8.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	84.9%	18	9.5%	8.2%
Los Angeles-Long Beach-Anaheim, CA	84.9%	22	9.1%	7.8%
Miami-Fort Lauderdale-West Palm Beach, FL	95.6%	14	7.1%	6.1%
New York-Newark-Jersey City, NY-NJ-PA	86.4%	14	6.3%	5.4%

⁽¹⁾ The table above has been standardized to depict metropolitan statistical area ("MSA") definitions.

⁽²⁾ Weighted by fair value, which differs from the calculations provided for market comparisons to CoStar and RealPage data and are used here to reflect the fair value of the Account's monetary investments in those markets.

⁽³⁾ Wholly-owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.

Office

The office sector continued to be challenged in the first quarter of 2023. Uncertainty surrounding the market, heightened by the recent bank failures, has weakened both investor and lessor demand. Most large companies have settled into hybrid working models, and while they are encouraging employees to be present in the office a few days a week, they are still finding themselves with under utilized space. Vacancy is likely to remain elevated throughout 2023.

Vacancy nationwide remained at 12.5% for the first quarter of 2023, as reported by CoStar. Vacancy rates have remained high in large downtown markets, such as Dallas, Washington D.C. and New York, while suburban markets are experiencing some rent growth. Although new construction has slowed, expected deliveries will be dropped into a weak leasing environment and drive vacancy rates higher in the coming year. The vacancy rate of the Account's office portfolio decreased to 17.4% in the first quarter of 2023, as compared to 19.6% in the prior quarter. The above-average vacancy rate in the New York metro area is driven by two properties currently undergoing redevelopment to increase the long term value of the properties. The vacancy rate in the New York metro will remain elevated over the near term as legacy tenants fully vacate the properties and redevelopment efforts continue. The elevated vacancy in the other top markets is due to expiring leases. The depth of large tenants is thin which is causing difficulty in re-leasing the space once leases expire.

Top 5 Office Metropolitan Areas ⁽¹⁾	Total Sector by Metro Area (\$M)	% of Total Investments	Account Square Foot Weighted Average Vacancy		Market Vacancy ⁽²⁾	
			Q1 2023	Q4 2022	Q1 2023	Q4 2022
			17.4 %	19.6 %	12.5 %	12.5 %
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$ 1,330.9	4.3 %	16.8 %	18.0 %	15.7 %	15.5 %
Boston-Cambridge-Newton, MA-NH	1,091.6	3.5 %	20.5 %	18.7 %	10.4 %	9.8 %
New York-Newark-Jersey City, NY- NJ-PA	884.1	2.8 %	23.9 %	33.3 %	13.0 %	12.5 %
San Diego-Carlsbad, CA	666.6	2.1 %	5.6 %	2.7 %	10.9 %	10.8 %
Dallas-Fort Worth-Arlington, TX	556.7	1.8 %	25.9 %	23.4 %	17.9 %	17.7 %

(1) The table above has been standardized to depict MSA definitions.

(2) Source: CoStar. Market vacancy is the percentage of space available for rent. Account vacancy is the square foot-weighted percentage of unleased space. Market vacancy rates are subject to change.

Industrial

The industrial sector saw record-breaking activity in 2022. Consumers' long-term shift to e-commerce caused demand for industrial space to rise to unprecedented levels. Leasing activity in the first quarter of 2023 remained steady; however, demand is softening as inflation and rising interest rates have caused a reduction in consumption and construction. The need for improved supply chain and automation is expected to keep demand steady in 2023.

The national industrial availability remained at 3.9% in the first quarter of 2023, as reported by CoStar. The average vacancy rate of the industrial properties held by the Account decreased from 2.6% in the fourth quarter of 2022 to 1.7% in the first quarter of 2023, due to new leases at existing properties.

Top 5 Industrial Metropolitan Areas ⁽¹⁾	Total Sector by Metro Area (\$M)	% of Total Investments	Account Square Foot Weighted Average Vacancy		Market Vacancy ⁽²⁾	
			Q1 2023	Q4 2022	Q1 2023	Q4 2022
Account / Nation			1.7 %	2.6 %	3.9 %	3.9 %
Riverside-San Bernardino-Ontario, CA	\$ 2,551.1	8.2 %	— %	— %	2.9 %	1.9 %
Los Angeles-Long Beach-Anaheim, CA	782.3	2.5 %	5.1 %	3.3 %	3.2 %	2.4 %
Dallas-Fort Worth-Arlington, TX	630.4	2.0 %	3.6 %	8.0 %	6.3 %	5.4 %
Seattle-Tacoma-Bellevue, WA	587.8	1.9 %	— %	— %	4.6 %	3.8 %
Miami-Fort Lauderdale-West Palm Beach, FL	515.3	1.7 %	1.2 %	1.2 %	2.6 %	2.7 %

(1) The table above has been standardized to depict MSA definitions.

(2) Source: CoStar. Market vacancy is the percentage of space available for rent. Account vacancy is the square foot-weighted percentage of unleased space. Market vacancy rates are subject to change.

Multi-Family

Demand for apartments began to slow down towards the end of 2022 due to rising rental rates and slow economic growth. Remaining projected deliveries for 2023 will most likely drive the vacancy rate slightly higher as construction of luxury properties took precedence during the pandemic and they are now being delivered to a market that is looking for mid-priced housing. Despite these challenges, the national apartment vacancy rate remained flat at 5.2% from the fourth quarter of 2022 through the first quarter of 2023, as reported by RealPage, and is expected to remain steady throughout 2023. The vacancy rate of the Account's apartment properties increased to 6.9% in the first quarter of 2023 as compared to 6.6% in the prior quarter, driven by small declines in occupancy across the Account's properties.

Top 5 Apartment Metropolitan Areas ⁽¹⁾	Total Sector by Metro Area (\$M)	% of Total Investments	Account Units Weighted Average Vacancy		Market Vacancy ⁽²⁾	
			Q1 2023	Q4 2022	Q1 2023	Q4 2022
Account / Nation			6.9 %	6.6 %	5.2 %	5.2 %
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$ 832.5	2.7 %	6.9 %	7.4 %	5.2 %	5.1 %
Los Angeles-Long Beach-Anaheim, CA	826.7	2.7 %	9.2 %	8.5 %	4.3 %	4.1 %
Miami-Fort Lauderdale-West Palm Beach, FL	750.8	2.4 %	8.1 %	7.5 %	4.2 %	3.8 %
Atlanta-Sandy Springs-Roswell, GA	425.0	1.4 %	10.3 %	10.6 %	6.9 %	6.4 %
Tampa-St. Petersburg-Clearwater, FL	330.1	1.1 %	6.6 %	9.2 %	5.7 %	5.5 %

(1) The table above has been standardized to depict MSA definitions.

(2) Source: RealPage. Market vacancy is the percentage of units vacant. The Account's vacancy is the percentage of unleased units. Market vacancy rates are subject to change.

Retail

National vacancy rates remained flat at 4.3% in the first quarter of 2023; however, the retail sector is likely to face some short-term demand headwinds in 2023 as high inflation, higher interest rates and economic uncertainty continue to pressure consumer spending. Physical retail locations face strong competition from online retailers. Changes in consumer spending patterns may increasingly favor online retailers over physical retail locations.

The Account's retail portfolio is composed primarily of high-end lifestyle shopping centers and regional malls in large metropolitan or tourist centers, which tend to have higher vacancy rates than the overall national retail market. The Account has over 1,100 retailers across its portfolio, with its largest retail exposure comprising less than 5.0% of total retail rentable area. The retail portfolio is managed to minimize significant exposure to any single retailer. The Account's retail vacancy increased to 11.0% in the first quarter of 2023, up from 9.0% in the fourth quarter of 2022, due to two large tenants' leases expiring at two of the Account's properties.

	Total Exposure (\$M)	% of Total Investments	Account Units Weighted Average Vacancy		Market Vacancy*	
			Q1 2023	Q4 2022	Q1 2023	Q4 2022
All Retail			11.0 %	9.0 %	4.3 %	4.3 %
Lifestyle & Mall	\$ 1,551.8	5.0 %	15.4 %	12.7 %	8.8 %	8.8 %
Neighborhood, Community & Strip	1,321.6	4.3 %	6.4 %	4.9 %	5.9 %	5.9 %
Power Center**	454.9	1.5 %	13.7 %	11.9 %	4.5 %	4.4 %

*Source: CoStar. Market vacancy is defined as the percentage of space available for rent. The Account's vacancy is the square foot-weighted percentage of unleased space. Market vacancy rates are subject to change.

**The Power Center designation is reserved for properties with three or more anchor units. Anchor units are leased to large retailers such as department stores, home improvement stores, and warehouse clubs. Properties with the Neighborhood, Community and Strip designation consist of two or less anchor units.

Hotel

Despite inflation and the rising costs of travel, the hotel industry had strong occupancy in the first quarter of 2023 due primarily to the continued improvement in business travel and other group travel. Growth is expected to continue through the summer months of 2023 as leisure travel increases, eventually tapering off but remaining strong through the end of the year.

The Account's exposure to the hospitality sector is limited to one hotel in the Dallas metro area. The hotel is located in a business park in the Dallas metro area and caters largely to business travelers. Key metrics to track hotel performance include occupancy, the average daily rate ("ADR") and revenue per available room ("RevPAR"). For the quarter ended March 31, 2023, occupancy of the property increased to 61.5%, as compared to 45.0% in the previous quarter. ADR and RevPAR were \$148.82 and \$161.31, respectively, for the first quarter of 2023, as compared to \$129.07 and \$103.20, respectively, in the prior quarter.

INVESTMENTS

As of March 31, 2023, the Account held 86.3% of its total investments in real estate and real estate joint ventures. The Account also held investments in loans receivable, including those with related parties, representing 4.6% of total investments, real estate funds representing 3.0% of total investments, U.S. government agency notes representing 2.3% of total investments, a real estate operating business representing 2.0% of total investments, corporate bonds representing 0.9% of total investments, U.S. treasury securities representing 0.8% of total investments and foreign government agency notes representing 0.1% of total investments.

The outstanding principal on loans payable on the Account's wholly-owned real estate portfolio as of March 31, 2023 was \$1.9 billion. The Account's proportionate share of outstanding principal on loans payable within its joint venture investments was \$3.0 billion, which is netted against the underlying properties when determining the joint venture investment's fair value presented on the Consolidated Schedules of Investments. Total outstanding principal on the Account's portfolio as of March 31, 2023, inclusive of loans payable within the joint venture investments, \$322.0 million in loans collateralized by a loan receivable, \$500.0 million of term loans outstanding and \$500.0 million in senior notes payable, was \$6.2 billion, which represented a loan-to-value ratio of 18.1%.

Management believes that the Account's real estate portfolio is diversified by location and property type. The Account does not intend to buy and sell its real estate investments simply to make short-term profits. Rather, the Account's general strategy in selling real estate investments is to dispose of those assets that management believes (i) have maximized in value, (ii) have underperformed or face deteriorating property-specific or market conditions, (iii) need significant capital infusions in the future, (iv) are appropriate to dispose of in order to remain consistent with the Account's intent to diversify the Account by property type and geographic location (including reallocating the Account's exposure to or away from certain property types in certain geographic locations), or (v) otherwise do not satisfy the investment objectives of the Account. Management, from time to time, will evaluate the need to manage liquidity in the Account as part of its analysis as to whether to undertake a particular asset sale. The Account may reinvest any sale proceeds that it does not need to pay operating expenses or to meet debt service or redemption requests (e.g., contract owner withdrawals or benefit payments).

The following table lists the Account's ten largest investments as of March 31, 2023. For information regarding the Account's diversification of real estate assets by region and property type, see *Note 3—Concentrations of Risk*.

Ten Largest Real Estate Investments

Property Investment Name	Ownership Percentage	City	State	Type	Gross Real Estate Fair Value ⁽¹⁾	Debt Fair Value ⁽²⁾	Net Real Estate Fair Value ⁽³⁾	Property as a % of Total Real Estate Portfolio ⁽⁴⁾	Property as a % of Total Investments ⁽⁵⁾
Ontario Industrial Portfolio	100%	Ontario	CA	Industrial	\$ 1,300.0	\$ —	\$ 1,300.0	4.3%	3.8%
Simpson Housing Portfolio	80%	Various	U.S.A	Apartment	1,153.6	376.5	777.1	3.9%	3.4%
Fashion Show	50%	Las Vegas	NV	Retail	914.8	417.5	497.3	3.0%	2.7%
1001 Pennsylvania Avenue	100%	Washington	DC	Office	701.0	299.4	401.6	2.3%	2.0%
The Florida Mall	50%	Orlando	FL	Retail	688.6	297.6	391.0	2.3%	2.0%
Storage Portfolio II	90%	Various	U.S.A	Storage	619.6	166.1	453.5	2.1%	1.8%
Lincoln Centre	100%	Dallas	TX	Office	509.6	—	509.6	1.7%	1.5%
Great West Industrial Portfolio	100%	Rancho Cucamonga	CA	Industrial	499.0	—	499.0	1.7%	1.5%
701 Brickell Avenue	100%	Miami	FL	Office	495.8	161.8	334.0	1.7%	1.4%
99 High Street	100%	Boston	MA	Office	470.9	252.2	218.7	1.6%	1.4%

⁽¹⁾ The Account's share of the fair value of the property investment, gross of debt.

⁽²⁾ Debt fair values are presented at the Account's ownership interest.

⁽³⁾ The Account's share of the fair value of the property investment, net of debt.

⁽⁴⁾ Total real estate portfolio is the aggregate fair value of the Account's wholly-owned properties and the properties held within a joint venture, gross of debt.

⁽⁵⁾ Total investments are the aggregate fair value of all investments held by the Account, gross of debt. Total investments, as calculated within this table, will vary from total investments, as calculated in the Account's Schedule of Investments, as joint venture investments are presented in the Schedule of Investments at their net equity position in accordance with U.S. Generally Accepted Accounting Principals ("GAAP").

Results of Operations

Three months ended March 31, 2023 compared to three months ended March 31, 2022

Net Investment Income

The following table shows the results of operations for the three months ended March 31, 2023 and 2022 and the dollar and percentage changes for those periods (dollars in millions).

	For the Three Months Ended March 31,		Change	
	2023	2022	\$	%
INVESTMENT INCOME				
<i>Real estate income, net:</i>				
Rental income	\$ 334.5	\$ 303.7	\$ 30.8	10.1 %
Real estate property level expenses:				
Operating expenses	79.4	73.6	5.8	7.9 %
Real estate taxes	53.4	51.7	1.7	3.3 %
Interest expense	23.2	19.6	3.6	18.4 %
Total real estate property level expenses	156.0	144.9	11.1	7.7 %
Real estate income, net	178.5	158.8	19.7	12.4 %
Income from real estate joint ventures	53.3	60.5	(7.2)	(11.9)%
Income from real estate funds	6.6	6.0	0.6	10.0 %
Interest	40.3	20.7	19.6	94.7 %
Other income	—	0.8	(0.8)	N/M
TOTAL INVESTMENT INCOME	278.7	246.8	31.9	12.9 %
<i>Expenses:</i>				
Investment management charges	21.8	22.5	(0.7)	(3.1)%
Administrative charges	11.9	13.5	(1.6)	(11.9)%
Distribution charges	4.8	7.3	(2.5)	(34.2)%
Mortality and expense risk charges	—	0.4	(0.4)	N/M
Liquidity guarantee charges	19.9	22.7	(2.8)	(12.3)%
Interest expense	11.4	1.3	10.1	N/M
TOTAL EXPENSES	69.8	67.7	2.1	3.1 %
INVESTMENT INCOME, NET	\$ 208.9	\$ 179.1	\$ 29.8	16.6 %

The following table illustrates and compares rental income, operating expenses and real estate taxes for properties held by the Account for the three months ended March 31, 2023 and 2022. The comparative increases or decreases associated with the acquisition and disposition of properties made in either period is compared to "same property" (dollars in millions).

	Rental Income				Operating Expenses				Real Estate Taxes			
	Change				Change				Change			
	2023	2022	\$	%	2023	2022	\$	%	2023	2022	\$	%
Same Property	\$ 318.4	\$ 282.4	\$ 36.0	12.7 %	\$ 75.7	\$ 67.4	\$ 8.3	12.3 %	\$ 50.8	\$ 48.4	\$ 2.4	5.0 %
Properties Acquired	7.4	1.1	6.3	N/M	1.3	0.1	1.2	N/M	1.6	0.1	1.5	N/M
Properties Sold	8.7	20.2	(11.5)	(56.9)%	2.4	6.1	(3.7)	(60.7)%	1.0	3.2	(2.2)	(68.8)%
Impact of Properties Acquired/Sold	16.1	21.3	(5.2)	(24.4)%	3.7	6.2	(2.5)	(40.3)%	2.6	3.3	(0.7)	(21.2)%
Total Property Portfolio	\$ 334.5	\$ 303.7	\$ 30.8	10.1 %	\$ 79.4	\$ 73.6	\$ 5.8	7.9 %	\$ 53.4	\$ 51.7	\$ 1.7	3.3 %

N/M—Not meaningful

Rental Income:

Rental income increased by \$30.8 million, or 10.1%, when compared to the first quarter of 2022, driven by increases across the industrial, office and apartment sectors due to increased markets rents, as well as reductions in bad debt expenses and rent concessions. The Account's hotel property also experienced an increase in income which can be attributed to an increase in group catering, room rentals and short term corporate bookings when compared to the first quarter of 2022.

Operating Expenses:

Operating expenses increased \$5.8 million, or 7.9%, when compared to the first quarter of 2022 due to increased repair and maintenance, utility costs and payroll expenses, at the Account's apartment, hotel and office properties.

Real estate taxes increased \$1.7 million, or 3.3%, when compared to the same period in 2022, due to increases in the assessed property values of two of the Account's industrial properties located in Dallas, Texas and Minneapolis, Minnesota.

Interest Expense:

Interest expense increased \$3.6 million, or 18.4%, when compared to the same period in 2022, as a result of a higher average outstanding principal balance on loans payable.

Income from Real Estate Joint Ventures:

Income from real estate joint ventures decreased \$7.2 million when compared to the same period in 2022, as a result of lower distributed income from one of the Account's retail properties located in Florida.

Income from Real Estate Funds:

Income from real estate funds increased \$0.6 million when compared to the same period in 2022, primarily as a result of higher distributed income from two of the Account's real estate fund investments.

Interest Income:

Interest income increased \$19.6 million in comparison to the same period of 2022, due to an increase in the Account's loans receivable portfolio.

Expenses:

Investment management, administrative and distribution costs charged to the Account are associated with managing the Account. Investment management charges are comprised primarily of fixed components, but fluctuate based on the size of the Account's portfolio of investments, whereas administrative and distribution charges are comprised of more variable components that generally correspond with movements in net assets. Both distribution services (pursuant to the Distribution Agreement) and administrative services are provided to the Account by Services and TIAA, respectively, on an at cost basis. These expenses decreased \$4.8 million from the comparable period of 2022.

Mortality and expense risk and liquidity guarantee expenses are contractual charges to the Account from TIAA for TIAA's assumption of these risks and provision of the liquidity guarantee. The rate for these charges is established annually and are charged at a fixed rate based on the Account's net assets. Mortality and expense risk expenses decreased between the comparative periods due to a decrease in the mortality and expense risk charge. Liquidity guarantee expenses were \$2.8 million lower than the comparable period of 2022 as a result of lower average net assets.

Interest expense on the Account's line of credit and other unsecured debt increased \$10.1 million when compared to the same quarter of 2022, due to the June 2022 issuance of \$500.0 million of senior notes and a higher average outstanding balance on the Account's credit facility.

Net Realized and Unrealized Gains and Losses on Investments and Debt

The following table shows the net realized and unrealized gains and losses on investments and debt for the three months ended March 31, 2023 and 2022 and the dollar and percentage changes for those periods (dollars in millions).

	For the Three Months Ended March 31,		Change	
	2023	2022	\$	%
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND DEBT				
<i>Net realized gain (loss) on investments:</i>				
Real estate properties	\$ —	\$ (8.4)	\$ 8.4	N/M
Real estate joint ventures	—	50.9	(50.9)	N/M
Marketable securities	(19.1)	(1.0)	(18.1)	N/M
Total realized (loss) gain on investments:	(19.1)	41.5	(60.6)	N/M
<i>Net change in unrealized gain (loss) on:</i>				
Real estate properties	(487.4)	1,212.4	(1,699.8)	N/M
Real estate joint ventures	(377.3)	71.9	(449.2)	N/M
Real estate funds	11.0	(9.4)	20.4	N/M
Real estate operating business	(5.9)	60.4	(66.3)	N/M
Foreign currency exchange on forward contracts	(0.5)	—	(0.5)	N/M
Marketable securities	28.7	(28.6)	57.3	N/M
Loans receivable	(43.0)	1.0	(44.0)	N/M
Loans payable	(6.8)	3.7	(10.5)	N/M
Other unsecured debt	(6.9)	—	(6.9)	N/M
Net change in unrealized (loss) gain on investments and debt	(888.1)	1,311.4	(2,199.5)	N/M
NET REALIZED AND UNREALIZED (LOSS) GAIN ON INVESTMENTS AND DEBT	\$ (907.2)	\$1,352.9	\$ (2,260.1)	N/M

N/M—Not meaningful

Real Estate Properties:

Wholly-owned real estate investments experienced unrealized losses of \$487.4 million during the first quarter of 2023, compared to \$1,020.4 million of net realized and unrealized gains during the comparable period of 2022. Unrealized losses in the first quarter of 2023 were driven by office properties in the Eastern, Western and Southern regions, due to decreased market demand, higher concessions and current economic conditions.

Real Estate Joint Ventures:

Real estate joint ventures experienced unrealized losses of \$377.3 million during the first quarter of 2023, compared to \$122.8 million of net realized and unrealized gains during the first quarter of 2022. Current quarter unrealized losses were seen across the Account's joint venture investments portfolio, with the largest losses seen in the office sectors due to a decrease in demand.

Real Estate Funds:

Real estate funds experienced unrealized gains of \$11.0 million during the first quarter of 2023, compared to \$9.4 million of unrealized losses during the first quarter of 2022. Unrealized gains in the first quarter of 2023 were due to a favorable valuation of one of the Account's real estate funds, driven by lower capitalization rates.

Real Estate Operating Business:

The Account's real estate operating business experienced unrealized losses of \$5.9 million during the first quarter of 2023, compared to \$60.4 million of unrealized gains during the first quarter of 2022. Unrealized losses in the first quarter of 2023 were the result of an unfavorable valuation supported by recent cost of capital trends and comparable trading activity.

Marketable Securities

The Account's marketable securities investments experienced net realized and unrealized gains of \$9.6 million in the first quarter of 2023, compared to net realized and unrealized losses of \$29.6 million during the first quarter of 2022. The current period gains are the net result of rising, and falling, interest and U.S. Treasury rates during the quarter.

Loans Receivable, including those with related parties:

Loans receivable, including those with related parties, experienced unrealized losses of \$43.0 million during the first quarter of 2023 compared to \$1.0 million of unrealized gains during the comparable period of 2022. The current period losses are attributed to the unfavorable valuation of an underperforming loan collateralized by an office property located in Chicago, Illinois.

Loans Payable:

Loans payable experienced unrealized losses of \$6.8 million in the first quarter of 2023, compared to \$3.7 million of unrealized gains during the comparable period of 2022. The unrealized losses in the first quarter of 2023 were attributable to changes in the risk-free yield curve and are partially offset by changes in credit spreads.

Other Unsecured Debt:

The Account's other unsecured debt experienced an unrealized loss of \$6.9 million in the first quarter of 2023, attributable to changes in the risk-free yield curve and are partially offset by changes in credit spreads.

Liquidity and Capital Resources

As of March 31, 2023 and December 31, 2022, the Account's cash and cash equivalents and non-real estate-related marketable securities had a value of \$1.4 billion and \$2.1 billion representing 5.1% and 7.1% of the Account's net assets at such dates, respectively. The decrease in liquid assets during the first quarter of 2023 was largely attributable to continued market volatility and higher contract owner withdrawals driven by unfavorable market trends in the U.S. commercial real estate market, with elevated interest rates negatively impacting property values. The Account's liquid assets continue to be available to purchase suitable real estate properties, meet the Account's debt obligations, expense needs, and contract owner redemption requests (i.e., contract owner withdrawals or benefit payments). In addition, as disclosed in the Account's Form 10-K for the year ended December 31, 2022, the Account is able to meet its short-term and long-term liquidity needs through the Liquidity Guarantee provided by TIAA. TIAA's management and the Independent Fiduciary closely monitor the Account's liquidity levels. If contract owner withdrawals continue in line with recent trends, it is likely TIAA will be required to purchase liquidity units pursuant to the Liquidity Guarantee in the second or third quarters of 2023, depending on the pace of net outflows.

Net Income and Leverage

The Account's net investment income is a source of liquidity for the Account. Net investment income was \$208.9 million for the three months ended March 31, 2023, as compared to \$179.1 million for the comparable period of 2022. The increase in total net investment income is described more fully in the *Results of Operations* section.

The Account has a \$945.0 million unsecured line of credit, accessible as needed to fund the Account's near-term investment objectives, as further described in *Note 10—Credit Facility*. As of March 31, 2023, the Account had not drawn on the line of credit.

The Account may from time to time borrow money and assume or obtain a mortgage on a property to make leveraged real estate investments. The Account is authorized to borrow money in accordance with its investment

guidelines. Under the Account's current investment guidelines, the Account's loan to value ratio (as described below) is to be maintained at or below 30% (measured at the time of incurrence and after giving effect thereto). Such incurrence of debt from time to time may include:

- placing new debt on properties;
- refinancing outstanding debt;
- assuming debt on acquired properties or interests in the Account's properties;
- extending the maturity date of outstanding debt;
- an unsecured line of credit, credit facility or bank loan; or
- the issuance of debt securities.

As of March 31, 2023, the Account's loan-to-value ratio was 18.1%. The Account's loan-to-value ratio at any time is based on the outstanding principal amount of debt to the Account's total gross asset value, and excludes leverage, if any, employed by REITs and real estate funds in which the Account invests. The ratio is measured at the time of any debt incurrence and after giving effect thereto. The Account's total gross asset value, for these purposes, is equal to the total fair value of the Account's assets (including the fair value of the Account's interest in joint ventures), with no reduction associated with any indebtedness on such assets. In calculating outstanding indebtedness, we include only the Account's actual percentage interest in any borrowings on a joint venture investment and not that of any joint venture partner. Also, at the time the Account (or a joint venture in which the Account is a partner) enters into a revolving or other line of credit, management includes only amounts outstanding when calculating outstanding indebtedness.

The Account may borrow up to 70% of the then-current value of a property, although construction loans may be for 100% of costs incurred in developing the property. Except for construction loans, any mortgage loans on a property will be non-recourse to the Account. For this purpose, non-recourse means that if there is a default on a loan in respect to a specific property, the lender will have recourse to (i.e., be able to foreclose on) only the property encumbered (or the joint venture owning the property), or to other specific Account properties that may have been pledged as security for the defaulted loan, but not to any other assets of the Account. Currently, TIAA, on behalf of the Account, maintains a credit agreement with a syndicate of third-party bank lenders, including JPMorgan Chase Bank, N.A. (the "Credit Agreement"), comprised of an unsecured revolving line of credit and term loans. The Account may use the proceeds of borrowings under the Credit Agreement for funding general organizational purposes of the Account in the ordinary course of business, including financing certain real estate portfolio investments. The Account may enter into additional unsecured lines of credit, credit facilities and term bank loans underwritten by one or more third-party lenders. In addition, from time to time, the Account may borrow capital for operating or other needs by offering debt securities.

As of March 31, 2023, there are six mortgage obligations, totaling \$569.4 million, secured by real estate investments wholly-owned by the Account that mature within the next twelve months. The Account has sufficient liquidity to meet its mortgage obligations.

Recent Transactions

The following describes transactions occurring during the first quarter of 2023 related to real estate properties, real estate joint ventures, real estate funds, loans receivable, and loans payable. Except as noted, expenses for operating the properties purchased are either borne or reimbursed, in whole or in part, by the property tenants, although the terms vary under each lease. Dollar amounts are shown in millions.

Financings

New Debt

Description	Transaction Date	Interest Rate	Maturity Date	Amount
Project Sonic Senior Note	03/30/2023	2.00% + SOFR paid monthly	06/09/2025	\$ 70.2
Project Sonic Mezzanine	03/30/2023	2.00% + SOFR paid monthly	06/09/2025	\$ 23.4

Debt Payoff

Description	Transaction Date	Interest Rate	Sector	Maturity Date	Amount
Sixth and Main Senior Note	03/30/2023	1.87% + LIBOR paid monthly	Note-on-note	11/09/2025	\$ (26.9)
Sixth and Main Mezzanine	03/30/2023	1.87% + LIBOR paid monthly	Note-on-note	11/09/2025	\$ (14.5)

Loan Receivable

Originations

Description	Transaction Date	Interest Rate	Maturity Date	Amount
735 Watkins Mill Debt Asset	01/10/2023	6.00%	08/09/2025	\$ 1.0

Critical Accounting Estimates

Management's discussion and analysis of the Account's financial condition and results of operations is based on the Account's Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of the Account's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Management considers the valuation of real estate properties and valuation of real estate joint ventures to be critical accounting estimates because they involve a significant level of estimation uncertainty and have a material impact on the Account's financial condition and results of operations.

There have been no material changes to the Account's critical accounting policies described in the Account's Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Account's real estate holdings, including real estate joint ventures, funds, an operating business and loans receivable, including those with related parties, which, as of March 31, 2023, represented 95.9% of the Account's total investments, expose the Account to a variety of risks. These risks include, but are not limited to:

- General Real Estate Risk—The risk that the Account's property values or rental and occupancy rates could go down due to general economic conditions, a weak market for real estate generally, disruptions in the credit and/or capital markets, or changing supply and demand for certain types of properties;
- Appraisal Risk—The risk that the sale price of an Account property (i.e., the value that would be determined by negotiations between independent parties) might differ substantially from its estimated or appraised value, leading to losses or reduced profits to the Account upon sale;
- Risk Relating to Property Sales—The risk that the Account might not be able to sell a property at a particular time for its full value, particularly in a poor market. This might make it difficult to raise cash quickly and also could lead to Account losses;
- Risks of Borrowing—The risk that interest rate changes may impact Account returns if the Account borrows against a credit facility, takes out a mortgage on a property, buys a property subject to a mortgage or holds a property subject to a mortgage, and hedging against such interest rate changes, if undertaken by the Account, may entail additional costs and be unsuccessful; and
- Foreign Currency Risk—The risk that the value of the Account's foreign investments, related debt, or rental income could increase or decrease due to changes in foreign currency exchange rates or foreign currency exchange control regulations, and hedging against such currency changes, if undertaken by the Account, may entail additional costs and be unsuccessful.

The Account believes the diversification of its real estate portfolio, both geographically and by sector, along with its quarterly valuation procedure, helps manage the real estate and appraisal risks described above.

As of March 31, 2023, 4.1% of the Account's total investments were comprised of marketable securities. Marketable securities include high-quality debt instruments (i.e., government agency notes and corporate bond

securities) and, when applicable, REIT securities. The Account's Consolidated Statements of Investments sets forth the general financial terms of these instruments, along with their fair values, as determined in accordance with procedures described in *Note 1—Organization and Significant Accounting Policies* to the Account's Consolidated Financial Statements of the Account's 2022 Form 10-K. As of March 31, 2023, the Account does not invest in derivative financial instruments, although it does engage in hedging activity related to foreign currency denominated investments.

Risks associated with investments in real estate-related liquid assets (which could include, from time to time, REIT securities and CMBS), and non-real estate-related liquid assets, include the following:

- **Financial/Credit Risk**—The risk, for debt securities, that the issuer will not be able to pay principal and interest when due (and/or declare bankruptcy or be subject to receivership) and, for equity securities such as common or preferred stock, that the issuer's current earnings will fall or that its overall financial soundness will decline, reducing the security's value.
- **Market Volatility Risk**—The risk that the Account's investments will experience price volatility due to changing conditions in the financial markets regardless of the credit quality or financial condition of the underlying issuer. This risk is particularly acute to the extent the Account holds equity securities, which have experienced significant short-term price volatility over the past year. Also, to the extent the Account holds debt securities, changes in overall interest rates can cause price fluctuations.
- **Interest Rate Volatility**—The risk that interest rate volatility may affect the Account's current income from an investment.
- **Deposit/Money Market Risk**—The risk that, to the extent the Account's cash held in bank deposit accounts exceeds federally insured limits as to that bank, the Account could experience losses if banks fail. The Account does not believe it has exposure to significant concentration of deposit risk. In addition, there is some risk that investments held in money market accounts can suffer losses.

In addition, to the extent the Account were to hold MBS (including CMBS) these securities are subject to prepayment risk or extension risk (i.e., the risk that borrowers will repay the loans earlier or later than anticipated). If the underlying mortgage assets experience faster than anticipated repayments of principal, the Account could fail to recoup some or all of its initial investment in these securities, since the original price paid by the Account was based in part on assumptions regarding the receipt of interest payments. If the underlying mortgage assets are repaid later than anticipated, the Account could lose the opportunity to reinvest the anticipated cash flows at a time when interest rates might be rising. The rate of prepayment depends on a variety of geographic, social and other functions, including prevailing market interest rates and general economic factors. The fair value of these securities is also highly sensitive to changes in interest rates. Note that the potential for appreciation, which could otherwise be expected to result from a decline in interest rates, may be limited by any increased prepayments. These securities may be harder to sell than other securities.

In addition to these risks, real estate equity securities (such as REIT securities and MBS) would be subject to many of the same general risks inherent in real estate investing, making mortgage loans and investing in debt securities. For more information on the risks associated with all of the Account's investments, see Item 1A. Risk Factors, of the Account's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 9, 2023, as such risk factors may be updated in Item 1A of this Form 10-Q or in subsequent reports.

ITEM 4. CONTROLS AND PROCEDURES

(a) The registrant maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the registrant's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the registrant's Principal Executive Officer ("PEO") and the Principal Financial Officer ("PFO"), as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and participation of the registrant's management, including the registrant's PEO and PFO, the registrant conducted an evaluation of the effectiveness of the registrant's disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act as of March 31, 2023. Based upon management's review, the PEO and PFO concluded that the registrant's disclosure controls and procedures, as of the end of the period covered by this report, were effective to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

In the normal course of business, the Account may be named, from time to time, as a defendant or may be involved in various legal actions, including arbitration, class actions and other litigation.

The Account establishes an accrual for all litigation and regulatory matters when it believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be higher or lower than the amounts accrued for those matters.

As of the date of this report, management of the Account does not believe that the results of any such claims or litigation, individually or in the aggregate, will have a material effect on the Account's business, financial position or results of operations.

ITEM 1A. RISK FACTORS.

Continued liquidity challenges could adversely impact the Account's operations, financial condition, growth and prospects and possibly trigger the Account's Liquidity Guarantee

The Account requires sufficient liquidity to fund ongoing Account-level loan and debt commitments to make payments on its debt obligations as they become due, satisfy contract owner redemption requests, fund purchases and maintenance of portfolio properties, and meet other cash and contractual commitments. Although the Account's liquid assets continue to be available to purchase suitable real estate properties, meet the Account's debt obligations, expense needs, and contract owner redemption requests (i.e., contract owner withdrawals or benefit payments), as noted above the Account has experienced a sustained decrease in liquid assets during the first quarter of 2023. The decrease in liquid assets during the first quarter of 2023 was largely attributable to continued market volatility and higher contract owner withdrawals driven by unfavorable market trends in the U.S. commercial real estate market, with elevated interest rates negatively impacting property values. If net outflows continue in line with recent trends, that could impair the Account's ability to fund its operations and meet its obligations as they become due. In such event, it is likely TIAA will be required to purchase liquidity units pursuant to the Liquidity Guarantee in the second or third quarters of 2023, depending on the pace of net outflows, and this could have a material adverse effect on the Account's business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS

- (1) (A) [Distribution Agreement for the Contracts Funded by the TIAA Real Estate Account, dated as of January 1, 2008, by and among Teachers Insurance and Annuity Association of America, for itself and on behalf of the Account, and TIAA-CREF Individual & Institutional Services, LLC](#)¹
- (3) (A) [Restated Charter of TIAA \(as amended\)](#)²
- (B) [Amended Bylaws of TIAA](#)³
- (4) (A) [Forms of RA, GRA, GSRA, SRA, IRA Real Estate Account Endorsements,](#)⁴ [Keogh Contract,](#)⁵ [Retirement Choice and Retirement Choice Plus Contracts](#)⁵ and [Retirement Select and Retirement Select Plus Contracts and Endorsements](#)⁶
- (B) [Forms of Income-Paying Contracts](#)⁴
- (C) (1) [Form of Contract Endorsement for Internal Transfer Limitation](#)⁷
- (2) [Form of Contract Endorsement for Internal Transfer Limitation](#)²⁴
- (D) (1) [Form of Non-ERISA Retirement Choice Plus Contract](#)⁹
- (2) [Form of Non-ERISA Retirement Choice Plus Certificate](#)⁹
- (E) (1) [Form of Trust Company Retirement Choice Contract](#)¹⁰
- (2) [Form of Trust Company Retirement Choice Certificate](#)¹⁰
- (3) [Form of Trust Company Retirement Choice Contract](#)²⁵
- (4) [Form of Trust Company Retirement Choice Certificate](#)²⁶
- (F) (1) [Form of Trust Company Retirement Choice Plus Certificate](#)¹¹
- (2) [Form of Trust Company Retirement Choice Plus Contract](#)¹¹
- (3) [Form of Trust Company Retirement Choice Plus Certificate](#)²⁷
- (4) [Form of Trust Company Retirement Choice Plus Contract](#)²⁸
- (G) [Form of Income Test Drive Endorsement for Retirement Annuity Contracts, After-Tax Retirement Annuity Contracts, Supplemental Retirement Annuity Contracts and IRA Contracts \(including Rollover IRA, Contributory IRA, Roth IRA, OneIRA\)](#)¹²
- (H) [Form of Income Test Drive Endorsement for Group Retirement Annuity Certificates, Group Supplemental Retirement Annuity Certificates, Keogh Certificates, Retirement Choice Certificates, Retirement Choice Plus Certificates, Non-ERISA Retirement Choice Plus Certificates, Trust Retirement Choice Certificates, and Trust Retirement Choice Plus Certificates](#)¹³
- (I) [Form of OneIRA Non-Qualified Deferred Annuity Contract \(and Rate Schedule\)](#)¹⁴
- (J) (1) [Form of Endorsement to Retirement Choice and Retirement Choice Plus Contracts for Custom Portfolios](#)¹⁶
- (2) [Form of Endorsement to Retirement Choice and Retirement Choice Plus Certificates for Custom Portfolios](#)¹⁶
- (K) [Form of Endorsement to Group Supplemental Retirement Annuity \(GSRA\) Certificate](#)¹⁷
- (L) (1) [Form of Contract, Rate Schedule and Certificate for Multiple Employer Plan Retirement Choice Annuity Contract](#)¹⁸
- (2) [Form of Contract, Rate Schedule and Certificate for Multiple Employer Plan Retirement Choice Plus Annuity Contract](#)¹⁸
- (M) [Form of Retirement Plan Loan Endorsement to Group Retirement Annuity Certificate](#)¹⁹
- (N) [Form of Retirement Plan Loan Endorsement to Retirement Annuity Contract](#)²⁰
- (O) [Form of Retirement Plan Loan Endorsement to Supplemental Retirement Annuity Contract](#)²¹
- (P) [Form of Required Minimum Distribution Endorsement to All Annuity Contracts](#)²²
- (Q) [Form of Required Minimum Distribution Endorsement to All Annuity Contracts](#)²³
- (10) (A) [Engagement Letter Agreement with Independent Fiduciary, dated February 10, 2022, between TIAA, on behalf of the Registrant, and SitusAMC Real Estate Valuation Services, LLC](#)¹⁵
- (B) [Custodian Agreement, dated as of March 3, 2008, by and between TIAA, on behalf of the registrant, and State Street Bank and Trust Company, N.A.](#)⁸
- (C) [Form of Note Purchase agreement, dated as of March 21, 2023, by and between TIAA, on behalf of the registrant, and the purchasers party thereto.](#)²⁹
- (31) [Rule 13\(a\)Rule 13\(a\)-15\(e\)/ Rule 13a-15\(e\)/15d-15\(e\) Certifications*\(e\)/ Rule 13a-15\(e\)/15d-15\(e\) Certifications*](#)

[\(32\)](#) [Section 1350 Certifications*](#)

- (101) The following financial information from the Quarterly Report on Form 10-Q for the period ended March 31, 2023 (Unaudited), formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Assets and Liabilities as of March 31, 2023 (Unaudited), (ii) the Consolidated Statements of Operations for the three months ended March 31, 2023 and 2022 (Unaudited), (iii) the Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2023 and 2022 (Unaudited), (iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2023 and 2022 (Unaudited), and (v) the Notes to the Consolidated Financial Statements (Unaudited).**

* Filed herewith.

** Furnished electronically herewith.

- (1) Previously filed and incorporated herein by reference to Exhibit 1(A) to the Account's Registration Statement on Form S-1, filed with the Commission on March 15, 2013 (File No. 333-187309).
- (2) Previously filed and incorporated herein by reference to Exhibit 3(A) to the Account's Registration Statement on Form S-1, filed with the Commission on April 22, 2015 (File No. 333-202583).
- (3) Previously filed and incorporated herein by reference to Exhibit 3(B) to the Account's Registration Statement on Form S-1, filed with the Commission on April 22, 2015 (File No. 333-202583).
- (4) Previously filed and incorporated herein by reference to the Account's Post-Effective Amendment No. 2 to the Registration Statement on Form S-1, filed with the Commission on April 30, 1996 (File No. 33-92990).
- (5) Previously filed and incorporated herein by reference to Exhibit 4(A) to the Account's Post-Effective Amendment No. 1 to the Registration Statement on Form S-1, filed with the Commission on May 2, 2005 (File No. 333-121493).
- (6) Previously filed and incorporated herein by reference to the Account's Pre-Effective Amendment No. 1 to the Registration Statement on Form S-1, filed with the Commission on April 29, 2004 (File No. 333-113602).
- (7) Previously filed and incorporated by reference to Exhibit 4(C) to the Account's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 and filed with the Commission on November 12, 2010 (File No. 33-92990).
- (8) Previously filed and incorporated herein by reference to Exhibit 10(B) to the Account's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and filed with the Commission on March 14, 2013 (File No. 33-92990).
- (9) Previously filed and incorporated herein by reference to Exhibit 4(D)(1) and 4(D)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).
- (10) Previously filed and incorporated herein by reference to Exhibit 4(E)(1) and 4(E)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).
- (11) Previously filed and incorporated herein by reference to Exhibit 4(F)(1) and 4(F)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).
- (12) Previously filed and incorporated herein by reference to Exhibit 4(G) to the Account's Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 333-216849).
- (13) Previously filed and incorporated herein by reference to Exhibit 4(H) to the Account's Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 333-216849).
- (14) Previously filed and incorporated herein by reference to Exhibit 4(I) to the Account's Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 333-216849).
- (15) Previously filed and incorporated by reference to Exhibit 10.1 to the Account's Current Report on Form 8-K, filed with the Commission on February 16, 2022 (File No. 33-92990).
- (16) Previously filed and incorporated herein by reference to Exhibit 4(J)(1) and 4(J)(2) to the Account's Current Report on Form 10-K, filed with the Commission on March 14, 2019 (File No. 33-92990).
- (17) Previously filed and incorporated herein by reference to Exhibit 4(K) to the Account's Current Report on Form 10-K, filed with the Commission on March 14, 2019 (File No. 33-92990).
- (18) Previously filed and incorporated herein by reference to Exhibit 4(L)(1) and 4(L)(2) to the Account's Current Report on Form 10-K, filed with the Commission on March 12, 2020 (File No. 33-92990).
- (19) Previously filed and incorporated herein by reference to Exhibit 4(M) to the Account's Current Report on Form 10-K, filed with the Commission on March 11, 2021 (File No. 33-92990).
- (20) Previously filed and incorporated herein by reference to Exhibit 4(N) to the Account's Current Report on Form 10-K, filed with the Commission on March 11, 2021 (File No. 33-92990).
- (21) Previously filed and incorporated herein by reference to Exhibit 4(O) to the Account's Current Report on Form 10-K, filed with the Commission on March 11, 2021 (File No. 33-92990).
- (22) Previously filed and incorporated herein by reference to Exhibit 4(P) to the Account's Current Report on Form 10-K, filed with the Commission on March 11, 2021 (File No. 33-92990).
- (23) Previously filed and incorporated herein by reference to Exhibit 4(Q) to the Account's Current Report on Form 10-K, filed with the Commission on March 11, 2021 (File No. 33-92990).

- ⁽²⁴⁾ Previously filed and incorporated herein by reference to Exhibit 4(C)(2) to the Account's Current Report on Form 10-K, filed with the Commission on March 9, 2023 (File No. 33-92990).
- ⁽²⁵⁾ Previously filed and incorporated herein by reference to Exhibit 4(E)(3) to the Account's Current Report on Form 10-K, filed with the Commission on March 9, 2023 (File No. 33-92990).
- ⁽²⁶⁾ Previously filed and incorporated herein by reference to Exhibit 4(E)(4) to the Account's Current Report on Form 10-K, filed with the Commission on March 9, 2023 (File No. 33-92990).
- ⁽²⁷⁾ Previously filed and incorporated herein by reference to Exhibit 4(F)(3) to the Account's Current Report on Form 10-K, filed with the Commission on March 9, 2023 (File No. 33-92990).
- ⁽²⁸⁾ Previously filed and incorporated herein by reference to Exhibit 4(F)(4) to the Account's Current Report on Form 10-K, filed with the Commission on March 9, 2023 (File No. 33-92990).
- ⁽²⁹⁾ Previously filed and incorporated herein by reference to the Account's Current Report on Form 8-K, filed with the Commission on March 24, 2023 (File No. 33-92990)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant, TIAA Real Estate Account, has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 5th day of May 2023.

TIAA REAL ESTATE ACCOUNT

By: TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By: /s/ Christine E. Dugan

May 5, 2023

Christine E. Dugan
Executive Vice President and Product General Manager –
Institutional Lifetime Income, Teachers Insurance and
Annuity Association of America (Principal Executive Officer)

May 5, 2023

By: /s/ Christopher Baraks

Christopher Baraks
Senior Vice President, Chief Accounting Officer and
Corporate Controller of Teachers Insurance and Annuity
Association of America (Principal Financial and Accounting
Officer)

CERTIFICATIONS

I, Christine E. Dugan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the TIAA Real Estate Account;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 5, 2023

/s/ Christine E. Dugan

Christine E. Dugan

Executive Vice President and Product General Manager –
Institutional Lifetime Income, Teachers Insurance and
Annuity Association of America
(Principal Executive Officer)

I, Christopher Baraks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the TIAA Real Estate Account;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal (the registrant's fourth fiscal quarter in the case of an annual report) quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 5, 2023

/s/ Christopher Baraks

Christopher Baraks

Senior Vice President, Chief Accounting Officer and
Corporate Controller of Teachers Insurance and Annuity
Association of America

(Principal Financial and Accounting Officer)

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Teachers Insurance and Annuity Association of America, do hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q of the TIAA Real Estate Account (the "Account") for the quarter ended March 31, 2023 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Account.

May 5, 2023

/s/ Christine E. Dugan

Christine E. Dugan

Executive Vice President and Product General Manager –
Institutional Lifetime Income, Teachers Insurance and
Annuity Association of America
(Principal Executive Officer)

May 5, 2023

/s/ Christopher Baraks

Christopher Baraks

Senior Vice President, Chief Accounting Officer and
Corporate Controller of Teachers Insurance and Annuity
Association of America
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the TIAA Real Estate Account and will be retained by the Account and furnished to the Securities and Exchange Commission or its staff upon request.