



TIAA REAL ESTATE ACCOUNT

SUPPLEMENT NO. 1

Dated August 29, 2017 to the May 1, 2017 Prospectus

This prospectus supplement should be read in conjunction with the TIAA Real Estate Account's prospectus, dated May 1, 2017, which we refer to as the "prospectus". This prospectus supplement is qualified in its entirety by reference to the prospectus except to the extent that the information in this prospectus supplement updates and supersedes the information contained in the prospectus.

Appointment of new portfolio manager for the TIAA Real Estate Account

The prospectus is hereby supplemented by inserting the following under the heading "Portfolio Management Team" in the section of the prospectus entitled "Appendix A—Management of TIAA":

"Effective August 29, 2017, Randy Giraldo, Managing Director and Head of Real Estate Portfolio Management at TH Real Estate, has been appointed portfolio manager for the Account. TH Real Estate is the real estate investment management division of Nuveen, the global asset management business of Teachers Insurance and Annuity Association of America ("TIAA"). Mr. Giraldo, age 41, has over 20 years of real estate investment experience. Since joining TIAA in 2008, Mr. Giraldo has held positions in real estate acquisitions and portfolio management, including positions that directly supported the portfolio management team for the Account from 2012 to 2014. Since 2016, Mr. Giraldo has served as head of portfolio management for the TH Real Estate division. Mr. Giraldo holds undergraduate degrees in liberal arts and civil engineering from Fairfield University and Stevens Institute of Technology, respectively. He also holds a Master of Science in construction management from Stevens Institute of Technology and a Master of Business Administration from Columbia University Business School."

<https://www.sec.gov/Archives/edgar/data/946155/000093041317003092/000093041317-003092-index.htm>



TIAA Real Estate Account

A tax-deferred variable annuity option offered by Teachers Insurance and Annuity Association of America ("TIAA")

This prospectus tells you about the TIAA Real Estate Account, an investment option offered through individual and group variable annuity contracts issued by TIAA. Please read it carefully before investing and keep it for future reference. The Real Estate Account, which we refer to sometimes as "the Account" in this prospectus, invests primarily in real estate and real estate-related investments. TIAA, one of the largest and most experienced mortgage and real estate investors in the nation, manages the Account's assets.

*The value of your investment in the Real Estate Account will go up or down depending on how the Account performs and you could lose money. The Account's performance depends mainly on the value of the Account's real estate and other real estate-related investments, the income generated by those investments and the Account's expenses. The Account's returns could go down if, for example, real estate values or rental and occupancy rates, or the value of real estate-related securities, decrease due to general economic conditions and/or a weak market for real estate generally. Property operating costs, costs associated with leverage on the Account's properties, and government regulations, such as zoning or environmental laws, could also affect a property's profitability. TIAA does not guarantee the investment performance of the Account, and you will bear the entire investment risk. **For a detailed discussion of the specific risks of investing in the Account, see "Risk factors."***

We take deductions daily from the Account's net assets for the Account's operating and investment management expenses. The Account also pays TIAA for bearing mortality and expense risks and for providing a liquidity guarantee. The current estimated annual expense deductions from the Account's net assets over the next 12 months total 0.850%.

The Real Estate Account is designed as an option for retirement and tax-deferred savings plans for employees of non-profit and governmental institutions. TIAA currently offers the Real Estate Account under the following annuity contracts:

- RAs and GRAs (Retirement Annuities and Group Retirement Annuities)
- SRAs (Supplemental Retirement Annuities)
- GSRAs (Group Supplemental Retirement Annuities)
- Retirement Choice and Retirement Choice Plus Annuities
- GAs (Group Annuities) and Institutionally Owned GSRAs
- Classic and Roth IRAs (Individual Retirement Annuities) including SEP IRAs (Simplified Employee Pension Plans)
- Keoghs
- ATRAs (After-Tax Retirement Annuities)
- Real Estate Account Accumulation Contract

Note that state regulatory approval may be pending for certain of these contracts and these contracts may not currently be available in your state. TIAA may also offer the Real Estate Account as an investment option under additional contracts, both at the individual and plan sponsor level, in the future.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of the information in this prospectus. Any representation to the contrary is a criminal offense.

An investment in the Real Estate Account is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Table of contents

Prospectus summary	3	Systematic withdrawals and transfers	73
Risk factors	14	Restrictions on premiums and transfers to the Account	74
Valuation and Appraisal Risks	20	Market timing/excessive trading policy	76
Risks of Borrowing	22	When you are ready to receive annuity income	77
About the Account's investments — In general	37	Calculating the number of annuity units payable	82
Foreign real estate and other foreign investments	40	Death benefits	83
General investment and operating policies	40	Taxes	86
Other real estate-related policies — Borrowing	42	Minimum distribution requirements	88
Establishing and managing the Account — The role of TIAA	45	General matters	92
Liquidity guarantee	46	Voting rights	93
Role of the independent fiduciary	48	Distribution	94
Conflicts of interest	50	State regulation	95
Summary of the Account's properties	53	Legal matters	95
Valuing the Account's assets	54	Experts	95
Valuation Adjustments	59	Additional information	96
Expense deductions	60	Financial statements	99
Certain relationships with TIAA	62	Index to financial statements	99
Legal proceedings	63	Appendix A — Management of TIAA	157
The contracts	63	Appendix B — Special terms	159
How to transfer and withdraw your money	70		

Please see Appendix B for definitions of certain special terms used in this prospectus.

The Real Estate Account securities offered by this prospectus are only being offered in those jurisdictions where it is legal to do so. No person may make any representation to you or give you any information about the offering that is not in the prospectus. If anyone provides you with information about the offering that is not in the prospectus, you shouldn't rely on it.

TIAA Real Estate Account

You should read this summary together with the more detailed information regarding the Account, including the Account's financial statements and related notes, appearing elsewhere in this prospectus. More information about the Account may be obtained by writing us at 730 Third Avenue, New York, NY 10017-3206, calling us at 877-518-9161 or visiting our website at www.tiaa.org.

About the TIAA Real Estate Account

The TIAA Real Estate Account (the "Account") was established in February 1995 as a separate account of Teachers Insurance and Annuity Association of America ("TIAA") and interests in the Account were first offered to eligible participants 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

The Account seeks favorable long-term returns primarily through rental income and appreciation of real estate and real estate-related investments owned by the Account. The Account will also invest in non-real estate-related publicly traded securities and short-term higher quality liquid investments that are easily converted to cash to enable the Account to meet participant redemption requests, purchase or improve properties or cover other expense needs.

Investment strategy

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 real estate;
- Direct ownership of real estate through interests in joint ventures;
- Indirect interests in real estate through real estate-related securities; such as:
 - public and/or privately placed registered and unregistered equity investments in real estate investment trusts ("REITs"), which investments

may consist of registered or unregistered common or preferred stock interests;

- real estate limited partnerships and limited liability companies;
- investments in equity or debt securities of companies whose operations involve real estate (*i.e.*, that primarily own or manage real estate) which may not be REITs; and
- conventional commercial mortgage loans, participating mortgage loans, secured mezzanine loans and collateralized mortgage obligations, including commercial mortgage-backed securities (“CMBS”) and other similar investments.

The Account’s principal strategy is to purchase direct ownership interests in income-producing real estate, primarily office, industrial, retail and multi-family properties. The Account is targeted to hold between 65% and 80% of the Account’s net assets in such direct ownership interests at any time. Historically, at least 70% of the Account’s net assets have comprised such direct ownership interests in real estate.

In addition, while the Account is authorized to hold up to 25% of its net assets in liquid real estate-related securities, such as publicly traded REITs and CMBS, management intends that the Account will not hold more than 10% of its net assets in such securities on a long-term basis. Traditionally, less than 10% of the Account’s net assets have been comprised of interests in these securities; although, the Account has held approximately 10% of its net assets in equity REIT securities at times. In addition, under the Account’s current investment guidelines, the Account is authorized to hold up to 10% of its net assets in CMBS. As of December 31, 2016, REIT securities comprised approximately 4.4% of the Account’s net assets, and the Account held no CMBS as of such date.

Non-Real Estate-Related Investments. The Account will invest the remaining portion of its assets (targeted to be between 15% and 25% of its net assets) in publicly traded, liquid investments; namely:

- Short-term government related instruments, including U.S. Treasury bills;
- Long-term government related instruments, such as securities issued by U.S. government agencies or U.S. government sponsored entities;
- Short-term non-government related instruments, such as money market instruments and commercial paper;
- Long-term non-government related instruments, such as corporate debt securities; and
- Stock of companies that do not primarily own or manage real estate.

However, from time to time, the Account’s non-real estate-related liquid investments may comprise less than 15% (and possibly less than 10%) of its assets (on a net basis and/or a gross basis), especially during and immediately following periods of significant net participant outflows, in particular due to significant participant transfer activity. In addition, the Account, from time to time and on a temporary basis, may hold in excess of 25% of its net assets in non-real estate-related liquid investments, particularly during times of significant inflows

into the Account and/or a lack of attractive real estate-related investments available in the market.

Liquid Securities Generally. Primarily due to management's need to manage fluctuations in cash flows, in particular during and immediately following periods of significant participant 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 CMBS, 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 participant 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 apply to acquire direct real estate investments, pay expenses or repay indebtedness.

Foreign Investments. The Account from time to time will also make foreign real estate investments. Under the Account's investment guidelines, investments in direct foreign real estate, together with foreign real estate-related securities and foreign non-real estate-related liquid investments, may not comprise more than 25% of the Account's net assets. However, through the date of this prospectus, such foreign real estate-related investments have never represented more than 7.5% of the Account's net assets and management does not intend such foreign investments to exceed 10% of the Account's net assets. As of December 31, 2016, the Account did not have any foreign real estate investments.

Investments Summary. At December 31, 2016, the Account's net assets totaled \$24.3 billion. As of that date, the Account's investments in real estate properties, real estate joint ventures, limited partnerships, loans receivable and real estate-related marketable securities, net of the fair value of mortgage loans payable on real estate, represented 83.3% of the Account's net assets.

At December 31, 2016, the Account held a total of 129 real estate investments (including its interests in 24 real estate-related joint ventures), representing 79.1% of the Account's total investments, measured on a gross asset value basis ("total investments"). As of that date, the Account also held investments in government agency notes (representing 8.7% of total investments), U.S. Treasury Securities (representing 6.5% of total investments), REIT equity securities (representing 4.1% of total investments), loans receivable (representing 1.1% of total investments) and real estate limited partnerships (representing 0.5% of total investments). See the Account's audited consolidated financial statements for more information as to the Account's investments as of December 31, 2016.

Borrowing. The Account is authorized to borrow money in accordance with its investment guidelines. Under the Account's current investment guidelines, management intends to maintain the Account's loan to value ratio at or below 30%. The Account's "loan to value ratio" at any time is based on the outstanding principal amount of the Account's debt to the Account's total gross asset value. This ratio will be measured at the time of any debt incurrence and will be assessed after giving effect thereto.

As of December 31, 2016, the Account's loan to value ratio was approximately 15.0%.

In addition, the Account may borrow up to 70% of the then-current value of a particular property. Non-construction mortgage loans on a property will be non-recourse to the Account. Please see the section below entitled "General investment and operating policies — Other real estate-related policies — Borrowing."

Summary of expense deductions

Expense deductions are made each valuation day from the net assets of the Account for various services to manage the Account's investments, administer the Account and the contracts, distribute the contracts, and to cover certain risks borne by TIAA. Investment management, administration and distribution services are provided "at cost" by TIAA and TIAA Individual & Institutional Services, LLC ("Services"), a registered broker-dealer and wholly owned subsidiary of TIAA. Currently, TIAA provides investment management services and administration services for the Account, and Services provides distribution services for the Account. In addition, TIAA charges the Account a fee to bear certain mortality and expense risks, and risks associated with providing the liquidity guarantee. TIAA guarantees that in the aggregate, the expense charges will never be more than 2.50% of average net assets per year.

The estimated annual expense deduction rate that appears in the following expense table reflects an estimate of the amount we currently expect to deduct to approximate the costs that the Account will incur from May 1, 2017 through April 30, 2018. Actual expenses may be higher or lower. The expenses identified in the following table do not include any fees which may be imposed by your employer under a plan maintained by your employer.

Type of Expense Deduction	Estimated Percent of Net Assets Annually	Services Performed
Investment Management	0.275%	For investment advisory, investment management, portfolio accounting, custodial and similar services, including independent fiduciary and appraisal fees
Administration	0.265%	For administration and operations of the Account and the contracts, including administrative services such as receiving and allocating premiums and calculating and making annuity payments
Distribution	0.105%	For services and expenses associated with distributing the annuity contracts
Mortality and Expense Risk	0.005%	For TIAA's bearing certain mortality and expense risks
Liquidity Guarantee	0.200%	For TIAA's liquidity guarantee
Total Annual Expense Deduction^{1,2}	0.850%	Total

¹ TIAA guarantees that the total annual expense deduction will not exceed an annual rate of 2.50% of average net assets.

² Property-level expenses, including property management fees and transfer taxes, are not reflected in the table above; instead these expenses are charged directly to the Account's properties.

Please see "Expense deductions" and "Selected financial data" for additional information.

TIAA currently does not impose a fee on transfers from the Account, but reserves the right to impose a fee on transfers from the Account in the future.

Example. The following table shows you an example of the expenses you would incur on a hypothetical investment of \$10,000 in the TIAA Real Estate Account over several periods. The table assumes a 5% annual return on assets and an annual expense deduction equal to 0.850%. These figures do not represent actual expenses or investment performance, which may differ.

1 Year	3 Year	5 Year	10 Year
\$87	\$272	\$472	\$1,054

Summary risk factors

The value of your investment in the Account will fluctuate based on the value of the Account's assets and the income the assets generate. **You may lose money by investing in this Account.** The Account's assets and income can be affected by many factors, and you should consider the specific risks presented in this prospectus before investing in the Account. The principal risks include the following:

- *Acquiring and Owning Real Estate:* The risks associated with acquiring and owning real property, including general economic and real estate market conditions, the availability of, and economic cost associated with, financing the Account's properties, the risk that the Account's properties become too concentrated (whether by geography, sector or tenant mix), competition for acquiring real estate properties, leasing risk (including tenant defaults) and the risk of uninsured losses at properties (including due to terrorism, natural disasters or acts of violence);
- *Selling Real Estate:* The risk that the sales price of a property might differ, perhaps significantly, from its estimated or appraised value, leading to losses or reduced profits to the Account, the risk that the Account might not

be able to sell a property at a particular time for a price which management believes represents its fair or full value, the risk of a lack of availability of financing (for potential purchasers of the Account's properties), risks associated with disruptions in the credit and capital markets, and the risk that the Account may be required to make significant expenditures before the Account is able to market and/or sell a property;

- *Valuation:* The risks associated with property valuations, including the fact that appraisals can be subjective in a number of respects and 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;
- *Borrowing:* Risks associated with financing the Account's properties, including the risk of default on loans secured by the Account's properties (which could lead to foreclosure), the risk associated with high loan to value ratios on the Account's properties (including the fact that the Account may have limited, or no net value in such a property), the risk that significant sums of cash could be required to make principal and interest payments on the loans and the risk that the Account may not have the ability to obtain financing or refinancing on favorable terms (or at all), which may be aggravated by general disruptions in credit and capital markets;
- *Participant Transactions and Cash Management:* Investment risk associated with participant transactions, in particular that (i) significant net participant transfers out of the Account may impair our ability to pursue or consummate new investment opportunities that are otherwise attractive to the Account and/or may result in sales of real estate-related assets to generate liquidity, (ii) significant net participant transfers into the Account may result, on a temporary basis, in our cash holdings and/or holdings in liquid real estate-related investments exceeding our long-term targeted holding levels and (iii) high levels of cash in the Account during times of appreciating real estate values can impair the Account's overall return;
- *Joint Venture Investments:* The risks associated with joint ventures organized or limited partnerships or limited liability companies, as applicable, including the risk that a co-venturer may have interests or goals inconsistent with that of the Account, that a co-venturer may have financial difficulties, and the risk that the Account may have limited rights with respect to operation of the property and transfer of the Account's interest;
- *Regulatory Matters:* Uncertainties associated with environmental liability and regulations and other governmental regulatory matters such as zoning laws, rent control laws, and property taxes;
- *Foreign Investments:* The risks associated with purchasing, owning and disposing of foreign investments (primarily real estate properties), including political risk, the risk associated with currency fluctuations (whether hedged

or not), regulatory and taxation risks and risks associated with enforcing judgments;

- *Conflicts of Interest:* Conflicts of interest associated with TIAA serving as investment manager of the Account and provider of the liquidity guarantee at the same time as TIAA and its affiliates are serving as an investment manager to other real estate accounts or funds, including conflicts associated with satisfying its fiduciary duties to all such accounts and funds associated with the purchasing, selling and leasing of properties;
- *Required Property Sales:* The risk that, if TIAA were to own too large a percentage of the Account's accumulation units through funding the liquidity guarantee (as determined by the independent fiduciary), the independent fiduciary could require the sales of properties to reduce TIAA's ownership interest, which sales could occur at times and at prices that depress the sale proceeds to the Account;
- *Government and Government Agency Securities:* Risks associated with 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, that transaction activity may fluctuate significantly from time to time, and that any market movements, regulatory changes, or changes in political or economic conditions could effect such securities, which could negatively impact the value of the securities and the Account's ability to dispose of a security at a favorable time; and
- *Liquid Assets and Securities:* Risks associated with investments in 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, including:
 - Financial/credit risk — Risks that the issuer will not be able to pay principal and interest when due or that the issuer's earnings will fall;
 - Market volatility risk — Risk that the changing conditions in financial markets may cause the Account's investments to experience price volatility;
 - Interest rate volatility risk — Risk that interest rate volatility may affect the Account's current income from an investment or the pricing of that investment. As of the date of this prospectus, interest rates in the United States are at or near historic lows, which may increase the Fund's exposure to risk associated with rising interest rates. In general, changing interest rates could have unpredictable effects on the markets and may expose markets to heightened volatility; and
 - Deposit/money market risk — Risk that the Account could experience losses if banks fail.

More detailed discussions of these risks and other risk factors associated with an investment in the Account are contained in the section below entitled "Risk factors."

Valuing the Account's assets

The assets of the Account are valued at the close of each valuation day and the Account calculates and publishes a unit value, which is available on TIAA's website (www.tiaa.org), for each valuation day. The values of the Account's properties are adjusted daily to account for capital expenditures and appraisals as they occur.

With respect to the Account's real property investments, following the initial purchase of a property or the making of a mortgage loan on a property by the Account (at which time the Account normally receives an independent appraisal on such property), each of the Account's real properties are appraised, and mortgage loans are valued, at least once every calendar quarter. Each of the Account's real estate properties is appraised each quarter by an independent external state-certified (or its foreign equivalent) appraiser (which we refer to in this prospectus as an "independent appraiser") who is a member of a professional appraisal organization. In addition, TIAA's internal appraisal staff performs a review of each of these quarterly appraisals, in conjunction with the Account's independent fiduciary, and TIAA's internal appraisal staff or the independent fiduciary may request an additional appraisal or valuation outside of this quarterly cycle. Any differences in the conclusions of TIAA's internal appraisal staff and the independent appraiser will be reviewed by the independent fiduciary, which will make a final determination on the matter (which may include ordering a subsequent independent appraisal).

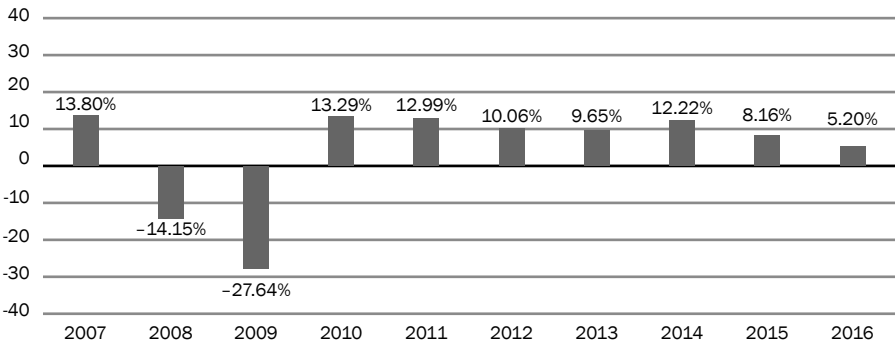
In general, the Account obtains appraisals of its real estate properties spread out throughout the quarter, which is intended to result in appraisal adjustments and thus adjustments to the valuations of its holdings (to the extent adjustments are made) that happen regularly throughout each quarter and not on one specific day in each period. In addition, an estimated daily equivalent of net operating income is taken into consideration and is adjusted for actual transactional activity. The remaining assets in the Account are primarily marketable securities that are priced on a daily basis and are included in the Account's daily unit value.

As of December 31, 2016, the Account's net assets totaled approximately \$24.3 billion. Please see the section below entitled "Valuing the Account's assets" for more information on how each class of the Account's investments are valued.

Past performance

The bar chart and performance table below illustrate how investment performance during the accumulation period has varied. The chart shows the Account's total return (which includes all expenses) during the accumulation period over each of the last ten calendar years. It also shows the Account's returns during the accumulation period for the one-, three-, five- and ten-year periods through December 31, 2016. These returns represent the total return during each such year and reflect both the Account's investment income and capital appreciation from the Account's total investments during each such year.

How the Account has performed in the past is not necessarily an indication of how it will perform in the future. Please see “Risk factors” below.



Best quarter: 5.68%, for the quarter ended December 31, 2010.
Worst quarter: -13.18%, for the quarter ended December 31, 2008.

AVERAGE ANNUAL TOTAL RETURNS (AS OF DECEMBER 31, 2016)

	1 Year	3 Year	5 Year	10 Year
TIAA Real Estate Account	5.20%	8.49%	9.03%	3.38%

About TIAA and TIAA’s role with the Account

TIAA was founded in 1918 by the Carnegie Foundation for the Advancement of Teaching and offers traditional annuities. In addition to the Account, TIAA also offers other variable annuities (through certain other insurance separate accounts) that invest in equity investments directly as well as in mutual funds that invest in equities and fixed-income investments.

TIAA is the companion organization of CREF, the first company in the United States to issue a variable annuity. CREF is a non-profit membership corporation established in New York State in 1952. Together, TIAA and CREF, form the principal retirement system for the nation’s education and research communities and form one of the largest pension systems in the U.S., based on assets under management. As of December 31, 2016, TIAA’s total statutory admitted assets were approximately \$282 billion; the combined assets under management for TIAA, CREF and other entities within the TIAA organization (including TIAA-sponsored mutual funds) totaled approximately \$907 billion. CREF does not stand behind TIAA’s guarantees and TIAA does not guarantee CREF products.

The Account does not have officers, directors or employees. TIAA officers, under the direction and control of TIAA’s Board of Trustees (the “Board”) and its Investment Committee, manage the investment of the Account’s assets, following investment management procedures TIAA has adopted for the Account. In addition, TIAA performs administration functions for the Account (which include receiving and allocating premiums, calculating and making annuity payments and providing recordkeeping and other services). Distribution services for the Account (which include, without limitation, distribution of the annuity contracts, advising

existing annuity contract owners in connection with their accumulations and helping employers implement and manage retirement plans) are performed by Services. TIAA and Services provide investment management, administration and distribution services, as applicable, to the Account on an “at cost” basis.

With over 65 years in the real estate business and interests in properties located across the U.S. and internationally, TIAA is one of the nation’s largest and most experienced investors in mortgages and real estate equity interests. As of December 31, 2016, the TIAA General Account had a mortgage and real property portfolio (including interests in TIAA subsidiaries that hold real estate, real estate funds and joint ventures but excluding mortgage-backed securities and REIT securities) valued at approximately \$29.3 billion.

Liquidity Guarantee. In the event that the Account’s level of liquidity is not sufficient to guarantee that Account participants may redeem their accumulation units (at their accumulation unit value as of the date of such redemption request received in good order), the TIAA General Account will purchase accumulation units issued by the Account (sometimes called “liquidity units”) in accordance with its liquidity guarantee. The cost of this guarantee is embedded in the overall expense charge of the Account. This liquidity guarantee is not a guarantee of either investment performance or the value of units in the Account.

This liquidity guarantee was first exercised in December 2008 and between December 2008 and June 2009, approximately \$1.2 billion in liquidity units in the aggregate were purchased. The liquidity guarantee has not been exercised since June 2009. The independent fiduciary has since completed the systematic redemption of all of the liquidity units held by the TIAA General Account. Approximately one-quarter of such units were redeemed evenly over the business days in each of June, September and December 2012, and March 2013, representing a total of \$1.3 billion redeemed during this period. Please see the sections entitled “Establishing and managing the Account — The role of TIAA — Liquidity guarantee” and “— Role of the independent fiduciary.”

The contracts

TIAA offers the Account as a variable option for the annuity contracts listed on the inside cover page of this prospectus, although some employer plans may not offer the Account as an option for certain contracts. Each payment to the Account buys a number of accumulation units. Similarly, any transfer or withdrawal from the Account results in the redemption of a number of accumulation units. The price you pay for an accumulation unit, and the price you receive for an accumulation unit when you redeem accumulation units, is the accumulation unit value (“AUV”) calculated for the business day on which we receive your purchase, redemption or transfer request in good order (unless you ask for a later date for a redemption or transfer).

The Right to Cancel Your Contract. Generally, you may cancel any RA, SRA, GSRA, Classic IRA, Roth IRA, ATRA or Keogh contract in accordance with the contract’s Right to Examine provision (unless we have begun making annuity payments from it) and subject to the time period regulated by the state in which

the contract is issued. Although the contract terms and state law provisions differ, you will generally have between 10 and 60 days to exercise this cancellation right.

Transfers and Withdrawals. Subject to the terms of the contracts and your employer's plan, you can move your money to and from the Account in the following ways, among others:

- from the Account to the following accounts as available under your employer plan or IRA: a CREF investment account, a TIAA Access variable account, TIAA's Traditional Annuity or a fund (including TIAA affiliated funds) or other options available under your plan;
- to the Account from a CREF investment account, a TIAA Access variable account, TIAA's Traditional Annuity (transfers from TIAA's Traditional Annuity under RA, GRA or Retirement Choice contracts are subject to restrictions), a TIAA affiliated fund or other options as available under your plan or IRA or from other companies/plans;
- by withdrawing cash; and/or
- by setting up a program of automatic withdrawals or transfers.

Importantly, transfers out of the Account to a TIAA or CREF account or into another investment option can be executed on any business day but are limited to once per calendar quarter, although some plans may allow systematic transfers that result in more than one transfer per calendar quarter. Other limited exceptions may apply. Also, transfers to CREF accounts or to certain other options may be restricted by your employer's plan, current tax law or by the terms of your contract.

In addition, individual participants are limited from making internal funding vehicle transfers into their Account accumulation if, after giving effect to such transfer, the total value of such participant's Account accumulation (under all contracts issued to such participant) would exceed \$150,000. Categories of transactions that TIAA deems "internal funding vehicle transfers" for purposes of this limitation are described in detail in the section below entitled "Restrictions on premiums and transfers to the Account." As of the date of this prospectus, all jurisdictions in which the Account is offered have approved this limitation, but the effective date of the limitation as applies to an individual participant will be reflected on his or her applicable contract or endorsement form. Please see the section entitled "How to transfer and withdraw your money."

By limiting these transfers to the Real Estate Account, as anticipated, the amount of funds going into and out of the Account has become more predictable, which we believe will continue to enhance our ability to invest and manage the Real Estate Account's portfolio with a long-term perspective. Please see the section entitled "Management's discussion and analysis of the Account's financial condition and results of operations — Liquidity and capital resources" incorporated by reference from the Account's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and filed with the SEC on March 20, 2017 (the "2016 Form 10-K"), for a discussion of participant flow activity.

The Annuity Period. Your income payments may be paid out of the Account through a variety of income options. Ordinarily, your annuity payments begin on the date you designate as your annuity starting date, subject to the terms of your employer's plan. Your initial income payments are based on the value of your accumulation on the last valuation day before the annuity starting date and annuity payments can change after the initial payment based on the Account's investment experience, the income option you choose and the income change method you choose. Important tax considerations may also apply. Please see the section below entitled "When you are ready to receive annuity income"

Death Benefits. Subject to the terms of your employer's plan, TIAA may pay death benefits if you or your annuity partner dies. When you purchase your annuity contract, you name one or more beneficiaries to receive the death benefit if you die. You can change your beneficiaries any time before you die, and, unless you instruct otherwise, your annuity partner can do the same after your death. Your choice of beneficiary for death benefits may, in some cases, be subject to the consent of your spouse and federal and state law may impose additional restrictions. If you die during the accumulation period, the death benefit is the amount of your accumulation. If you and your annuity partner die during the annuity period while payments are still due under a fixed-period annuity or for the remainder of a guaranteed period, the death benefit is the present value, based on interest at the effective annual rate of 4%, of the unit annuity payments due for the remainder of the period. Death benefits may be paid out during the accumulation period (currently under one of five available methods) or during the annuity period. Ordinarily, death benefits are subject to federal estate tax. Generally, if taken as a lump sum, death benefits would be taxed like complete withdrawals. If taken as annuity benefits, death benefits would be taxed like annuity payments. See the section below entitled "Death benefits."

Risk factors

The value of your investment in the Account will fluctuate based on the value of the Account's assets, the income the assets generate and the Account's expenses. Participants can lose money by investing in the Account. The past performance of the Account is not indicative of future results. There is risk associated with an investor attempting to "time" an investment in the Account's units, or effecting a redemption of an investor's units. The Account's assets and income can be affected by many factors, and you should consider the specific risks presented below before investing in the Account. In particular, for a discussion of how forward-looking statements contained in this prospectus and that are incorporated by reference from the 2016 Form 10-K are subject to uncertainties that are difficult to predict, which may be beyond management's control and which could cause actual results to differ materially from historical experience or management's present expectations, please refer to the

subsection below in the Account's 2016 Form 10-K entitled "Forward-looking statements."

Forward-looking statements

Some statements in this prospectus (including statements incorporated by reference from the Account's 2016 Form 10-K) 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, the sectors, and markets in which the Account invests and operates, and the transactions described in this prospectus. 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 following:

Risks associated with real estate investing

General Risks of Acquiring and Owning Real Property: As referenced elsewhere in this prospectus, the substantial majority of the Account's net assets consist of direct ownership interests in real estate. As such, the Account is particularly subject to the risks inherent in acquiring and owning real property, including in particular the following:

- *Adverse Global and Domestic Economic Conditions.* The economic conditions in the markets where the Account's properties are located may be adversely impacted by factors which include:
 - adverse domestic or global economic conditions, particularly in the event of a deep recession which results in significant employment losses across many sectors of the economy and reduced levels of consumer spending;
 - a weak market for real estate generally and/or in specific locations where the Account may own property;
 - business closings, industry or sector slowdowns, employment losses and related factors;
 - the availability of financing (both for the Account and potential purchasers of the Account's properties);
 - an oversupply of, or a reduced demand for, certain types of real estate properties;

- natural disasters, flooding and other significant and severe weather-related events;
- terrorist attacks and/or other man-made events; and
- decline in population or shifting demographics.

The incidence of some or all of these factors could reduce occupancy, rental rates and the fair value of the Account's real properties or interests in investment vehicles (such as limited partnerships) which directly hold real properties.

- *Concentration Risk.* The Account may experience periods in which its investments are geographically concentrated, either regionally or in certain markets with similar demographics. Further, while the Account seeks diversification across its four primary property types: office, industrial, retail and multi-family properties, the Account may experience periods where it has concentration in one property type, increasing the potential exposure if there were to be an oversupply of, or a reduced demand for, certain types of real estate properties in the markets in which the Account operates. Also, the Account may experience periods in which its tenant base is concentrated within a particular industry sector. For example, the Account owns and operates a number of industrial properties, which typically feature larger tenant concentration. The insolvency and/or closing of a single tenant in one of our industrial properties may significantly impair the income generated by an industrial property, and may also depress the value of such property.

In addition, the Account owns and operates a number of properties in the Washington, DC metropolitan area and a prolonged period of significantly diminished federal expenditures could have an adverse impact on demand for office space by the U.S. government and the sectors and industries dependent upon the U.S. government in such region or other regions where the government or such related businesses are large lessees.

If any or all of these events occur, the Account's income and performance may be adversely impacted disproportionately by deteriorating economic conditions in those areas or industry sectors in which the Account's investments are concentrated. Also, the Account could experience a more rapid negative change in the value of its real estate investments than would be the case if its real estate investments were more diversified.

- *Leasing Risk.* A number of factors could cause the Account's rental income, a key source of the Account's revenue and investment return, to decline, which would adversely impact the Account's results and investment returns. These factors include the following:
 - A property may be unable to attract new tenants or retain existing tenants. This situation could be exacerbated if a concentration of lease expirations occurred during any one time period or multiple tenants exercise early termination at the same time.
 - The financial condition of our tenants may be adversely impacted, particularly in a prolonged economic downturn. The Account could lose revenue if tenants do not pay rent when contractually obligated, request

some form of rent relief and/or default under a lease at one of the Account's properties. Such a default could occur if a tenant declared bankruptcy, suffered from a lack of liquidity, failed to continue to operate its business or for other reasons. In the event of any such default, we may experience a delay in, or an inability to effect, the enforcement of our rights against that tenant, particularly if that tenant filed for bankruptcy protection. Further, any disputes with tenants could involve costly and time consuming litigation.

- In the event a tenant vacates its space at one of the Account's properties, whether as a result of a default, the expiration of the lease term, rejection of the lease in bankruptcy or otherwise, given current market conditions, we may not be able to re-lease the vacant space either (i) for as much as the rent payable under the previous lease or (ii) at all. Also, we may not be able to re-lease such space without incurring substantial expenditures for tenant improvements and other lease-up related costs, while still being obligated for any mortgage payments, real estate taxes and other expenditures related to the property.
- In some instances, our properties may be specifically suited to and/or outfitted for the particular needs of a certain tenant based on the type of business the tenant operates. For example, many companies desire space with an open floor plan. We may have difficulty obtaining a new tenant for any vacant space in our properties, particularly if the floor plan limits the types of businesses that can use the space without major renovation, which may require us to incur substantial expense in re-planning the space. Also, upon expiration of a lease, the space preferences of our major tenants may no longer align with the space they previously rented, which could cause those tenants to not renew their lease, or may require us to expend significant sums to reconfigure the space to their needs.
- The Account owns and operates retail properties, which, in addition to the risks listed above, are subject to specific risks, including the insolvency and/or closing of an anchor tenant. Many times, anchor tenants will be "big box" stores and other large retailers that can be particularly adversely impacted by a global recession and reduced consumer spending generally. Factors that can impact the level of consumer spending include increases in fuel and energy costs, residential and commercial real estate and mortgage conditions, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors. Under certain circumstances, co-tenancy clauses in tenants' leases may allow certain tenants in a retail property to terminate their leases or reduce or withhold rental payments when overall occupancy at the property falls below certain minimum levels. The insolvency and/or closing of an anchor tenant may also cause such tenants to terminate their leases, or to fail to renew their leases at expiration.
- *Competition.* The Account may face competition for real estate investments from multiple sources, including individuals, corporations, insurance

companies or other insurance company separate accounts, as well as real estate limited partnerships, real estate investment funds, commercial developers, pension plans, other institutional and foreign investors and other entities engaged in real estate investment activities. Some of these competitors may have similar financial and other resources as the Account, and/or they may have investment strategies and policies (including the ability to incur significantly more leverage than the Account) that allow them to compete more aggressively for real estate investment opportunities, which could result in the Account paying higher prices for investments, experiencing delays in acquiring investments or failing to consummate such purchases. Any resulting delays in the acquisition of investments, or the failure to consummate acquisitions the Account deems desirable, may increase the Account's costs or otherwise adversely affect the Account's investment results.

In addition, the Account's properties may be located close to properties that are owned by other real estate investors and that compete with the Account for tenants. These competing properties may be better located, more suitable for tenants than our properties, or have owners who may compete more aggressively for tenants, resulting in a competitive advantage for these other properties. We may also face similar competition from other properties that may be developed in the future. This competition may limit the Account's ability to lease space, increase its costs of securing tenants, and limit our ability to maximize our rents and/or require the Account to make capital improvements it otherwise would not, in order to make its properties more attractive to prospective tenants.

- *Operating Costs.* A property's cash flow could decrease if operating costs, such as property taxes, utilities, litigation expenses associated with a property, maintenance and insurance costs that are not reimbursed by tenants, increase in relation to gross rental income, or if the property needs unanticipated repairs and renovations. In addition, the Account's expenses of owning and operating a property are not necessarily reduced when the Account's income from a property is reduced.
- *Condemnation.* A governmental agency may condemn and convert for a public use (i.e., through eminent domain) all or a portion of a property owned by the Account. While the Account would receive compensation in connection with any such condemnation, such compensation may not be in an amount the Account believes represents equivalent value for the condemned property. Further, a partial condemnation could impair the ability of the Account to maximize the value of the property during its operation, including making it more difficult to find new tenants or retain existing tenants. Finally, a property which has been subject to a partial condemnation may be more difficult to sell at a price the Account believes is appropriate.
- *Terrorism and Acts of War and Violence.* Terrorist attacks may harm our property investments. The Account can provide no assurance that there will not be further terrorist attacks against the United States or U.S. businesses

or elsewhere in the world. These attacks or armed conflicts may directly or indirectly impact the value of the property we own or that secure our loans. Losses resulting from these types of events may be uninsurable or not insurable to the full extent of the loss suffered. Moreover, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the United States, worldwide financial markets, and the global economy. Such events could also result in economic uncertainty in the United States or abroad. Adverse economic conditions resulting from terrorist activities could reduce demand for space in the Account's properties and thereby reduce the value of the Account's properties and therefore your investment return.

- *Risk of Limited Warranty.* Purchasing a property "as is" or with limited warranties, which limit the Account's recourse if due diligence fails to identify all material risks, can negatively impact the Account by reducing the value of such properties and increasing the Account's cost to hold or sell properties.

General Risks of Selling Real Estate Investments: Among the risks of selling real estate investments are:

- The sale price of an Account property might differ, perhaps significantly, from its estimated or appraised value, leading to losses or reduced profits to the Account.
- The Account might not be able to sell a property at a particular time for a price which management believes represents its fair or full value. This illiquidity may result from the cyclical nature of real estate, general economic conditions impacting the location of the property, disruption in the credit markets or the availability of financing on favorable terms or at all, and the supply of and demand for available tenant space, among other reasons. This might make it difficult to raise cash quickly which could impair the Account's liquidity position (particularly during any period of sustained significant net participant outflows) and also could lead to Account losses. Further, the liquidity guarantee does not serve as a working capital facility or credit line to enhance the Account's liquidity levels generally, as its purpose is tied to participants having the ability to redeem their accumulation units upon demand (thus alleviating the Account's need to dispose of properties solely to increase liquidity levels in what management deems a suboptimal sales environment).
- The Account may need to provide financing to a purchaser if no cash buyers are available, or if buyers are unable to receive financing on terms enabling them to consummate the purchase. Such seller financing introduces a risk that the counterparty may not perform its obligations to repay the amounts borrowed from the Account to complete the purchase.
- For any particular property, the Account may be required to make expenditures for improvements to, or to correct defects in, the property before the Account is able to market and/or sell the property.

- Interests in real estate limited partnerships tend to be, in particular, illiquid and the Account may be unable to dispose of such investments at opportune times.
- *Seller Indemnities.* When the Account sells property, it is often required to provide some amount of indemnity for loss to the buyer. While the Account takes steps to try to mitigate the impact of the indemnities, such indemnities could negatively impact the sale price or result in claims by the buyer for indemnity in the future, which could increase the Account's expenses and thereby reduce the return on investment.

Valuation and Appraisal Risks: Investments in the Account's assets are stated at fair value, which is defined as the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Determination of fair value, particularly for real estate assets, involves significant judgment. Valuation of the Account's real estate properties (which comprise a substantial majority of the Account's net assets) are based on real estate appraisals, which are estimates of property values based on a professional's opinion and may not be accurate predictors of the amount the Account would actually receive if it sold a property. Appraisals can be subjective in certain respects and rely on a variety of assumptions and conditions at that property or in the market in which the property is located, which may change materially after the appraisal is conducted. Among other things, market prices for comparable real estate may be volatile, in particular if there has been a lack of recent transaction activity in such market. Any future disruptions in the macroeconomy, real estate markets and the credit markets, such as those that occurred from 2008-2011, could lead to a significant decline in real estate transaction activity in most markets and sectors in which the Account is invested. The resulting lack of observable transaction data may make it more difficult for a property appraisal to determine the fair value of the Account's investment in one or more real estate assets. In addition, a portion of the data used by appraisers is based on historical information at the time the appraisal is conducted, and subsequent changes to such data, after an appraiser has used such data in connection with the appraisal, may not be adequately captured in the appraised value. Also, to the extent that the Account uses a relatively small number of independent appraisers to value a significant portion of its properties, valuations may be subject to any institutional biases of such appraisers and their valuation procedures.

Further, as the Account generally obtains appraisals on a quarterly basis, there may be circumstances in the period between appraisals or interim valuation adjustments in which the true realizable value of a property is not reflected in the Account's daily net asset value calculation or in the Account's periodic consolidated financial statements. This disparity may be more apparent when the commercial and/or residential real estate markets experience an overall and possibly dramatic decline (or increase) in property values in a relatively short period of time between appraisals.

If the appraised values of the Account's properties as a whole are too high, those participants who purchased accumulation units prior to (i) a downward

valuation adjustment of a property or multiple properties or (ii) a property or properties being sold for a lower price than the appraised value will be credited with less of an interest than if the value had previously been adjusted downward. Also, those participants who redeem during any such period will have received more than their pro rata share of the value of the Account's assets, to the detriment of other non-redeeming participants. In particular, appraised property values may prove to be too high (as a whole) in a rapidly declining commercial real estate market. Further, implicit in the Account's definition of fair value is a principal assumption that there will be a reasonable time to market a given property and that the property will be exchanged between a willing buyer and willing seller in a non-distressed scenario. However, an appraised value may not reflect the actual realizable value that would be obtained in a rush sale where time was of the essence. Also, appraised values may lag actual realizable values to the extent there is significant and rapid economic deterioration in a particular geographic market or a particular sector within a geographic market.

If the appraised values of the Account's properties as a whole are too low, those participants who redeem prior to (i) an upward valuation adjustment of a property or multiple properties or (ii) a property or properties being sold for a higher price than the appraised value will have received less than their pro rata share of the value of the Account's assets, and those participants who purchase units during any such period will be credited with more than their pro rata share of the value of the Account's assets.

Finally, the Account recognizes items of income (such as net operating income from real estate investments, distributions from real estate limited partnerships or joint ventures, or dividends from REIT stocks) and expense in many cases on an intermittent basis, where the Account cannot predict with certainty the magnitude or the timing of such items. As such, even as the Account estimates items of net operating income on a daily basis, the AUV for the Account may fluctuate, perhaps significantly, from day to day, as a result of adjusting these estimates for the actual recognized item of income or expense.

Investment Risk Associated with Participant Transactions: The amount the Account has available to invest in new properties and other real estate-related assets will depend, in large part, on the level of net participant transfers into or out of the Account as well as participant premiums into the Account. As noted elsewhere in this prospectus, the Account intends to hold between 15% and 25% of its net assets in publicly traded, liquid investments (other than real estate and real estate-related investments), consisting of publicly traded, liquid investments. These liquid assets are intended to be available to purchase real estate-related investments in accordance with the Account's investment objective and strategy and are also available to meet participant redemption requests and the Account's expense needs (including, from time to time, obligations on debt). Significant participant transaction activity into or out of the Account's units is generally not predictable, and wide fluctuations can occur as a result of macroeconomic or geopolitical conditions, the performance of equities or fixed income securities or

general investor sentiment, regardless of the historical performance of the Account or of the performance of the real estate asset class generally.

In the second half of 2008 and in 2009, the Account experienced significant net participant transfers out of the Account, eventually causing the Account's liquid assets to comprise less than 10% of the Account's assets (on a net and total basis) throughout all of 2009 and into early 2010. Due in large part to this activity, the TIAA liquidity guarantee was initially executed in December 2008. Please see the section below entitled "Establishing and managing the Account — The role of TIAA — Liquidity guarantee." Among other things, this continued shortfall in the amount of liquid assets impaired management's ability to consummate new transactions. If a significant amount of net participant transfers out of the Account were to recur, particularly in high volumes similar to those experienced in late 2008 and 2009, the Account may not have enough available liquid assets to pursue, or consummate, new investment opportunities presented to us that are otherwise attractive to the Account. This, in turn, could harm the Account's returns. Even though net transfers out of the Account ceased in early 2010 and, as of the date of this prospectus, the Account has been in a net inflow position since such time, there is no guarantee that redemption activity will not increase again, perhaps in a significant and rapid manner.

Alternatively, periods of significant net transfer activity into the Account can result in the Account holding a higher percentage of its net assets in publicly traded liquid non-real estate-related investments than the Account's managers would target to hold under the Account's long-term strategy. As of December 31, 2016, the Account's non-real estate-related liquid assets comprised 16.7% of its net assets. At times, the portion of the Account's net assets invested in these types of liquid instruments may exceed 25%, particularly if the Account receives a large inflow of money in a short period of time, coupled with a lack of attractive real estate-related investments on the market. Also, large inflows from participant transactions often occur in times of appreciating real estate values and pricing, which can render it challenging to execute on some transactions at ideal prices.

In an appreciating real estate market generally, this large percentage of assets held in liquid investments and not in real estate and real estate-related investments may impair the Account's overall returns. This scenario may be exacerbated in a low interest rate environment for U.S. Treasury securities and related highly liquid securities, such as has existed since 2009 and which may persist in the future. In addition, to manage cash flow, the Account may temporarily hold a higher percentage of its net assets in liquid real estate-related securities, such as REIT and CMBS securities, than its long-term targeted holdings in such securities, particularly during and immediately following times of significant net transfer activity into the Account. Such holdings could increase the volatility of the Account's returns.

Risks of Borrowing: The Account acquires some of its properties subject to existing financing and from time to time borrows new funds at the time of purchase. Also, the Account may from time to time place new leverage on, increase the leverage already placed on, or refinance maturing debt on, existing

properties the Account owns. Under the Account's current investment guidelines, the Account intends to maintain its loan to value ratio at or below 30% (measured at the time of incurrence and after giving effect thereto). As of December 31, 2016, the Account's loan to value ratio was approximately 15.0%. Also, the Account may borrow up to 70% of the then-current value of a particular property. Non-construction mortgage loans on a property will be non-recourse to the Account.

Among the risks of borrowing money or otherwise investing in a property subject to a mortgage are:

- *General Economic Conditions.* General economic conditions, dislocations in the capital or credit markets generally or the market conditions then in effect in the real estate finance industry, may hinder the Account's ability to obtain financing or refinancing for its property investments on favorable terms or at all, regardless of the quality of the Account's property for which financing or refinancing is sought. Such unfavorable terms might include high interest rates, increased fees and costs and restrictive covenants applicable to the Account's operation of the property. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives, rising interest rates or failures of significant financial institutions could adversely affect our access to financing necessary to make profitable real estate investments. Our failure to obtain financing or refinancing on favorable terms due to the current state of the credit markets or otherwise could have an adverse impact on the returns of the Account. Also, the Account's ability to secure financing may be impaired if negative marketplace effects, such as those which followed from the worldwide economic slowdown following the banking crisis of 2008 and the subsequent sovereign debt and banking difficulties recently experienced in parts of the Eurozone were to persist. These difficulties could include tighter lending standards instituted by banks and financial institutions, the reduced availability of credit facilities and project finance facilities from banks and the fall of consumer and/or business confidence.
- *Default Risk.* The property or group of encumbered properties may not generate sufficient cash flow to support the debt service on the loan, the property may fail to meet certain financial or operating covenants contained in the loan documents and/or the property may have negative equity (*i.e.*, the loan balance exceeds the value of the property) or inadequate equity. In any of these circumstances, we (or a joint venture in which we invest) may default on the loan, including due to the failure to make required debt service payments when due. If a loan is in default, the Account or the venture may determine that it is not economically desirable and/or in the best interests of the Account to continue to make payments on the loan (including accessing other sources of funds to support debt service on the loan), and/or the Account or venture may not be able to otherwise remedy such default on commercially reasonable terms or at all. In either case, the lender then could accelerate the outstanding amount due on the loan and/or foreclose on the underlying property, in which case the Account could lose

the value of its investment in the foreclosed property. Further, any such default or acceleration could trigger a default under loan agreements in respect of other Account properties pledged as security for the defaulted loan or other loans. Finally, any such default could increase the Account's borrowing costs, or result in less favorable terms, with respect to financing future properties.

- *Balloon Maturities.* If the Account obtains a mortgage loan that involves a balloon payment, there is a risk that the Account may not be able to make the lump sum principal payment due under the loan at the end of the loan term, or otherwise obtain adequate refinancing on terms commercially acceptable to the Account or at all. The Account then may be forced to sell the property or other properties under unfavorable market conditions, restructure the loan on terms not advantageous to the Account, or default on its mortgage, resulting in the lender exercising its remedies, which may include repossession of the property, and the Account could lose the value of its investment in that property.
- *Variable Interest Rate Risk.* If the Account obtains variable-rate loans, the Account's returns may be volatile when interest rates are volatile. Further, to the extent that the Account takes out fixed-rate loans and interest rates subsequently decline, this may cause the Account to pay interest at above-market rates for a significant period of time. Any interest rate hedging activities the Account engages in to mitigate this risk may not fully protect the Account from the impact of interest rate volatility.
- *Variable Rate Demand Obligation (VRDO) Risk.* To the extent the Account obtains financing pursuant to a variable rate demand obligation subject to periodic remarketing or similar mechanisms, the Account or the joint ventures in which it invests could face higher borrowing costs if the remarketing results in a higher prevailing interest rate. In addition, the terms of such variable rate obligations may allow the remarketing agent to cause the Account or venture to repay the loan on demand in the event insufficient market demand for such loans is present. In particular, RGM 42, LLC, a joint venture in which the Account holds a 70% interest, is the borrower under a VRDO loan program, as described in more detail in the section entitled "Management's discussion and analysis of the Account's financial condition and results of operations" in the Account's 2016 Form 10-K.
- *Valuation Risk.* The market valuation of mortgage loans payable could have an adverse impact on the Account's performance. Valuations of mortgage loans payable are generally based on the amount at which the liability could be transferred in a current transaction, exclusive of transaction costs, and such valuations are subject to a number of assumptions and factors with respect to the loan and the underlying property, a change in any of which could cause the value of a mortgage loan to fluctuate.

A general disruption in the credit markets, such as the disruption experienced in 2008 and 2009, may aggravate some or all of these risks.

Risks of Joint Ownership: Investing in joint venture partnerships or other forms of joint property ownership may involve special risks, many of which are exacerbated when the consent of parties other than the Account is required to take action.

- The co-venturer may have interests or goals inconsistent with those of the Account, including during times when a co-venturer may be experiencing financial difficulty. For example:
 - a co-venturer may desire a higher current income return on a particular investment than does the Account (which may be motivated by a longer-term investment horizon or exit strategy), or vice versa, which could cause difficulty in managing a particular asset;
 - a co-venturer may desire to maximize or minimize leverage in the venture, which may be at odds with the Account's strategy;
 - a co-venturer may be more or less likely than the Account to agree to modify the terms of significant agreements (including loan agreements) binding the venture, or may significantly delay in reaching a determination whether to do so, each of which may frustrate the business objectives of the Account and/or lead to a default under a loan secured by a property owned by the venture; and
 - for reasons related to its own business strategy, a co-venturer may have different concentration standards as to its investments (geographically, by sector, or by tenant), which might frustrate the execution of the business plan for the joint venture.
- The co-venturer may be unable to fulfill its obligations (such as to fund its pro rata share of committed capital, expenditures or guarantee obligations of the venture) during the term of such agreement or may become insolvent or bankrupt, any of which could expose the Account to greater liabilities than expected and frustrate the investment objective of the venture.
- If a co-venturer doesn't follow the Account's instructions or adhere to the Account's policies, the jointly owned properties, and consequently the Account, might be exposed to greater liabilities than expected.
- The Account may have limited rights with respect to the underlying property pursuant to the terms of the joint venture, including the right to operate, manage or dispose of a property, and a co-venturer could have approval rights over the marketing or the ultimate sale of the underlying property.
- The terms of the Account's ventures often provide for complicated agreements which can impede our ability to direct the sale of the property owned by the venture at times the Account views most favorable. One such agreement is a "buy-sell" right, which may force us to make a decision (either to buy our co-venturer's interest or sell our interest to our co-venturer) at inopportune times.
- A co-venturer can make it harder for the Account to transfer its equity interest in the venture to a third party, which could adversely impact the valuation of the Account's interest in the venture.

- To the extent the Account serves as the general partner or managing member in a venture, it may owe certain contractual or other duties to the co-venturer, including fiduciary duties, which may present perceived or actual conflicts of interest in the management of the underlying assets. Such an arrangement could also subject the Account to liability to third parties in the performance of its duties as a general partner or managing member.

Risks of Developing or Redeveloping Real Estate or Buying Recently

Constructed Properties: If the Account chooses to develop or redevelop a property or buys a recently constructed property, it may face the following risks:

- There may be delays or unexpected increases in the cost of property development, redevelopment and construction due to strikes, bad weather, material shortages, increases in material and labor costs or other events.
- There are risks associated with potential underperformance or non-performance by, and/or solvency of, a contractor we select or other third party vendors involved in developing or redeveloping the property.
- If the Account were viewed as developing or redeveloping underperforming properties, suffering losses on our investments, or defaulting on any loans on our properties, our reputation could be damaged. Damage to our reputation could make it more difficult to successfully develop or acquire properties in the future and to continue to grow and expand our relationships with our lenders, venture partners and tenants.
- Because external factors may have changed from when the project was originally conceived (e.g., slower growth in the local economy, higher interest rates, overbuilding in the area or changes in the regulatory and permitting environment), the property may not attract tenants on the schedule we originally planned and/or may not operate at the income and expense levels first projected.

Risks with Purchase-Leaseback Transactions: To the extent the Account invested in a purchase-leaseback transaction, the major risk is that the third party lessee will be unable to make required payments to the Account. If the leaseback interest is subordinate to other interests in the real property, such as a first mortgage or other lien, the risk to the Account increases because the lessee may have to pay the senior lienholder to prevent foreclosure before it pays the Account. If the lessee defaults or the leaseback is terminated prematurely, the Account might not recover its investment unless the property is sold or leased on favorable terms.

Real Estate Regulatory Risks: Government regulation at the federal, state and local levels, including, without limitation, zoning laws, rent control or rent stabilization laws, laws regulating housing on the Account's multi-family properties, the Americans with Disabilities Act, property taxes and fiscal, accounting, environmental or other government policies, could operate or change in a way that adversely affects the Account and its properties. For example, these regulations could raise the cost of acquiring, owning, improving or maintaining properties, present barriers to otherwise desirable investment opportunities or

make it harder to sell, rent, finance, or refinance properties either on economically desirable terms, or at all, due to the increased costs associated with regulatory compliance.

Environmental Risks: The Account may be liable for damage to the environment or injury to individuals caused by hazardous substances used or found on its properties. Under various environmental regulations, the Account may also be liable, as a current or previous property owner or mortgagee, for the cost of removing or cleaning up hazardous substances found on a property, even if it did not know of and wasn't responsible for the hazardous substances. If any hazardous substances are present or the Account does not properly clean up any hazardous substances, or if the Account fails to comply with regulations requiring it to actively monitor the business activities on its premises, the Account may have difficulty selling or renting a property or be liable for monetary penalties. Further, environmental laws may impose restrictions on the manner in which a property may be used, the tenants which may be allowed, or the manner in which businesses may be operated, which may require the Account to expend funds in order to comply with these laws. These laws may also cause the most ideal use of the property to differ from that originally contemplated and as a result could impair the Account's returns. The cost of any required clean-up relating to a single real estate investment (including remediating contaminated property) and the Account's potential liability for environmental damage, including paying personal injury claims and performing under indemnification obligations to third parties, could exceed the value of the Account's investment in a property, the property's value, or in an extreme case, a significant portion of the Account's assets. Finally, while the Account may from time to time acquire third-party insurance related to environmental risks, such insurance coverage may be inadequate to cover the full cost of any loss and would cause the Account to be reliant on the financial health of our third-party insurer at the time any such claim is submitted.

Uninsurable Losses: Certain catastrophic losses (e.g., from earthquakes, wars, terrorist acts, nuclear accidents, hurricanes, wind, floods or environmental or industrial hazards or accidents) may be uninsurable or so expensive to insure against that it is economically disadvantageous to buy insurance for them. Further, the terms and conditions of the insurance coverage the Account has on its properties, in conjunction with the type of loss actually suffered at a property, may subject the property, or the Account as a whole, to a cap on insurance proceeds that is less than the loss or losses suffered. If a disaster that we have not insured against occurs, if the insurance contains a high deductible, and/or if the aggregate insurance proceeds for a particular type of casualty are capped, the Account could lose some of its original investment and any future profits from the property. Also, the Account may not have sufficient access to internal or external sources of funding to repair or reconstruct a damaged property to the extent insurance proceeds do not cover the full loss. In addition, some leases may permit a tenant to terminate its obligations in certain situations, regardless of whether those events are fully covered by insurance. In that case, the Account would not receive rental income from the property while that tenant's space is vacant, and any such

vacancy might impact the value of that property. Finally, as with respect to all third-party insurance, we are reliant on the continued financial health of such insurers and their ability to pay on valid claims. If the financial health of an insurer were to deteriorate quickly, we may not be able to find adequate coverage from another carrier on favorable terms, which could adversely impact the Account's returns.

Risks of investing in real estate investment trust securities

The Account invests in registered and unregistered REIT securities for diversification, liquidity management and other purposes. The Account's investment in REITs may also increase, as a percentage of net assets, during periods in which the Account is experiencing large net inflow activity, in particular due to net participant transfers into the Account. As of December 31, 2016, REIT securities comprised approximately 4.4% of the Account's net assets.

Investments in REIT securities are part of the Account's real estate-related investment strategy and are subject to many of the same general risks associated with direct real property ownership. In particular, equity REITs may be affected by changes in the value of the underlying properties owned by the entity, while mortgage REITs may be affected by the quality of any credit extended. In addition to these risks, because REIT investments are securities and generally publicly traded, they may be exposed to market risk and potentially significant price volatility due to changing conditions in the financial markets and, in particular, changes in overall interest rates, regardless of the value of the underlying real estate such REIT may own. Also, sales of REIT securities by the Account for liquidity management purposes may occur at times when values of such securities have declined and it is otherwise an inopportune time to sell the security. Volatility in REITs can cause significant fluctuations in the Account's AUV on a daily basis, as they are correlated to equity markets which have experienced significant day to day fluctuations over the past few years.

REITs do not pay federal income taxes if they distribute most of their earnings to their shareholders and meet other tax requirements. Many of the requirements to qualify as a REIT, however, are highly technical and complex. Failure to qualify as a REIT results in tax consequences, as well as disqualification from operating as a REIT for a period of time. Consequently, if the Account invests in securities of a REIT that later fails to qualify as a REIT, this may adversely affect the performance of our investment.

Risks of mortgage-backed securities

The Account from time to time has invested in mortgage-backed securities and may in the future invest in such securities. Mortgage-backed securities, such as CMBS, are subject to many of the same general risks inherent in real estate investing, making mortgage loans and investing in debt securities. The underlying mortgage loans may experience defaults with greater frequency than projected when such mortgages were underwritten, which would impact the values of these securities, and could hamper our ability to sell such securities. In particular, these types of investments may be 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 prepayments 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 prepayments depends on a variety of geographic, social and other functions, including prevailing market interest rates and general economic factors. Further, it is possible that the U.S. Government may change its support of, and policies regarding, Fannie Mae and Freddie Mac and, thus, the Account may be unable to acquire agency mortgage-backed securities in the future and even if the Account so acquired them, such changes may result in a negative effect on the pricing of such securities. Other policy changes impacting Fannie Mae and Freddie Mac and/or U.S. Government programs related to mortgages that may be implemented in the future could create market uncertainty and affect the actual or perceived credit quality of issued securities, adversely affecting mortgage-backed securities through an increased risk of loss.

Importantly, the fair market value of these securities is also highly sensitive to changes in interest rates, liquidity of the secondary market and economic conditions impacting financial institutions and the credit markets generally. 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. Further, volatility and disruption in the mortgage market and credit markets generally (such as was the case in 2008 and 2009) may cause there to be a very limited or even no secondary market for these securities and they therefore may be harder to sell than other securities.

Risks of U.S. government agency securities and corporate obligations

The Account invests in securities issued by U.S. government agencies and U.S. government-sponsored entities. Some of these issuers 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. Also, the Account may invest in corporate obligations (such as commercial paper) and while the Account seeks out such holdings in short-term, higher-quality liquid instruments, the ability of the Account to sell these securities may be uncertain, particularly when there are general dislocations in the finance or credit markets. Any such volatility could have a negative impact on the value of these securities. Further, transaction activity may fluctuate significantly from time to time, which could impair the Account's ability to dispose of a security at a favorable time, regardless of the credit quality of the underlying issuer. Also, inherent with investing in any corporate obligation is the risk that the credit quality of the issuer will deteriorate, which could cause the obligations to be downgraded and hamper the value or the liquidity of these securities. Finally, any further downgrades or threatened

downgrades of the credit rating for U.S. government obligations generally could impact the pricing and liquidity of agency securities or corporate obligations in a manner which could impact the value of the Account's units.

Risks of liquid investments

The Account's investments in liquid investments (whether real estate-related, such as REITs, CMBS or some loans receivable, or non-real estate-related, such as cash equivalents and government securities, and whether debt or equity), are subject to the following general risks:

- **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 even 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 in recent years. 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. As interest rates rise, the value of certain debt securities (such as those bearing lower fixed rates) held by the Account is likely to decrease. As of the date of this prospectus, interest rates in the United States are at or near historic lows, which may increase the Account's exposure to risks associated with rising interest rates.
- **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. In addition, there is some risk that investments held in money market accounts or funds can suffer losses.

Further, to the extent that a significant portion of the Account's net assets at any particular time consist of cash, cash equivalents and non-real estate-related liquid securities, the Account's returns may suffer as compared to the return that could have been generated by more profitable real estate-related investments. Such a potential negative impact on returns may be exacerbated in times of low prevailing interest rates payable on many classes of liquid securities, such as is the case as of the date hereof and which may persist in the future.

Risks of foreign investments

In addition to other investment risks noted above, foreign investments present the following special risks:

- The value of foreign investments or rental income can increase or decrease due to changes in currency exchange rates, currency exchange control or market control regulations, possible expropriation or confiscatory taxation, political, social, diplomatic and economic developments and foreign regulations. The Account translates into U.S. dollars purchases and sales of securities, income receipts and expense payments made in foreign currencies at the exchange rates prevailing on the respective dates of the transactions. The effect of any changes in currency exchange rates on investments and mortgage loans payable is included in the Account's net realized and unrealized gains and losses. As such, fluctuations in currency exchange rates may impair the Account's returns.
- The Account may, but is not required to, hedge its exposure to changes in currency rates, which could involve extra costs. Further, any hedging activities might not be successful. Such hedges may also be subject to valuation changes. In addition, a lender to a foreign property owned by the Account could require the Account to compensate it for its loss associated with such lender's hedging activities.
- Non-U.S. jurisdictions may impose withholding taxes on the Account as a result of its investment activity in that jurisdiction. TIAA may be eligible for a foreign tax credit in respect of such tax paid by the Account and such credit (if available to TIAA) would be reimbursed to the Account. However, there may be circumstances where TIAA is unable to receive some or all of the benefit of a foreign tax credit and the Account would thus not receive reimbursement, which could harm the value of the Account's units.
- Foreign real estate markets may have different liquidity and volatility attributes than U.S. markets.
- The regulatory environment in non-U.S. jurisdictions may disfavor owners and operators of real estate investment properties, resulting in less predictable and/or economically harmful outcomes if the Account were to face a significant dispute with a tenant or with a regulator itself.
- The Account may be subject to increased risk of regulatory scrutiny pursuant to U.S. federal statutes, such as the Foreign Corrupt Practices Act, which, among other things, requires robust compliance and oversight programs to help prevent violations. The costs associated with maintaining such programs, in addition to costs associated with a potential regulatory inquiry, could impair the Account's returns and divert management's attention from other Account activities.
- It may be more difficult to obtain and collect a judgment on foreign investments than on domestic investments, and the costs associated with contesting claims relating to foreign investments may exceed those costs associated with a similar claim on domestic investments.
- We may invest from time to time in securities issued by (1) entities domiciled in foreign countries, (2) domestic affiliates of such entities and/or (3) foreign domiciled affiliates of domestic entities. Such investments could

be subject to the risks associated with investments subject to foreign regulation, including political unrest or the seizure, expropriation, repatriation or nationalization of the issuer's assets. These events could depress the value of such securities and/or make such securities harder to sell on favorable terms, if at all.

Risks of investing in mortgage loans and related investments

The Account's investment strategy includes, to a limited extent, investments in mortgage loans (*i.e.*, the Account serving as lender).

- **General Risks of Mortgage Loans.** The Account will be subject to the risks inherent in making mortgage loans, including:
 - The borrower may default on the loan, requiring that the Account foreclose on the underlying property to protect the value of its mortgage loan. Since its mortgage loans are usually non-recourse, the Account must rely solely on the value of a property for its security. In addition, there is a risk of delay in exercising any contractual remedies due to actions of the borrower, including, without limitation, bankruptcy or insolvency of the borrower.
 - The larger the mortgage loan compared to the value of the property securing it, the greater the loan's risk. Upon default, the Account may not be able to sell the property for its estimated or appraised value. Also, certain liens on the property, such as mechanic's or tax liens, may have priority over the Account's security interest.
 - A deterioration in the financial condition of tenants, which could be caused by general or local economic conditions or other factors beyond the control of the Account, or the bankruptcy or insolvency of a major tenant, may adversely affect the income of a property, which could increase the likelihood that the borrower will default under its obligations.
 - The borrower may be unable to make a lump sum principal payment due under a mortgage loan at the end of the loan term, unless it can refinance the mortgage loan with another lender.
 - If interest rates are volatile during the loan period, the Account's variable-rate mortgage loans could have volatile yields. Further, to the extent the Account makes mortgage loans with fixed interest rates, it may receive lower yields than that which is then available in the market if interest rates rise generally.
- **Interest Rate Risk.** The risk that the value or yield of fixed-income investments may decline if interest rates change. In general, when prevailing interest rates decline, the market values of outstanding fixed-income investments (particularly those paying a fixed rate of interest) tend to increase while yields on similar newly issued fixed-income investments tend to decrease, which could adversely affect the Account's income. Conversely, when prevailing interest rates increase, the market values of outstanding fixed-income investments (particularly those paying a fixed rate of interest) tend to decline while yields on similar newly issued fixed-income investments

tend to increase. If a fixed-income investment pays a floating or variable rate of interest, changes in prevailing interest rates may increase or decrease the investment's yield. Fixed-income investments with longer durations tend to be more sensitive to interest rate changes than shorter-term investments. Interest rate risk is generally heightened during periods when prevailing interest rates are low or negative. During periods of very low or negative interest rates, a fixed-income investment may not be able to maintain positive returns. As of the date of this Prospectus, interest rates in the United States and in certain foreign markets are at or near historic lows, which may increase the Account's exposure to risks associated with rising interest rates. In general, changing interest rates could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility.

- **Extension Risk.** The risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing the Account from reinvesting principal proceeds at higher interest rates, resulting in less income than potentially available. These risks are normally present in mortgage-backed securities and other asset-backed securities. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can lengthen depending on homeowner prepayment activity. A decline in the prepayment rate and the resulting increase in duration of fixed-income securities held by the Account can result in losses to the Account.
- **Prepayment Risks.** The Account's mortgage loan investments will usually be subject to the risk that the borrower repays a loan early. Also, the Account may be unable to reinvest the proceeds at as high an interest rate as the original mortgage loan rate, resulting in a decline in income.
- **Interest Limitations.** The interest rate we charge on mortgage loans may inadvertently violate state usury laws that limit rates, if, for example, state law changes during the loan term. If this happens, the Account could incur penalties or may be unable to enforce payment of the loan.
- **Risks of Investing in Mezzanine Loans.** The Account may invest from time to time in mezzanine loans to entities which own real estate assets. Generally these loans will be secured by a pledge of the equity securities of the entity, but not by a first lien security interest in the property itself. As such, the Account's recovery in the event of an adverse circumstance at the property (such as a default under a mortgage loan on the property) will be subordinated to the recovery available to the first lien mortgage lender(s) to the property. The Account's remedy may solely consist of foreclosing on the equity interest in the entity owning the property, and that equity interest will be junior in right of recovery to a loan secured by the property owned by the entity. Also, as a subordinated lender, the Account may have limited rights to exercise control over the process by which the mortgage loan is restructured or the property is liquidated following a default. Any of these circumstances may result in the Account being unable to recover some or all of its original investment.

- **Risks of Participations.** To the extent the Account invested in a participating mortgage, the following additional risks would apply:
 - The participation feature, in tying the Account's returns to the performance of the underlying asset, might generate insufficient returns to make up for the higher interest rate the loan would have obtained without the participation feature.
 - In very limited circumstances, a court may characterize the Account's participation interest as a partnership or joint venture with the borrower and the Account could lose the priority of its security interest or become liable for the borrower's debts.

Risks of Securities Lending

As described more fully in "Securities Lending" below, in lending its securities, the Account bears the market risk with respect to the investment of collateral and the risk the borrower or Agent may default on its contractual obligations to the Account. Each Agent bears the risk that the borrower may default on its obligation to return the loaned securities as the Agent is contractually obligated to indemnify the Account if at the time of a default by a borrower some or all of the loaned securities have not been returned.

Conflicts of interest within TIAA

General: TIAA and its affiliates (including TIAA-CREF Alternatives Advisors, LLC ("TCAA") and Teachers Advisors, LLC ("TAL"), its wholly owned subsidiaries and registered investment advisers, and TH Real Estate Global, LLC ("THRE"), its wholly-owned subsidiary) have interests in other real estate programs and accounts and also engage in other business activities. As such, they will have conflicts of interest in allocating their time between the Account's business and these other activities. Also, the Account may be buying properties at the same time as TIAA affiliates that may have similar investment objectives to those of the Account. There is also a risk that TIAA will choose a property that provides lower returns to the Account than a property purchased by TIAA and its affiliates. Further, the Account will likely acquire properties in geographic areas where TIAA and its affiliates own or manage properties. In addition, the Account may desire to sell a property at the same time another TIAA affiliate is selling a property in an overlapping market. Conflicts could also arise because some properties owned or managed by TIAA and its affiliates may compete with the Account's properties for tenants. Among other things, if one of the TIAA entities attracts a tenant that the Account is competing for, the Account could suffer a loss of revenue due to delays in locating another suitable tenant. TIAA has adopted allocation policies and procedures applicable to the purchasing conflicts scenario, but the resolution of such conflicts may be economically disadvantageous to the Account. As a result of TIAA's and its affiliates' obligations to TIAA itself and to other current and potential investment vehicles sponsored by TIAA affiliates with similar objectives to those of the Account, there is no assurance that the Account will be able to take advantage of every

attractive investment opportunity that otherwise is in accordance with the Account's investment objectives.

Liquidity Guarantee: In addition, as discussed elsewhere in this prospectus, the TIAA General Account provides a liquidity guarantee to the Account. While an independent fiduciary is responsible for establishing a “trigger point” (a percentage of TIAA's ownership of liquidity units beyond which TIAA's ownership may be reduced at the fiduciary's direction), there is no express cap on the amount TIAA may be obligated to fund under this guarantee. Further, the Account's independent fiduciary oversees any redemption of TIAA liquidity units. TIAA's ownership of liquidity units (including the potential for changes in its levels of ownership in the future) from time to time could result in the perception that TIAA is taking into account its own economic interests while serving as investment manager for the Account. In particular, the value of TIAA's liquidity units fluctuates in the same manner as the value of accumulation units held by all participants. Any perception of a conflict of interest could cause participants to transfer accumulations out of the Account to another investment option, which could have an adverse impact on the Account's ability to act most optimally upon its investment strategy. For a discussion of the relevant allocation policies and procedures TIAA has established, as well as a summary of other conflicts of interest which may arise as a result of TIAA's management of the Account, see the section entitled “Establishing and managing the Account — The role of TIAA — Conflicts of interest.”

No opportunity for prior review of transactions

Investors do not have the opportunity to evaluate the economic or financial merit of the purchase, sale or financing of a property or other investment before the Account completes the transaction, so investors will need to rely solely on TIAA's judgment and ability to select investments consistent with the Account's investment objective and policies. Further, the Account may change its investment objective and pursue specific investments in accordance with any such amended investment objective without the consent of the Account's investors.

Risks of registration under the Investment Company Act of 1940

The Account has not registered, and management intends to continue to operate the Account so that it will not have to register, as an “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, a company is an “investment company” and required to register under the Investment Company Act if, among other things, it holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or it is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of such company's total assets (exclusive of government securities and cash items) on an unconsolidated basis.

If the Account were obligated to register as an investment company, the Account would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things, limitations on capital structure, restrictions on certain investments, compliance with reporting, record keeping, voting and proxy disclosure requirements and other rules and regulations that could significantly increase its operating expenses and reduce its operating flexibility. To maintain compliance with the exemptions from the Investment Company Act, the Account may be unable to sell assets it would otherwise want to sell and may be unable to purchase securities it would otherwise want to purchase, which might materially adversely impact the Account's performance.

Cybersecurity risks

With the increased use of technologies such as the Internet to conduct business, the Account and its service providers (including, but not limited to, TIAA, Services, the independent fiduciary and the Account's custodian and financial intermediaries) are susceptible to cybersecurity risks. In general, cybersecurity attacks can result from infection by computer viruses or other malicious software or from deliberate actions or unintentional events, including gaining unauthorized access through "hacking" or other means to digital systems, networks, or devices that are used to service the Account's operations in order to misappropriate assets or sensitive information, corrupt data, or cause operational disruption. Cybersecurity attacks can also be carried out in a manner that does not require gaining unauthorized access, including by carrying out a "denial-of-service" attack on the Account or its service providers' websites. In addition, authorized persons could inadvertently or intentionally release and possibly destroy confidential or proprietary information stored on the Account's systems or the systems of its service providers.

Cybersecurity failures by the Account or any of its service providers, or the issuers of any portfolio securities in which the Account invests (e.g., issuers of REIT stocks or debt securities), have the ability to result in disruptions to and impacts on business operations and may adversely affect the Account and the value of your accumulation units. Such disruptions or impacts may result in: financial losses; interference with the processing of contract transactions, including the processing of orders from TIAA's website; interfere with the Account's ability to calculate AUVs; barriers to trading and order processing; Account contract owners' inability to transact business with the Account; violations of applicable federal and state privacy or other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. The Account may incur additional, incremental costs to prevent and mitigate the risks of cybersecurity attacks or incidents in the future. The Account and its contract owners could be negatively impacted by such cyber-attacks or incidents. Although the Account has established business continuity plans and risk-based processes and controls to address such cybersecurity risks, there are inherent limitations in such plans and systems in

part due to the evolving nature of technology and cybersecurity attack tactics. As a result, it is possible that the Account or the Account's service providers will not be able to adequately identify or prepare for all cybersecurity attacks. In addition, the Account cannot directly control the cybersecurity plans or systems implemented by its service providers.

About the Account's investments — In general

Direct investments in real estate

Direct Purchase: The Account will generally buy direct ownership interests in existing or newly constructed income-producing properties, primarily office, industrial, retail, and multi-family residential properties, and, to a lesser extent, the Account will selectively buy student housing properties. The Account will invest mainly in established properties with existing rent and expense schedules or in newly constructed properties with predictable cash flows or, in very limited cases, where a seller agrees to provide certain minimum income levels. In addition, the Account will selectively invest in real estate development projects or engage in redevelopment projects, including pure 'ground up' developments. The Account does not directly invest in single-family residential real estate, nor does it currently invest in residential mortgage-backed securities ("RMBS"), although it may invest in such securities in the future.

Purchase-Leaseback Transactions: Although it has not yet done so, the Account can enter into purchase-leaseback transactions (leasebacks) in which it would buy land and income-producing improvements on the land (such as buildings), and simultaneously lease the land and improvements to a third party (the lessee). Leasebacks are generally for very long terms. Usually, the lessee is responsible for operating the property and paying all operating costs, including taxes and mortgage debt. The Account can also give the lessee an option to buy the land and improvements.

In some leasebacks, the Account may purchase only the land under an income-producing building and lease the land to the building owner. In those cases, the Account could seek to share (or "participate") in any increase in property value from building improvements or in the lessee's revenues from the building above a base amount. The Account can invest in leasebacks that are subordinated to other interests in the land, buildings, and improvements (e.g., first mortgages); in that case, the leaseback interest would be subject to greater risks.

Investments in mortgages

General: The Account can originate or acquire interests in mortgage loans, generally on the same types of properties it might otherwise buy — *i.e.*, the Account will be a creditor. These mortgage loans may pay fixed or variable interest rates or have "participating" features (as described below). Normally the Account's mortgage loans will be secured by properties that have income-producing potential. They usually will not be insured or guaranteed by the U.S.

government, its agencies or anyone else. They usually will be non-recourse, which means they won't be the borrower's personal obligations. Most will be first mortgage loans on existing income-producing property, with first-priority liens on the property. These loans may be amortized (*i.e.*, principal is paid over the course of the loan), or may provide for interest-only payments, with a balloon payment at maturity. In addition, the Account may originate a mortgage loan on a property it has recently sold (this is sometimes called "seller financing").

Participating Mortgage Loans: The Account may make mortgage loans which permit the Account to share (have a "participation") in the income from or appreciation of the underlying property. These participations let the Account receive additional interest, usually calculated as a percentage of the income the borrower receives from operating, selling or refinancing the property. The Account may also have an option to buy an interest in the property securing the participating loan.

Managing Mortgage Loan Investments: TIAA can manage the Account's mortgage loans in a variety of ways, including:

- renegotiating and restructuring the terms of a mortgage loan;
- extending the maturity of any mortgage loan made by the Account;
- consenting to a sale of the property subject to a mortgage loan;
- financing the purchase of a property by making a new mortgage loan in connection with the sale; and/or
- selling the mortgage loans, or portions of them, before maturity.

Other real estate-related investments

Joint Investment Vehicles Involved in Real Estate Activities: The Account can hold interests in joint ventures, limited partnerships, limited liability companies, funds, and other commingled investment vehicles involved in real estate-related activities, including owning, financing, managing, or developing real estate. Many times, the Account will have limited voting and management rights in these commingled vehicles, including over the selection and disposition of the underlying real estate-related assets owned by the vehicle. Also, the Account's ability to sell freely its interests in commingled vehicles may be restricted by the terms of the governing agreements. From time to time, the Account may also serve as the general partner, managing member, manager or administrator for a joint venture, for which it may earn fees and assume certain responsibilities typically associated with serving as a manager. The Account will not hold real property jointly with TIAA or its affiliates.

Real Estate Investment Trusts: The Account may invest in public and/or privately placed registered and unregistered equity investments in REITs, which are entities (usually publicly owned and traded) that lease, manage, acquire, hold mortgages on, and develop real estate. Normally the Account will attempt to replicate the holdings of widely recognized REIT indexes, but at times may gain exposure to REITs by purchasing the common or preferred stock of an individual REIT, by purchasing index funds or exchange traded funds, or by purchasing debt

securities issued by a REIT. REITs seek to maximize share value and increase cash flows by acquiring and developing new real estate projects, upgrading existing properties or renegotiating existing arrangements to increase rental rates and occupancy levels. REITs must distribute at least 90% of their taxable income to shareholders in order to benefit from a special tax structure, which means they may pay high dividends. The value of a particular REIT can be affected by such factors as general economic and market conditions (in particular as to publicly traded REITs), the performance of the real estate sector in which the REIT primarily invests, cash flow, the skill of its management team, and defaults by its lessees or borrowers.

Mortgage-Backed Securities: The Account can invest in mortgage-backed securities and other mortgage-related or asset-backed instruments, including CMBS, RMBS, mortgage-backed securities issued or guaranteed by agencies or instrumentalities of the U.S. government, non-agency mortgage instruments, and collateralized mortgage obligations that are fully collateralized by a portfolio of mortgages or mortgage-related securities. Mortgage-backed securities are instruments that directly or indirectly represent a participation in, or are secured by and payable from, one or more mortgage loans secured by real estate. In most cases, mortgage-backed securities distribute principal and interest payments on the mortgages to investors. Interest rates on these instruments can be fixed or variable. Some classes of mortgage-backed securities may be entitled to receive mortgage prepayments before other classes do. Therefore, the prepayment risk for a particular instrument may be different than for other mortgage-related securities. Many classes of mortgage-backed securities experienced volatility in pricing and liquidity following the 2008 financial crisis with some volatility persisting to the present day.

Mezzanine Loan Investments: Consistent with its investment objectives, the Account may consider investments in mezzanine debt. Management believes that mezzanine lending may provide opportunities to generate returns that are commensurate with targeted returns for property acquisitions. Unlike a commercial mortgage loan, a mezzanine loan is not secured by a mortgage on a property. Rather, it is a debt investment whereby the lender typically has a security interest in an owner's equity in an entity that owns a property. A mezzanine loan is subordinate to a first mortgage but senior to the owner's ownership interest. If a borrower fails to make an interest payment, a mezzanine lender can foreclose on the equity of the entity that owns the property. For higher quality assets, management will selectively determine whether to enter into mezzanine loan investments with higher levels of leverage.

Stock of Companies Involved in Real Estate Activities: From time to time, the Account can invest in common or preferred stock of companies whose business involves real estate. These stocks may be listed on U.S. or foreign stock exchanges or traded over-the-counter in the U.S. or abroad.

Non-real estate-related investments

The Account can also invest in:

- U.S. treasury or U.S. government agency 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;
- Corporate debt or asset-backed securities of U.S. or foreign entities, or debt securities of foreign governments or multinational organizations, but only if they are investment-grade and rated in the top four categories by a nationally recognized rating organization (or, if not rated, deemed by TIAA to be of equal quality); and
- To a limited extent common or preferred stock, or other ownership interests, of U.S. or foreign companies that are not involved in real estate.

Foreign real estate and other foreign investments

The Account from time to time will invest in foreign real estate or real estate-related investments. It might also invest in securities or other instruments of foreign government or private issuers. Under the Account's investment guidelines, investments in direct foreign real estate, together with foreign real estate-related securities and foreign non-real estate-related liquid investments, may not comprise more than 25% of the Account's net assets. However, through the date of this prospectus, such foreign real estate-related investments have never represented more than 7.5% of the Account's net assets and management does not intend such foreign investments to exceed 10% of the Account's net assets. As of the date of this prospectus, the Account did not hold any foreign real estate investments.

Depending on investment opportunities, the Account's foreign investments could at times be concentrated in one or two foreign countries. We will consider the special risks involved in foreign investing before investing in foreign real estate and won't invest unless our standards are met.

General investment and operating policies

Standards for real estate investments

Buying Real Estate or Making Mortgage Loans: Before the Account purchases real estate or makes a mortgage loan, TIAA will consider such factors as:

- the location, condition, and use of the underlying property;
- its operating history and its future income-producing capacity; and
- the quality, operating experience, and creditworthiness of the tenants or the borrower.

TIAA will also analyze the fair market value of the underlying real estate, taking into account the property's operating cash flow (based on the historical and projected levels of rental and occupancy rates and expenses), as well as the general economic conditions in the area where the property is located.

Diversification: We haven't placed percentage limitations on the type and location of properties that the Account can buy. However, the Account seeks to diversify its investments by type of property, geographic location and tenant mix. How much the Account diversifies will depend upon whether suitable investments are available, the Account's ability to divest of properties that are in over-concentrated locations or sectors, and how much the Account has available to invest.

Special Criteria for Making Mortgage Loans: Ordinarily, the Account will only make a mortgage loan if the loan, when added to any existing debt, will not exceed 85% of the appraised value of the mortgaged property when the loan is made, unless the Account is compensated for taking additional risk.

Selling Real Estate Investments: The Account doesn't intend to buy and sell its real estate investments simply to make short-term profits, although proceeds from sales of real estate investments do play a role in the Account's cash management generally. Rather, the Account's general strategy in selling real estate investments is to dispose of those assets which management believes:

- have maximized in value;
- have underperformed or face deteriorating property-specific or market conditions;
- represent properties needing significant capital infusions in the future;
- are appropriate to dispose of in order to remain consistent with its 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); and/or
- otherwise do not satisfy the investment objectives or strategy 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 will reinvest any sale proceeds that management doesn't believe it will need to pay operating expenses, fund other obligations (such as debt obligations and funding commitments under limited partnership agreements) or to meet participant redemption requests (e.g., cash withdrawals or transfers).

Other real estate-related policies

Appraisals and Valuations of Real Estate Assets: The Account will rely on TIAA's own analysis, normally along with an independent external appraisal, in connection with the purchase of a property by the Account. The Account will normally receive an independent external appraisal performed by a third-party appraisal firm at or before the time it buys a real estate asset, and the Account also generally obtains an independent appraisal when it makes mortgage loans.

Subsequently, each of the Account's real properties are appraised, and mortgage loans are valued, at least once every calendar quarter. Each of the Account's real estate properties are appraised each quarter by an independent third-party appraiser who is a member of a professional appraisal organization. In addition, TIAA's internal appraisal staff performs a review of each independent appraisal of each real estate property as the final step in the Account's process of determining the value, in conjunction with the Account's independent fiduciary,

and TIAA's internal appraisal staff or the independent fiduciary may request an additional appraisal or valuation outside of this quarterly cycle. Any differences in the conclusions of TIAA's internal appraisal staff and the independent appraiser will be reviewed by the independent fiduciary, which will make a final determination on the matter (which may include ordering a subsequent independent appraisal).

Please see the section below entitled "Valuing the Account's assets" for more information on how each class of the Account's investments (including assets other than real estate properties) are valued.

Borrowing: The Account is authorized to borrow money and assume or obtain a mortgage on a property — *i.e.*, make leveraged real estate investments. Under the Account's current investment guidelines, management intends to maintain the Account's loan to value ratio at or below 30% (measured at the time of incurrence and after giving effect thereto). Forms of borrowing may include:

- placing new debt on properties,
- refinancing outstanding debt,
- assuming debt on the Account's properties, or
- extending the maturity date of outstanding debt.

The Account's loan to value ratio at any time is based on the ratio of the outstanding principal amount of the Account's debt to the Account's total gross asset value. 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 will 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 line of credit, management deems the maximum amount which may be drawn under that line of credit as fully incurred, regardless of whether the maximum amount available has been drawn from time to time.

As of December 31, 2016, the aggregate principal amount of the Account's outstanding debt (including the Account's share of debt on its joint venture investments) was approximately \$4.4 billion and the Account's loan to value ratio was approximately 15.0%.

In times of high net inflow activity, in particular during times of high net participant transfer inflows, management may determine to apply a portion of such cash flows to make prepayments of indebtedness prior to scheduled maturity, which would have the effect of reducing the Account's loan to value ratio. Such prepayments may require the Account to pay fees or 'yield maintenance' amounts to lenders.

The Account may only borrow up to 70% of the then current value of a property, although construction loans may be for 100% of costs incurred in developing a property. Except for construction loans, any mortgage loans on a

property will be non-recourse to the Account, meaning that if there is a default on a loan in respect of 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. When possible, the Account will seek to have loans mature at varying times to limit the risks of borrowing.

The Account will not obtain mortgage financing on properties it owns from TIAA or any of its affiliates. Under certain circumstances, TIAA or an affiliate may provide a loan to a third party purchaser of a property sold by the Account, but no such financing will be made with respect to a property the Account still owns. However, the Account may place an intra-company mortgage on an Account property held by a subsidiary for tax planning or other purposes. This type of mortgage will not be subject to the general limitations on borrowing described above.

When the Account assumes or obtains a mortgage on a property, it will bear the expense of mortgage payments. It will also be exposed to certain additional risks, which are described in the section above entitled “Risk factors — Risks of borrowing.”

In addition, while it has not done so through the date of this prospectus, the Account may obtain a line of credit to meet short-term cash needs, which line of credit may be unsecured and/or contain terms that may require the Account to secure a loan with one or more of its properties. Management expects the proceeds from any such short-term borrowing would be used to meet the cash flow needs of the Account’s properties and real estate-related investments, but depending on the circumstances, proceeds could be used for Account-level funding needs (including the need to honor unexpected participant withdrawal activity).

Discretion to Evict or Foreclose: TIAA may, in its discretion, evict defaulting tenants or foreclose on defaulting borrowers to maintain the value of an investment, when it decides that it is in the Account’s best interests.

Property Management and Leasing Services: The Account usually will hire a national or regional independent third-party property management company to perform the day-to-day management services for each of the Account’s properties, including supervising any on-site personnel, negotiating maintenance and service contracts, providing advice on major repairs and capital improvements and assisting the Account in ensuring compliance with environmental regulations. The property manager will also recommend changes in rent schedules and create marketing and advertising programs to attain and maintain high levels of occupancy by responsible tenants. The Account may also hire independent third-party leasing companies to perform or coordinate leasing and marketing services to fill any vacancies. The fees paid to the property management company, along with any leasing commissions and expenses, will reduce the Account’s cash flow from a property.

Insurance: We intend to arrange for, or require proof of, comprehensive insurance, including liability, fire, and extended coverage, for the Account’s real

properties and properties securing mortgage loans or subject to purchase-leaseback transactions. The Account currently participates in property, casualty and other related insurance programs as part of TIAA's property insurance programs, and the Account bears only the cost of insuring only the properties it owns. The terms and conditions of the insurance coverage the Account has on its properties, in conjunction with the type of loss actually suffered at a property, may subject the property, or the Account as a whole, to a cap on insurance proceeds that is less than the loss or losses suffered. In addition, the Account's insurance policies on its properties currently include catastrophic coverage for wind, earthquakes and terrorist acts, but we can't assure you that it will be adequate to cover all losses. We also can't assure you that we will be able to obtain coverage for wind, earthquakes and terrorist acts at an acceptable cost, if at all, at the time a policy expires. While the Account will seek to have coverage placed with highly rated, financially healthy insurance carriers, the Account is reliant on the continued financial health of the third-party insurers it engages.

Other policies

Investment Company Act of 1940: The Account has not registered, and we intend to operate the Account so that it will not have to register, as an "investment company" under the Investment Company Act. This will require monitoring the Account's portfolio so that it won't have more than 40% of the value of its total assets, excluding U.S. government securities and cash items, in investment securities. As a result, the Account may be unable to make some potentially profitable investments, it may be unable to sell assets it would otherwise want to sell or it may be forced to sell investments in investment securities before it would otherwise want to do so.

Changing Operating Policies or Winding Down: Under the terms of the contracts and in accordance with applicable insurance law, TIAA can decide, in its sole discretion, to change the operating policies of the Account or to wind it down. If the Account is wound down, you may need to transfer your accumulations or annuity income to TIAA's Traditional Annuity or any CREF account available under your employer's plan. All investors in the Account will be notified in advance if we decide to change a significant policy or wind down the Account.

Securities Lending: Subject to the Account's investment policies relating to loans of portfolio securities, the Account may lend certain of its portfolio securities (e.g., REIT stocks) to certain other financial institutions, including brokers and dealers that are not affiliated with the Account or TIAA, are registered with the SEC and are members of the Financial Industry Regulatory Authority ("FINRA"). All loans of the Account's portfolio securities will be fully collateralized. In connection with the lending of its securities, the Account will receive as collateral cash, securities issued or guaranteed by the U.S. Government (e.g., Treasury securities), or other collateral permitted by applicable law, which at all times while the loan is outstanding will be maintained in amounts equal to at least 100% of the current market value of the outstanding loaned securities for U.S. equities (including domestic REIT stocks) and fixed-

income assets and 105% for non-U.S. equities (including foreign REIT stocks), or such lesser percentage as may be permitted by the SEC or the NY Department of Financial Services (“NYDFS”) (including a decline in the value of the collateral). Such percentage may not fall below 100% of the market value of the loaned securities (unless due to a decline in the value of the collateral), and all such collateral levels will be reviewed daily.

Cash collateral received by the Account will generally be invested in overnight cash deposits, U.S. Treasury repurchase agreements (or repos), or in one or more funds maintained by the Account’s securities lending agent for the purpose of investing cash collateral. During the term of the loan, the Account will continue to have investment risks with respect to the securities being loaned, as well as risk with respect to the investment of the cash collateral, and the Account may lose money as a result of the investment of such collateral. In addition, an Account could suffer loss if the loan terminates and the Account is forced to liquidate investments at a loss in order to return the cash collateral to the borrower.

By lending its securities, the Account will receive amounts equal to the interest or dividends paid on the securities loaned and, in addition, will expect to receive a portion of the income generated by the short-term investment of cash received as collateral or, alternatively, where securities or letter of credit are used as collateral, a lending fee paid directly to the Account by the borrower of the securities. Under certain circumstances, a portion of the lending fee may be paid or rebated to the borrower by the Account. Such securities loans will be terminable by the Account at any time and will not be made to affiliates of TIAA. The Account may terminate a loan of securities in order to regain record ownership of, and to exercise beneficial rights related to, the loaned securities, including, but not necessarily limited to, voting or subscription rights. The Account may also terminate a loan in the event that a vote of holders of those securities is required on a material matter. The Account may pay reasonable fees to persons unaffiliated with the Account for services, for arranging such loans, or for acting as securities lending agent (each an “Agent”). Loans of securities will be made only to firms deemed creditworthy.

Establishing and managing the Account — The role of TIAA

Establishing the Account

The Board established the Real Estate Account as a separate account of TIAA under New York law on February 22, 1995. The Account is regulated by the New York State Department of Financial Services (“NYDFS”) and the insurance departments of the other jurisdictions in which the annuity contracts are offered. Although TIAA owns the assets of the Real Estate Account, and the Account’s obligations under the contracts are obligations of TIAA, the Account’s income, investment gains, and investment losses are credited to or charged against the assets of the Account without regard to TIAA’s other income, gains, or losses.

Under New York insurance law, we can't charge the Account with liabilities incurred by any other TIAA business activities or any other TIAA separate account.

Managing the Account

Officers of TIAA, under the direction and control of the Board, manage the investment of the Account's assets, following investment management procedures TIAA has adopted for the Account. The Account does not have officers, directors or employees. TIAA's investment management responsibilities include:

- identifying and recommending purchases, sales and financings of appropriate real estate-related and other investments;
- providing (including by arranging for others to provide) all portfolio accounting, custodial, and related services for the Account; and
- arranging for others to provide certain advisory or other management services to the Account's joint ventures or other investments.

In addition, TIAA performs administration functions for the Account. These functions include receiving and allocating premiums, calculating and making annuity payments and providing recordkeeping and other services. Distribution services for the Account (which include, without limitation, distribution of the annuity contracts, advising existing annuity contract owners in connection with their accumulations and helping employers implement and manage retirement plans) are performed by Services. TIAA and Services provide investment management, administration and distribution services, as applicable, on an "at cost" basis. In the future, TIAA may retain one or more affiliated sub-advisers (e.g., one or more registered investment advisers in TIAA's Nuveen division) to provide investment management and administration services to the Account. For more information about the charge for investment management, administration and distribution services, please see the section below entitled "Expense deductions."

You don't have the right to vote for TIAA Trustees. Please see the section below entitled "General matters — Voting rights." For information about the Trustees, certain executive officers of TIAA and the Account's portfolio management team, see Appendix A of this prospectus.

TIAA's ERISA Fiduciary Status. To the extent that assets of a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are allocated to the Account, TIAA will be acting as an "investment manager" and a fiduciary under ERISA with respect to those assets.

Liquidity guarantee

The TIAA General Account provides the Account with a liquidity guarantee enabling the Account to have funds available to meet participant redemption, transfer or cash withdrawal requests. This guarantee is required by the NYDFS. If the Account can't fund participant requests from the Account's own cash flow and liquid investments, the TIAA General Account will fund such requests by purchasing accumulation units (accumulation units that are purchased by TIAA

are generally referred to as “liquidity units”) issued by the Account. TIAA guarantees that you can redeem your accumulation units at their accumulation unit value next determined after your transfer or cash withdrawal request is received in good order. “Good order” means actual receipt of the transaction request along with all information and supporting legal documentation necessary to effect the transaction. Whether the liquidity guarantee is exercised is based on the cash level of the Account from time to time, as well as recent participant withdrawal activity and the Account’s expected working capital, debt service and cash needs, all subject to the oversight of the independent fiduciary. While the proceeds from liquidity unit purchases are not placed in a segregated account solely to fund participant requests, the guarantee is in place to meet participant needs. Liquidity units owned by TIAA are valued in the same manner as accumulation units owned by the Account’s participants. Importantly, however, this liquidity guarantee is not a guarantee of the investment performance of the Account or a guarantee of the value of your units. Transfers from the Account to a CREF or TIAA account, or another investment option, are limited to once every calendar quarter (except for specifically prescribed systematic transfers established in accordance with the terms of the participant’s contract and employer’s plan), and cash withdrawals may be further restricted by the terms of your plan.

TIAA’s obligation to provide Account participants liquidity through purchases of liquidity units is not subject to an express regulatory or contractual limitation, although as described under the section below entitled “Establishing and managing the Account — the role of TIAA — Role of the independent fiduciary,” the independent fiduciary may (but is not obligated to) require the reduction of TIAA’s interest through sales of assets from the Account if TIAA’s interest exceeds a predetermined trigger point. Even if this trigger point were reached and regardless of whether the independent fiduciary has required the Account to dispose of any assets, TIAA’s obligation to provide liquidity under the guarantee will continue.

Please see the section below entitled “Expense deductions.” Primarily as a result of significant net participant transfers throughout 2008 (in particular, in the second half of 2008), pursuant to this liquidity guarantee obligation, the TIAA General Account first purchased liquidity units on December 24, 2008. Between December 2008 and June 2009, the TIAA General Account paid an aggregate of approximately \$1.2 billion to purchase liquidity units in a number of separate transactions, with the last such transaction occurring in June 2009. Management cannot predict whether future liquidity unit purchases will be required under the liquidity guarantee although as of the date of this prospectus, management believes such purchases are unlikely in the near term.

Redemption of Liquidity Units. The independent fiduciary is vested with oversight and approval over any redemption of TIAA’s liquidity units, acting in the best interests of the Account’s participants.

As of December 31, 2016, TIAA did not own any liquidity units, as the independent fiduciary completed the systematic redemption of all of the liquidity

units previously held by the TIAA General Account in March 2013. As a general matter, the independent fiduciary may authorize or direct the redemption of all or a portion of liquidity units at any time and TIAA will request the approval of the independent fiduciary before any liquidity units are redeemed.

Upon termination and liquidation of the Account (wind-up), any liquidity units held by TIAA will be the last units redeemed, unless the independent fiduciary directs otherwise. Finally, TIAA may redeem its liquidity units more frequently than once per calendar quarter, subject at all times to the oversight and approval of the Account's independent fiduciary (discussed in more detail in the subsection entitled “— Role of the independent fiduciary” immediately below).

Role of the independent fiduciary

Because TIAA's ability to purchase and sell liquidity units raises certain technical issues under ERISA, TIAA applied for and received a prohibited transaction exemption from the U.S. Department of Labor in 1996 (PTE-96-76). In connection with the exemption, TIAA has appointed an independent fiduciary for the Real Estate Account, with overall responsibility for reviewing Account transactions to determine whether they are in accordance with the Account's investment guidelines. RERC, LLC, a real estate consulting firm whose principal offices are located in Des Moines, IA (“RERC”), was appointed as independent fiduciary effective March 1, 2006 and currently serves as the Account's independent fiduciary pursuant to an amended and restated letter agreement effective March 1, 2015, whose term expires on February 28, 2018.

Under the terms of PTE 96-76, RERC's responsibilities include:

- reviewing and approving the Account's investment guidelines and monitoring whether the Account's investments comply with those guidelines;
- reviewing and approving the valuation of the Account and of the properties held in the Account as well as the valuation procedures and rules for the Account;
- approving adjustments to any property valuations that change the value of the property or the Account as a whole above or below certain prescribed levels, or that are made within three months of the annual independent appraisal;
- reviewing and approving how the Account values accumulation and annuity units;
- approving the appointment of all independent appraisers;
- reviewing the purchase and sale of units by TIAA to ensure that the Account uses the correct unit values; and
- requiring appraisals besides those normally conducted, if the independent fiduciary believes that any of the properties have changed materially, or that an additional appraisal is necessary or appropriate to ensure the Account has correctly valued a property.

In addition, RERC has certain responsibilities with respect to the Account that it had historically undertaken or is currently undertaking with respect to TIAA's purchase and ownership of liquidity units, including among other things, reviewing

the purchases and redemption of liquidity units by TIAA to ensure the Account uses the correct unit values. In connection therewith, as set forth in PTE 96-76, the independent fiduciary's responsibilities include:

- establishing the percentage of total liquidity units that TIAA's ownership should not exceed (the "trigger point") and creating a method for changing the trigger point;
- approving any adjustment of TIAA's ownership interest in the Account and, in its discretion, requiring an adjustment if TIAA's ownership of liquidity units reaches the trigger point; and
- once the trigger point has been reached, participating in any program to reduce TIAA's ownership in the Account by utilizing cash flow or liquid investments in the Account, or by utilizing the proceeds from asset sales. If the independent fiduciary were to determine that TIAA's ownership should be reduced following the trigger point, its role in participating in any asset sales program would include:
 - (i) participating in the selection of properties for sale,
 - (ii) providing sales guidelines, and
 - (iii) approving those sales if, in the independent fiduciary's opinion, such sales are desirable to reduce TIAA's ownership of liquidity units.

In establishing the appropriate trigger point, including whether or not to require certain actions once the trigger point has been reached, the independent fiduciary will assess, among other things and to the extent consistent with PTE 96-76 and the independent fiduciary's duties under ERISA, the risk that a conflict of interest could arise due to the level of TIAA's ownership interest in the Account.

A special subcommittee consisting of five (5) independent outside members of the Investment Committee of the Board renewed the appointment of RERC as the independent fiduciary for an additional three-year term, which appointment was effective as of March 1, 2015, and continues through February 28, 2018. This subcommittee may renew the independent fiduciary appointment, remove the independent fiduciary, or appoint its successor. The independent fiduciary can be removed for cause by the vote of three (3) out of the five (5) subcommittee members and will not be reappointed if two (2) of the subcommittee members disapprove of the reappointment. The independent fiduciary can resign after providing at least 180 days' written notice.

The Account pays the independent fiduciary directly. The investment management charge includes the costs associated with retaining the independent fiduciary. Under PTE 96-76, the independent fiduciary must receive less than 5% of its annual gross revenues (including payment for its services to the Account) from TIAA and its affiliates.

When you decide as a participant or plan fiduciary to invest in the Account, after TIAA has provided you with full and fair disclosure, including the disclosure in this prospectus, you are also acknowledging that you approve and accept RERC or any successor to serve as the Account's independent fiduciary.

Conflicts of interest

General. Officers of TIAA that provide advice with respect to the Real Estate Account may also provide investment advice with respect to investments owned by TIAA, and investments managed by TCAA and TAL. In addition, TIAA and its affiliates offer (and may in the future offer) other accounts and investment products that are not managed under an “at cost” expense structure. Therefore, TIAA and its officers may at times face various conflicts of interest. For example, the TIAA General Account and a privately offered core property investment fund managed by TCAA (the “core property investment fund”) may sometimes compete with the Account in the purchase of investments; however, both accounts will be subject to the allocation procedure described below. (Each of the TIAA General Account, the Account and the core property investment fund together with any other real estate accounts or funds that are established or may be established by TIAA or its affiliates in the future, are herein referred to as an “account.”)

Many of the officers of TIAA involved in performing services to the Account will have competing demands on their time. The officers will devote such time to the affairs of the Account as TIAA’s management determines, in its sole discretion exercising good faith, is necessary to properly service the Account. TIAA believes that it has sufficient personnel to discharge its responsibility to the Account, the General Account, the core property investment fund and other accounts to avoid conflicts of interest. TIAA or its affiliates may form and/or manage other real estate investment vehicles in the future and we will take steps to assure that those vehicles are integrated into appropriate conflict of interest policies. TIAA does not accept acquisition or placement fees for the services it provides to the Account.

Allocation Procedure. TIAA and its affiliates (including THRE and other subsidiaries of Nuveen, LLC) allocate new investments (including real property investments and commercial mortgages, but generally not real estate limited partnership investments) among the accounts (including the Account) in accordance with a written allocation procedure as adopted by TIAA and such affiliates and modified from time to time. Under the allocation procedure, an internal real estate acquisitions team adds transactions as they are identified into an internal deal pipeline. Proposed transactions in the pipeline are presented at regular internal real estate review meetings, at which the portfolio managers for each of the accounts will evaluate acquisition opportunities which conform to the investment strategy of the applicable account. If only one portfolio manager is interested in making a bid to pursue the transaction, the transaction is allocated to that account and there is no change in the rotation order. However, if more than one account expresses an interest in a transaction in a particular sector, a strict rotation system will be used so that the accounts are treated equitably and transactions are impartially allocated.

Under the rotation system, an allocations coordinator will allocate a transaction to the interested account in the top most position of the rotation for a specific real estate sector, but the Account will then drop to the bottom of the rotation for new or additional investment opportunities in that sector. This

rotation system is employed on a sector-by-sector basis for each of the office, retail, industrial, multi-family, student housing and other sectors; and each sector has its own rotation. As a result, an account (including the Account) could, at any one time, be at the top or the bottom of the rotation for new investment opportunities in any one or all five of the sectors in which the Account could invest. If an account chooses not to pursue a transaction that has been allocated to it, the acquisitions team may bring the transaction back into the main rotation. New funds or accounts with the ability to invest in transactions without a co-investor (*i.e.*, “stand alone” accounts), will be added to the main rotation. Where such new funds or accounts are a co-investor with TIAA as a joint venture partner and the portfolio manager for TIAA or THRE affiliate does not have discretion to deploy investors’ capital for acquisitions within such mandate (*i.e.*, a non-discretionary mandate), such mandates will be part of a sub-rotation within the account that was allocated the transaction and will not have a separate place in the main rotation. New funds or accounts where TIAA is a joint venture partner and the portfolio manager for TIAA or THRE affiliate does have discretion to deploy investors’ capital for acquisitions within such mandate (*i.e.*, a fully discretionary mandate), regardless of the ownership percentage, are added to the main rotation.

Also, there may be circumstances where multiple properties are presented to TIAA for sale as a single acquisition opportunity, and the proposed price is inclusive of all the properties. If more than one account has interest in all or a portion of such bundled acquisition opportunity, the acquisitions team will investigate with the seller whether the properties can be unbundled and offered to the accounts on an individual basis and the sector-based rotation system described above will apply to the allocation of such unbundled properties.

The allocation procedure contains substantive requirements for proceeding through the different stages of the bidding process prior to allocation to preserve the fairness, equitability and transparency of the transaction. The procedure also provides a process for handling exceptions to the allocation process when requested by a portfolio manager for the accounts.

The allocation procedure is overseen and monitored by senior officers of TIAA and its affiliates, including THRE and other subsidiaries of Nuveen, LLC (“Nuveen”), pursuant to Nuveen’s existing compliance policies and processes.

Leasing Conflicts. Conflicts could also arise because some properties in the TIAA General Account, the core property investment fund and other accounts may compete for tenants with the Account’s properties. Management believes the potential for leasing conflicts are minimized by the unique characteristics of each property, including location, submarket, physical characteristics, amenities and lease rollover schedules. Management believes the differing business strategies of the accounts also reduce potential conflicts. If a conflict arises, as appropriate, the competing accounts will arrange that different property managers and leasing brokers are engaged, each charged with using their best efforts to support the property management and leasing activity for each particular property

and an ethical screen will be placed between the internal asset managers for the respective properties.

Sales Conflicts. Conflicts could also potentially arise when two TIAA accounts attempt to sell properties located in the same market or submarket, especially if there are a limited number of potential purchasers and/or if such purchaser has an ongoing business relationship with TIAA or one of its specific accounts.

Liquidity Guarantee. TIAA's ownership of liquidity units (including potential changes in future ownership levels) could result in the perception that TIAA is taking into account its own economic interests while serving as investment manager for the Account. In particular, there is the concern that TIAA could make investment decisions (and other management decisions) with respect to the Account which serves the interest of the TIAA General Account, at the expense of those participants that have chosen the Account as an investment option. This could manifest itself, among other ways, by the Account disposing its properties solely to raise liquidity in avoidance of having a need for the liquidity guarantee, or by foregoing otherwise attractive investment opportunities so as not to impair liquid asset levels.

Management believes that any conflict (or potential conflict) is mitigated by, among other things, the detailed valuation procedure for the Account's properties, which includes independent appraisals and the oversight of the independent fiduciary. Also, the independent fiduciary oversees the execution of the liquidity guarantee to ensure the proper unit values are applied, and the independent fiduciary will oversee any liquidity unit redemptions. Further, the independent fiduciary is vested with the right to establish a trigger point, which is a level of ownership at which the fiduciary is empowered, but not required, to reduce TIAA's ownership interest (with the goal to mitigate any potential conflict of interest) through the means described in the immediately preceding section. For example, the independent fiduciary could perceive a conflict of interest if it believed that management directed the sale of properties solely to increase liquidity (not in accordance with the Account's investment guidelines or at "fire sale" prices) with the sole goal of avoiding the need for further TIAA liquidity unit purchases under the liquidity guarantee. In such case, the independent fiduciary would be authorized to adjust the trigger point, at which time the fiduciary would have control over the sales of properties (including the timing and pricing) to ensure such sales are in the best interests of the Account.

While it retains the oversight over the Account's investment guidelines, valuation and appraisal matters and the liquidity guarantee as described in "— Role of the independent fiduciary," the independent fiduciary's authority to override investment management decisions made by TIAA's managers acting on behalf of the Account is limited to those circumstances after which the trigger point has been reached or during a wind-down of the Account.

Indemnification

The Account has agreed to indemnify TIAA and its affiliates, including its officers and trustees, against certain liabilities to the extent permitted by law,

including liabilities under the Securities Act of 1933. The Account may make such indemnification out of its assets. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to TIAA and its affiliates, the Account has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Summary of the Account's properties

The properties — In general

At December 31, 2016, the Account owned a total of 129 real estate investments (105 of which were wholly owned and 24 of which were held in real estate-related joint ventures), representing 79.1% of the Account's total investment portfolio (on a gross asset value basis). At December 31, 2016, the real estate portfolio included:

- 38 office investments (including 12 held in joint ventures);
- 36 apartment investments (including one held in a joint venture);
- 31 industrial investments (all wholly-owned);
- 22 retail investments (including 10 held in joint ventures);
- a 75% joint venture interest in a portfolio of storage facilities located throughout the United States; and
- a fee interest encumbered by a ground lease.

Of the 129 real estate investments, 33 were subject to mortgages (including 13 joint venture property investments).

Additional detailed information regarding the Account's properties, including its commercial (non-residential) and residential property investments, as well as the Account's ten largest tenants, as of December 31, 2016 can be found in the Account's 2016 Form 10-K and is incorporated by reference in this prospectus. The Account's investments include both properties that are wholly owned by the Account and properties owned by the Account's joint venture investments. Certain property investments are comprised of a portfolio of properties.

Recent transactions

The following describes property and financing transactions by the Account between February 23, 2017, the date of the Account's most recent prospectus supplement (comprising a part of Registration Statement No. 333-210139), and March 31, 2017. Except as noted, the 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. The Account is responsible for operating expenses not reimbursed under the terms of a lease.

Purchases

Matsil Building — Long Island City, NY

On March 8, 2017, the Account purchased a 97.5% interest in a joint venture investment, which holds an industrial property located in Long Island City, New York. The Account purchased its interest for \$54.3 million.

Financings

DDR Joint Venture — Various, USA

On March 1, 2017, the Account's DDR joint venture investment, in which the Account holds an 85% interest, extinguished \$80.7 million of outstanding mortgage debt (the Account's share) secured by two retail properties.

Valuing the Account's assets

We value the Account's assets as of the close of each valuation day by taking the sum of:

- the value of the Account's cash, cash equivalents, and short-term and other debt instruments;
- the value of the Account's other securities and other non-real estate assets;
- the value of the individual real properties (based on the most recent valuation of that property) and other real estate-related investments owned by the Account;
- an estimate of the net operating income accrued by the Account from its properties, other real estate-related investments and non-real estate-related investments (including short-term marketable securities) since the end of the prior valuation day; and
- actual net operating income earned from the Account's properties, other real estate-related investments and non-real estate-related investments (but only to the extent any such item of income differs from the estimated income accrued for on such investments),

and then reducing the sum by the Account's liabilities, including the daily investment management, administration and distribution fees and certain other fees and expenses attributable to operating the Account. Daily estimates of net operating income are adjusted to reflect actual net operating income on a monthly basis, at which time such adjustments (if any) are reflected in the Account's unit value. Please see the section below entitled "Expense deductions."

Fair value for the Account's assets is based upon quoted market prices in active exchange markets, where available. If listed prices or quotes in such markets are not available, fair value is based upon vendor-provided, evaluated prices or internally developed models that primarily use market-based or independently sourced market data, including interest rate yield curves, market spreads, and currency rates. Valuation adjustments may be made to reflect credit quality, a counterparty's creditworthiness, the Account's creditworthiness,

liquidity, and other observable and unobservable data that are applied consistently over time.

The methods described earlier are considered to produce a fair value calculation that represents a good faith estimate as to what an unaffiliated buyer in the market place would pay to purchase the asset or receive to transfer the liability. Since fair value calculations involve significant professional judgment in the application of both observable and unobservable attributes, actual realizable values or future fair values may differ from amounts reported. Furthermore, while the Account believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments, while reasonable, could result in different estimates of fair value at the reporting date.

Valuing real estate investments

Valuing Real Property: Investments in real estate properties are stated at fair value, as determined in accordance with policies and procedures reviewed by the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole. Accordingly, the Account does not record depreciation.

Fair value for real estate properties is defined as the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Determination of fair value involves significant levels of judgment because the actual market value of real estate can be determined only by negotiation between the parties in a sales transaction. Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates, and interest and inflation rates. As a result, determining real estate and investment values involves many assumptions. Amounts ultimately realized from each investment may vary significantly from the market value presented. Actual results could differ from those estimates. Please see the section above entitled “Risk factors — Risks associated with real estate investing — Valuation and appraisal risks.”

In accordance with the Account’s procedures designed to comply with Fair Value Measurements and Disclosures in U.S. Generally Accepted Accounting Principles (“GAAP”), the Account values real estate properties purchased by the Account initially based on an independent appraisal at the time of the closing of the purchase, which may result in a potential unrealized gain or loss reflecting the difference between an investment’s fair value (i.e., exit price) and its cost basis (which is inclusive of transaction costs).

Subsequently, each property will be valued each quarter by an independent appraiser and the property value will be updated as appropriate. In general, the Account obtains independent appraisals of its real estate properties spread out throughout the quarter, which is intended to result in appraisal adjustments, and thus, adjustments to the valuations of its holdings (to the extent such adjustments are made), that happen regularly throughout each quarter and not on one specific day in each quarter.

Further, management reserves the right to order an appraisal and/or conduct another valuation outside of the normal quarterly process when facts or circumstances at a specific property change (for example, under certain circumstances a valuation adjustment could be made when bids are obtained for properties held for sale). The Account's independent fiduciary, RERC, LLC oversees the Account's entire appraisal process and, among other things, must approve all independent appraisers used by the Account. TIAA's internal appraisal staff oversees the entire appraisal process and reviews each independent quarterly appraisal, in conjunction with the Account's independent fiduciary, prior to the value reflected in that appraisal being recorded in the Account. Any differences in the conclusions of TIAA's internal appraisal staff and the independent appraiser will be reviewed by the independent fiduciary, which will make a final determination on the matter (which may include ordering a subsequent independent appraisal).

Real estate appraisals are estimates of property values based on a professional's opinion. All appraisals are performed in accordance with Uniform Standards of Professional Appraisal Practices, the real estate appraisal industry standards created by The Appraisal Foundation. Appraisals of properties held outside of the U.S. are performed in accordance with industry standards commonly applied in the applicable jurisdiction. Further, these independent appraisers (as well as TIAA's internal appraisal staff) are always expected to be MAI-designated members of the Appraisal Institute (or its European equivalent, Royal Institute of Chartered Surveyors) and state certified appraisers from national or regional firms with relevant property type experience and market knowledge. Under the Account's current procedures, each independent appraisal firm will be rotated off of a particular property at least every three years, although such appraisal firm may perform appraisals of other Account properties subsequent to such rotation.

We intend that the overarching principle and primary objective when valuing our real estate investments will be to produce a valuation that represents a fair and accurate estimate of the fair value of our investments. Implicit in our definition of fair value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Account's net asset value will include the value of any note receivable (an amount that someone else owes the Account) from selling a real estate-related

investment. We'll estimate the value of the note by applying a discount rate appropriate to then-current market conditions.

Development Properties. Development properties will be carried at fair value, which is anticipated initially to equal the Account's cost, and the value will be adjusted as additional development costs are incurred. At a minimum, once a property receives a certificate of occupancy, within one year from the initial funding by the Account, or the property is substantially leased, whichever is earlier, the property will be appraised by an independent external appraiser approved by the independent fiduciary. We may also have the properties independently appraised earlier if circumstances warrant.

Property Portfolios. The Account may, at times, value individual properties together (whether or not purchased at the same time) in a portfolio as a single asset, to the extent we believe that the property may be sold as one portfolio. The Account may also realize efficiencies in property management by pooling a number of properties into a portfolio. The value assigned to the portfolio as a whole may be more or less than the valuation of each property individually. The Account will also, from time to time, sell one or more individual properties that comprise a portfolio, with the Account retaining title to the remaining individual properties comprising that portfolio. In such a circumstance, the Account could determine to no longer designate such remaining properties as one portfolio.

Because of the nature of real estate assets and because the fair value of our investments is not reduced by transaction costs that will be incurred to sell the investments, the Account's net asset value won't necessarily reflect the net realizable value of its real estate assets (i.e., what the Account would receive if it sold them). Please see the section entitled "Valuing the Account's assets — Valuation Adjustments."

Valuing Real Property Subject to a Mortgage: When a real estate property is subject to a mortgage, the mortgage is valued independently of the property and its fair value is reported separately. The independent fiduciary reviews and approves all mortgage valuation adjustments before such adjustments are recorded by the Account. The Account will continue to use the revised value for each real estate property and mortgage loan payable to calculate the Account's daily net asset value until the next valuation review or appraisal.

Valuing Loans Receivable (i.e., the Account as a creditor): Loans receivable are stated at fair value and are initially valued at the face amount of the loan funding. Subsequently, loans receivable are valued at least quarterly based on market factors, such as market interest rates and spreads for comparable loans, the liquidity for loans of similar characteristics, the performance of the underlying collateral and the credit quality of the counterparty.

Valuing Mortgage Loans Payable (i.e., the Account as a debtor): Mortgage loans payable are stated at fair value. The estimated fair value of mortgage loans payable is generally based on the amount at which the liability could be transferred in a current transaction, exclusive of transaction costs. Fair values are estimated based on market factors, such as market interest rates and

spreads on comparable loans, the liquidity for mortgage loans of similar characteristics, the performance of the underlying collateral (such as the loan-to-value ratio and the cash flow of the underlying collateral), the maturity date of the loan, the return demands of the market, and the credit quality of the Account. Different assumptions or changes in future market conditions could significantly affect estimated fair values. At times, the Account may assume debt in connection with the purchase of real estate.

Valuing Real Estate Joint Ventures: Real estate joint ventures are stated at the fair value of the Account's ownership interests in the underlying entities. The Account's ownership interests are valued based on the fair value of the underlying real estate, any related mortgage loans payable, and other factors, such as ownership percentage, ownership rights, buy/sell agreements, distribution provisions and capital call obligations. In addition, any restrictions on the right of the Account to transfer its ownership interest to third-parties could adversely affect the value of the Account's interest. Upon the disposition of all real estate investments by an investee entity, the Account will continue to state its equity in the remaining net assets of the investee entity during the wind down period, if any, which occurs prior to the dissolution of the investee entity.

Valuing Real Estate Limited Partnerships: Limited partnerships are stated at the fair value of the Account's ownership in the partnership, which is based on the most recent net asset value of the partnership, as reported by the sponsor. Since market quotations are not readily available, the limited partnership interests are valued at fair value as determined in good faith under the direction of the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole. As circumstances warrant, prior to the receipt of financial statements of the limited partnership, the Account will estimate the value of its interests in good faith and will from time to time seek input from the issuer or the sponsor of the investment vehicle.

Net Operating Income: The Account usually receives operating income from its investments intermittently, not daily. In fairness to participants, we estimate the Account's net operating income rather than applying it when we actually receive it, and assume that the Account has earned (accrued) a proportionate amount of that estimated amount daily. You bear the risk that, until we adjust the estimates when we receive actual items of income, the Account's net assets could be under- or over-valued.

Every year, we prepare a month-by-month estimate of the revenues and expenses (estimated net operating income) for each of the Account's properties. Each day, we add the appropriate fraction of the estimated net operating income for the month to the Account's net asset value.

Every month, the Account receives a report of the actual operating results for the prior month for each property (actual net operating income). We then recognize the actual net operating income on the accounting records of the Account and adjust the outstanding daily accrued receivable accordingly. As the Account actually receives income from a property, we'll adjust the daily accrued receivable and other accounts appropriately.

Valuation Adjustments: General. Management reserves the right to order an appraisal and/or conduct another valuation outside of the normal quarterly process when facts or circumstances at a specific property change. Also, the independent fiduciary can require additional appraisals if it believes a property's value may have changed materially and such change is not reflected in the quarterly valuation review, or otherwise to ensure that the Account is valued appropriately. For example, under certain circumstances a valuation adjustment could be made when bids are obtained for properties held for sale by the Account. In addition, adjustments may be made for events or circumstances indicating an impairment of a tenant's ability to pay amounts due to the Account under a lease (including due to a bankruptcy filing of that tenant). Also, adjustments may be made to reflect factors (such as sales values for comparable properties or local employment rate) bearing uniquely on a particular region in which the Account holds properties. We may not always be aware of each event that might require a valuation adjustment, and because our evaluation is based on subjective factors and we give different weight to different factors, we may not in all cases make a valuation adjustment where changing conditions could potentially affect the value of an investment.

Required Approvals. The independent fiduciary will need to approve adjustments to any valuation of one or more properties or real estate-related assets that:

- is made within three months of the annual independent appraisal, or
- results in an increase or decrease of:
 - more than 6% of the value of any of the Account's properties since the last independent annual appraisal;
 - more than 2% in the value of the Account since the prior calendar month; and/or
 - more than 4% in the value of the Account within any calendar quarter.

Right to Change Valuation Methods: If we decide that a different valuation method would reflect the value of a real estate-related investment more accurately, we may use that method if the independent fiduciary consents. Changes in TIAA's valuation methods could change the Account's net asset value and change the values at which participants purchase or redeem Account interests.

Valuing other investments (including certain real estate-related investments)

Debt Securities: We value debt securities (excluding money market instruments) for which market quotations are readily available based on the most recent bid price or the equivalent quoted yield for such securities (or those of comparable maturity, quality and type). We derive these values utilizing an independent pricing service, such as FT Interactive Data Corp, Reuters and Bloomberg, except when we believe the prices do not accurately reflect the security's fair value. Debt securities for which market quotations are not readily available are valued at fair value as

determined in good faith by the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole.

Short-term Investments: Short-term investments are valued in the same manner as debt securities stated in the preceding paragraph.

Money Market Instruments: We value money market instruments at amortized cost.

Equity Securities: We value equity securities (including REITs) listed or traded on the New York Stock Exchange (or any of its constituent, affiliate or subsidiary exchanges, including NYSE Arca) at their last sale price on the valuation day. If no sale is reported that day, we use the mean of the last bid and asked prices, exclusive of transaction costs. Equity securities listed or traded on any other exchange are valued in a comparable manner on the principal exchange where traded.

We value equity securities traded on the Nasdaq Stock Market at the Nasdaq Official Closing Price on the valuation day. If no sale is reported that day, we use the mean of the last bid and asked prices, exclusive of transaction costs. Other U.S. over-the-counter equity securities are valued at the mean of the last bid and asked prices.

Mortgage-Backed Securities: We value mortgage-backed securities, including CMBS and RMBS, in the same manner in which we value debt securities, as described above.

Foreign Securities: To value equity and fixed income securities traded on a foreign exchange or in foreign markets, we use their closing values under the generally accepted valuation method in the country where traded, as of the valuation date. We convert this to U.S. dollars at the exchange rate in effect on the valuation day. Under certain circumstances (for example, if there are significant movements in the United States markets and there is an expectation the securities traded on foreign markets will adjust based on such movements when the foreign markets open the next day), the Account may adjust the value of equity or fixed income securities that trade on a foreign exchange or market after the foreign exchange or market has closed.

Investments Lacking Current Market Quotations: We value securities or other assets for which current market quotations are not readily available at fair value as determined in good faith under the direction of the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole. In evaluating fair value for the Account's interest in certain commingled investment vehicles, the Account will generally look to the value periodically assigned to interests by the issuer. When possible, the Account will seek to have input in formulating the issuer's valuation methodology.

Expense deductions

Expense deductions are made each valuation day from the net assets of the Account for various services to manage the Account's investments, administer

the Account and the contracts, distribute the contracts and to cover certain risks borne by TIAA. Investment management, administration and distribution services are provided “at cost” by TIAA and Services. Currently, TIAA provides investment management services and administration services for the Account, and Services provides distribution services for the Account. In addition, TIAA charges the Account a fee to bear certain mortality and expense risks, and risks associated with providing the liquidity guarantee. TIAA guarantees that in the aggregate, the expense charges will never be more than 2.50% of average net assets per year.

The estimated annual expense deduction rate that appears in the expense table below reflects an estimate of the amount we currently expect to deduct to approximate the costs that the Account will incur from May 1, 2017 through April 30, 2018. Actual expenses may be higher or lower. The expenses identified in the table below do not include any fees which may be imposed by your employer under a plan maintained by your employer.

Type of Expense Deduction	Estimated Percent of Net Assets Annually	Services Performed
Investment Management	0.275%	For investment advisory, investment management, portfolio accounting, custodial and similar services, including independent fiduciary and appraisal fees
Administration	0.265%	For administration and operations of the Account and the contracts, including administrative services such as receiving and allocating premiums and calculating and making annuity payments
Distribution	0.105%	For services and expenses associated with distributing the annuity contracts
Mortality and Expense Risk	0.005%	For TIAA's bearing certain mortality and expense risks
Liquidity Guarantee	0.200%	For TIAA's liquidity guarantee
Total Annual Expense Deduction^{1,2}	0.850%	Total

¹ TIAA guarantees that the total annual expense deduction will not exceed an annual rate of 2.50% of average net assets.

² Property-level expenses, including property management fees and transfer taxes, are not reflected in the table above; instead these expenses are charged directly to the Account's properties.

Since expenses for services provided to the Account are charged to the Account at cost, they are estimates for the year based on projected expense and asset levels. Administration charges include certain costs associated with the provision by TIAA entities of recordkeeping and other services for retirement plans and other pension products in addition to the Account. A portion of these expenses are allocated to the Account in accordance with applicable allocation procedures.

At the end of every quarter, we reconcile the amount deducted from the Account during that quarter as discussed above with the expenses the Account actually incurred. If there is a difference, we add it to or deduct it from the Account in equal daily installments over the remaining days in the immediately following quarter, provided that material differences may be repaid in the current calendar quarter in accordance with GAAP. Our at-cost deductions are based on projections of Account assets and overall expenses, and the size of any adjusting payments will be directly affected by how different our projections are from the Account's actual assets or expenses. The expenses identified in the table above

do not include any fees which may be imposed by your employer under a plan maintained by your employer.

The size of the Account's assets can be affected by many factors, including changes in the value of portfolio holdings, net income earned on the Account's investments, premium activity and participant transfers into or out of the Account and participant cash withdrawals from the Account. In addition, our operating expenses can fluctuate based on a number of factors including participant transaction volume, operational efficiency, and technological, personnel and other infrastructure costs. Historically, the adjusting payments have resulted in both upward and downward adjustments to the Account's expense deductions for the following quarter.

The Board can revise the estimated expense rates (the daily deduction rate before the quarterly adjustment referenced above) for the Account from time to time, usually on an annual basis, to keep deductions as close as possible to actual expenses.

Currently there are no deductions from premiums, transfers or withdrawals, but we reserve the right to change this in the future. Any such deductions would only be assessed to the extent the relevant contract provided for such deductions at the time the contract was issued.

Employer plan fee withdrawals

Your employer may, in accordance with the terms of your plan, and in accordance with TIAA's policies and procedures, withdraw amounts from your Account accumulation under your Retirement Choice or Retirement Choice Plus contract, and, on a limited basis, under your GA, GSRA, GRA or Keogh contract, to pay fees associated with the administration of the plan. These fees are separate from the expense deductions of the Account and are not included for purposes of TIAA's guarantee that the total annual expense deduction of the Account will not exceed 2.50% of average net assets per year.

The amount and the effective date of an employer plan fee withdrawal will be in accordance with the terms of your plan. TIAA will determine all values as of the end of the effective date. An employer plan fee withdrawal cannot be revoked after its effective date. Each employer plan fee withdrawal will be made on a pro rata basis from all your available TIAA and CREF accounts. An employer plan fee withdrawal reduces the accumulation from which it is paid by the amount withdrawn.

Certain relationships with TIAA

As noted elsewhere in this prospectus, the TIAA General Account plays a significant role in operating the Account, including providing a liquidity guarantee and investment advisory, administration and other services. In addition, Services, a wholly owned subsidiary of TIAA, provides distribution services for the Account.

Liquidity Guarantee. As noted above under the section entitled "Establishing and managing the Account — The role of TIAA — Liquidity guarantee," if the

Account's liquid assets and its cash flow from operating activities and participant transactions are insufficient to fund redemption requests, the TIAA General Account has agreed to purchase liquidity units. TIAA thereby guarantees that a participant can redeem accumulation units at their net asset value next determined.

In the years ended December 31, 2008 and December 31, 2009, TIAA purchased liquidity units in a number of separate transactions at a purchase price equal to \$155.6 million and approximately \$1.1 billion, respectively. Since January 1, 2010 and through the date of this prospectus, the TIAA General Account has purchased no additional liquidity units. These liquidity units are valued in the same manner as are accumulation units held by the Account's participants.

For the years ended December 31, 2016, December 31, 2015 and December 31, 2014, the Account expensed \$38.4 million, \$31.7 million and \$29.2 million, respectively, for this liquidity guarantee from TIAA through a daily deduction from the net assets of the Account.

Investment Advisory, Administration and Distribution Services/Mortality and Expense Risks Borne by TIAA. As noted above under the section entitled "Expense deductions", deductions are made each valuation day from the net assets of the Account for various services required to manage investments, administer the Account and distribute the contracts. These services are performed at cost by TIAA and Services. Deductions are also made each valuation day to cover mortality and expense risks borne by TIAA.

For the years ended December 31, 2016, December 31, 2015 and December 31, 2014, the Account expensed \$72.6 million, \$69.3 million and \$70.7 million, respectively, for investment management services and \$1.2 million, \$1.1 million and \$0.9 million, respectively, for mortality and expense risks provided/borne by TIAA. For the same period, the Account expensed \$89.8 million, \$80.8 million and \$62.2 million, respectively, for administrative and distribution services provided by TIAA and Services, as applicable.

Legal proceedings

The Account is party to various claims and routine litigation arising in the ordinary course of business. As of the date of this prospectus, 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.

The contracts

TIAA offers the Real Estate Account as a variable option for the annuity contracts described below. Some employer plans may not offer the Real Estate Account as an option for RA, GA, SRA, GRA, GSRA (including institutionally owned GSRA), Retirement Choice, Retirement Choice Plus or Keogh contracts. CREF is a companion organization to TIAA. A companion CREF contract may have been

issued to you when you received the TIAA contract offering the Account. For more information about the CREF annuity contracts, the TIAA Traditional Annuity, the TIAA Access variable annuity accounts, other TIAA annuities and separate accounts offered from time to time and particular funds and investment options offered under the terms of your plan, please see the applicable contracts and respective prospectuses for those investment options.

Importantly, neither TIAA nor CREF guarantee the investment performance of the Account nor do they guarantee the value of your units at any time.

RA (Retirement Annuity) and GRA (Group Retirement Annuity)

RA and GRA contracts are used mainly for employee retirement plans. RA contracts are issued directly to you. GRA contracts, which are group contracts, are issued through an agreement between your employer and TIAA.

Depending on the terms of your employer's plan, RA premiums can be paid by your employer, you, or both. GRA premiums can only be paid by your employer (though some such premiums may be paid by your employer pursuant to a salary reduction agreement). If you're paying some or all of the entire periodic premium, your contributions can be in either pre-tax dollars by salary reduction or after-tax dollars by payroll deduction. Your employer may offer you the option of making contributions in the form of after-tax Roth IRA-style contributions, though you won't be able to take tax deductions for these contributions. You can also transfer accumulations from another investment choice under your employer's plan to your contract. Your GRA premiums can be from pre-tax or after-tax contributions. Ask your employer for more information about these contracts. As with RAs, you can transfer your accumulations from another investment choice under your employer's plan to your GRA contract.

SRA (Supplemental Retirement Annuity) and GSRA (Group Supplemental Retirement Annuity)

These are generally limited to supplemental voluntary tax-deferred annuity ("TDA") plans and supplemental 401(k) plans. SRA contracts are issued directly to you. GSRA contracts, which are group contracts, are issued through an agreement between your employer and TIAA. Generally, your employer pays premiums in pre-tax dollars through salary reduction. Your employer may offer you the option of making contributions in the form of after-tax Roth IRA-style contributions, though you won't be able to take tax deductions for these contributions. Although you can't pay premiums directly, you can transfer amounts from other TDA plans subject to the terms of the plan.

Retirement Choice/Retirement Choice Plus annuities

These are very similar in operation to the GRAs and GSRAs, respectively, except that, unlike GRAs, they are issued directly to your employer or your plan's trustee, and they may be issued to your employer directly without participant

recordkeeping. Among other rights, the employer retains the right to transfer accumulations under these contracts to alternate funding vehicles.

Classic IRA and Roth IRA

Classic IRAs are individual contracts issued directly to you. You and your spouse can each open a Classic IRA with an annual contribution of up to \$5,500 or by rolling over funds from another IRA or eligible retirement plan, if you meet the Account's eligibility requirements. If you are age 50 or older, you may contribute up to \$6,500. The combined limit for your contributions to a Classic IRA and a Roth IRA for a single year is \$5,500, or \$6,500 if you are age 50 or older, excluding rollovers. (The dollar limits listed are for 2017; different dollar limits may apply in future years.)

Roth IRAs are also individual contracts issued directly to you. You and your spouse can each open a Roth IRA with an annual contribution up to \$5,500 or with a rollover from another IRA or a Classic IRA issued by TIAA if you meet the Account's eligibility requirements, subject to rules applicable to Roth IRA conversions. If you are age 50 or older you may contribute up to \$6,500. The combined limit for your contributions to a Classic IRA and a Roth IRA for a single year is \$5,500, or \$6,500 if you are age 50 or older, excluding rollovers. (The dollar limits listed are for 2017; different dollar limits may apply in future years.)

We can't issue a joint Classic IRA or Roth IRA contract. Your employer may offer SEP IRAs (Simplified Employee Retirement Plans), which are subject to different rules.

Classic and Roth IRAs may together be referred to as "IRAs" in this prospectus.

GA (Group Annuity) and institutionally owned GSRA's

These are used exclusively for employer retirement plans and are issued directly to your employer or your plan's trustee. Your employer pays premiums directly to TIAA (you can't pay the premiums directly to TIAA) and your employer or the plan's trustee may control the allocation of contributions and transfers to and from these contracts including withdrawing completely from the Account. If a GA or Institutionally Owned GSRA contract is issued pursuant to your plan, the rules relating to transferring and withdrawing your money, receiving any annuity income or death benefits, and the timing of payments may be different, and are determined by your plan. Ask your employer or plan administrator for more information.

Keogh contracts

TIAA offered contracts under Keogh plans. If you are a self-employed individual who owns an unincorporated business, you could, prior to 2013, use the Account's Keogh contracts for a Keogh plan, and cover common law employees, subject to the Account's eligibility requirements. Note, however, that while TIAA will offer new contracts for new entrants into Keogh plans established prior to 2013, it will no longer offer contracts for Keogh plans that the Account is not currently funding.

ATRA (after-tax retirement annuity)

The after-tax retirement annuities (“ATRA”) are individual non-qualified deferred annuity contracts, issued to participants who are eligible and would like to remit personal premiums under the contractual provisions of their RA contract. To be eligible, you must have an active and premium-paying or paid up RA contract.

Note that the tax rules governing these non-qualified contracts differ significantly from the treatment of qualified contracts. Please see the section below entitled “Taxes” for more information.

Eligibility for IRA and Keogh contracts

Each of you and your spouse can open a Classic or Roth IRA or a Keogh, subject to the limitations described above, if you’re a current or retired employee or trustee of an Eligible Institution, or if you own a TIAA or CREF annuity contract or a TIAA individual insurance contract. To be considered a retired employee for this purpose, an individual must be at least 55 years old and have completed at least three years of service at an Eligible Institution. In the case of partnerships, at least half the partners must be eligible individuals and the partnership itself must be primarily engaged in education or research. Eligibility may be restricted by certain income limits on opening Roth IRA contracts.

State regulatory approval

State regulatory approval may be pending for certain of these contracts, and these contracts may not currently be available in your state.

Starting out

Generally, we’ll issue you a TIAA contract when we receive a completed application or enrollment form in good order. “Good order” means actual receipt of the transaction request along with all information and supporting legal documentation necessary to effect the transaction. This information and documentation generally includes your complete application and any other information or supporting documentation we may require. With respect to purchase requests, “good order” also generally includes receipt of sufficient funds by us to effect the transaction. We may, in our sole discretion, determine whether any particular transaction request is in good order and reserve the right to change or waive any good order requirement at any time either in general or with respect to a particular plan, contract or transaction.

If your application is incomplete and we do not receive the necessary information and signed application in good order within five business days of our receipt of the initial premium, we will return the initial premium at that time.

If we receive premiums from your employer and, where applicable, a completed application from you before we receive your specific allocation instructions (or if your allocation instructions violate employer plan restrictions or do not total 100%), we will invest all premiums remitted on your behalf in the default option your employer has designated. It is possible that the default option will not be the Real

Estate Account but will be another investment option available under your plan. We consider your employer's designation of a default option to be an instruction to us to allocate your premiums to that option as described above. You should consult your plan documents or sales representative to determine your employer's designated default option and to obtain information about that option. Further, to the extent you hold an IRA contract, the default option will be that fund or account specified in your IRA forms.

When we receive complete allocation instructions from you in good order, we'll follow your instructions for future premiums. However, if you want the premiums previously allocated to the default option (and earnings and losses on them) to be transferred to the options identified in your instructions, you must specifically request that we transfer these amounts from the default option to your investment option choices.

Amounts may be invested in an account other than the Real Estate Account (absent a participant's specific instructions) only in the limited circumstances identified in the paragraph immediately above and the circumstances outlined under the section below entitled "How to transfer and withdraw your money — Restrictions on premiums and transfers to the Account", namely: (1) we receive premiums before we receive your completed application or allocation instructions, (2) a participant's allocations violate employer plan restrictions or do not total 100%, or (3) we stop accepting premiums for and/or transfers into the Account.

TIAA doesn't generally restrict the amount or frequency of payment of premiums to your contract, although we may in the future. Your employer's retirement plan may limit your premium amounts. There also may be restrictions on remitting premiums on an IRA. In addition, the Code limits the total annual premiums you may invest in plans qualified for favorable tax treatment. If you want to directly contribute personal premiums under the contractual provisions of your RA contract, you will be issued an ATRA contract. Premiums and any earnings on the ATRA contract will not be subject to your employer's retirement plan. The restrictions relating to these premiums are in the contract itself.

In most cases (subject to any restriction we may impose, as described in this prospectus), TIAA accepts premiums to a contract during your accumulation period. Once your first premium has been paid, your TIAA contract can't lapse or be forfeited for nonpayment of premiums. However, TIAA can stop accepting premiums to the Real Estate Account at any time.

You may remit premium payments to the following address: P.O. Box 1259, Charlotte, N.C. 28201.

Note that we cannot accept money orders or travelers checks. In addition, we will not accept a third-party check where the relationship of the payor to the account owner cannot be identified from the face of the check.

You will receive a confirmation statement each time you make a transfer to, a transfer out, or a cash withdrawal from the Account. The statement will show the date and amount of each transaction. However, if you're remitting premiums through an employer or other qualified plan, using an automatic investment plan

or systematic withdrawal plan, you may instead receive a statement confirming those transactions following the end of each calendar quarter.

If you have any accumulations in the Account, you will be sent a statement in each quarter which sets forth the following information:

- (1) Premiums paid during the quarter;
- (2) The number and dollar value of accumulation units in the Account credited to you during the quarter and in total;
- (3) Cash withdrawals, if any, from the Account during the quarter; and
- (4) Any transfers during the quarter.

You also will receive reports containing the financial statements of the Account and certain information about the Account's investments.

Important information about procedures for opening a new account

To help the U.S. government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, street address (not a post office box), date of birth, Social Security number and other information that will allow us to identify you, such as your home telephone number and driver's license or certain other identifying documents. Until you provide us with the information needed, we may not be able to open an account or effect any transactions for you. Furthermore, if we are unable to verify your identity, or that of another person authorized to act on your behalf, or if it is believed that potentially criminal activity has been identified, we reserve the right to take such action as deemed appropriate, which may include closing your account.

Choosing among investment accounts

Once an account is opened on your behalf, you may allocate all or part of your premiums to the Real Estate Account, unless your employer's plan precludes that choice. You can also allocate premiums to TIAA's Traditional Annuity, the CREF variable investment accounts, the TIAA Access variable annuity accounts, other TIAA annuities and separate accounts offered from time to time (if available under the terms of your employer's plan) and, in some cases, certain funds if the account or fund is available under your employer's plan.

You can change your allocation choices for future premiums by:

- writing to our office at P.O. Box 1259, Charlotte, N.C. 28201;
- using the TIAA Web Center's account access feature at www.tiaa.org; or
- calling our Automated Telephone Service (24 hours a day) at 800-842-2252.

The right to cancel your contract

Generally, you may cancel any RA, SRA, GSRA, Classic IRA, Roth IRA, ATRA or Keogh contract in accordance with the contract's Right to Examine provision

(unless we have begun making annuity payments from it) and subject to the time period regulated by the state in which the contract is issued. Although the contract terms and state law provisions differ, you will generally have between 10 and 60 days to exercise this cancellation right. To cancel a contract, you must mail or deliver the contract with your cancellation instructions (or signed Notice of Cancellation when such has been provided with your contract) to our home office. We'll cancel the contract, then send either the current accumulation or the premium, depending on the state in which your contract was issued, to whomever originally submitted the premiums. Unless we are returning premiums paid as required by state law, you will bear the investment risk during this period.

Determining the value of your interest in the account — accumulation units

Each payment to the Real Estate Account buys a number of accumulation units. Similarly, any withdrawal from the Account results in the redemption of a number of accumulation units. The price you pay for accumulation units, and the price you receive for accumulation units when you redeem accumulation units, is the value of the accumulation units calculated for the business day on which we receive your purchase, redemption or transfer request in good order (unless you ask for a later date for a redemption or transfer). This date is called the “effective date.” Therefore, if we receive your purchase, redemption or transfer request in good order before the NYSE closes, that business day will be considered the effective date of your order. If we receive your request in good order after the NYSE closes, the next business day will be considered the effective date of your order.

Payments and orders to redeem accumulation units (or adjustments thereto) may be processed after the effective date. “Processed” means when amounts are credited or debited to you in the Account. In the event there are market fluctuations between the effective date and the processing date and the price of accumulation units on the processing date is higher or lower than your price on the effective date, that difference will be paid or retained by Services, the Account's distributor. This amount, which may be positive or negative, together with similar amounts paid or retained by Services in connection with transactions involving other investment products offered under pension plans administered by TIAA or its affiliates and the amount of interest, if any, paid by Services to participants in connection with certain delayed payments, is apportioned to the Account pursuant to an agreement with Services, under which the Account reimburses Services for the services it has provided to the Account.

The accumulation unit value reflects the Account's investment experience (*i.e.*, the real estate net operating income accrued, as well as dividends, interest and other income accrued), realized and unrealized capital gains and losses, as well as Account expense charges.

Calculating Accumulation Unit Values: We calculate the Account's accumulation unit value at the end of each valuation day. To do that, we multiply

the previous day's value by the net investment factor for the Account. The net investment factor is calculated as **A** divided by **B**, where **A** and **B** are defined as:

- A.** The value of the Account's net assets at the end of the current valuation period, less premiums received during the current valuation period.
- B.** The value of the Account's net assets at the end of the previous valuation period, plus the net effect of transactions made at the start of the current valuation period.

How to transfer and withdraw your money

Generally, depending on the terms of your plan, contracts, tax law and applicable governing documents, TIAA allows you to move your money to and from the Real Estate Account in the following ways:

- from the Real Estate Account to the following accounts if available under your employer's plan or IRA: a CREF investment account, a TIAA Access variable account or TIAA's Traditional Annuity;
- to the Real Estate Account from the following accounts if available under your employer's plan or IRA: a CREF investment account, a TIAA Access variable account or TIAA's Traditional Annuity (transfers from TIAA's Traditional Annuity under RA, GRA or Retirement Choice contracts are subject to restrictions);
- from the Real Estate Account to a fund (including TIAA-CREF affiliated funds), if available under your plan or IRA;
- to the Real Estate Account from a TIAA-CREF affiliated fund, if available under your plan or IRA;
- depending on the terms of your plan, contracts and governing instruments, to the Real Estate Account from other TIAA annuity products and separate accounts, and/or from the Real Estate Account to other TIAA annuity products and separate accounts;
- from the Real Estate Account to investment options offered by other companies, if available under your plan or IRA;
- to the Real Estate Account from other companies/plans;
- by withdrawing cash; and
- by setting up a program of automatic withdrawals or transfers.

For more information regarding the transfer policies of CREF, TIAA Access, TIAA's Traditional Annuity or another investment option listed above, please see the respective contract, prospectus or other governing instrument. These options may be limited by the terms of your employer's plan, by current tax law, or by the terms of your contract, as set forth below.

Currently, transfers from the Real Estate Account to any TIAA annuity offered by your employer's plan, to one of the CREF accounts or to funds offered under the terms of your plan must generally be at least \$1,000 (except for systematic transfers, which must be at least \$100) or your entire accumulation, if less. In the future, we may eliminate these minimum transaction levels. Lump sum cash

withdrawals from the Real Estate Account and transfers to other companies are not subject to a minimum amount. Transfers and cash withdrawals are currently free. TIAA can place restrictions on transfers or charge fees for transfers and/or withdrawals in the future.

As indicated, transfers and cash withdrawals are effective at the end of the business day we receive your request and all required documentation in good order. You can also choose to have transfers and withdrawals take effect at the close of any future valuation day. For any transfers to TIAA's Traditional Annuity, the crediting rate will be the rate in effect at the close of business of the first day that you participate in TIAA's Traditional Annuity, which is the next business day after the effective date of the transfer.

To request a transfer or to withdraw cash, you may:

- write to TIAA's office at P.O. Box 1259, Charlotte, N.C. 28201;
- call us at 800-842-2252; or
- use the TIAA Web Center's account access feature at www.tiaa.org.

If you are married, and all or part of your accumulation is attributable to contributions made under

- an employer plan subject to ERISA; or
- an employer plan that provides for spousal rights to benefits, then only to the extent required by the Internal Revenue Code the ("Code") or ERISA or the terms of your employer plan, your rights to choose certain benefits are restricted by the rights of your spouse to benefits.

You may be required to complete and return certain forms (in good order) to effect these transactions. We can limit, suspend or terminate your ability to transact by telephone, over the Internet, or by fax at any time, for any reason.

Before you transfer or withdraw cash, please make sure that you consult the terms of your employer's plan, as it may contain additional restrictions. In addition, please make sure you understand the possible federal and other income tax consequences. Please see the section below entitled "Taxes."

Transfers to and from other TIAA-CREF accounts and funds

Transfers from the Real Estate Account. Once every calendar quarter you can transfer some or all of your accumulation in the Real Estate Account to the following accounts if offered by your employer's plan or IRA: TIAA's Traditional Annuity, to another TIAA annuity, to one of the CREF accounts, to a TIAA Access variable annuity account or to funds (which may include TIAA-CREF affiliated funds). Transfers to TIAA's Traditional Annuity or other TIAA annuities or accounts, a CREF account or to certain other options may be restricted by your employer's plan, current tax law or by the terms of your contract. In addition, there are important exceptions to this once per calendar quarter limitation, as outlined in the section below entitled "How to transfer and withdraw your money — Market timing/excessive trading policy."

Transfers to the Real Estate Account. Currently, you can also transfer some or all of your accumulation in TIAA's Traditional Annuity, in your CREF accounts, TIAA

Access variable annuity accounts or in the funds or TIAA annuities offered under the terms of your plan to the Real Estate Account, if your employer's plan offers the Account; subject to the terms of the plan, current tax law and the terms of your contract. Transfers from TIAA's Traditional Annuity to the Real Estate Account under RA, GRA or Retirement Choice contracts can only be effected over a period of time (up to 10 annual installments) and may be subject to other limitations, as specified in your contract. Amounts held under an ATRA contract cannot be transferred to or from any retirement plan contract.

Currently, these transfers must generally be at least \$1,000 (except for systematic transfers, which must be at least \$100) or your entire accumulation, if less. Because excessive transfer activity can hurt Account performance and other participants, subject to applicable state law and the terms of your contract, we may seek to further limit how often, or in what amounts, you may make transfers, or we may otherwise modify the transfer privilege generally. Please see the section below entitled "How to transfer and withdraw your money — Restrictions on premiums and transfers to the Account."

Transfers to other companies

Generally you may transfer funds from the Real Estate Account to a company other than TIAA or CREF, subject to certain tax restrictions. This right may be limited by your employer's plan or the terms of your contract. If your employer participates in our special transfer services program, we can make automatic monthly transfers from your RA or GRA contract to another company. Roth amounts in a 403(b) or 401(a) plan can only be rolled over to another Roth account under such plan or to a Roth IRA, as permitted by applicable law and the terms of the plans. IRA to IRA rollover rules have recently changed. See the section below entitled "Taxes" for more information on these developments.

Under the Retirement Choice and Retirement Choice Plus contracts, your employer could transfer monies from the Account and apply it to another account or investment option, subject to the terms of your plan, and without your consent.

Transfers from other companies/plans

Subject to your employer's plan and federal tax law, you can usually transfer or roll over money from another 403(b), 401(a)/403(a) or governmental 457(b) retirement plan to your qualified TIAA contract. You may also roll over before-tax amounts in a Traditional IRA to 403(b) plans, 401(a)/403(a) plans or eligible governmental 457(b) plans, provided such employer plans agree to accept the rollover. Roth amounts in a 403(b) or 401(a) plan can only be rolled over to another Roth account under such plan or to a Roth IRA, as permitted by applicable law and the terms of the plans. Funds in a private 457(b) plan can be transferred to another private 457(b) plan only. Accumulations in private 457(b) plans may not be rolled over to a qualified plan (e.g., a 401(a) plan), a 403(b) plan, a governmental 457(b) plan or an IRA. IRA to IRA rollover rules have recently changed. See the section below entitled "Taxes" for more information on these developments.

Withdrawing cash

You may withdraw cash from your SRA, GSRA, IRA, ATRA or Keogh Real Estate Account accumulation at any time during the accumulation period, provided federal tax law and the terms of your employer's plan permit it (see below). Normally, you can't withdraw money from a contract if you've already applied that money to begin receiving lifetime annuity income. Current federal tax law restricts your ability to make cash withdrawals from your accumulation under most voluntary salary reduction agreements. In addition, if you are married, you may be required by law or your employer's plan to show us advance written consent from your spouse before TIAA makes certain transactions on your behalf.

Withdrawals are generally available only if you reach age 59½, leave your job, become disabled, die, satisfy requirements related to qualified reservist distributions or if your employer terminates its retirement plan. If your employer's plan permits, you may also be able to withdraw money if you encounter hardship, as defined by the IRS, but hardship withdrawals can be from contributions only, and not investment earnings. You may be subject to a 10% penalty tax if you make a withdrawal before you reach age 59½, unless an exception applies to your situation.

Under current federal tax law, you are not permitted to withdraw from 457(b) plans earlier than the calendar year in which you reach age 70½, leave your job or are faced with an unforeseeable emergency (as defined by law). There are generally no early withdrawal tax penalties if you withdraw under any of these circumstances (*i.e.*, no 10% tax on distributions prior to age 59½).

Special rules and restrictions apply to Classic and Roth IRAs.

If you request a withdrawal, we will send the proceeds by check to the address of record, or by electronic funds transfer to the bank account on file. A letter of instruction with a bank signature guarantee is required if the withdrawal is sent to an address other than the address of record, or to an address of record that has been changed within either the last 30 or 14 calendar days, depending on the service model applicable to your plan. You may obtain a signature guarantee from some commercial or savings banks, credit unions, trust companies, or member firms of a U.S. stock exchange. A notary public cannot provide a signature guarantee. Proceeds directed to a bank account not on file have similar restrictions that require completion of a verification process. Please contact us for further information. We reserve the right to require a signature guarantee on any redemption.

Systematic withdrawals and transfers

If your employer's plan allows, you can set up a program to make cash withdrawals or transfers automatically by specifying that we withdraw from your Real Estate Account accumulation, or transfer to or from the Real Estate Account, any fixed number of accumulation units, dollar amount, or percentage of accumulation until you tell us to stop or until your accumulation is exhausted. Currently, the program must be set up so that at least \$100 is automatically transferred or

withdrawn at a time. In the future, we may eliminate this minimum transfer amount. Further, a systematic plan of this type may allow pre-specified transfers or withdrawals to be made more often than quarterly, depending on the terms of your employer's plan. Additional restrictions on systematic transfers may apply for Account participants with accumulation amounts exceeding \$150,000. See "Restrictions on premiums and transfers to the Account" below.

Withdrawals to pay financial advisor fees

If permitted by your employer's plan, you may authorize a series of systematic withdrawals to pay the fees of a financial advisor. Such systematic withdrawals are subject to all provisions applicable to systematic withdrawals, except as otherwise described in this section. One series of systematic withdrawals to pay financial advisor fees may be in effect at the same time that one other series of systematic withdrawals is also in effect. Systematic withdrawals to pay financial advisor fees must be scheduled to be made quarterly only, on the first day of each calendar quarter. The amount withdrawn from each investment account must be specified in dollars or as a percentage of accumulation, and will be in proportion to the accumulations in each account at the end of the business day prior to the withdrawal. The financial advisor may request that we stop making withdrawals. We reserve the right to determine the eligibility of financial advisors for this type of fee reimbursement. Before you set up this program, make sure you understand the possible tax consequences of these withdrawals. Please see the discussion in the section below entitled "Taxes."

Restrictions on premiums and transfers to the Account

From time to time we may stop accepting premiums for and/or transfers into the Account. We might do so if, for example, we can't find sufficient appropriate real estate-related investment opportunities at a particular time. Whenever reasonably possible, we will notify you before we decide to restrict premiums and/or transfers. However, because we may need to respond quickly to changing market conditions or to the liquidity needs and demands of the Account, we reserve the right (subject to the terms of some contracts) to stop accepting premiums and/or transfers at any time without prior notice.

Individual participants are limited from making internal funding vehicle transfers into their Account accumulation if, after giving effect to such transfer, the total value of such participant's Account accumulation (under all contracts issued to such participant) would exceed \$150,000.

As of the date of this prospectus, all jurisdictions in which the Account is offered have approved this limitation, but the effective date of the limitation as applies to an individual participant will be reflected on his or her applicable contract or endorsement form. These contracts or endorsements will contain important details with respect to this limitation.

Under this limitation, an internal funding vehicle transfer means the movement (or attempted movement) of accumulations from any of the following to the Account:

- a TIAA Traditional Annuity accumulation,
- a Real Estate Account accumulation (from one contract to another),
- a companion CREF certificate,
- other TIAA separate account accumulations, and
- any other funding vehicle accumulation which is administered by TIAA or CREF on the same record-keeping system as the contract.

The following transfers are currently not subject to this limitation:

- systematic transfers and withdrawals,
- automatic rebalancing activity,
- any transaction arising from a TIAA-sponsored advice product or service, and
- Transfer Payout Annuity payments directed to the Account.

This limitation does not apply to most types of premium contributions and certain group contracts recordkept on non-TIAA platforms. Minimum Distribution Option (“MDO”) contracts will be subject to this limitation, but the limitation does not apply to other annuity pay-out contracts.

A transfer which cannot be applied pursuant to this limitation, along with any other attempted movements of funds submitted as part of a noncompliant transfer request into the Account, will be rejected in its entirety, and therefore the funds that were to be transferred will remain in the investment option from which the transfer was to be made. The Account accumulation unit values used in applying this provision will be those calculated as of the valuation day preceding the day on which the proposed transfer is to be effective. A participant will not be required to reduce his or her accumulation to a level at or below \$150,000 if the total value of the participant’s Account accumulation under all contracts exceeds \$150,000 on the effective date as indicated in the contract or contract endorsement. TIAA reserves the right in the future to modify the nature of this limitation and to include categories of transactions associated with services that may be introduced in the future.

If we decide to stop accepting premiums into the Account, amounts that would otherwise be allocated to the Account will be allocated to the default option designated by your employer instead (or the default option specified on your IRA forms), unless you give us other allocation instructions. We will not transfer these amounts out of the default option designated by your employer when the restriction period is over, unless you request that we do so. However, we will resume allocating premiums to the Account on the date we remove the restrictions.

Additional limitations

Federal law requires us to obtain, verify and record information that identifies each person who opens an account. Until we receive the information we need, we may not be able to effect transactions for you. Furthermore, if we are unable to verify your identity, or that of another person authorized to act on your behalf, or if we believe that we have identified potentially criminal activity, we reserve the right to take such action as we deem appropriate, which may include closing your account.

Market timing/excessive trading policy

There are participants who may try to profit from making transactions back and forth among the CREF accounts, the Account, the TIAA Access variable account and the funds or other investment options available under the terms of your plan in an effort to “time” the market or for other reasons. As money is shifted in and out of these accounts, the accounts or funds may incur transaction costs, including, among other things, expenses for buying and selling securities. These costs are borne by all participants, including long-term investors who do not generate these costs. In addition, excessive trading can interfere with efficient portfolio management and cause dilution if traders are able to take advantage of pricing inefficiencies. Consequently, the Account is not appropriate for market timing or frequent trading and you should not invest in the Account if you want to engage in such activity.

To discourage this activity, transfers of accumulations from the Real Estate Account to a CREF or TIAA account, or another investment option, are limited to once every calendar quarter. A few limited exceptions to this once per calendar quarter limitation apply, including:

- (i) systematic transfers out of the Real Estate Account (as described in the section above entitled “How to transfer and withdraw your money — Systematic withdrawals and transfers”),
- (ii) annual portfolio rebalancing activities,
- (iii) plan or plan-sponsor initiated transactions, including transfers and rollovers made to external carriers,
- (iv) participants enrolled in TIAA’s qualified managed account for retirement plan assets,
- (v) single-sum distributions where funds are moved from one TIAA annuity contract or certificate to another, as well as those made directly to a participant,
- (vi) asset allocation programs and similar programs approved by TIAA’s management,
- (vii) death and hardship withdrawals or withdrawals made pursuant to a qualified domestic relations order (“QDRO”), and
- (viii) certain transactions made within a retirement or employee benefit plan, such as contributions, mandatory (or minimum) distributions and loans.

TIAA reserves the right to reject any purchase or exchange request with respect to the Account, including when it is believed that a request would be disruptive to the Account’s efficient portfolio management. TIAA also may suspend or terminate your ability to transact in the Account by telephone, fax or over the Internet for any reason, including the prevention of excessive trading. A purchase or exchange request could be rejected or electronic trading privileges could be suspended because of the timing or amount of the investment or because of a history of excessive trading by the participant. Because TIAA has discretion in applying this policy, it is possible that similar transaction activity could be handled differently because of the surrounding circumstances.

Notwithstanding such discretion, TIAA seeks to apply its excessive trading policies and procedures uniformly to all Account participants. As circumstances warrant, TIAA may request transaction data from intermediaries from time to time to verify whether the Account's policies are being followed and/or to instruct intermediaries to take action against participants who have violated the Account's policies. TIAA has the right to modify these policies and procedures at any time without advance notice.

The Account is not appropriate for excessive trading. You should not invest in the Account if you want to engage in excessive trading or market timing activity. Participants seeking to engage in excessive trading may deploy a variety of strategies to avoid detection, and, despite TIAA's efforts to discourage excessive trading, there is no guarantee that TIAA or its agents will be able to identify all such participants or curtail their trading practices.

If you invest in the Account through an intermediary, including through a retirement or employee benefit plan, you may be subject to additional market timing or excessive trading policies implemented by the intermediary or plan. Please contact your intermediary or plan sponsor for more details.

When you are ready to receive annuity income

The annuity period in general

You can receive an income stream from all or part of an accumulation in the Account. Generally, once distributions are permitted to begin under your plan or contract, you may begin to receive income from a lifetime annuity. You should be at least age 59½ to begin receiving annuity income other than from a lifetime annuity. Otherwise, you may have to pay a 10% penalty tax on the taxable amount, except under certain circumstances. In addition, you cannot begin receiving income later than permitted under the minimum distribution rules of the Code. See "Taxes" for more information. Also, under the terms of the contract, you cannot begin a life annuity after age 90 or a joint life annuity after either you or your annuity partner reaches age 90.

Your income payments may be paid out from the Account through a variety of income options. You can pick a different income option for different portions of your accumulation, but once you've started payments you usually cannot change your income option or annuity partner for that payment stream. Usually income payments are monthly. You can choose quarterly, semiannual and annual payments as well. TIAA has the right to not make payments at any interval that would cause the initial payment to be less than \$100.) We will send your payments by mail to your home address or, on your request, by mail or electronic funds transfer to your bank.

Your initial income payments are based on the value of your accumulation on the last valuation day before the annuity starting date. We calculate initial income based on:

- the amount of money you have accumulated in the Account

- the income option or options you choose; and
- an assumed annual investment return of 4% and, for life annuities, mortality assumptions for you and your annuity partner, if you have one.

On your annuity starting date, for any payout annuities denominated in annuity units, all of your accumulation units will be converted to annuity units of the Account.

There are two income change methods for annuity payments: annual and monthly. Under the annual income change method, payments change each May 1, based on the net investment results of the Account during the prior year (from the day following the last Valuation Day in March of the prior year through the last Valuation Day in March of the current year). Under the monthly income change method, payments change every month, based on the net investment results during the previous valuation period. Under this method, we value annuity units on the 20th of each month or on the preceding Business Day if the 20th is not a Business Day. The total value of your annuity payments may be more or less than your total premiums.

Impact of mortality experience on annuity payments

How much you or your beneficiary receive in annuity payments from any Account will depend in part on the mortality experience of the annuity fund (annually revalued or monthly revalued) from which the payments are made. For example, if the people receiving income from an Account's annually revalued annuity fund live longer, as a group, than expected, the amount payable to each will be less than if they as a group die sooner than expected. So the "mortality risk" of each Account's annuity fund falls on those who receive income from it and is not guaranteed by TIAA.

Annuity starting date

Ordinarily, annuity payments begin on the date you designate as your annuity starting date, provided we have received all documentation necessary for the income option you have picked. If something is missing, we will defer your annuity starting date until we receive the missing information. Your first annuity check may be delayed while we process your choice of income options and calculate the amount of your initial payment. You may designate any future date for your annuitization request, in accordance with our procedures and as long as it is one on which we process annuitizations.

Any premiums received within 70 days after payments begin may be used to provide additional annuity income. Premiums received after 70 days will remain in your accumulating annuity contract until you have given further instructions. Ordinarily, your first annuity payment can be made on any business day between the first and twentieth of any month.

Annuity income options

Both the number of annuity units you purchase and the amount of your income payments will depend on which income option(s) you pick. Your employer's plan,

tax law and ERISA may limit which income options you can use to receive income from an RA, GRA, SRA, GSRA, Retirement Choice, Retirement Choice Plus, or Keogh Contract. Ordinarily, you will choose your income options shortly before you want payments to begin, but you can make or change your choice any time before your annuity starting date.

All of the income options provide variable payments, and the amount of income you receive depends in part on the investment experience of the investment accounts selected by you. The current options are:

- **One-Life Annuity with or without Guaranteed Period:** Pays income as long as you live. If you opt for a guaranteed period (10, 15 or 20 years) and you die before it's over, income payments will continue to your beneficiary until the end of the period. If you don't opt for a guaranteed period, all payments end at your death, so, it's possible for you to receive only one payment if you die less than a month after payments start. (The 15-year guaranteed period is not available under all contracts.)
- **Annuity for a Fixed Period:** Pays income for any period you choose from five to 30 years (two to 30 years for RAs, GRAs, and SRAs). This option is not available under all contracts.
- **Two-Life Annuities:** Pays income to you as long as you live, then continues at either the same or a reduced level for the life of your annuity partner. There are four types of two-life annuity options, all available with or without a guaranteed period-Full Benefit to Survivor, Two-Thirds Benefit to Survivor, 75% Benefit to Annuity Partner and a Half-Benefit to Annuity Partner. Under the Two-Thirds Benefit to Survivor option, payments to you will be reduced upon the death of your annuity partner.
- **Minimum Distribution Option ("MDO"):** Generally available only if you must begin annuity payments under the IRC minimum distribution requirements. (Some employer plans allow you to elect this option earlier-contact TIAA for more information.) The option, if elected, automatically pays an amount designed to fulfill the distribution requirements under federal tax law. (The option is not available under all contracts.) You must apply your entire accumulation under a contract if you want to use the MDO. It is possible that income under the MDO will cease during your lifetime. Prior to age 90, and subject to applicable plan and legal restrictions, you can apply any remaining part of an accumulation applied to the MDO to any other income option for which you're eligible. Using the MDO will not affect your right to take a cash withdrawal of any accumulation not yet distributed (to the extent that a cash withdrawal was available to you under your contract and under the terms of your employer's plan). This automatic payout option is not available under the Retirement Choice or Retirement Choice Plus Contracts or IRA contracts issued after October 11, 2010. Instead, required minimum distributions will be paid directly from these contracts pursuant to the terms of your employer's plan.

- **Income Test Drive (expected to be available by the second quarter of 2018):**

Income Test Drive is an optional feature that lets you try variable income payments for a 2-year period without making an irrevocable decision. You retain your accumulation during the Income Test Drive, and payments made during the Income Test Drive are withdrawals from your accumulation. Payments are calculated to approximate the amount you would receive under a lifetime income unit-annuity for the income option and income change method you select, adjusted to reflect the Income Test Drive.

You can change your mind during the Income Test Drive, and future payments will stop when you notify us of your decision. At the end of the Income Test Drive, if you have not decided to stop payments, your remaining accumulation applied to the Income Test Drive feature will be converted to annuity units payable under the income option you chose when you started this feature. Once the conversion to annuity units takes place, it is irrevocable. If you decide before the end of the Income Test Drive that you want to begin annuity income immediately, you may do so subject to certain election procedures. The conversion of accumulation units to annuity units may result in annuity payments that are greater or lesser than the amount of the last payment during the Income Test Drive.

State regulatory approval may be pending for the Income Test Drive and it may not currently be available in your state. We may stop providing the Income Test Drive feature at any time. For information about withdrawals from your contract, see “How to transfer and withdraw your money.”

For any of the income options described above, current federal tax law provides that your guaranteed period can't exceed the joint life expectancy of you and your beneficiary or annuity partner. Other code stipulations may make some income options unavailable to you. If you are married at your annuity start date, you may be required by law to choose an income option that provides survivor annuity income to your spouse, unless your spouse waives the right.

Receiving Lump-Sum Payments (Retirement Transition Benefit): If your employer's plan allows, you may be able to receive a single sum payment of up to 10% of the value of any part of an accumulation being converted to annuity income on the annuity starting date. Such employer plan and 10% limitations do not apply to IRAs. Of course, if your employer's plan allows cash withdrawals, you can take a larger amount (up to 100%) of your accumulation as a cash payment. The retirement transition benefit will be subject to current federal income tax requirements and possible early distribution penalties. See “Taxes.”

Other income options may become available in the future, subject to the terms of your retirement plan and relevant federal and state laws. TIAA may stop offering certain income options in the future. For more information about any annuity option, please contact TIAA.

Transfers during the annuity period

After you begin receiving annuity income, you can transfer all or part of the future annuity income (which is the actuarial present value of the payments based on the applicable interest rate and the mortality basis associated with that fund at the time of the transfer) payable once each calendar quarter (i) from the Real Estate Account into a “comparable annuity” payable from a CREF or TIAA account or TIAA’s Traditional Annuity, or (ii) from a CREF or TIAA variable account into a comparable annuity payable from the Real Estate Account. Comparable annuities are those which are payable under the same income option and have the same first and second annuitant, and remaining guaranteed period.

We’ll process your transfer on the business day we receive your request in good order. You can also choose to have a transfer take effect at the close of any future business day. Transfers under the annual income payment method will affect your annuity payments beginning on the May 1 following the March 31 which is on or after the effective date of the transfer. Transfers under the monthly income payment method and all transfers into TIAA’s Traditional Annuity will affect your annuity payments beginning with the first payment due after the monthly payment valuation day that is on or after the transfer date. You can switch between the annual and monthly income change methods, and the switch will go into effect on the last valuation day of March. Although the payout streams are actuarially equivalent and there is no charge for engaging in such a transfer, it is possible that the new funds may apply different mortality or interest assumptions, and could therefore result in variation between the initial payments from the new fund and the payments that were being made out of the original fund.

Annuity payments

The amount of annuity payments we pay you or your beneficiary (annuitant) will depend upon the number and value of the annuity units payable. The number of annuity units is first determined on the day before the annuity starting date. The amount of the annuity payments will change according to the income change method chosen.

Under the annual income change method, the value of an annuity unit for payments is redetermined on March 31 of each year (or, if March 31 is not a valuation day, the immediately preceding valuation day). This date is called the “annual payment valuation day.” Annuity payments change beginning May 1. The change reflects the net investment experience of the Real Estate Account. The net investment experience for the twelve months following the annual payment valuation day will be reflected in the annuity unit value determined on the next year’s annual payment valuation day.

Under the monthly income change method, the value of an annuity unit for payments is determined on the payment valuation day, which is the 20th day of the month preceding the payment due date or, if the 20th is not a business day, the preceding business day. The monthly changes in the value of an annuity unit reflect

the net investment experience of the Real Estate Account. The formulas for calculating the number and value of annuity units payable are described below.

Calculating the Number of Annuity Units Payable: When a participant or a beneficiary converts the value of all or a portion of his or her accumulation into an income-paying contract, the number of annuity units payable from the Real Estate Account under an income change method is determined by dividing the value of the Account accumulation to be applied to provide the annuity payments by the product of the annuity unit value for that income change method and an annuity factor. The annuity factor as of the annuity starting date is the value of an annuity in the amount of \$1.00 per month beginning on the first day such annuity units are payable, and continuing for as long as such annuity units are payable.

The annuity factor will reflect interest assumed at the effective annual rate of 4%, and the mortality assumptions for the person(s) on whose life (lives) the annuity payments will be based. Mortality assumptions will be based on the then-current settlement mortality schedules for this Account. Annuitants bear no mortality risk under their contracts — actual mortality experience will not reduce annuity payments after they have started. TIAA may change the mortality assumptions used to determine the number of annuity units payable for any future accumulations converted to provide annuity payments.

The number of annuity units payable under an income change method under your contract will be reduced by the number of annuity units you transfer out of that income change method under your contract. The number of annuity units payable will be increased by any internal transfers you make to that income change method under your contract.

Value of Annuity Units: The Real Estate Account's annuity unit value is calculated separately for each income change method for each valuation day. The annuity unit value for each income change method is determined by updating the annuity unit value from the previous valuation day to reflect the net investment performance of the Account for the current valuation period relative to the 4% assumed investment return. In general, your payments will increase if the performance of the Account is greater than 4% and decrease if the value is less than 4%. The value is further adjusted to take into account any changes expected to occur in the future at revaluation either once a year or once a month, assuming the Account will earn the 4% assumed investment return in the future.

The initial value of the annuity unit for a new annuitant is the value determined as of the valuation day before annuity payments start.

For participants under the annual income change method, the value of the annuity unit for payment remains level until the following May 1. For those who have already begun receiving annuity income as of March 31, the value of the annuity unit for payments due on and after the next succeeding May 1 is equal to the annuity unit value determined as of the last valuation day in March.

For participants under the monthly income change method, the value of the annuity unit for payments changes on the payment valuation day of each month for the payment due on the first of the following month.

Further, certain variable annuity payouts might not be available if issuing the payout annuity would violate state law.

TIAA reserves the right, subject to approval by the Board of Trustees, to modify the manner in which the number and/or value of annuity units is calculated in the future. No such modification will reduce any participant's benefit once the participant's annuitization period has commenced.

Death benefits

Choosing beneficiaries

Subject to the terms of your employer's plan, death benefits under TIAA contracts are payable to the beneficiaries you name. When you purchase your annuity contract, you name one or more beneficiaries to receive the death benefit if you die. You can generally change your beneficiaries any time before you die, and, unless you instruct otherwise, your annuity partner can do the same after your death.

Amount of death benefit

If you die during the accumulation period, the death benefit is the amount of your accumulation. If you and your annuity partner die during the annuity period while payments are still due under a fixed-period annuity or for the remainder of a guaranteed period, the death benefit is the present value, based on an specified effective annual interest rate, of the unit annuity payments due for the remainder of the period.

Payment of death benefit

To authorize payment and pay a death benefit, we must have received all necessary forms and documentation (in good order), including proof of death and the selection of the method of payment.

Every state has some form of unclaimed property laws that impose varying legal and practical obligations on insurers and, indirectly, on contract owners, insureds, beneficiaries and other payees of proceeds. Unclaimed property laws generally provide for escheatment to the state of unclaimed proceeds under various circumstances.

Contract owners are urged to keep their own, as well as their insureds', beneficiaries' and other payees', information up to date, including full names, postal and electronic media addresses, telephone numbers, dates of birth, and Social Security numbers. Such updates should be communicated in writing to TIAA at P.O. Box 1259, Charlotte, NC 28201, by calling our Automated Telephone Service (24 hours a day) at 800-842-2252 or via www.tiaa.org.

Methods of payment of death benefits

Generally, you can choose for your beneficiary the method we will use to pay the death benefit, but few participants do this. If you choose a payment method,

you can also prevent your beneficiaries from changing it. Most people leave the choice to their beneficiaries. We can prevent any choice if its initial payment is less than \$25. If your beneficiary does not specifically instruct us to start paying death benefits within a year of your death, we can start making payments to them over five years using the fixed-period annuity method of payment.

Payments during accumulation period: Currently, the available methods of payment for death benefits from funds in the accumulation period are:

- **Single-Sum Payment**, in which the entire death benefit is paid to your beneficiary at once;
- **One-Life Annuity With or Without Guaranteed Period**, in which the death benefit is paid for the life of the beneficiary or through the guaranteed period;
- **Annuity for a Fixed Period of 5 to 30 years (not available under Retirement Choice and Retirement Choice Plus contracts or IRA contracts that are issued or opened on or after October 11, 2010)**, in which the death benefit is paid for a fixed period;
- **Minimum Distribution Payments**, in which the beneficiary can elect to have payments made automatically in the amounts necessary to satisfy the Internal Revenue Code's minimum distribution requirements. It is possible under this method that your beneficiary will not receive income for life.

Death benefits are usually paid monthly (unless you chose a single-sum method of payment), but your beneficiary can switch them to quarterly, semiannual or annual payments. Note that for Retirement Choice and Retirement Choice Plus contracts, beneficiaries may only receive either a single-sum payment or a one-life annuity (with or without a guaranteed benefit in the plan).

Payments during annuity period: If you and your annuity partner die during the annuity period, your beneficiary can choose to receive any remaining guaranteed periodic payments due under your contract. Alternatively, your beneficiary can choose to receive the commuted value of those payments in a single sum unless you have indicated otherwise. The amount of the commuted value will be different from the total of the periodic payments that would otherwise be paid.

Ordinarily, death benefits are subject to federal tax. If taken as a lump sum, death benefits would be taxed like complete withdrawals. If taken as annuity benefits, the death benefit would be taxed like annuity payments. For more information, see the discussion under "Taxes" below.

Employer plan fee withdrawals

Your employer may, in accordance with the terms of your plan, and with TIAA's approval, withdraw amounts from your accumulations under your Retirement Choice or Retirement Choice Plus contract, and, if your certificate so provides, on your GRA or GSRA, or GA contract, to pay fees associated with the administration of the plan. TIAA also reserves the right to suspend or reinstate its approval for a plan to make such withdrawals. The amount and the effective date of an

employer plan fee withdrawal will be in accordance with the terms of your plan. TIAA will determine all values as of the end of the effective date under the plan.

An employer plan fee withdrawal cannot be revoked after its effective date under the plan. Each employer plan fee withdrawal will be made on a pro-rata basis from all your available TIAA and CREF Accounts. An employer plan fee withdrawal reduces the accumulation from which it is paid by the amount withdrawn. If allowed by your contract, your employer may also charge a fee on your Account to pay fees associated with administering the plan.

Your spouse's rights to death benefits

In general, your choice of beneficiary for death benefits may, in some cases, be subject to the consent of your spouse. Similarly, if you are married at the time of your death, federal law may generally require a portion of the death benefit be paid to your spouse even if you have named someone else as beneficiary. If you die without having named any beneficiary, any portion of your death benefit not payable to your spouse will generally go to your estate unless your employer's plan provides otherwise.

If you are married, and all or part of your accumulation is attributable to contributions made under:

- A. an employer plan subject to ERISA; or
- B. an employer plan that provides for spousal rights to benefits, then, only to the extent required by the IRC or ERISA or the terms of your employer plan, your rights to choose certain benefits are restricted by the rights of your spouse to benefits as follows:
 - Spouse's survivor retirement benefit. If you are married on your annuity starting date, your income benefit must be paid under a two-life annuity with your spouse as second annuitant.
 - Spouse's survivor death benefit. If you die before your annuity starting date and your spouse survives you, the payment of the death benefit to your named beneficiary may be subject to your spouse's right to receive a death benefit. Under an employer plan subject to ERISA, your spouse has the right to a death benefit of at least 50% of any part of your accumulation attributable to contributions made under such a plan. Under an employer plan not subject to ERISA, your spouse may have the right to a death benefit in the amount stipulated in the plan.

Your spouse may consent to a waiver of his or her rights to these benefits.

Waiver of spouse's rights to death benefits

If you are married, and all or part of your accumulation is attributable to contributions made under:

- A. an employer plan subject to ERISA; or
- B. an employer plan that provides for spousal rights to benefits, then, only to the extent required by the IRC or ERISA or the terms of your employer plan,

your spouse must consent to a waiver of his or her rights to survivor benefits before you can choose:

- an income option other than a two-life annuity with your spouse as second annuitant; or
- beneficiaries who are not your spouse for more than the percentage of the death benefit allowed by the employer plan; or
- a lump-sum benefit.

In order to waive the rights to spousal survivor benefits, we must receive, in a form satisfactory to us, your spouse's consent, or a satisfactory verification that your spouse cannot be located. A waiver of rights with respect to an income option or a lump-sum benefit must be made in accordance with the IRC and ERISA, or the applicable provisions of your employer plan. A waiver of the survivor death benefit may not be effective if it is made prior to the earlier of the plan year in which you reach age 35 or your severance from employment of your employer.

Verification of your marital status may be required, in a form satisfactory to us, for purposes of establishing your spouse's rights to benefits or a waiver of these rights. (For more information about the definition of a "spouse", see "Taxes-Federal Defense of Marriage Act.") You may revoke a waiver of your spouse's rights to benefits at any time during your lifetime and before the annuity starting date. Your spouse may not revoke a consent to a waiver after the consent has been given.

Taxes

This section offers general information concerning federal taxes. It doesn't cover every situation. Tax treatment varies depending on the circumstances, and state and local taxes may also be involved. For complete information on your personal tax situation, check with a qualified tax advisor.

How the Real Estate Account is treated for tax purposes

The Account is not a separate taxpayer for purposes of the Code — its earnings are taxed as part of TIAA's operations. Although TIAA is not expected to owe any federal income taxes on the Account's earnings, if TIAA does incur taxes attributable to the Account, it may make a corresponding charge against the Account.

Taxes in general

During the accumulation period, Real Estate Account premiums paid in before-tax dollars, employer contributions and earnings attributable to these amounts are not taxed until they're withdrawn. Annuity payments, single-sum withdrawals, systematic withdrawals, and death benefits are usually taxed as ordinary income. Premiums paid in after-tax dollars aren't taxable when withdrawn, but earnings attributable to these amounts are taxable unless those amounts are contributed as Roth contributions to a 401(a), 403(b) or governmental 457(b) plan and

certain criteria are met before the amounts (and the income on the amounts) are withdrawn. Generally, transfers between qualified retirement plans are not taxed.

After prevailing in *Bobrow v. Commissioner*, T.C. Memo. 2014-21, the Internal Revenue Service announced a significant change in the longstanding position on the treatment on multiple IRA rollovers occurring in a 12 month period. Federal tax law permits only one tax-deferred rollover between IRAs of distributions taken in a 12 month period. The IRS had previously interpreted that restriction to apply separately to each IRA owned by an individual. However, in the Bobrow case the Tax Court held that the 12 month restriction period applied to all of the taxpayer's traditional IRAs. The IRS has issued guidance expanding this new interpretation of the one-rollover- per-year rule to all types of IRAs. Please consult your qualified tax adviser for more information before making any IRA rollover.

Generally, contributions you can make under an employer's plan are limited by federal tax law. Employee voluntary salary reduction contributions and Roth after-tax contributions to 403(b) and 401(k) plans are limited in the aggregate to \$18,000 per year (\$24,000 per year if you are age 50 or older). Certain long-term employees may be able to defer additional amounts to a 403(b) plan. Contributions to Classic and Roth IRAs, other than rollover contributions, cannot generally exceed \$5,500 per year (\$6,500 per year for taxpayers age 50 or older). The maximum contribution limit to a 457(b) non-qualified deferred compensation plan for employees of state and local governments is \$18,000 (\$24,000 if you are age 50 or older). Special catch-up rules may permit a higher contribution in one or more of the last three years prior to an individual's normal retirement age under the plan.

Note that the dollar limits listed above are for 2017; different dollar limits may apply in future years.

Early distributions

If you want to withdraw funds or begin receiving income from any 401(a), 403(a), or 403(b) retirement plan or an IRA before you reach age 59½, you may have to pay a 10 percent early distribution tax on the taxable amount. Distributions from a Roth IRA generally are not taxed, except that, once aggregate distributions exceed contributions to the Roth IRA, income tax and a 10% penalty tax may apply to distributions made (1) before age 59½ (subject to certain exceptions) or (2) during the five taxable years starting with the year in which the first contribution is made to any Roth IRA. A 10% penalty tax may apply to amounts attributable to a conversion from an IRA if they are distributed during the five taxable years beginning with the year in which the conversion was made. You won't have to pay this tax in certain circumstances. Early distributions from 457(b) plans are not subject to a 10% penalty tax unless, in the case of a governmental 457(b) plan, the distribution includes amounts rolled over to the plan from an IRA, 401(a)/403(a), or 403(b) plan. Consult your tax advisor for more information.

Minimum distribution requirements

In most cases, payments from qualified contracts must begin by April 1 of the year after the year you reach age 70½, or if later, by retirement. For Classic IRAs, and with respect to 5% or more owners of the business covered by a Keogh plan, payments must begin by April 1 of the year after you reach age 70½. Under the terms of certain retirement plans, the plan administrator may direct us to make the minimum distributions required by law even if you do not elect to receive them. In addition, if you don't begin distributions on time, you may be subject to a 50% excise tax on the amount you should have received but did not. Roth IRAs are generally not subject to these rules requiring minimum distributions during your lifetime. You are responsible for requesting distributions that comply with the minimum distribution rules. Please consult your tax advisor for more information.

Premium taxes

Some states assess premium taxes on the premiums paid under the contract. We will deduct the total amount of premium taxes, if any, from your accumulation based on current state insurance laws, subject to the provisions of your contract, and our status in the state. Generally, premium taxes range from 0% to 3.5%, depending on the state.

Withholding on distributions

If we pay an "eligible rollover" distribution directly to you, federal law requires us to withhold 20% from the taxable portion. On the other hand, if we roll over such a distribution directly to an IRA or employer plan, we do not withhold any federal income tax. The 20% withholding also does not apply to certain types of distributions that are not considered eligible rollovers such as payments from IRAs, hardship withdrawals, lifetime annuity payments, substantially equal periodic payments over your life expectancy or over 10 or more years, or minimum distribution payments.

For the taxable portion of non-eligible rollover distributions, we will usually withhold federal income taxes unless you tell us not to and you are eligible to avoid withholding. However, if you tell us not to withhold but we don't have your taxpayer identification number on file, we still are required to withhold taxes. These rules also apply to distributions from governmental 457(b) plans. In general, all amounts received under a private 457(b) plan are taxable and are subject to federal income tax withholding as wages. Nonresident aliens who pay U.S. taxes are subject to different withholding rules.

Federal estate, gift, and generation-skipping transfer taxes

While no attempt is being made to discuss in detail the federal estate tax implications of the contract, a purchaser should keep in mind that the value of an annuity contract owned by a decedent and payable to a beneficiary who survives the decedent is included in the decedent's gross estate. Depending on the terms of the contract, the value of the annuity included in the gross estate may be the

value of the lump sum payment payable to the designated beneficiary or the actuarial value of the payments to be received by the beneficiary. Consult an estate planning advisor for more information.

Under certain circumstances, the Code may impose a generation-skipping (“GST”) tax when all or part of an annuity contract is transferred to, or a death benefit is paid to, an individual two or more generations younger than the contract owner. Regulations issued under the Code may require us to deduct the tax from your contract, or from any applicable payment, and pay it directly to the IRS. For 2016, the federal estate tax, gift tax, and GST tax exemptions and maximum rates are \$5,450,000 and 40%, respectively. The potential application of these taxes underscores the importance of seeking guidance from a qualified adviser to help ensure that your estate plan adequately addresses your needs and those of your beneficiaries under all possible scenarios.

Definition of Spouse under Federal Law

Any right of a spouse that is made available to continue the contract and all contract provisions relating to spouses and spousal continuation are available only to a person who meets the definition of “spouse” under federal law. The U.S. Supreme Court has held that same-sex marriages must be permitted under state law, and that same-sex marriages recognized under state law will be recognized for federal law purposes. IRS guidance provides that civil unions and domestic partnerships that may be recognized under state law are not marriages unless denominated as such. Consult a qualified tax advisor for more information on this subject.

Special rules for after-tax retirement annuities

If you paid premiums directly to an RA and the premiums are not subject to your employer's retirement plan, or if you have been issued an ATRA contract, the following general discussion describes our understanding of current federal income tax law that applies to these accumulations. This discussion does not apply to premiums paid on your behalf under the terms of your employer's retirement plan. It also does not cover every situation and does not address all possible circumstances.

In General. These annuities are generally not taxed until distributions occur. When distributions occur, they are taxed as follows:

- Withdrawals, including withdrawals of the entire accumulation under the contract, are generally taxed as ordinary income to the extent that the contract's value is more than your investment in the contract (*i.e.*, what you have paid into it).
- Annuity payments are generally treated in part as taxable ordinary income and in part as non-taxable recovery of your investment in the contract until you recover all of your investment in the contract. After that, annuity payments are taxable in full as ordinary income.

Required Distributions. In general, if you die after you start your annuity payments but before the entire interest in the annuity contract has been

distributed, the remaining portion must be distributed at least as quickly as under the method in effect on the date of your death. If you die before your annuity payments begin, the entire interest in your annuity contract generally must be distributed within five years after your death, or be used to provide payments that begin within one year of your death and that will be made for the life of your designated beneficiary or for a period not extending beyond the life expectancy of your designated beneficiary. The “designated beneficiary” refers to a natural person you designate and to whom ownership of the contract passes because of your death. However, if the designated beneficiary is your surviving spouse, your surviving spouse can continue the annuity contract as the new owner.

Death Benefit Proceeds. Death benefit proceeds are taxed like withdrawals of the entire accumulation in the contract if distributed in a single sum and are taxed like annuity payments if distributed as annuity payments. Your beneficiary may be required to take death benefit proceeds within a certain time period.

Penalty Tax on Certain Distributions. You may have to pay a penalty tax (10% of the amount treated as taxable income) on distributions you take prior to age 59½. There are some exceptions to this rule, however. You should consult a tax advisor for information about those exceptions.

Medicare Tax. Distributions from after-tax contracts (such as ATRA contracts) may be considered “investment income” for purposes of the Medicare tax on investment income. Thus, in certain circumstances, a 3.8% tax may be applied to some or all of the taxable portion of distributions (i.e., earnings) to individuals whose income exceeds certain threshold amounts (\$200,000 for filing single, \$250,000 for married filing jointly and \$125,000 for married filing separately.) Please consult a tax advisor for more information.

Withholding. Annuity distributions are generally subject to federal income tax withholding but most recipients can usually choose not to have the tax withheld.

Certain Designations or Exchanges. Designating an annuitant, payee or other beneficiary, or exchanging a contract may have tax consequences that should be discussed with a tax advisor before you engage in any of these transactions.

Multiple Contracts. All non-qualified deferred annuity contracts issued by us and certain of our affiliates to the same owner during a calendar year must generally be treated as a single contract in determining when and how much income is taxable and how much income is subject to the 10% penalty tax (see above).

Diversification Requirements. The investments of the Real Estate Account must be “adequately diversified” in order for the ATRA Contracts to be treated as annuity contracts for Federal income tax purposes. It is intended that Real Estate Account will satisfy these diversification requirements.

Owner Control. In certain circumstances, owners of non-qualified variable annuity contracts have been considered for Federal income tax purposes to be the owners of the assets of the separate account supporting their contracts due to their ability to exercise investment control over those assets. When this is the case, the contract owners have been currently taxed on income and gains

attributable to the variable account assets. While we believe that the ATRA Contracts do not give you investment control over assets in the Real Estate Account or any other separate account underlying your ATRA Contract, we reserve the right to modify the ATRA Contracts as necessary to prevent you from being treated as an owner of the assets in the Real Estate Account.

Premium Taxes. Some states, the District of Columbia, and Puerto Rico assess premium taxes on the premiums paid under the ATRA contract. We will deduct the total amount of premium taxes, if any, from your accumulation based on current state insurance laws, subject to the provisions of your contract, and our status in the state. Generally, the premium taxes range from 0.5% to 3.5% (6% for Puerto Rico) depending on the state.

Residents of Puerto Rico

The IRS has announced that income from an annuity received by residents of Puerto Rico is U.S.-source income that is generally subject to United States federal income tax.

Annuity purchases by nonresident aliens

The discussion above provides general information regarding U.S. federal income tax consequences to annuity purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from annuity contracts at a 30% rate, unless a lower treaty rate applies. In addition, purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Prospective purchasers who are nonresident aliens are advised to consult with a qualified tax adviser regarding U.S., state, and foreign taxation with respect to an annuity contract purchase.

Special rules for withdrawals to pay advisory fees

If you have arranged for us to pay advisory fees to your financial advisor from your accumulations, those partial withdrawals generally will not be treated as taxable distributions as long as:

- the payment is for expenses that are ordinary and necessary;
- the payment is made from a Section 401 or 403 retirement plan or an IRA;
- your financial advisor's payment is only made from the accumulations in your retirement plan or IRA, as applicable, and not directly by you or anyone else, under the agreement with your financial advisor; and
- once advisory fees begin to be paid from your retirement plan or IRA, as applicable, you continue to pay those fees solely from your plan or IRA, as applicable, and not from any other source.

However, withdrawals to pay advisory fees to your financial advisor from your accumulations under an ATRA contract will be treated as taxable distributions.

Foreign tax credit

The Account may be subject to foreign taxes on investments in other countries, including capital gains tax on any appreciation in value when a real estate investment in a foreign jurisdiction is eventually sold. Any potential tax impact will not be reflected in the valuation of the foreign investment and may not be fully reflected in a tax accrual by the Account. Upon payment of any foreign tax by the Account, TIAA may be eligible to receive a foreign tax credit, which (subject to certain limitations) may be available to reduce its U.S. tax burden. The Account is a segregated asset account of TIAA and incurs no material federal income tax attributable to the investment performance of the Account under the Code. As a result, the Account will not realize any tax benefit from any foreign tax credit that may be available to TIAA; however, to the extent that TIAA can utilize the foreign tax credit in its consolidated tax return, TIAA will reimburse the Account for that benefit at that time. The extent to which TIAA is able to utilize the credits when the Account incurs a foreign tax will determine the amount and timing of reimbursement from TIAA to the Account for the resulting foreign tax credit. The Account's unit values may be adversely impacted in the future if a foreign tax is paid, and TIAA is not able to utilize (and therefore does not reimburse the Account for), either immediately or in the future, the foreign tax credit earned as a result of the foreign tax paid by the Account.

Possible tax law changes

Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of your contract could change by legislation or otherwise. Consult a tax advisor with respect to legislative developments and their effect on your contract.

We have the right to modify the contract in response to legislative changes that could otherwise diminish the favorable tax treatment that annuity contract owners currently receive. We make no guarantee regarding the tax status of any contract and do not intend the above discussion as tax advice.

General matters

Making choices and changes

You may have to make certain choices or changes (e.g., changing your income option, making a cash withdrawal) by written notice in good order satisfactory to us and received at our home office or at some other location that we have specifically designated for that purpose. When we receive a notice of a change in beneficiary or other person named to receive payments, we'll execute the change as of the date it was signed, even if the signer has died in the meantime. We execute all other changes as of the date received.

Telephone and internet transactions

You can use our Automated Telephone Service (“ATS”) or the TIAA Web Center’s account access feature to check your account balances, transfer to TIAA’s Traditional Annuity, TIAA Access variable annuity accounts or CREF, and/or allocate future premiums among the accounts and funds available to you through TIAA. Note that, currently, all requests to make lump-sum transfers out of the Real Estate Account to another investment option (whether or not affiliated with TIAA or CREF) may not be made by means of TIAA’s Internet website. You will be asked to enter your Personal Identification Number (“PIN”) and Social Security number for both systems. (You can establish a PIN by calling us.) Both will lead you through the transaction process and will use reasonable procedures to confirm that instructions given are genuine. If we use such procedures, we are not responsible for incorrect or fraudulent transactions. All transactions made over the ATS and Internet are electronically recorded.

To use the ATS, you need a touch-tone phone. The toll free number for the ATS is 800-842-2252. To use the Internet, go to the account access feature of the TIAA Web Center at www.tiaa.org. We can suspend or terminate your ability to transact by telephone, over the Internet, or by fax at any time, for any reason.

Voting rights

You don’t have the right to vote on the management and operation of the Account directly; however, you may send ballots to advise the TIAA Board of Overseers about voting for nominees for the TIAA Board of Trustees.

Electronic prospectus

If you received this prospectus electronically and would like a paper copy, please call 877-518-9161 and we will send it to you. Under certain circumstances where we are legally required to deliver a prospectus to you, we cannot send you a prospectus electronically unless you’ve consented.

Householding

To lower costs and eliminate duplicate documents sent to your home, we may begin mailing only one copy of the Account’s prospectus, prospectus supplements or any other required documents to your household, even if more than one participant lives there. If you would prefer to continue receiving your own copy of any of these documents, you may call us toll-free at 877-518-9161, or write us.

Miscellaneous policies

Amending the Contracts: The contract may be amended by agreement of TIAA and the contract owner without the consent of any other person, provided that such change does not reduce any benefit purchased under the contract up to that time. Any endorsement or amendment of the contract, waiver of any of its provisions, or change in rate schedule will be valid only if in writing and signed by an executive officer of TIAA.

If You're Married: If you're married, you may be required by law or your employer's plan to get advance written consent from your spouse before we make certain transactions for you. If you're married at your annuity starting date, you may also be required by law or your employer's plan to choose an income option that provides survivor annuity income to your spouse, unless he or she waives that right in writing. There are limited exceptions to the waiver requirement.

Texas Optional Retirement Program Restrictions: If you're in the Texas Optional Retirement Program, you or your beneficiary can redeem some or all of your accumulation only if you retire, die, or leave your job in the state's public institutions of higher education.

Assigning Your Contract: Generally, neither you nor your beneficiaries can assign your ownership of a TIAA retirement contract to anyone else.

Overpayment of Premiums: If your employer mistakenly sends more premiums on your behalf than you're entitled to under your employer's retirement plan or the Code, we'll refund them to your employer as long as we're requested to do so (in writing) before you start receiving annuity income.

Any time there's a question about premium refunds, TIAA will rely on information from your employer. If you've withdrawn or transferred the amounts involved from your accumulation, we won't refund them.

Errors or Omissions: We reserve the right to correct any errors or omissions on any form, report, or statement that we send you.

Payment to an Estate, Guardian, Trustee, etc.: We reserve the right to pay in one sum the commuted value of any benefits due an estate, corporation, partnership, trustee, or other entity not a natural person. Neither TIAA nor the Account will be responsible for the conduct of any executor, trustee, guardian, or other third party to whom payment is made.

Benefits Based on Incorrect Information: If the amounts of benefits provided under a contract were based on information that is incorrect, benefits will be recalculated on the basis of the correct data. If the Account has overpaid or underpaid, appropriate adjustments will be made.

Proof of Survival: We reserve the right to require satisfactory proof that anyone named to receive benefits under a contract is living on the date payment is due. If we have not received this proof after we request it in writing, the Account will have the right to make reduced payments or to withhold payments entirely until such proof is received.

Distribution

The annuity contracts are offered continuously by Services, which is registered with the SEC as a broker-dealer and a registered investment adviser and is a member of the Financial Industry Regulatory Authority ("FINRA"). Teachers Personal Investors Services, Inc. ("TPIS"), also a broker-dealer registered with the SEC and a member of FINRA, may participate in the distribution of the contracts on a limited basis. Services and TPIS are direct or indirect wholly

owned subsidiaries of TIAA. Their addresses are at 730 Third Avenue, New York, NY 10017-3206. No commissions are paid for distributing the contracts.

State regulation

TIAA, the Real Estate Account, and the contracts (including any proposed modification thereto) are subject to regulation by the NYDFS as well as by the insurance regulatory authorities of certain other states and jurisdictions.

TIAA and the Real Estate Account must file with the NYDFS both quarterly and annual statements. The Account's books and assets are subject to review and examination by the NYDFS at all times, and a full examination into the affairs of the Account is made at least every five years. In addition, a full examination of the Account's operations is usually conducted periodically by insurance regulators in several other states.

Legal matters

All matters involving state law and relating to the contracts, including TIAA's right to issue the contracts, have been passed upon by Paul Cellupica, Managing Director, General Counsel, Securities of TIAA.

Dechert LLP has provided legal advice to the Account related to certain matters under the federal securities laws.

Experts

The financial statements incorporated in this prospectus by reference to the TIAA Real Estate Account Annual Report on Form 10-K for the year ended December 31, 2016, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, located at 214 Tryon Street, Suite 4200, Charlotte, NC 28202, given on the authority of said firm as experts in auditing and accounting.

The statutory-basis financial statements of Teachers Insurance and Annuity Association of America as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 incorporated in this prospectus by reference have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, located at 300 Madison Avenue, New York, New York, 10017, given on the authority of said firm as experts in auditing and accounting.

AGH, LLC, an independent auditor, has audited the statement of revenues and certain expenses of the following properties:

- (i) Greene Crossing, Columbia, SC, for the year ended December 31, 2015;
- (ii) BLVD63, San Diego, CA, for the year ended December 31, 2015;
- (iii) Campus Pointe I, San Diego, CA, for the year ended December 31, 2015;
and
- (iv) Matsil Building, Long Island City, NY, for the year ended December 31, 2016.

After reasonable inquiry, the Account is not aware of any material factors relating to the specific properties audited by AGH, LLC, other than as specifically set forth elsewhere in this prospectus that would cause the reported financial information indicated in such financial statements not to be necessarily indicative of future operating results.

We have included these financial statements in the prospectus and elsewhere in the registration statement in reliance on AGH, LLC's reports, given on the authority of such firm as experts in accounting and auditing.

CohnReznick LLP, an independent auditor, has audited the statement of revenues and certain expenses of the following properties:

- (i) Fashion Show, Las Vegas, NV, for the year ended December 31, 2015;
- (ii) The Hub, Long Island City, NY, for the year ended December 31, 2015;
- (iii) 32 South State Street, Chicago, IL, for the year ended December 31, 2015; and
- (iv) 817 Broadway, New York City, NY, for the year ended December 31, 2015.

After reasonable inquiry, the Account is not aware of any material factors relating to the specific properties audited by CohnReznick LLP, other than as specifically set forth elsewhere in this prospectus that would cause the reported financial information indicated in such financial statements not to be necessarily indicative of future operating results.

We have included these financial statements in the prospectus and elsewhere in the registration statement in reliance on CohnReznick LLP's reports, given on the authority of such firm as experts in accounting and auditing.

Additional information

Information available at the SEC

The Account has filed annual reports, quarterly reports, current reports and other information with the SEC. You may read or obtain a copy of these reports at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference room and their copy charges by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains registration statements, reports, proxy information statements and other information regarding registrants that file electronically with the SEC. The address of the website is <http://www.sec.gov>.

The Account has also filed with the SEC a Registration Statement on Form S-1 under the Securities Act to register the units offered by this prospectus. The term "registration statement" means the original registration statement and any and all amendments thereto, including the schedules and exhibits to the original registration statement or any amendment. This prospectus, and any documents incorporated therein, are part of that registration statement. This prospectus does not contain all of the information set forth in the registration statement or the exhibits to the registration statement. For further information with respect to

us and the units we are offering pursuant to this prospectus, you should refer to the registration statement and its exhibits as well as any documents incorporated by reference (including the Account's 2016 Form 10-K). Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete, and you should refer to the copy of that contract or other documents filed as an exhibit to the registration statement. You may read or obtain a copy of the registration statement at the SEC's public reference facilities and Internet site referred to above.

Incorporation of information by reference

The SEC allows the Account to "incorporate by reference" certain information that the Account files with the SEC. Incorporation by reference allows the Account to disclose important information to you by referring you to those other documents. The information incorporated by reference is an important part of this prospectus. The Account filed a registration statement on Form S-1 under the Securities Act of 1933, as amended, with the SEC with respect to the securities it may offer pursuant to this prospectus. This prospectus omits certain information contained in the registration statement, as permitted by the SEC. You should refer to the registration statement, including the exhibits and other documents incorporated by reference herein, for further information about us and the securities the Account may offer pursuant to this prospectus.

Statements in this prospectus regarding the provisions of certain documents filed with, or incorporated by reference in, the registration statement are not necessarily complete and each statement is qualified in all respects by that reference. Copies of all or any part of the registration statement, including the documents incorporated by reference or the exhibits, may be obtained upon payment of the prescribed rates at the offices of the SEC listed above in "Information Available from the SEC."

The documents the Account is incorporating by reference into this prospectus are:

- The Account's 2016 Form 10-K. The 2016 Form 10-K contains, among other things, the Account's annual audited financial statements as well as additional information regarding the Account's business, properties, legal proceedings, changes in and disagreements with the accountants on accounting and financial disclosure, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and quantitative and qualitative disclosure about market risk.

Unless otherwise noted, the SEC file number for each of the documents listed above is 033-92990.

Any statement contained in a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request, orally or in writing, a copy of any or all of the documents incorporated by reference herein. These documents will be provided to you at no cost, by contacting: TIAA, Attn: TIAA Imaging Services, 730 Third Avenue, New York, NY 10017-3206, telephone: 877-518-9161. In addition, such incorporated reports and documents can be located on TIAA's website at <http://www.tiaa.org/public/prospectuses/index.html>.

You should rely only on information contained in, or incorporated by reference into, this prospectus and any prospectus supplement. The Account has not authorized anyone to provide you with information different from that contained in this prospectus or incorporated by reference in this prospectus. The Account is not making offers to sell the securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Further information; reports to participants

TIAA will mail to each participant in the Account periodic reports providing information relating to their accumulations in the Account, including premiums paid, number and value of accumulations, and withdrawals or transfers during the period, as well as such other information as may be required by applicable law or regulations. Further information may be obtained from TIAA at 730 Third Avenue, New York, NY 10017-3206.

Customer complaints

Customer complaints may be directed to TIAA Customer Care, P.O. Box 1259, Charlotte, NC 28201-1259, telephone 800-842-2252.

Financial statements

The unaudited pro forma condensed financial statements of the Account, certain property-specific financial statements and the condensed statutory-basis financial statement information of TIAA follow within this prospectus. The full audited statutory-basis financial statements of TIAA are available upon request by calling 877-518-9161.

The statements of TIAA should be distinguished from the financial statements of the Account and should be considered only as bearing on the ability of TIAA to meet its obligations under the contracts. They should not be considered as bearing upon the assets held in the Account.

The audited financial statements of the TIAA Real Estate Account are incorporated into this prospectus by reference to the Account's 2016 Form 10-K as outlined in the section above entitled "Additional information—Incorporation of information by reference."

Index to financial statements

TIAA REAL ESTATE ACCOUNT

PRO FORMA CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

- 100 Pro forma condensed statement of assets and liabilities
- 100 Pro forma condensed statement of operations
- 101 Notes to pro forma condensed financial statements

PROPERTY FINANCIAL STATEMENTS:

- 102 Pacific City, Huntington Beach, California
- 106 Fashion Show, Las Vegas, Nevada
- 111 The Hub, Long Island City, New York
- 116 Greene Crossing, Columbia, South Carolina
- 120 BLVD63, San Diego, California
- 125 32 South State Street, Chicago, Illinois
- 130 817 Broadway, New York City, New York
- 135 Campus Pointe I, San Diego, California
- 140 Matsil Building, Long Island City, NY

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

- 145 Condensed statutory-basis financial statement information

Pro forma condensed statement of assets and liabilities (unaudited)

TIAA Real Estate Account

(in millions)	As of December 31, 2016		
	Historical	Adjustments	Pro Forma
ASSETS			
Real estate properties and real estate joint ventures and limited partnerships, at value	\$21,212.7	\$54.3 ^(a)	\$21,267.0
Marketable securities	5,135.3	—	5,135.3
Loans receivable	295.7	—	295.7
Other	341.5	—	341.5
TOTAL ASSETS	26,985.2	54.3	27,039.5
Mortgage notes payable	2,332.1	—	2,332.1
Accrued real estate property level expenses and taxes	202.2	—	202.2
Payable for collateral for securities loaned	93.0	—	93.0
Other	53.2	—	53.2
TOTAL LIABILITIES	2,680.5	—	2,680.5
NET ASSETS	\$24,304.7	\$54.3	\$24,359.0

Pro forma condensed statement of operations (unaudited)

TIAA Real Estate Account

	For the Year Ended December 31, 2016		
	Historical	Adjustments	Pro Forma
Rental income	\$1,009.0	\$18.3^(b)	\$1,027.3
Operating expenses	218.1	5.0 ^(b)	223.1
Real estate taxes	158.7	2.1 ^(b)	160.8
Interest expense	85.8	1.0 ^(c)	86.8
Total real estate property expenses and taxes	462.6	8.1	470.7
Real estate income, net	546.4	10.2	556.6
Income from real estate joint ventures and limited partnerships	161.8	49.2 ^(d)	211.0
Interest and dividends	58.9	—	58.9
TOTAL INCOME, NET	767.1	59.4	826.5
EXPENSES	202.0	3.5^(e)	205.5
INVESTMENT INCOME, NET	565.1	55.9	621.0
REALIZED AND UNREALIZED GAINS	619.8	—	619.8
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$1,184.9	\$55.9	\$1,240.8

Notes to pro forma condensed financial statements

(unaudited)

TIAA Real Estate Account

Note 1—Purpose and Assumptions

As required by the Securities and Exchange Commission under Regulation S-X Article 11-01(5), these pro forma condensed financial statements of the TIAA Real Estate Account (“Account”) have been prepared because the Account has made significant purchases of real estate property investments during the period from January 1, 2016 through the date of this prospectus.

Various assumptions have been made in order to prepare these pro forma condensed financial statements. The pro forma condensed statement of operations for the year ended December 31, 2016 has been prepared assuming real estate property investments purchased during the period from January 1, 2016 through the date of this prospectus were purchased as of January 1, 2016.

Note 2—Pro Forma Adjustments

The following pro forma adjustments were made in preparing the pro forma condensed financial statements to reflect the purpose described in Note 1.

Pro forma Condensed Statement of Assets and Liabilities:

- (a) To record the cost of real estate property investments purchased during the period from January 1, 2017 through March 31, 2017.

Pro forma Condensed Statement of Operations:

- (b) To record the rental income and real estate property level expenses of the real estate properties purchased during the period from January 1, 2016 through the date of this prospectus, assuming such properties were owned for the entire year ended December 31, 2016.
- (c) To record interest expense on loans assumed related to purchased investments.
- (d) To record income for the joint ventures purchased during the period from January 1, 2016 through the date of this prospectus, assuming the joint venture interests were owned for the entire year ended December 31, 2016.
- (e) To record additional investment management expense charges which would have been incurred during the year ended December 31, 2016, based on the net investment amounts involved and assuming the real estate property investments purchased during the period from January 1, 2016 through the date of this prospectus had been purchased as of January 1, 2016.

Pacific City — Huntington Beach, California

Independent accountants' compilation report

To the Management of Teachers Insurance and Annuity Association of America

Management is responsible for the accompanying statement of revenues and certain expenses of Pacific City (the "Property"), as described in Note A, for the year ended December 31, 2015 and for the period ended May 31, 2016, and the related notes to the financial statement in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statement of revenues and certain expenses nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the statement of revenues and certain expenses.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission and, as described in Note A, is not intended to be a complete presentation of the Property's revenues and expenses.

AGH, LLC

September 27, 2016

Statements of revenues and certain expenses

	For The Year Ended December 31, 2015 (Unaudited)	For The Period Ended May 31, 2016 (Unaudited)
REVENUES		
Rental income	\$324,169	\$1,281,798
Percentage rents	8,290	179,997
Escalation income	66,598	322,385
Other income	279,679	431,716
Total revenues	678,736	2,215,896
CERTAIN EXPENSES		
General and administrative	—	76,252
Insurance	—	25,144
Parking lot	39,717	183,845
Management fees	12,186	60,139
Marketing	37,866	219,091
Real estate taxes	—	207,155
Repairs and maintenance	127,608	290,581
Security	—	108,425
Utilities	—	131,157
Total certain expenses	217,377	1,301,789
Revenues in Excess of Certain Expenses	\$461,359	\$ 914,107

See Independent Accountants' Compilation Report and Accompanying Notes

Notes to Statements of Revenues and Certain Expenses

Note A—Organization and Basis of Presentation

The statement of revenues and certain expenses (the “financial statement”) for the year ended December 31, 2015 and the period ended May 31, 2016 relates to the operations of Pacific City (the “Property”). The Property is a newly constructed ocean front, class A retail center consisting of 189,180 square feet of rentable retail space in Huntington Beach, California. The Property commenced operations upon completion of construction in November 2015. The Property was 57% and 85% leased as of December 31, 2015 and May 31, 2016, respectively. TIAA Real Estate Account, a subsidiary of TIAA-CREF, is the sole member of TREA Pacific Center, LLC. TREA Pacific Center, LLC acquired a 70% interest in PC Borrower, LLC, which owns a 100% interest in PC Group Retail, LLC (“PC Group Retail”), which owns the Property.

The accompanying financial statement is presented in conformity with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission. Accordingly, the financial statement is not representative of the actual operations for the periods presented, as certain expenses which may not be comparable to the expenses expected to be incurred in the future operations of the Property have been excluded. Expenses excluded consist of interest, depreciation and amortization and certain other expenses not directly related to the future operations of the Property.

The statements of revenues and certain expenses for the year ended December 31, 2015 and May 31, 2016 are unaudited due to the limited rental history of the Property. In the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of the statement of revenues and certain expenses for the year ended December 31, 2015 and the period ended May 31, 2016 on the basis described above have been included. The results for such periods are not necessarily indicative of the results for the entire year.

Note B—Summary of Significant Accounting Policies

Use of estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Rental income from the operating leases, which includes scheduled increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015 and the period ended May 31, 2016, income recognized on a straight line basis is more than income that would have accrued in accordance with the lease terms by approximately \$68,468 and \$181,192, respectively.

Escalation income represents amounts paid by or due from tenants for their share of certain operating expenses, as defined in their respective lease agreements. The Property recognizes escalation income in the period the applicable expenses are incurred.

Note C—Future Rental Payments

Available space in the Property is leased to three tenants under various non-cancellable operating leases that expire on various dates through October 2035. The minimum future rental payments to be received from the leases are generally subject to fixed increases during the lease term. Also, certain leases require reimbursement of common area maintenance charges, certain operating expenses, and real estate taxes.

The minimum future rental payments to be received by PC Group Retail from these leases as of December 31, 2015 are as follows:

2016	\$ 3,066,254
2017	3,130,715
2018	3,054,020
2019	3,064,264
2020	3,108,876
Thereafter	33,314,207
Total	\$48,738,336

Note D—Concentration of Revenue

The Property earned 78% and 64% of rental income from three tenants during the year ended December 31, 2015 and the period ended May 31, 2016, respectively. The loss of these tenants would have a significant negative impact on the Property's operations.

Note E—Related Party Transactions

The Property is under a property management agreement with an affiliate of PC Group Retail. For the year ended December 31, 2015 and the period ended May 31, 2016, the Property incurred \$12,186 and \$60,139 in management fees, respectively.

Note F—Subsequent Events

Subsequent events have been evaluated through September 27, 2016, the date the financial statement was available for issuance. Management has determined that there are no subsequent events that require disclosure under Financial Accounting Standards Board Standards Codification Topic 855, Subsequent Events.

Fashion Show — Las Vegas, Nevada

Independent auditors' report

To the Board of Directors and Stockholders
TIAA-CREF, Inc.
Fashion Show

We have audited the accompanying Statement of Revenue and Certain Operating Expenses (the “financial statement”) of Fashion Show Mall located in Las Vegas, Nevada (the “Property”) for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management of the Seller of Fashion Show Mall is responsible for the preparation and fair presentation of the financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 to the financial statement of Fashion Show Mall for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Other Matter

As described in Note 1 to the financial statement, the Statement of Revenue and Certain Operating Expenses has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in registration statements of TIAA Real Estate Account and is not intended to be a complete presentation of the Property's revenue and expenses. Our opinion is not modified with respect to this matter.

CohnReznick LLP

Charlotte, NC
March 27, 2017

Statements of revenue and certain operating expenses

	Year Ended December 31, 2015 (Audited)	Period from January 1, 2016 to September 30, 2016 (Unaudited)
REVENUES		
Rental revenue	\$ 60,179,908	\$50,153,880
Retail Sales percent rent	351,984	—
Scheduled base and percent rent	60,531,892	50,153,880
Expense reimbursement revenue	30,089,920	24,352,930
Parking and other revenue	2,743,336	1,594,684
Business development revenue	12,618,166	9,565,935
Total operating revenue	105,983,314	85,667,429
CERTAIN OPERATING EXPENSES		
Payroll	923,920	251,146
Repairs, maintenance and contract services	4,610,607	3,578,717
Mall marketing	2,102,382	184,060
Insurance	233,862	183,566
Real estate tax expense	2,504,466	1,994,345
Utilities and HVAC	1,266,732	770,651
General and administrative	504,515	335,161
Other operating expenses	390,139	41,370
Non-reimbursable expenses	3,144,415	3,092,429
Total certain operating expenses	15,681,038	10,431,445
Excess of revenue over certain operating expenses	\$ 90,302,276	\$75,235,984

See Notes to Statements of Revenue and Certain Operating Expenses.

Notes to Statements of Revenues and Certain Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through September 30, 2016 (unaudited)

Note 1—Organization and basis of presentation

The accompanying Statements of Revenue and Certain Operating Expenses (the “financial statements”) for the year ended December 31, 2015 and the nine months ended September 30, 2016 (unaudited), relate to the operations of Fashion Show Mall located in Las Vegas, Nevada, acquired from General Growth Properties, an unaffiliated entity.

The accompanying financial statement was prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for the acquisition of real estate properties. The Statement of Revenue and Certain Operating Expenses is not representative of the actual operations for the periods presented, as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the Property, have been excluded. Expenses excluded generally consist of interest and debt related costs, depreciation and amortization expense, interest

income, income taxes and certain other expenses not directly related to the future operations of the Property. Therefore, the Statement of Revenue and Certain Operating Expenses may not be comparable to a statement of operations for Fashion Show Mall after its acquisition by the Company. Except as noted above, TIAA-CREF is not aware of any material factors relating to Fashion Show Mall for the year ended December 31, 2015 or the period from January 1, 2016 through September 30, 2016 (unaudited), that would cause the reported financial information not to be indicative of future operating results.

Note 2—Summary of significant accounting policies

Basis of accounting

The Statement of Revenue and Certain Operating Expenses has been prepared using the accrual method of accounting on the basis of presentation described in Note 1. As such, revenue is recorded when earned and expenses are recognized when incurred.

Revenue recognition

Rental income from the operating leases, which include schedule increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015, income recognized on a straight-line basis is greater than income that would have been accrued in accordance with the lease terms by approximately \$3,852,812. For the nine month period ended September 30, 2016 income recognized on a straight-line basis is greater than income that would have been accrued in accordance with the lease terms by approximately \$2,517,253.

Property operations

Certain operating expenses represent the direct expenses of operating Fashion Show Mall and consist primarily of repairs and maintenance, utilities, real estate taxes, property insurance, general and administrative and other operating expenses that are expected to continue in the ongoing operation of Fashion Show Mall.

Use of estimates

The preparation of the accompanying Statement of Revenue and Certain Operating Expenses in accordance with the accounting principles generally accepted in the United States requires management of the Seller of Fashion Show mall to make certain estimates and assumptions that affect the reported amounts of revenue and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

Note 3—Future rent payments

Approximate minimum future rents required under the lease in effect at December 31, 2015 are as follows:

For the year ended December 31, 2016	\$ 65,463,799
2017	69,269,823
2018	68,586,393
2019	65,438,190
2020	63,895,591
Thereafter	232,590,043
	<u>\$565,243,839</u>

Note 4—Subsequent events

Events that occur after December 31, 2015 but before the financial statement was available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at December 31, 2015 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after December 31, 2015 require disclosure in the accompanying notes. Management evaluated the activity of the Property through March 27, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Statement of Revenue and Certain Operating Expenses and related footnotes.

The Hub — Long Island City, New York

Independent auditor's report

To the Board of Directors and Stockholders TIAA-CREF, Inc.
The Hub

We have audited the accompanying Statement of Revenue and Certain Operating Expenses (the “financial statement”) of The Hub located in Long Island City, NY (the “Property”) for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management of the Seller of The Hub is responsible for the preparation and fair presentation of the financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 to the financial statement of The Hub for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Other Matter

As described in Note 1 to the financial statement, the Statement of Revenue and Certain Operating Expenses has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in registration statements of TIAA Real Estate Account and is not intended to be a complete presentation of the Property's revenue and expenses. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Charlotte, North Carolina
January 27, 2017

Statements of revenue and certain operating expenses

	Year Ended December 31, 2015 (Audited)	Period from January 1, 2016 to April 30, 2016 (Unaudited)
REVENUE		
Rental revenue	\$3,325,142	\$1,098,408
Tenant reimbursables	517,238	236,213
Tax reimbursement	116,585	52,695
Other operating revenue	122,926	39,650
Total operating revenue	4,081,891	1,426,966
CERTAIN OPERATING EXPENSES		
Real estate taxes	503,432	167,811
Insurance	73,513	24,504
Utilities	490,148	136,934
Repairs, maintenance and contract services	366,595	112,293
Payroll and benefits	161,596	71,079
Property operating expenses	16,913	3,499
Non-reimbursable operating expenses	122,637	42,630
Total certain operating expenses	1,734,834	558,750
Excess of revenue over certain operating expenses	\$2,347,057	\$ 868,216

See Notes to Statements of Revenue and Certain Operating Expenses

Notes to Statements of Revenue and Certain Operating Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through April 30, 2016 (unaudited)

Note 1—Organization and basis of presentation

The accompanying Statements of Revenue and Certain Operating Expenses (the “financial statements”) for the year ended December 31, 2015 and the four months ended April 30, 2016 (unaudited), relate to the operations of The Hub located in Long Island City, New York, acquired from Brickman & Associates, an unaffiliated entity.

The accompanying financial statements were prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for the acquisition of real estate properties. The financial statements are not representative of the actual operations for the periods presented, as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the Property, have been excluded. Expenses excluded generally consist of interest and debt related costs, depreciation and amortization expense, interest income, income taxes and certain other expenses not directly related to the future operations of the Property. Therefore, the financial statements may not be comparable to a statement of operations for The Hub after its acquisition by the Company. Except as noted above, TIAA-CREF is not aware of any material factors relating to The Hub for the year ended December 31, 2015 or the period from January 1, 2016

through April 30, 2016 (unaudited), that would cause the reported financial information not to be indicative of future operating results.

Note 2—Summary of significant accounting policies

Basis of accounting

The Statement of Revenue and Certain Operating Expenses has been prepared using the accrual method of accounting on the basis of presentation described in Note 1. As such, revenue is recorded when earned and expenses are recognized when incurred.

Revenue recognition

Rental income from the operating lease, which includes scheduled increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015, income recognized on a straight-line basis is less than income that would have been accrued in accordance with the lease terms by approximately \$141,273. For the four month period ended April 30, 2016, income recognized on a straight-line basis is less than income that would have been accrued in accordance with the lease terms by approximately \$61,754.

Property operations

Certain operating expenses represent the direct expenses of operating The Hub and consist primarily of repairs and maintenance, utilities, real estate taxes, property insurance, general and administrative and other operating expenses that are expected to continue in the ongoing operation of The Hub.

Use of estimates

The preparation of the accompanying statement of revenue and certain operating expenses in accordance with the accounting principles generally accepted in the United States requires management of the Seller of The Hub to make certain estimates and assumptions that affect the reported amounts of revenue and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

Note 3—Future rent payments

Approximate minimum future rents required under the lease in effect at December 31, 2015 are as follows:

For the year ended December 31, 2016	\$ 3,500,238
2017	3,204,369
2018	3,173,386
2019	2,986,679
2020	1,296,367
Thereafter	6,036,066
Total	\$20,197,105

Note 4—Subsequent events

Events that occur after December 31, 2015 but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at December 31, 2015 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after December 31, 2015 require disclosure in the accompanying notes. Management evaluated the activity of the Property through January 27, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Statement of Revenue and Certain Operating Expenses and related footnotes.

Greene Crossing — Columbia, South Carolina

Independent auditor's report

To the Management of Teachers Insurance and Annuity Association of America

We have audited the accompanying statement of revenue and certain expenses of Greene Crossing (the "Property"), as described in Note A, for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses of the Property, as described in Note A, for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United State of America.

Emphasis of Matter

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission and, as described in Note A, is not intended to be a complete presentation of the Property's revenues and expenses.

AGH, LLC

November 21, 2016

Statements of revenues and certain expenses

	For The Year Ended December 31, 2015 (Audited)	For The Period Ended August 31, 2016 (Unaudited)
REVENUES		
Rental income	\$2,540,620	\$4,071,818
Other operating income	355,430	357,656
Total revenues	2,896,050	4,429,474
CERTAIN EXPENSES		
Advertising and marketing	9,899	14,936
General and administrative	156,299	139,762
Insurance	75,446	126,087
Management fees	122,151	168,060
Real estate taxes	72,721	400,000
Repairs and maintenance	88,515	234,831
Salaries and wages	185,402	296,485
Utilities	253,096	420,280
Total certain expenses	963,529	1,800,441
Net Revenues	\$1,932,521	\$2,629,033

See Independent Auditors' Report and Accompanying Notes

Notes to Statements of Revenues and Certain Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through August 31, 2016 (unaudited)

Note A—Organization and Basis of Presentation

The statement of revenues and certain expenses (the financial statement) for the year ended December 31, 2015 relates to the operations of the Property. The Property consists of 247 apartment units and 726 beds spread across 3 buildings located in Columbia, South Carolina. The Property's lease up commenced in August 2015 and tenants began occupying buildings that were issued certificates of occupancy in July 2015. The final certificate of occupancy was issued in November 2015. As December 31, 2015 and August 31, 2016, the Property was 99% and 96% leased, respectively.

The accompanying financial statement is presented in conformity with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission. Accordingly, the financial statement is not representative of the actual operations for the period presented, as certain expenses which may not be comparable to the expenses expected to be incurred in the future operations of the Property have been excluded. Expenses excluded consist of depreciation, amortization, income taxes and certain other expenses not directly related to the future operations of the Property.

The statement of revenues and certain expenses for the period ended August 31, 2016 is unaudited. However, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of this statement of revenues and certain expenses for the interim

period on the basis described above have been included. The results for such an interim period are not necessarily indicative of the results for the entire year.

Note B—Summary of Significant Accounting Policies

Use of estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Rental income from tenant leases is recognized as earned. Lease terms generally do not extend beyond one year.

Advertising and marketing costs

Advertising and marketing costs relate to branding, promotional materials and events mainly associated with the initial lease-up of the rental units. These costs are expensed as incurred.

Note C—Related Parties

The Property is under a property management agreement with an affiliate of the Property's owners. For the year ended December 31, 2015 and the period ended August 31, 2016, the Property incurred \$122,151 and \$168,060 in management fees, respectively. Additionally, during the year ended December 31, 2015 and the period ended August 31, 2016, the Property paid \$185,402 and \$296,485, respectively, to the affiliate for the cost of salaries and wages earned.

Note D—Subsequent Events

Subsequent events have been evaluated through November 21, 2016, the date the financial statement was available for issuance. Management has determined that there are no subsequent events that require disclosure under Financial Accounting Standards Board Accounting Standards Codification Topic 855, Subsequent Events.

BLVD63 — San Diego, California

Independent auditor's report

To the Management of Teachers Insurance and Annuity Association of America

We have audited the accompanying statement of revenues and certain expenses of BLVD63 (the "Property"), as described in Note A, for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note A, for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission and, as described in Note A, is not intended to be a complete presentation of the Property's revenues and expenses.

AGH, LLC

December 12, 2016

Statements of revenue and certain expenses

	For the Year Ended December 31, 2015 (Audited)	For The Period Ended September 30, 2016 (Unaudited)
REVENUES		
Rental income	\$10,296,047	\$8,916,518
Other operating income	671,059	586,271
Total revenues	10,967,106	9,502,789
CERTAIN EXPENSES		
Advertising and marketing	479,566	316,393
General and administrative	353,235	198,443
Insurance	94,462	64,044
Management fees	255,114	190,226
Real estate taxes	1,251,587	1,035,882
Repairs and maintenance	445,924	473,756
Salaries and wages	1,011,619	650,827
Security	264,130	249,290
Transportation	230,620	179,960
Utilities	997,844	655,181
Total certain expenses	5,384,101	4,014,002
Net Revenues	\$ 5,583,005	\$5,488,787

See Independent Auditors' Report and Accompanying Notes

Notes to Statements of Revenues and Certain Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through September 30, 2016 (unaudited)

Note A—Organization and Basis of Presentation

The statement of revenues and certain expenses (the “financial statement”) for the year ended December 31, 2015 relates to the operations of the Property. The Property was built in 2014 and consists of 332 apartment units, 1,379 beds spread across three four-story mid-rise buildings, one five-level parking structure, and one maintenance building located in San Diego, California. The Property also contains a small retail component comprising 8,845 square feet of ground floor space. As of December 31, 2015 and September 30, 2016, the Property was 98% and 99% leased, respectively.

The accompanying financial statement is presented in conformity with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission. Accordingly, the financial statement is not representative of the actual operations for the period presented, as certain expenses which may not be comparable to the expenses expected to be incurred in the future operations of the Property have been excluded. Expenses excluded consist of depreciation, amortization, income taxes and certain other expenses not directly related to the future operations of the Property.

The statement of revenues and certain expenses for the period ended September 30, 2016 is unaudited. However, in the opinion of management, all

adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of this statement of revenues and certain expenses for the interim period on the basis described above have been included. The results for such an interim period are not necessarily indicative of the results for the entire year.

Note B—Summary of Significant Accounting Policies

Use of estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Rental income from the residential leases is recognize as earned and generally does not extend beyond one year. Rental income from the retail lease, which include scheduled increases over the lease term, is recognized on a straight-line basis. Income recognized on a straight-line basis is more than income that would have accrued in accordance with the lease terms by approximately \$20,013 for the year ended December 31, 2015 and \$24,015 for the period ended September 30, 2016.

Advertising and marketing costs

Advertising and marketing costs relate to branding, promotional materials and events mainly associated with the initial lease-up of the rental units. These costs are expensed as incurred.

Note C—Future Rent Payments

Available space in the Property is leased to four tenants under non-cancellable operating leases that expire on various dates through May 2025. The future minimum rental payments expected to be received from the leases as of December 31, 2015 is as follows:

2016	\$ 137,904
2017	201,508
2018	210,925
2019	219,599
2020	208,085
Thereafter	579,796
Total	\$1,557,817

Note D—Subsequent Events

Subsequent events have been evaluated through December 12, 2016, the date the financial statement was available for issuance. Management has determined that there are no subsequent events that require disclosure under Financial Accounting Standards Board Accounting Standards Codification Topic 855, *Subsequent Events*.

32 South State Street — Chicago, Illinois

Independent auditors' report

To the Board of Directors and Stockholders
TIAA-CREF, Inc.
32 South State Street

We have audited the accompanying Statement of Revenue and Certain Operating Expenses (the “financial statement”) of 32 South State Street located in Chicago, Illinois (the “Property”) for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management of the Seller of 32 South State Street is responsible for the preparation and fair presentation of the financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 to the financial statement of 32 South State Street for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Other Matter

As described in Note 1 to the financial statement, the Statement of Revenue and Certain Operating Expenses has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in registration statements of the TIAA Real Estate Account and is not intended to be a complete presentation of the Property's revenue and expenses. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Charlotte, NC
February 1, 2017

Statements of revenue and certain operating expenses

	Year Ended December 31, 2015 (Audited)	Period from January 1, 2016 to February 29, 2016 (Unaudited)
REVENUES		
Rental revenue	\$2,547,878	\$493,751
Tenant expense reimbursement revenue	549,756	91,626
Other operating revenue (expense)	423	177
Bad debt (expense) recovery	(424,421)	—
Total operating revenue	2,673,636	585,554
CERTAIN OPERATING EXPENSES		
Real estate taxes	540,284	90,047
Insurance	30,888	5,148
Marketing	6,028	300
Property operating expenses	9,124	2,376
Total certain operating expenses	586,324	97,871
Excess of revenue over certain operating expenses	\$2,087,312	\$487,683

See Notes to Statements of Revenue and Certain Operating Expenses.

Notes to Statements of Revenues and Certain Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through February 29, 2016 (unaudited)

Note 1—Organization and basis of presentation

The accompanying Statements of Revenue and Certain Operating Expenses (the “financial statements”) for the year ended December 31, 2015 and the period from January 1, 2016 through February 29, 2016 (unaudited), relate to the operations of 32 South State Street located in Chicago, Illinois, acquired from Thor Equities, an unaffiliated entity.

The accompanying financial statements were prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for the acquisition of real estate properties. The financial statements are not representative of the actual operations for the periods presented, as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the Property, have been excluded. Expenses excluded generally consist of interest and debt related costs, depreciation and amortization expense, interest income, income taxes and certain other expenses not directly related to the future operations of the Property. Therefore, the financial statements may not be comparable to a statement of operations for 32 South State Street after its acquisition by the Company. Except as noted above, TIAA is not aware of any material factors relating to 32 South State Street for the year ended December 31, 2015 or the period from January 1, 2016 through February 29, 2016 (unaudited), that would cause the reported financial information not to be indicative of future operating results.

Note 2—Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared using the accrual method of accounting on the basis of presentation described in Note 1. As such, expenses are recognized when incurred.

Revenue recognition

Rental income from the operating leases, which include schedule increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015, income recognized on a straight-line basis is more than income that would have been accrued in accordance with the lease terms by approximately \$993,112. For the two month period ended February 29, 2016 income recognized on a straight-line basis is more than income that would have been accrued in accordance with the lease terms by approximately \$77,084.

Property operations

Certain operating expenses represent the direct expenses of operating 32 South State Street and consist primarily of repairs and maintenance, utilities, real estate taxes, property insurance, general and administrative and other operating expenses that are expected to continue in the ongoing operation of 32 South State Street.

Use of estimates

The preparation of the accompanying financial statements in accordance with the accounting principles generally accepted in the United States requires management of the Seller of 32 South State Street to make certain estimates and assumptions that affect the reported amounts of revenue and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

Note 3—Future rent payments

Approximate minimum future rents required under the lease in effect at December 31, 2015 are as follows:

For the year ended December 31, 2016	\$ 2,517,187
2017	2,586,410
2018	2,657,536
2019	2,730,619
2020	2,805,711
Thereafter	31,731,988
	<u>\$45,029,451</u>

Note 4—Subsequent events

Events that occur after December 31, 2015 but before the financial statement was available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at December 31, 2015 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after December 31, 2015 require disclosure in the accompanying notes. Management evaluated the activity of the Property through February 1, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements and related footnotes.

817 Broadway — New York, New York

Independent Auditor's Report

To the Board of Directors and Stockholders
TIAA-CREF, Inc.
817 Broadway

We have audited the accompanying Statement of Revenue and Certain Operating Expenses (the "financial statement") of 817 Broadway located in New York, New York (the "Property") for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management of the Seller of 817 Broadway is responsible for the preparation and fair presentation of the financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

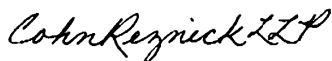
Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 to the financial statement of 817 Broadway for the year ended

December 31, 2015, in conformity with U.S. generally accepted accounting principles.

Other Matter

As described in Note 1 to the financial statement, the Statement of Revenue and Certain Operating Expenses has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in registration statements of TIAA Real Estate Account and is not intended to be a complete presentation of the Property's revenue and expenses. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Charlotte, North Carolina
April 6, 2017

Statements of Revenue and Certain Operating Expenses

	Year Ended December 31, 2015 (audited)	Period from January 1, 2016 to November 21, 2016 (unaudited)
REVENUE		
Base Rent	\$3,125,551	\$2,925,165
Tenant Reimbursements	382,180	189,864
Other Income	10,555	19,828
Total operating revenue	3,518,286	3,134,857
CERTAIN OPERATING EXPENSES		
Real estate taxes	724,963	721,626
Salaries and wages	248,862	241,807
Utilities	170,348	104,472
Repairs and maintenance	165,867	165,531
Property operating expenses	45,975	42,345
Other expenses	6,363	6,381
Total certain operating expenses	1,362,378	1,282,162
Excess of revenue over certain operating expenses	\$2,155,908	\$1,852,695

See Notes to Statements of Revenue and Certain Operating Expenses.

Notes to Statements of Revenue and Certain Operating Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through November 21, 2016 (unaudited)

Note 1—Organization and basis of presentation

The accompanying Statements of Revenue and Certain Operating Expenses (the “financial statements”) for the year ended December 31, 2015 and the 11 months ended November 21, 2016 (unaudited), relate to the operations of 817 Broadway located in New York, New York, acquired from Dan Levine and Frankel Trust, an unaffiliated entity.

The accompanying financial statement was prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for the acquisition of real estate properties. The Statement of Revenue and Certain Operating Expenses is not representative of the actual operations for the periods presented, as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the Property, have been excluded. Expenses excluded generally consist of interest and debt related costs, depreciation and amortization expense, interest income, income taxes, management fees, insurance expense and certain other expenses not directly related to the future operations of the Property. Therefore, the Statement of Revenue and Certain Operating Expenses may not be comparable to a statement of operations for 817 Broadway after its acquisition by the Company. Except as noted above, TIAA-CREF is not aware of any material factors relating to 817 Broadway for the year ended December 31, 2015 or the

period from January 1, 2016 through November 21, 2016 (unaudited), that would cause the reported financial information not to be indicative of future operating results.

Note 2—Summary of significant accounting policies

Basis of accounting

The Statement of Revenue and Certain Operating Expenses has been prepared using the accrual method of accounting on the basis of presentation described in Note 1. As such, revenue is recorded when earned and expenses are recognized when incurred.

Revenue Recognition

Rental income from the operating lease, which includes scheduled increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015, income recognized on a straight-line basis is greater than income that would have been accrued in accordance with the lease terms by approximately \$115,426.

Property operations

Certain operating expenses represent the direct expenses of operating 817 Broadway and consist primarily of repairs and maintenance, utilities, real estate taxes, property insurance, general and administrative and other operating expenses that are expected to continue in the ongoing operation of 817 Broadway.

Use of estimates

The preparation of the accompanying Statement of Revenue and Certain Operating Expenses in accordance with the accounting principles generally accepted in the United States requires management of the Seller of 817 Broadway to make certain estimates and assumptions that affect the reported amounts of revenue and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

Note 3—Future rent payments

Approximate minimum future rents required under the lease in effect at December 31, 2015 are as follows:

For the year ended December 31, 2016	\$ 3,047,968
2017	3,184,836
2018	2,628,599
2019	2,261,402
2020	1,260,000
Thereafter	69,333
Total	\$12,452,138

Note 4—Subsequent events

Events that occur after December 31, 2015 but before the financial statement was available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at December 31, 2015 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after December 31, 2015 require disclosure in the accompanying notes. Management evaluated the activity of the Property through April 6, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the Statement of Revenue and Certain Operating Expenses and related footnotes.

Campus Pointe 1 — San Diego, California

Independent auditor's report

To the Management of Teachers Insurance and Annuity Association of America

We have audited the accompanying statement of revenues and certain expenses of 10300 Campus Point Drive (the "Property"), as described in Note A, for the year ended December 31, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note A, for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission and, as described in Note A, is not intended to be a complete presentation of the Property's revenues and expenses.

AGH, LLC

February 8, 2017

Statements of revenues and certain expenses

	Year Ended December 31, 2015 (Audited)	For The Period Ended October 31, 2016 (Unaudited)
REVENUE		
Rental income	\$16,419,100	\$13,875,126
Escalation income	8,861,468	7,607,163
Total revenues	25,280,568	21,482,289
CERTAIN EXPENSES		
General and administrative	499,037	579,073
Insurance	382,656	300,873
Management fees	554,378	481,995
Real estate taxes	2,063,967	1,754,265
Repairs and maintenance	1,968,106	1,883,538
Utilities	3,890,341	3,055,138
Total certain expenses	9,358,485	8,054,882
Revenues in Excess of Certain Expenses	\$15,922,083	\$13,427,407

See Independent Auditors' Report and Accompanying Notes

Notes to Statements of Revenues and Certain Expenses

Year Ended December 31, 2015 and Period from January 1, 2016 through October 31, 2016 (unaudited)

Note A—Organization and Basis of Presentation

The statement of revenues and certain expenses (the financial statement) for the year ended December 31, 2015 relates to the operations of 10300 Campus Point Drive (the Property). The Property is a two-story core office and life sciences building which consists of 446,994 square feet of rentable office and lab space. The Property, located in San Diego, California, was 100% leased at December 31, 2015 and October 31, 2016, respectively. TIAA Real Estate Account, a subsidiary of TIAA-CREF, is the sole member of TREA Campus Pointe 1, LLC. TREA Campus Pointe 1, LLC purchased a 45% interest in ARE-SD Region No. 28, LLC (ARE), which owns the Property.

The accompanying financial statement is presented in conformity with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission. Accordingly, the financial statement is not representative of the actual operations for the audited period presented, as certain expenses which may not be comparable to the expenses expected to be incurred in the future operations of the Property have been excluded. Expenses excluded consist of interest, depreciation and amortization and certain other expenses not directly related to the future operations of the Property.

The statement of revenues and certain expenses for the period ended October 31, 2016 is unaudited. However, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of this statement of revenues and certain expenses for the interim

period on the basis described above have been included. The results for such an interim period are not necessarily indicative of the results for the entire year.

Note B—Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Rental income from the operating leases, which includes scheduled increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2015 and the period ended October 31, 2016, income recognized on a straight line basis is less than income that would have accrued in accordance with the lease terms by approximately \$33,267 and \$420,508, respectively.

Note C—Future Rent Payments

Available space in the Property is leased to four tenants under various non-cancellable operating leases that expire on various dates through October 2023. The minimum future rental payments to be received from the leases are generally subject to fixed increases during the lease term. Also, certain leases require reimbursement of common area maintenance charges, certain operating expenses, and real estate taxes.

The minimum future rental payments to be received from these leases as of December 31, 2015 are as follows:

2016	\$15,935,750
2017	11,289,168
2018	11,289,168
2019	11,289,168
2020	10,719,896
Thereafter	22,423,322
Total	\$82,946,472

The schedule of future minimum rental payments to be received excludes the following rents related to tenant Eli Lilly: 2017 to 2020 — \$6,538,606 per year, and Thereafter — \$74,649,088. Pursuant to the terms of the Second Amendment to Lease Agreement between the Property and Eli Lilly dated June 18, 2015, the termination date of Eli Lilly’s lease at the Property will be accelerated from May 2032 to be the same day as the commencement date of its new lease at 10290 Campus Point Drive. The commencement date of the new lease at 10290 Campus Point Drive was in December 2016. Therefore, the

schedule of future minimum rents includes rents related to tenant Eli Lilly for 2016 and excludes rents related to tenant Eli Lilly after 2016.

Note D—Concentration of Revenue

The Property earned 93% of rental income from three tenants during the year ended December 31, 2015 and the period ended October 31, 2016, respectively. The loss of these tenants would have a significant negative impact on the Property's operations.

Note E—Related Party Transactions

The Property is under a property management agreement with an affiliate of ARE. For the year ended December 31, 2015 and the period ended October 31, 2016, the Property incurred \$554,378 and \$481,995 in management fees, respectively.

Note F—Subsequent Events

Subsequent events have been evaluated through February 8, 2017, the date the financial statement was available for issuance. Management has determined that there are no subsequent events that require disclosure under Financial Accounting Standards Board Standards Codification Topic 855, Subsequent Events.

Matsil Building — Long Island City, NY

Independent Auditors' Report

To the Management of Teachers Insurance and Annuity Association of America

We have audited the accompanying statement of revenues and certain expenses of The Matsil Building (the "Property"), as described in Note A, for the year ended December 31, 2016, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note A, for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission and, as described in Note A, is not intended to be a complete presentation of the Property's revenues and expenses.

AGH, LLC

AGH, LLC
April 6, 2017

Statements of revenues and certain expenses

	For The Year Ended December 31, 2016 (Audited)	For The Period Ended January 31, 2017 (Unaudited)
REVENUES		
Rental income	\$2,305,785	\$216,892
Escalation income	293,346	24,446
Total revenues	2,599,131	241,338
CERTAIN EXPENSES		
General and administrative	34,661	2,315
Insurance	75,138	6,262
Real estate taxes	665,373	55,448
Repairs and maintenance	71,763	9,737
Utilities	105,941	17,909
Salaries and wages	173,269	7,465
Total certain expenses	1,126,145	99,136
Revenues in Excess of Certain Expenses	\$1,472,986	\$142,202

See Independent Auditors' Report and Accompanying Notes

Notes to Statements of Revenues and Certain Expenses

Note A—Organization and Basis of Presentation

The statement of revenues and certain expenses (the “financial statement”) for the year ended December 31, 2016 relates to the operations of The Matsil Building (the “Property”). The Property is a three story industrial building which contains 317,842 square feet of rentable space. The Property, located in Long Island City, New York, was 78% leased at December 31, 2016 and January 31, 2017. TIAA Real Estate Account, a subsidiary of TIAA-CREF, is the sole member of TREA 35th Street LIC Investor Member LLC. TREA 35th Street LIC Investor Member LLC purchased a 97.5% interest in MRA 35th Street LIC Holding LLC, which owns the Property.

The accompanying financial statement is presented in conformity with Rule 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission. Accordingly, the financial statement is not representative of the actual operations for the audited period presented, as certain expenses which may not be comparable to the expenses expected to be incurred in the future operations of the Property have been excluded. Expenses excluded consist of interest, depreciation and amortization and certain other expenses not directly related to the future operations of the Property.

The statement of revenues and certain expenses for the period ended January 31, 2017 is unaudited. However, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of this statement of revenues and certain expenses for the interim period on the basis described above have been included. The results for such an interim period are not necessarily indicative of the results for the entire year.

Note B—Summary of Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect various amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition

Rental income from the operating leases, which includes scheduled increases over the lease term, is recognized on a straight-line basis. For the year ended December 31, 2016 and the period ended January 31, 2017, income recognized on a straight line basis is more than income that would have accrued in accordance with the lease terms by approximately \$245,748 and \$20,142, respectively.

Note C—Future Rental Payments

Available space in the Property is leased to four tenants under various non-cancellable operating leases that expire on various dates through July 2026. The minimum future rental payments to be received from the leases are generally subject to fixed increases during the lease term. Also, certain leases require reimbursement of common area maintenance charges, certain operating expenses, and real estate taxes.

The minimum future rental payments to be received from these leases as of December 31, 2016 are as follows:

2017	\$ 2,380,828
2018	2,452,253
2019	2,525,821
2020	2,601,596
2021	2,679,643
Thereafter	9,980,004
Total	\$22,620,145

Note D—Concentration of Revenue

The Property earned 65% and 58% of rental income from one tenant during the year ended December 31, 2016 and the period ended January 31, 2017, respectively. The loss of this tenant would have a significant negative impact on the Property's operations.

Note E—Subsequent Events

Subsequent events have been evaluated through April 6, 2017, the date the financial statement was available for issuance. Management has determined that there are no subsequent events that require disclosure under Financial

Matsil Building — Long Island City, NY

Accounting Standards Board Accounting Standards Codification Topic 855,
Subsequent Events.

Teachers Insurance and Annuity Association of America

Condensed statutory-basis financial statement information

(The following condensed statutory-basis financial statement information has been derived from the audited statutory-basis financial statements which are available upon request.)

Statutory-basis statements of admitted assets, liabilities and capital and contingency reserves

(in millions)	December 31,	
	2016	2015
ADMITTED ASSETS		
Bonds	\$185,216	\$181,247
Preferred stocks	170	195
Common stocks	3,391	3,076
Mortgage loans	21,101	19,046
Real estate	2,230	1,938
Cash, cash equivalents and short-term investments	605	533
Contract loans	1,587	1,591
Derivatives	526	268
Securities lending collateral assets	649	827
Other long-term investments	27,512	25,998
Investment income due and accrued	1,787	1,765
Net deferred federal income tax asset	3,208	3,209
Other assets	703	504
Separate account assets	33,757	29,897
TOTAL ADMITTED ASSETS	\$282,442	\$270,094
LIABILITIES, CAPITAL AND CONTINGENCY RESERVES		
LIABILITIES		
Reserves for life and health insurance, annuities and deposit-type contracts	\$201,447	\$194,057
Dividends due to policyholders	1,932	1,908
Interest maintenance reserve	1,706	1,927
Federal income taxes payable	22	19
Asset valuation reserve	4,167	3,910
Derivatives	62	42
Payable for collateral for securities loaned	649	827
Other liabilities	3,137	2,786
Separate account liabilities	33,737	29,883
TOTAL LIABILITIES	246,859	235,359
CAPITAL AND CONTINGENCY RESERVES		
Capital (2,500 shares of \$1,000 par value common stock issued and outstanding and \$550,000 paid-in capital)	3	3
Surplus notes	4,000	4,000
Contingency reserves:		
For investment losses, annuity and insurance mortality, and other risks	31,580	30,732
TOTAL CAPITAL AND CONTINGENCY RESERVES	35,583	34,735
TOTAL LIABILITIES, CAPITAL AND CONTINGENCY RESERVES	\$282,442	\$270,094

Teachers Insurance and Annuity Association of America

(The following condensed statutory-basis financial statement information has been derived from the audited statutory-basis financial statements which are available upon request.)

Statutory-basis statements of operations

(in millions)	For the Years Ended December 31,		
	2016	2015	2014
REVENUES			
Insurance and annuity premiums and other considerations	\$16,595	\$13,659	\$12,910
Annuity dividend additions	1,970	1,574	1,783
Net investment income	11,907	11,335	11,253
Other revenue	325	289	251
TOTAL REVENUES	\$30,797	\$26,857	\$26,197
BENEFITS AND EXPENSES			
Policy and contract benefits	\$14,385	\$14,575	\$13,992
Dividends to policyholders	3,813	3,334	3,589
Increase in policy and contract reserves	7,461	3,922	3,927
Net operating expenses	1,620	1,643	1,689
Net transfers to separate accounts	1,851	1,725	1,676
TOTAL BENEFITS AND EXPENSES	\$29,130	\$25,199	\$24,873
Income before federal income taxes and net realized capital gains (losses)	\$ 1,667	\$ 1,658	\$ 1,324
Federal income tax expense (benefit)	16	(83)	(37)
Net realized capital gains (losses) less capital gains taxes, after transfers to the interest maintenance reserve	(161)	(487)	(377)
NET INCOME	\$ 1,490	\$ 1,254	\$ 984

Basis of presentation:

The accompanying financial statements have been prepared on the basis of statutory accounting principles prescribed or permitted by the New York State Department of Financial Services (“NYDFS” or the “Department”); a comprehensive basis of accounting that differs from accounting principles generally accepted in the United States (“GAAP”). The Department requires insurance companies domiciled in the State of New York to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual (“NAIC SAP”), subject to any deviation prescribed or permitted by the Department (“New York SAP”).

The following is a summary of the significant accounting policies followed by Teachers Insurance and Annuity Association of America (the “Company”):

Investments: Securities are accounted for as of the date the investments are purchased or sold (trade date). Private placement securities are recorded on the settlement date. Realized capital gains and losses on investment transactions

are accounted for under the specific identification method. A realized loss is recorded when an impairment is considered to be other-than-temporary.

Bonds: Bonds are stated at amortized cost using the current effective interest method. Bonds in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. Bonds the Company intends to sell prior to maturity ("held for sale") are stated at the lower of amortized cost or fair value. Exchange Traded Funds identified in the Purposes and Procedures Manual of the NAIC Investment Analysis Office as qualifying for bond treatment are stated at cost.

Included within bonds are loan-backed and structured securities. Estimated future cash flows and expected prepayment speeds are used to determine the amortization of loan-backed and structured securities under the prospective method. Expected future cash flows and prepayment speeds are evaluated quarterly. Certain loan-backed and structured securities are reported at the lower of amortized cost or fair value as a result of the NAIC modeling process.

If it is determined that a decline in the fair value of a bond, excluding loan-backed and structured securities, is other-than-temporary, the cost basis of the bond is written down to fair value and the amount of the write down is accounted for as a realized loss. The new cost basis is not changed for subsequent recoveries in fair value. Future declines in fair value which are determined to be other-than-temporary are recorded as realized losses.

For loan-backed and structured securities which the Company has the intent and ability to hold for a period of time sufficient to recover the amortized cost basis, when an OTTI has occurred because the Company does not expect to recover the entire amortized cost basis of the security, the amount of the OTTI recognized as a realized loss is the difference between the security's amortized cost basis and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate.

For loan-backed and structured securities, when an OTTI has occurred because the Company intends to sell the security or does not have the intent and ability to retain the security for a period of time sufficient to recover the amortized cost basis, the amount of the OTTI realized is the difference between the security's amortized cost basis and fair value at the balance sheet date.

In periods subsequent to the recognition of an OTTI loss for a loan-backed or structured security, the Company accounts for the other-than-temporarily impaired security as if the security had been purchased on the measurement date of the impairment. The difference between the new amortized cost basis and the cash flows expected to be collected is accreted as interest income in future periods based on prospective changes in cash flow estimates.

Preferred Stocks: Preferred stocks are stated at amortized cost unless they have an NAIC rating designation of 4, 5, or 6 which are stated at the lower of amortized cost or fair value. The fair value of preferred stocks is determined using prices provided by third party pricing services or valuations from the NAIC. When it is determined that a decline in fair value of an investment is other-than-

temporary, the cost basis of the investment is reduced to its fair value and the amount of the reduction is accounted for as a realized loss.

Common Stocks: Unaffiliated common stocks are stated at fair value, which is based on quoted market prices, where available. Changes in fair value are recorded through surplus as an unrealized gain or loss. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. When it is determined that a decline in fair value of an investment is other-than-temporary, the cost basis of the investment is reduced to its fair value and the amount of the reduction is accounted for as a realized loss.

Investments in wholly-owned subsidiaries are stated at the value of their underlying net assets as follows: (1) domestic insurance subsidiaries are stated at the value of their underlying statutory surplus, and (2) non-insurance subsidiaries are stated at the value of their underlying audited GAAP equity. Dividends and distributions from subsidiaries are recorded in investment income to the extent they are not in excess of the investee's undistributed accumulated earnings, and changes in the equity of subsidiaries are recorded directly to surplus as unrealized gains or losses.

Mortgage Loans: Mortgage loans are stated at amortized cost, net of valuation allowances. Mortgage loans held for sale are stated at the lower of amortized cost or fair value. Mortgage loans are evaluated for impairment when it is probable that the receipt of contractual payments of principal and interest may not occur when scheduled. If the impairment is considered to be temporary, a valuation allowance is established for the excess of the carrying value of the mortgage over its estimated fair value. Changes in valuation allowance for mortgage loans are included in net unrealized capital gains and losses on investments. When an event occurs resulting in an impairment that is other-than-temporary, a direct write-down is recorded as a realized loss and a new cost basis is established. The fair value of mortgage loans is generally determined using a discounted cash flow methodology based on coupon rates, maturity provisions and credit assumptions.

Real Estate: Real estate occupied by the Company and real estate held for the production of income is carried at depreciated cost, less encumbrances. Real estate held for sale is carried at the lower of depreciated cost or fair value, less encumbrances, and estimated costs to sell. The Company utilizes the straight-line method of depreciation on real estate and it is generally computed over a forty-year period. A real estate property may be considered impaired when events or circumstances indicate that the carrying value may not be recoverable. When the Company determines that an investment in real estate is impaired, a direct write-down is made to reduce the carrying value of the property to its estimated fair value based on an external appraisal, net of encumbrances, and a realized loss is recorded. The Company makes investments in commercial real estate directly, through wholly owned subsidiaries and through real estate limited

partnerships. The Company monitors the effects of current and expected market conditions and other factors on its real estate investments to identify and quantify any impairment in value. The Company assesses assets to determine if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company evaluates the recoverability of income producing investments based on undiscounted cash flows and then reviews the results of an independent third party appraisal to determine the fair value and if an impairment is required.

Other Long-term Investments: Other long-term investments primarily include investments in joint ventures, partnerships, and limited liability companies which are stated at cost, adjusted for the Company's percentage of the most recent available financial statements based on the underlying U.S. GAAP, International Financial Reporting Standards or U.S. Tax basis equity, generally measured at fair value, as reflected on the respective entity's financial statements.

The Company monitors the effects of current and expected market conditions and other factors on these investments to identify and quantify any impairment in value. The Company assesses the investments for potential impairment by performing analysis between the fair value and the cost basis of the investments. The Company evaluates recoverability of the asset to determine if OTTI is warranted. When it is determined that a decline in fair value of an investment is other-than-temporary, the cost basis of the investment is reduced to its fair value, and the amount of the reduction is accounted for as a realized loss.

Investments in wholly-owned non-insurance subsidiaries are stated at the value of their underlying audited GAAP equity. Dividends and distributions from subsidiaries are recorded in investment income to the extent they are not in excess of the investee's undistributed accumulated earnings, and changes in the equity of subsidiaries are recorded directly to surplus as unrealized gains or losses.

Other long-term investments include the Company's investments in surplus notes, which are stated at amortized cost. All of the Company's investments in surplus notes have a NAIC 1 rating designation.

Cash and Cash Equivalents: Cash includes cash on deposit and cash equivalents. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less at the date of purchase and are stated at amortized cost.

Short-Term Investments: Short-term investments (investments with remaining maturities of one year or less at the time of acquisition, excluding those investments classified as cash equivalents) that are not impaired are stated at amortized cost using the straight line interest method. Short-term investments that are impaired are stated at the lower of amortized cost or fair value.

Contract Loans: Contract loans are stated at outstanding principal balances. The excess of unpaid contract loan balances over the cash surrender value, if any, is non-admitted and reflected as an adjustment to surplus. Interest income

on such contract loans is recorded as earned using the contractually agreed upon interest rate.

Derivative Instruments: The Company has filed a Derivatives Use Plan with the Department. This plan details the Company's derivative policy objectives, strategies, controls and any restrictions placed on various derivative types. The plan also specifies the procedures and systems that the Company has established to evaluate, monitor and report on the derivative portfolio in terms of valuation, hedge effectiveness and counterparty credit quality. The Company may use derivative instruments for hedging, income generation, or asset replication purposes.

Derivatives used by the Company may include swaps, forwards, futures or options.

The carrying value of a derivative position may be at cost or fair value, depending on the type of instrument and accounting status. Hedge accounting is applied for some foreign currency swaps that hedge fixed income investments carried at amortized cost. A currency translation adjustment computed at the spot rate is recorded for these foreign currency swaps as an unrealized gain or loss. The derivative component of a Replication (Synthetic Asset) Transaction ("RSAT") is carried at unamortized premiums received or paid, adjusted for any impairments. The cash component of a RSAT is classified as a bond on the Company's balance sheet and carried at amortized cost. Derivatives used in hedging transactions where hedge accounting is not being utilized are carried at fair value. The Company does not offset the carrying value amounts recognized for derivatives executed with the same counterparty under a netting agreement.

Investment Income Due and Accrued: Investment income due is investment income earned and legally due to be paid to the Company at the reporting date. Investment income accrued is investment income earned but not legally due to be paid to the Company until subsequent to the reporting date. The Company writes off amounts deemed uncollectible as a charge against investment income in the period such determination is made. Amounts deemed collectible, but over 90 days past due for any invested asset except mortgage loans in default are non-admitted. Amounts deemed collectible, but over 180 days past due for mortgage loans in default are non-admitted. The Company accrues interest income on impaired loans to the extent it is deemed collectible.

Separate Accounts: Separate Accounts are established in conformity with insurance laws, are segregated from the Company's general account and are maintained for the benefit of separate account contract holders. Separate accounts are accounted for at fair value, except the TIAA Stable Value Separate Account, which supports book value separate account agreements, in which case the assets are accounted for at amortized cost. Separate account liabilities reflect the contractual obligations of the insurer arising out of the provisions of the insurance contract.

Foreign Currency Transactions and Translation: Investments denominated in foreign currencies and foreign currency contracts are valued in U.S. dollars, based on exchange rates at the balance sheet date. Investment transactions in

foreign currencies are recorded at the exchange rates prevailing on the respective transaction dates. All other asset and liability accounts denominated in foreign currencies are adjusted to reflect exchange rates at the balance sheet date. Realized and unrealized gains and losses due to foreign exchange transactions and translation adjustments are not separately reported but are collectively included in realized and unrealized capital gains and losses, respectively.

Non-Admitted Assets: For statutory accounting purposes, certain assets are designated as non-admitted assets. Changes in non-admitted assets are reported as a direct adjustment to surplus.

At December 31, the major categories of assets that are non-admitted are as follows (in millions):

	2016	2015	Change
Net deferred federal income tax asset	\$7,030	\$7,301	\$(271)
Furniture and electronic data processing equipment	583	578	5
Other long-term investments	141	191	(50)
Receivable from parent, subsidiaries and affiliates	28	118	(90)
Other	227	185	42
Total	\$8,009	\$8,373	\$(364)

Electronic Data Processing Equipment, Computer Software, Furniture and Equipment and Leasehold Improvements: Electronic data processing ("EDP") equipment, computer software and furniture and equipment which qualify for capitalization are depreciated over the lesser of useful life or 3 years. Office alterations and leasehold tenant improvements which qualify for capitalization are depreciated over the lesser of useful life or 5 years or the remaining life of the lease, respectively.

At December 31, the accumulated depreciation on EDP equipment, computer software, furniture and equipment and leasehold improvements is as follows (in millions):

	2016	2015
EDP equipment and computer software	\$1,588	\$1,324
Furniture and equipment and leasehold improvements	\$ 462	\$ 448

At December 31, the related depreciation expenses are as follows (in millions):

	2016	2015	2014
EDP equipment and computer software	\$149	\$136	\$122
Furniture and equipment and leasehold improvements	\$ 7	\$ 12	\$ 8

Insurance and Annuity Premiums: Life insurance premiums are recognized as revenue over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Deposits on deposit-type contracts are recorded directly as a liability when received. Expenses incurred when acquiring new business are charged to operations as incurred.

Reserves for Life and Health Insurance, Annuities and Deposit-type Contracts: Policy and contract reserves are determined in accordance with standard

valuation methods approved by the Department and are computed in accordance with standard actuarial methodology. The reserves established utilize assumptions for interest, mortality and other risks insured. Such reserves are established to provide for adequate contractual benefits guaranteed under policy and contract provisions.

Liabilities for deposit-type contracts, which do not contain any life contingencies, are equal to deposits received and interest credited to the benefit of contract holders, less surrenders or withdrawals (that represent a return to the contract holders) plus additional reserves (if any) necessitated by actuarial regulations.

The Company performed asset adequacy analysis in order to test the adequacy of its reserves in light of the assets supporting such reserves, and determined that its reserves are sufficient to meet its obligations.

Asset Valuation Reserve (“AVR”) and Interest Maintenance Reserve (“IMR”): Mandatory reserves have been established for the General Account and Separate Account investments, where required. Such reserves consist of the AVR for potential credit-related losses on applicable General Account and Separate Account invested assets. Changes to the AVR are reported as direct additions to or deductions from surplus. An IMR is established for interest-related realized capital gains (losses) resulting from changes in the general level of interest rates for the General Account, as well as any Separate Accounts, not carried at fair value. Transfers to the IMR are deducted from realized capital gains and losses and are net of related federal income tax. IMR amortization, as calculated under the grouped method, is included in net investment income. Net realized capital gains (losses) are presented net of federal income tax expense or benefit and IMR transfer.

Repurchase Agreement: Repurchase agreements are agreements between a seller and a buyer, whereby the seller of securities sells and simultaneously agrees to repurchase the same or substantially the same securities from the buyer at a stated price on a specified date. Repurchase agreements are generally accounted for as secured borrowings. The assets transferred are not removed from the balance sheet; the cash collateral received is reported on the balance sheet with an offsetting liability reported in “Other liabilities.”

Securities Lending Program: The Company has securities lending programs whereby it may lend securities to qualified institutional borrowers to earn additional income. The Company receives collateral (in the form of cash) against the loaned securities and maintains collateral in an amount not less than 102% of the market value of loaned securities during the period of the loan. The cash collateral received is reported in “Securities lending collateral assets” with an offsetting collateral liability included in “Payable for collateral for securities loaned.” Securities lending income is recorded in the accompanying Statements of Operations in “Net investment income.”

Dividends Due to Policyholders: Dividends on insurance policies and pension annuity contracts in the payout phase are declared by the TIAA Board of Trustees

(the “Board”) in December of each year, and such dividends are credited to policyholders in the following calendar year. Dividends on pension annuity contracts in the accumulation phase are declared by the Board in February of each year, and such dividends on the various existing vintages of pension annuity contracts in the accumulation phase are credited to policyholders during the ensuing twelve month period beginning March 1.

Federal Income Taxes: Current federal income taxes are charged or credited based upon amounts estimated to be payable or recoverable as a result of operations for the current year and any adjustments to such estimates from prior years. Deferred federal income tax assets (“DTAs”) and deferred federal income tax liabilities (“DTLs”) are recognized for expected future tax consequences of temporary differences between statutory and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby statutory and tax balance sheets are compared. Changes in DTAs and DTLs are recognized as a separate component of surplus. Net DTAs are admitted to the extent permissible under NAIC SAP. Gross DTAs are reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross DTA will not be realized. The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management’s best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

The Company files a consolidated federal income tax return with its includable insurance and non-insurance subsidiaries. The consolidating companies participate in tax allocation agreements. The tax allocation agreements provide that each member of the group is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis, but may, where applicable, recognize the tax benefits of net operating losses or capital losses utilizable by the consolidated group. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement occurring within 30 days of the filing of the consolidated return. The tax allocation agreements are not applied to subsidiaries that are disregarded under federal tax law.

Statements of Cash Flows: Non-cash activities are excluded from the Statutory-Basis Statements of Cash Flows. These non-cash activities for the years ended December 31 include the following (in millions):

	2016	2015	2014
Exchange/transfer/conversion/distribution of invested assets	2,753	4,302	2,797
Capitalized interest	310	308	304
Total	3,063	4,610	3,101

Additional asset information

The book/adjusted carrying value, estimated fair value, excess of fair value over book/adjusted carrying value and excess of book/adjusted carrying value over fair value of long-term bonds at December 31, is shown below (in millions):

	2016			
	Excess of			Estimated Fair Value
	Book/ Adjusted Carrying Value	Fair Value Over Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value Over Fair Value	
Bonds:				
U.S. governments	\$ 36,814	\$ 3,107	\$ (79)	\$39,842
All other governments	4,890	388	(59)	5,219
States, territories and possessions	715	70	(11)	774
Political subdivisions of states, territories, and possessions	816	35	(30)	821
Special revenue and special assessment, non-guaranteed agencies and government	16,612	1,034	(157)	17,489
Credit tenant loans	8,215	637	(71)	8,781
Industrial and miscellaneous	115,929	6,187	(1,359)	120,757
Hybrids	432	57	(17)	472
Parent, subsidiaries and affiliates	793	—	(7)	786
Total	\$185,216	\$11,515	\$(1,790)	\$194,941

Unrealized Losses on Bonds, Preferred Stocks and Unaffiliated Common

Stocks: The gross unrealized losses and estimated fair values for securities by the length of time that individual securities are in a continuous unrealized loss position are shown in the table below (in millions):

	Less than twelve months			Twelve months or more		
	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value
DECEMBER 31, 2016						
Loan-backed and structured bonds	\$11,144	\$ (333)	\$10,811	\$2,457	\$(137)	\$2,320
All other bonds	28,164	(970)	27,194	4,182	(370)	3,812
TOTAL BONDS	\$39,308	\$(1,303)	\$38,005	\$6,639	\$(507)	\$6,132
Unaffiliated common stocks	177	(7)	170	118	(21)	97
Preferred stocks	—	—	—	—	—	—
TOTAL BONDS AND STOCKS	\$39,485	\$(1,310)	\$38,175	\$6,757	\$(528)	\$6,229

Teachers Insurance and Annuity Association of America

	Less than twelve months			Twelve months or more		
	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value	Amortized Cost	Gross Unrealized Loss	Estimated Fair Value
DECEMBER 31, 2015						
Loan-backed and structured bonds	\$10,961	\$ (216)	\$10,745	\$3,320	\$ (192)	\$3,128
All other bonds	33,040	(1,648)	31,932	6,482	(860)	5,622
TOTAL BONDS	\$44,001	\$(1,864)	\$42,137	\$9,802	\$(1,052)	\$8,750
Unaffiliated common stocks	297	(17)	280	14	(2)	12
Preferred stocks	10	(1)	9	—	—	—
TOTAL BONDS AND STOCKS	\$44,308	\$(1,882)	\$42,426	\$9,816	\$(1,054)	\$8,762

Based upon the Company's current evaluation of these securities in accordance with its impairment policy, the Company has concluded that these securities are not other-than-temporarily impaired. Additionally, the Company currently intends and has the ability to hold the securities with unrealized losses for a period of time sufficient for them to recover.

Mortgage Loan Diversification: The following tables set forth the mortgage loan portfolio by property type and geographic distribution as of December 31:

	Mortgage Loans by Property Type (Commercial & Residential)	
	2016	2015
	% of Total	% of Total
Office buildings	32.3%	34.3%
Shopping centers	28.1	29.3
Apartments	13.8	12.6
Industrial buildings	13.6	13.9
Residential	6.4	4.5
Other - commercial	5.8	5.4
TOTAL	100.0%	100.0%

	Mortgage Loans by Geographic Distribution			
	2016		2015	
	% of Total		% of Total	
	Commercial	Residential	Commercial	Residential
South Atlantic	26.5%	16.1%	23.3%	18.6%
Pacific	17.0	44.3	17.8	32.2
South Central	16.8	6.9	18.5	8.1
Middle Atlantic	16.3	14.1	18.2	20.0
North Central	11.2	3.1	8.4	5.4
New England	6.7	5.7	7.1	6.0
Other	5.5	9.8	6.7	9.7
TOTAL	100.0%	100.0%	100.0%	100.0%

Regional classification is based on American Council of Life Insurers regional chart. See below for details of regions.

South Atlantic states are DE, DC, FL, GA, MD, NC, SC, VA and WV

South Central states are AL, AR, KY, LA, MS, OK, TN and TX

Middle Atlantic states are PA, NJ and NY

Pacific states are AK, CA, HI, OR and WA

North Central states are IA, IL, IN, KS, MI, MN, MO, NE, ND, OH, SD and WI

New England states are CT, MA, ME, NH, RI and VT

Other comprises investments in Mountain states (AZ, CO, ID, MT, NV, NM, UT, and WY), Australia, Canada and United Kingdom.

Net Investment Income: The components of net investment income for the years ended December 31, are as follows (in millions):

	2016	2015	2014
Bonds	\$ 8,879	\$ 8,823	\$ 9,050
Stocks	146	76	34
Mortgage loans	937	846	787
Real estate	222	236	219
Derivatives	57	17	10
Other long-term investments	2,239	1,753	1,526
Cash, cash equivalents and short-term investments	6	3	2
Total gross investment income	12,486	11,754	11,628
Less investment expenses	(725)	(685)	(557)
Net investment income before amortization of IMR	11,761	11,069	11,071
Plus amortization of IMR	146	266	182
NET INVESTMENT INCOME	\$11,907	\$11,335	\$11,253

Realized Capital Gains and Losses: The net realized capital gains (losses) on sales, redemptions and write-downs due to OTTI for the years ended December 31, are as follows (in millions):

	2016	2015	2014
Bonds	\$(204)	\$(380)	\$ 78
Stocks	16	(85)	(135)
Mortgage loans	(17)	14	22
Real estate	226	83	(1)
Derivatives	125	324	(19)
Other long-term investments	(358)	(320)	(291)
Cash, cash equivalents and short-term investments	(23)	(36)	(26)
Total before capital gains taxes and transfers to IMR	(235)	(400)	(372)
Transfers to IMR	74	(87)	(5)
Net realized capital losses less capital gains taxes, after transfers to IMR	\$(161)	\$(487)	\$(377)

Federal Income Taxes: By charter, the Company is a stock life insurance company operating on a non-profit basis. However, the Company has been fully subject to federal income taxation as a stock life insurance company since January 1, 1998.

Appendix A — Management of TIAA

The TIAA Real Estate Account has no officers or directors and no TIAA trustee or executive officer receives compensation from the Account. The Trustees and certain principal executive officers of TIAA as of April 15, 2017, their years of birth, and their principal occupations during at least the past five years, are as follows:

TRUSTEES

Name & Year of Birth (YOB)	Principal Occupations During Past 5 Years
Ronald L. Thompson <i>Chairman of the TIAA Board of Trustees</i> YOB: 1949	Director, Fiat Chrysler Automobiles (2014 to present). Member, Plymouth Ventures Partnership II Advisory Board (2010 to present). Director, Medical University of South Carolina Foundation, and Trustee, Washington University in St. Louis.
Jeffrey R. Brown YOB: 1968	Josef and Margot Lakonishok Professor of Business and Dean of the College of Business at the University of Illinois at Urbana-Champaign (since 2015). Professor of Finance and Director of the Center for Business and Public Policy, University of Illinois at Urbana-Champaign (since 2007).
James R. Chambers YOB: 1957	Special Advisor, Board, Weight Watchers International, Inc. (2016 to present). Director, President and Chief Executive Officer (2012 to 2016), Weight Watchers International, Inc. President, US Snacks and Confectionary at Kraft Foods (2010 to 2012). Director, Big Lots, Inc. (2012 to present).
Lisa W. Hess YOB: 1955	President and Managing Partner, SkyTop Capital (since 2010).
Edward M. Hundert, M.D. YOB: 1956	Harvard University Medical School, Dean for Medical Education and Daniel D. Federman, M.D. Professor in Residence of Global Health and Social Medicine and Medical Education (since 2014). Senior lecturer in Medical Ethics (2007 to 2014), and Director of the Center for Teaching and Learning, Harvard Medical School (2011 to 2014).
Lawrence H. Linden YOB: 1947	Founding Trustee of the Linden Trust for Conservation (1993 to present), Member of the Board of Directors of the World Wildlife Fund and Advisory Director to the Redstone Strategy Group (2006 to present). Strategic Advisory Board Member, New World Capital Group (2011 to present).
Maureen O'Hara YOB: 1953	R.W. Purcell Professor of Finance at Johnson Graduate School of Management, Cornell University (since 1992), where she has taught since 1979.
Donald K. Peterson YOB: 1949	Director, Sanford C. Bernstein Fund Inc. (2007 to present) and Bernstein Fund Inc. (2015 to present). Trustee Emeritus of Worcester Polytechnic Institute (2015 to present).
Sidney A. Ribeau YOB: 1947	Professor of Communications, Howard University (since 2014). President, Howard University (2008 to 2013). Co-founder, TM2 Education Search (2016 to present).
Dorothy K. Robinson YOB: 1951	Of Counsel at K&L Gates (since 2016). Senior Counselor to the President of Yale University (2014 to 2015). Vice President and General Counsel, Yale University (1995 to 2014).
Kim M. Sharan YOB: 1957	Kim M. Sharan, LLC, Founder and CEO, (2004 to present). President of Financial Planning and Wealth Strategies and Chief Marketing Officer at Ameriprise Financial (2002 to 2014).

TRUSTEES

continued

Name & Year of Birth (YOB)	Principal Occupations During Past 5 Years
David L. Shedlarz YOB: 1948	Director, Pitney Bowes Inc. (2001 to present), The Hershey Company (2008 to present), and Teladoc, Inc. (2016 to present).
Marta Tienda YOB: 1950	Maurice P. During '22 Professor in Demographic Studies and Professor of Sociology and Public Affairs, Princeton University (since 1999).

OFFICER-TRUSTEES

Name & Year of Birth (YOB)	Principal Occupations During Past 5 Years
Roger W. Ferguson, Jr. YOB: 1951	President and Chief Executive Officer of TIAA and CREF (since 2008).

OFFICERS

Name & Year of Birth (YOB)	Principal Occupations During Past 5 Years
Carol Deckbar YOB: 1962	Executive Vice President, Institutional Investment and Endowment Services of TIAA and Executive Vice President of CREF. Prior positions: TIAA-CREF, CEO, Asset Management; TIAA-CREF, COO Asset Management.
Virginia M. Wilson YOB: 1954	Senior Executive Vice President, Chief Financial Officer of TIAA and Executive Vice President, Chief Financial Officer and Principal Accounting Officer of CREF.
Ronald Pressman YOB: 1958	Senior Executive Vice President, Institutional Financial Services Chief Executive Officer of TIAA, and Executive Vice President of the TIAA-CREF Fund Complex. Prior positions: Executive Vice President and Chief Operating Officer at TIAA. President and Chief Executive Officer of General Electric Capital Real Estate.
Kathie Andrade YOB: 1960	Senior Executive Vice President, Retail Financial Services Chief Executive Officer. Prior position: Executive Vice President, Head of Individual Advisory Services, TIAA.

PORTFOLIO MANAGEMENT TEAM

Name & Year of Birth (YOB)	Principal Occupations During Past 5 Years
Gerald Casimir YOB: 1959	Managing Director and Portfolio Manager, TIAA Real Estate Account. Prior position: Head of U.S. Real Estate Asset Management.
Gordon (Chris) McGibbon YOB: 1972	Senior Managing Director, Head of Americas, TH Real Estate. Prior positions: Managing Director, PM of GA Mortgage and Real Estate Portfolios, TIAA. Managing Director, PM of Direct, Flagship Open Ended Real Estate Fund.

Appendix B — Special terms

Accumulation: The total value of your accumulation units in the Real Estate Account.

Accumulation Period: The period that begins with your first premium and continues until the entire accumulation has been applied to purchase annuity income, transferred from the Account, or paid to you or a beneficiary.

Accumulation Unit: A share of participation in the Real Estate Account for someone in the accumulation period. The Account's accumulation unit value changes daily.

Annuity Unit: A measure used to calculate the amount of annuity payments due a participant.

Beneficiary: Any person or institution named to receive benefits if you die during the accumulation period or if you (and your annuity partner, if you have one) die before the guaranteed period of your annuity ends.

Business Day: Any day the New York Stock Exchange (NYSE) is open for trading. A business day ends at 4 p.m. Eastern Time, or when trading closes on the NYSE, if earlier. The term "NYSE" includes the New York Stock Exchange and its constituent, affiliate and subsidiary exchanges, including NYSE Arca Equities and NYSE MKT.

Calendar Day: Any day of the year. Calendar days end at the same time as business days.

Commuted Value: The present value of annuity payments due under an income option or method of payment not based on life contingencies. Present value is adjusted for investment gains or losses since the annuity unit value was last calculated.

Eligible Institution: A non-profit institution, including any governmental institution, organized in the United States.

ERISA: The Employee Retirement Income Security Act of 1974, as amended.

General Account: All of TIAA's assets other than those allocated to the Real Estate Account or to other existing or future TIAA separate accounts.

Good Order: Actual receipt of an order along with all information and supporting legal documentation necessary to effect the transaction. This information and documentation generally includes your complete application and any other information or supporting documentation we may require. With respect to purchase requests, "good order" also generally includes receipt of sufficient funds by us to effect the purchase. We may, in our sole discretion, determine whether any particular transaction request is in good order and reserve the right to change or waive any good order requirement at any time either in general or with respect to a particular plan, contract or transaction.

Income Change Method: The method under which you choose to have your annuity payments revalued. Under the annual income change method, your payments are revalued once each year. Under the monthly income change method, your payments are revalued every month.

Separate Account: An investment account legally separated from the general assets of TIAA, whose income and investment gains and losses are credited to or charged against its own assets, without regard to TIAA's other income, gains or losses.

Valuation Day: Any business day.

Valuation Period: The time from the end of one valuation day to the end of the next.

For purposes of this prospectus, the term “we” refers collectively to the Account and the TIAA officers that provide management services to the Account, as well as TIAA and Services, both of which provide services for the Account.

How to reach us

By mail

Send all notices, forms, requests or payments to:

TIAA

P.O. Box 1259

Charlotte, NC 28201

TIAA website

Account performance, personal account information and transactions, product descriptions, and information about investment choices and income options

TIAA.org

24 hours a day, 7 days a week

Automated telephone service

Check account performance and accumulation balances, change allocations, transfer funds and verify credited premiums

800-842-2252

24 hours a day, 7 days a week

National Contact Center

Retirement saving and planning, income options and payments, beneficiary services and tax reporting

800-842-2252

8 a.m. to 10 p.m. (ET), Monday–Friday

9 a.m. to 6 p.m. (ET), Saturday

Planning and service center

TIAA-CREF mutual funds

800-223-1200

8 a.m. to 10 p.m. (ET), Monday–Friday

Insurance planning center

After-tax annuities and life insurance

For an existing policy or contract

800-223-1200

To apply for a new policy or contract

877-825-0411

8 a.m. to 8 p.m. (ET), Monday–Friday

For the hearing- or speech-impaired

800-842-2755

8 a.m. to 10 p.m. (ET), Monday–Friday

9 a.m. to 6 p.m. (ET), Saturday

TIAA Brokerage Services

Self-directed brokerage accounts for investing in stocks, bonds and mutual funds

800-927-3059

8 a.m. to 7 p.m. (ET), Monday–Friday

TIAA-CREF Trust Company, FSB

Asset management, trust administration, estate planning, planned giving and endowment management

888-842-9001

9 a.m. to 6 p.m. (ET), Monday–Friday

TIAA-CREF Tuition Financing, Inc.

Tuition financing programs

888-381-8283

8 a.m. to 8 p.m. (ET), Monday–Friday

Advisor services

888-842-0318

8 a.m. to 7:30 p.m. (ET), Monday–Friday

