

## INSTRUCTION FOR COMPLETING INCOME AND EXPENSE SURVEY FORM OFFICE BUILDING

The following instructions are provided to aid you filling out this survey form. If you have any questions, please call this office at 703.746.4646.

### A. Certification

Certification of this information by the owner or officially authorized representative is required by state law (**Code Virginia 58.1-3294**). Please print or type the name and title of the person certifying the information, and the name and phone number of the person to contact with questions about this information.

### B. Annual Income

1. **Rental Potential Income - Office Space** - Enter the total potential income that the office space will generate, if 100% occupied.
2. **Rental Potential Income - Stores, Shops, Banks, Restaurants, etc.** - Enter the total potential income that all retail space will generate, if 100% occupied.
3. **Rental Potential Income - Basement or Storage Space** - Enter the total potential income that the basement or storage space will generate, if 100% occupied.
4. **Rental Potential Income - Parking** - Enter the total potential income that the garage and/or surface parking areas will generate.
5. **Vacancy and Collection Loss** - Actual income loss from all vacancies during the calendar year that is not compensated by existing leases, plus all actual income loss during the calendar year from collection and bad debts.
- 5a. **Free Rent (Lease Concession)** - The actual income loss attributable to lease concessions such as occupancy periods at reduced rent or complete rent abatement. If existing leases include provisions for free rent after CY 2010 indicate on the attached Form K the amount and timing of the remaining free rent allowance.
6. **Rental Potential Income - Tax Escalation Charges** - Income to the property from the tenant's prorata share of real estate taxes (**pass-throughs**), usually above a base amount or tax stop as specified in the terms of the lease.
7. **Reimbursements for Operating Expenses** - Income to the property from the tenant's prorata share of the operating expenses (**pass-throughs**), usually a base year amount or expense stop as specified in the terms of the lease.
8. **Reimbursements for Tenant Improvements** - Income to the property from the tenant's prorata share of tenant improvements cost.
9. **Income from Sale of Utilities or Services to Tenants** - Income in addition to the actual rental income or operating reimbursements.

10. **Miscellaneous Income** - Any additional income received and not covered in another category. Specify the type or source of income.

**C. Annual Expenses - Calendar Year Only, Do Not Amortize**

**UTILITIES**

11. **Electricity (excluding HVAC)** - Electricity expense if the building's power source for heating is a fuel other than electricity.
12. **HVAC Fuel Expense** - Indicate the expense and specify the primary fuel used to heat and cool the building. Do not include any electricity expenses included in line 11 above.
13. **Combination Electricity for Power and HVAC** - Total electric charges if a building uses electricity for all heating, cooling and power requirements. (Do not use line 13 if lines 11 and 12 were used.)

**MAINTENANCE & REPAIR**

15. **Maintenance & Repair Payroll** - Payroll expenses for maintenance staff, including payroll taxes and employee benefits.
16. **Supplies** - Expenses for maintenance supplies.
17. **HVAC Repairs** - Maintenance and repair expense for heating, ventilation and air-conditioning. Do not include capital items and related maintenance and/or repairs.
21. **Roof Repairs** - Include repairs and routine maintenance expenses. **Do not include the cost to replace the entire roof.** Roof replacement is a capital expense and should be reported in the **Capital Improvement, Renovations** section below (line 46).
22. **Parking Lot and Paving Repairs** - Include the calendar year expenses for minor amounts of parking lot and paving repairs. **Do not include any major repaving or other capital improvements.**
- 23A. **Tenant Improvements** - Include all calendar year expenses for minor amounts of standard tenant improvements (carpet, paint and other minor changes), do not amortize any of the expenses reported. Please provide a detailed explanation of all expenses reported as tenant improvement items, including the name of the tenant, the amount of space improved, the total cost for the tenant improvements, the terms of the lease and all other pertinent information. If necessary attach a separate sheet. **All major tenant improvements and renovations to the building should be reported in the section for Capital Improvements, Renovations below (line 46).**
- 23B. **Public Area Improvements** - Repairs and maintenance to common area in the building. **Do not include any major renovations or other capital items.**
24. **Other Repairs** - Specify all maintenance and repair expenses not covered in the categories above. **Do not include major capital improvements.**

## ADMINISTRATIVE

27. **Management Fee** - Amount paid to a management company or self for operating the building. Do not include management expenses if the same administrative costs are shown elsewhere.
28. **Leasing Fees** - Include all leasing fees paid during the calendar year; do not amortize. Please provide a detailed explanation of all expenses reported as leasing fees, including the name of the tenant, total space leased, total leasing fees involved and the terms of the lease. If necessary attach a separate sheet.
29. **Other Administrative Costs (Specify)** - Include all administrative costs not reported above. Please detail each line item and attach a separate sheet if necessary.

## SERVICES

36. **Miscellaneous** - Include and specify all miscellaneous service items.

## INSURANCE AND TAXES

37. **Insurance** - Include all calendar year expenses for insurance. Some insurance policies are multi-year contracts. Please report the cost for one year only.
38. **Personal Property and Occupancy Taxes** - Include all other taxes and fees except real estate taxes.
39. **Real Estate Taxes** - Amount paid in real estate taxes for the calendar year. This should reflect any adjustments made to the assessment.

## CAPITAL EXPENDITURES

46. **Capital Improvements, Renovations** - Capital expenditures are investments in remodeling or replacements which materially add to the value of the property, or appreciably prolong its economic life. Generally, expenditures on materials or equipment with a life of more than one year should be considered capital and included here. If this section applies to your property, please answer yes and list on an attached sheet the items considered to be capital improvements. **Enter the total amount of the capital cost expended for the calendar year only.**

## J. Debt Service Information

Please provide information in regard to any loan placed on this property within the last **five years**. Please include any new loans or refinancing of original debt. This information is requested to study the financing trends for this property type to determine typical debt coverage ratios. By obtaining this information, we may also be able to see if your particular property is unusual in its financial arrangements.

## K. Tenant Information Form - Use additional copies if necessary

1. **Tenant Name** - Please indicate the name or tenant identification and unit number for each lease space. Also indicate any vacant spaces with appropriate sizes in the next column.

2. **Square Feet Leased** - The square feet of space specified in the lease.
3. **Lease Dates** - The effective beginning and ending dates for the leases of the current tenants.
4. **Original Annual Base Rent Amount** - The original base (face) rent for the first year of the current lease in total dollars. This does not include escalations or reimbursement for any expenses, nor does it include adjustments for free rent or concessions.
5. **Current Annual Rent Amount** - The current amount of rent now being paid for current year. This amount includes CPI or percentage escalations, but does not include reimbursements for utilities, common area expenses, or taxes.
6. **Rent Escalations (Fixed or CPI)** - Show the percentage increase or percentage of CPI (Consumer Price Index) from the escalation clause in the lease. The additional income generated by the escalation clause in the lease for this period should be included in current rent.
7. **Parking** - Indicate any additional amount paid by the tenant for parking.
8. **Expense Stop** - Indicate any expense stop. This is the amount of expenses, usually expressed in dollars per square foot, that the landlord has agreed to include in the basic rent. If there is no expense stop and the tenant pays common area maintenance and/or real estate taxes separately, write "none" and show the amounts in the appropriate columns.
9. **Amount Paid in Excess of Expense Stop** - The total dollar amount paid by the tenant for expenses in excess of the agreed upon expense stop.
10. **Common Area Maintenance** - The annual expense paid by tenant to maintain common areas that are not designed for lease, e.g., parking, sidewalks, landscaped areas, hallways, public restrooms, etc. If common area maintenance is paid separately or not included in the expense stop, show that total dollar amount.
11. **Real Estate Taxes** - If real estate taxes are reimbursed by the tenant, show the annual amount.
12. **Months Free Rent** - If there was a period of free rent agreed upon in the lease, show the number of months here. If there was a flat dollar amount, indicate that amount on separate sheet. Indicate the total amount for the lease term.
13. **Total Leasing Commission** - If a fee was paid to a leasing company for obtaining a tenant, indicate the amount paid for the entire term of the lease.
14. **Landlord Paid Build Out Costs** - If there has been substantial build out costs associated with this lease paid by the landlord, and those costs are not being reimbursed separately by the tenant, indicate the amount.