

Guidelines for Completing the Income and Expense Survey Form for General Commercial Property

The following is provided to aid you in completing the income and expense survey form for general commercial properties. General commercial properties typically have 12,000 square feet of building area or less and include retail uses, repair and service establishments, restaurants, financial institutions, medical buildings, and buildings that contain both commercial and residential apartments.

The section and line numbers cited below correspond to the section and line number on the survey form.

SECTION A. CERTIFICATION

Please print or type the name and title of the person certifying the information and the name and telephone number of the person to contact with questions about this information.

SECTION B. ANNUAL INCOME

1. Please enter the *gross potential income from rentals* as if 100% occupied for all use types (vacancy will be considered later). Because different uses and locations within a building command different rents, we ask that you help distinguish these variations by categorizing the gross potential income on lines a through c.
2. Please enter any *miscellaneous income* that the property receives that is not covered in item 1 above (overage/percentage of sales, common area maintenance reimbursements sale of utilities or services, or other reimbursements).
3. *Vacancy and collection allowance*. Please enter the total dollar amount for space not rented during this reporting period and the total dollar amount attributable to collection loss.

SECTION C. ANNUAL OPERATING EXPENSES

Because rental rates vary depending upon who is responsible for expenses related to the leased property, the survey asks that you identify who pays the *expenses* and the dollar amount of each expense for this reporting period. If there are expenses that are not listed, please attach additional sheets that identify the types of expenses and who pays them. If you are completing the form as the lessor you need only list the expense amounts for those that you are responsible for. It is not necessary for you to list expense amounts incurred by the lessee. If you sublease the subject property, change the headings for this section to Sublessor and Sublessee.

SECTION D. VACANCY AND MISCELLANEOUS INFORMATION

By providing the *vacant rental space* each January 1 (lines 1 and 2) the amount of vacant physical space during this reporting period can be estimated. The *estimated income loss*

from vacancy during CY 2009 (line B-3) can then be compared to this vacant physical space to determine an income loss per square foot of building area.

The survey asks that you provide the *asking rent for vacant space during CY 2009* (line 5) expressed as a dollar amount per square foot of floor area per year. Through responses to this item the Department can better understand anticipated changes in rental rates from property owners and compare the responses to published citywide and regional reports concerning changes in rental rates. Rents for vacant commercial and residential spaces may also be expressed on a monthly basis provided that the associated square footage is reported.

If applicable, please indicate any *cost of concessions* (line 6) that you provide to any lessees (e.g., moving allowance, free parking, free rent for specified period of time, allowance for tenant improvement items). If applicable, please describe the tenant improvements and state the amortization period over which you plan to recapture the cost.

Because changes in the physical property can cause changes to rental rates, vacancy, expenses, etc., please provide cost information related to the cost of *capital improvements or renovations and remodeling* (line 7a) or *cost of new construction or additions* (line 7b) to the structure, **if applicable** to this reporting period. Tenant improvements will typically be included on line 6 as a cost of concessions.

Again, please call **703.746.4646** during normal business hours if you have questions about this survey form or need assistance.