

**INSTRUCTIONS FOR COMPLETING
INCOME AND EXPENSE SURVEY FORM
WAREHOUSE/MINI-STORAGE/INDUSTRIAL**

The following instructions are provided to aid you in filling out this survey form. If you have questions, please call the 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. Physical Vacancy Information

1. Please provide the amount of vacant space, in square feet, available for lease on January 1 of the current year.
2. Please provide the amount of vacant space, in square feet, available for lease on January 1 of the previous year.

The vacancy data provided is used in determining vacancy patterns for this property type.

C. Asking Rent Information/Cost Information

1. For vacant space listed in Section B, question 1, please provide the current **asking rent** for this space.
2. If the property was built in the last five years, please provide the requested cost information.

D. 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.

E. Annual Income

Please enter the period covered by this income and expense statement.

1. **Potential Rental Income** - Enter the potential income from rental space as if the property was 100% occupied.
2. **Sales of Utilities/Services** - Potential income from the sale of utilities and services in addition to potential rent income. Usually these cost reimbursements by the tenants over and above the base rent.
3. **Overage/Percentage Rental** - Rents received over and above the guaranteed rental in accordance with the terms of the lease.
4. **Other Rental Income** - Rental income for any specially designated space which is not covered by the categories listed above. Specify the type of spaces to which income relates.
5. **Total Potential Income** - Total all income listed on lines 1, 2, 3 and 4.
6. Please provide the estimated income loss due to the vacancy reported in Section B, questions 1 and 2.
7. Please provide the actual income loss from collections or bad debts.
10. **Common Area Maintenance Reimbursement**
- Total income received from tenants for their share of the common area maintenance.
11. **Interest Income** - Income to this property from interest earned on capital improvement, reserve accounts, monthly management operating accounts and bank deposits, including CD's and treasury notes.
12. **Insurance Reimbursement** - Monies paid to owner for insurance claims.
13. **Operating Expense Reimbursement** –
Income to the property from the tenant's prorata share of the operating expenses (**pass-throughs**), usually above a base amount or expense stop as specified in the terms of the lease.

14. **Tax Escalation or Reimbursement** – Income to the property from the tenant's prorata share of the real estate taxes (**pass-through**), usually above a base amount or tax stop as specified in the terms of the lease.

15. **Parking and Special Areas** – Any rental income received for garage and/or surface parking spaces.

17. **Miscellaneous (specify)** - Any additional income received which is not covered in another category. Specify the type or source of income.

21. **Total Actual Income** - Sum of lines 9 through 20.

F. 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 for this reporting period only.**

G. Annual Operating Expenses

These are expenses necessary to maintain the production of income from operation of the property. Do not include under any expense category items such as ground rent, mortgage interest or amortization, personal property tax, depreciation, income taxes or capital expenditures. **These are not operating expenses.** Capital expenditures include investments in remodeling, or replacements which materially add to the value of the property or appreciably prolong its life. Capital expenditures are requested in Section F. Please include here all other expenses to the property, including those reimbursed by the tenants.

UTILITIES

22. **Water and Sewer** - Expense of water and sewer services for this reporting period.

23. **Electricity** - Electricity Expense. Please be sure to enter your electricity expense on the appropriate line regarding HVAC.

24. **Primary Heating Fuel (specify)** – Specify primary fuel (oil, gas, etc.) used for heating the building and its expense. **Do not include an amount here if heat is electric** and the expense is included in line 23 above.

25. **Other Fuel (specify)** - If more than one type of fuel is used, indicate type and total cost.

MAINTENANCE AND REPAIRS

26. **Maintenance Payroll/Supplies** – Payroll expenses for maintenance staff and expenses for maintenance supplies.

27. **HVAC Repairs** - Maintenance and repair expenses for heating, ventilating and air conditioning and related maintenance and/or repairs. Do not include capital items.

28. **Electric/Plumbing Repairs** – Maintenance expense for electric and plumbing systems.

29. **Elevator Repairs** - maintenance expense for elevator repairs.

30. **Roof Repairs** - Minor repairs and routine maintenance expense. Do not enter the cost to replace entire roof. Roof replacement is a capital expense, which should be shown in Section F.

31. **Other Common Area or Exterior Repairs** - Repairs to the outside of the property not covered elsewhere. Do not include capital items.

32. **Redecorating Costs (carpet, paint, etc.)** - Maintenance and repair for interior items. Do not include capital items or major tenant fit up.

33. **Miscellaneous Repairs (specify)** – Expenses or repair costs not covered in another category. Please specify type of maintenance and/or repair. Do not include capital items.

MANAGEMENT AND ADMINISTRATIVE

34. **Management Fee** - Amount paid to a management company or self for operating the building. Do not count management expenses here if the same administrative costs are shown elsewhere.

MANAGEMENT AND ADMINISTRATIVE

35. **Other Administrative/Payroll** – Includes advertising, administrative payroll, office supplies, accounting and legal fees. Please detail each line item. If necessary, attach separate sheet.

SERVICES

36. **Janitorial/Cleaning (Payroll/Contract)** - Janitorial and cleaning expenses for the property.

37. **Landscape (grounds maintenance)** – Landscaping or grounds keeping service expenses.

38. **Trash** - Expense for trash service.

39. **Security** - Expense for security services, guards, etc.

40. **Snow Removal** - Expense for snow removal service.

INSURANCE AND TAXES

41. **Fire, Casualty Insurance** - (reporting period) Some insurance policies are multi-year contracts. Please include only one year's cost.

42. **Other Taxes, Fees** - This includes business license tax, personal property and other taxes, exclusive of real estate tax.

43. **Real Estate Taxes** - Amount paid in real estate taxes for this reporting period. This should reflect any adjustments made in the assessment for the period. Do not include personal property tax.

TOTAL OPERATING EXPENSES

44. **Total Expenses** - Sum of lines 22 through 43.

H. Net Operating Income

Income to the property after all fixed and operating expenses are deducted, but before deducting mortgage interest and depreciation. (i.e., total actual income received less total operating expenses, line 21 Section E less line 44 Section G).

I. Warehouse/Mini-Storage/Industrial Tenant Inventory

You may attach a **recent** rent roll (12/31/10), or later) if it contains all of the information requested below.

1. **Tenant Name or Unit Number** – Please indicate the name or tenant identification for each leased space. Also indicate any vacant spaces with appropriate sizes in the next column.
2. **Amount of Ground Floor Space Leased** - The square feet of space specified in the lease on the main or predominant floor. It does not include leased mezzanine space.
3. **Percentage of Office** - Of the space included in the previous column, the percentage that is finished for use as office or retail space.
4. **Amount of Mezzanine Space Leased** – Many industrial properties include structural mezzanines within the building which adds usable space. This space may be fabricated of many different materials and finished in various ways. Include all mezzanine space in square feet.
5. **Percentage of Office** - Of the mezzanine space included in the previous column, the percentage that is finished as office or retail space.
6. **Lease Dates** - The effective beginning and ending dates for the leases of the current tenants.
7. **Original Annual Base Rent Amount** – The original base (face) rent the first year of the current lease in total dollars. This does not include escalations or reimbursements for any expenses, nor does it include adjustments for free rent or concessions.
8. **Current Annual Rent Amount** - The current amount of rent now being paid for this reporting period. This amount includes CPI or percentage escalations, but does not include reimbursements for utilities, common area expenses, or taxes.
9. **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.

10. **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 these amounts in the appropriate columns.
11. **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.
12. **Common Area Maintenance** - The annual expense paid by the 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.
13. **Real Estate Taxes** - If real estate taxes are reimbursed by the tenant, show the annual amount.
14. **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 or the dollars per square foot amount allowed. Indicate the total length of the lease term.
15. **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.
16. **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.