

Step by Step Guide - Building a Property Model

ARGUS Enterprise 10.6

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Table of Contents

Purpose.....	1
Building a Property Asset Model	2
Create a New Portfolio	3
Create a New Property Asset	4
Enter Information Into a Property Asset.....	7
Enter Market Assumptions.....	9
Enter Expenses	11
Enter Tenant Information.....	14
Select Valuation Methods	16
Accessing Key Reports	19
Cash Flow Report	20
Present Value Report	21
Lease Summary	22
Lease Audit.....	23
Data Review Details.....	24

Purpose

This document describes the steps a user will follow to build a basic property model in ARGUS Enterprise.

More complex inputs such as CPI, Rent Indexation, and Debt Financing are excluded from this Step by Step Guide but can be found in the ARGUS Enterprise Help (F-1) menu and in the ARGUS Enterprise Product User Guide.

Note: The inputs and examples provided in this document are intended to be used only for Office/Retail properties and do not represent the steps for creating models for multifamily, hotel, or mixed use properties, which are also supported by ARGUS Enterprise.

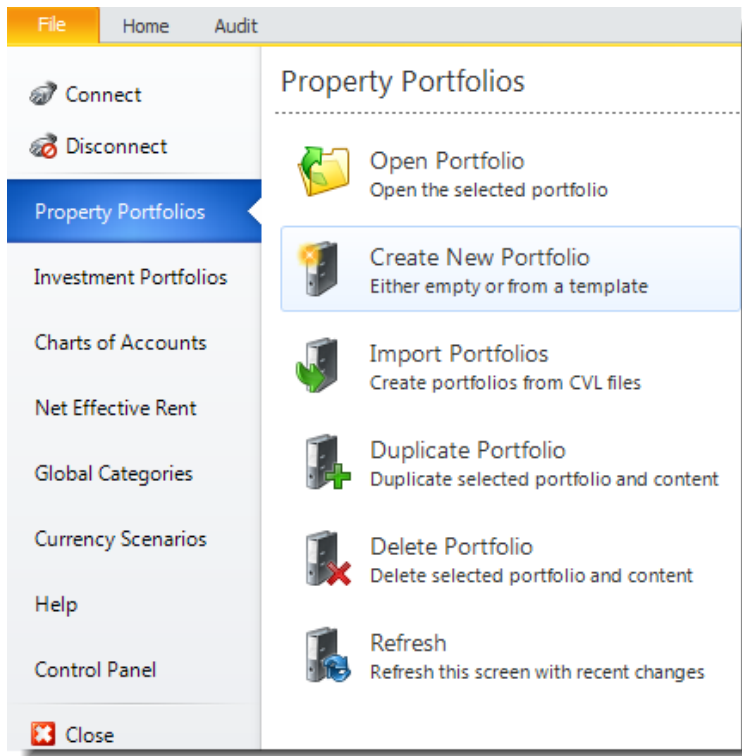
Building a Property Asset Model

ARGUS Enterprise includes a comprehensive list of input tabs that you will use to build a property model. The major steps for building a property asset model included in this guide are:

- [Create a New Portfolio](#)
- [Create a New Property Asset](#)
- [Enter Information Into a Property Asset](#)
- [Enter Market Assumptions](#)
- [Enter Expenses](#)
- [Enter Tenant Information](#)
- [Select Valuation Methods](#)

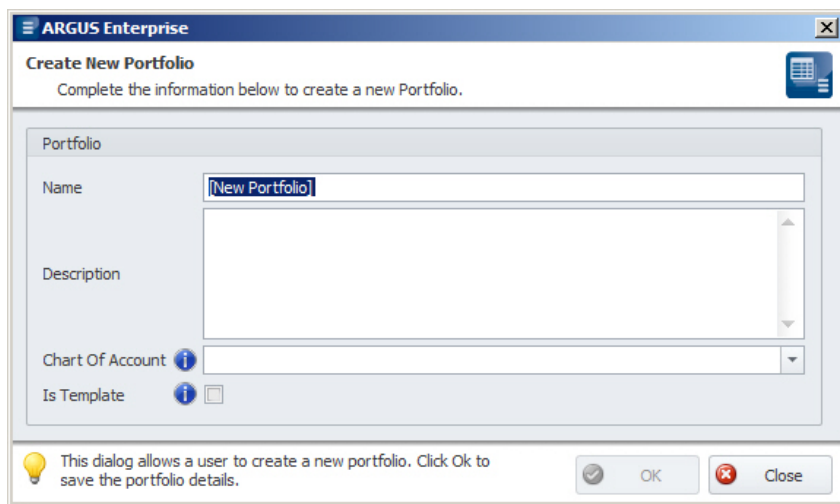
Create a New Portfolio

1. Click **File>Property Portfolios>Create New Portfolio**.



Result: The Create New Portfolio Pop-Up appears.

2. Enter/select **portfolio** information.

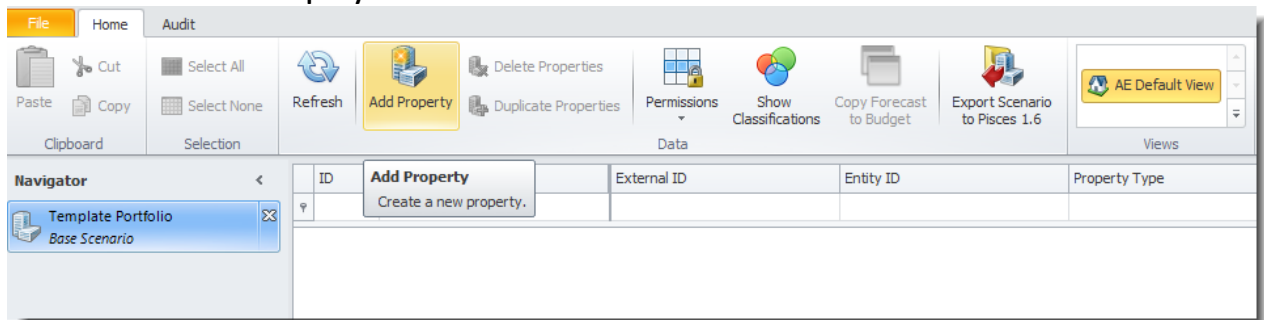


Note: You can select **Is Template** to create portfolio templates to standardize input assumptions for later use.

3. Click **OK**.

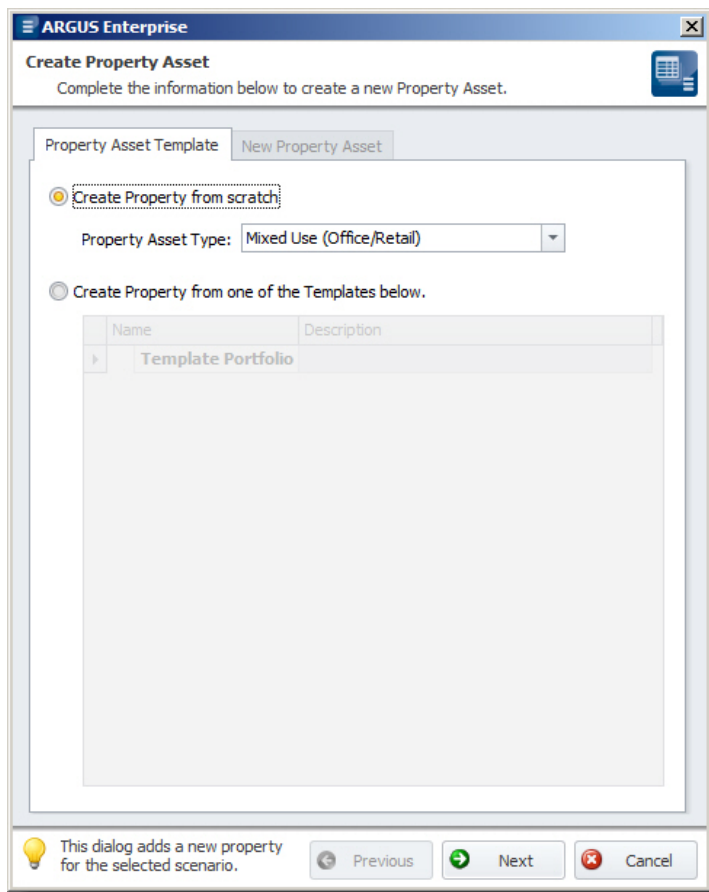
Create a New Property Asset

1. On the ribbon click **Add Property**.



Result: The Property Asset Template Pop-Up appears.

2. Click **Create Property from scratch**.
3. Select a **property asset type**.



4. Click **Next**.

Result: The New Property Asset tab displays.

5. Type/select **property information**.

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Create Property Asset

Complete the information below to create a new Property Asset.

Property Asset Template | **New Property Asset**

Name: Example Property

External ID: 90876

Analysis Begin: April, 2015

Analysis Years: 10

Analysis Months: 0

Currency: USD | Area Measure: SF

Address Line 1: 1097 Main Street

Address Line 2: Ste 910

City: Houston

State: Texas

Country: USA

Zip Or Postal Code: 77050

Comments: [Add Comment](#)

Property Type: Mixed Use (Office/Retail)

☒ Open the property in the editor.

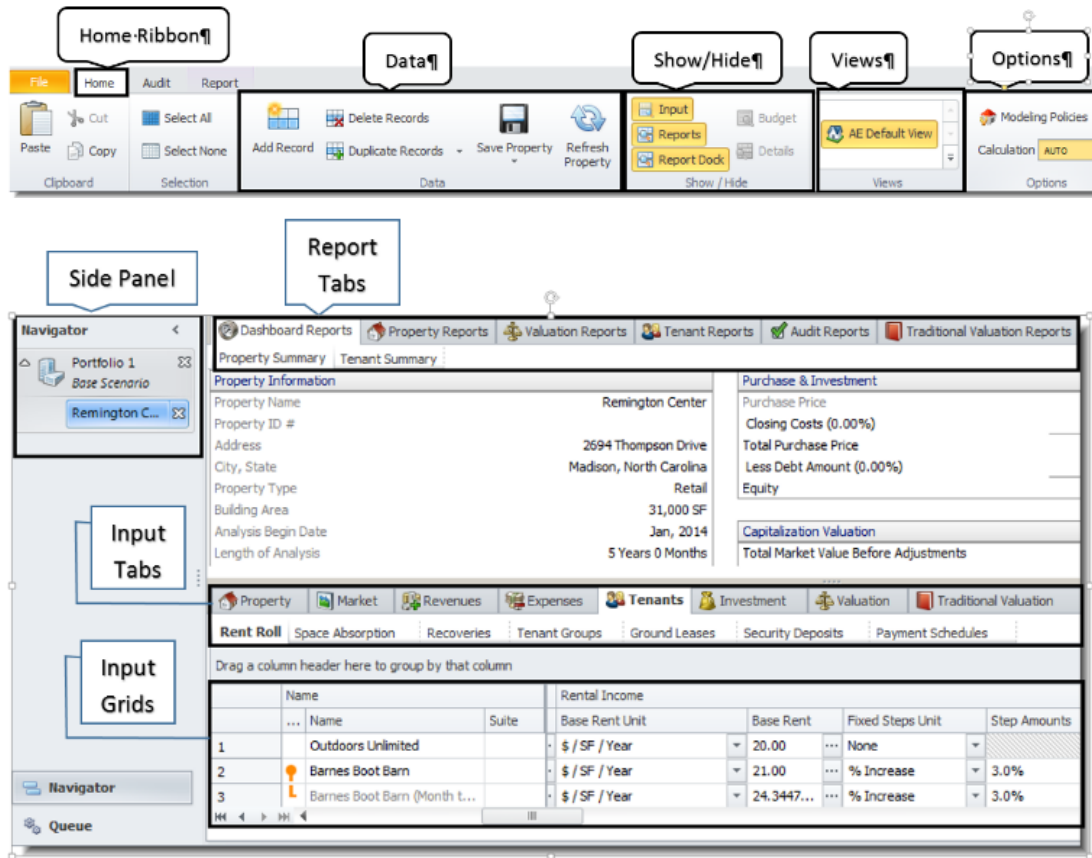
This dialog adds a new property for the selected scenario.

Previous Finish Cancel

6. Click **Finish** to create the property asset.

Result: Properties Editor screen displays.

Option: Click **Input** and **Reports** in the ribbon to show/hide Input and Reports screens or view both screens simultaneously in split screen mode.



Enter Information Into a Property Asset

The Property Description tab allows you to enter identification and timing information for the property asset.

1. In the Input tab panel click **Property>Description**.

Result: Property Description pane displays.

2. Type/select:
 - General Information: General identification information such as the property name, property ID, property type, and the building area.
 - Analysis: Projection start date and the length of the analysis.
 - Timing: Override the timing for scenario actuals, budget, and inflation information.
 - Currency & Measurement: Currency and the measurement unit for the scenario.
3. Click **Location**.

4. Type/select the **property address**.
5. Click **Area Measures**.

Property | Market | Revenues | Expenses | Tenants | Investment | Valuation | Traditional Valuation

Description | Location | Additional | Attachments | **Area Measures** | Chart of Accounts | Actuals | Budget | Classifications

Drag a column header here to group by that column

	General	Rentable Area			Occupied Area
	Name	How Input	Area	Selected Rentable Areas	How Input
1	Building Area	Enter Area	50,000		All Tenants
2	Office Total	Enter Area	0		Per Lease Type
3	Retail Total	Enter Area	0		Per Lease Type
4	Industrial Total	Enter Area	0		Per Lease Type
5	Storage Total	Enter Area	0		Per Lease Type
6	Alternate Building Area	Enter Area	0		All Tenants

6. Type the building area in the **Area** field.

Enter Market Assumptions

The Market Leasing Assumptions tab (MLAs) allows you to forecast speculative renewals for tenant areas as existing lease contracts expire and tenants renew or move out and a new tenant is acquired.

1. Click **Market>Inflation**.

Result: Inflation grid displays.

Property Market Revenues Expenses Tenants Investment Valuation Traditional Valuation								
Inflation Inflation Indices General Vacancy Credit Loss Market Leasing Free Rent CPI Increases Tenant Improvements								
Name	Inflation Basis		Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	
▶ No Inflation	As Entered	▼ ...		0.00%	0.00%	0.00%	0.00%	0.00%
General Inflation Rate	As Entered	▼ ...		3.00%	3.00%	3.00%	3.00%	3.00%
Market Inflation Rate	As Entered	▼ ...		5.00%	5.00%	5.00%	5.00%	5.00%
Expense Inflation Rate	As Entered	▼ ...		3.00%	3.00%	3.00%	3.00%	3.00%
CPI Inflation Rate	As Entered	▼ ...		3.00%	3.00%	3.00%	3.00%	3.00%

2. Type **inflation amount** in the first date column.

Result: The number copies across subsequent years.

3. Click **General Vacancy**.

Result: General Vacancy pane displays.

Property Market Revenues Expenses Tenants Investment Valuation Traditional Valuation								
Inflation Inflation Indices General Vacancy Credit Loss Market Leasing Free Rent CPI Increases								
Calculation								
% of Potential Gross Revenue ▼			5.0% ...	☒ Gross-up Revenue by Absorption & Turnover				
☐ Override Specified Tenants			Replace Standard Rate ▼					

4. Select a **calculation method** and a **percentage**.

Option: Select **Gross-up Revenue by Absorption & Turnover**.

Option: Select **Override Specified Tenants**.

5. Click **Credit Loss**.

Result: Credit Loss pane displays.

Property Market Revenues Expenses Tenants Investment Valuation Traditional Valuation								
Inflation Inflation Indices General Vacancy Credit Loss Market Leasing								
Calculation								
% of Potential Gross Revenue ▼			5.0% ...					
☐ Override Specified Tenants			Replace Standard Rate ▼					

6. Select a **calculation method** and a **percentage**.

7. Click **Market Leasing**.

Result: Market Leasing grid displays.

Property	Market	Revenues	Expenses	Tenants	Investment	Valuation	Traditional Valuation
Inflation	Inflation Indices	General Vacancy	Credit Loss	Market Leasing	Free Rent	CPI Increases	Tenant Improvements
Drag a column header here to group by that column							
	Name	General			Base Rent (/Area)		
	Name	Term (Yrs/Mos)	Renewal %	Months Vacant	Base Rent Unit	New Base R...	Renew Base Rent
I 1	Default Profile	5/0	50.0%	0.00	\$ / SF / Year	25.00	Continue Prior

8. On the ribbon click **Add Record**.

Result: A new entry row displays.

Option: Use the Default profile as your Market Leasing Profile.

Note: You can create multiple Market Leasing Profiles for various categories, e.g. office, retail, storage, etc.

9. Type a **name** for the Market Leasing Profile.

10. Type/select information:

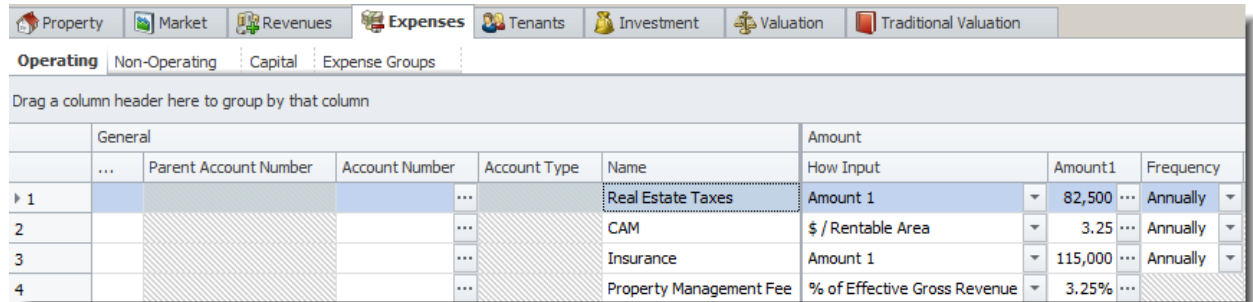
- Name: Market leasing profile name.
- General: Term, renewal probability, and months vacant.
- Base Rent: Base rent unit, new/renew base rent input, renewal override, and % of prior rent.
- Rent Increases: Changing base rent, fixed steps, step amounts, CPI increases, inflation rate/index.
- Rental Value: Rental value unit, rental value, rental value inflation.
- Free Rent: New free rent, renew free rent.
- Recoveries: Structure and amount.
- Miscellaneous Items: Miscellaneous rent and incentives.
- Improvements: TI unit, new TI, renew TI, TI timing.
- Leasing Commissions: New LC unit, new LC, renew LC unit, LC timing,
- Security Deposit: New security deposit and renew security deposit.
- Percentage Rent: Sales % basis, sales %, sales amount unit, sales amount, breakpoint, break amount.
- Upon Expiration: The MLA that applies upon expiration.

Enter Expenses

The Operating Expenses tab allows you to model expenditures associated with a company's main operating activities and are reported on its income statement. The Capital Expenses tab allows you to model amounts spent to acquire or improve the property. The Expense Groups tab allows you to create collections of expenses to build recovery structures.

1. Click **Expenses>Operating**.

Result: Operating Expense grid displays.



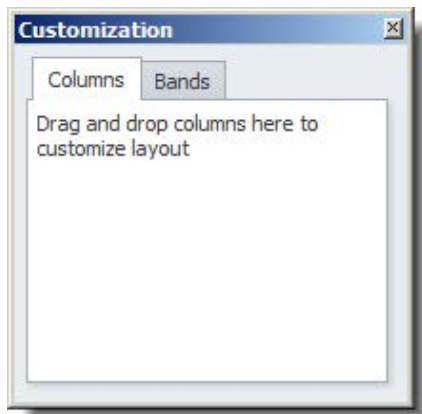
Drag a column header here to group by that column								
General						Amount		
	...	Parent Account Number	Account Number	Account Type	Name	How Input	Amount1	Frequency
1			...		Real Estate Taxes	Amount 1	82,500	Annually
2			...		CAM	\$ / Rentable Area	3.25	Annually
3			...		Insurance	Amount 1	115,000	Annually
4			...		Property Management Fee	% of Effective Gross Revenue	3.25%	Annually

2. On the ribbon click **Add Record**.

Result: A new entry row displays.

Option: Create a **custom view** to show/hide specified columns in the grid.

- Right click on a grid section header.
- Click Column/Band Chooser.
- Drag/drop column header from grid to **Customization** Pop-Up.



- Click **Views>Save as New View** in the ribbon.
- Name the custom view.
- Click **OK**.
- Option: Click **Share with Others** then **OK** to share this view.

3. Type/select information:

- General: Parent account, account number, account type, name from Chart of Accounts.
- Amount: How input, amount 1, frequency, amount 2, area measure, fixed %, recoverable %.
- Apply to Tenants: Apply to Tenants, Applied tenants.

- Timing: Select a start date, adjustments, and timing.
- Inflation: Select an inflation category.
- Limits: Select minimum/maximum limits:
- Usage: Select whether item is used in calculating NOI or Traditional Valuation.
- Notes: Notes associated with the item.
- Groups: Expense group associated with the item.

4. Click **Capital**.

Result: Capital Expense grid displays.

Property Market Revenues Expenses Tenants Investment Valuation Traditional Valuation									
Operating Non-Operating Capital Expense Groups									
General							Amount		
...	Parent Account Number	Account Number	Account Type	Project ID	Name		How Input	Amount1	Frequency
1			...		Capital Expense 1		Amount 1	100,000	Annually

5. On the ribbon click **Add Record**.

Result: A new entry row displays.

6. Type/select information:

- General: Parent account, account number, account type, project ID, name from Chart of Accounts.
- Amount: How input, amount 1, frequency, amount 2, area measure, fixed %, recoverable %.
- Apply to Tenants: Apply to Tenants, Applied tenants.
- Timing: Start date, adjustments, and timing.
- Inflation: Inflation categories.
- Amortization: Amortization of the item with timing and interest rate.
- Limits: Minimum/maximum limits.
- Usage: Determines whether item is used in calculating NOI or Traditional Valuation.
- Notes: Notes associated with the item.
- Groups: Expense group associated with the item.

7. Click **Expense Groups**.

Result: Expense Groups pane displays.

Note: Creating Expense Groups facilitates building Recovery Structures.

On the ribbon click **Add Record**.

Result: A new entry row displays.

Group Code	Expense Group Name
9807	Anchor Tenant Expenses

Type	Name	Parent Account Number	Account Number	Account Type	Year 1 Total
Capital	Capital Expense 1				100,000.00

8. Type/select information:

- Group Code: Group code for the expense group.
- Expense Group Name: Name for expense group.

9. Select **expenses** to be included from the left panel.

10. Add **expenses** using the middle buttons.

Enter Tenant Information

The Rent Roll tab allows you to model existing tenant leases, including leased area, lease start and end dates, base rent, fixed steps, consumer price index (CPI) increases, free rent periods, percentage rents, recoveries, leasing costs, and market renewal assumptions. The Recoveries tab allows you to model tenant reimbursement of building expenses initially paid by the landlord.

1. Click **Tenants>Rent Roll**.

Result: Rent Roll grid displays.

	Name	Suite	Reference	Lease ID	Tenure	Lease Status	Lease Type
1	Outdoors Unlimited	110			Freehold	Contract	Retail
2	Barnes Boot Barn	125			Freehold	Contract	Retail
3	Gabourie's Games	210			Freehold	Contract	Retail
4	Valerie's Gallery	320			Freehold	Contract	Retail

2. On the ribbon click **Add Record**.

Result: A new entry row displays.

3. Type/select information:

- Name: Identification information such as tenant name and the suite number.
- Reference: A lease ID for the tenant's lease.
- General: Lease information such as tenure, status, type, occupancy, area, alternate area, availability/start dates, term, lease breaks.
- Rental Income: Base rent unit, base rent, fixed steps unit, step amounts, payment schedule, rental value, free rent.
- CPI: CPI Increases, inflation index, CPI indices, GAAP rent.
- Percentage Rent: Sales percentage/amount, breakpoint.
- Recoveries: Structure and the amount.
- Miscellaneous Items: Miscellaneous rent and incentives.
- Leasing Costs: Improvements and commissions.
- Security Deposit: Security Deposit profile.
- Market Leasing: MLA profile, upon expiration, renew prob. Override, months vacant override, free rent override.
- Tenant Classifications: Classifications for new and renew tenants.
- Notes: Notes associated with this tenant.
- External ID: External ID for this tenant.

4. Click **Tenants>Recoveries**.

Property Market Revenues Expenses Tenants Investment Valuation Traditional Valuation				
Rent Roll Space Absorption Recoveries Tenant Groups Ground Leases Security Deposits Payment Schedules				
Recovery Structures				
	Structure ID	Name	Gross Up %	Assign Tenants
> 1		Net		Valerie's Gallery
2		Base Year Stop		
3		Base Year Stop -1		
4		Base Year Stop +1		
5		Stop Amount		
6		Stop Amount / Area		Barnes Boot Barn
7		Fixed Amount		
8		Fixed Amount / Area		

5. Click the **ellipsis button** next to the system recovery structure you want to use.

Result: The Tenants Pop-Up appears.

Option: Click **Add Record** in the Ribbon to create a custom recovery structure.

6. Click **tenants** to include from the left.

7. Click middle buttons to add/remove **tenants**.

8. Click **OK** to apply changes.

Select Valuation Methods

The Assumptions tab allows you to manage intervals used in various valuation reports in a central location to facilitate changing settings so that reports will display useful valuation comparisons. The Present Value tab allows you to calculate a value for the property based upon a discount rate and discounting interval or method to be applied to the projected cash flows and the property resale value over the period defined by the present value/internal rate of return (PV/IRR) date and the property resale holding period.

1. Click **Valuation>Assumptions**.

Result: Assumptions pane displays.

The screenshot shows the 'Assumptions' pane with the following sections:

- Timing:**
 - Valuation Date(PV/IRR Date): Analysis Begin
 - Date for Traditional Valuation: Analysis Begin
 - Mid Point Valuation: 1/1/2014
- General:**
 - Adopted Valuation: Discounted Cash Flow
 - Mid Point Valuation: DCF and Capitalization Valuation
- Sensitivity Intervals:**
 - Cap Rate Interval: 0.5%
 - Resale Amount Interval: 0.5%
 - Gross Income Multiplier Interval: 0.25
 - Purchase Price Interval: \$ Amount, 50,000
 - Discount Rate Interval: 0.5%
 - IRR Target: 10.0%

2. Type/select information:

- Timing: Valuation dates.
- General: Valuation method.
- Sensitivity Intervals: Valuation intervals used in the sensitivity for Cap Rate, Resale, GIM, Purchase Price, Discount Rate, and IRR.

3. Click **Valuation>Present Value**.

Result: Present Value pane displays.

The screenshot shows the 'Present Value' pane with the following sections:

- Discount:**
 - Discount Rate (APR): 11.5%
 - Discount Method: Annual
- Increment Discount Rate:**
 - Unleveraged Cash Flow Rate: 0.0% (11.5%)
 - Unleveraged Resale Rate: 0.0% (11.5%)
 - Leveraged Cash Flow Rate: 0.0% (11.5%)
 - Leveraged Resale Rate: 0.0% (11.5%)
- Timing:**
 - PV/IRR Date: Analysis Begin
 - January, 2014

4. Type/select information:

- Discount: Discount rate and method.
- Increment Discount Rate: Discount rate for Unleveraged/leveraged cash flow and resale rates.
- Timing: Valuation intervals used in the IRR, Value & Resale Matrices.

Enter Resale Information

The Property Resale tab allows you to calculate multiple resale values used as the exit or reversionary values in the present value analysis.

1. Click **Valuation>Property Resale**.

Result: Property Resale grid displays.

Drag a column header here to group by that column									
Calculation Methods									
	Default	Name/Description	Date Of Sale	Calc Method	Inflation	Amount	Cap Rate	Multiplier	Cap Group
1	☒	Resale	12/31/2018	CAP NOI (Year of Sale)			10.0%	...	

2. Type/select information:

- General: Default selection and name.
- Calculation Methods: Sale date, calc method, inflation, amount, cap rate, multiplier, cap group.

Note: Stabilized Occupancy inputs are available if you select *Gross Income Multiplier*.

- Stabilized Occupancy: Stabilized income begin, #months, definition.
- Adjustment: Add back free rent, gross up occupancy basis, gross up occupancy %, subtract Tis, subtract LCs, hold period, hold years, fixed date, adjustments.

3. Scroll far right and click the **ellipsis** to the add **adjustments**.

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Adjustments - Resale
Enter as many adjustments as needed for this resale method

Description	Type	How Input	Amount
Commissions	Selling Costs	% Adjusted Gross	2.5%

Add Adjustment Remove Reset

This dialog allows a user to add/remove sales adjustments for a sale method.

OK Close

4. Review the Results section on the far right.

Results	
Net Operating Income	\$753,302
Occupancy Gross Up Adj.	\$0
NOI Adjustments	\$0
NOI To Capitalize	\$753,302
Divided by Cap Rate	10.00%
Gross Sale Price	\$7,533,024
Sale Price Adjustments	\$0
Selling Costs	-\$188,326
Net Sale Price	\$7,344,698

Accessing Key Reports

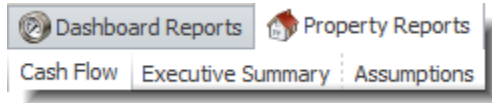
ARGUS Enterprise includes a robust collection of Property level and Portfolio level reports. Some of the key reports to review after building your property asset model are:

- [Cash Flow](#)
- [Present Value](#)
- [Lease Summary](#)
- [Lease Audit](#)
- [Data Review Details](#)

Cash Flow Report

The Cash Flow report presents the projected revenues, expenses, capital expenditures, leasing costs, debt service, and financing for the property as well as deductions associated with absorption and turnover vacancy, vacancy loss, and credit loss.

1. In the Reports tab panel click **Property Reports>Cash Flow**.



Result: Cash Flow Report displays.

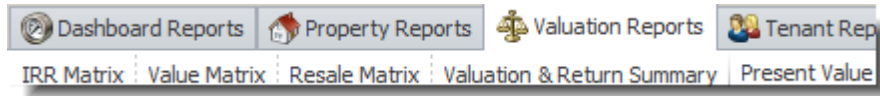
Remington Center (Amounts in USD)							
Jan, 2014 through Dec, 2019							
4/23/2015 5:59:14 PM							
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014	2015	2016	2017	2018	2019	Total
Rental Revenue							
Potential Base Rent	228,597	231,891	240,210	247,973	283,930	291,014	1,523,615
Absorption & Turnover Vacancy	0	0	-11,688	-6,367	-38,020	0	-56,076
Free Rent	0	0	-23,376	-19,102	-28,515	0	-70,993
Scheduled Base Rent	228,597	231,891	205,145	222,504	217,395	291,014	1,396,547
CPI Increases	10,839	18,022	19,488	16,170	1,039	0	65,558
Total Rental Revenue	239,436	249,913	224,633	238,675	218,433	291,014	1,462,105
Other Tenant Revenue							
Percentage Rent	284,877	291,046	292,048	295,036	303,887	313,004	1,779,899
Total Expense Recoveries	105,564	119,792	126,657	147,558	157,878	176,674	834,123
Total Incentive Recovery	10	10	10	10	10	10	60
Total Other Tenant Revenue	390,451	410,848	418,716	442,604	461,776	489,688	2,614,082
Total Tenant Revenue	629,887	660,762	643,349	681,279	680,209	780,701	4,076,187

2. Review cash flow information such as:
 - **Total Rental Revenue:** Sum of potential base rent, absorption & turnover vacancy, free rent, scheduled base rent, total miscellaneous rent, CPI increases.
 - **Total Other Tenant Revenue:** Sum of percentage rent, total expense recoveries, total incentive recovery.
 - **Total Other Revenue:** Sum of all other revenue items.
 - **Potential Gross Revenue:** Total Tenant Revenue + Total Other Tenant Revenue.
 - **Vacancy & Credit Loss:** Vacancy Allowance + Credit Loss.
 - **Effective Gross Revenue:** Potential Gross Revenue – Total Vacancy & Credit Loss.
 - **Total Operating Expenses:** Sum of all operating expenses.
 - **Net Operating Income:** Effective Gross Revenue – Total Operating Expenses.
 - **Total Leasing and Capital Costs:** Total Leasing Costs + Total Capital Expenditures.
 - **Cash Flow Before Debt Service:** NOI – Total Leasing & Capital Costs.
 - **Cash Flow Avail. For Distribution:** Cash Flow Before Debt Service – Debt Service

Present Value Report

The Present Value report presents a one page summary of the property valuation, including valuation assumptions, the investment, leveraged and unleveraged cash flows, and cash-on-cash returns.

1. Click **Valuation Reports>Present Value**.



Result: Present Value report displays.

Remington Center (Amounts in USD)
4/23/2015 6:00:21 PM
PV/IRR Date: Jan, 2014
Discount Method: Annual

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @ 10.50 %	P.V. of Cash Flow @ 11.00 %	P.V. of Cash Flow @ 11.50 %	P.V. of Cash Flow @ 12.00 %	P.V. of Cash Flow @ 12.50 %	NOI to Book Value
Year 1	Dec-2014	-478,424	-432,963	-431,012	-429,080	-427,164	-425,266	5.59%
Year 2	Dec-2015	339,361	277,931	275,433	272,968	270,536	268,137	5.90%
Year 3	Dec-2016	218,596	162,015	159,835	157,695	155,592	153,527	5.48%
Year 4	Dec-2017	303,925	203,853	200,205	196,638	193,150	189,739	5.86%
Year 5	Dec-2018	263,078	159,689	156,124	152,655	149,278	145,990	5.80%
Totals		646,536	370,525	360,585	350,876	341,392	332,127	
Property Resale @ 10.00 % Cap Rate		3,420,767	2,076,405	2,030,059	1,984,948	1,941,035	1,898,282	
Total Unleveraged Present Value			2,446,930	2,390,644	2,335,824	2,282,427	2,230,409	

Percentage Value Distribution

Assured Income	32.75%	33.18%	33.61%	34.05%	34.49%
Speculative Income	-17.61%	-18.10%	-18.59%	-19.09%	-19.60%
Net Sale Price	84.86%	84.92%	84.98%	85.04%	85.11%
	100.00%	100.00%	100.00%	100.00%	100.00%

* Results displayed are based on Forecast data only

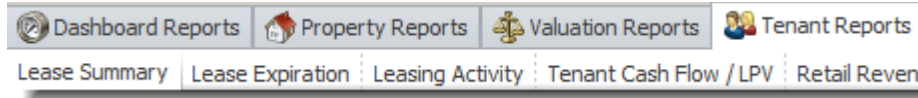
2. Review valuation information such as:

- Cash Flow Before Debt Service: Derived from the Cash Flow report.
- PV of Cash Flow (at Intervals): Based on intervals in **Present Value>Assumptions>Sensitivity Intervals**.
- NOI to Book Value: States NOI as a percentage of Book Value.

Lease Summary

The Lease Summary Report is a presentation quality tenant rent roll for your property. It includes detailed tenant information, base rents and rent steps, consumer price index (CPI) terms, free rent periods, recovery data, leasing costs, market leasing, and renewal assumptions for base, option, and speculative lease periods.

1. Click **Tenant Reports>Lease Summary**.



Result: Lease Summary report displays.

Remington Center (Amounts in USD, Measures in SF) As of Dec, 2014 All Tenants/ All Lease Periods 4/23/2015 6:01:07 PM											
General Tenant Information			Rent Details				CPI	Free Rent		% Rent	Miscellaneous Rent
Tenant Name	Initial Area	Lease Period	Rate Per Year	Rent	Rent	Rent	Type			Name	Name
Suite Number	Building Share %	Lease Status	Amount Per Year	Changes On	Changes To	Changes To	Timing	Date	Months	Sales Volume	Type
Lease Dates	Std Area	Market Leasing	Rate Per Month	Date	\$/SF-Annual	\$/SF-Monthly	Inflation Rate/Index			Breakpoint	Rate \$/SF
Lease Term	ITZA Area	Lease Type	Amount Per Month							Overage % / Cap	Total Amount
Tenure	Avg Rent Val		Rental Value Per Year								
1. Outdoors Unlimited	0	Base	N/A				Annual	May-2012	3 Months	9,000,000	
Suite: 110	0.00%	Contract	0				Calendar Year			Natural	
5/7/2012 - 5/6/2022	0	Mixed Use	N/A				General Inflation Rate			3.00 %	
10 Years	0	Retail	0								
Freehold	0.00		0								
2. Barnes Boot Barn	3,500	Base	21.00	Jun-2012	21.63	1.80	Annual	None		2,000,000	
Suite: 125	11.29%	Contract	73,500	Jun-2013	22.28	1.86	Calendar Year			Natural	
6/16/2011 - 6/15/2016	0	Retail	1.75	Jun-2014	22.95	1.91	CPI Inflation Rate			5.00 %	
5 Years	0	Retail	6,125	Jun-2015	23.64	1.97					
Freehold	26.00		91,000								

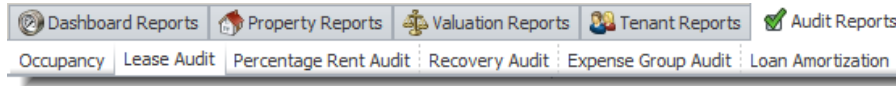
2. Review lease information such as:

- General Tenant Information: Tenant name, suite number, lease dates, lease term, tenure, initial area, bldg. share%, lease period, status, market leasing, lease type.
- Rent Details: Rate per year, amount per year, rate per month, amount per month, rental value per year, rent change on date, rent changes to \$/SF annual, Rent changes to \$/SF monthly.
- CPI: Type, timing, inflation rate/index.
- Free Rent: Date and months.
- % Rent: Name, sales volume, breakpoint, overage %/cap.
- Miscellaneous Rent: Name, type, rate \$/SF, total amount.
- Recovery: Structure name, type, input amount.
- Tenant Improvements: Rate and total amount.
- Leasing Commissions: Rate and total amount.
- Incentives: Name, rate, and total amount.
- Security Deposits: Security deposit, percent to refund, non-refundable portion.
- Renewals Assumptions: MLA, upon expiration, lease type.

Lease Audit

The Lease Audit Report is a powerful tool for reviewing key cash flow totals, such as potential and scheduled base rent, recoveries and leasing costs, on a tenant by tenant basis. This useful report also includes area occupancy and market rents by tenant.

1. Click **Audit Reports>Lease Audit**.



Result: Lease Audit report displays.

Remington Center (Amounts in USD, Measures in SF)								
Jan, 2014 through Dec, 2019								
4/23/2015 6:01:52 PM								
	Suite	2014	2015	2016	2017	2018	2019	Total
Area								
2. Barnes Boot Barn	125	3,500	3,500	3,063	3,500	3,500	3,500	
3. Gabourie's Games	210	2,750	2,750	2,750	2,521	2,750	2,750	
4. Valerie's Gallery	320	3,750	3,750	3,750	3,750	2,500	3,750	
7. SA 1 (1 of 8)	Auto Lease-Up	1,000	1,000	1,000	1,000	1,000	1,000	
8. SA 1 (2 of 8)	Auto Lease-Up	1,000	1,000	1,000	1,000	1,000	1,000	
9. SA 1 (3 of 8)	Auto Lease-Up	917	1,000	1,000	1,000	1,000	1,000	
10. SA 1 (4 of 8)	Auto Lease-Up	917	1,000	1,000	1,000	1,000	1,000	
11. SA 1 (5 of 8)	Auto Lease-Up	833	1,000	1,000	1,000	1,000	1,000	
12. SA 1 (6 of 8)	Auto Lease-Up	833	1,000	1,000	1,000	1,000	1,000	
13. SA 1 (7 of 8)	Auto Lease-Up	750	1,000	1,000	1,000	1,000	1,000	
14. SA 1 (8 of 8)	Auto Lease-Up	667	1,000	1,000	1,000	1,000	1,000	
Total Area		16,917	18,000	17,563	17,771	16,750	18,000	
Total Occupancy %		54.57%	58.06%	56.65%	57.33%	54.03%	58.06%	
Potential Base Rent								
2. Barnes Boot Barn	125	79,243	81,621	88,564	94,233	95,983	97,733	537,378
3. Gabourie's Games	210	69,667	70,583	71,958	74,052	76,750	78,125	441,136
4. Valerie's Gallery	320	79,688	79,688	79,688	79,688	111,197	115,155	545,102
Total Potential Base Rent		228,597	231,891	240,210	247,973	283,930	291,014	1,523,615

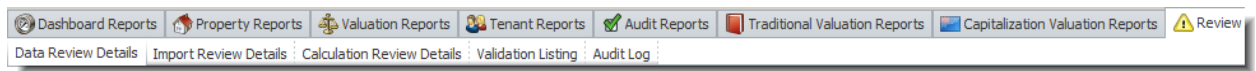
2. Review cash flow totals by tenant:

- Total Occupancy %: Sum of current leased space and speculative leases.
- Total Potential Base Rent: Sum of PGR for all leases and speculative leases.
- Total Lost Absorption/Turnover Rent: Sum of lost absorption/turnover for all leases and speculative leases.
- Total Free Rent: Sum of free rent amounts for all leases and speculative leases.
- Total Scheduled Base Rent: Total Potential Base Rent – (Total Lost Absorption/Turnover + Total Free Rent).
- Total Fixed Steps: Sum of fixed rent steps for all leases and speculative leases.
- Total Straight Line Rent Adjustment: Total GAP rent adjustments for all leases and speculative leases.
- Total Straight Line Rent: Total GAP rent for all leases and speculative leases.
- Total CPI Increases: Sum of CPI increases for all leases and speculative leases.
- Total Sales Volume: Sum of sales volume for all leases and speculative leases.
- Total Percentage Rent: Sum of percentage rent for all leases and speculative leases.
- Total Recoveries: Sum of all recoveries for all leases and speculative leases.
- Total Incentive Recovery: Sum of all incentive recoveries for all leases and speculative leases.
- Total Tenant Income: Sum of all tenant income for all leases and speculative leases.
- Total Tenant Improvements: Sum of all tenant improvements for all leases and speculative leases.
- Total Leasing Commissions: Sum of all leasing commissions for all leases and speculative leases.
- Total Incentives: Sum of all incentives for all leases and speculative leases.
- Total Market Rent: Sum of all market rent for all leases and speculative leases.

Data Review Details

This Data Review Details report describes relevant warnings regarding input data.

1. Click **Review>Data Review Details**.



Result: Data Review Details report displays.

Item Name	Icon	Severity	Message
Tenant			
Freeman Law Firm	Warning icon	Warning	Tenant : Yield rate set to 0.
Operating Expense			

2. Click the arrows the Item Name column.

Result: Information in Icon, Severity, and Message columns displays.