



ROCKPORT

VAL

Rockport VAL, LLC in collaboration with **MOODY'S**
ANALYTICS



Commercial Training Manual

(Office & Retail)

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Introduction to VAL

VAL is a cash flow modeling & valuation platform that is user friendly, affordable, efficient and a powerful alternative to all other products in the market. It is cloud-based so you can login to VAL from anywhere, on any device. Seamlessly collaborate and share with colleagues and clients. Today, you will learn how your team can benefit from technology's newest solution to DCF modeling and valuation.

Questions about VAL?



On-Screen Tutorials: Click on the question mark located at the bottom right corner of any VAL screen to access the tutorials. Tutorials include slide shows, interactive data entry assistance, and pdf downloads.



YouTube Channel: Access numerous tutorial videos at <https://www.youtube.com/rockportval>



Support: Email support at support@rockportval.com.

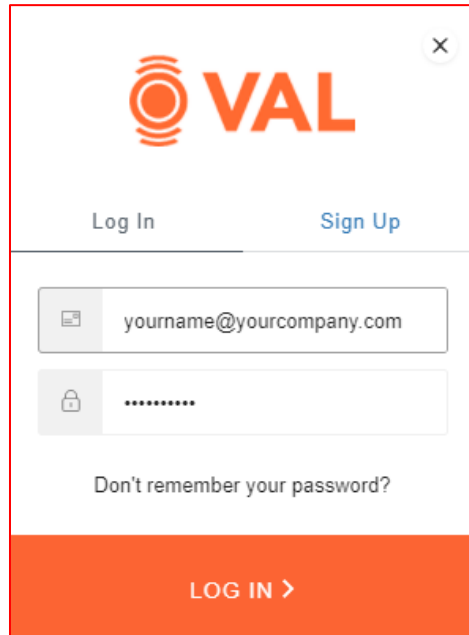


Helpful Hint: Click **F1** to view VAL hot keys and short cuts.

Keyboard Shortcuts	
General top bar	
Press this key	To do this
Alt + 1..3	Tabs navigation
Alt + U	User menu
Portfolio	
Left navigation sidebar	
Press this key	To do this
Alt + Up/Down	Sidebar navigation
arrow keys	
Shift + M	My Portfolios

Login to VAL

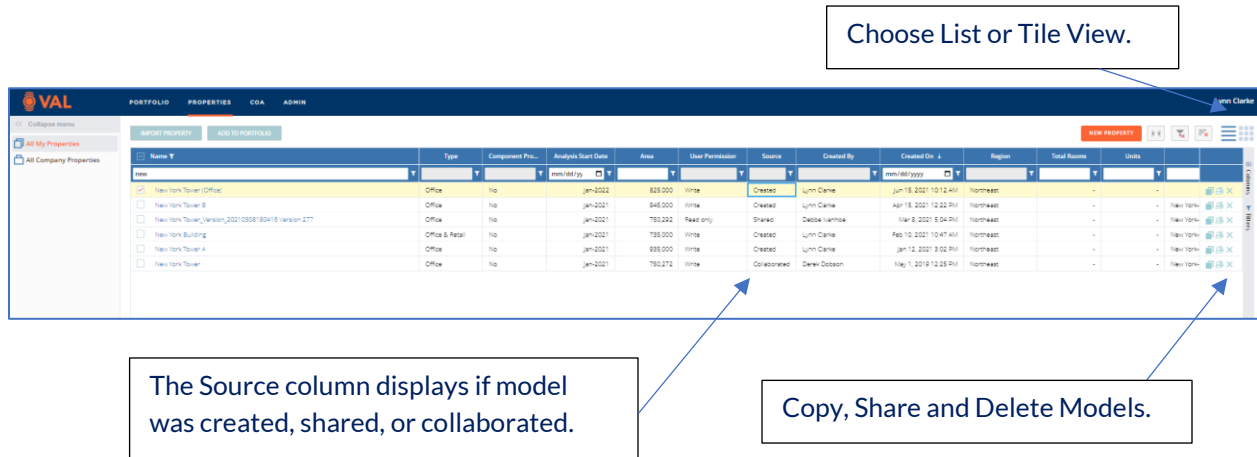
Go to www.rockportval.com and click “Log In” in the upper right-hand corner and enter credential to access VAL.



The login form features the VAL logo at the top, followed by 'Log In' and 'Sign Up' links. Below these are input fields for an email address (placeholder: yourname@yourcompany.com) and a password (masked with dots). A link for 'Don't remember your password?' is positioned below the password field. A large orange 'LOG IN >' button is at the bottom.

VAL User Interface

The VAL user interface is designed to be intuitive and easy to navigate.



The screenshot shows the VAL user interface with several annotations:

- Choose List or Tile View.**: Points to the view toggle icons in the top right corner.
- The Source column displays if model was created, shared, or collaborated.**: Points to the 'Source' column in the table.
- Copy, Share and Delete Models.**: Points to the action icons (copy, share, delete) in the rightmost column of the table.

Name	Type	Component Proc.	Analysis Start Date	Area	User Permission	Source	Created By	Created On	Region	Total Rooms	Units	
New York Tower Office	Office	No	Jan-2022	625,000	Write	Created	Lynn Carline	Jun 18, 2021 10:12 AM	Northeast	-	-	
New York Tower B	Office	No	Jan-2021	845,000	Write	Created	Lynn Carline	Apr 18, 2021 10:22 AM	Northeast	-	-	
New York Tower Version 20210308180416 Version 277	Office	No	Jan-2021	750,000	Read only	Shared	Delicia Hernandez	Nov 8, 2021 5:04 PM	Northeast	-	-	
New York Building	Office & Retail	No	Jan-2021	735,000	Write	Created	Lynn Carline	Feb 10, 2021 10:47 AM	Northeast	-	-	
New York Tower A	Office	No	Jan-2021	935,000	Write	Created	Lynn Carline	Jan 12, 2021 9:02 PM	Northeast	-	-	
New York Tower	Office	No	Jan-2021	760,272	Write	Collaborated	Derek Deason	May 1, 2019 12:25 PM	Northeast	-	-	

Create New Property

In this training scenario, we will create a commercial office and retail property.



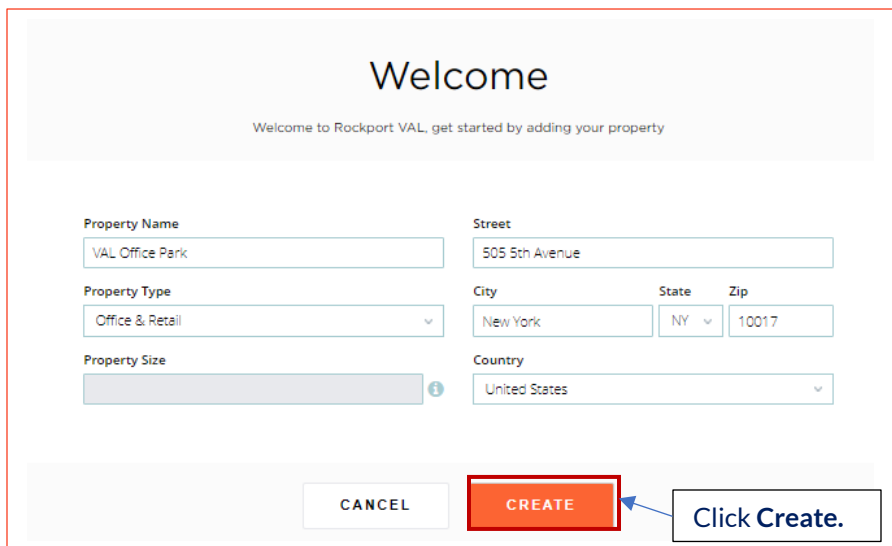

PORTFOLIO PROPERTIES COA CLIENTS

IMPORT PROPERTY ADD TO PORTFOLIO

NEW PROPERTY

Click New Property.

- Click New Property.



Welcome

Welcome to Rockport VAL, get started by adding your property

Property Name: VAL Office Park

Street: 505 5th Avenue

Property Type: Office & Retail

City: New York State: NY Zip: 10017

Property Size:

Country: United States

CANCEL CREATE

Click Create.

Add the following property details:

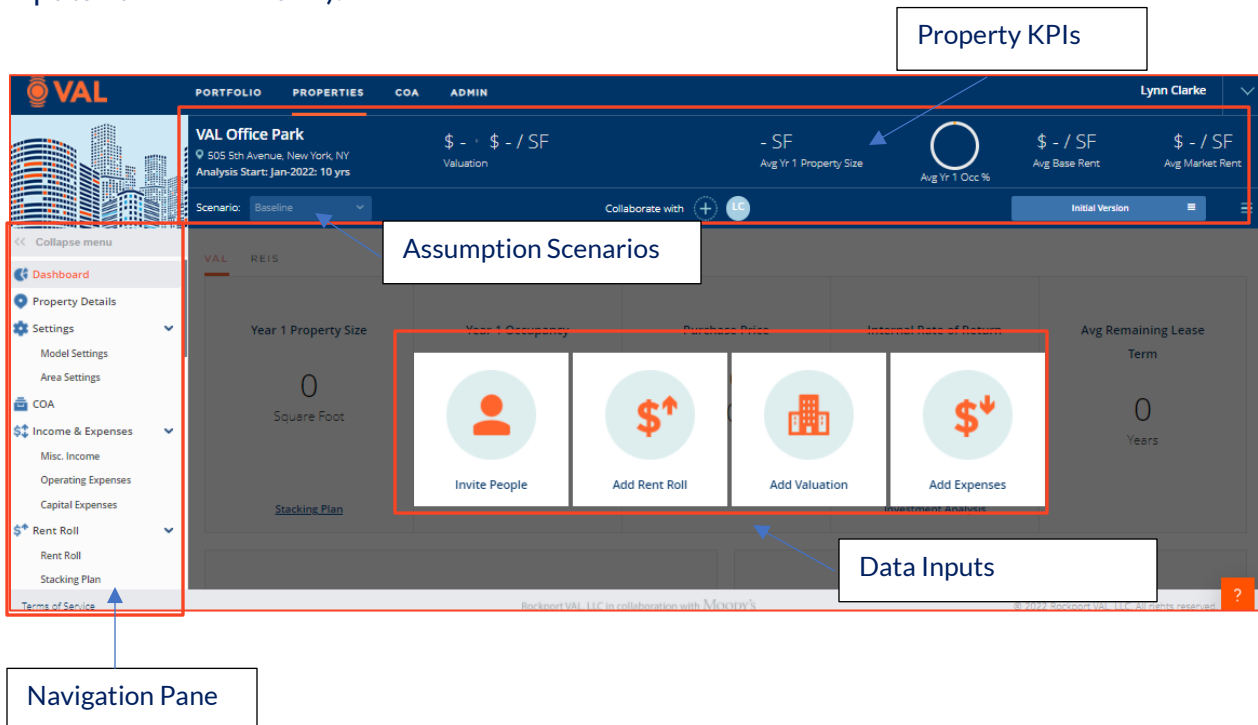
- Property Name: VAL Office Park
- Property Type: Office & Retail
- Address: 505 Fifth Avenue New York City, NY 10017 United States
- Click Create.



Helpful Hint: Property name must be unique. If multiple users are working on this training case study simultaneously add initials to the property name.

Property Interface

When opening a property, the dashboard will display key performing metrics of the property such as Valuation, Average Rent, and Average Occupancy (assuming all relevant inputs have been made).



The screenshot displays the VAL software interface for a property named 'VAL Office Park'. The interface includes a top navigation bar with tabs for PORTFOLIO, PROPERTIES, COA, and ADMIN. The user 'Lynn Clarke' is logged in. The main dashboard shows key performance indicators (KPIs) for the property, including Valuation, Average Rent, and Average Occupancy. A left-hand navigation pane lists various settings and reports. A central area displays 'Assumption Scenarios' with buttons for 'Invite People', 'Add Rent Roll', 'Add Valuation', and 'Add Expenses'. A bottom section is labeled 'Data Inputs'.

Property KPIs

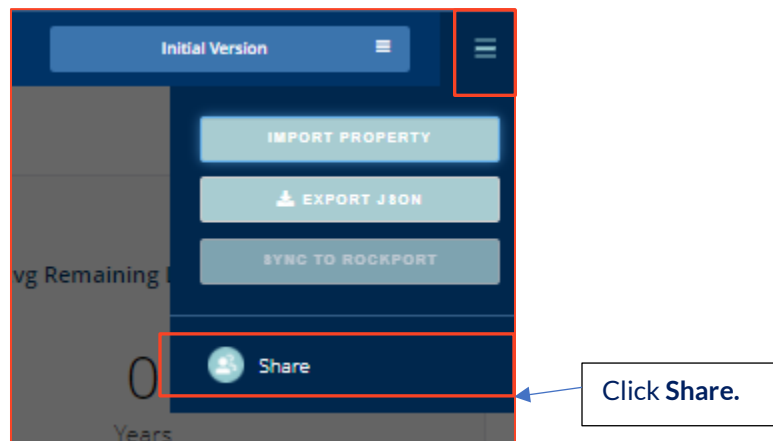
Assumption Scenarios

Data Inputs

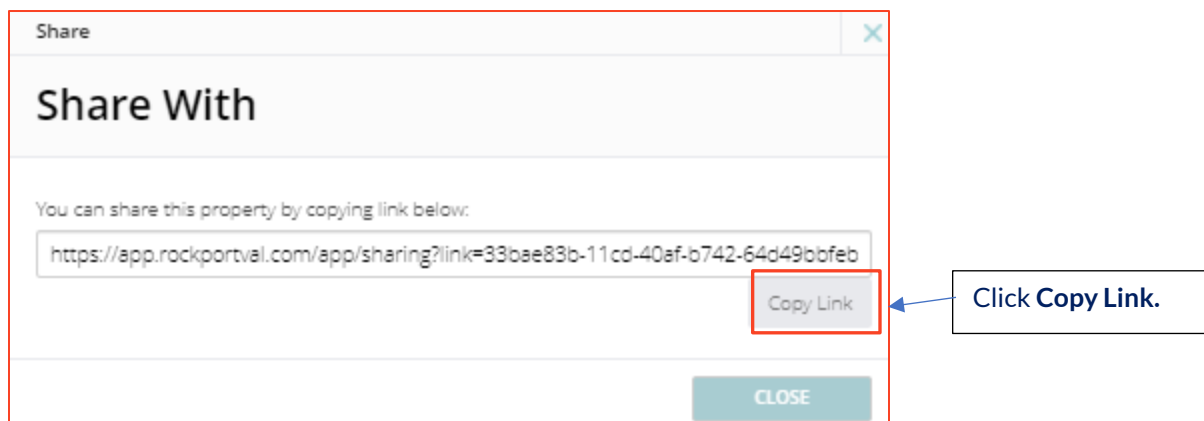
Navigation Pane

Share Model

A copy of a model can be sent to a recipient by clicking on the “hamburger” menu icon located in the top right-hand section of the window and selecting **Share**. Note, an email will be sent to the user and recipient confirming the file share is initiated.

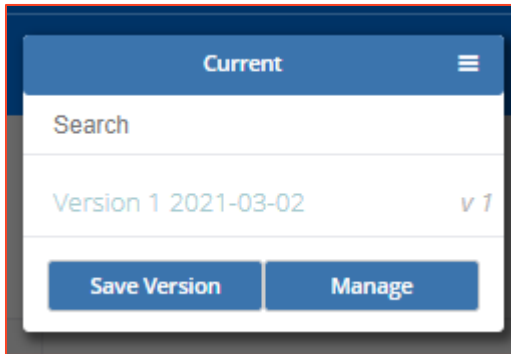


Click on **Copy Link** to copy and paste wherever you want your clients to view the model, whether in an email, listing site or deal room. The recipient does not need to be a VAL subscriber to have access to the model. The recipient can review all the input screens and reports and make changes to the assumptions. In addition, the ability to export to Excel is available through the Share feature.



Versions

VAL can archive a version of a model at any point in time to reference. This is useful to refer to the version of the model sent to the user as updates are constantly being applied.

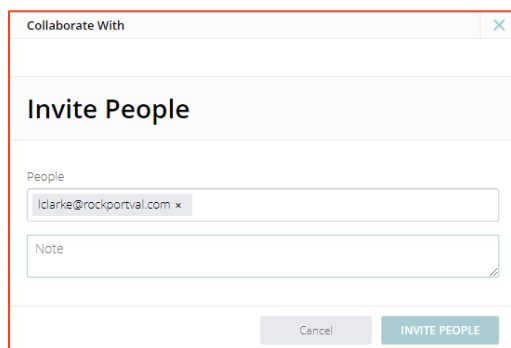


Collaborate With

The Collaboration feature gives access to internal or external users to view and edit models in VAL. The recipient must be a VAL subscriber to collaborate.



Enter the email address or select people to collaborate and click **Invite People**. VAL will send an email to the user inviting to collaborate.



Model Settings

The Model Settings window is where users specify property settings such as analysis start date, number of years of analysis, and activate modeling policies.

General Model Settings

Reimbursement/Inflation Settings: By default, growth rates are applied annually based on the month the analysis starts. For example, if the analysis starts March 2023 the growth rate will calculate annually beginning in March 2024. The Reimbursement setting determines if the recoveries are based on calendar or fiscal year operating expenses.

Inflation Month: The Inflation Month sets what month the growth rate is calculated annually and can be independent of the analysis start date. For example, if the analysis starts in March 2023, you can select the inflation month as January which will apply the growth rate each January beginning January 2024.

Allow Specific Dates: Select Yes to model mid-month lease terms in the Rent Roll. By default, VAL assumes the lease start date is the beginning of the month and the expiration date is the end of the month. To model a lease that starts March 15, 2023, activate the Allow Specific Dates model setting.

Allow Manually Entered Property Size: By default, VAL will calculate the Property Size based on the aggregate square footage entered in the Rent Roll. To manually enter the property size toggle YES. This will allow the Property Size in the Area Settings window to be editable.

Vacancy & Collection Loss

Vacancy Loss Calculation Method: Choose from a monthly or annual calculation method.

Gross-Up Revenue by Downtime: This option is typically set to YES and will add the downtime to potential revenue before calculating the general vacancy loss.

Reduce Vacancy by Downtime: This option is typically set to YES and will subtract downtime from the general vacancy allowance calculation. If downtime is greater than the general vacancy allowance, zero general vacancy allowance will appear on the cash flow.

Percentage Rent/Occupancy Cost

Percentage Rent is a rent payment structure where the tenant pays rent as a percentage of sales in addition to a minimum rent or in lieu of a minimum base rent.

Occupancy Cost, also referred to as a “health ratio”, is expressed as a ratio of a tenant’s total annual contractual payables (i.e. Base Rent, Recoveries, etc.) divided by the tenant’s annual sales at the property.

Percentage Rent in use?: Select **Yes** to add Percentage Rent fields in the rent roll for Retail tenants.

Occupancy Cost Adjustment Settings: The settings allow you to specify whether to adjust the occupancy cost downward or upward and downward, to include or exclude recoveries, and whether to apply the adjustment during rollover or throughout all lease terms.

Recoveries

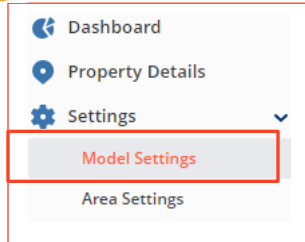
Apply Admin Fee Before/After Contribution Deduction: This setting determines whether the admin fee is applied before or after a contribution deduction in the reimbursement calculation.

Treat Contribution Deduction Circular References as: In the recoveries, if there is an expense that reimburses after itself due to tenant groupings and other circular references, choose whether this is an error or a warning. A warning indicates it is the user’s intent to model the circular reference.

Rollover

Start rollover leases on the 1st of the Month? If Allow Specific Dates is set to Yes, the Start rollover leases on the 1st of the month is available to select whether a lease expiring on a specific day of the month will have a new lease beginning the following day or the beginning of the following month. This setting will be grayed out if Allow Specific Dates is set to No.

Start RLA for Leases that expire before the Analysis Start Date on: If a lease expires prior to the analysis start date, specify whether the rollover assumption should begin when the lease ends or as of the analysis start date.



- From the navigation pane go to **Model Settings**.

MODEL SETTINGS

General Model Settings:

Analysis Start Date

01/2023

Analysis Period (years)

10

Reimbursement/Inflation Settings

Calendar reimbursement / fiscal inflation

Inflation Month

Analysis Period

Allow Specific Dates

Yes

Allow Manually Entered Property Size

No

Vacancy & Collection Loss:

Vacancy Loss Calculation Method

Annual

Gross-Up Revenue by Downtime?

Yes

Reduce Vacancy by Downtime?

Yes

Percentage Rent/Occupancy Cost:

In use?

Yes

Occupancy Cost Adjustment Settings:

Adjust

Downward

Include Recoveries?

Yes

Adjust during

Rollover

Recoveries:

Apply Admin Fee Before/After Contribution Deduction

After

Treat Contribution Deduction Circular References as:

Error

Rollover:

Start rollover leases on the 1st of the month?

No

Start RLA for Leases that expire before Analysis Start Date on

Analysis Start

Update the following Model Settings:

- Analysis Start Date: 1/2023, 10 Years
- Allow Specific Dates: Yes
- Percentage Rent in use? Yes

Area Settings

Add area measurements in Area Settings such as the Property Size, Gross Leasable Area, or any measurement being calculated within the property.

Area Settings

AREA MEASURES

TENANT BASED AREAS

Name	Area
Property Size	0

Property Size is grayed out and will be automatically populated based on the rent roll. This field cannot be edited unless the model settings option is changed to Yes.



Helpful Hint: By default, **VAL** calculates the property size based on the rent roll. To manually enter the property size select the Allow Manually Entered Property Size in the Model Settings window.

Growth Rates

Enter the growth rates to be applied to the model. Growth rates can be overridden at the line-item level. Create an unlimited number of growth rates as applicable to the property.



Click **Add Rate** to add additional growth rates.

Growth Rates REIS Data

ADD RATE

Growth Rate Name	Rate Type	Rate	Year Ending										
			Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33
General Growth	Direct Entry	3.00%		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Market Rent Growth	Direct Entry	Varies		3.50%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Misc. Income Growth	Use General												
Operating Expense Growth	Use General												
Leasing Costs Growth	Use General												
Capital Expense Growth	Use General												

Right click and select **Fill Right** to replicate in all years.

Add the following Growth Rates:

- General Growth: 3%
- Market Rent: 3.5% in 2024 – 2026, 3% for remaining years



Helpful Hint: To copy values to the right, click **Alt + E** or right click on the field and select **Fill Right**.

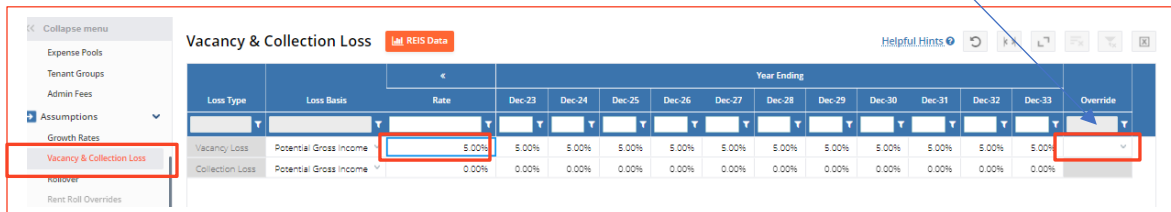
Vacancy & Collection Loss

Vacancy & Collection Loss is an adjustment to potential revenue on the cash flow factoring likely vacancy loss due to market conditions and expected collection loss due to tenants' failure to pay.

Override groups: General vacancy loss can be excluded or overridden for specific tenants.



Click on the Override drop down menu and select **Add New** to apply a different rate to specific tenants.



Loss Type	Loss Basis	Rate	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Override
Vacancy Loss	Potential Gross Income	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	▼
Collection Loss	Potential Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Add the following Vacancy Loss assumptions:

- Loss Basis: Potential Gross Income
- Rate: 5%

Misc. Income

Miscellaneous income is where revenue generating items not associated to a lease is entered such as Vending, Signage, Parking and Antennae.

Misc. Income may be calculated by the following Unit of Measures:

- \$ amount
- \$/Area
- % of EGR
- % of Line



Income & Expenses

MISC. INCOME
OPERATING EXPENSES
CAPITAL EXPENSES
ALL ITEMS

Type	Description	Account	Amount	UoM	Frequency	Area	Growth Assumption	Growth Rate	Variable
MISC	Signage		\$1,250	\$ amount	Monthly	Property Size	Misc. Income...	3.00 %	

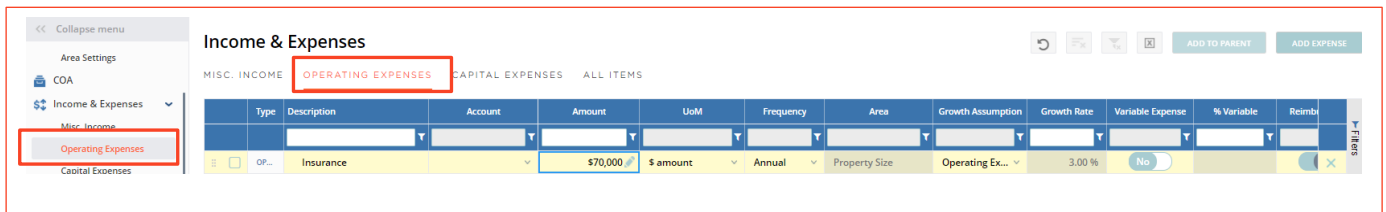
- Description: Signage
- Amount: \$1250
- UofM: \$ amount
- Frequency: Monthly
- Growth: Misc. Income
- Variable: No

Operating Expenses

Enter all operating expenses including reimbursable and non-reimbursable in the Operating Expenses window. Reimbursable expenses are expenses that the property owner will recover from the tenants.

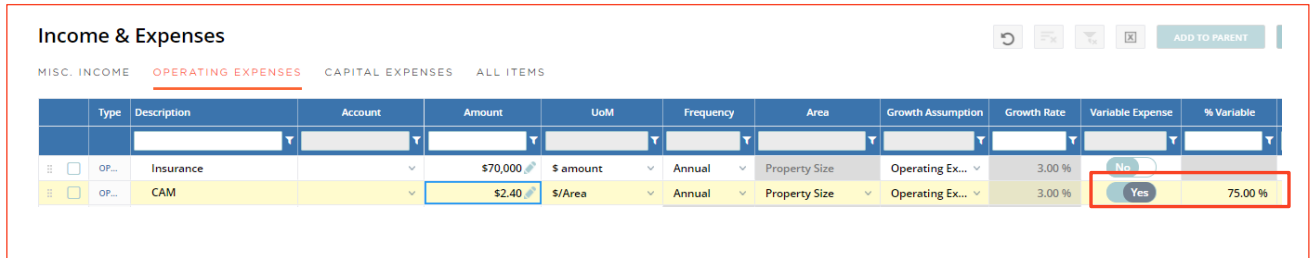
Operating Expenses may be calculated by the following Unit of Measures:

- \$ amount
- \$/Area
- % of EGR
- % of Line
- Prop 13

Type	Description	Account	Amount	UoM	Frequency	Area	Growth Assumption	Growth Rate	Variable Expense	% Variable	Reimburse
OP...	Insurance		\$70,000	\$/Area	Annual	Property Size	Operating Ex...	3.00 %	No		

- Select **Operating Expenses** from the navigation pane or by tab.
- Insurance is \$70,000/year growing by 3% and reimbursable.



Type	Description	Account	Amount	UoM	Frequency	Area	Growth Assumption	Growth Rate	Variable Expense	% Variable
OP...	Insurance		\$70,000	\$/Area	Annual	Property Size	Operating Ex...	3.00 %	No	
OP...	CAM		\$2.40	\$/Area	Annual	Property Size	Operating Ex...	3.00 %	Yes	75.00 %

Select **Add Expense** and add the following expense:

- Description: CAM
- Amount: \$2.40
- UofM: \$ Area
- Frequency: Annually
- Growth: Operating Expense Growth (3%)
- Variable: Yes, 75% Variable
- Reimbursable: Yes



Helpful Hint: *Variable Expense Formula = (Expense \$ x Variable % x Occupancy %) + (Expense \$ x % Fixed)*



Description	Account	Amount	
Insurance	▼	\$70,000	\$
CAM	▼	\$2.40	\$
Real Estate Taxes	▼	\$0	\$

- Real Estate Taxes are \$80,000/Year paid in October growing at 2% per year.
- To enter an amount in a specific month, select **Edit** from the Amount field.

OPER > Real Estate Taxes

Frequency: Monthly

For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
February	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
March	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
April	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
May	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
June	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
July	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
August	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
September	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
October	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
November	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
December	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Annual (uninflated)	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Growth Assumption	RET Growth	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Annual (inflated)	80,000.00	81,600.00	83,232.00	84,896.64	86,594.57	88,326.46	90,092.99	91,894.85	93,732.75	95,607.41	97,519.65

Cancel
SAVE

- Enter **\$80,000** and click and drag to replicate in October of every year.
- Create a 2% Real Estate Tax Growth Rate by selecting **Add New** from the Growth drop down menu.
- Click **Save**.



	Type	Description	Account	Amount	UoM	Frequency
	OP...	Insurance		\$70,000	\$ amount	Annual
	OP...	CAM		\$2.40	\$/Area	Annual
	OP...	Real Estate Taxes		Detailed	\$ amount	
	OP...	Janitorial		\$7,500	\$ amount	Annual

Clone
Clone X times
Delete

- Janitorial is \$7500 per year growing at 3% and reimbursable.
- Landscaping is \$7500 per year, use the **Clone** option to duplicate.

Income & Expenses

MISC. INCOME
OPERATING EXPENSES
CAPITAL EXPENSES
ALL ITEMS

	Type	Description	Account	Amount	UoM	Frequency	Area
	OP...	Insurance		\$70,000	\$ amount	Annual	Property Size
	OP...	CAM		\$2.40	\$/Area	Annual	Property Size
	OP...	Real Estate Taxes		Detailed	\$ amount		Property Size
	<input checked="" type="checkbox"/> OP...	Janitorial		\$7,500	\$ amount	Annual	Property Size
	<input checked="" type="checkbox"/> OP...	Landscaping		\$7,500	\$ amount	Annual	Property Size

ADD TO PARENT

Janitorial and Landscaping are subaccounts to Repairs and Maintenance, which is the parent account. To model this, select the checkbox for Janitorial and Landscaping and click **Add to Parent**.

Repars & Maintenance
no parent

ADD EXPENSE

Type **Repars & Maintenance** as the Parent Account and click **Enter**.



MISC. INCOME OPERATING EXPENSES CAPITAL EXPENSES ALL ITEMS												
Type	Description	Account	Amount	UoM	Frequency	Area	Growth Assumption	Growth Rate	Variable Expense	% Variable	Reimbursable?	
OP...	Insurance		\$70,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		Yes	
OP...	CAM		\$2.40	\$/Area	Annual	Property Size	Operating Ex...	3.00 %	Yes	75.00 %	Yes	
OP...	Real Estate Taxes		Detailed	\$ amount		Property Size	RET Growth	2.00 %	No		Yes	
OP...	Repairs & Maintenance											
OP...	Landscaping		\$7,500	\$ amount	Annual	Property Size	Operating Exp...	3.00 %	No		Yes	
OP...	Janitorial		\$7,500	\$ amount	Annual	Property Size	Operating Exp...	3.00 %	No		Yes	
OP...	Management Fee		3.50%	% of EGR	Annual	Property Size			No		No	

- Management Fee is 3.5% of EGR and not reimbursable.

Capital Expenses

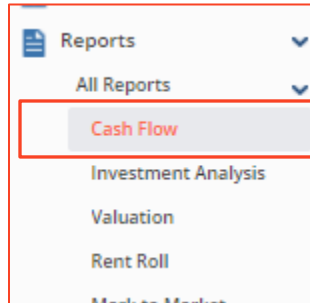
Capital expenses are typically not included in the NOI and will be displayed below NOI on the cash flow. Examples of capital expenses are reserves, roof repair, and building improvements.




Income & Expenses												
MISC. INCOME OPERATING EXPENSES CAPITAL EXPENSES ALL ITEMS												
Type	Description	Account	Amount	UoM	Frequency	Area	Growth Assump...	Growth Rate	Variable Expens...	% Variable	Reimbursable?	Notional Act
CAP	Reserves		\$0.30	\$/Area	Annual	Property Size	Capital Expe...	3.00 %	No		No	No

Reserves are \$.30/\$ Area, growing by 3%.

Property Cash Flow



Cash Flow Expand Report Export 

MAIN PSF PERIOD 1 PSF ALL PERIODS TENANT CASH FLOW

Show data: Annual Sort Expenses: As Entered Show tenant level details: Yes Show figures in '000s: No

For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033	
Misc. Income	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	
Total Potential Gross Income	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	
Vacancy Loss	(750)	(772)	(796)	(820)	(844)	(869)	(896)	(922)	(950)	(979)	(1,008)	
Collection Loss	-	-	-	-	-	-	-	-	-	-	-	
Effective Gross Income	14,250	14,678	15,118	15,571	16,039	16,520	17,015	17,526	18,051	18,593	19,151	
Expenses												
Insurance	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,074	
CAM	-	-	-	-	-	-	-	-	-	-	-	
Real Estate Taxes	80,000	81,600	83,232	84,897	86,595	88,326	90,093	91,895	93,733	95,607	97,520	
Repairs & Maintenance	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	
Management Fee	499	514	529	545	561	578	596	613	632	651	670	
Total Operating Expenses	165,499	169,664	173,938	178,323	182,824	187,443	192,183	197,048	202,040	207,164	212,423	
Net Operating Income	(151,249)	(154,986)	(158,820)	(162,752)	(166,786)	(170,923)	(175,168)	(179,522)	(183,989)	(188,571)	(193,272)	
Leasing & Capital Costs												
Leasing Costs	-	-	-	-	-	-	-	-	-	-	-	
Capital Expenses	-	-	-	-	-	-	-	-	-	-	-	
Total Leasing & Capital Costs	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flow	(151,249)	(154,986)	(158,820)	(162,752)	(166,786)	(170,923)	(175,168)	(179,522)	(183,989)	(188,571)	(193,272)	

Average: 155,018.25 Count: 3 Min: -158,819.8 Max: -151,248.75 Sum: -465,054.76

When you select two or more cells that contain numeric data, VAL automatically summarizes the data on status bar.

Rent Roll

The Rent Roll is used to model contractual or speculative leases including tenant size, start and end dates, base rent, fixed steps, free rent, percentage rent, recoveries, leasing costs and renewal assumptions. Click **Add Lease** in the upper right-hand corner of the Rent Roll window to add lease records.

Office Tenant



Rent Roll 1 tenants												
	Tenant Name	Suite	Floor	Space Type	Status	Avail...	Start Date	End Date	Lease Term	Area	Amount	UoM
1	The Rockport Group	101	1	Office	Contract		Jan-01-23	Dec-31-25	36M	15,000	20.00	\$/SF/Year

Add the following tenant information:

- Tenant Name: The Rockport Group
- Suite: 101
- Floor: 1
- Lease Type: Office
- Status: Contract
- Start Date: 1/1/2023
- Lease Term: 36 Months (36M)
- Size: 15,000 SF
- Base Rent: \$20/SF/Year

Rent Steps - % Increase

Rent Steps are increases to the base rent over the term of the lease that can be entered as either an amount or percent increase.



Rent Roll 1 tenants

						Base Rent			
Tenant Name	Suite	Floor	End Date	Lease Term	Area	Amount	UoM	Rent Steps	Free Rent
			mm/dd						
1 The Rockport Group	101	1	Dec-31-25	36M	15,000	20.00	\$/SF/Year		

Rent Roll > Rent Steps

Date Type: Relative

ADD

Start Month	Value	UoM	
13	3.00	% Annual Increase	

Cancel SAVE

- Date Type: Relative
- Add a 3% annual increase beginning month 13.



Expand to view the Unit of Measure and Growth assumptions.

Rent Roll 1 tenants												
	Tenant Name	Su...	ent Steps	Free Rent	Recovery Method	Percentage ...		UoM	Growth Assumption	Amount	Upon Expiration	Rollover
						Sales	TI <					
1	The Rockport Group	101	1,10 % A...	3.0 Mon...	Default BaseYear		10.00	\$/SF	Leasing Costs Growth	5.00	Market	

Add the following lease details to The Rockport Group:

- Free Rent: 3 Months
- Recoveries: Default Base Year
- TI: \$10
- LC: 5%
- Upon Expiration: Market

Upon Expiration

The Upon Expiration field defines how VAL will calculate the rollover assumption when the contractual lease expires. Choose from one of the options below:

- **Market:** Rollover assumptions will calculate based on the renewal probability calculating the weighted average of the new and renewal rates.
- **Renew:** Assumes 100% renewal probability and will calculate the renewal rates in the rollover assumptions for the initial rollover lease term.
- **Vacate:** Assumes a 0% renewal probability and will calculate the new rates in the rollover assumptions for the initial rollover lease term.
- **Option:** Will add an additional line item to populate the terms of the option lease and assume 100% probability of exercising the option and ignore the Rollover Assumption.
- **Reconfigured:** Assumes the space will go dark and will no longer be included in the analysis.

Rollover Assumptions

The Rollover Assumptions define the projected lease assumptions after the initial lease expires based on if the tenant vacates or renews their lease. Enter the market assumptions in the New fields based on if the existing tenant vacates the space and enter the market assumptions in the Renew fields based on if the existing tenant renews their lease. The renewal probability will weigh the new and renewal assumptions after the contractual lease expires.



Rent Roll
1 tenants
Helpful Hints

	Tenant Name	Suite	Floor	LC	Amount	UoM	Growth Assumption	Upon Expiration	Rollover Assumptions
1	The Rockport Group	101	1	5.00	%			Market	

Add new
Clear

- From the Rollover Assumptions drop down menu select **Add New**.

Rollover Assumptions
RLA
RLA VARIABLES

RLA Name	Active?	Renewal Probability	Term	Downtime (Mos)	Market Rents				
					New	New UoM	Renew	Renew UoM	Growth Assumption
Office RLA	N	80.0%	60M	6	22.00	\$/SF/Year	20.00	\$/SF/Year	Market Rent Gro...

Add below Rollover Lease Assumptions:

- RLA Name: Office RLA
- Renewal Probability: 80%
- Term: 60 Months
- Downtime: 6 Months
- Market Rent:
 - New: 22 \$SF/Year (Market Rent Growth)
 - Renew: 20 \$SF/Year (Market Rent Growth)

Rollover Assumptions

RLA RLA VARIABLES

RLA Name	Active?	In Term Adj... >			Free Rent (Mos) <			Percentage Rent >		Tenant Improvements <				Leasing Commissions <		
		Increase	New	Renew	Free Rent to L...	Sales PSF	Now	New UoM	Renew	Renew UoM	Growth Assumption	New	New UoM	Renew	New UoM	Renew
Office RLA	N	3.00	3.00	0.00	In Out	0.00	10.00	\$/SF	5.00	\$/SF	Leasing Cost Gr...	5.00	%	2.50		

- In Term Adjustments: 3% Annual Increase
- Free Rent
 - New: 3 Months
 - Renew: 0 Months
- Tenant Improvements
 - New: 10 \$/SF (Leasing Cost Growth)
 - Renew: 5 \$/SF (Leasing Cost Growth)
- Leasing Commissions
 - New: 5%
 - Renew: 2.5%
- Expense Recovery: Default Base Year
- Upon Expiration: Office RLA



Helpful Hint: Market Rent Calculation = New Market Rent (20% of New Tenant) + Renewal Market Rent (80% Renewal Probability).

$$(\$22 \times 20\%) + (20 \times 80\%) = \$20.40 \text{ Weighted Market Rent}$$

Tenant Cash Flow

<< Collapse menu

Rent Roll Overrides

Valuation

Debt

Reports

All Reports

Cash Flow

Investment Analysis

Select Cash Flow.

Cash Flow

MAIN PSF PERIOD 1 PSF ALL PERIODS

TENANT CASH FLOW

Tenant	Lease	Show data	Show
The Rockport Group	Floor: 1, Suite: 101	Annual	No

▼ For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
▼ Rental Income											
Potential Rental Income	300,000	309,000	318,270	339,268	348,598	359,055	369,827	380,922	392,350	403,137	415,231
Downtime Vacancy	-	-	-	(28,272)	-	-	-	-	(32,775)	-	-
Free Rent	(75,000)	-	-	(16,963)	-	-	-	-	(19,665)	-	-
Base Rental Income	225,000	309,000	318,270	294,032	348,598	359,055	369,827	380,922	339,909	403,137	415,231
Recoveries	-	5,230	10,601	-	8,123	13,941	19,915	26,052	2,459	9,323	15,972
Total Tenant Other Income	-	5,230	10,601	-	8,123	13,941	19,915	26,052	2,459	9,323	15,972
Total Potential Gross Income	225,000	314,230	328,871	294,032	356,721	372,996	389,742	406,974	342,368	412,460	431,203
▼ Capital Costs											
Tenant Improvements	150,000	-	-	98,345	-	-	-	-	114,009	-	-
Leasing Commissions	42,614	-	-	53,528	-	-	-	-	62,053	-	-
Total Capital Costs	192,614	-	-	151,873	-	-	-	-	176,063	-	-
Tenant Net Cash Flow	32,387	314,230	328,871	142,159	356,721	372,996	389,742	406,974	166,305	412,460	431,203
▼ Tenant Details											
Prevailing Market Rent PSF	20.40	21.11	21.85	22.62	23.30	24.00	24.72	25.46	26.22	27.01	27.82
Potential Rental Income PSF	20.00	20.60	21.22	-	-	-	-	-	-	-	-
Retail Sales PSF	-	-	-	-	-	-	-	-	-	-	-
Average Occupied Area	15,000	15,000	15,000	13,750	15,000	15,000	15,000	15,000	13,750	15,000	15,000
Lease Expiration Date			Dec-31-2025						Jan-31-2031		

Select Tenant Cash Flow.

Select Tenant.

Retail Tenant



Rent Roll 2 tenants

	Tenant Name	Suite	Floor	Space Type	Status	Avail...	Start Date	End Date	Lease Term	Area	Base Rent	
							mm/dd	mm/dd			Amount	UoM
1	The Rockport Group	101	1	Office	Contract		Jan-01-23	Dec-31-25	36M	15,000	20.00	\$/SF/Year
2	Clio's Coffee Shop	201	2	Retail	Contract		Sep-15-22	Sep-14-27	60M	5,000	10.00	\$/SF/Year

Add the following tenant information:

- Tenant Name: Clio's Coffee Shop
- Suite: 201
- Floor: 2
- Lease Type: Retail
- Status: Contract
- Start Date: 9/15/2022
- Lease Term: 60 Months
- Size: 5,000 SF
- Base Rent: \$10/SF/Year

Rent Steps - \$/SF Increase



Rent Roll 2 tenants [Helpful Hints](#)

	Tenant Name	Suite	Floor	Area	Base Rent		Rent Steps
					Amount	UoM	
1	The Rockport Group	101	1	15,000	20.00	\$/SF/Year	3.00 % Annual I...
2	Clio's Coffee Shop	201	2	5,000	10.00	\$/SF/Year	

- Edit Rent Steps.

Rent Roll **Rent Steps**

Date Type: Relative ADD

Start Month	Value	UoM
13	0.50	\$/SF/Year Annual Increase

CANCEL SAVE

- Add a .50 \$/SF/Year Annual increase beginning in Month 13.

Recoveries

Recoveries are the shared expenses that a landlord passes on to its tenants, and subsequently recovered by generating an invoice to the tenant for their pro-rata share.

Recovery methods in VAL include:

- Base Stop: Tenant pays their pro-rata share over the base stop amount. Enter stop amount as \$ amount or \$/SF.
- Net: Tenant pays their pro-rata share of the total reimbursable expenses.
- Fixed: Tenant pays a specific \$ amount.
- BY (Calc/Future): Tenant pays their pro-rata share over the base stop amount. VAL calculates the base year stop based on lease year 1 reimbursable expenses.
- BY+1: Tenant pays their pro-rata share above the base stop amount which is calculated in year 2 of the lease.
- BY-1: Tenant pays their pro-rata share above the base stop amount which is calculated in the year prior to year 1 of the lease.

Fixed CAM Recovery Structure

Clio's Coffee Shop has a recovery structure that includes:

- \$10,000 Fixed CAM, 0% Growth
- Net Insurance, Taxes & Repairs and Maintenance



Helpful Hint: If a lease starts prior to the analysis start date and has a base stop reimbursement, enter the base stop amount. If you select the BY Calc/Future method, VAL will assume the reimbursable expenses in year 1 of the analysis as the base stop amount.

Expense Pools



<< Collapse menu
Recoveries
Methods
Expense Pools
Tenant Groups
Admin Fees
Assumptions
Growth Rates

Recoveries

METHODS
EXPENSE POOLS
TENANT GROUPS
ADMIN FEES

Pool Name	Total Amt	Description
Default Group	\$213,000	

ADD POOL

- Click on **Expense Pools** from the navigation pane.
- Click **Add Pool**.

Expense Pool > Add Pool
Yr 1 Total: \$165,000

Name
Expenses less CAM

EXPENSES
All Expenses
Selected Only
Unselected Only

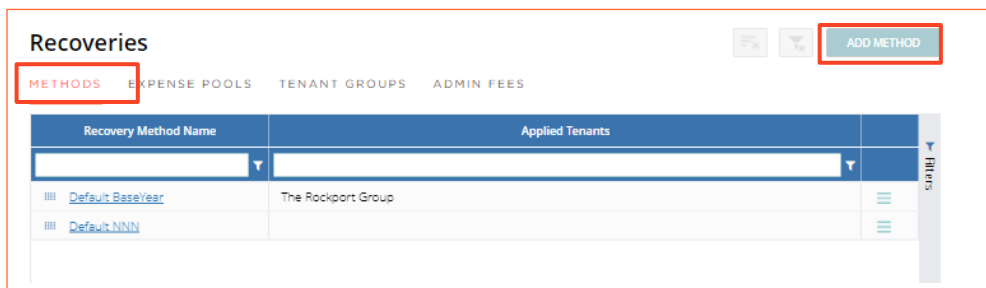
Expense	Account #	% of Expense	Yr 1 Amount
<input checked="" type="checkbox"/> Insurance		100.00	70,000.00
<input type="checkbox"/> CAM		100.00	48,000.00
<input checked="" type="checkbox"/> Real Estate Taxes		100.00	80,000.00
<input checked="" type="checkbox"/> Repairs & Maintenance (2)		0.00	0.00
<input checked="" type="checkbox"/> Landscaping		100.00	7,500.00
<input checked="" type="checkbox"/> Janitorial		100.00	7,500.00

Cancel
SAVE

- Name: **Expenses less CAM**
- Select **Insurance, Taxes and Repairs and Maintenance**.
- Click **Save**.

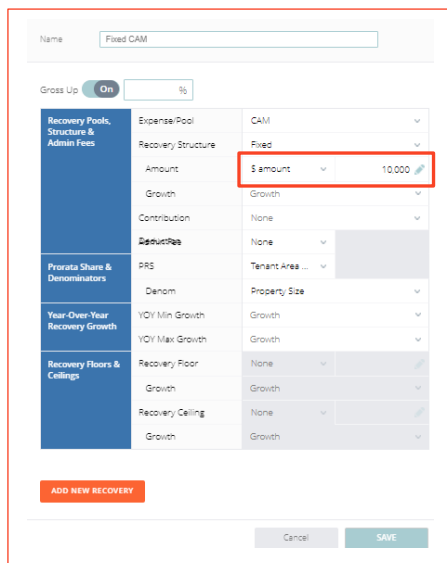
Create Recovery Method – Fixed CAM

Recovery methods are created by clicking Add New from the Recoveries field in the Rent Roll or by clicking Methods from the navigation pane. Once the recovery is created, the method needs to be assigned to the tenant to calculate.

Recovery Method Name	Applied Tenants
Default Base/Year	The Rockport Group
Default NNN	

- Click on the Methods tab and select Add Method.



Name: Fixed CAM

Gross Up: On %

Recovery Pools, Structure & Admin Fees	Expense/Pool	CAM
	Recovery Structure	Fixed
	Amount	\$ amount 10,000
	Growth	Growth
	Contribution	None
	Recovery Fee	None
Prostate Share & Denominators	PRS	Tenant Area
	Denom	Property Size
Year Over-Year Recovery Growth	YOY Min Growth	Growth
	YOY Max Growth	Growth
Recovery Floors & Ceilings	Recovery Floor	None
	Growth	Growth
	Recovery Ceiling	None
	Growth	Growth

ADD NEW RECOVERY

Cancel SAVE

- Name Recovery Method **Fixed CAM**.
- Select **CAM** as the Expense Pool.
- Select **Fixed** as Recovery Structure.
- Enter **\$10,000** as the Amount.

Name: Fixed CAM

Gross Up: ☒ On

Recovery Pools, Structure & Admin Fees	Expense/Pool	CAM	Expenses less CAM
	Recovery Structure	Fixed	Net
	Amount	\$ amount 10,000	None
	Growth	Growth	Growth
	Contribution	None	None
	Prorata Share	None	None
Prorata Share & Denominators	PRS	Tenant Area ...	Tenant Area ...
	Denom	Property Size	Property Size
Year-Over-Year Recovery Growth	YOY Min Growth	Growth	Growth
	YOY Max Growth	Growth	Growth
Recovery Floors & Ceilings	Recovery Floor	None	None
	Growth	Growth	Growth
	Recovery Ceiling	None	None
	Growth	Growth	Growth

☒ Delete Recovery ☒ Delete Recovery

- Click Add New Recovery to model Net Expenses less CAM.

Rent Roll 2 tenants

	Tenant Name	Suite	Floor	UoM	Rent Steps	Free Rent	Recovery Method
1	The Rockport Group	101	1	F/Year	3.00 % Annual I...	3.0 Months	Default BaseYear
2	Clio's Coffee Shop	201	2	F/Year	0.50 \$/SF/Year ...		Fixed CAM

Select Fixed CAM recovery method for Clio's Coffee Shop

Recovery Audit Report

- Reports
 - All Reports
 - Cash Flow
 - Investment Analysis
 - Valuation
 - Rent Roll
 - Mark to Market
 - Underlying Support
 - Rollover
 - Lease Expiration
 - Occupancy
 - Audit

[illegible]

Percentage Rent

Percentage rent is additional rent paid based on a percentage of gross sales above a breakpoint.

Clio's coffee shops' annual retail sales volume is projected to be \$1,250,000. They are to pay 5% above a natural breakpoint.



Rent Roll

2 tenants

Helpful Hints

	Tenant Name	Suite	Floor	Recovery Method	Percentage Rent <				TI <			
					Sales	Sales UoM	Sales Growth Assumption	Percentage	Breakpoint	Breakpoint UoM	Amount	UoM
1	The Rockport Group	101	1	default BaseYear		\$/SF	General Growth			\$/SF	10.00	\$/SF
2	Clio's Coffee Shop	201	2	xed CAM	1,250,000	\$ Amount	General Growth	5.00	Natural			\$/SF

- Sales: \$1,250,000 growing by General Growth
- Percentage: 5%
- Breakpoint: Natural



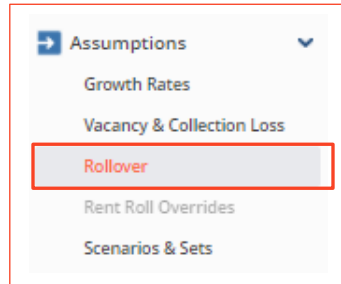
Helpful Hint: Natural Breakpoint: Total Rent ÷ Sales %

- Reports
 - All Reports
 - Cash Flow
 - Investment Analysis
 - Valuation
 - Rent Roll
 - Mark to Market
 - Underlying Support
 - Rollover
 - Lease Expiration
 - Occupancy
 - Audit**

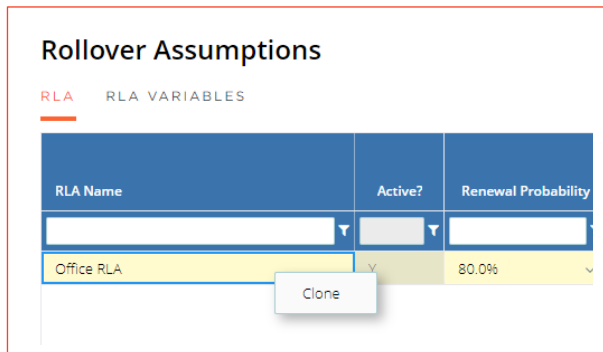
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Clone Rollover Lease Assumptions

The Retail RLA is similar to the Office RLA. To save time we will clone the Office RLA and adjust the market assumptions.



- From the Navigation pane select **Rollover**.



- Right click the Office RLA and select **Clone**.

RLA Variables

RLA Variables can be created versus hardcoding values in the fields in the rollover assumptions. Once a variable is created it can be assigned in rollover assumptions and rent roll.



Rollover Assumptions

RLA
RLA VARIABLES

RLA Name	Active?	Renewal Probability	Term	Downtime (Mos)	Market Rents «	
					New	New UoM
Office RLA	Y	80.0%	60M	6	22.00	\$/SF/Year
Retail RLA	Y	80.0%	60M	6		\$/SF/Year

Add new
Clear

Make below adjustments to RLA

- RLA Name: Retail RLA
- Click **Add New** in Market Rent to create a variable.

Market Rent » New \$12/Renew \$10

Name
New \$12/Renew \$10

		YE dec-21	YE dec-22	YE dec-23	YE dec-24	YE dec-25	YE dec-26	YE dec-27	YE dec-28	YE dec-29	YE dec-30	YE dec-31
New	12.00 \$/SF/Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Renew	10.00 \$/SF/Year	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

Cancel
SAVE

- New: 12 \$/SF/Year
- Renew: 10 \$/SF/Year

Rollover Assumptions

RLA RLA VARIABLES

RLA Name	Active?	Free Rent (Mos) €			Occupancy Cost Adjustment	Percentage Rent €				Tenant Improvements €		
		New	Renew	Free Rent is L...		Sales PSF	Sales Growth Assa...	Percentage	Breakpoint PSF	New	New UoM	Renew
Office RLA	Y	3.00	0.00	In	5.00%	Use Previous	Use Previous	Use Previous	Use Previous	10.00	\$/SF	\$/S
Retail RLA	Y	3.00	0.00	In	Out	5.00%	Use Previous	Use Previous	Use Previous	10.00	\$/SF	\$/S

- Enter an Occupancy Cost Adjustment of 5%.
- Select **Use Previous** for the Retail RLA Percentage Rent.

Rent Roll

2 tenants

Helpful Hints

	Tenant Name	Suite	Floor	LC €			LC €			Upon Expiration	Rollover Assumptions
				Amount	UoM	Growth Assumption	Amount	UoM	Growth Assumption		
1	The Rockport Group	101	1	0.00	\$/SF	Leasing Costs Growth	5.00	%		Market	Office RLA
2	Clio's Coffee Shop	201	2		\$/SF	Leasing Costs Growth		%		Market	Retail RLA

- Select **Retail RLA** for Clio's Coffee Shop Rollover Assumption.

Occupancy Cost & Sales Report

Occ. Cost & Sales

Note: A highlighted cell indicates an Occupancy Cost Adjustment in that period.

OCCUPANCY COST TENANT PAYABLES TENANT SALES

Show data: Annual

Include Tenant Details: Yes

Include Lease Dates: Yes

Tenant	Suite	SF	Start	End	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
The Rockport Group	101	15,000	Jan-01-2023	Dec-31-2025	-	-	-	-	-	-	-	-	-	-	-
Clio's Coffee Shop	201	5,000	Sep-15-2022	Sep-14-2027	9.10%	9.06%	9.02%	8.99%	7.81%	5.00%	5.00%	5.00%	5.00%	4.77%	5.00%

A highlighted cell indicates an Occupancy Cost Adjustment in that period.

Vacant Space

Vacant space is entered in the rent roll where the lease start date can be set to a date in the future to calculate the downtime vacancy.



Rent Roll

3 tenants

Helpful Hints

</

- Click **Add Lease**.
- Tenant Name: Vacant Space
- Suite: 202
- Floor: 2
- Start Date: June 1, 2023, 5 Year Lease Term
- Area: 10,000 SF
- Base Rent: 100% of Market Rent, 3% Rent Step



Helpful Hint: Copy and paste The Rockport Groups rent step to Vacant Space rent step to save time. **CTRL C** to copy and **CTRL V** to paste as a shortcut.

Free Rent Variable

By default, free rent includes base rent plus rent steps and applied at the beginning of the lease term. To add recoveries and/or percentage rent to the formula or update the free rent period create a variable.



Rent Roll 3 tenants

	Tenant Name	Suite	FL...	Area	Base Rent		Rent Steps	Free Rent	
					Amount	UoM			
1	The Rockport Group	101	1 1	15,000	20.00	\$/SF/Year	3.00 % Annual I...	3.0 Months	De
2	Clio's Coffee Shop	201	2 1	5,000	10.00	\$/SF/Year	0.50 \$/SF/Year ...		Fi
3	Vacant Space	202	2 1	10,000	100.00	% of Market Rent	3.00 % Annual I...		

- Click on the pencil icon for **Free Rent** to create a variable.

Rent Roll > Free Rent

Base Rent: ☒ On Recoveries: ☐ Off Percentage Rent: ☐ Off Unit of measure: Months Free

ADD

Start Date	Percent	Months Free	Free Rent For Period	Cumulative Free Rent	
06/01/2023	100.0%	1.0	\$0	\$0	×
06/01/2024	100.0%	1.0	\$0	\$0	×
06/01/2025	100.0%	1.0	\$0	\$0	×

Cancel SAVE

- Click **Add** to insert rows and model free rent to reflect an abatement in the first month of the first three lease years.

Create Recovery Method – 15% Admin Fee

Vacant Space will reimburse their pro-rata share of CAM plus a 15% Admin Fee and reimburse Net for the remainder of the reimbursable expenses.

Rent Roll
3 tenants

	Tenant Name	Suite	Fl...	Area	Base Rent		Rent Steps	Free Rent	Recovery Method
					Amount	UoM			
1	The Rockport Group	101	1	15,000	20.00	\$/SF/Year	3.00 % Annual I...	3.0 Months	Default BaseYear
2	Clio's Coffee Shop	201	2	5,000	10.00	\$/SF/Year	0.50 \$/SF/Year ...		Fixed CAM
3	Vacant Space	202	2	10,000	100.00	% of Market Rent	3.00 % Annual I...	1.0 Months	

Use RLA
Default Base...
Default NNN
Fixed CAM
Add new
Clear

- Click **Add New** to create a recovery method for the Vacant Space.

Name
15% Admin Fee

Gross Up
On
%

	Expense/Pool	CAM	Expenses Less CAM
Recovery Pools, Structure & Admin Fees	Recovery Structure	Net	Net
	Amount	None	None
	Growth	Growth	Growth
	Contribution Deduction	None	None
	Admin Fee	%	15.00
Prorata Share & Denominators	PRS	Tenant Area ...	Tenant Area ...
	Denom	Property Size	Property Size
Year-Over-Year Recovery Growth	YOY Min Growth	Growth	Growth
	YOY Max Growth	Growth	Growth
Recovery Floors & Ceilings	Recovery Floor	None	None
	Growth	Growth	Growth
	Recovery Ceiling	None	None

X Delete Recovery
X Delete Recovery

ADD NEW RECOVERY

Cancel
SAVE

Leasing Cost – Use RLA

Market assumptions for recoveries, tenant improvements, and leasing commissions within the Rollover Leasing Assumptions (RLAs) can be assigned to the tenants in the rent roll by selecting the **Use RLA** option from the drop-down menus. The Use RLA option creates a dynamic link between the market assumptions and the inputs in the rent roll.



Rent Roll

3 tenants

Helpful Hints

	Tenant Name	Suite	FL	Recovery Method	Percentage ...		Ti		LC		Upon Expiration	Rollover Assumptions	
					Sales	Amount	Unit	Growth Assumption	Amount	Unit			Growth Assumption
1	The Rockport Group	101	1	Default Base Year		10.00	\$/SF	Leasing Costs Growth	5.00	%		Market	Office RLA
2	Chlo's Coffee Shop	201	2	Fixed CAM	1,250,000		\$/SF	Leasing Costs Growth		%		Market	Office RLA
3	Vacant Space	202	2	CAM - 15% Admin				Use RLA				Market	Office RLA

- Select **Use RLA** for TIs and LCs.
- Select the **Office RLA** as the Rollover Assumptions.

Stacking Plan

A Stacking Plan is a chart/schema to display floors in the building with all tenants and available space.

Floor Size: To account for vacant space enter the area of each floor in the Floor Size tab.

Stacking Plan (as of Analysis Start)

FLOOR SIZE		FLOOR DETAILS	TENANT ASSIGNMENT	STACKING PLAN
		<div>ADD 2 floors 15,000</div>		
Floor	Area SF	Comment		
1	15,000			
2	15,000			

Add 2 floors that are 15,000 SF.

Select Stacking Plan as of date to adjust the start date.

Stacking Plan (as of Analysis Start)

FLOOR SIZE FLOOR DETAILS TENANT ASSIGNMENT **STACKING PLAN** EXPORT 85 jpeg

FLOOR	2025	2027	LEASED / VACANT	TOTAL
	15,000 SF 50.00 %	5,000 SF 16.67 %	20,000 SF	30,000 SF
2	Clio's Coffee Shop 201 - 5,000 SF - SEP-2022	VACANT 10,000 SF	5,000 SF / 10,000 SF	15,000 SF
1	The Rockport Group 101 - 15,000 SF - JAN-2023		15,000 SF	15,000 SF

Cash Flow with Tenant Level Details

Cash Flow

Expand Report Export Export

MAIN PSF PERIOD 1 PSF ALL PERIODS TENANT CASH FLOW

Show data: Annual Sort Expenses: As Entered Show tenant level details: Yes Show figures in 000s: No

Select Yes to Show Tenant level details.

Export to Excel or PDF and expand and/or collapse report reorder tenants in rent roll.

Cash Flow

MAIN PSF PERIOD 1 PSF ALL PERIODS TENANT CASH FLOW

Show data: Annual
Sort Expenses: As Entered
Show tenant level details: Yes
Show figures in '000s: No

Display tenant level details.

For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
Income											
Potential Rental Income											
The Rockport Group	300,000	309,000	318,270	339,268	348,598	359,055	369,827	380,922	392,350	403,137	415,231
Clio's Coffee Shop	50,736	53,236	55,736	58,236	59,818	59,761	61,554	63,401	65,303	67,259	69,105
Vacant Space	213,333	223,850	230,566	237,482	244,607	243,144	243,552	250,859	258,384	266,136	274,120
Total Potential Rental Inco...	564,069	586,086	604,572	634,986	653,023	661,961	674,933	695,181	716,037	736,532	758,456
Downtime Vacancy	(85,000)	-	-	(28,272)	(4,949)	(19,996)	-	-	(32,775)	(5,737)	(23,181)
Free Rent	(93,333)	(18,883)	(19,450)	(16,963)	(2,969)	(11,998)	-	-	(19,665)	(3,442)	(13,909)
Occupancy Cost Adjustment	-	-	-	-	-	(1,023)	(2,517)	(3,755)	(4,552)	(4,868)	(1,170)
Base Rental Income	385,736	567,203	585,122	589,751	645,105	628,944	672,416	691,426	659,044	722,485	720,196
Percentage Rent	11,764	11,139	10,570	10,059	9,613	12,693	13,074	13,466	13,870	13,230	14,890
Total Recovery Income	84,006	129,908	136,132	128,106	124,213	47,329	17,287	24,713	13,099	20,019	15,854
Misc. Income	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159
Total Potential Gross Income	496,506	723,700	747,737	744,307	795,813	706,356	720,688	748,054	705,016	775,306	771,099
Vacancy Loss	-	(36,185)	(37,387)	(10,357)	(35,089)	(16,373)	(36,160)	(37,590)	(4,342)	(33,559)	(16,592)
Collection Loss	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	496,506	687,515	710,350	733,950	760,723	689,983	684,528	710,464	700,674	741,747	754,507

Expenses											
Insurance	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,074
CAIM	64,500	74,160	76,385	76,218	80,193	81,729	85,972	88,551	88,357	92,965	94,746
Real Estate Taxes	80,000	81,600	83,232	84,897	86,595	88,326	90,093	91,895	93,733	95,607	97,520
Repairs & Maintenance	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159
Management Fee	17,378	24,063	24,862	25,688	26,625	24,149	23,958	24,866	24,524	25,961	26,408
Total Operating Expenses	246,878	267,373	274,656	279,684	289,081	292,743	301,518	309,851	314,289	325,439	332,906
Net Operating Income	249,629	420,142	435,695	454,266	471,643	397,240	383,010	400,612	386,385	416,308	421,601
Leasing & Capital Costs											
Leasing Costs	348,181	-	-	151,873	43,135	107,415	-	-	176,063	50,005	124,523
Capital Expenses	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095
Total Leasing & Capital Costs	357,181	9,270	9,548	161,708	53,264	117,848	10,746	11,069	187,463	61,747	136,618
Net Cash Flow	(107,552)	410,872	426,147	292,558	418,379	279,392	372,264	389,543	198,921	354,560	284,983

Create an unlimited number of valuations. **VAL** supports the following valuation methods:

- DCF
- Direct Capitalization
- Direct Entry



- As is DCF:
 - DCF method as of the Analysis Start Date
 - Cap Rate: 7%
 - Discount Rate: 9%
 - Hold Period: 10 years, capping year 11
 - Cost of Sale: 1% of Residual Sale
- Stabilized Direct Cap:
 - Valuation as of Date: 01/2024
 - Direct Capitalization method
 - Cap Rate: 9%
- Purchase Price
 - Direct Entry method
 - \$4,500,000 Amount

Report - Valuation: Sale Yield Matrix

Valuation

SALE YIELD MATRIX

PROSPECTIVE PRESENT VALUE

CASH FLOW WITH VAL

Valuation

Cap Rate Increment (BP)

of Increments

As is DCF: Analysis Start, ...

25

2

As is DCF: Analysis Start, DCF

Select which valuation set to calculate.

Stabilized DC: 01/2024, Direct Capitalization

Discount Rates	Exit Cap Rate				
	6.50%	6.75%	7.00%	7.25%	7.50%
7.50%	\$5,124,218	\$5,008,826	\$4,901,676	\$4,801,916	\$4,708,807
8.00%	\$4,932,524	\$4,822,364	\$4,720,073	\$4,624,837	\$4,535,949
8.50%	\$4,749,571	\$4,644,384	\$4,546,710	\$4,455,772	\$4,370,897
9.00%	\$4,574,908	\$4,474,448	\$4,381,163	\$4,294,312	\$4,213,251
9.50%	\$4,408,111	\$4,312,145	\$4,223,033	\$4,140,067	\$4,062,632
10.00%	\$4,248,778	\$4,157,085	\$4,071,943	\$3,992,672	\$3,918,685
10.50%	\$4,096,529	\$4,008,903	\$3,927,535	\$3,851,779	\$3,781,073

Report – Prospective Present Value

Hover Residual Value Calculation to display the details.

Valuation

SALE YIELD MATRIX

PROSPECTIVE PRESENT VALUE

CASH FLOW WITH VALUATION

HOLD PERIOD ANALYSIS

Valuation

Discount Rate Increment (BP)

of Increments

As is DCF: Analysis Start, ...

50

3

Residual Value Calculation

Residual Value Calculation

Year to Cap

11

What to Cap

NOI

421,601

NOI Adjustments

No

0

Adjusted NOI

421,601

Exit Cap Rate

7.00%

6,022,873

Residual Value Adjustments

No

0

Adjusted Residual Value

6,022,873

Cost of Sales

1.00%

-60,229

Net Residual Value

5,962,644

Year	Annual CF	PV @ 7.50%	PV @ 8.00%	PV @ 8.50%	PV @ 9.00%	PV @ 9.50%	PV @ 10.00%	PV @ 10.50%	PV @ 11.00%
1	(\$107,552)	(\$100,048)	(\$99,585)	(\$99,126)	(\$98,672)	(\$98,218)	(\$97,766)	(\$97,315)	(\$96,865)
2	\$410,872	\$355,541	\$352,256	\$349,017	\$345,822	\$342,672	\$339,566	\$336,504	\$333,485
3	\$426,147	\$343,031	\$338,289	\$333,634	\$329,063	\$324,572	\$320,160	\$315,827	\$311,572
4	\$292,558	\$219,068	\$215,039	\$211,102	\$207,256	\$203,500	\$199,833	\$196,254	\$192,762
5	\$418,379	\$291,425	\$284,741	\$278,241	\$271,917	\$265,762	\$259,675	\$253,655	\$247,701
6	\$279,392	\$181,035	\$176,064	\$171,252	\$166,592	\$162,072	\$157,591	\$153,147	\$148,740
7	\$372,264	\$224,384	\$217,212	\$210,302	\$203,641	\$197,222	\$190,943	\$184,794	\$178,674
8	\$389,543	\$218,418	\$210,458	\$202,823	\$195,499	\$188,400	\$181,525	\$174,773	\$168,144
9	\$198,921	\$103,754	\$99,510	\$95,458	\$91,589	\$87,892	\$84,265	\$80,707	\$77,218
10	\$354,560	\$172,031	\$164,230	\$156,817	\$149,770	\$143,070	\$136,698	\$130,637	\$124,777
Total Cash Flows	\$3,035,084	\$2,008,638	\$1,958,215	\$1,909,520	\$1,862,478	\$1,817,022	\$1,773,085	\$1,730,606	\$1,689,575
Residual Value	\$5,962,644	\$2,893,039	\$2,761,858	\$2,637,190	\$2,518,685	\$2,406,011	\$2,298,857	\$2,196,929	\$2,099,116
DCF plus Residual Value	\$8,997,728	\$4,901,676	\$4,720,073	\$4,546,710	\$4,381,163	\$4,223,033	\$4,071,943	\$3,927,535	\$3,788,691
Rounded to Thousands	\$8,998,000	\$4,902,000	\$4,720,000	\$4,547,000	\$4,381,000	\$4,223,000	\$4,072,000	\$3,928,000	\$3,789,000
Value per Square Foot	\$299.92	\$163.39	\$157.34	\$151.56	\$146.04	\$140.77	\$135.73	\$130.92	\$126.24
Going-in Cap Rate	2.77%	5.09%	5.29%	5.49%	5.70%	5.91%	6.13%	6.36%	6.59%
Percentage Value Distribution									
From Cash Flows	33.7%	41.0%	41.5%	42.0%	42.5%	43.0%	43.5%	44.1%	44.7%
From Residual	66.3%	59.0%	58.5%	58.0%	57.5%	57.0%	56.5%	55.9%	55.3%

Report - Investment Analysis: Investment Cash Flow

Investment Analysis

INVESTMENT CASH FLOW

RETURN SENSITIVITIES

Display data annually or monthly.

Select Valuation As is DCF.

Show data?

Annual

Annual

Monthly

Show Levered?

No

Show figures in 000s?

No

Analysis S: 120M

12/2032

Exit Date

Exit Costs (%)

Valuation

Cap Rate

Discount Rate

Amounts

Valuation

Cap Rate

Discount Rate

Amount

IRR Methodology

Actual Day Count?

AS is DCF, An...

7.00

9.00

4,381,163

Residual Valu...

6,022,873

Annual

No

For the Years Ending

Time 0 Jan-01-2023

Year 1 Dec-2023

Year 2 Dec-2024

Year 3 Dec-2025

Year 4 Dec-2026

Year 5 Dec-2027

Year 6 Dec-2028

Year 7 Dec-2029

Year 8 Dec-2030

Year 9 Dec-2031

Year 10 Dec-2032

Property Cashflows

Net Operating Income

249,629

420,142

435,695

454,266

471,643

397,240

383,010

400,612

386,385

416,308

Total Leasing & Capital Costs

357,181

9,270

9,543

161,708

53,254

117,848

10,746

11,069

187,463

61,747

Net Cash Flow

(107,552)

410,872

426,147

292,558

418,379

279,392

372,264

389,543

196,921

354,560

Purchase/Sale

Purchase/Sale

(4,381,163)

-

-

-

-

-

-

-

-

Exit Costs

-

-

-

-

-

-

-

-

-

Net Proceeds

(4,381,163)

-

-

-

-

-

-

-

-

Cash Flow Available for Distribution

IRR/MOC

(4,381,163)

(107,552)

410,872

426,147

292,558

418,379

279,392

372,264

389,543

196,921

6,317,204

Total Unlevered Cash Flow

9.00% / 2.05x

(4,381,163)

(107,552)

410,872

426,147

292,558

418,379

279,392

372,264

389,543

196,921

6,317,204

Unlevered Cash On Cash

-

(2.45%)

9.38%

9.73%

6.68%

9.55%

6.38%

8.50%

8.89%

4.54%

8.09%

Investment Analysis: Return Sensitivities

Investment Analysis

INVESTMENT CASH FLOW

RETURN SENSITIVITIES

Investment Period

Purchase/Start

Sale/Exit

Start Date

Investment Period

Exit Date

Exit Costs (%)

Valuation

Cap Rate

Discount Rate

Amount

Valuation

Cap Rate

Analysis S: 120M

12/2032

1.00

As is DCF, An...

7.00

9.00

4,381,163

Residual Valu...

Override:

Override:

Investment Period (Mos)

UNLEVERED IRR

UNLEVERED Equity Multiple (MOC)

Sale/Exit Cap Rate (%)

108

120

132

108

120

132

6.00%

10.55%

10.23%

11.51%

2.18x

2.28x

2.76x

6.50%

9.81%

9.58%

10.90%

2.06x

2.16x

2.60x

7.00%

9.14%

9.00%

10.35%

1.96x

2.05x

2.47x

7.50%

8.53%

8.47%

9.85%

1.87x

1.96x

2.36x

8.00%

7.97%

7.98%

9.40%

1.79x

1.88x

2.26x

Purchase/Start Value

Investment Period (Mos)

UNLEVERED IRR

UNLEVERED Equity Multiple (MOC)

108

120

132

108

120

132

2,381,163

18.78%

17.94%

18.70%

3.60x

3.78x

4.55x

3,381,163

13.06%

12.62%

13.73%

2.53x

2.66x

3.20x

4,381,163

9.14%

9.00%

10.35%

1.96x

2.05x

2.47x

5,381,163

6.20%

6.28%

7.82%

1.59x

1.67x

2.01x

6,381,163

3.86%

4.12%

5.81%

1.34x

1.41x

1.70x

Change Valuation to **Purchase Price** and add **7% cap** to calculate IRR results with these parameters.

Investment Analysis

Select Purchase Price as Valuation and enter a 7% Cap Rate.

INVESTMENT CASH FLOW

RETURN SENSITIVITIES

Investment Period				Purchase/Start				Sale/Exit			
Start Date	Investment Period	Exit Date	Exit Costs (%)	Valuation	Cap Rate	Discount Rate	Amount	Valuation	Cap Rate	Discount Rate	Amount
Analysis Start	120M	12/2032		Purchase Price...	5.55		4,500,000	Direct Cap	7.00		6,022,800
				Override:				Override:			

Sale/Exit Cap Rate (%)	Investment Period (Mos)						
	UNLEVERED IRR				UNLEVERED Equity Multiple (MOC)		
	108	120	132		108	120	132
6.00%	10.25%	9.95%	11.25%		2.14x	2.24x	2.71x
6.50%	9.51%	9.30%	10.64%		2.02x	2.12x	2.55x
7.00%	8.84%	8.72%	10.09%		1.92x	2.01x	2.42x
7.50%	8.23%	8.18%	9.59%		1.83x	1.92x	2.31x
8.00%	7.66%	7.69%	9.13%		1.75x	1.85x	2.21x

Purchase/Start Value	Investment Period (Mos)						
	UNLEVERED IRR				UNLEVERED Equity Multiple (MOC)		
	108	120	132		108	120	132
2,500,000	18.05%	17.25%	18.05%		3.45x	3.62x	4.36x
3,500,000	12.61%	12.20%	13.34%		2.47x	2.59x	3.12x
4,500,000	8.84%	8.72%	10.09%		1.92x	2.01x	2.42x
5,500,000	5.98%	6.08%	7.64%		1.57x	1.65x	1.98x
6,500,000	3.70%	3.97%	5.67%		1.33x	1.39x	1.68x

Debt

Create up to 5 loans in VAL. Include or exclude debt to display results by selecting Yes or No in the Loan In Use field.

Refinance Loan: A refinance loan is available as the 6th loan which is used to pay off all of the loans in the capital stack that are “in use”. The pay-off date (or funding date) occurs on the Note Date of the Refinance Loan.

Loan Testing: Select Loan Sizing to run cumulative or individual tests.

- Individual Test:
 - Max Loan Amount
- Cumulative Test:
 - Max LTV
 - Min DSCR (Actual Constant)
 - Min DSCR (Test Constant)
 - Min Debt Yield



Activate Loan Sizing to enable VAL to calculate the Note Amount.

Debt

Loan In Use?

Lien Priority

Loan Name

Loan Number

Note Holder

☒ Loan Sizing

Note Amount

Loan Term

Amortization Term

IO Periods

Interest Rate (%)

Accrual Method

Note Date

<input checked="" type="radio"/>	1	Financing			<input checked="" type="checkbox"/>	2,847,756	10Y	30Y		5.0000	30/360	Analysis St
<input type="radio"/>	-				<input type="checkbox"/>						30/360	
<input type="radio"/>	-				<input type="checkbox"/>						30/360	
<input type="radio"/>	-				<input type="checkbox"/>						30/360	
<input type="radio"/>	-				<input type="checkbox"/>						30/360	
<input type="radio"/>	Refi				<input type="checkbox"/>						30/360	01/2033

Loan Name

Max Loan Amount

Max LTV

Min DSCR (Actual Constant)

Min DSCR (Test Constant)

Min Debt Yield (%)

Valuation

NOI/NCF

NOI/NCF As Of Date

NOI/NCF # Months

Test Constant (%)

Financing	<input type="checkbox"/>	<input checked="" type="checkbox"/> 65.00	<input checked="" type="checkbox"/> 1.35	<input type="checkbox"/>	<input checked="" type="checkbox"/> 7.00	As is DCF, An...	NOI Forward	Analysis Start	12	
-----------	--------------------------	---	--	--------------------------	--	------------------	-------------	----------------	----	--

Enter below inputs for **Debt**:

- Loan Name: Financing
- Loan Sizing: Yes
- Loan Term: 10 Years
- Amortization Schedule: 30 Years
- Interest Rate: 5%
- Accrual Method: 30/360
- Note Date: 1/2023

Enter below inputs for **Loan Sizing**:

- Max LTV: 65
- Min DSCR (Actual Constant): 1.35
- Min Debt Yield: 7%
- Valuation: As is DCF
- NOI/NCF: NOI Forward 12 Months

Debt Report – Schedule Amortization Table

Debt

1 - FINANCING

Scheduled Amortization Table

Loan Name: Financing

Month	Payment Date	Accrual Period Begin Date	Accrual Period End Date	Days	Interest Rate	Beginning Balance	Interest	Principal	Total P&I	Balloon Payment	Ending Balance	Pre-Fe
1	Feb-01-2023	Jan-01-2023	Jan-31-2023	30	5.0000%	2,847,756.14	11,865.65	3,421.72	15,287.37	-	2,844,334.42	
2	Mar-01-2023	Feb-01-2023	Feb-28-2023	30	5.0000%	2,844,334.42	11,851.39	3,435.98	15,287.37	-	2,840,898.45	
3	Apr-01-2023	Mar-01-2023	Mar-31-2023	30	5.0000%	2,840,898.45	11,837.08	3,450.29	15,287.37	-	2,837,448.15	
4	May-01-2023	Apr-01-2023	Apr-30-2023	30	5.0000%	2,837,448.15	11,822.70	3,464.67	15,287.37	-	2,833,983.48	
5	Jun-01-2023	May-01-2023	May-31-2023	30	5.0000%	2,833,983.48	11,808.26	3,479.11	15,287.37	-	2,830,504.37	
6	Jul-01-2023	Jun-01-2023	Jun-30-2023	30	5.0000%	2,830,504.37	11,793.77	3,493.60	15,287.37	-	2,827,010.77	
7	Aug-01-2023	Jul-01-2023	Jul-31-2023	30	5.0000%	2,827,010.77	11,779.21	3,508.16	15,287.37	-	2,823,502.61	
8	Sep-01-2023	Aug-01-2023	Aug-31-2023	30	5.0000%	2,823,502.61	11,764.59	3,522.78	15,287.37	-	2,819,979.84	
9	Oct-01-2023	Sep-01-2023	Sep-30-2023	30	5.0000%	2,819,979.84	11,749.92	3,537.45	15,287.37	-	2,816,442.38	
10	Nov-01-2023	Oct-01-2023	Oct-31-2023	30	5.0000%	2,816,442.38	11,735.18	3,552.19	15,287.37	-	2,812,890.19	
11	Dec-01-2023	Nov-01-2023	Nov-30-2023	30	5.0000%	2,812,890.19	11,720.38	3,566.99	15,287.37	-	2,809,323.19	
12	Jan-01-2024	Dec-01-2023	Dec-31-2023	30	5.0000%	2,809,323.19	11,705.51	3,581.86	15,287.37	-	2,805,741.34	
13	Feb-01-2024	Jan-01-2024	Jan-31-2024	30	5.0000%	2,805,741.34	11,690.59	3,596.78	15,287.37	-	2,802,144.55	
14	Mar-01-2024	Feb-01-2024	Feb-29-2024	30	5.0000%	2,802,144.55	11,675.60	3,611.77	15,287.37	-	2,798,532.79	

Report Investment Analysis – Levered IRR

Investment Analysis

INVESTMENT CASH FLOW RETURN SENSITIVITIES

Show data?

Annual

Show Levered?

Yes

Show figures in 000s?

No

Select YES to Show Levered

Investment Period			Purchase/Start				Sale/Exit				IRR Methodology			
Start Date	Investment Period	Exit Date	Exit Costs (%)	Valuation	Cap Rate	Discount Rate	Amount	Valuation	Cap Rate	Discount Rate	Amount	Discounting	Actual Day Count?	
Analysis 5	120M	12/2032		Purchase Price	5.55		4,500,000	Direct Cap	7.00		6,022,873	Annual	No	
			Override:				Override:							
► For the Years Ending			Time 0 Jan-01-2023	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	
► Property Cashflows														
▼ Debt Service														
▼ Financing														
Principal				38,433	43,931	46,231	48,597	51,083	53,596	56,444	59,331	62,367	65,558	
Interest				129,728	139,467	137,217	134,852	132,366	129,752	127,005	124,117	121,082	117,891	
Total P&I				168,161	183,448	183,448	183,448	183,448	183,448	183,448	183,448	183,448	183,448	
Total Debt Service				168,161	183,448	183,448	183,448	183,448	183,448	183,448	183,448	183,448	183,448	
Cash Flow After Debt Service				(275,713)	227,423	242,698	109,110	234,930	95,943	188,815	206,095	15,473	171,112	
▼ Credit Metrics														
▼ Financing														
Ending Balance				2,809,323	2,765,342	2,719,111	2,670,514	2,619,431	2,565,735	2,509,192	2,449,950	2,387,593	2,322,036	
Ending Balance \$/SF				93.64	92.18	90.64	89.02	87.31	85.52	83.64	81.67	79.59	77.40	
DSCR (NOI)				1.36	2.29	2.38	2.48	2.57	2.17	2.09	2.18	2.11	2.27	
DSCR (NCF)				(0.59)	2.24	2.32	1.59	2.28	1.52	2.03	2.12	1.08	1.93	
Debt Yield (NOI)				8.89%	15.19%	16.02%	17.01%	18.01%	15.48%	15.26%	16.35%	16.18%	17.93%	
Debt Yield (NCF)				(3.83%)	14.86%	15.67%	10.96%	15.97%	10.89%	14.84%	15.90%	8.33%	15.27%	
LTV (using Purchase Price)				62.43%	61.45%	60.42%	59.34%	58.21%	57.02%	55.76%	54.44%	53.06%	51.60%	
▼ Purchase/Sale														
Purchase/Sale				(4,500,000)	-	-	-	-	-	-	-	-	6,022,873	
Exit Costs				-	-	-	-	-	-	-	-	-	-	
Net Proceeds				(4,500,000)	-	-	-	-	-	-	-	-	6,022,873	
► Loan Proceeds & Repayment														
▼ Cash Flow Available for Distribution														
IRR/MOC														
Total Unlevered Cash Flow			8.72% / 2.01x	(4,500,000)	(107,552)	410,872	426,147	292,558	418,379	279,392	372,264	389,543	198,921	6,377,433
Unlevered Cash On Cash				-	(2.39%)	9.13%	9.47%	6.50%	9.30%	6.21%	8.27%	8.66%	4.42%	7.88%
Total Levered Cash Flow			12.95% / 2.98x	(1,652,244)	(275,713)	227,423	242,698	109,110	234,930	95,943	188,815	206,095	15,473	3,871,949
Levered Cash On Cash				-	(16.69%)	13.76%	14.69%	6.60%	14.22%	5.81%	11.43%	12.47%	0.94%	10.36%

Settings & Report Packages

Reports

All Reports

Report Management

Settings & Package

Shared Reports

Report Settings & Package

Reporting Start Date
01/2021

Reporting Period
Years

Report Package Contents

☐ Select All

☒ Cash Flow

☒ Main
☒ PSF Period 1
☒ PSF All Periods
☒ Tenant Cash Flow

☒ Investment Analysis

☒ Investment Cash Flow
☒ Return Sensitivities

☐ Debt

☐ Amort Table Financing

☒ Valuation

☒ Sale Yield Matrix
☒ Prospective Present Value
☒ Cash Flow with Valuation
☒ Hold Period Analysis

☒ Rent Roll

☒ Rent Roll
☒ Tenant Roster

☒ Mark to Market

☒ Underlying Support

☒ Potential Rental Income
☒ Downtime Vacancy
☒ Free Rent
☒ Base Rental Income
☒ Percentage Rent
☒ Expense Recovery Income

☒ Tenant Improvements
☒ Leasing Commissions
☒ Prevailing Market Rent
☒ Operating Expenses PSF
☒ SF Expiring
☒ Expense Recovery Revenue

☒ Rollover

☒ Summary
☒ Individual Rollover Assumption
☒ Market Rent Matrix w/ Ind. Growth

☒ Lease Expiration

☒ Summary
☒ Initial Terms

☒ Occupancy
☒ Audit


☒ Tenant Area Audit
☒ Property Area Audit
☒ Occupied SF
☒ Occupancy Rate
☒ Percent Rent Audit
☒ Recovery Audit
☒ Leasing Commission Audit

☒ Assumptions Check

☒ Vacancy and Collection Loss
☒ Misc. Income, Expenses, and CapEx
☒ Rollover Assumptions

CREATE PACKAGE

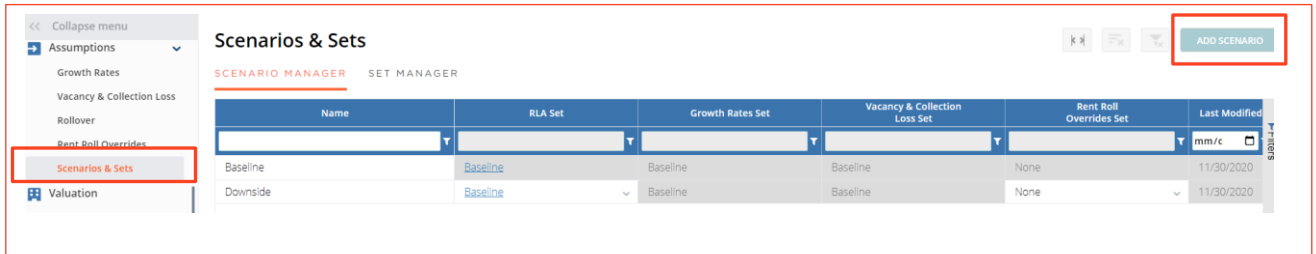
Select reports to include in package and click **Create Package**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1		VAL Building, Baseline, version #0												
2		As of Jan-22												
3														
4														
5														
6			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
7		For the Years Ending	Dec-2022	Dec-2023	Dec-2024	Dec-2025	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032	
8		Income	476,577	687,515	710,350	708,951	760,723	673,918	687,045	714,219	675,607	746,615	735,868	
9		Potential Rental Income	564,069	586,086	604,572	634,986	653,075	662,028	675,002	695,252	716,110	736,610	758,536	
10		The Rockport Group	300,000	309,000	318,270	339,268	348,598	359,055	369,827	380,922	392,350	403,137	415,231	
11		Clio's Coffee Shop	50,736	53,236	55,736	58,236	59,870	59,828	61,623	63,472	65,376	67,337	69,185	
12		Vacant Space	213,333	223,850	230,566	237,482	244,607	243,144	243,552	250,859	258,384	266,136	274,120	
13		Total Potential Rental Income	564,069	586,086	604,572	634,986	653,075	662,028	675,002	695,252	716,110	736,610	758,536	
14		Downtime Vacancy	-85,000	0	0	-28,272	-4,949	-19,996	0	0	-32,775	-5,737	-23,181	
15		The Rockport Group	0	0	0	-28,272	0	0	0	0	0	0	0	
16		Clio's Coffee Shop	0	0	0	0	-4,949	0	0	0	0	0	0	
17		Vacant Space	-85,000	0	0	0	0	-19,996	0	0	0	0	0	
18		Total Downtime Vacancy	-85,000	0	0	-28,272	-4,949	-19,996	0	0	0	0	0	
19		Free Rent	-93,333	-18,883	-19,450	-16,963	-2,969	-11,998	0	0	0	0	0	
20		The Rockport Group	-75,000	0	0	-16,963	0	0	0	0	0	0	0	
21		Clio's Coffee Shop	0	0	0	0	-2,969	0	0	0	0	0	0	
22		Vacant Space	-18,333	-18,883	-19,450	0	0	-11,998	0	0	0	0	0	
23		Total Free Rent	-93,333	-18,883	-19,450	-16,963	-2,969	-11,998	0	0	0	0	0	
24		Base Rental Income	385,736	567,203	585,122	589,751	645,157	630,034	675,002	695,252	663,669	727,431	721,447	
25		The Rockport Group	225,000	309,000	318,270	294,032	348,598	359,055	369,827	380,922	339,909	403,137	415,231	
26		Clio's Coffee Shop	50,736	53,236	55,736	58,236	51,952	59,828	61,623	63,472	65,376	58,158	69,185	
27		Vacant Space	110,000	204,967	211,116	237,482	244,607	211,150	243,552	250,859	258,384	266,136	237,030	
28		Total Base Rental Income	385,736	567,203	585,122	589,751	645,157	630,034	675,002	695,252	663,669	727,431	721,447	
29		Percentage Rent	11,764	11,139	10,570	10,059	9,561	12,626	13,005	13,395	13,797	13,152	14,809	
30		Clio's Coffee Shop	11,764	11,139	10,570	10,059	9,561	12,626	13,005	13,395	13,797	13,152	14,809	
31		Total Percentage Rent	11,764	11,139	10,570	10,059	9,561	12,626	13,005	13,395	13,797	13,152	14,809	
32		Total Recovery Income	84,006	129,908	136,132	128,106	124,213	47,329	17,287	24,713	13,099	20,019	15,854	
33		The Rockport Group	0	6,905	10,147	0	4,230	7,299	11,782	15,494	1,490	4,856	8,367	
34		Clio's Coffee Shop	37,500	38,192	38,901	39,630	28,488	1,023	2,517	3,755	4,552	4,868	1,170	

Report package in Excel format will be emailed to user with each report located in tabs.

Scenarios & Sets

Combine sets of assumptions to create named scenarios by selecting Scenarios & Sets from the navigation pane. Create different variations of users' baseline set of rollover assumptions and rent roll overrides to run different scenarios in the model.

Name	RLA Set	Growth Rates Set	Vacancy & Collection Loss Set	Rent Roll Overrides Set	Last Modified
Baseline	Baseline	Baseline	Baseline	None	11/30/2020
Downside	Baseline	Baseline	Baseline	None	11/30/2020

- From the Navigation pane select **Scenarios & Sets**.
- Click **Add Scenario** (located in upper right-hand corner).
- Name scenario **Downside** by typing in the red box in the new row.

RLA Set Rollover Scenarios

VAL provides ability to easily run alternative rollover scenarios in the model to test the robustness of results in the presence of uncertainty.



Scenarios & Sets

SCENARIO MANAGER
SET MANAGER

Name	RLA Set
Baseline	Baseline
Downside	Baseline
	Baseline
	Add new

- From the RLA set drop down menu select **Add New**.
- Name RLA Set **Downside RLA**.

Rollover Assumptions

RLA
RLA VARIABLES

Set Name	RLA Name	Active?	Renewal Probability	Term	Downtime (Mos)	Market Rents <			
						New	New UoM	Renew	Renew UoM
Downside RLA	Office RLA	AND	60.0%	60M	8	20.00	\$/SF/year	18.00	\$/SF/year
Downside RLA	Retail RLA	AND	60.0%	60M	12	12.00	\$/SF/year	10.00	\$/SF/year

- Click on the **Downside RLA** to edit.
- Update the following assumptions:
 - Office RLA
 - Renewal Probability: 60%
 - Downtime: 8 Months
 - Market Rent: New \$20, Renew \$18
 - Retail RLA
 - Renewal Probability: 60%
 - Downtime: 12 Months

Rollover Assumptions

BACK TO SCENARIO MANAGER

RLA Set: Downside RLA

Click Back to Scenario Manager

Set Name	RLA Name	Active?	DownTime (mos)	NEW	NEW UoM	RENEW	RENEW UoM	Growth Assumption
Downside RLA	Office RLA	Yes	2	30.00	\$/SF/Year	18.00	\$/SF/Year	Market Rent Cap

Growth Rates Set

The Growth Rate scenario set is a replica of the baseline growth rates. To enter a new rate in the scenario, click on the Rate Type drop down menu.



Growth Rates

REIS Data

Set Name	Growth Rate Name	Rate Type	Rate	Year Ending											
				Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	
(1) Downside Growth Rate															
Downside Growth Rate	General Growth	Use Baseline	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Downside Growth Rate	Market Rent Growth	Direct Entry	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Downside Growth Rate	Misc. Income Growth	Use Baseline													
Downside Growth Rate	Operating Expense Growth	Use Baseline													
Downside Growth Rate	Leasing Costs Growth	Use Baseline													
Downside Growth Rate	Capital Expense Growth	Use Baseline													
Downside Growth Rate	RET Growth	Use Baseline	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		

- Click on the Growth Rates Set drop down menu and select **Add New**.
- Name **Downside Growth Rate** and click **Create**.
- Click on the Market Rent Rate Type drop down and select **Direct Entry**.
- Enter the Market Rent growth rate as **2%**.
- Click **Back to Scenario Manager** to return to scenario & sets screen.

Vacancy & Collection Loss Set

The Vacancy & Collection Loss scenario set is a replica of the baseline.



Vacancy & Collection Loss
REIS Data

Helpful Hints
ADD SET
BACK TO SCENARIO MANA

Set Name	Loss Type	Entry Type	Loss Basis	Rate	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Override
(1) Downside Vacancy																
Downside Vacancy	Vacancy Loss	Direct Entry	Potential Gross Income	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
Downside Vacancy	Collection Loss	Rent Roll Override	Potential Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Click **Back to Scenario Manager**

- Click on the Vacancy & Collection Loss Set select **Add New**.
- Name Rent Roll Override – **Downside Vacancy** and click **Create**.
- Enter a **10%** Vacancy Loss rate.

Rent Roll Overrides Set

VAL provides ability to easily run alternative rent roll scenarios.



Scenarios & Sets

SCENARIO MANAGER
SET MANAGER

Scenario Name	RLA Set	Growth Rates Set	Vacancy & Collection Loss Set	Rent Roll Overrides Set
Baseline	Baseline	Baseline	Baseline	None
Downside	Downside RLA	Downside Growth Rate	Downside Vacancy	None
				None
				Add new

- Click on the Rent Roll Overrides Set drop down menu and select **Add New**.
- Name Rent Roll Override – **Downside RR** and click **Create**.

Rent Roll Override Set – Downside RR

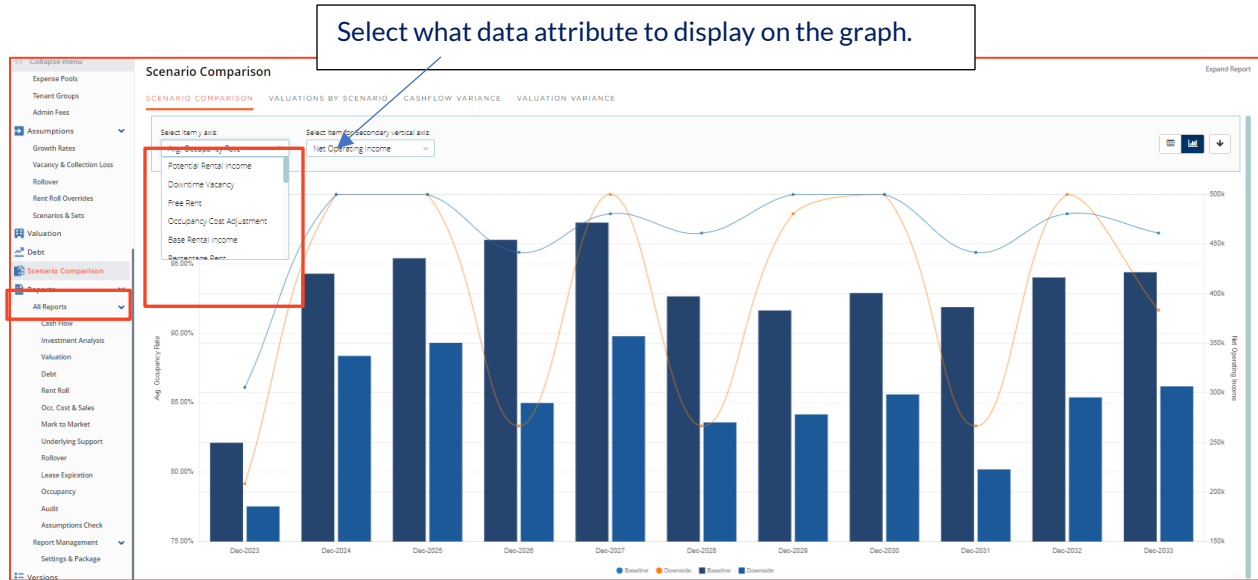
[Helpful Hints](#)

	Override?	Tenant Name	Suite	Floor	Type	Status	Available Date	Start Date	End Date	Lease Term	Area	Amount	UoM
1	No	The Rockport G...	101	1		Contract	mm/dd	mm/dc	mm/dc				
2	Yes	Clio's Coffee Shop	201	2		Contract		Sep-15-23	Mar-31-23	6M/17D	5,000	10.00	\$/SF/Year
3	No	Vacant Space	202	2		Contract		Jun-01-23	May-31-28	60M	10,000	100.00	% of Ma

Fields highlighted in orange if different from baseline rent roll input.

- Clio's Coffee Shop is moving out early due to lack of demand.
- Select Override **On**.
- Update the End Date to **March 31, 2023**.

Scenario Comparison Reports



Scenario Comparison

Scenario Comparison

Valuations by Scenario

Cashflow Variance

Valuation Variance

Export Report

Export

Show data

Annual

Scenario 1

Baseline

Scenario 2

Downside

Show tenant level details

No

For the Years Ending	Year 1 Dec-2023				Year 2 Dec-2024				Year 3 Dec-2025				Year 4 Dec-2026				Year 5 Dec-2027			
	Scenario 1	Scenario 2	Variance Amount	Variance %	Scenario 1	Scenario 2	Variance Amount	Variance %	Scenario 1	Scenario 2	Variance Amount	Variance %	Scenario 1	Scenario 2	Variance Amount	Variance %	Scenario 1	Scenario 2	Variance Amount	Variance %
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Income																				
Potential Rental Income	\$64,069	\$48,000	(\$16,069)	(2.65%)	\$66,086	\$67,040	(\$9,046)	(3.25%)	\$64,572	\$64,051	(\$521)	(0.39%)	\$64,988	\$73,015	(\$8,027)	(9.71%)	\$63,023	\$67,213	(\$4,190)	(6.69%)
Downtime Vacancy	(\$5,000)	(\$10,833)	(\$5,833)	18.63%	-	-	-	-	-	-	-	-	(\$2,272)	(\$9,754)	(\$7,482)	262.83%	(\$4,942)	-	-	-
Free Rent	(\$9,333)	(\$7,067)	(\$2,266)	4.00%	(\$18,888)	(\$17,167)	(\$1,721)	(9.09%)	(\$19,450)	(\$17,682)	(\$1,768)	(9.09%)	(\$16,963)	(\$29,926)	(\$12,963)	76.42%	(\$2,959)	-	-	-
Occupancy Cost Adjustment	-	-	-	-	-	(\$2,927)	(\$2,927)	-	-	(\$4,007)	(\$4,007)	-	-	(\$3,478)	(\$3,478)	-	-	(\$5,258)	-	-
Base Rental Income	\$85,736	\$50,100	(\$35,636)	(9.24%)	\$67,203	\$46,947	(\$20,256)	(3.57%)	\$85,122	\$62,362	(\$22,760)	(3.89%)	\$89,751	\$39,857	(\$49,894)	(25.42%)	\$45,105	\$80,955	(\$35,850)	(7.89%)
Percentage Rent	11,764	5,958	(\$5,806)	(49.35%)	11,139	9,835	(\$1,304)	(11.71%)	10,570	10,130	(\$440)	(4.16%)	10,059	10,434	(\$375)	(3.72%)	9,613	10,747	(\$1,134)	(10.56%)
Total Recovery Income	\$4,006	\$5,043	(\$1,037)	(25.89%)	\$129,908	\$65,518	(\$63,390)	(48.80%)	\$136,132	\$103,113	(\$33,019)	(24.26%)	\$128,106	\$9,127	(\$118,979)	(92.89%)	\$124,213	\$106,416	(\$17,797)	(14.38%)
Misc. Income	15,000	15,000	-	-	15,450	15,450	-	-	15,914	15,914	-	-	16,391	16,391	-	-	16,883	16,883	-	-
Total Potential Gross Income	\$96,506	\$426,101	(\$70,405)	(14.18%)	\$723,700	\$668,750	(\$54,950)	(7.59%)	\$747,737	\$691,518	(\$56,219)	(7.52%)	\$744,307	\$555,809	(\$188,497)	(25.33%)	\$795,813	\$715,001	(\$80,812)	(10.15%)
Vacancy Loss	-	-	-	-	(\$3,185)	(\$7,168)	(\$3,983)	85.02%	(\$7,387)	(\$6,553)	(\$834)	11.30%	(\$2,165)	(\$6,035)	(\$3,870)	183.35%	(\$3,089)	(\$7,120)	(\$4,031)	130.53%
Collection Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	\$96,506	\$426,101	(\$70,405)	(14.18%)	\$687,515	\$661,582	(\$25,933)	(3.78%)	\$710,350	\$684,965	(\$25,385)	(3.57%)	\$733,950	\$555,809	(\$178,141)	(24.27%)	\$760,723	\$642,875	(\$117,848)	(15.48%)
Expenses																				
Insurance	70,000	70,000	-	-	72,100	72,100	-	-	74,263	74,263	-	-	76,491	76,491	-	-	78,786	78,786	-	-
CAI	64,500	60,750	(\$3,750)	(5.81%)	74,160	74,160	-	-	76,385	76,385	-	-	78,218	68,842	(\$9,376)	(12.00%)	80,103	81,037	(\$934)	(1.15%)
Real Estate Taxes	80,000	80,000	-	-	81,500	81,500	-	-	83,232	83,232	-	-	84,997	84,997	-	-	86,595	86,595	-	-
Repairs & Maintenance	15,000	15,000	-	-	15,450	15,450	-	-	15,914	15,914	-	-	16,391	16,391	-	-	16,883	16,883	-	-
Management Fee	17,378	14,914	(\$2,464)	(14.18%)	24,063	21,058	(\$3,005)	(12.50%)	24,862	21,759	(\$3,103)	(12.44%)	25,688	19,463	(\$6,225)	(24.27%)	26,025	22,501	(\$3,524)	(13.56%)


Toggling Scenarios in Reports



Select Downside scenario from the drop down menu to view the impact on reports.

VAL Office Park
 505 5th Avenue, New York, NY
 Analysis Start: Jan-2023: 10 yrs

\$4,381,163 • \$146.04 / SF
 Valuation as of Jan-2023

30,000 SF
 Avg Yr 1 Property Size

Scenario: **Baseline** 
 Baseline
 Downside

Collaborate with  

Cash

MAIN • PST PERIOD 1 • PST ALL PERIODS • TENANT CASH FLOW

Show data: **Annual**
 Sort Expenses: **As Entered**
 Show tenant level details: **Yes**
 Show figures in '000s: **No**

► For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
▼ Income											
► Potential Rental Income	564,069	586,086	604,572	634,986	653,023	661,961	674,933	695,181	716,037	736,532	758,456
► Downtime/Vacancy	(85,000)	-	-	(28,272)	(4,949)	(19,996)	-	-	(32,775)	(5,737)	(23,181)
► Free Rent	(93,333)	(18,883)	(19,450)	(16,963)	(2,969)	(11,998)	-	-	(19,665)	(3,442)	(13,909)
► Occupancy Cost Adjustment	-	-	-	-	-	(1,023)	(2,517)	(3,755)	(4,552)	(4,868)	(1,170)
► Base Rental Income	385,736	567,203	585,122	589,751	645,105	628,944	672,416	691,426	659,044	722,485	720,196
► Percentage Rent	11,764	11,139	10,570	10,059	9,613	12,693	13,074	13,466	13,870	13,230	14,890
► Total Recovery Income	84,006	129,908	136,132	128,106	124,213	47,329	17,287	24,713	13,099	20,019	15,854
► Misc. Income	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159

Practice Case Study – Rockport Office Park

Trepp Real Estate is creating a model for a potential acquisition of a 30,000 SqFt office and retail building, Rockport Office Park in New York City, New York. The analysis will begin January 2023, with a 10-year holding period. Enter the below model assumptions and validate results with the reports at the end of the case study.

Growth Rates:

- General Growth: 3%
- Market Rent Growth: 2% in 2024 and 2025, 4% in each year thereafter

Vacancy & Collection Loss:

- Vacancy Loss: 5% of Potential Gross Revenue

Miscellaneous Income:

- Parking: \$5,000 per month growing by 3% per year

Operating Expenses (All Recoverable):

- Real Estate Taxes: \$160,000 paid in October every year growing by 2%.
- CAM: \$2.85 per rentable square foot per year. 80% variable, growing by 3%.
- Insurance: \$90,000 per year, growing by 3% Operating Expense Growth.
- Management Fee: 3.5% of EGR

Capital Expenses:

- Building Repairs: \$120,000 in June 2026 with no growth factor.

Rollover Assumptions:**Office**

Name: Office RLA
Renewal Probability: 80%
Term: 5 years
Months Vacant: 6 months
Expense Recovery: Default Base Year
Upon Expiration: Office RLA

Market Rent:

New: \$24/SF/Year Renew: \$22/SF/Year

In Term Adjustment:

New: 3% Renew: 3%

Free Rent:

New: 3 months Renew: 0 months

Tenant Improvements:

New: 10 \$/SF Renew: 5 \$/SF

Leasing Commissions:

New: 6% Renew: 3%

Clone Office RLA and enter following override rollover assumptions:

Retail

Name: Retail RLA
Renewal Probability: 75%
Expense Recovery: Default NNN

Market Rent:

New: \$17/SF/Year Renew: \$15/SF/Year
2% annual increase 2% annual increase

Tenant	General	Lease Date	Base Rent	Lease Terms	Recoveries
Mercury Software	Floor 1 Office Suite 100 10,000 SF	Start Date: 1/2023 Term: 10 years	\$23/SF/Year growing by 3% annually	Free Rent: 3 Months LC: 5% TI: \$10 RLA: Office Market	CAM: Net + 15% Admin Fee Insurance, Taxes and Management Fee: Base Year (Create expense pool including Insurance, mgmt. fee and taxes)
Jupiter Consulting	Floor 2 Office Suite 200 6,000 SF	Start Date: 10/2022 Term: 5 years	\$22/SF/Year with a one- time increase of 5% in 10/2024	RLA: Office Vacate	Reimburse all expenses with a \$6/SF Base Stop
Venus Deli	Floor 2 Retail Suite 220 4,000 SF	Start Date: 01/2022 Term: 5 years	\$12/SF/Year growing by \$.50/SF annually	Percentage Rent: \$1.4M growing by 3%, 4% over a natural breakpoint RLA: Retail Market	Recoverable Expenses: Fixed Amount - \$6,000 per year growing by 3%

Vacant Space: As of the start of the analysis, 2 vacant office spaces are available for lease with a 10 year term. Each lease is 5,000 SF with the first vacant space expected to lease up in February 2023, and the other lease in April 2023. Select 100% of Market for base rent with a 3% annual increase. For all other lease assumptions use the New Market assumptions in the Office RLA. Upon expiration select Market and the Office rollover assumption. (Use Auto Lease Creation for efficiency).

Valuation: DCF analysis beginning in January 2023 over a 10-year hold, capping the 11th year. Cap rate is 6%, discount rate is 8%.

Cash Flow

Cash Flow											
<div> <div>MAIN</div> <div>PSF PERIOD 1</div> <div>PSF ALL PERIODS</div> <div>TENANT CASH FLOW</div> </div>											
<div> <div>Show data</div> <div>Sort Expenses</div> <div>Show tenant level details</div> <div>Show figures in '000s</div> </div>											
<div> <div>Annual</div> <div>As Entered</div> <div>No</div> <div>No</div> </div>											
For the Years Ending	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033
Income											
Potential Rental Income	649,333	668,550	689,987	706,909	741,907	782,964	804,480	827,890	851,989	883,341	913,882
Downtime/Vacancy	(37,333)	-	-	-	(52,139)	(42,131)	-	-	-	(14,147)	(69,105)
Free Rent	(117,500)	-	-	-	(4,361)	(42,131)	-	-	-	(5,305)	(41,463)
Occupancy Cost Adjustment	-	-	-	-	-	-	-	-	-	-	-
Base Rental Income	494,500	668,550	689,987	706,909	685,408	698,702	804,480	827,890	851,989	863,888	803,315
Percentage Rent	6,000	5,680	5,410	5,193	-	-	-	-	-	-	-
Total Recovery Income	72,086	87,765	96,527	105,372	136,540	121,806	138,495	149,763	161,332	160,630	69,306
Misc. Income	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286	80,635
Total Potential Gross Income	632,586	823,795	855,578	883,036	889,478	890,064	1,014,618	1,051,446	1,089,327	1,102,805	953,256
Vacancy Loss	-	(41,190)	(42,779)	(44,152)	-	(4,479)	(50,731)	(52,572)	(54,466)	(41,700)	-
Collection Loss	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	632,586	782,605	812,799	838,885	889,478	885,586	963,887	998,874	1,034,861	1,061,105	953,256
Expenses											
Real Estate Taxes	160,000	163,200	166,464	169,793	173,189	176,653	180,186	183,790	187,466	191,215	195,039
CAM	81,700	88,065	90,707	93,428	90,671	95,153	102,091	105,154	108,309	109,575	108,266
Insurance	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952
Management Fee	22,141	27,391	28,448	29,361	31,132	30,996	33,736	34,961	36,220	37,139	33,364
Total Operating Expenses	353,841	371,356	381,100	390,928	396,288	407,136	423,478	434,593	446,004	455,358	457,621
Net Operating Income	278,746	411,249	431,700	447,957	493,191	478,449	540,409	564,281	588,857	605,747	495,634
Leasing & Capital Costs											
Leasing Costs	490,439	-	-	-	40,693	112,186	-	-	-	47,895	357,931
Capital Expenses	-	-	-	120,000	-	-	-	-	-	-	-
Total Leasing & Capital Costs	490,439	-	-	120,000	40,693	112,186	-	-	-	47,895	357,931
Net Cash Flow	(211,694)	411,249	431,700	327,957	452,498	366,264	540,409	564,281	588,857	557,852	137,704

Sale Yield Matrix

Valuation

SALE YIELD MATRIX PROSPECTIVE PRESENT VALUE CASH FLOW WITH VALUATION HO

Valuation Cap Rate Increment (BP) # of Increments Discou

As is DCF: Analysis Start, ... 5 3 50

Discount Rates	Cap Rate						
	5.85%	5.90%	5.95%	6.00%	6.05%	6.10%	6.15%
7.00%	\$6,906,398	\$6,869,898	\$6,834,012	\$6,798,724	\$6,764,020	\$6,729,884	\$6,696,303
7.50%	\$6,635,214	\$6,600,377	\$6,566,126	\$6,532,445	\$6,499,321	\$6,466,741	\$6,434,690
8.00%	\$6,376,600	\$6,343,342	\$6,310,644	\$6,278,491	\$6,246,869	\$6,215,765	\$6,185,168
8.50%	\$6,129,901	\$6,098,145	\$6,066,923	\$6,036,221	\$6,006,027	\$5,976,327	\$5,947,111
9.00%	\$5,894,503	\$5,864,174	\$5,834,355	\$5,805,032	\$5,776,195	\$5,747,830	\$5,719,926

Underlying Support – Downtime Vacancy

Underlying Support

POTENTIAL RENTAL INCOME DOWNTIME VACANCY FREE RENT OCCUPANCY COST ADJ. BASE RENTAL INCOME PERCENTAGE RENT EXP. RECOVERY INCOME TI LC PRE

Show Square Footage Show Dates Show Metrics \$ Amount

Yes Yes Yes

Tenant	Suite	Area	Start	End	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033	Total
Mercury Software	100	10,000	M	Jan-2023	Dec-2032	-	-	-	-	-	-	-	-	-	(26,579)	(26,579)
Jupiter Consulting	200	6,000	V	Oct-2022	Sep-2027	-	-	-	(40,511)	(42,131)	-	-	-	-	(15,947)	(98,589)
Venus Deli	220	4,000	M	Jan-2022	Dec-2026	-	-	-	(11,628)	-	-	-	-	(14,147)	-	(25,775)
Vacant Space	5,000	M	Feb-2023	Jan-2033	(9,333)	-	-	-	-	-	-	-	-	-	(13,289)	(22,623)
Vacant Space	5,000	M	Apr-2023	Mar-2033	(28,000)	-	-	-	-	-	-	-	-	-	(13,289)	(41,289)
Annual Total		30,000			(37,333)	-	-	-	(52,139)	(42,131)	-	-	-	(14,147)	(69,105)	(214,855)

Underlying Support – Free Rent

Underlying Support																			
POTENTIAL RENTAL INCOME DOWNTIME VACANCY FREE RENT OCCUPANCY COST ADJ. BASE RENTAL INCOME PERCENTAGE RENT EXP. RECOVERY INCOME TI LC PREVAILING MKT RE																			
Show Square Footage		Show Dates		Show Metrics		\$ Amount													
Yes		Yes		Yes															
Tenant	Suite	Area		Start	End	Months	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033	Total	
Mercury Software	100	10,000	M	Jan-2023	Dec-2032	3.00	(\$7,500)	-	-	-	-	-	-	-	-	-	(15,947)	(73,447)	
Jupiter Consulting	200	6,000	V	Oct-2022	Sep-2027	0.60	-	-	-	-	-	(42,131)	-	-	-	-	(9,568)	(51,699)	
Venus Deli	220	4,000	M	Jan-2022	Dec-2026	0.75	-	-	-	-	(4,361)	-	-	-	-	(5,305)	-	(9,666)	
Vacant Space		5,000	M	Feb-2023	Jan-2033	3.00	(30,000)	-	-	-	-	-	-	-	-	-	(7,974)	(37,974)	
Vacant Space		5,000	M	Apr-2023	Mar-2033	3.00	(30,000)	-	-	-	-	-	-	-	-	-	(7,974)	(37,974)	
Annual Total		30,000					(117,500)	-	-	-	(4,361)	(42,131)	-	-	-	(5,305)	(41,463)	(210,760)	

Underlying Support – Exp. Recovery Income

Underlying Support																			
POTENTIAL RENTAL INCOME DOWNTIME VACANCY FREE RENT OCCUPANCY COST ADJ. BASE RENTAL INCOME PERCENTAGE RENT EXP. RECOVERY INCOME TI LC PREVAILING MKT RE																			
Show Square Footage		Show Dates		Show Metrics		\$ Amount													
Yes		Yes		Yes															
Tenant	Suite	Area		Start	End	Recovery Method Name	Year 1 Dec-2023	Year 2 Dec-2024	Year 3 Dec-2025	Year 4 Dec-2026	Year 5 Dec-2027	Year 6 Dec-2028	Year 7 Dec-2029	Year 8 Dec-2030	Year 9 Dec-2031	Year 10 Dec-2032	Year 11 Dec-2033	Total	
Mercury Software	100	10,000	M	Jan-2023	Dec-2032	CAM + 15% Admin Fee	31,318	37,475	40,855	44,267	45,916	49,756	55,550	59,409	63,370	66,551	-	494,468	
Jupiter Consulting	200	6,000	V	Oct-2022	Sep-2027	2023 Base Year Stop	34,768	38,271	40,220	42,186	32,443	-	3,268	5,491	7,773	9,644	2,524	216,590	
Venus Deli	220	4,000	M	Jan-2022	Dec-2026	Fixed Amount	6,000	6,180	6,365	6,556	44,032	54,285	56,454	57,046	59,467	50,595	61,016	408,907	
Vacant Space		5,000	M	Feb-2023	Jan-2033	Default Base/Year	-	2,919	4,543	6,181	7,075	8,883	11,606	13,459	15,361	16,920	1,441	88,387	
Vacant Space		5,000	M	Apr-2023	Mar-2033	Default Base/Year	-	2,919	4,543	6,181	7,075	8,883	11,606	13,459	15,361	16,920	4,324	91,270	
Annual Total		30,000					72,086	87,765	96,527	105,372	136,540	121,806	138,495	149,763	161,332	160,630	69,306	1,299,622	