

ROCKPORT

VAL

Rockport VAL, LLC in collaboration with MOODY'S
ANALYTICS



Advanced Office Training Manual

Table of Contents

Introduction to VAL.....	3
Questions about VAL?.....	3
Login to VAL	4
VAL User Interface	4
Create New Property	5
Growth Rates	7
Misc. Income.....	7
Operating Expenses	9
Clone X Times.....	9
Sub Accounts.....	12
% Variable Expenses	13
Capital Expenses	14
Property Cash Flow	15
Rent Roll.....	16
Rent Steps - % Increase.....	18
Tenant Cash Flow – Monthly View	24
Recoveries.....	25
Expense Pools	26
Create Recovery Method – Base Stop	27
Recovery Audit Report.....	29
Gross-Up Expenses for Reimbursement.....	30
Upon Expiration	32
Rollover Assumptions	32
Vacant Space.....	35
Stacking Plan	36
Cash.....	37
Valuation.....	38

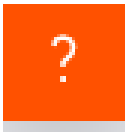
Prospective Present Value Report 39

Closing Costs 40

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 on 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.



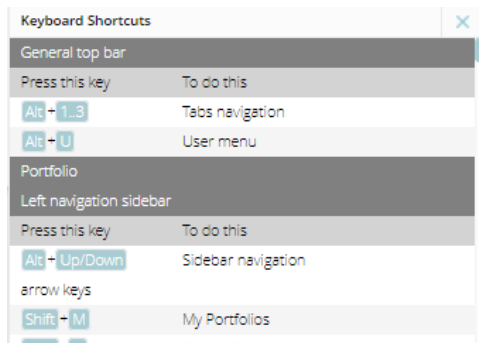
Training Resources Page: Access numerous training videos at: www.therockportgroup.com/resources



Support: Email support at support@rockportval.com.



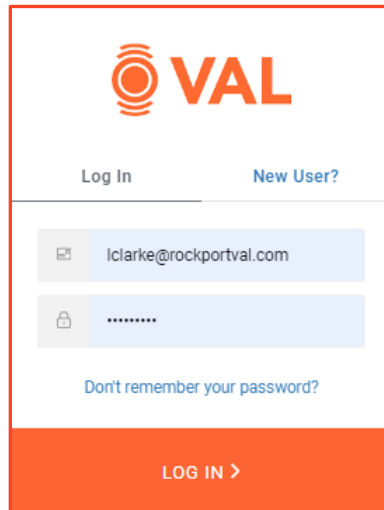
Helpful Hint: Click **F1** to view VAL hot keys and short cuts.



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 “Login” in the upper right-hand corner, select Rockport VAL and enter credential to access.



VAL User Interface

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

Access Portfolios and Properties and setup Report Packages, Index Rates and Chart of Accounts.

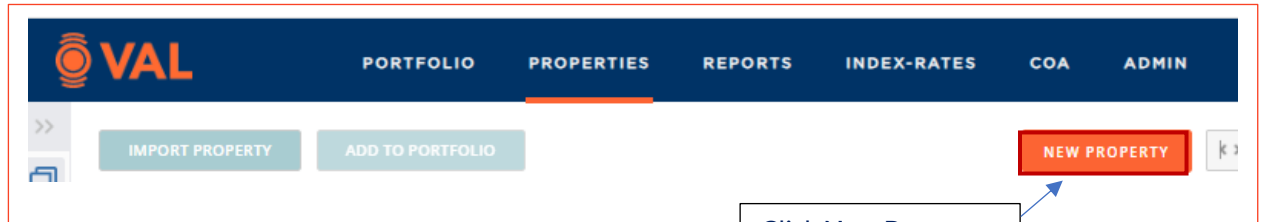
Name	Type	Analysis Start Date	Component Pri...	Area	User Permission	MSA	Region	Source	Last Modified
New York Tower	Office	Jan-2021	No	750,272	Write	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Collaborated	Aug 23, 2022 3:04 PM
ZVAL New York Tower (Office)	Office	Jan-2022	No	710,000	Write	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Created	Aug 22, 2022 11:49 AM
New York Tower B	Office	Jan-2021	No	517,500	Write	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Created	Jul 26, 2022 1:53 PM
New York Tower A	Office	Jan-2021	No	935,000	Write	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Created	Feb 16, 2022 10:59 AM
New York Building	Office & Retail	Jan-2021	No	735,000	Write	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Created	Jun 14, 2021 9:56 AM
New York Tower_Version_20210308180416 Ver...	Office	Jan-2021	No	750,292	Read only	New York/Newark/Jersey City, NJ-NJ-PA	Northeast	Shared	Mar 8, 2021 5:04 PM

The Source column displays if model was created, shared, or collaborated.

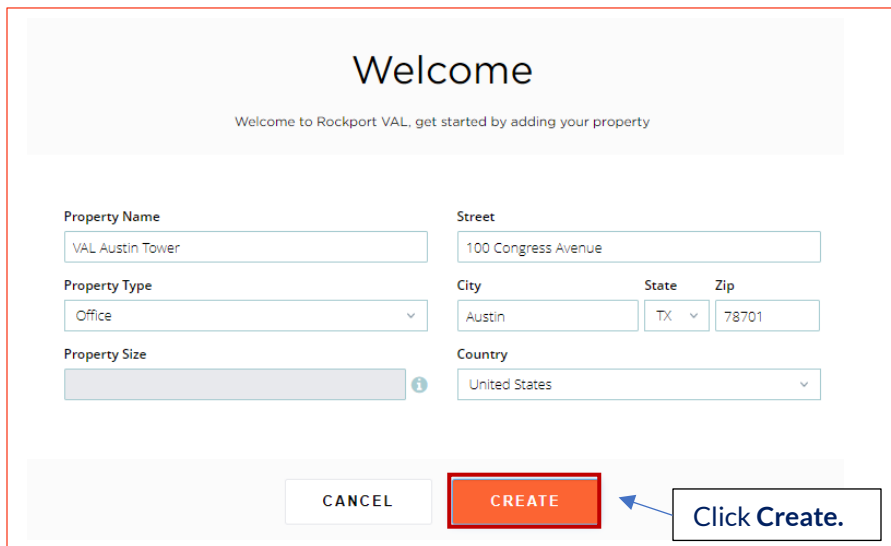
Copy, Share and Delete Models.

Create New Property

In this training scenario, we will create an Office property.



- Click **New Property**.



Welcome

Welcome to Rockport VAL, get started by adding your property

Property Name: VAL Austin Tower

Street: 100 Congress Avenue

Property Type: Office

City: Austin State: TX Zip: 78701

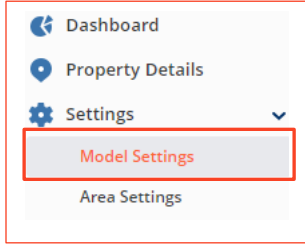
Property Size: [Empty field]

Country: United States

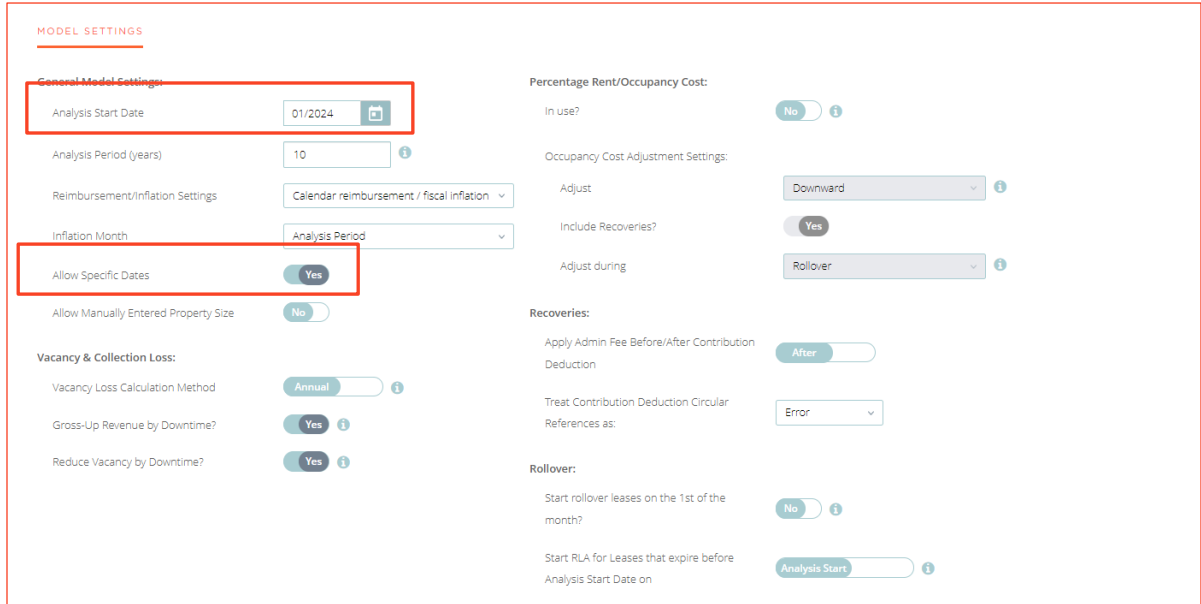
CANCEL CREATE

Add the following property details:

- Property Name: VAL Austin Tower
- Property Type: Office
- Address: 100 Congress Avenue Austin, TX 78701
- Click **Create**.



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



Update the following Model Settings:

- Analysis Start Date: 1/2024, 10 Years
- Allow Specific Dates: Yes

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.



Growth Rates REIS Data

Growth Rate Name	Rate Type	Year Ending											
		Rate	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%	3.00%
Market Rent Growth	Use General												
Misc. Income Growth	Use General												
Operating Expense Growth	Use General												
Leasing Costs Growth	Use General												
Capital Expense Growth	Use General												

Add the following Growth Rates:

- General Growth: 3%

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	COA		Amount	UoM	Frequency
		Account Name	Account Code			
MISC	Parking			\$0	% of Line	Annual

Select % of Line.

- Parking Revenue is 2% of Base Rental Income

Percent of line

Apply to: Analysis Period Start Date: / / End Date: / / Term:

	Min	Max
Applied	Annually	
Amount		
Growth Rate		

Sort Tenants: As Entered Sort Income & Expenses: As Entered

Cash Flow Item	Suite	Space Type	%
Potential Rental Income			
Downtime Vacancy			
Free Rent			
Occupancy Cost Adjustment			
Base Rental Income			2.00%
Percentage Rent			
Free Percentage Rent			
Free Recoveries			
Total Recovery Income			

Enter 2% of Base Rental Income.

Cancel SAVE

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. In our example, we will leverage VAL's copy and paste functionality to efficiently populate data into the model.

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

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

Clone X Times



Income & Expenses

MISC. INCOME **OPERATING EXPENSES** CAPITAL EXPENSES ALL ITEMS

Type	Description	Account	Amount	UoM
☐	OP...		\$0	\$ amount

Clone

Clone X times

Delete

Enter number to clone ✕

Cancel
CLONE

Add the same number of rows that exist in the Excel model.

- Right-click the line item and select Clone X times.
- Clone 10 times.

Copy and Paste Operating Expenses from Excel

	A	B	C	D
1				
2	Statement (12 months)			
3	Period = Jan 2024 - Dec 2024			
4				
5				
6	Description			Total
7	Landscaping			150,000
8	Repairs & Maintenance			460,000
9	Janitorial			427,000
10	HVAC			225,000
11	Security			280,000
12	Property Taxes			575,000
13	Management Fee			765,000
14	Insurance			375,000
15	Electric			525,000
16	Gas			90,000
17	Water			125,000
18	TOTAL OPERATING EXPENSES			3,997,000
19				

Highlight the cells and select CTRL C to copy.

Income & Expenses

MISC. INCOME **OPERATING EXPENSES** CAPITAL EXPENSES ALL ITEMS

	Type	Description	COA		Amount	UoM	Frequen
			Account Name	Account Code			
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/>	OP...	Landscaping			\$150,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Repairs & Maintenance			\$460,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Janitorial			\$427,000	\$ amount	Annual
<input type="checkbox"/>	OP...	HVAC			\$225,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Security			\$280,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Property Taxes			\$575,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Management Fee			\$765,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Insurance			\$375,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Electric			\$525,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Gas			\$90,000	\$ amount	Annual
<input type="checkbox"/>	OP...	Water			\$125,000	\$ amount	Annual

Click **CTRL V** to paste into VAL.

Income & Expenses

MISC. INCOME **OPERATING EXPENSES** CAPITAL EXPENSES ALL ITEMS

	Type	Description	COA		Amount	UoM	Frequency	Area	Growth Ass
			Account Name	Account Code					
<input type="checkbox"/>	OP...	Landscaping			\$150,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Repairs & Maintenance			\$460,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Janitorial			\$427,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	HVAC			\$225,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Security			\$280,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Property Taxes			\$575,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Management Fee			3.00%	% of EGR	Annual	Property Size	
<input type="checkbox"/>	OP...	Insurance			\$375,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Electric			\$525,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Gas			\$90,000	\$ amount	Annual	Property Size	Operating
<input type="checkbox"/>	OP...	Water			\$125,000	\$ amount	Annual	Property Size	Operating

- Management Fee is 3% of EGR.

Sub Accounts

Income & Expenses

MISC. INCOME **OPERATING EXPENSES** CAPITAL EXPENSES ALL ITEMS

Utilities

No parent

	Type	Description	COA		Amount	UoM	Frequency	Area	Growth Assump...	Growth Rate	Vari...
			Account Name	Account Code							
<input type="checkbox"/>	OP...	Landscaping			\$150,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	Repairs & Maintenance			\$460,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	Janitorial			\$427,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	HVAC			\$225,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	Security			\$280,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	Property Taxes			\$575,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input type="checkbox"/>	OP...	Management Fee			3.00%	% of EGR		Property Size			
<input type="checkbox"/>	OP...	Insurance			\$375,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input checked="" type="checkbox"/>	OP...	Electric			\$525,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input checked="" type="checkbox"/>	OP...	Gas			\$90,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	
<input checked="" type="checkbox"/>	OP...	Water			\$125,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	

- Electric, Gas, and Water are subaccounts to Utilities, which is the parent account. To model this, select the checkbox next to Electric, Gas, and Water and click **Add to Parent**. Enter **Utilities** as the name and hit **Enter**.

% Variable Expenses

Income & Expenses											
MISC. INCOME <u>OPERATING EXPENSES</u> CAPITAL EXPENSES ALL ITEMS											
	Type	Description	Amount	UoM	Frequency	Area	Growth Assump...	Growth Rate	Variable Expen...	% Variable	R
<input type="checkbox"/>	OP...	Landscaping	50,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	Repairs & Maintenance	50,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	Janitorial	27,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	HVAC	25,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	Security	30,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	Property Taxes	75,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input type="checkbox"/>	OP...	Management Fee	3.00%	% of EGR		Property Size			No		
<input type="checkbox"/>	OP...	Insurance	75,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	No		
<input checked="" type="checkbox"/>	OP...	Electric	25,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	Yes	50.00 %	
<input checked="" type="checkbox"/>	OP...	Gas	30,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	Yes	50.00 %	
<input checked="" type="checkbox"/>	OP...	Water	25,000	\$ amount	Annual	Property Size	Operating Ex...	3.00 %	Yes	50.00 %	

- Electric, Gas, and Water are 50% variable, meaning 50% of the expenses are based on the occupancy of the building.
- Toggle **YES** in the Variance Expense field and enter **50** as the % Variable.



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

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	COA		Amount	UoM	Frequency
			Account Name	Account Code			
<input type="checkbox"/>	CAP	Parking Lot Repairs			\$0	amount	Annual

Click on the pencil icon to enter a value in a specific month.

- Parking Lot Repairs is \$75,000 in June 2026, with 0% growth.

CAP > Parking Lot Repairs

Frequency: Monthly

For the Years Ending	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034
January	0.00	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	0.00
March	0.00	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	0.00
May	0.00	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	75,000.00	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	0.00
August	0.00	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	0.00
October	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
November	0.00	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	0.00
Annual (uninflated)	0.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Growth Assumption	%/Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Annual (inflated)	0.00	0.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Click and drag the 0% inflation to replicate in all years.

SAVE

Property Cash Flow

Reports ▼

All Reports ▼

Cash Flow

Investment Analysis

Valuation

Rent Roll

Market Market

Cash Flow Expand Report Export

MAIN PSF PERIOD 1 PSF ALL PERIODS TENANT CASH FLOW

Show data: Annual Layout: Standard Sort Expenses: As Entered Show tenant level details: Yes Show figures in '000s: No Hide blank rows: No

For the Years Ending	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034
► Misc. Income	-	-	-	-	-	-	-	-	-	-	-
Total Potential Gross Income	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss	-	-	-	-	-	-	-	-	-	-	-
Collection Loss	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	-	-	-	-	-	-	-	-	-	-	-
▼ Expenses											
Property Taxes	575,000	592,250	610,018	628,318	647,168	666,583	686,580	707,177	728,393	750,245	772,752
Repairs & Maintenance	460,000	473,800	488,014	502,654	517,734	533,266	549,264	565,742	582,714	600,196	618,202
HVAC	225,000	231,750	238,703	245,864	253,239	260,837	268,662	276,722	285,023	293,574	302,381
Security	280,000	288,400	297,052	305,964	315,142	324,597	334,335	344,365	354,696	365,336	376,297
Janitorial	427,000	439,810	453,004	466,594	480,592	495,010	509,860	525,156	540,911	557,138	573,652
Landscaping	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587
Insurance	375,000	386,250	397,838	409,773	422,066	434,728	447,770	461,203	475,039	489,290	503,969
Management Fee	-	-	-	-	-	-	-	-	-	-	-
Utilities	370,000	381,100	392,533	404,309	416,438	428,931	441,799	455,053	468,705	482,766	497,249
Total Expenses	2,862,000	2,947,860	3,036,296	3,127,385	3,221,206	3,317,842	3,417,378	3,519,899	3,625,496	3,734,261	3,846,289
Net Operating Income	(2,862,000)	(2,947,860)	(3,036,296)	(3,127,385)	(3,221,206)	(3,317,842)	(3,417,378)	(3,519,899)	(3,625,496)	(3,734,261)	(3,846,289)
Leasing & Capital Costs	-	-	75,000	-	-	-	-	-	-	-	-
Net Cash Flow	(2,862,000)	(2,947,860)	(3,111,296)	(3,127,385)	(3,221,206)	(3,317,842)	(3,417,378)	(3,519,899)	(3,625,496)	(3,734,261)	(3,846,289)

Average: -2,993,385.12 Count: 4 Min: -3,127,384.67 Max: -2,862,000 Sum: -11,973,540.47

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. In our example, we will leverage VAL's copy and paste functionality to efficiently populate data into the model.



Rent Roll 0 tenants

	Tenant Name	Suite	Floor
1	<input type="text"/>	<input type="text"/>	<input type="text"/>

Clone X times
 Clone
 Notes
 Delete

- Right-click the line item and select **Clone X times**.
- **Clone 14 times**.

Enter number to clone ✕

14

Cancel
CLONE

Add the same number of rows that exist in the Excel model.

Copy and Paste Rent Roll from Excel

Rent Roll as of January 2024
Period = Jan 2024 - Dec 2024

Tenant Name	Suite	Floor	Space Type	Status	Start Date	End Date	Lease Term	Area	Base Rent	
									Amount	Unit of Measure
1 Rockport Group	8000	8	Office	Contract	1/1/2024			120m	60,000	60.00 \$/SF/Year
2 Blackstone 4500	4500	4	Office	Contract	1/1/2021	12/31/2030		120M	25,000	62.50 \$/SF/Year
3 Blackstone 6000	6000	6	Office	Contract	1/1/2021	12/31/2030		120M	50,000	62.50 \$/SF/Year
4 WeWork	5100	5	Office	Contract	1/1/2018	12/31/2025		96M	25,000	65.00 \$/SF/Year
5 NYSE	2000	2	Office	Contract	6/1/2022	5/31/2025		36M	12,500	67.00 \$/SF/Year
6 Fidelity Investments	5000	5	Office	Contract	1/1/2021	12/31/2030		120M	25,000	70.00 \$/SF/Year
7 American Express	5100	7	Office	Contract	2/1/2023	1/31/2028		60M	12,500	50.25 \$/SF/Year
8 J.P. Morgan	6500	7	Office	Contract	1/1/2021	12/31/2025		60M	12,500	71.25 \$/SF/Year
9 CNN	7250	7	Office	Contract	1/1/2023	12/31/2027		60M	25,000	64.50 \$/SF/Year
10 General Motors	4100	4	Office	Contract	3/1/2014	2/28/2024		120M	25,000	52.00 \$/SF/Year
11 Facebook	3000	3	Office	Contract	6/1/2014	5/31/2024		120M	50,000	52.75 \$/SF/Year
12 Google	2000	2	Office	Contract	1/1/2023	12/31/2027		60M	50,000	60.00 \$/SF/Year
13 Ste 1075 Vacant Space	1075	1	Office	Speculative	3/1/2024			60m	12,500	100.00 % of Market Rent
14 Ste 1050 Vacant Space	1050	1	Office	Speculative	5/1/2024			60M	12,500	100.00 % of Market Rent
15 Ste 1025 Vacant Space	1025	1	Office	Speculative	7/1/2024			60M	25,000	100.00 % of Market Rent

Highlight the cells and select CTRL C to copy.

Rent Roll 15 tenants Helpful

Tenant Name	Suite	Flo...	Space Type	Status	Av...	Start Date	End Date	Lease Term	Area	Base Rent	
										Amount	UoM
1 Rockport Group	8000	8	Office	Contract		Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year
2 Blackstone 4500	4500	4	Office	Contract		Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year
3 Blackstone 6000	6000	6	Office	Contract		Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year
4 WeWork	5100	5	Office	Contract		Jan-01-18	Dec-31-25	96M	25,000	65.00	\$/SF/Year
5 NYSE	2000	2	Office	Contract		Jun-01-22	May-31-25	36M	12,500	67.00	\$/SF/Year
6 Fidelity Investm...	5000	5	Office	Contract		Jan-01-21	Dec-31-30	120M	25,000	70.00	\$/SF/Year
7 American Express	5100	7	Office	Contract		Feb-01-23	Jan-31-28	60M	12,500	50.25	\$/SF/Year
8 J.P. Morgan	6500	7	Office	Contract		Jan-01-21	Dec-31-25	60M	12,500	71.25	\$/SF/Year
9 CNN	7250	7	Office	Contract		Jan-01-23	Dec-31-27	60M	25,000	64.50	\$/SF/Year
10 General Motors	4100	4	Office	Contract		Mar-01-14	Feb-29-24	120M	25,000	52.00	\$/SF/Year
11 Facebook	3000	3	Office	Contract		Jun-01-14	May-31-24	120M	50,000	52.75	\$/SF/Year
12 Google	2000	2	Office	Contract		Jan-01-23	Dec-31-27	60M	50,000	60.00	\$/SF/Year
13 Ste 1075 Vacant...	1075	1	Office	Speculative		Mar-01-24	Feb-28-29	60M	12,500	100.00	% of Ma...
14 Ste 1050 Vacant...	1050	1	Office	Speculative		May-01-24	Apr-30-29	60M	12,500	100.00	% of Ma...
15 Ste 1025 Vacant...	1025	1	Office	Speculative		Jul-01-24	Jun-30-29	60M	25,000	100.00	% of Ma...

Click CTRL V to paste into VAL.

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 15 tenants Helpful Hints

	Tenant Name	Suite	Flo...	Space Type	Status	Av...	Start Date	End Date	Lease Term	Area	Base Rent		Rent Steps	Free
											Amount	UoM		
1	Rockport Group	8000	8	Office	Contract		Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year		
2	Blackstone 4500	4500	4	Office	Contract		Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year		
3	Blackstone 6000	6000	6	Office	Contract		Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year		
4	WeWork	5100	5	Office	Contract		Jan-01-18	Dec-31-25	96M	25,000	65.00	\$/SF/Year		
5	NYSE	2000	2	Office	Contract		Jun-01-22	May-31-25	36M	12,500	67.00	\$/SF/Year		

- Edit Rent Steps for Rockport Group.

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.



Rent Roll 15 tenants

	Tenant Name	Suite	Flo...	Start Date	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Ren
								Amount	UoM		
1	Rockport Group	8000	8	Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	
2	Blackstone 4500	4500	4	Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...	
3	Blackstone 6000	6000	6	Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...	
4	WeWork	5100	5	Jan-01-18	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...	
5	NYSE	2000	2	Jun-01-22	May-31-25	36M	12,500	67.00	\$/SF/Year	3.00 % A...	
6	Fidelity Investm...	5000	5	Jan-01-21	Dec-31-30	120M	25,000	70.00	\$/SF/Year	3.00 % A...	
7	American Express	5100	7	Feb-01-23	Jan-31-28	60M	12,500	50.25	\$/SF/Year	3.00 % A...	
8	J.P. Morgan	6500	7	Jan-01-21	Dec-31-25	60M	12,500	71.25	\$/SF/Year	3.00 % A...	
9	CNN	7250	7	Jan-01-23	Dec-31-27	60M	25,000	64.50	\$/SF/Year	3.00 % A...	
10	General Motors	4100	4	Mar-01-14	Feb-29-24	120M	25,000	52.00	\$/SF/Year	3.00 % A...	
11	Facebook	3000	3	Jun-01-14	May-31-24	120M	50,000	52.75	\$/SF/Year	3.00 % A...	
12	Google	2000	2	Jan-01-23	Dec-31-27	60M	50,000	60.00	\$/SF/Year	3.00 % A...	
13	Ste 1075 Vacant...	1075						100.00	% of Ma...	3.00 % A...	
14	Ste 1050 Vacant...	1050						100.00	% of Ma...	3.00 % A...	
15	Ste 1025 Vacant...	1025						100.00	% of Ma...	3.00 % A...	

Select **CTRL C** to copy the rent step and **CTRL V** to paste to all tenants.

- Copy and paste the 3% annual rent step to all tenants.

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.

Rockport Group has a 50% free rent for the first three months in year 1 and year 2 of their lease and includes recoveries.



Rent Roll 15 tenants

	Tenant Name	Suite	Flo...	Start Date	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Rec...
								Amount	UoM			
1	Rockport Group	8000	8	Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...		
2	Blackstone 4500	4500	4	Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...		
3	Blackstone 6000	6000	6	Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...		

- Click on **Free Rent** pencil icon.

Rent Roll > Free Rent

Base Rent Recoveries Percentage Rent Unit of measure

Start Date	Percent	Months Free	Free Rent For Period	Cumulative Free Rent	
01/01/2024	50.0%	3.0	\$450,000	\$450,000	✕
01/01/2025	50.0%	3.0	\$463,500	\$913,500	✕

- Click **Add** to insert rows and model free rent to reflect a 50% abatement in the first 3 months of year 1 and year 2 of the lease terms. Include recoveries in the formula.

Leasing Cost - Payment Schedule

By default, tenant improvements and leasing commissions are paid in the first month of the lease. To modify when the payment is to be made create a variable and a payment schedule.

Rockport Group has a TI of \$20/SF where 50% is paid in month 1 and the remaining 50% paid in month 3 of the lease.



	Tenant Name	Suite	Flo...	Start Date	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Recovery Method	TI	LC
								Amount	UoM				Amount	
1	Rockport Group	8000	8	Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...			
2	Blackstone 4500	4500	4	Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...				
3	Blackstone 6000	6000	6	Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...				
4	WeWork	5100	5	Jan-01-18	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...				
5	NYSE	2000	2	Jun-01-22	May-31-25	36M	12,500	67.00	\$/SF/Year	3.00 % A...				

- Click on the **TI** drop down menu and select **Add New**.

Tenant Improvement > TI Paid in Mth 1 and Mth 3

Name:

Payment Schedule: First Month

New	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Renew	Use new	% of New	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

- Name: TI Paid in Mth 1 and Mth 3
- New Rate: \$20
- Select Add new from the Payment Schedule drop down menu.

TI/LC Payment Schedule - 50/50

Name:

	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Month 1			50.00%									
Month 2												
Month 3			50.00%									
Month 4												
Month 5												
Month 6												
Month 7												
Month 8												
Month 9												
Month 10												
Month 11												
Month 12												
Annual Total			100.00%									
Cumulative Total	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Cancel SAVE

Leasing Commission – Sliding Scale

By default, leasing commissions are based on a % of the base rent + rent steps – free rent during the lease term. To create a sliding scale commission structure where the % changes during the lease term, create a Leasing Commission variable.

Rockport Group has a sliding scale commission structure at 5% in year 1, 4% in year 2, 3% in year 3 and 2% in remainder of years.



	Tenant Name	Suite	Flo...	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Recovery Method	TI >	LC >
							Amount	LoM				Amount	Amount
1	Rockport Group	8000	8	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...	TI Paid in M...		
2	Blackstone 4500	4500	4	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...			Use RLA	
3	Blackstone 6000	6000	6	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...				
4	WeWork	5100	5	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...			Add new Clear	

- Click on the pencil icon for LC drop down menu and select **Add New**.

Leasing Commission > Sliding Scale

Name:

Base Rent: Yes Free Rent: Yes Recoveries: No Percentage Rent: No

Payment Schedule:

	LY1	LY2	LY3	LY4	LY5	LY6	LY7	LY8	LY9	LY10	LY11
New	<input type="text" value="5.00"/>	<input type="text" value="4.00"/>	<input type="text" value="3.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>	<input type="text" value="2.00"/>
Renew	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="Copy Right"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>	<input type="text" value="100.00%"/>

Cancel SAVE

Right click and select **Copy Right** to replicate the value in future years.

- Name: Sliding Scale
- New Rate: Select %/LY from the drop-down menu.
- Enter 5% in LY1, 4% in LY2, 3% in LY3 and 2% for remainder of years.

Tenant Cash Flow – Monthly View

Cash Flow

MAIN PSF PERIOD 1 PSF ALL PERIODS **TENANT CASH FLOW**

Tenant: Lease: Show data: Amount: Show figures in:

For the Months Ending	Month 1 Jan-2024	Month 2 Feb-2024	Month 3 Mar-2024	Month 4 Apr-2024	Month 5 May-2024	Month 6 Jun-2024	Month 7 Jul-2024	Month 8 Aug-2024	Month 9 Sep-2024	Month 10 Oct-2024
▼ Rental Income										
Potential Rental Income	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Downtime Vacancy	-	-	-	-	-	-	-	-	-	-
Free Rent	(150,000)	(150,000)	(150,000)	-	-	-	-	-	-	-
Base Rental Income	150,000	150,000	150,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Recoveries	-	-	-	-	-	-	-	-	-	-
Total Tenant Other Inc...	-	-	-	-	-	-	-	-	-	-
Total Potential Gross In...	150,000	150,000	150,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
▼ Capital Costs										
Tenant Improvements	600,000	-	600,000	-	-	-	-	-	-	-
Leasing Commissions	1,004,712	-	-	-	-	-	-	-	-	-
Total Capital Costs	1,604,712	-	600,000	-	-	-	-	-	-	-
Tenant Net Cash Flow	(1,454,712)	150,000	(450,000)	300,000	300,000	300,000	300,000	300,000	300,000	300,000
▼ Tenant Details										
Prevailing Market Rent PSF	-	-	-	-	-	-	-	-	-	-
Potential Rental Income ...	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Retail Sales PSF	-	-	-	-	-	-	-	-	-	-
Average Occupied Area	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Lease Expiration Date										

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.
- **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.



Rent Roll 15 tenants

	Tenant Name	Suite	Flo...	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Recovery Method	TI >
							Amount	UoM				
1	Rockport Group	8000	8	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...	Default NNN	TI Paid
2	Blackstone 4500	4500	4	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...		Default NNN	
3	Blackstone 6000	6000	6	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...		Default NNN	
4	WeWork	5100	5	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...		Default NNN	
5	NYSE	2000	2	May-31-25	36M	12,500	67.00	\$/SF/Year	3.00 % A...		Default NNN	
6	Fidelity Investm...	5000	5	Dec-31-30	120M	25,000	70.00	\$/SF/Year	3.00 % A...		Default NNN	
7	American Express	5100	7	Jan-31-28	60M	12,500	50.25	\$/SF/Year	3.00 % A...		Default NNN	
8	J.P. Morgan	6500	7	Dec-31-25	60M	12,500	71.25	\$/SF/Year	3.00 % A...		Default NNN	
9	CNN	7250	7	Dec-31-27	60M	25,000	64.50	\$/SF/Year	3.00 % A...		Default NNN	
10	General Motors	4100	4	Feb-29-24	120M	25,000	52.00	\$/SF/Year	3.00 % A...		Default NNN	
11	Facebook	3000	3	May-31-24	120M	50,000	52.75	\$/SF/Year	3.00 % A...		Default NNN	
12	Google	2000	2	Dec-31-27	60M	50,000	60.00	\$/SF/Year	3.00 % A...		Default NNN	
13	Ste 1075 Vacant...	1075	1	Feb-28-29	60M	12,500	100.00	% of Ma...	3.00 % A...		Default NNN	
14	Ste 1050 Vacant...	1050	1	Apr-30-29	60M	12,500	100.00	% of Ma...	3.00 % A...		Default NNN	
15	Ste 1025 Vacant...	1025	1	Jun-30-29	60M	25,000	100.00	% of Ma...	3.00 % A...		Default NNN	

- Select **Default NNN** recovery method for Rockport Group and copy and paste to all tenants.

Expense Pools

Tenants pay their pro-rata share for CAM above a 2021 base stop amount of \$3M plus a 15% administration fee and Net property taxes. Create an expense pool that includes the CAM expenses.



The screenshot shows the 'Recoveries' interface with the 'EXPENSE POOLS' tab selected. The navigation pane on the left has 'Expense Pools' highlighted. The main area shows a table with one entry: 'Default Group' with a 'Total Amt' of '\$213,000'. An 'ADD POOL' button is highlighted in the top right corner.

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

The screenshot shows the 'Expense Pool Edit Pool' dialog box. The 'Name' field contains 'CAM'. The 'Yr 1 Total' is '\$3,338,315'. Under the 'EXPENSES' section, the 'All Expenses' radio button is selected. A table lists various expenses with checkboxes. The 'Property Taxes' checkbox is unselected, while others are checked. The 'SAVE' button is highlighted.

Expense	Account #	% of Expense	Yr 1 Amount
<input type="checkbox"/> Property Taxes	6000	100.00	575,000.00
<input checked="" type="checkbox"/> HVAC	5100	100.00	225,000.00
<input checked="" type="checkbox"/> Security	5200	100.00	280,000.00
<input checked="" type="checkbox"/> Janitorial	5300	100.00	427,000.00
<input checked="" type="checkbox"/> Repairs & Maintenance	5400	100.00	460,000.00
<input checked="" type="checkbox"/> Landscaping	5600	100.00	150,000.00
<input checked="" type="checkbox"/> Insurance	5500	100.00	375,000.00
<input checked="" type="checkbox"/> Management Fee	5700	100.00	741,521.96

- Name: **CAM**
- All Expenses excluding Property Taxes
- Click **Save**.

Create Recovery Method – Base Stop



Recoveries

METHODS
EXPENSE POOLS
TENANT GROUPS
ADMIN FEES
ADD METHOD

Recovery Method Name	Applied Tenants	
Default BaseYear		
Default NNN	American Express, Blackstone, CNN, Facebook, Fidelity Investments, General Motors, Google, J.P...	

- Click on the Methods tab and select Add Method.

Recovery Method › Draft (09/29/2022 1:35:24 PM) ✕

Name

Gross Up On %

Recovery Pools, Structure & Admin Fees	Expense/Pool	CAM
	Recovery Structure	Base Stop
	Amount	\$ amount <input type="text" value="3,000,000"/>
	Growth	Growth
	Contribution Deduction	None
Prorata Share & Denominators	Admin Fee	% <input type="text" value="15"/>
	PRS	Tenant Area ...
Year-Over-Year Recovery Growth	Denom	Property Size
	YOY Min Growth	Growth
Recovery Floors & Ceilings	YOY Max Growth	Growth
	Recovery Floor	None
	Growth	Growth
	Recovery Ceiling	None
	Growth	Growth

ADD NEW RECOVERY

Cancel SAVE

- Name Recovery Method **2021 BY**
- Select **CAM** as the Expense Pool.
- Select **Base Stop** as Recovery Structure.
- Enter **\$3,000,000** as base stop amount.
- Enter a **15%** Admin Fee.

Recovery Method > Draft (09/29/2022 1:35:24 PM)

Name: 2021 BY

Gross Up: On %

Recovery Pools, Structure & Admin Fees	Expense/Pool	CAM	Property Taxes
	Recovery Structure	Base Stop	Net
	Amount	\$ amount 3,000,000	None
	Growth	Growth	Growth
Prorata Share & Denominators	Contribution Deduction	None	None
	Admin Fee	% 15.00	None
Year-Over-Year Recovery Growth	PRR	Tenant Area ...	Tenant Area ...
	Denom	Property Size	Property Size
Recovery Floors & Ceilings	YOY Min Growth	Growth	Growth
	YOY Max Growth	Growth	Growth
	Recovery Floor	None	None
	Growth	Growth	Growth
	Recovery Ceiling	None	None
	Growth	Growth	Growth

- Click Add Expense/Pool to model Net Property Taxes.

Rent Roll 15 tenants

	Tenant Name	Suite	Flo...	Space Type	Status	#	Start Date	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Recovery Method
											Amount	UoM			
1	Ste 1025 Vacant...	1025	1	Office	Speculative		Jul-01-24	Jun-30-29	60M	25,000	100.00	% of Ma...	3.00 % A...		Default NNN
2	Ste 1050 Vacant...	1050	1	Office	Speculative		May-01-24	Apr-30-29	60M	12,500	100.00	% of Ma...	3.00 % A...		Default NNN
3	Ste 1075 Vacant...	1075	1	Office	Speculative		Mar-01-24	Feb-28-29	60M	12,500	100.00	% of Ma...	3.00 % A...		Default NNN
4	Rockport Group	8000	8	Office	Contract		Jan-01-24	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...	Default NNN
5	American Express	5100	7	Office	Contract		Feb-01-23	Jan-31-28	60M	12,500	50.25	\$/SF/Year	3.00 % A...		Default NNN
6	CNN	7250	7	Office	Contract		Jan-01-23	Dec-31-27	60M	25,000	64.50	\$/SF/Year	3.00 % A...		Default NNN
7	Google	2000	2	Office	Contract		Jan-01-23	Dec-31-27	60M	50,000	60.00	\$/SF/Year	3.00 % A...		Default NNN
8	NYSE	2000	2	Office	Contract		Jun-01-22	May-31-25	36M	12,500	67.00	\$/SF/Year	3.00 % A...		Default NNN
9	Blackstone 4500	4500	4	Office	Contract		Jan-01-21	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...		2021 BY
10	Blackstone 6000	6000	6	Office	Contract		Jan-01-21	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...		2021 BY
11	Fidelity Investm...	5000	5	Office	Contract		Jan-01-21	Dec-31-30	120M	25,000	70.00	\$/SF/Year	3.00 % A...		2021 BY
12	J.P. Morgan	6500	7	Office	Contract		Jan-01-21	Dec-31-25	60M	12,500	71.25	\$/SF/Year	3.00 % A...		2021 BY
13	WeWork	5100	5	Office	Contract		Jan-01-18	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...		Default NNN
14	Facebook	3000	3	Office	Contract		Jun-01-14	May-31-24	120M	50,000	52.75	\$/SF/Year	3.00 % A...		Default NNN
15	General Motors	4100	4	Office	Contract		Mar-01-14	Feb-29-24	120M	25,000	52.00	\$/SF/Year	3.00 % A...		Default NNN

- Sort tenants by Lease Start date and apply the 2021 BY recovery method to all tenants starting in 2021. (Blackstone, Fidelity Investments, & JP Morgan).

Recovery Audit Report

Audit Report

TENANT AREA AUDIT PROPERTY AREA AUDIT OCCUPIED SF OCCUPANCY RATE **RECOVERY AUDIT** LEASING COMMISSION AUDIT

Tenant: Blackstone 4500 Lease: Floor 4, Sub: 4500 Term: 1st

Select **Blackstone 4500.**

		Jan-2026 Dec-2026	Jan-2027 Dec-2027	Jan-2028 Dec-2028	Jan-2029 Dec-2029	Jan-2030 Dec-2030	Jan-2031 Dec-2031	Jan-2032 Dec-2032	Jan-2033 Dec-2033	Jan-2034 Dec-2034		
	Total	482,289	488,089	474,580	488,818	443,023	433,056	432,137	368,689	379,750	391,142	352,778
Landscaping	Fixed Amount - 100.00%	150,000	154,500	159,135	163,900	168,826	173,891	179,108	184,481	190,016	195,716	201,587
	Variable Amount - 0.00% (after Gross-up)	-	-	-	-	-	-	-	-	-	-	-
	Total	150,000	154,500	159,135	163,900	168,826	173,891	179,108	184,481	190,016	195,716	201,587
Insurance	Fixed Amount - 100.00%	375,000	386,250	397,838	409,773	422,066	434,728	447,770	461,203	475,039	489,290	503,969
	Variable Amount - 0.00% (after Gross-up)	-	-	-	-	-	-	-	-	-	-	-
	Total	375,000	386,250	397,838	409,773	422,066	434,728	447,770	461,203	475,039	489,290	503,969
Management Fee	Fixed Amount - 100.00%	721,029	666,901	584,948	603,150	407,650	400,000	416,243	151,399	155,941	160,619	-
	Variable Amount - 0.00% (after Gross-up)	-	-	-	-	-	-	-	-	-	-	-
	Total	721,029	666,901	584,948	603,150	407,650	400,000	416,243	151,399	155,941	160,619	-
Pool Total		3,317,822	3,329,383	3,287,625	3,386,908	3,189,703	3,241,731	3,314,350	3,028,744	3,119,606	3,213,194	3,073,537
Admin Fee (applied to all e...)	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Pool Total After Admin Fee		3,815,485	3,828,790	3,780,769	3,894,844	3,608,158	3,727,990	3,811,502	3,483,055	3,587,547	3,695,173	3,534,567
Base Stop Amount		3,000,000										
Pool Total Over Base Year		815,485	828,790	780,769	894,844	608,158	727,990	811,502	483,055	587,547	695,173	534,567
DRS												
Numerator	Tenant Size	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Denominator	Property Size	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500
Calculated PRS		5.92%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%
Pool Recovery (before mi...)		48,254	49,041	46,199	52,955	39,536	43,076	48,018	28,583	34,766	41,135	31,631
Min		No										



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.

Gross-Up Expenses for Reimbursement

In commercial leases (especially office leases), a gross-up provision stipulates if a building has significant vacancy, the landlord can estimate the variable operating expenses as if the building is fully or nearly fully occupied and charge the tenants.

Gross-up Calculation:

Expense Pool Amount = {Variable Expense Amount x % Variable x % Occupancy (OR Gross Up %)} + {Fixed Expense Amount x % Fixed}

CNN pays their pro-rata share of all operating expenses with a gross-up to 95% and a 5% cap.



Rent Roll 15 tenants

	Tenant Name	Suite	Flo...	End Date	Lease Term	Area	Base Rent		Rent Steps	Free Rent	Recovery Method	TI
							Amount	UoM				
1	Rockport Group	8000	8	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...	Default NNN	TI
2	Blackstone 4500	4500	4	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...		2021 BY	
3	Blackstone 6000	6000	6	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...		2021 BY	
4	WeWork	5100	5	Dec-31-25	96M	25,000	65.00	\$/SF/Year	3.00 % A...		Default NNN	
5	NYSE	2000	2	May-31-25	36M	12,500	67.00	\$/SF/Year	3.00 % A...		Default NNN	
6	Fidelity Investm...	5000	5	Dec-31-30	120M	25,000	70.00	\$/SF/Year	3.00 % A...		2021 BY	
7	American Express	5100	7	Jan-31-28	60M	12,500	50.25	\$/SF/Year	3.00 % A...		Default NNN	
8	J.P. Morgan	6500	7	Dec-31-25	60M	12,500	71.25	\$/SF/Year	3.00 % A...		2021 BY	
9	CNN	7250	7	Dec-31-27	60M	25,000	64.50	\$/SF/Year	3.00 % A...		Default NNN	
10	General Motors	4100	4	Feb-29-24	120M	25,000	52.00	\$/SF/Year	3.00 % A...		Use RLA	
11	Facebook	3000	3	May-31-24	120M	50,000	52.75	\$/SF/Year	3.00 % A...		Default Base...	
12	Google	2000	2	Dec-31-27	60M	50,000	60.00	\$/SF/Year	3.00 % A...		Default NNN	
13	Ste 1075 Vacant...	1075	1	Feb-28-29	60M	12,500	100.00	% of Ma...	3.00 % A...		2021 BY	
14	Ste 1050 Vacant...	1050	1	Apr-30-29	60M	12,500	100.00	% of Ma...	3.00 % A...		2021 BY	
15	Ste 1025 Vacant...	1025	1	Jun-30-29	60M	25,000	100.00	% of Ma...	3.00 % A...		Add new	Clear

- Click on the Recovery Method drop down menu for CNN and select **Add new**.

Recovery Method - Draft (09/30/2022 12:11:21 PM)

Name: Net GU 95% w/ 5% Cap

Gross Up: On

Recovery Pools, Structure & Admin Fees	Expense Pool	Default Group
	Recovery Structure	Net
	Amount	None
	Growth	Growth
Prorata Share & Denominators	Contribution Deduction	None
	Admin Fee	None
Year-Over-Year Recovery Growth	PR\$	Tenant Area ...
	Denom	Property Size
Recovery Floors & Ceilings	YOY Min Growth	Growth
	YOY Max Growth	5.00
	Recovery Floor	None
	Growth	Growth
	Recovery Ceiling	None
	Growth	Growth

ADD NEW RECOVERY

Cancel SAVE

- Name: **Net GU 95% w/ 5% Cap**
- Gross Up: **95%**
- Expense Pool: **Default Group**
- Recovery Structure: **Net**
- YOY Max Growth: **5%**

Audit Report

TENANT AREA AUDIT PROPERTY AREA AUDIT OCCUPIED SF OCCUPANCY RATE **RECOVERY AUDIT** LEASIN

Tenant: CNN Lease: Floor: 7, Suite: 7250 Term: 1st

		Jan-2024 Dec-2024	Jan-2025 Dec-2025	Jan-2026 Dec-2026	Jan-2027 Dec-2027
	Variable Amount - 0.00% (after Gross-up)	-	-	-	-
	Total	460,000	473,800	488,014	502,654
Janitorial	Fixed Amount - 100.00%	427,000	439,810	453,004	466,594
	Variable Amount - 0.00% (after Gross-up)	-	-	-	-
	Total	427,000	439,810	453,004	466,594
Gas	Fixed Amount - 50.00%	45,000	46,350	47,741	49,173
	Variable Amount - 50.00% (after Gross-up)	37,678	37,322	33,616	34,625
	Total	82,678	83,672	81,357	83,797

The Recovery Audit report displays the grossed-up amount calculated in the pool for variable expenses.

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.



	Tenant Name	Suite	Flo...	End Date	Lease Term	Area	Base Rent			Free Rent	Recovery Method	TI >	LC >	Upon Expiration	Rollover Assumptions
							Amount	UoM	Rent Steps						
1	Rockport Group	8000	8	Dec-31-33	120M	60,000	60.00	\$/SF/Year	3.00 % A...	3.0 Mon...	Default NNN	TI Paid in M...	Sliding Scale	Market	
2	Blackstone 4500	4500	4	Dec-31-30	120M	25,000	62.50	\$/SF/Year	3.00 % A...		2021 BY			Market	Add new
3	Blackstone 6000	6000	6	Dec-31-30	120M	50,000	62.50	\$/SF/Year	3.00 % A...		2021 BY			Market	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 U
Office RLA	N	80.0%	5Y	6		\$/SF/Year

Add below Rollover Lease Assumptions:

Click **Add New** to create a Market Rent Variable.

- RLA Name: **Office RLA**
- Renewal Probability: **80%**
- Term: **5 Years**
- Downtime: **6 Months**
- Market Rent: **(Click Add New)**
 - New: 65 \$/SF/Year (Market Rent Growth)
 - 103% of Previous Rent

Market Rent - \$65 New/103% Previous

Name:

		YE dec-24	YE dec-25	YE dec-26	YE dec-27	YE dec-28	YE dec-29	YE dec-30	YE dec-31	YE dec-32	YE dec-33	YE dec-34
New	<input type="text" value="65.00"/> \$/SF/Year	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
Renew	<input type="text" value="103.00"/> % of Previ...	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%	103.00%

- Name: **\$65 New/103% Previous**
- New Rate: **65**
- Renewal Rate: **103**
- Click on Renewal Rate drop down menu and select **% of Previous**

Rollover Assumptions

RLA Name	Active?	In Term Adj.			Free Rent (Mos)			Tenant Improvements				Leasing Commissions				Recovery M
		Increase	New	Renew	Free Rent is IN Ter...	New	New ...	Renew	Renew...	Growth Assumption	New	New U...	Renew	Renew...	Growth Assumption	
Office RLA	Y	3.00	3.00	0.00	Out	30.00	\$/SF	15.00	\$/SF	Leasing Costs Gr...	6.00	%	3.00	%	Default Base	

Toggle Free Rent to **Out of Term**.

- In Term Adjustments: **3% Annual Increase**
- Free Rent (**Out of Term**)
 - New: **3 Months**
 - Renew: **0 Months**
- Tenant Improvements
 - New: **30 \$/SF** (Leasing Cost Growth)
 - Renew: **15 \$/SF** (Leasing Cost Growth)
- Leasing Commissions
 - New: **6%**
 - Renew: **3%**
- Expense Recovery: **Default Base Year**
- Upon Expiration: **Office RLA**

Rent Roll

Tenant Name	Suite	Flo...	Space Type	Status	A	S.	End Date	Lease ...	Area	Base Rent		Free Rent	Recovery Method	LC	Upon Expiratio	Rollover Assumptions
							mm/dd/yyyy			Amount	UoM					
1 Rockport Group	8000	8	Office	Contract			Jan- Dec-31-33	120M	60,000	\$/SF/Year	3.00 % A...	3.0 Mon...	Default NNN	Y	Market	Office RLA
2 Blackstone 4500	4500	4	Office	Contract			Jan- Dec-31-30	120M	25,000	\$/SF/Year	3.00 % A...		2021 BY		Market	Office RLA
3 Blackstone 6000	6000	6	Office	Contract			Jan- Dec-31-30	120M	50,000	\$/SF/Year	3.00 % A...		2021 BY		Market	Office RLA
4 WeWork	5100	5	Office	Contract			Jan- Dec-31-25	96M	25,000	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
5 NYSE	2000	2	Office	Contract			Jun- May-31-25	36M	12,500	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
6 Fidelity Investm...	5000	5	Office	Contract			Jan- Dec-31-30	120M	25,000	\$/SF/Year	3.00 % A...		2021 BY		Market	Office RLA
7 American Express	5100	7	Office	Contract			Feb- Jan-31-28	60M	12,500	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
8 J.P. Morgan	6500	7	Office	Contract			Jan- Dec-31-25	60M	12,500	\$/SF/Year	3.00 % A...		2021 BY		Market	Office RLA
9 CNN	7250	7	Office	Contract			Jan- Dec-31-27	60M	25,000	\$/SF/Year	3.00 % A...		Net GU 95% w/...		Market	Office RLA
10 General Motors	4100	4	Office	Contract			Mai- Feb-29-24	120M	25,000	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
11 Facebook	3000	3	Office	Contract			Jun- May-31-24	120M	50,000	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
12 Google	2000	2	Office	Contract			Jan- Dec-31-27	60M	50,000	\$/SF/Year	3.00 % A...		Default NNN		Market	Office RLA
13 Ste 1075 Vacant...	1075	1	Office	Speculative			Mai- Feb-28-29	60M	12,500	% of Ma...	3.00 % A...		Default NNN		Market	Office RLA
14 Ste 1050 Vacant...	1050	1	Office	Speculative			Mar- Apr-30-29	60M	12,500	% of Ma...	3.00 % A...		Default NNN		Market	Office RLA
15 Ste 1025 Vacant...	1025	1	Office	Speculative			Jul- Jun-30-29	60M	25,000	% of Ma...	3.00 % A...		Default NNN		Market	Office RLA

Select **CTRL C** to copy the Office RLA and **CTRL V** to paste to all tenants.

Vacant Space

The “Use RLA” option links the assumptions in the rent roll with the assumptions entered in the RLA for that tenant. The advantage of using the Use RLA option is if the market assumptions change, that change will automatically be reflected in the rollover leasing assumption and the vacant space.



	Tenant Name	Suite	Flo...	Space Type	Status	#	S.	End Date	Lease ...	Area	Base Rent		Rent Steps	Free Rent	Recovery Method	TI >	LC >
											Amount...	UoM					
1	Rockport Group	8000	8	Office	Contract			Jan- Dec-31-33	120M	60,000	60.00	\$/S...	3.00 % A...	3.0 Mon...	Default NNN	TI Paid In...	Sliding Scale
2	Blackstone 4500	4500	4	Office	Contract			Jan- Dec-31-30	120M	25,000	62.50	\$/S...	3.00 % A...		2021 BY		
3	Blackstone 6000	6000	6	Office	Contract			Jan- Dec-31-30	120M	90,000	62.50	\$/S...	3.00 % A...		2021 BY		
4	WeWork	5100	5	Office	Contract			Jan- Dec-31-25	96M	25,000	65.00	\$/S...	3.00 % A...		Default NNN		
5	NYSE	2000	2	Office	Contract			Jun- May-31-25	36M	12,500	67.00	\$/S...	3.00 % A...		Default NNN		
6	Fidelity Investm...	5000	5	Office	Contract			Jan- Dec-31-30	120M	25,000	70.00	\$/S...	3.00 % A...		2021 BY		
7	American Express	5100	7	Office	Contract			Feb- Jan-31-28	60M	12,500	50.25	\$/S...	3.00 % A...		Default NNN		
8	J.P. Morgan	6500	7	Office	Contract			Jan- Dec-31-25	60M	12,500	71.25	\$/S...	3.00 % A...		2021 BY		
9	CNN	7250	7	Office	Contract			Jan- Dec-31-27	60M	25,000	64.50	\$/S...	3.00 % A...		Net GU 55% w/...		
10	General Motors	4100	4	Office	Contract			Mai- Feb-29-24	120M	25,000	52.00	\$/S...	3.00 % A...		Default NNN		
11	Facebook	3000	3	Office	Contract			Jun- May-31-24	120M	50,000	52.75	\$/S...	3.00 % A...		Default NNN		
12	Google	2000	2	Office	Contract			Jan- Dec-31-27	60M	50,000	60.00	\$/S...	3.00 % A...		Default NNN		
13	Sse 1075 Vacant...	1075	1	Office	Speculative			Mai- Feb-28-29	60M	12,500	100.00	% o...	3.00 % A...	3.0 Mon...	Use RLA	Use RLA	Use RLA
14	Sse 1050 Vacant...	1050	1	Office	Speculative			Apr-30-29	60M	12,500	100.00	% o...	3.00 % A...	3.0 Mon...	Use RLA	Use RLA	Use RLA
15	Sse 1025 Vacant...	1025	1	Office	Speculative			Jul-4 Jun-30-29	60M	25,000	100.00	% o...	3.00 % A...	3.0 Mon...	Use RLA	Use RLA	Use RLA

Update the following assumptions for the Vacant Spaces:

Copy and paste assumptions.

- Free Rent: **3 Months**
- Recovery Method: **Use RLA**
- TI: **Use RLA**
- LC: **Use RLA**

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.

All floors are 50,000 SF except:

- Floor 2: 62,500
- Floor 8: 60,000

The screenshot shows the 'Stacking Plan' interface. A red box highlights the 'FLOOR SIZE' tab. Another red box highlights the 'ADD' button and the '1 floors 0 SF per floor' input fields. A callout box points to the 'ADD' button with the text 'Add 8 Floors at 50,000 SF.' Below the table, there are 'x' icons for each row.

Floor	Area SF	Comment
1	50,000	
2	62,500	
3	50,000	
4	50,000	
5	50,000	
6	50,000	
7	50,000	
8	60,000	

The screenshot shows the 'Stacking Plan' interface with the 'TENANT ASSIGNMENT' tab selected. A callout box points to the 'Analysis Start' date selector with the text 'Select Stacking Plan as of date to adjust the start date.' Below the chart, there is a table of tenant assignments for each floor.

FLOOR	2024	2025	2027	2028	2029+	LEASED / VACANT
	75,000 SF 17.75 %	50,000 SF 11.83 %	75,000 SF 17.75 %	12,500 SF 2.96 %	160,000 SF 37.87 %	372,500 SF
8	Rockport Group 8000 - 60,000 SF - JAN-2024					60,000 SF
7	American Express 5100 - 12,500 SF - FEB-2023	J.P. Morgan 6500 - 12,500 SF - JAN-2021		CNN 7250 - 25,000 SF - JAN-2023		50,000 SF
6	Blackstone 6000 6000 - 50,000 SF - JAN-2021					50,000 SF
5	WeWork 5100 - 25,000 SF - JAN-2018	Fidelity Investments 5000 - 25,000 SF - JAN-2021				50,000 SF
4	Blackstone 4500 4500 - 25,000 SF - JAN-2021		General Motors 4100 - 25,000 SF - MAR-2014			50,000 SF
3	Facebook 3000 - 50,000 SF - JUN-2014					50,000 SF
2	NYSE 2000 - 12,500 SF - JUN-2022	Google 2000 - 50,000 SF - JAN-2023				62,500 SF
1	VACANT 50,000 SF					- / 50,000 SF

Cash Flow

Cash Flow											
MAIN PSF PERIOD 1 PSF ALL PERIODS TENANT CASH FLOW											
Show data		Layout		Sort Expenses		Show tenant level details		Show figures in '000s		Hide blank rows	
Annual		Standard		As Entered		Yes		No		No	
For the Years Ending	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034
Income											
Potential Rental Income	28,257,426	29,017,815	29,778,569	30,664,452	31,646,482	32,618,128	33,594,398	34,462,922	35,456,457	36,708,259	37,967,410
Downtime/Vacancy	(1,652,778)	(74,959)	(249,164)	-	(511,710)	(822,763)	(87,773)	(997,976)	-	(612,489)	(1,377,821)
Free Rent	(1,522,917)	(508,475)	(149,499)	-	(307,026)	(493,658)	(52,664)	(598,786)	-	(367,493)	(826,692)
Base Rental Income	25,081,731	28,434,381	29,379,906	30,664,452	30,827,746	31,301,707	33,453,961	32,866,160	35,456,457	35,728,277	35,762,897
Free Recoveries	(71,864)	(75,730)	-	-	-	-	-	-	-	-	-
Total Recovery Income	2,430,281	2,341,958	2,098,560	2,252,931	1,388,368	1,388,987	1,486,057	875,393	1,083,515	1,084,016	302,165
Misc. Income	501,635	568,688	587,598	613,289	616,555	626,034	669,079	657,323	709,129	714,566	715,258
Total Potential Gross Income	27,941,783	31,269,297	32,066,064	33,530,672	32,832,669	33,316,728	35,609,097	34,398,876	37,249,101	37,526,859	36,780,320
Vacancy Loss	-	-	-	-	-	-	-	-	-	-	-
Collection Loss	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	27,941,783	31,269,297	32,066,064	33,530,672	32,832,669	33,316,728	35,609,097	34,398,876	37,249,101	37,526,859	36,780,320
Expenses											
Property Taxes	575,000	592,250	610,018	628,318	647,168	666,583	686,580	707,177	728,393	750,245	772,752
Repairs & Maintenance	460,000	473,800	488,014	502,654	517,734	533,266	549,264	565,742	582,714	600,196	618,202
HVAC	225,000	231,750	238,703	245,864	253,239	260,837	268,662	276,722	285,023	293,574	302,381
Security	280,000	288,400	297,052	305,964	315,142	324,597	334,335	344,365	354,696	365,336	376,297
Janitorial	427,000	439,810	453,004	466,594	480,592	495,010	509,860	525,156	540,911	557,138	573,852
Landscaping	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587
Insurance	375,000	386,250	397,838	409,773	422,066	434,728	447,770	461,203	475,039	489,290	503,969
Management Fee	838,253	938,079	961,982	1,005,920	984,980	999,502	1,068,273	1,031,966	1,117,473	1,125,806	1,103,410
Utilities	718,107	761,260	782,163	808,618	825,689	847,288	882,509	897,765	937,410	957,200	976,354
Total Expenses	4,048,360	4,266,099	4,387,907	4,537,614	4,615,437	4,735,700	4,926,361	4,994,577	5,211,674	5,334,501	5,428,803
Net Operating Income	23,893,423	27,003,198	27,678,157	28,993,058	28,217,231	28,581,028	30,682,737	29,404,299	32,037,427	32,192,358	31,351,517
Leasing & Capital Costs											
Leasing Costs	7,045,445	405,180	1,292,594	-	2,956,610	4,511,977	471,740	5,352,936	-	3,472,121	7,663,078
Capital Expenses	-	-	75,000	-	-	-	-	-	-	-	-
Total Leasing & Capital Costs	7,045,445	405,180	1,367,594	-	2,956,610	4,511,977	471,740	5,352,936	-	3,472,121	7,663,078
Net Cash Flow	16,847,978	26,598,018	26,310,562	28,993,058	25,260,621	24,069,051	30,210,996	24,051,363	32,037,427	28,720,237	23,688,438

Valuation

Create a DCF Valuation with a Cap Rate of 6%, Discount Rate of 7% over a 10-year hold. Gross up the NOI for Residual Value Calc to 95%.



Property Valuation Load REIS Data Helpful Hints

Use as Default	Valuation Amount	Per UoM	Valuation Description	Valuation As of Date	Valuation Method	NOI to Cap	NOI Adj for Residual Value Calc	Capitalization Rate (%)	Discount Rate (%)	Hold Period (Yrs)	Capitalization Year
<input checked="" type="checkbox"/>	447,085,638	1,058.19 / SF	DCF to 95% Occ	mm/dd/yyyy	DCF	NOI	None	6.00	7.00	10	11

None
Add new Clear

- Valuation Description: **DCF to 95% Occ**
- Valuation Method: **DCF**
- Cap Rate: **6%**
- Discount Rate: **7%**
- Hold Period: **10** years, capping year **11**
- Select **NOI Adj for Residual Value Calc** drop down menu and click **Add new**.

Valuation > NOI Adjustments

Name: 95% Occ

Value UoM

Override NOI No Yes \$ Amount

Adjust Occupancy to Yes No 95.00 %

Exclude Free Rent No Yes

Cashflows & Adjustments for Cap Y/E Dec-2034

	Cashflows		Value	
	As Calculated	Adjusted	Amount	%
▶ Potential Rental Income	37,967,410	37,967,410	0	0.00%
▶ Downtime Vacancy	(1,377,821)	0	1,377,821	-100.00%
▶ Free Rent	(826,692)	(826,692)	0	0.00%
▶ Base Rental Income	35,762,897	37,140,717	1,377,821	3.85%
▶ Total Recovery Income	302,165	304,468	2,303	0.76%
▶ Misc. Income	715,258	742,814	27,556	3.85%
Total Potential Gross Income	36,780,320	38,187,999	1,407,680	3.83%
Vacancy Loss	0	(1,909,400)	(1,909,400)	0.00%
Collection Loss	0	0	0	0.00%
Effective Gross Income	36,780,320	36,278,599	(501,720)	-1.36%
▶ Expenses	5,428,803	5,431,896	3,093	0.06%
Net Operating Income	31,351,517	30,846,704	(504,813)	-1.61%

Adjust Occupancy to 95%.

Cancel SAVE

Prospective Present Value Report

Valuation

Note: Adjustments have been made to NOI and/or Residual Value

SALE YIELD MATRIX **PROSPECTIVE PRESENT VALUE** CASH FLOW WITH VALUATION HOLD PERIOD ANALYSIS

Valuation: DCF to 95% Occ. Analy... Discount Rate Increment (BP): 50 # of Increments: 2

Year	Annual CF	PV @ 6.00%	PV @ 6.50%	PV @ 7.00%	PV @ 7.50%	PV @ 8.00%
1	\$16,847,978	\$15,894,318	\$15,819,697	\$15,745,773	\$15,672,000	\$15,598,227
2	\$26,598,018	\$23,672,141	\$23,450,389	\$23,231,739	\$23,016,000	\$22,803,227
3	\$26,310,562	\$22,090,856	\$21,781,175	\$21,477,256	\$21,178,000	\$20,884,227
4	\$28,993,058	\$22,965,218	\$22,536,974	\$22,118,665	\$21,710,000	\$21,302,227
5	\$25,260,621	\$18,876,206	\$18,437,243	\$18,010,474	\$17,598,000	\$17,188,227
6	\$24,069,051	\$16,967,731	\$16,495,342	\$16,038,225	\$15,598,000	\$15,188,227
7	\$30,210,996	\$20,092,038	\$19,440,964	\$18,813,890	\$18,209,000	\$17,610,227
8	\$24,051,363	\$15,090,122	\$14,532,583	\$13,998,112	\$13,488,000	\$12,998,227
9	\$32,037,427	\$18,962,904	\$18,176,538	\$17,426,238	\$16,710,000	\$16,002,227
10	\$28,720,237	\$16,037,230	\$15,300,018	\$14,599,912	\$13,934,885	\$13,303,027
Total Cash Flows	\$263,099,311	\$190,648,764	\$185,970,923	\$181,460,284	\$177,109,530	\$172,911,713
Residual Value	\$514,111,729	\$287,077,304	\$273,880,703	\$261,348,333	\$249,443,889	\$238,133,205
DCF plus Residual Value	\$777,211,039	\$477,726,068	\$459,851,626	\$442,808,617	\$426,553,419	\$411,044,918
Rounded to Thousands	\$777,211,000	\$477,726,000	\$459,852,000	\$442,809,000	\$426,553,000	\$411,045,000
Value per Square Foot	\$1,839.55	\$1,130.71	\$1,088.41	\$1,048.07	\$1,009.59	\$972.89
Going-in Cap Rate	3.07%	5.00%	5.20%	5.40%	5.60%	5.81%
Percentage Value Distribution						
From Cash Flows	33.9%	39.9%	40.4%	41.0%	41.5%	42.1%
From Residual	66.2%	60.1%	59.6%	59.0%	58.5%	57.9%

Residual Value Calculation

Year to Cap	11
What to Cap	NOI
NOI Adjustments	Yes
Adjusted NOI	30,846,704
Exit Cap Rate	6.00%
Residual Value Adjustments	No
Adjusted Residual Value	514,111,729
Cost of Sales	0
Net Residual Value	514,111,729

Closing Costs

Create an unlimited number of closings costs for debt and equity to reflect fees paid during the closing of a real estate transaction. Closing costs can be modeled as a \$ Amount, % of Purchase Price, % of Total Debt, or % of a specific loan.



	Type	Allocate To	Description	Amount	UoM	As of Date <		
						Type	Date	
<input type="checkbox"/>	Closing Costs	Equity	Acquisition Fee	1.00	% of Purchase Price	Investment Analysis Start	01/2024	X
<input type="checkbox"/>	Closing Costs	Equity	Legal Fees	30,000.00	\$ Amount	Investment Analysis Start	01/2024	X

- Acquisition Fee: **1% of Purchase Price**
 - Allocate to: **Equity**
 - Type: **Investment Analysis Start**
- Legal Fee: **\$30,000**
 - Allocate to: **Equity**
 - Type: **Investment Analysis Start**

Investment Analysis

INVESTMENT CASH FLOW RETURN SENSITIVITIES SOURCES & USES

Show data: Annual | Show Levered?: No | Show figures in 000s?: No

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	12M	12/2033	0.00	DCF to 95% Oc...	6.00	7.00	(442,808,617)	Residual Value...			514,111,729			
			Override:					Override:						
For the Years Ending			Time 0 Jan-01-2024	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	
Property Cashflows														
Net Operating Income				23,893,423	27,003,198	27,678,157	28,993,058	28,217,281	28,581,028	30,682,737	29,404,299	32,037,427	32,192,358	
Total Leasing & Capital Costs				7,045,445	405,180	1,367,594	-	2,956,610	4,511,977	471,740	5,352,936	-	3,472,121	
Net Cash Flow				16,847,978	26,598,018	26,310,562	28,993,058	25,260,621	24,069,051	30,210,996	24,051,363	32,037,427	28,720,237	
Purchase/Sale														
Purchase/Sale			(442,808,617)	-	-	-	-	-	-	-	-	-	514,111,729	
Exit Costs			-	-	-	-	-	-	-	-	-	-	-	
Net Proceeds			(442,808,617)	-	-	-	-	-	-	-	-	-	514,111,729	
Closing Costs														
Acquisition Fee			(4,428,086)	-	-	-	-	-	-	-	-	-	-	
Legal Fees			(80,000)	-	-	-	-	-	-	-	-	-	-	
Total Closing Costs			(4,458,086)	-	-	-	-	-	-	-	-	-	-	
Cash Flow Available for Distribution			IRR/MOC											
Total Unlevered Cash Flow			6.87% / 1.74x	(447,266,704)	16,847,978	26,598,018	26,310,562	28,993,058	25,260,621	24,069,051	30,210,996	24,051,363	32,037,427	542,831,966
Unlevered Cash On Cash			-	3.77%	5.95%	5.88%	6.48%	5.65%	5.38%	6.75%	5.38%	7.16%	6.42%	