

Income and Expense Glossary Terms

A

Annual Rent: This is the annual gross rent received for the calendar year during the period from January 1st through December 31st.

E

Escalation Clause: This is the amount in dollars of adjustment to base rent either pre-set or tied to the inflation index. For tenants subject to escalation clauses related to taxes or operating expenses, indicate the terms. Use the comments section for elaboration.

F

Free Rent : This is a rent concession in the form of free rent usually for a time period and determined at the beginning of the lease.

G

Gross: A gross lease is when the lessor or landlord is responsible for all property operating expenses such as real estate taxes, maintenance, utilities, etc.

L

Lease: This is a contract between a property owner (lessor/landlord) and the tenant (lessee). The lease sets forth the length of time the contract is to run, the amount to be paid by the lessee for the right to use the property, and other rights and obligations of the parties.

Leased area (Sq. Ft.): This is usually the floor area that is occupied by the tenant. It is usually recorded on the lease in square footage.

M

Monthly Rent: Indicates the monthly rent for leased areas as of January 1st of the reported year.

N

Net: This references a net lease, where the lessee assumes payment of some of the property operating expenses, such as taxes, insurance, maintenance.

NNN: This is an acronym for a triple net lease. Tenant pays all operating expenses related to the property.

O

Overage : This is an additional fee or rental income added to the lease terms. This is usually based on a percent of sales or income.