

Schedule

Today's schedule will vary depending on the starting time assigned by the sponsoring Appraisal Institute chapter. You can use the timeline below as a gauge.

SECTION 1. (Morning)

Overview
Registration Introduction
Part 1. Categories of Leases and Rent Structures
Discussion Questions Categorizing Types of Leases Rent Structures Discussion Questions Appraiser's Role in a Revaluation Lease Issues in a Percentage Lease Problems and Exercise
Part 2. Lease Provisions Affecting Rent
Key Terms Rent Versus Income Reimbursements/Reimbursable Expenses Break Proper Accounting for Expense Reimbursements (CAM) Charges Example Additional (Other) Income Discussion Question Proper Accounting for Measurement and Recognition of Rent/ Income Discussion Questions Effective Rent Making a Property Rights Adjustment When Contract Rent Is Not Equal to Market Rent Tenant Improvements

SECTION 1, cont.

Part 3. Lease Provisions Affecting Vacancy

Vacancy Terms
Vacancy Related Issues to Consider
Discussion Questions
The Impact of Vacancy on the Expense Reimbursement
Provision
Example
Valuation Methodology – Vacant Properties or Properties Not
Yet Leased to Stabilization
Break

Part 4. Lease Provisions Affecting Expenses

Expense Terms
Special Expenses Related to Expenses
Discussion Questions, Example, and Problem
Operating Expenses That May Be Addressed in a Lease
Discussion Question
Expenses/Deductions That May Be Reported by an Owner
Discussion Questions
Online Resources

Part 5. Lease Provisions Affecting Other Terms and Provisions

Lease Terms Relating to Time
Term of the Lease
Discussion Question
Clauses Specifying the Leased Area
Clauses Relating to Tenant Improvements and Leasing
Commissions
Clauses Specifying Tenant Options to Purchase/Lease
Use Provisions
Discussion Question
Noncompete Clause
Provisions Affecting the Expiration of the Lease
Early Termination Clauses
Discussion Questions
Lunch

SECTION 2. (Afternoon)

Part 6. Review of Section 1	
	Exercise
Part 7. Introduction to Tenant Credit Risk	
	What Is Meant by Tenant Credit Risk Pretest Current Trends Discussion Questions
Part 8. Identifying Tenant Credit Risk	
	Who Is the Tenant, i.e., the Legal Entity Constituting the Tenant? Is There a Guarantor of the Tenant? (Guarantors?) Discussion Questions Does Tenant Credit Risk Affect Net Operating Income? Discussion Question Tenant Credit Risk Judging Factors Adjustments Used to Reflect Tenant Credit Risk Break Relationship Between Contract Rent and Market Rent and Its Effect on Credit Risk and Valuation Discussion Questions
Part 9. Evaluating Tenant Credit Risk	
	Credit Versus Noncredit Tenants Investment-Grade Tenants Discussion Questions and Problems Break The Relationship of Tenant Credit Rating and the Capitalization Rate Recent Trend in Capitalization Rates for Single-Tenant, Credit-Leased Properties Impact of the Economic Cycle

SECTION 2, cont.

Part 10. Fundamental Credit Analysis

Definition of Fundamental Credit Analysis
Publicly Traded Companies
Nonpublic Companies
Discussion Question
Basic Fundamental Analysis Using Ratios
Four Cs of Credit Analysis
Accounting Treatment for Leases
Questions