

Income and Expense Instructions

Property for which a report must be filed: All property which is rented or leased, including but not limited to, apartment, office, retail, industrial, warehouse, commercial or mixed-use property. If a property is partially rented and partially owner occupied this report must be filed. Each summary page should reflect information for a single property based on the calendar year. If you own more than one rental property, you must file a separate report for each property. If the property is owner-occupied and there is no rent of any type received for the property, or if the rental is between related parties, one should complete the owner and address information on the top of the "Annual Income and Expense Summary Report" and check the appropriate reason at the bottom of the page.

How to file: Information is filed on an annual basis. This filing is for income and expense information for the period from January 1 through December 31. An "Annual Income and Expense Summary Report" and the appropriate Schedule (s) must be completed for all real property that produces rental income.

1. **Schedule A:** Apartment Rental Income
2. **Schedule AF:** Affordable Housing Rental Income
3. **Schedule B:** Commercial and Industrial Income
4. **Schedule C:** Mixed Use Income
5. **Annual Income and Expense Summary Report:** Under Annual Income and Expenses, list the total amounts of income and operating expenses on the lines provided.

THIS INFORMATION WILL BE HELD CONFIDENTIAL. ANY INFORMATION RELATED TO THE ACTUAL RENTAL AND RENTAL- RELATED INCOME AND OPERATING EXPENSES SHALL NOT BE PUBLIC RECORD.

SCHEDULE INSTRUCTIONS

Use **Schedule A** for apartment rentals only. List the total number of units whether rented or vacant. The total units listed on Schedule A should match the total number of units listed on the front page of the Annual Income and Expense Report.

Use **Schedule AF** for rent-restricted housing. Affordable units must have a restriction held by a governmental body or charitable corporation or trust which has a term of more than 1 year remaining. ¹ Provide a copy of the affordable housing restriction (s) on the property.

Use **Schedule B** for office, retail, industrial, warehouse, commercial and any non-apartment use of a mixed use property. If a portion of the building is vacant, indicate the portion of the building that is vacant. The total units listed on Schedule B should match the total number of units listed on the front page of the Annual Income and Expense Report. For "Property Expenses and Utilities Paid by Tenant" indicate the property expenses and utilities the tenant is responsible for.

Use **Schedule C** for Mixed Use Property: The total units of a mixed use property should include both apartment and non-apartment units.

¹ See MGL 184, § 26, § 31 for definition of governmental body and affordable housing restriction.

ANNUAL INCOME AND EXPENSE SUMMARY REPORT

| | | | |
|--|--|--------------------------------|--|
| Parcel ID: | | Calendar Year: | |
| Property Address: | | Mailing Address: | |
| Owner: | | City/State/Zip: | |
| 1. Primary Property Use: Apartment___ Office:___ Retail___ Industrial___ Mixed Use___ Other___ | | | |
| 2. Gross Building Area (SF) | | 6. Number of Residential Units | |
| 3. Net Leasable Area (SF) | | 7. Number of Onsite Parking | |
| 4. Owner Occupied Area (SF) | | 8. Actual Year Built | |
| 5. Common Area (SF) | | 9. Most Recent Year Remodeled | |

| ANNUAL INCOME | | ANNUAL EXPENSES | |
|--|----|---|----|
| 10. Apartment Rentals (Sched. A) | \$ | 22. Advertising | \$ |
| 11. Office Rentals (Sched. B) | \$ | 23. Cleaning and Maintenance (Includes Snow Removal and Trash Removal) | \$ |
| 12. Retail Rentals (Sched. B) | \$ | 24. Commissions/Leasing Fees | \$ |
| 13. Industrial Rentals (Sched. B) | \$ | 25. Insurance (Building Only) | \$ |
| 14. Mixed Use Rentals (Sched. C) | \$ | 26. Professional & Legal Fees | \$ |
| 15. Other Rentals | \$ | 27. Management Fees | \$ |
| 16. Parking Rentals | \$ | 28. Repairs and Maintenance | \$ |
| 17. Common Area Maint. (CAM) | \$ | 29. Supplies | \$ |
| 18. Other Property Income (billboard, rooftop cell tower, etc.) | \$ | 30. Utilities (all utilities paid by owner) | \$ |
| 19. Total Potential Gross Income | \$ | 31. Other | \$ |
| 20. Vacancy and Collection Loss | \$ | 32. Reserves for Replacement | \$ |
| 21. Effective Gross Annual Income <i>(Subtract Line 20 from Line 19)</i> | \$ | 33. Total Expenses <i>Add lines 22 to 32</i> | \$ |

Signature_____ Date_____

Printed Name/Title_____ Email_____

The above identified property is owner occupied _____*The above identified property is leased to a related person, corporation, or business entity* _____

Income and Expense Instructions

Annual Income and Expense Summary Report

INCOME INSTRUCTIONS

- Item 10-17: Enter total of potential annual rents for all rental units as if 100% occupied and collected. You must complete and attach Schedule A and/or Schedule B & C.
- Item 18: Enter additional income received from items such as, billboard rental income, rooftop cell tower rental income, laundry, etc.
- Item 19: Enter sum of items 10 through 18.
- Item 20: Enter amount of income loss due to vacancy and collection & concession loss.
- Item 21: Subtract line 20 from line 19. Enter result on line 21.

EXPENSE INSTRUCTIONS

- Item 22: Enter amount paid by owner for advertising costs incurred in obtaining tenants and building occupants.
- Item 23: Enter expenses for cleaning and maintenance. This includes snow removal, trash removal, parking lot maintenance, and all expenses for janitorial services. (Remodeling and renovation expenses are not to be entered on this line.)
- Item 24: Enter leasing fees, commissions, etc. incurred in obtaining tenants and building occupants.
- Item 25: Enter annual insurance premium for fire, flood, etc. (real property only, do not include liability).
- Item 26: Enter fees of legal and/or accounting services related to the real property.
- Item 27: Enter the cost of services for management; either by a professional management agency, or the owner.
- Item 28: Enter costs related to general building repair to keep the property operating, e.g. repair of water heaters, cooling systems, glass, etc. (remodeling and renovation expenses are not to be entered on this line.)
- Item 29: Enter the cost of supplies provided by the owner necessary to the operation of the building.
- Item 30: Enter amount paid by owner for utilities; electric heat, lights, for heating and cooling, for gas, water, sewer charges, and any other utility paid for by the owner.
- Item 31: Enter amount paid by owner for other or miscellaneous expenses, such as security services, etc.
- Item 32: Enter amount for reserves for replacement, such as roof, heating system, etc.
- Item 33: Add lines 22-32. Enter amount.

Income and Expense Form Glossary

Area Median Income (“AMI”) – 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD

Base Rent: The amount of rent before escalation, common area maintenance fees, utilities or any other pass through expenses you received from the tenant. Excludes percentage rent or overage rent.

Common Area Maintenance (CAM): Common Area Maintenance expenses on the property that you are reimbursed for by the tenant.

Debt Coverage Ratio: DCR is the ratio of cash available for debt service to interest, principal and lease payments.

Effective Gross Annual Income: Is the amount of revenue the property generates after vacancy and collection expenses are reduced from the potential gross income.

Equity Funding: Money contribute to a project as an investment, including through the LIHTC,

Esc/Escalation: Is there an escalation of rent as part of the terms of the leases?

Gross Building Area (GBA): The sum of the areas of each floor of a building measured to the outer perimeter of external construction features.(IPMS-1)

HUD Section 8 Program: Federal program that provides project based and mobile voucher rental assistance. Under the program HUD contracts directly with the owners for the payment of the difference between the contract rent and a specified percentage of tenants’ adjusted income.

Low Income Housing Tax Credit: (LIHTC): A program to generate equity investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be income restricted and rents in these units be restricted accordingly.

MRVP: [Massachusetts Rental Voucher Program](#)

Net Leasable Area (NLA): The floor area available on an exclusive basis to an occupier, but excluding Standard Facilities. (IPMS-3)

Net Operating Income: The amount of revenue generated by the property after vacancy, collection loss and expenses are deducted from the potential gross income.

Other Income: Any other income you receive from the property such as the rental of parking spaces, air space, cellular towers, billboards etc.

Owner Occupied Area: Area occupied by owner not including common area

Owner: Title holder of property, to include closely related entity such as corporation, LLC, LP, or other entity closely related to property owner.

Potential Gross Income: The amount of revenue the property has the ability to generate prior to any vacancy or loss due to collection.

Reserves for Replacement: Reserves are funds set aside that provide for the periodic replacement of building components that wear out more rapidly than the building itself and therefore must be replaced during the building’s economic life (short lived items).These components typically include the replacement of the roof, heating, ventilation, and air conditioning (HVAC) systems, etc.

Subordinate Mortgage: In the affordable housing industry, a subordinate mortgage is debt where payments are deferred or forgivable if the property remains affordable for a certain period of time.

Type of Lease: Net lease, Gross lease, Percentage lease, Ground Lease, etc. The terms that are stated in the lease with a tenant to receive rent and reimbursement for property expenses.

Type of space: Apartment, office, retail, industrial, mixed use.

Vacancy & Collection Loss: The amount of revenue lost due to lack of occupancy or payment by a tenant.