

“SOLE SOURCE” PROCUREMENT JUSTIFICATION

Sole source purchases are goods and services available from only one vendor. There may be just one vendor because of patents or copyrights or simply because the vendor is the only one which supplies the good or service. Using Department must provide a written explanation as to why only this particular product/service is acceptable and why no other will be suitable or acceptable to meet the need. A quote must accompany this form.

Department name: Assessor's Office

1. Name of product or service: IncomeWorks
2. Name of product manufacturer: Assessment Advisors, LLC
3. Name of “sole” product supplier or service provider: Assessment Advisors, LLC
4. Describe in general terms the product/service you are requesting and the intended application.

For accurate valuation of Commercial and Multi-Family properties, we utilize the Income Approach to Value. This requires detailed Income, Rent, Expense, etc. data. This service does the research we do not have the time or manpower to do, supplementing our databases with this vital information. In addition, the professional staff is available to provide appraisal consulting as needed.

5. Describe the unique features/capabilities/characteristics that distinguish it from other products/services.

Based upon my long experience in this field as well as checking several colleagues around the state and the country, I have determined that there are no similar products / services.

6. How did you determine there was only one source for the product or service? Provide information on the research that was performed to locate suppliers for this product(s) or service(s). (Please furnish names, addresses and other documentation).

IncomeWorks has been determined to be a Sole Source provider based upon their documentation (see attached *IncomeWorks Sole Source / Single Source Statement*).


In addition I queried a New Mexico Assessor with 30+ years experience, Ron Lethgo, as well as his Chief Appraiser, Randy Kincaid, from Chaves County, NM. Randy also has extensive prior commercial appraisal experience as an assessor employee in the State of Massachusetts.

I also sought, was given and spoke to references provided by IncomeWorks. These include the Denise Knauer, Assessor of the Town of Rye, Westchester County, New York; Vern Kujath, Commercial Deputy Assessor with Plainfield Township, Will County, Illinois as well as his boss, the assessor, via one of their employees, Nick. In addition, I spoke with Richie LaGrand, Chief Appraiser for the Lee County (Alabama) Revenue Commissioner.

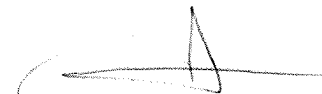
In addition to these latter contacts speaking very positively regarding the product / service, all of the individuals cited above agreed that IncomeWorks is unique and none could cite even the existence of a similar product / service.

7. What product supplier or service provider has your Department used until now to satisfy similar requirements?

No outside supplier or provider has been used. In the course of daily work, we endeavor to collect related data. However, that research and data collection is very limited and proven to be not adequate. Hence, this purchase has been initiated to greatly enhance the collection and processing of the data upon which our commercial property appraisal work is based.


Mark Krohn, Chief Appraiser

10/28/16
Date


Andy Segovia, Dona Ana County Assessor
Signature of Department Head

10/28/16
Date

(Attach Quote and Use Additional Sheets As Necessary)

**This form is used by Purchasing Department to determine if a "Sole Source" procurement criterion is met.
Completing this form does not guarantee approval of this type of procurement.



ASSESSMENT ADVISORS, LLC

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IncomeWorks® SOLE SOURCE / SINGLE SOURCE STATEMENT

JUSTIFICATION FOR PROCUREMENT THAT THIS PACKAGE IS NOT AVAILABLE FROM ANY OTHER PROVIDER

IncomeWorks, developed exclusively for assessment professionals by Assessment Advisors, LLC, is a stand alone program in web based format that can be customized for Dona Ana County, New Mexico.

IncomeWorks is an innovative product that is protected by U.S. Patent #7,676,428.

The awarding of a U.S. Patent proves that IncomeWorks meets the two rigorous and comprehensive criteria required: 1) it is novel or "different from any device, system, or known method in the relevant technology area" and 2) it is non-obvious to one of ordinary skill in the art.

IncomeWorks is an income based local-market-specific commercial real estate evaluation model designed specifically to bring consistency and equity to the assessment of commercial, industrial, lodging, multifamily, office, and retail properties. IncomeWorks is a product and a process that collects and analyzes local lease-practices data. An assessor can input readily available information pertaining to a property and IncomeWorks will return an instant, income approach evaluation estimate based on local market data. Copyright protection has been in place since development and the registration is updated to include enhancements. The name "IncomeWorks" and our crane logo are Registered Trademarks.

Assessment Advisors, LLC is the only provider of IncomeWorks.

Assessment Advisors, LLC (Timothy VanKirk, MAI, President and Linda Pedalino, MAI, Vice President) provide IncomeWorks, which is the only source for a real property market-value economic model that incorporates (1) a complete market survey of existing and proposed stock of commercial and industrial real property within jurisdictional boundaries, and (2) a complete calibration of those surveyed lease practices for the existing properties by type and sub-type, size, specific location, quality, functionality, and market appeal. The results of these exhaustive surveys automatically fuel the model to generate market-based assessments with minimal user inputs.

All other income systems provide only a template requiring Assessors to survey and then manually input all components of basic lease practices. IncomeWorks provides the local lease practices, professionally surveyed and calibrated to the specific jurisdiction real property stock, and pre-loaded into the models. IncomeWorks clients also receive consulting services from Assessment Advisors, LLC.

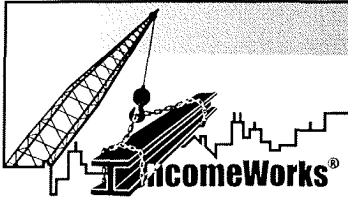
The Dona Ana County base license fee for one data year:

IncomeWorks 2017 (results as of January 1, 2017) = \$22,000

If ordered and paid in full prior to December 15, 2016, we are pleased to offer Dona Ana County a 10% discount off the base license fee:

IncomeWorks 2017 (results as of January 1, 2017) = \$19,800

The above pricing is per the formal quote submitted October 13, 2016.



Assessment Advisors, LLC

736 N. Western Avenue, #393
Lake Forest, IL 60045

toll free phone & fax: 1-888-226-9585
www.IncomeApproach.com

October 13, 2016

Mark Krohn, Chief Appraiser, Dona Ana County
845 N. Motel Boulevard
Las Cruces, NM 88007

RE: IncomeWorks® Proposal & License for **Dona Ana County, NM**

Mr. Krohn:

Thanks for your interest in IncomeWorks. Please accept this letter as a formal proposal to provide IncomeWorks to Dona Ana County, New Mexico as a stand alone program in web based format. Your release will offer six property type categories or modules (Commercial, Industrial, Lodging, Multifamily, Office, and Retail) that will reflect your market. In addition to the standard features of "Property Summary" (view all inputs) and "Save Report" (save, view, print in PDF), the pricing below includes the following options, features, and services:

- ✓ Edit: Basic Information, Rankings, Economic Indicators
 - ✓ Personal Property Allocation (*on multifamily and lodging properties*)
 - ✓ Separate Components
 - ✓ Compare to Cost
 - ✓ Obsolescence Analyzer
 - ✓ Tax Factor (*if you provide us with the average net tax rates for your jurisdiction*)
 - ✓ Expense Breakdown
 - ✓ Discounted Cash Flow (*interview driven and intuitive*)
 - ✓ Export saved reports to text file (*simply contact us via email whenever you need the export*)
 - ✓ Change (*make any modifications to existing reports*)
 - ✓ One Click Update & Mass Update to another year (*requires more than one data year*)
- ✓ IncomeWorks clients also benefit from phone & email technical support, plus MAI consulting at no additional cost during the license term. Consulting consists of review of Appellant evidence and financial statements from income properties, including special purpose and complex properties.

Dona Ana County base license fee for one data year:

IncomeWorks 2017 (*results as of January 1, 2017*) = **\$22,000**

If ordered and paid in full prior to December 15, 2016, we are pleased to offer Dona Ana County a 10% discount off the base license fee:

IncomeWorks 2017 (*results as of January 1, 2017*) = **\$19,800**

IncomeWorks is licensed under an initial one-year term. If you take advantage of the 10% discount now, you will continue to benefit at every annual renewal since optional annual renewals are priced at 3% over the prior year base fee. Further, your purchase on or before December 15, 2016 ensures Dona Ana priority in our schedule for release during January. Otherwise, purchase in 2017 and IncomeWorks would be released 60 days after receipt of payment.

Pages 2 and 3 contain the terms for licensing IncomeWorks.

If you have any questions, please do not hesitate to ask.

Respectfully Submitted,
Assessment Advisors, LLC

Timothy VanKirk, MAI, President

INCOMeworks® SOFTWARE LICENSE AGREEMENT

1. **Grant of Non-Exclusive License.** Assessment Advisors, LLC ("Assessment Advisors") agrees to license INCOMeworks ("Software" as defined in Paragraph 2) per the Terms of this Agreement; a non-exclusive, non-transferable license for use of INCOMeworks solely in a manner consistent with the Authorized Application (Paragraph 3). By proceeding via remittance of fees, accepting release of INCOMeworks, accessing INCOMeworks, and using INCOMeworks, Licensee agrees to be bound by the terms of this Agreement.
2. **Software Definition and Description.** "Software" means collectively (i) the most current completed version of the INCOMeworks program, and (ii) Maintenance, where "Maintenance" means a subsequent enhancement of the Software that is generally made available to licensees of the Software at no additional charge (Paragraph 6). Maintenance does not include any additional data year release or future product that Assessment Advisors may license separately from the Software. The Software contains the basic components of an income analysis for certain commercial real estate, and will provide information on the concepts of market value and obsolescence as they pertain to the assessment of commercial real estate, plus descriptions, examples, and automatic calculations of commonly applied rates and ratios.
3. **Authorized Application.** "Authorized Application" means the following scope of activities: a) Mass appraisal of income producing real properties located in the territory where Licensee assesses real estate taxes on income producing real properties, except for properties identified as "Specialty" in the Software, using cost and other in-house analyses and consistent with the Assumptions and Limiting Conditions identified in the Software; b) As reference in tax appeals challenging the real estate tax assessment; and c) Instructional overview of the typical steps involved in an income analysis. The Software is not a replacement for cost-based or other in-house value estimates and is to be used for comparison and supplemental information. Licensee will use the Software only in its normal course of business of assessing real property and not for any other purpose, including without limitation, mass appraisal of properties outside of Licensee's jurisdiction, valuation of any real property, or valuation of improvements to any real property.
4. **Licensee Obligations and Restrictions.** Licensee will not use, or permit others to use, the Software for any purpose or activity other than the Authorized Application.
 - (a) Licensee will use reports generated via the Software only for internal office purposes consistent with the Authorized Application. Licensee may distribute reports as necessary to defend tax appeals.
 - (b) Licensee will train all employees on the Software and use reasonable precautions to monitor each employee's use of the Software to ensure that employees do not violate any of the terms of this Agreement including without limitation, using the Software in any manner that is inconsistent with the Authorized Application.
 - (c) Licensee will not use or allow others to use the Software for the benefit of any third party unrelated to the Authorized Application. Licensee will not provide or allow others to provide reports generated by the software to any third party unrelated to the Authorized Application. Licensee will not provide, disclose, divulge or make available to, or permit use of the Software by persons other than Licensee's employees and agents per separate Agreement.
 - (d) Licensee will not modify, copy, duplicate, reproduce, license, sub-license, transfer, or convey the Software or any right in the Software to anyone else, nor will Licensee transfer or share usernames and passwords.
 - (e) Licensee will not decompile, disassemble, or reverse engineer any portion of the Software or attempt to discover any source code, application or framework structure, data entries, or underlying ideas or algorithms of the Software.
 - (f) Licensee will not remove, alter or otherwise obscure any proprietary rights notices appearing in the Software.
5. **Term, Payment, Delivery, Renewal.** This Agreement will become effective at acceptance and the initial one year Term will commence on the Software Release Date per proposal (page 1). Licensee will pay Assessment Advisors a license fee for the initial term (page 1) which is non-refundable and due prior to delivery of the Software, which will include INCOMeworks Options, Features, Consulting, and Support per the proposal (page 1). On the Release Date, Assessment Advisors will deliver to Licensee the requested number of usernames and passwords required to access the Software. This Agreement will terminate in one year from Release Date unless Licensee chooses to renew this Agreement, at its option, via payment of a renewal fee per the proposal (page 1). Renewal fees are non-refundable and must be received prior to delivery of the Updated Renewal Release (new Data Year).
6. **Maintenance.** For so long as Licensee has an active license, i.e., a current paid-up subscription for use of the Software: a) Assessment Advisors will provide Licensee with access to any enhanced versions of the Software which may increase the efficiency or ease of use of the Software, and b) Assessment Advisors will use reasonable good faith efforts to assist Licensee with any Software operation difficulties they encounter. However Assessment Advisors will have no obligation to assist Licensee with (i) difficulties due to Licensee's negligence, abuse, or misapplication, (ii) Software which has been modified or altered, (iii) Software use inconsistent with the Authorized Application, (iv) Software used in an operating environment other than that for which it has been designed.
7. **Confidentiality.** The parties each agree that during the term of this Agreement, they may receive information regarding the other party's affairs which the disclosing party considers confidential. Each party receiving such confidential information agrees not to disclose it to any third party except to its own employees and agents and only as necessary to perform its obligations or exercise its rights under this Agreement. This Paragraph is not applicable to any information which: (a) the receiving party is authorized in writing by the disclosing party to disclose; (b) is generally known or becomes part of the public domain in the trade through no fault of the receiving party; (c) is independently developed by the receiving party or its agents without any use of the confidential information; or (d) is required to be disclosed by law or regulation or by proper order of a court of competent jurisdiction after adequate notice to the disclosing party to seek a protective order, the imposition of which protective order the receiving party agrees to approve and support. The Software, and the data contained and accessed through the Software, are confidential information under this Paragraph.

8. **Ownership, Protection and Reservation of Rights.** During the Term of this Agreement and thereafter, Assessment Advisors and its licensor at all times retain ownership of the Software and all intellectual property rights pertaining thereto, including without limitation any and all patent, copyright and trademark rights ("Assessment Advisors Property") and all physical copies of materials related to the Software. Licensee will not do, or permit to be done, any act that would impair the rights of Assessment Advisors in Assessment Advisors Property. Licensee will not attack Assessment Advisors Property or the validity of this Agreement. Licensee will cooperate with Assessment Advisors in protecting Assessment Advisors Property. Licensee will promptly notify Assessment Advisors of all infringements or violations of the rights in Assessment Advisors Property and will cooperate with Assessment Advisors in the prosecution of any legal action for infringement. Except for the rights expressly granted to Licensee in Paragraph 1, Assessment Advisors grants and Licensee receives no other rights or licenses to the Software, derivative works thereof, Assessment Advisors Property, other intellectual property rights pertaining thereto, including without limitation, any rights to use the ideas, source code, methods or processes embodied, or the whole or any part of the data incorporated in the Software.
9. **Limited Warranty.** During the Term of this Agreement ("Warranty Period") Assessment Advisors warrants that the Software will operate in a manner consistent with that described in Paragraph 2. If Licensee provides Assessment Advisors with written notice during the Warranty Period that the Software fails to operate as warranted in this Paragraph, Assessment Advisors will use reasonable efforts to cure the defect and make the Software operate as herein warranted. Licensee's sole remedy in the event of breach by Assessment Advisors of this Paragraph will be replacement of the defective Software or defective portion thereof. Assessment Advisors will have no obligations under this Paragraph to the extent noncompliance results from (a) modification of the Software not authorized by Assessment Advisors, (b) use of the Software for a purpose or in a manner other than that for which it was designed, or (c) Licensee's access to the internet or world wide web or other issues relating to Licensee's computer network. This Paragraph states Assessment Advisors' entire liability and Licensee's exclusive remedy with respect to any breach by Assessment Advisors of this Paragraph. Any action for breach of this limited warranty must be commenced during Warranty Period. Except as explicitly set forth in this Paragraph, Assessment Advisors makes no warranties, whether express, implied, or statutory, regarding or relating to the Software, or any materials or services furnished or provided to Licensee under this agreement. Specifically, Assessment Advisors does not warrant that the Software will be error free or will perform in an uninterrupted manner. Assessment Advisors and its licensor specifically disclaim all implied warranties of title, non-infringement, satisfactory quality, merchantability and fitness for a particular purpose with respect to the Software and services, and with respect to the use of any of the foregoing. Except for breach of Paragraph 7 or Paragraph 8 neither Licensee, Assessment Advisors will be liable for any indirect, incidental, special or consequential damages. In no event will either party's liability for any damages exceed the license fee paid to under this Agreement in the year preceding the claim.
10. **Indemnification.** Licensee agrees to indemnify, hold harmless and defend Assessment Advisors and its licensors, and their respective officers, members, employees, agents, successors, representatives, and assigns from and against any claims or suits, including reasonable attorneys' fees and expenses, which arise or result from Licensee's use of the Software, or Licensee's breach of any terms and conditions of this Agreement, or Licensee's use of the Software inconsistent with the Authorized Application. Assessment Advisors agrees to indemnify, hold harmless and defend Licensee from and against any claims or suits, including reasonable attorneys' fees and expenses, which arise or result from claims that Licensee's use of the Software infringes or violates any copyright or patent. If a final injunction is obtained against Licensee's use of the Software by reason of such infringement, or if in Assessment Advisors' opinion the Software is likely to become the subject of a claim for such infringement, Assessment Advisors shall, at its sole option and expense: (i) procure for Licensee the right to continue using the Software in the manner permitted hereunder; (ii) replace or modify the Software so that it becomes non-infringing, or (iii), if (i) and (ii) are not feasible, terminate this Agreement and refund to Licensee on a pro rata basis any prepaid license fees. The foregoing remedies shall be Licensee's sole and exclusive remedies in the event of a successful claim of infringement. Assessment Advisors shall have no liability to Licensee hereunder if any infringement is based upon Licensee's use of the Software in combination with any software not furnished by Assessment Advisors, if the Software is used in a manner for which it is not designed or permitted, or if the infringement is based upon modifications of the Software by Licensee.
11. **Termination, Survival.** This Agreement is effective until expired or terminated. Either party may terminate this Agreement if the other party breaches a material term and fails to cure such breach within sixty (60) days after receipt of written notice describing the breach in reasonable detail. Upon expiration or termination of this Agreement for any reason, all licenses, usernames, and passwords granted to Licensee will immediately be terminated. All terms in this Agreement which are intended to survive expiration or termination of this Agreement will survive expiration or termination.
12. **Choice of Law, Invalidity.** This Agreement will be construed and governed by the laws of the State of Illinois applicable to agreements made and to be performed entirely in Illinois, USA. The provisions of this Agreement allocate the risks between Assessment Advisors and Licensee. Licensee's pricing reflects this allocation of risk and the limitation of liability specified in this Agreement. This allocation is an essential element of the basis of the bargain between the parties. If any term, condition or provision in this Agreement is found to be invalid, unlawful or unenforceable to any extent, the parties will endeavor in good faith to agree to such amendments that will preserve, as far as possible, the intentions expressed in this Agreement. If the parties fail to agree on such an amendment, such invalid term, condition or provision will be severed from the remaining terms, conditions and provisions, which will continue to be valid and enforceable.
13. **Assignment, Relationship of Parties, Entire Agreement.** Assignment of this Agreement and any included rights by Licensee is strictly prohibited. Assessment Advisors may assign this Agreement without restriction to an assignee who agrees in writing to be bound by the terms. There is no relationship or agency, partnership, joint venture, employment or franchise between Assessment Advisors and Licensee. This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements, proposals, and negotiations, written or oral, relating to the subject matter hereof. This Agreement cannot be modified, amended,

changed or extended orally. The headings in this Agreement are for convenience and shall not be used to construe meaning or intent. Any contract, purchase order, or similar document, which may be issued by Licensee in connection with this Agreement does not modify this Agreement.

Market Specific Guide

Sample



IncomeWorks®

Any Municipality

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This sample document lists a typical Table of Contents index of IncomeWorks topics and various available options. Also included are brief excerpts from various actual Market Specific Guides. Your release will contain a comprehensive and locally relevant Market Specific Guide, customized to your market and the IncomeWorks options ordered, and updated every year.

General Acknowledgments

Various printed and online publications via member access updated continuously:

- *Appraisal Institute*
- *International Association of Assessing Officers*

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Protected by U.S. Patent 7,676,428

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About this Guide

This market specific guide is designed to give the user information pertinent to the local market. In addition to general informative sections, this guide contains six property type specific chapters, conforming to the six modules available in IncomeWorks: 1) Commercial, 2) Industrial, 3) Lodging, 4) Multifamily, 5) Office, and 6) Retail. Readers will note that, while there is a somewhat standard layout within the property type chapters, each contains varied information. This is a direct result of diversity within markets combined with nature of information and the surveying process; where information is plentiful and not proprietary, it is provided in this guide. For data that is available, but proprietary, the information source is masked.

Each Market Specific Guide is dedicated to the concepts of the Income Approach and your particular market. The topics found in a typical Market Specific Guide:

- Guide Layout
 - General Information
 - Summary of Modeling Process
- Demographic Info
 - Tables
 - Introduction to Ranking
 - National & Local Market Discussion
- Discounted Cash Flow
 - Explanation of Concept
 - Interview Examples
- Expenses & Leases
 - Information on Various Lease Types
 - Detail on the Expense Breakdown Feature
 - An Indexed List of Typical Operating Expenses
 - Expenses & Lease Basis Overview
- Financial Analysis
 - Explanation of Concept
 - Examples
- Six Property Type Chapters
 - Explanation of Each Property Type
 - Local & National Data Tables (Rents, Vacancy, Cap Rates, & More)
 - Tables Identified Per Release Year
 - General Information on Supporting Data
- Available Options & Features
 - Detail on Mass Update, GRM (Gross Rent Multiplier), and Tax Factor



IncomeWorks is a program and a service! We are proud to offer MAI consulting to our clients, included in your license fee, via phone and email. Consulting consists of review of appellant evidence and financial statements from income property types, including special purpose and complex properties. Our consulting is available to you throughout the term of your license agreement, at no extra charge. Got a tough one? Send us the pertinent info and we will help you out.

Demographic Info

The following charts are presented to aid in the selection of the most appropriate description regarding the Demographics category of the Ranking screen.

Discounted Cash Flow

This feature is offered to allow users to quickly create a Discounted Cash Flow (DCF) analysis.

First complete a Direct Capitalization model, then answer a few basic "DCF Interview" questions, after which the DCF is automatically calculated.

The IncomeWorks DCF provides two models:

- 1) Standard Model: for a typical property at stabilized operations.
- 2) Absorption Model: for a brand new, very old, or distressed property requiring lease up.

Financial Analysis

This option is offered to allow users to quickly calculate a Debt Coverage Ratio (DCR). Simply insert some basic information regarding a loan, after which a payment is automatically calculated. That payment is then compared to the IncomeWorks resultant NOI for purposes of calculating a DCR. The Financial Analysis option may be used with the Direct Capitalization model and the Discounted Cash Flow models.

In the basic model, IncomeWorks automatically provides the following fields:

Lease Formats

Various types of leases exist, and often confusion occurs simply by virtue of semantics. Following is a general overview of the typical phrases used to describe leases, along with definitions most commonly found in the market. A chart, summarizing how expenses are handled under the various lease formats, is also presented.

Absolute Net:
Net:
Full Gross:

Triple Net:
Modified Gross:
Full Service:

Double Net:
Industrial Gross:

Single Net:
Gross:

Any of the above "To Stop"

Operating Expenses: General Overview & Lease Basis Info

Modeling consistency and accuracy is achieved in IncomeWorks by MAI research of the pertinent local markets; this research and analysis results in the identification of the most prevalent leasing practices by property type. The leasing practices, in turn, impact general expenses...

Operating Expenses: Indexed List

The individual expense categories are described next, listed alphabetically by expense type.

Property Type: Commercial

The Commercial module of IncomeWorks contains various property types and subtypes. Summaries are presented next for: Auto Service, Flex Space, Self Storage, Mixed Use, and Shop/Utility Building.

Supporting Data Tables

The examples show how tables may be presented in your Market Specific Guide. This sample guide does not show all the possible tables that will be included.

Flex Space Overall Cap Rates, Survey Summary, 20xx

Source	Market Description	Average Cap Rate
Local Broker C, 20xx Q3	City Center	7.50%
Local Survey K, 20xx Q3	Local District 1	7.70%
Local Survey K, 20xx Q3	Local District 2	8.30%
Local Survey K, 20xx Q3	Local District 3	9.00%
National Broker B, 20xx Q2	Region A	7.53%
National Survey D, 20xx Q3	National, Class C	8.03%

Self Storage Operating Expenses, Expense Detail* 20xx

	% Averages	Mean per SF	Low per SF	High per SF
Taxes	20.89%	\$0.66	\$0.01	\$4.18
Insurance	4.22%	\$0.20	\$0.01	\$1.29
On-Site Management	27.23%	\$0.91	\$0.02	\$2.57
Off-Site Management	13.68%	\$0.57	\$0.01	\$3.22

Property Type: Industrial

General Overview

Any Municipality is part of the XXXX and YYYY industrial regions. Local industrial activity is concentrated in the northeastern district of the metropolitan area, in and around the largest city.

Discussion: Economic Indicators

Looking at industrial lease practices in Any Municipality over the past two years necessarily involves...

Industrial Market Rent & Vacancy Stats, National & Regional 20xx

Source	Type	Vacancy Rate	Rent / SF
National Broker G, All, year end 20xx	All	14.30%	\$4.36 *
National Survey H, 20xx Q4, National Class A & B	Warehouse	10.60%	\$4.05 *
National Survey H, 20xx Q1, National Class A & B	Warehouse	10.60%	\$4.15 *
National Survey H, 20xx Q1, Large Region Class A & B	Warehouse	10.50%	\$4.43 *
National Survey H, 20xx Q1, Small Region	Warehouse	10.60%	\$3.67
National Survey H, 20xx Q1, MSA	Warehouse	11.00%	\$5.14 *
National Survey K, National, 20xx Q4	Industrial	14.30%	\$4.00 *
National Survey K, National, 20xx Q4	Industrial	8.30%	\$5.06
National Survey D, 20xx Q4 - National, range low	Warehouse	0.5% - 2%	\$3.27
National Survey D, 20xx Q4 - National, range high	Warehouse	5% - 10%	\$4.48 *
National Broker D, 20xx Q4 - Region District A	All	11.92%	\$3.71 *
National Broker D, 20xx Q4 - Region District B	All	9.73%	\$3.17 *
National Broker D, 20xx Q4 - Region District C	All	10.31%	\$3.58
National Broker D, 20xx Q4 - Region District D	All	11.29%	\$4.05
National Broker D, 20xx Q4 - Region District E	All	14.46%	\$5.41
Local Broker A, 20xx Q4, Area 1	All	11.5%	\$4.19
Local Broker A, 20xx Q4, Area 2	All	9.6%	\$4.67 *
Local Broker A, 20xx Q4, Area 3	All	13.3%	\$3.80 *
Local Broker A, 20xx Q4, Area 4	All	8.7%	\$3.25
Local Broker A, 20xx Q4, Area 5	All	11.3%	\$3.76 *

Property Type: Lodging

General Overview

Budget, Limited Service, and Suite/Extended Stay properties are modeled within the IncomeWorks format as room revenues comprise almost all income generated by these products. Room revenues are reliably tracked via estimates of ADRs from various markets. Occupancies are estimated through actual telephone survey of properties and information provided local and national published surveys. Expense ratios are estimated from published information, as well as actual property operating records.

Supporting Data Tables

The examples show how tables may be presented in your Market Specific Guide. This sample guide does not show all the possible tables that will be included.

Any Municipality Estimated Average Daily Rate (ADR) Summary, 20xx

	Full Service	Limited Service	Budget	Suite	Independent
Local District 1					
ADR Range	\$223 - \$114	\$156 - \$76	\$100 - \$57	\$139 - \$56	- -
Properties Surveyed	6	14	7	15	0

Local District 2					
ADR Range	\$140	\$90 - \$51	\$92 - \$40	\$94 - \$39	\$67 - \$33
Properties Surveyed	6	4	4	1	4

Lodging Overall Cap Rates, Survey Summary, 20xx

Source	Market Description	Average Cap Rate
National Survey K, 20xx Q4	National, Institutional, 1st Tier, All	9.60%
National Survey K, 20xx Q4	Midwest, 1st Tier, All	9.70%
National Survey K, 20xx Q4	Midwest, 2nd Tier, All	10.50%
National Survey K, 20xx Q4	Midwest, 3rd Tier, All	11.20%
National Survey H, 20xx Q3	National, All	12.01%
National Survey H, 20xx Q4	National, Full Service	9.95%
National Survey H, 20xx Q4	National, Limited Service	12.36%

Property Type: Multifamily

General Overview

The Any Municipality multifamily market has been delineated variously into submarkets by the local Apartment Association and XYZ survey; these areas coincide with Districts established by the County Assessor as follows. Distinctions in survey and statistical reporting are consequently not precise, but share enough commonalities to reveal very useful and convincing local market depiction. There is reasonable consistency in the local multifamily market with respect to amenities provided; expense parameters reported fall within allocations typical to non-extreme climate and non-coastal markets. As a result...

The District 1 area of Any Municipality is distinctly above the other submarkets in rent levels, and further reflects a unique rent level distinction based on property unit count. Rent levels in xx-yy unit category are higher than found in the zz category, and higher still in projects with a larger number of units. Unit count rent level distinctions also are reflected in the other submarkets, with the break to higher rents occurring approximately at yy units. Rent parameters vary among these other (non-District 1) submarkets as well (with Area A as the highest) and generally follow...

Summary of Market Activity

- Market Trends, our survey
- Market Trends, local survey
- Average Rental Rates and Vacancy

Supporting Data Tables

The examples show how tables may be presented in your Market Specific Guide. This sample guide does not show all the possible tables that will be included.

Apartment Rental Survey Summary*- complexes listed in alphabetical order by street name (A thru B)*

	3501 A1 St.	411 A2 St.	100 A3 Blvd.	110 A4 St.	100 B1 Ave.	101 B2 St.	455 B3 Place
1 BEDROOM							
# Bathrooms		1	1	1	1	1	1
Rent		\$600 - \$610	\$610 - \$635	\$539	\$507 - \$759	\$535 - \$655	\$554 - \$586
Unit sf		675	742 - 754	n/a	653 - 870	603 - 874	749 - 916
2 BEDROOM							
# Bathrooms	1.5 - 2	1	1 - 2	1	1 - 2	1 - 2	1 - 2
Rent	\$979	\$660 - \$725	\$705 - \$885	\$654 - \$714	\$654 - \$827	\$730	\$691 - \$827
Unit sf	1024	1008	989 - 1250	n/a	1000 - 1180	945 - 1115	1216 - 1357
3 BEDROOM							
# Bathrooms	2		2	1		2	
Rent	\$999 - \$1119		\$875 - \$1180	\$809		\$780 - \$805	
Unit sf	1224 - 1486		1178 - 1660	n/a		1289	

Apartment Rental Survey Summary*- complexes listed in alphabetical order by street name (H thru J)*

	380 H1 St.	6501 H2 Ave	110 H3 St.	121 I Blvd	600 J1 Avenue	121 J2 St.	1005 J3 St.
STUDIO							
# Bathrooms	1		1	1			
Rent	\$420		\$535	\$425			
Unit sf	n/a		395	310			
1 BEDROOM							
# Bathrooms	1	1	1	1	1	1	1
Rent	\$525	\$640 - \$735	\$585	\$575 - \$600	\$507 - \$515	\$589	\$570 - \$580
Unit sf	710	720 - 851	740	756	733	673	775
2 BEDROOM							
# Bathrooms	1.5 - 2	2 - 2.5	1	1	1 - 1.5	1.5	1.5
Rent	\$620 - \$695	\$755 - \$875	\$630 - \$645	\$650 - \$750	\$675 - \$707	\$694	\$665 - \$700
Unit sf	936 - 1150	1100 - 1315	940 - 960	1140	963 - 1190	950	964
3 BEDROOM							
# Bathrooms	2.5	2.5			2	2 - 2.5	
Rent	\$835	\$970 - \$1190			\$770	\$799 - \$854	
Unit sf	1500	1653 - 2053			1341	1210 - 1276	

Property, 20XX Release	# BR	# BA	# Sq Ft per Unit	Avg. Monthly Rent / Unit	Tenant Pays:	Rent / BR
A Project	1	1	803	\$1,840	Electric, Heat	\$1,840
North District	1	1	927	\$2,040		\$2,040
227 Units, 10% Vacancy	2	2	1146	\$3,000		\$1,500
	2	2	1124	\$2,930		\$1,465
	2	2	1252	\$2,960		\$1,480
	2	2	1273	\$3,230		\$1,615
B Project	1	1	690	\$2,035	Electric, Heat	\$2,035
North District	2	1	850	\$2,695		\$1,348
108 Units, 5% Vacancy						
C Project	1	1	853	\$2,400	Electric, Heat	\$2,400
South District	1	1	979	\$2,575		\$2,575
100 Units, 5% Vacancy	1	1	1019	\$2,652		\$2,652
	1	1	1031	\$2,590		\$2,590
	1	1	1036	\$2,598		\$2,598
	2	2	1186	\$3,294		\$1,647
	2	2	1234	\$4,202		\$2,101
	2	2	1363	\$3,979		\$1,990
	2	2	1379	\$4,346		\$2,173
D Project	0	1	575	\$1,200	Electric	\$1,200
West District	1	1	1000	\$1,625		\$1,625
83 Units, 5% Vacancy	1	1	725	\$1,350		\$1,350
	2	2	1250	\$2,150		\$1,075
	3	2	2000	\$3,700		\$1,233
E Project	1	1	650	\$1,150	Electric	\$1,150
East District	1	1	775	\$1,437		\$1,437
28 Units, 5% Vacancy	2	1	950	\$1,763		\$882
F Project	1	1	1000	\$1,437	Electric, Heat	\$1,437
East District	2	1	1200	\$1,695		\$848
40 Units, 3% Vacancy						

Any Municipality Multifamily Submarket Stats, 3rd Qtr. 20xx

SUBMARKET		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
Area 1		lowest	\$566	\$713	\$755
vacancy rate:	6.55%	highest	\$871	\$1,038	\$1,289
		average*	\$803	\$921	\$1,063

Area 2		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	10.55%	lowest	\$430	\$538	\$660
		highest	\$620	\$801	\$1,050
		average*	\$563	\$692	\$845

Area 3		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	7.36%	lowest	\$425	\$485	\$575
		highest	\$650	\$821	\$950
		average*	\$596	\$671	\$841

Area 4		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	8.82%	lowest	\$455	\$515	\$775
		highest	\$949	\$1,131	\$1,354
		average*	\$652	\$801	\$993

Area 5		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	5.79%	lowest	\$559	\$659	\$745
		highest	\$772	\$917	\$1,099
		average*	\$617	\$760	\$903

Area 6		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	6.87%	lowest	\$450	\$520	\$725
		highest	\$847	\$1,022	\$1,178
		average*	\$563	\$715	\$879

Area 7		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	5.80%	lowest	\$425	\$599	\$730
		highest	\$624	\$804	\$1,015
		average*	\$589	\$741	\$878

Area 8		monthly rent:	1 Bedroom	2 Bedroom	3 Bedroom
vacancy rate:	3.22%	lowest	\$590	\$690	\$1,115
		highest	\$1,375	\$2,100	\$2,800
		average*	\$921	\$1,240	\$1,681

Property Type: Office

General Overview

As an example, Local Survey A data is expressed in suburban areas by zip code, while Broker C and Broker G data follow more identifiable markets in terms of access, amenities, and demographics. Local Survey K data is grouped differently yet, as is National Survey O data, but one commonality generally exists: the separation of the CBD with suburban areas.

Medical Office Discussion

Medical office space is often expressed on a triple net basis, with exception of those properties...

Any Municipality Office Vacancy & Median Rental Rates

Source	Downtown		Suburban	
	Vacancy	Rent/SF	Vacancy	Rent/SF
National Survey A, 20xx	6%	\$19.44	9%	\$18.00
TN Local Broker B, 20xx Q2	11%	Class A: \$20.50 Class B: \$17.00	11%	Class A: \$21.00 Class B: \$17.00
TN Local Broker A, 20xx Q1	10%	Class A: \$20.51	9%	\$21.55
National Broker B, 20xx Q2	12%	\$18.75	11%	\$18.50
National Survey J (20xx, July)	9.4%*	\$19.68*	9.4%*	\$19.68*
National Survey H, 20xx Q3	11%	\$15.76	11.30%	\$15.41
National Broker E, 20xx	15%	\$12.65	0%	\$13.22

Property Type: Retail

General Overview

Currently the biggest challenge for modeling retail property in Any Municipality is similar to...

Further, over 20xx and 20xx, spending habits had changed, credit was very tight, and baby boomers approached retirement with significantly less retirement savings. However, leasing and occupancy of U.S. malls and shopping centers continued to...

20xx Retail Operating Expenses

Neighborhood Centers	Region A	Region B	Region C
Sample Size	68	108	50
Expense Ratio Range:	Low: 17%	Low: 18.5%	Low: 19.7%
	Med: 25%	Med: 27.3%	Med: 31.2%
	High: 60%	High: 51.6%	High: 51.0%
Neighborhood Centers by Age / National	1 - 3 Years	10 - 19 Years	20+ Years
Sample Size	26	50	99
Expense Ratio Range:	Low: 19.8%	Low: 17.4%	Low: 20.7%
	Med: 29.9%	Med: 28.5%	Med: 32.4%
	High: 37.4%	High: 49.1%	High: 58.9%
Regional / Community Centers	Region A	Region B	Region C
Sample Size	3	7	10
Expense Ratio Range:	Low: 21.8%	Low: 18.8%	Low: 21.4%
	Med: 29.5%	Med: 27.6%	Med: 29.4%