

CITY OF FALLS CHURCH, OFFICE OF REAL ESTATE ASSESSMENT

**INSTRUCTIONS FOR COMPLETING
INCOME AND EXPENSE SURVEY FORM
HOTEL/MOTEL**

The following instructions are provided to aid you in filling out this survey form. If you have any questions, please call this office at (703) 248-5107 (TTY 711).

A. Debt Service Information

Please provide information in regard to any loan placed on this property within the last five years. Please include any new loans or refinancing of original debt. This information is requested to study the financing trends for this property type to determine typical debt coverage ratios. By obtaining this information we may also be able to see if your particular property is unusual in its financial arrangements.

B. Certification

Certification of this information by the owner or officially authorized representative is required by state law (Code of Virginia 58.1-3294). A copy of this code will be provided upon request. Please print or type the name and title of the person certifying the information. Also provide the name and phone number of the person to contact with questions about the information.

C. General Property, Management, Rate, and Occupancy Information

This section is self-explanatory.

D. Income Information

Please enter the period covered by this income and expense statement.

Actual room rental income – Actual income from rental of rooms. This is not the gross potential income at 100% occupancy, but the actual gross rent received.

Sales of food/sundry services – Income from the sales of food and sundries. If the income from food/sundry services is from a lease, please enter the information on Line 5 below.

Beverages/sundry – Income from sales of beverages and sundries not included above.

Telephone income – Income from use of telephone services.

Lease income – (Specify) This includes rental income from food, retail, rooftop antennas, etc. Please attach an itemized list showing all rental income and the amount of space associated with the lease.

Other income (specify) – Additional sources of income not listed above.

Total actual income received – Sum of lines above.

E. Capital Improvements, Renovations

1. Capital expenditures are investments in remodeling or replacements that materially add to the value of the property, or appreciably prolong its economic life. Generally, expenditures on materials or equipment with a life of more than one year should be considered capital and included here. If this section applies to your property, please answer yes and list on an attached sheet the items considered to be capital improvements. Enter the total amount of the capital cost for this reporting period only. For each line enter a description of the improvements, the total cost and the life of the improvements in years. The life of the improvements is the number of years the improvement will last, or the number of years over which it will be amortized. This section helps to compile maintenance expenses data for each property type.
2. New Construction – Submit most recent AIA documents G702 and G703 with the itemized construction costs and all associated soft costs for recent new construction.

F. Department Costs

These are costs necessary to maintain the production of income from operation of the property. They are the day to day costs of providing services for the guests. They do not include the expenses necessary for the operation of the Real Estate (See Operating Expenses below). Do not include under any expense category items such as ground rent, mortgage interest or amortization, depreciation, personal property tax, income taxes, or capital expenditures. Capital expenditures are requested in Section E.

Rooms – Cost directly attributed to room upkeep.

Food & Beverages – Cost directly attributed to providing meals and drinks.

Telephone – Cost of providing telephone service to guests.

Other – Additional departmental costs not listed above..

Total of department costs – Sum of lines above.

G. Annual Operating Expenses

These are expenses necessary to maintain the production of income from operation of the property. Do not include under any expense category items such as ground rent, mortgage interest or amortization, depreciation, personal property tax, income taxes, or capital expenditures. These are not operating expenses. Please include here all other expenses to the property, including those reimbursed by the tenants.

1. Utilities
 - Water and sewer** – Cost of water and sewer services for this reporting period.
 - Electricity** – Electricity Expenses.
 - Other utilities** – Specify primary fuel (oil, gas, electric) used for heating the building, and its expense. Do not include an amount here if heat is electric and expense is included in the above.

Operating Expenses – continued

2. Management and Administrative

Management fees – Amount paid to a management company or self for operating the building. Do not count management expenses here if the same administrative costs are shown elsewhere.

Incentive management fees – Fees paid to management firm as incentive.

Franchise fees – Fees paid for use of name, logo, marketing, etc.

Incentive management fees – Fees paid to management firm as incentive.

Advertising – Paid for local and national marketing not included in the fees listed above.

Other administrative/payroll – Includes administrative payroll, office supplies, accounting and legal fees. (Please detail each line item. If necessary attach separate sheet).

3. Maintenance and Repairs

Maintenance payroll/supplies – Payroll expenses for maintenance staff, and expenses for maintenance supplies.

HVAC repairs – Maintenance and repair expense for heating, ventilating and air-conditioning. Do not include capital repairs.

Electric/plumbing repairs – Maintenance and repair expense for electric and/or plumbing systems.

Elevator repairs – Maintenance expense for elevator repairs.

Roof repairs – Minor repair and routine maintenance expense of roof. Do not enter the cost to replace entire roof. Roof replacement is a capital expense, which should be shown in Section E.

Pool/Recreational - Maintenance and operation for pool area.

Other common area or exterior repairs – Repairs to the outside of the property not covered elsewhere. Do not include capital items.

Decorating (carpet, paint, etc.) – Interior maintenance and repair. Do not include capital items, or major tenant fix up.

Other repairs maintenance (specify) – Maintenance and repair expense not covered in another category. Please specify type of maintenance and/or repair. Do not include capital items.

4. Services

Janitorial/cleaning (payroll/contract) – Janitorial and cleaning expenses for the property.

Landscape (grounds maintenance) – Landscaping or groundskeeping service expenses.

Trash – Expense for trash service.

Security – Expense for security service, guards, etc..

Snow removal – Expense for snow removal service.

Other services (specify) – Expense for services not listed above.

Operating Expenses – continued

5. Insurance and Taxes

Fire, casualty insurance – (reporting period only) Some insurance policies are multi-year contracts. Please include only one year's cost.

Other taxes, fees (specify) – This includes business license tax, personal property taxes, and other taxes, exclusive of real estate taxes.

6. Total Operating Expenses Without Reserves for Replacement

Reserves for Replacement - The annual amount reserved for all capital improvements includes replacement of furniture, fixtures and equipment.

7. Total Operating Expenses Including Reserves for Replacement

H. Net Operating Income

Income to the property after all fixed and operating expenses including reserves for replacements are deducted, but before deducting mortgage interest and depreciation (i.e., total actual income received less total departmental costs less total operating expenses before real estate taxes.

I. Real Estate Taxes

Amount paid in real estate taxes for this reporting period. This should reflect any adjustments made in the assessment for the period. Do not include personal property taxes.