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INSTRUCTIONS FOR COMPLETING 2024 INCOME AND EXPENSE REPORT SUMMARY

Please provide the most up-to-date information available for your property. If you have a copy of your Internal Revenue Service Schedule, Form E or an Annual Certified Income and Expense statement for 2021 and 2022 you may submit those as well. For any additional questions, please call this office at (504) 754-8811.

Please submit the completed Income and Expense Report Summary before April 1, 2023.

by email to: commercial@orleansassessors.com

or U.S Mail: Orleans Parish Assessor's Office
P.O. Box 53406
New Orleans LA 70153-3406

1. **Primary Property Use:** Indicate the type of commercial building.
2. **Gross Building Area:** square footage measurement of the entire structure.
3. **Net Leasable Area:** square footage of the area that can be leased to others. Do not include common areas such as hallways, elevators or stairwells that are not a part of the rental area.
4. **Owner-Occupied Area:** This is the area used by the owner that is NOT leased to others.
5. **Number of Unites/Rooms:** In the case of hotels, motels, hostels, bed and breakfasts, etc., it will be rooms. All other commercial properties will be number of rentable units.
6. **Number of Parking Spaces:** Please provide the number of parking spaces on the property.
7. **Actual Year Built:** If known.
8. **Year Remodeled:** List year of latest remodel or renovation if applicable.

INCOME

- 9-16. *Provide the total Rental Income produced by each rental type if possible (such as office space, retail space, restaurant/bar, etc.)*
17. **Other Property Income:** Rental Income for any designated space not covered by the categories listed above.
18. **TOTAL POTENTIAL INCOME:** Sum of lines 9-17.
19. **Loss Due to Collection and Credit:** Sum of any outstanding or uncollected revenues.
20. **EFFECTIVE ANNUAL INCOME:** Difference between lines 18 and 19.

EXPENCES

21. **Heating/Air Conditioning:** Sum spent on heating and air conditioning.
22. **Utilities:** These include water, gas, electricity, telephone, and trash removal not paid for by the tenants.
23. **Other Utilities:** Any utility costs not included in item 22.

24. **Payroll (Excluding Management):** Total payroll costs excluding building management.
26. **Supplies:** Items used in the day-to-day operation of the property, such as stationary, office supplies, light bulbs etc
26. **Management:** Expenses necessary to keep the property operating excluding common area and elevator maintenance.
27. **Insurance:** This encompasses insurance adequate to cover the building, only use the cost of a single year's coverage.

28. **Common Area Maintenance:** Costs to the owner for maintenance of the common areas not covered by leases and not reimbursed by the tenants. This could include exterior lighting and landscape care.
29. **Commissions/Advertising:** Marketing, public relations or promotions costs.
30. **Legal & Accounting:** Legal expenses used in the operation of the property – including preparation and review of leases – and expenses associated with preparation of financial reports and tax preparation. If the services are for multiple properties, they should be allocated to each property covered.
31. **Elevator Maintenance:** All costs associated with elevator upkeep.
32. **Tenant Improvements:**
33. **General Repairs:** Repair costs not covered in other fields.
- 34-36. **Reserves:** Parts of a building that normally must be replaced before the building reaches the end of its useful life. These expenses should be annualized. As an example, if a property is leased for 20 years it is reasonable to expect that items such as roofs or heating and air conditioning will wear out before the end of the lease. Therefore, it is common for property owners to set aside funds to provide for the eventual replacement of these items. To calculate this expense the replacement cost new of the item is divided by the life of the item. As an example, a new roof costs \$20,000 and is estimated to last 12 years; then \$20,000 divided by 12 years equals and annualized Reserves for Replacement expense which would be \$1,667. Each item should be listed separately.
37. **Security:** cost of security or security systems for the property not reimbursed by the tenants.
38. **Total Expenses:** Sum of lines 21-37.
39. **NOI:** Net Operating Income is Effective Annual Income (line 20) minus Total Expenses (line 38).
40. **Capital Expenses:** Additions to the property not necessary to maintain the level of income at any given time. Capital improvements would result in an increase in any or all of the following; the value of the property; the economic life of the property and/or the income to the property.
41. **Real Estate Taxes:** Property taxes paid for the respective tax years.
42. **Mortgage Payment:** Both the interest and principal required for the mortgage on the property.

EXAMPLES AND DEFINITIONS

INCOME EXAMPLES

Primary Rental Income – The actual income from rental of space. This is the actual gross rent received.

Sales of utilities – Income from the sale of utilities and services, in addition to actual rental income. These are usually cost reimbursements by the tenants over and above the base rent.

Rent Overage / % of rent – Rents received over and above the guaranteed rental in accordance with the terms of the lease.

Common Area Maintenance reimbursement – the total income received from tenants for their share of the common area maintenance.

Interest Income – Income to this property from interest earned on capital improvement accounts, reserve accounts and monthly management operating accounts.

Insurance Reimbursement – Monies paid to owner for insurance claims.

Operating Expense Reimbursement – Income to the property from the tenants' pro rata share of operating expenses (pass-throughs), usually above a base amount or expense stop as specified in the terms of the lease.

Real Estate Tax Reimbursement – Income to the property from the tenants prorate share of real estate taxes (pass-throughs), usually above a base amount or real estate tax stop as specified in the terms of the lease.

Parking Income – Any rental income received for garage and/or surface parking spaces.

Antenna/Telecommunication Income – Income received from leasing portion of premises for erection of telecommunication equipment.

Miscellaneous Income (specify) – Any additional income received not covered in another category. Specify the type or source of income.

CAPITAL IMPROVEMENTS, RENOVATIONS

Capital Expenses - 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.

Deferred Maintenance - Items should include major building components which currently need repair. If this property has such needed maintenance, please include an itemized listing of the individual items, along with repair cost estimates.

Tenant Improvement - costs should include the total cost of the tenant refit paid by the landlord for the reporting period.

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 all other expenses to the property, including those reimbursed by the tenants.

Utilities

Water and sewer - Cost of water and sewer services for this reporting period.

Electricity - Total electrical expense.

Other utility - If more than one type of fuel is used, indicate cost.

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.

Decorating common area or exterior repairs (carpet, paint, etc.) - Repairs to the outside of the property not covered elsewhere. Do not include capital items.

Other repairs/maintenance - Maintenance and repair expense not covered in another category. Do not include capital items.

Management and Administrative

Management fees - Amount paid to a management company or self for operating the building. Don't include asset management fees, only property specific management fees.

Other administrative/payroll - Includes advertising, administrative payroll, office supplies, accounting and legal fees.

Leasing Commission - costs should include the total leasing commissions paid by the landlord for the reporting period.

Services

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

Landscape (grounds maintenance) - Landscaping or grounds keeping service expenses.

Trash - Expense for trash service.

Security - Expense for security service, guards, etc.

Window Cleaning - Expense for cleaning windows.

Other Services - Anything not included above.

Insurance and Taxes

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

Other taxes, fees, HOA - This includes business license tax, personal property taxes, and other taxes, exclusive of real estate taxes.