



Real Estate Terms

NNN- Triple Net Lease

If a lease structure is "triple net," it is referring to the fact that expenses are in addition to the base lease rate that the Tenant will be reimbursing the Landlord for paying. The three nets are taxes, insurance, and common area maintenance. Typically, Tenants will be given a forecast of NNN expenses for a particular year, which will be reconciled at the end of the year. Often times, charter schools can apply for tax exemptions, thus reducing their NNN expenditures. For the other types of structures, please see "Full Service Gross" and "Modified Gross."

Full Service Gross

If a lease structure is Full Service Gross, it means that "triple net" (Please see "NNN") expenditures are included in the lease rate. Often times, charter schools can apply for tax exemptions, thus reducing their overall lease costs. It is important to negotiate a "base year" in lease negotiations as this will impact that timing and structure for how the school will be responsible for increases in the expenses for the building.

CAM- Common Area Maintenance

CAM charges are typically associated with a lease (however they are paid whether the building is owned by the school or not) and include those expenses that are needed to maintain the property, such as landscape maintenance, HVAC maintenance, etc.

Common Terms

Base Year

ADA- Americans with Disabilities Act

HVAC- Heating, Ventilation, and Air Conditioning

Annexation

Modified Gross

Rent Constant

RSF- Rentable Square Footage

Average Rent Constant

USF- Usable Square Footage

Rent Escalations

Purchase Contract

Appraisal

Lease

AS IS

TI- Tenant Improvements

Zoning

Tenant Improvement Allowance

Capitalization Rate- AKA "CAP Rate"

Acre

Concessions