

Glossary

- **Annual lease:** a lease that has a contract that has a specific start and end date.
- **Appraisal:** the money value of property as estimated by an appraiser.
- **Building insurance:** the annual cost of an insurance policy that covers the financial cost of repairing damage to the physical structure.
- **Gross lease:** a lease under the terms of which the landlord receives stipulated rent and pays the expenses of operating and maintaining the leased property.
- **Lease:** a written contract by which the landlord transfers the rights to occupy and use real or personal property to another (tenant) for a specified time in return for a specified payment (rent).
- **Monthly lease:** is in reference to a month-to-month lease, which is a short-term leases that may or may not be in written form. This type of lease provides no security for the tenant or the landlord, because the landlord has no guarantee of the right to continue to occupy the premise.
- **Non Arm's-length lease:** a lease between a willing tenant and a willing landlord that are related and are not acting under duress, abnormal pressure or undue influences.
- **Owner-occupied:** units occupied by the owner of the property.
- **Percent rent:** based on a fixed or graduated percentage of gross sale, normally with a guaranteed base rent.

- **Semi-Gross lease:** a lease under the terms of which the landlord receives stipulated rent and pays some of the expenses of operating and maintaining the leased property.
- **Step-up:** a lease that calls for set increases in rent at specified intervals.
- **Structural maintenance:** the expenses necessary to keep the property operating and covers the repair of such items as the roof, water heaters, cooling systems, broken glass, and painting.
- **Triple net lease:** a lease under the terms of which the lessee pays the agreed rental and also all expenses of operating and maintaining the leased property, including taxes on it, but not including depreciation.

All definitions have been derived from the IAAO (International Association of Assessing Officers).