



Documents Required for Real Estate Section

This section concerns the real property asset and the cash flow it generates. The facts for this section should be obtained from a real estate appraisal, although for an initial analysis and planning purposes, the required information may be obtained more informally. You may also wish to read about how to use (and prepare) a real estate appraisal for our fractional interest valuation purpose. (See book, chapter 4.)

Documents needed:

- A copy of the real estate appraisal*
- Copies or detailed summaries of any leases
- Historic operating statements (3–5 years if available) and pro forma (12 months after the date of value)
- A schedule of any extraordinary repairs or capital replacements needed over the next 10 years

*If you don't have the real estate appraisal (yet), you should at least have some idea of the following:

- Whether any leases are significantly above- or below-market
- What the market capitalization and growth rates are for the property
- Whether there are any major property or tenancy changes likely to occur in the next 10 years (such as loss of a major tenant, redevelopment, or change in highest & best use)