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## Dedication

The Retail Lease Digest is dedicated to the Coalition of Retailer Associations:

- Australian Retailers Association
- Pharmacy Guild of Australia
- Franchise Council of Australia
- Restaurant and Caterers Association

*Their Board Members, Senior Executives and Member Support Teams who are dedicated to providing their Members and the wider Retailer community which makes up this nation's largest industry sector, the support they need to succeed.*

*As individuals there are too many to name, but together we have delivered significant reforms in legislation for a more transparent and fair market, each Retailer owes you a debt of gratitude and my humble thanks,*

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## Preface

Retail Shop Leases in Australia are possibly the most complex document/contract Retailers (and for that matter Landlords) will be required to deal with.

Retail Lease Digest seeks to provide those new to retail leases as well as the more experienced professionals an easy to use reference of the commonly used terms and definitions found in not only the actual lease instrument but also the pre-lease exchanges.

There remains no national retail lease reference draft, mainly due to the layer cake of complexity and diversity with retail property ownership and use, made even more perplexing by the varying retail/commercial lease legislation presently gazetted in each State and Territory. The Author along with the Peak Retailer Associations: Australian Retailers Association, Pharmacy Guild of Australia, Franchise Council of Australia & Restaurant and Caterers Association (the Coalition of Retailer Associations) continue to advocate for national common retail lease legislation and promote transparency and fair trading on behalf of their Members and Retailers.

For this reason, Retail Lease Digest has been long overdue and intended to be widely referenced as a source guide for anyone dealing/negotiating or reviewing a retail shop lease.

Phillip Chapman CSMA

## Introduction

Retail leases along with the relevant State and Territory legislation can to be highly complex contracts.

Both Lessees and Landlords need to make sound commercial decisions based on the information they have before them, as well as, seeking suitably experienced Legal and Financial advice.

“Retail Lease Definitions” is derived from commonly used terms specific to retail property and although comprehensive, we welcome your input and suggestions for future inclusions addressed to, RealRetail.com.au PO BOX 61 Red Hill, QLD 4059.

Also, included in the addendum are some commonly applied formulas used when assessing and measuring the performance of not only retail property under lease but also key performance indicators of retailing operations.

“Retail Lease Definitions” is provided to you as a reference guide only intended to further and promote the education and better understanding of retail shop leases. This guide should not be relied upon in lieu of appropriate professional Legal and Financial advice.



# A

<b>Abatement</b>	An official reduction, allowance or rebate. An abatement pro rata is a proportionate reduction of the amount of each of a number of debts or claims as where a fund or real estate is insufficient for repayment of all in full.
<b>Abstract of Title</b>	A chronological summary of conveyances, mortgage or leases and other deeds giving the names of the parties and the description of the land, arranged to show the continuity of ownership of general law land not under the Torrens system.
<b>Abut</b>	To touch or border or sharing a common boundary with another property.
<b>Abutment</b>	That part of a wall or pier on or against which an object abuts or presses; That part which receives the pressure of an arch or strut, as the supports at either end of a bridge.
<b>Acceptance</b>	Agreement to the terms of an offer so a binding contract is created; Acceptance of a contract.
<b>Access Rights</b>	The right of ingress to and egress from a property that abuts upon an existing street or highway. Details will be shown on Certificates of Title of both parties granting and receiving the right.
<b>Accrual Accounts</b>	Standard accounting system in Australia. Under an accrual system income is recognised when it is receivable and not when received, similarly liabilities are recorded when incurred and not when paid. This contrasts with a cash flow accounting system where all income and liabilities are recorded at date of receipt.
<b>Accumulated Depreciation</b>	Accumulative amount of depreciation offset against an asset.

<b>Accumulation Index</b>	A numerical index of movement in a financial market that takes into account both price (capital) movements and income (dividends). For example, an accumulation index starts with a base figure (e.g. 100 or 500) and is then adjusted for percentage change according to the following formula; $\text{New Period Index No.} = \text{Previous Period Index No.} * (1 + \text{Current Period Percentage Change})$ .
<b>Act</b>	The <i>Retail Shop Leases Act 1994</i> (Qld)
<b>Act of God</b>	An unexpected and disruptive event that may operate to excuse a party from a contract. Also known as force majeure.
<b>Addendum</b>	A supplement document within a lease usually containing the unique terms or conditions that were negotiated for that specific agreement.
<b>Adjoining</b>	Touching or contiguous as distinguished from lying near or adjacent to.
<b>Adjustment Date</b>	Each anniversary of the Commencement Date
<b>Adjustments</b>	Apportionment of rates, taxes, body corporate, rent, insurances etc. Up to the date of possession or settlement on a sale or letting.
<b>Administration Fund</b>	A fund set up to pay the body corporate costs for strata title.
<b>Administrator</b>	(a) A person appointed by a probate court to settle the affairs of an individual dying without a will; (b) Voluntary Administrator appointed in the event of corporate insolvency.
<b>Agent</b>	A person authorised to act for another (usually for the owner) in the selling, buying, renting or management of a property. Commonly used to refer to licenced real estate agents and real estate representatives.
<b>Agents in Conjunction</b>	Two or more agents employed by a principal to sell or let real estate and share commission.
<b>Agreement for Lease</b>	The signed agreement (if any) between the Lessor, the Lessee and any Guarantor prepared by the Lessor pursuant to which this document may have been entered into
<b>Air Conditioning Plant</b>	Any plant, machinery, ductwork, vents, electrical installations or equipment for heating, cooling or circulating air

<b>Amendment</b>	A document that has changes and additions that have been negotiated after the original lease has been signed. Items addressed in the amendment supersede the items in the original lease.
<b>Amortisation</b>	The reduction of the value of an asset by prorating its cost over a period of years; (b) Payment or an obligation in a series of instalments or transfers e.g. conventional home loan or mortgage; (c) The process of recovering, over a period of time, the capital investment through scheduled, systematic repayments at regular intervals. Periodic contributions to a sinking fund to discharge a debt or make a replacement at a future date.
<b>Amusement Parlor</b>	Premises used or intended for use principally by the public for billiards and pool, as well as electrical or mechanical amusement machines.
<b>Anchor tenant</b>	The largest major tenant(s) of a property. Often department stores and grocery chains for retail properties.
<b>Annual Equivalent Rental</b>	See Rent.
<b>Annual Rental Value</b>	See Assessed Annual Value.
<b>Annualised Return</b>	See Time Weighted Average Annual Rate Of Return.
<b>Annualised Yield</b>	See Yield.
<b>Appraisal</b>	The term commonly used in America to indicate what is termed in Australia as a Valuation. In Australia, the term means an opinion of the potential saleability of a residential property by a licenced Real Estate Agent.
<b>Appreciation</b>	An increase in value.
<b>Arbitration</b>	The determination of a dispute by one or more independent third parties rather than a court. Arbitrators are appointed by the parties in accordance with the terms of the arbitration agreement or in default by a court. The arbitration is conducted pursuant to the Arbitration Acts in each State and the award given by the arbitrator(s) binds the parties.
<b>Arbitrator</b>	An independent person who is called upon to conduct an arbitration. Is usually a person with

	experience and / or qualification in a particular field and may be nominated by the parties.
<b>Arcade</b>	A covered walkway or passageway usually connecting two streets, with retail shops along one or both sides.
<b>Area</b>	The surface extent of a site, building, suburb, farm, or region, measured in square units, usually in square metres or hectares.
<b>Arm's Length</b>	(a) A concept that implies the parties involved do not have any special or other business relationship which may influence the concept of a willing buyer / lessor and willing seller / lessee; (b) A transaction is said to be at arm's length when conducted strictly on a commercial basis, despite mutual association between parties concerned.
<b>Arrears</b>	Unpaid debts.
<b>Assessed Annual Value</b>	An estimated annual rental value used by statutory authorities for rating or taxing purposes.
<b>Assessed, Rateable, or Taxable Value</b>	A value which is based upon definitions contained within applicable laws relating to the assessment, rating, and / or taxation of real property.
<b>Asset</b>	A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.
<b>Asset Management</b>	A systematic approach to the procurement, maintenance, operation, rehabilitation and disposal of one or more assets which integrates the utilisation of assets and their performance with the business requirements of asset owners or users.
<b>Asset Register</b>	A record of items considered worthy of identification as discrete assets. An asset register includes information about each asset, such as type of construction, technical details, date of acquisition, original cost, accumulated depreciation, written down value, etc.
<b>Assign</b>	To transfer an interest in an asset, usually a lease but can also refer to mortgages.
<b>Assignee</b>	One to whom a transfer of interest in property is made.
<b>Assignment</b>	Generally, transfer of property, e.g. an assignment of interest under a will; an

	assignment of rights in a patent; an assignment of a lease or mortgage. An assignment of contract is an act by which one person to a contract substitutes another person for himself as a party to that contract either for some or all of the purposes of the contract.
<b>Assignment of Contract</b>	Signing over of contract. (Note: liabilities under contract generally cannot be assigned without consent of the other party).
<b>Assignment of Lease</b>	See Assignment.
<b>Assignor</b>	The person who transfers an interest in a property.
<b>Assumptions</b>	Suppositions taken to be true. Assumptions involve facts, conditions, or situations affecting the subject of, or approach to, a valuation but which may not be capable or worthy of verification. They are matters that, once declared, are to be accepted in understanding the valuation. All assumptions underlying a valuation should be reasonable. Refer to API Rules of Conduct.
<b>Auction</b>	A sale usually in public, by an auctioneer, in which property is sold to the highest bidder.
<b>Auction Realisable Value (Plant and Machinery)</b>	The market value of an asset for sale at a properly promoted, conducted and attended public auction sale. This assumes that the sale is held on site and substantially all of the assets in the inventory listing are offered for sale at the one auction. It is assumed that the assets will be removed from the site following sale.
<b>Audit</b>	Ability of one party to examine the books and accounting records of the other, usually for verifying percentage rent or common area charges.
<b>Australian Property Institute (API)</b>	The Australian Property Institute (API) is a national professional association representing the interests of more than 7,500 property professionals throughout Australia. API members include residential, commercial and plant and machinery valuers; property and investment advisors; property and asset managers; property analysts and fund managers; property researchers and academics.

	Originally established in 1926 as the Commonwealth Institute of Valuers, the Institute's primary role is to set and maintain the highest standards of professional practice, education, ethics and professional conduct for its members. The Institute is committed to building and maintaining a strong base for the future of the property profession through broadening the expertise and knowledge of the membership, which is fundamentally achieved through the continuous support of the API National and Divisional offices. For more information about the API please visit the National website at <a href="http://www.api.org.au">www.api.org.au</a> .
<b>Average (Insurance)</b>	(a) An insurance term resulting from under-insurance relating to the process whereby, in the event of a loss having occurred, the insurer reduces the amount of the settlement by a reference to the proportion of the total sum insured compared to the total value at risk. Also known as co-insurance (i.e. the insured effectively self-insured for part of the total value at risk – this may be intentional or unintentional). This provision usually applies in circumstances there: (i) the claim exceeds 5% of the total sum insured; and (ii) the total sum insured is less than 85% of the total value at risk; (b) An insurance policy provision under which the insurer and the insured share costs incurred after the deductible is met, according to a specific formula.
<b>Average (Mean)</b>	The total of all values divided by the number of values being considered
<b>Average Competent Management</b>	See Reasonably Efficient Operator.



# B

<b>Bank Guarantee</b>	A form of security provided by the contractor's bank or financial institution that the contractor's financial obligations under the contract will be met. It may be allowed as an alternative to retention fund.
<b>Basic Shell</b>	Premises meeting the following specifications: <ul style="list-style-type: none"> <li>(a) Clean level concrete floor with all floor coverings removed;</li> <li>(b) All internal partitions removed;</li> <li>(c) Clean and paint inter-tenancy walls which have been repainted or otherwise finished;</li> <li>(d) Any ceiling removed (whether installed by the Lessor or the Lessee) unless the Lessor gives the Lessee notice not to remove it;</li> <li>(e) All electrical lighting, plumbing, wiring, cabling, and similar services to the premises removed and capped off at their entry point into the Premises to facilitate connection for a new fitout</li> </ul>
<b>Base Period</b>	A specific time period used as a benchmark for measuring financial or economic data.
<b>Base Rent</b>	See Rent.
<b>Base Year</b>	The year or date to which all future and past benefits and costs are indexed or compared to.
<b>Basement</b>	The space of a building where the floor level of that space is predominantly below ground level (existing) and where the floor level of the storey immediately above is less than 1 metre above ground level (existing).
<b>Basis Point</b>	One percent (1%) equals 100 basis points. 1% = 100 basis points. For example, a movement of 1 basis point is equivalent to a 0.01% movement in price or yield. For example, if a listed property trust's yield moves from 7.25% to 8.00%, it is said to have moved by 75 basis points.
<b>BCCM Act</b>	<i>The Body Corporate and Community Management Act 1997 (Qld)</i>
<b>Benchmark</b>	The statistic against which performance is measured. Benchmark can be the median,

	weighted average or another performance statistic.
<b>Benchmark Rate</b>	The overdraft rate charged from time to time on amounts in excess of one hundred thousand dollars (\$100,000.00) by the Lessor's bank
<b>Big Box</b>	See Bulky Goods.
<b>Body Corporate</b>	(a) A term used in the Strata Titles Act to describe the body representing the building owners; (b) The control and administration of common property is vested in a statutory Body Corporate which comes into existence automatically on the registration of the plan, and to which the provisions of the Companies Act do not apply. The registered proprietors of the units are the members and the only members of the Body Corporate. The rights and obligation are fixed by scheduled by-laws.
<b>Bond (Rental)</b>	Consideration held usually under a lease to ensure performance of lease terms and conditions. Normally refundable if possession of property is returned in good condition.
<b>Bonds</b>	Debt security (financial term).
<b>Book Value</b>	With respect to assets, the capitalised cost of an asset less accumulated depreciation, depletion or amortisation as it appears on the account books of the business. With respect to a business entity, the difference between total assets (net of depreciation, depletion and amortisation) and total liabilities of a business as they appear on the balance sheet. It is synonymous with net book value, net worth and shareholder's equity. See also Written Down Value; Carrying Amount.
<b>Beach</b>	Non-compliance with contractual obligation.
<b>Break-Even</b>	The point at which a tenant's base rent is equal to an agreed level of sales, above which percentage rent takes effect.
<b>Brownfield</b>	A developed site, generally in an urban area, no longer used for the purpose for which it was developed. In Commonwealth usage, a brownfield site may be derelict or still partially utilized; contamination may or may not be present. In North American usage, it refers to an industrial or commercial site that has been abandoned or for which redevelopment is

	complicated because of the presence of contamination. See also Greenfield.
<b>Building</b>	The building and all other improvements (above or below ground level) on the Land
<b>Building Application</b>	A detailed building description and architect's plans including bill of quantities, etc. submitted to local authority.
<b>Building Approval</b>	Approval from the relevant authority for construction.
<b>Building Area (Gross)</b>	The total enclosed and unenclosed area of the building at all building floor levels measured between the normal outside face of any enclosing walls, balustrades and supports. The unit of measurement for building areas is the square metre. (For the measurement of floor space for leasing purposes, refer to Method of Measurement published by the Property Council of Australia).
<b>Building Code of Australia (BCA)</b>	Sets minimum community standards for buildings in terms of health, safety and amenity in buildings for regulatory purposes. <sup>2</sup> Produced by the Australian Building Codes Board (ABCB), refer to <a href="http://www.abcb.com.au">www.abcb.com.au</a>
<b>Building Consultant</b>	An expert experienced in designing and/or constructing buildings.
<b>Building Efficiency Ratio</b>	The ratio of a building or floor's Net Lettable Area (NLA) to its gross building or floor area.
<b>Building Footprint</b>	The external outline of the building (at ground level) in plan view.
<b>Building Inspector</b>	An authorised person who is responsible for checking buildings in the course of construction and completed buildings to ensure that they have been constructed in accordance with building control provisions.
<b>Building Line</b>	The setback from the site boundary required by statutory authorities for buildings.
<b>Building Maintenance</b>	All actions necessary for retaining a building item or building in, or restoring it to, its original condition.
<b>Building Permit</b>	See Building Approval.
<b>Building Regulations</b>	The Building Code of Australia and other regulations stipulated by local authorities relating to the design and construction of buildings.

<b>Building Restrictions</b>	Planning and development controls that limit the use, size and location of buildings or other improvements on land.
<b>Building Services</b>	See Mechanical Services.
<b>Bulky Goods</b>	Goods that are bulky in nature; i.e. white goods, home furnishings, furniture, floor coverings — often sold from 'Bulky Goods Centres'. Commonly require easy and direct vehicle access to enable goods to be collected by customers. Also known as 'Big Box' in the USA.
<b>Bulky Goods Centre</b>	See Appendix II — Retail Definitions.
<b>Business Day</b>	Any day except a Saturday, Sunday or public holiday
<b>Business Broker</b>	An estate agent licensed and certified to sell businesses.
<b>Business Valuation</b>	The act or process of arriving at an opinion or estimation of the value of a business or entity or an interest therein.
<b>Business Valuer</b>	A person, who by education, training and experience is qualified to perform a valuation of a business.
<b>Buyer's Market</b>	The condition which exists when, under competitive conditions, the pressures of supply and demand are such that market prices are at a relatively low level, giving the buyer an advantage. An over-supply causing prices to decline.

# C

<b>Calderbank Offer</b>	A written Offer from one party in proceedings to the other party. If this offer is refused and the matter proceeds to trial   arbitration   tribunal and the party making the offer receives a settlement in the same terms or better, then the party who has rejected the offer will probably be responsible some of or all of the other party's costs. Details of the offer may not be revealed to the court / arbitrator until the order or award has been made.
<b>Cap / Collars</b>	Usually used in negotiating rent review clauses. 'Cap' restricts the increase, whereas 'Collar' restricts the decrease, in the rent review.
<b>Cap Rate</b>	The rate at which net operating income is discounted in determining the market value of a shopping centre. IT is one method to estimate property value.
<b>Capital</b>	(a) The basic funds and assets used by individuals, governments and businesses to sustain and equip their income-earning activity; (b) The value of investment in an asset or business less total liabilities.
<b>Capital Cost</b>	Costs associated with the acquisition of fixed assets.
<b>Capital Employed (Fund)</b>	Fund value adjusted for contributions, distributions and withdrawals. This is generally the denominator in the return equation for a fund. See also Income Return; Capital Return; Total Return.
<b>Capital Employed (Property)</b>	Property value adjusted for capital expenditure, partial sales and net income. This is generally the denominator of the return equation for a property. See also Income Return; Capital Return; Total Return.
<b>Capital Expenditure (CAPEX)</b>	Those items that are significant replacements or additions to existing properties or for new developments, as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Capital expenditure does not include general maintenance and repair items.

<b>Capital Expense</b>	A structural repair such as the replacement of a storm or sewer system. The annual amount required to pay interest on and provide for the ultimate return of the investment.
<b>Capital Improvements</b>	Improvements made by a landlord to a site that increases the capital value of the property. Such expenditures should not be included in the buildings operating expenses.
<b>Capital Gain</b>	The amount by which the net proceeds from resale of a capital item exceed the book value of the asset. <sup>8</sup> Refer to The Australian Tax Office (ATO).
<b>Capital Gains Tax</b>	A commonwealth tax payable on the Capital Gain made on the sale of an investment property. Refer to current requirements of the Australian Taxation Office (ATO).
<b>Capital Raisings</b>	Normally refers to a new issue of equity by a listed entity. However, in its broadest sense, it can mean the raising of money (either debt or equity) through a wide range of means. <sup>1</sup> ?
<b>Capital Return</b>	The change in capital value between periods less any capital expenditures which may have occurred — it is expressed as a percentage of capital value plus a portion of capital expenditures less any partial sales and less a portion of net income.
<b>Capital Value</b>	The capital sum which a property might in ordinary circumstances be expected to realise at the time of valuation if offered for sale on reasonable terms and conditions. See also Income Return; Capital Return; Total Return.
<b>Capitalisation</b>	Method of arriving at the value of a property by reference to net returns and an expected percentage yield or return. Capitalisation refers to the conversion of a stream of income into capital value using a single conversion factor (Capitalisation Rate).
<b>Capitalisation Rate</b>	Any divisor (usually expressed as a percentage) that is used to convert income into value. The rate or yield at which the annual net income from an investment is capitalised to ascertain its capital value at a given date. The calculations are as follows; property value estimate = net operating income ÷ capitalisation rate.
<b>Capitalised Income Approach</b>	· The method of valuation where a yield is applied to an income to assess a market value.



	Also known as Capitalisation Of Income. See also Capitalisation Rate.
<b>Car Park</b>	Those parts of the Common Areas (and any land adjacent to the Centre) designed by the Lessor for car parking
<b>Carrying Charges</b>	See Holding Costs.
<b>Cash</b>	Short term investments including cash on hand, deposits at call, bank bills, treasury notes, etc. which have a maturity of not longer than one year.
<b>Cash Equivalent</b>	Liquid assets that can be converted to cash immediately such as bank accounts and marketable securities. Cash equivalents generally mature within 180 days.
<b>Cash Flow</b>	(a) Generally, the net amount of money received by an individual or company in a certain period; (b) The actual or estimated, periodic net income produced by the revenues and expenditures / outgoings in the operation and ultimate resale and / or acquisition cost of an income-producing property.
<b>Cash Flow Frequency</b>	Term used to describe the frequency of cash flow periods for compound interest accrual (e.g. annual, quarterly or monthly). The cash flow period is the length of one discounting period used in the cash flow.
<b>Catchment Area</b>	The geographical area from which a shopping centre may draw its potential customers.
<b>Category Killer</b>	A retailer specialising in a narrow category of merchandise in which it seeks to dominate the market. Provides wide assortment of choice (breadth) and many units of each item (depth). Uses economies of scale and low cost structure to reduce prices.
<b>Caveat</b>	A notice on title proclaiming a possible interest other than that of an owner.
<b>Caveat Emptor</b>	'Buyer beware', that the risk in a property transaction lies with the purchaser.
<b>Central Business District (CBD)</b>	The main shopping or business area of a town, city or metropolitan area.
<b>Central Heating</b>	Heating of building from a central source either by circulating hot water or steam through pipes and radiators, or warm air through ducts.
<b>Certificate of Occupancy / Occupation</b>	A certificate which establishes that a building or major refurbishment project has reached a stage where it complies with all relevant statutory approvals and is ready for occupation.

<b>Certificate of Practical Completion</b>	A certificate issued to the contractor by the superintendent or the superintendent's representative when the works under the contract have reached the stage of completion described in the general conditions of contract. Minor omissions or defects that will not inhibit the use of the works are usually excepted. Also known as Notice of Practical Completion.
<b>Certificate of Title</b>	A document issued under the Torrens System of Title, showing ownership and interest in a parcel of land.
<b>Certification</b>	A means of documenting compliance with performance or prescriptive building code requirements by an independent accredited agency or individual not part of the statutory approval authority. Also known as Private Certification or Professional Certification.
<b>Certification of Value</b>	Required by some States in a prescribed format for inclusion in the valuation report. In a certification of value, the Valuer affirms that the statements of fact presented (in the report) are correct (to the best of the Valuer's knowledge); the analyses (and conclusions) are limited only by the reported assumptions; (the Valuer has no — or if so, a specified — interest in the subject property;) the Valuer's fee is (or is not) contingent upon any aspect of the report; and the Valuer has performed the valuation in compliance with ethical and professional standards. The Valuer may also affirm that the Valuer has completed a programme of professional learning; the Valuer has — or has not — made a personal inspection of the property; and no one, except those specified, has provided assistance in preparing the report.
<b>Certified Practising Valuer</b>	A designation of the Australian Property Institute signifying the recipient has the required academic qualifications and experience to undertake comprehensive valuations.
<b>Certified Practising Valuer (Plant and Machinery)</b>	A designation of the Australian Property Institute signifying the recipient has the required academic qualifications and experience to undertake comprehensive valuations of Plant and Machinery.
<b>Centre</b>	Means the land and the retail shopping and commercial centre, situated on the land, and

	includes the premises, common areas, buildings, structures, and property we own or control.
<b>Centre Manager</b>	The person appointed by the Lessor from time to time as manager of the Centre
<b>Centre Rules</b>	The rules that the Lessor notifies the Lessee are applicable to, amongst other things, the use, operation and management of the Centre from time to time.
<b>Centre Services</b>	All plant, equipment, pipes, services and apparatus (including, without limitation, Air-conditioning plant, lifts, elevators, escalators, travellers, or other vertical transport in the Centre, fire detection prevention and protection equipment, wires, cables, conduits, other electronic equipment, gas and electrical fittings, toilets, sewerage, plumbing, grease traps and wash basins) at the Centre or below the Land
<b>Ceteris Paribus</b>	Latin phrase, literally translated as 'with other things [being] the same,' and usually rendered in English as 'all other things being equal.
<b>Charge</b>	(a) A legal claim over an asset; (b) A levy, fee or outgoing.
<b>Chattels</b>	Any fixed asset other than freehold land. Items such as machinery, implements, tools, furnishings, fittings, which may be associated with land use, but which are not fixed to the land or premises or, if fixed, may be removed without causing structural damage to a building. Legally known as Personalty.
<b>Chinese Wall</b>	An imaginary 'wall' made up of the procedures and policies adopted to avoid conflicts of interest within an organisation, for example, to separate the sharebroking and investment management operations of a financial services group.
<b>Churn Rate</b>	The internal re-arrangements undertaken by corporations to better accommodate their changing organisational and functional requirements: (a) Primary Churn is the result of a planned major strategic change in facility utilisation by an organisation such as a major relocation to new premises; (b) Secondary Churn normally results from the need to respond to deviations in the organisation's business environment or from internal operational constraints such as the need to respond rapidly to new business opportunities or changes to work flows; (c) Tertiary Churn is an internal

	phenomenon and relates to the competition for resources between different groups within an organisation such as minor re-arrangements undertaken to resolve inequities in facilities utilisation. Tertiary churn is churn usually of a minor nature, involving the allocation of space to persons without any physical change required and often reflects the need to balance inequities in resource allocation and utilisation. To calculate churn rate, divide the total of all moves made during a year by the total number of occupants and multiply by 100.
<b>City Centre (Retail)</b>	See Appendix II — Retail Definitions.
<b>Class of Building</b>	A grouping of categories of buildings or portions of buildings for statutory I regulatory purposes under the Building Code of Australia.
<b>Clearance Height</b>	Refers to the minimum height measured from the floor to portal.
<b>Client</b>	One who engages the services of an agent or valuer and to whom the agent or valuer should look for payment of his commission or fees, in return for services rendered.
<b>Claims</b>	All claims, actions, proceedings, liabilities, penalties, demands, actions, suits, judgments, orders, decrees, damages, costs, fees, expenses and losses
<b>Co-Insurance</b>	See Average (Insurance).
<b>Collars</b>	See Cap.
<b>Collateral</b>	Asset(s) pledged to the lender in case of default on a loan.
<b>Commencement Date</b>	The date from which a lease takes effect or construction begins.
<b>Commercial Property</b>	Property intended for use by all types of retail and wholesale stores, office buildings, hotels and service establishments. In many property circles commercial property refers specifically to office property.
<b>Commission</b>	The fee or payment made to an agent for services rendered, such as the sale of property, often calculated with reference to the value of the property, contract or agreement.
<b>Commissioning (Of Plant)</b>	Systematic testing to establish that all systems, plant and equipment in a building or facility conform to the performance requirements defined in the specification.
<b>Common(use) Areas</b>	All floor areas for circulation within a building plus standard facilities for the common use of

	occupiers, tenants and / or the public. They include lobbies and entrance foyers, escalators and lifts, stairways, landings and fire escapes, verandahs and balconies, corridors and passages, toilet and rest room areas, cloak and locker areas, cleaner's rooms including stores and cupboards, tea making and similar amenities areas (separately defined in strata plans).
<b>Common Areas</b>	For lease purposes, the areas of a building and its site that are available for the non-exclusive use of all its tenants; e.g. lobbies, corridors, parking lots.
<b>Common Law Title</b>	A system of title based upon traditional English land laws which depends upon tracing the ownership of the subject land from the original Crown grant through all succeeding dealings.
<b>Common Property</b>	(a) Land or a tract of land considered as the property of the public in which all persons enjoy equal rights. A property not owned by individuals but by groups; (b) In a home (villa) unit or flat development that part of the property owned and used in common by all the unit or flat owners or occupiers and which is maintained by the Body Corporate.
<b>Common Seal</b>	Official stamp of a company, including an ACN, used on legal documents and registered with the Registrar General of Deeds or equivalent in the States and Territories.
<b>Common Wall</b>	The wall between two adjoining buildings or occupancies which provides common structural support and fire separation. See also Party Wall.
<b>Community Title</b>	Is a form of title that enables conventional subdivisions of land to include areas of individual and common property. It also provides for the development of planned communities where the use of some of the land is shared.
<b>Company Title</b>	(a) Method of obtaining ownership of real estate by way of company shares (usually preceded Strata Title Act); (b) Under Company Title, land and buildings are owned by a private company. The company's shareholding structure is organised so that ownership of a certain number of shares entitles the shareholder to exclusive possession of a part of the building.
<b>Comparable Data</b>	Data generally used in a valuation analysis to develop value estimates; comparable data relate to properties that have characteristics similar to those of the property being valued (the subject

	property). Such data may include sale prices, rents, income and expenses, and market-derived capitalisation and discount rates.
<b>Comparable Sales of Leasings</b>	See Comparable Sales / Leasing Approach.
<b>Comparable Sales / Leasing Approach (Direct Comparison Method)</b>	A comparative approach to value that considers the sales and / or rentals of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales and / or rentals of similar properties that have been transacted in the open market, Listing and offerings may also be considered.
<b>Compensation</b>	A sum paid to a dispossessed asset owner or lessee in exchange for an interest in the asset as the result of a compulsory acquisition. In addition to payment for land or an interest in the lease amounts relating to severance, business disturbance, legal costs and costs associated to the acquisition process can also be paid.
<b>Competitive Advantage</b>	A benefit that gives a product or a company superiority over its rivals. Also known as Differential Advantage.
<b>Completion Date</b>	Issue of a certificate of occupancy is the principal guide to a building's completion date.
<b>Complex</b>	<ul style="list-style-type: none"> <li>(a) The Land and all other land that the Lessor may at any time incorporate into the Complex for any purpose;</li> <li>(b) The Building and all other improvements (above or below the ground) erected on that land; and</li> <li>(c) The Lessor's Fixtures;</li> </ul> <p>But excludes any land, buildings or improvements that the Lessor may determine do not form part of the Complex</p>
<b>Compliance</b>	(a) Conditions of consent have been satisfied, work has been properly carried out or that the plan or design of the development complies with necessary standards; (b) The process of ensuring laws, controls and regulations are not violated.
<b>Compound Interest</b>	Where interest is calculated on a sum that includes previous interest payments.
<b>Compulsory Acquisition</b>	Where an asset is acquired by a statutory authority through legislation, irrespective of whether an owner is willing to sell or not.



<b>Computer Aided Design (CAD)</b>	Use of computer assisted methodologies, including drawings, to design a facility, product or object.
<b>Computer Aided Facility Management (CAFM)</b>	Use of computer assisted methodologies including drawings, databases, reporting tools and spreadsheets to manage large amounts of facility related information.
<b>Concession</b>	Granting an incentive such as a reduction or allowance on rent in order to lease new space or retain an existing tenant. Also known as an incentive.
<b>Concessionary Rent</b>	A discounted rent, usually during the initial lease term.
<b>Concrete Cancer</b>	The deterioration, fracturing and spalling of concrete in exposed locations, caused mainly by the corrosion of steel reinforcement due to an alkaline environment created by unsuitable concrete ingredients and the presence of water and oxygen. Concrete cancer results in structural weakening as well as unsightliness.
<b>Conditional Contracts</b>	A contract of sale which is subject to the satisfaction of pre-determined conditions.
<b>Conditions of Consent</b>	The conditions issued by the consent authority when approving a Development Application.
<b>Conditions of Engagement</b>	A common name for the terms of contract between consultant and client. In some professions, they are referred to more correctly as 'terms' of engagement.
<b>Conditions of Sale</b>	The conditions applicable to a sale contract made between a vendor and purchaser.
<b>Conforming Use</b>	Where the use of real estate meets town planning requirements.
<b>Conjunction Agency</b>	See Agents in Conjunction.
<b>Consent Authority</b>	The authority responsible for granting consents under the instrument. This will be specified in the planning instrument.
<b>Consequential Loss</b>	(a) An unintended loss which arises from the initial action or change of circumstances; (b) An insurance term relating to loss of profits as a result of business interruption following the occurrence of an insured peril.
<b>Consideration</b>	Payment in the form of money or other form of benefit in exchange for an agreed action (e.g. the receipt of goods and / or services).
<b>Consolidation</b>	Where adjoining parcels of land are consolidated into one title.

<b>Consumer Price Index (CPI)</b>	A measure in percentage terms of the change in the costs of living, being the weighted average cost of a standard basket of retail goods and services expressed in relation to a base period.
<b>Contaminated Site</b>	(a) A site where hazardous materials are located at concentrations above accepted levels and where assessment indicates it poses, or is likely to pose an immediate or long term hazard to health <sup>23</sup> ; (b) The exposure of structures, equipment or land to substances or organisms detrimental to health. Includes sites identified by Environment Protection Authority (EPA).
<b>Contiguous Property</b>	Adjoining property.
<b>Contingency</b>	Allowance for unforeseen eventualities in a development project. It is generally a percentage of development costs which reduces with progress through the phases of a project.
<b>Contingency Planning</b>	That part of risk management which aims at ensuring that swift and appropriate action is taken when an undesirable outcome, particularly an emergency situation, arises.
<b>Contract</b>	A legally binding agreement.
<b>Contract in Business</b>	Agreement between parties that includes offer and acceptance, consideration, performance, and often made in writing.
<b>Contract of Sale</b>	An agreement relating to the sale of property, which expresses the terms and conditions of sale.
<b>Contract Rent or Passing Rent</b>	See Rent.
<b>Convenience Goods</b>	Those consumer goods which the customer usually purchases frequently, immediately and with a minimum of effort and decision making; e.g. food and newspapers.
<b>Convenience Store</b>	A shop selling primarily convenience goods. It may also be used to hire convenience goods, often operated in conjunction with a service station.
<b>Conveyance</b>	An deed which transfers ownership of common law title from one person to another.
<b>Cooling off Period</b>	A short statutory period after the contract is made, during which the purchaser may cancel the contract unconditionally. Usually does not apply in the case of auctions.
<b>Core Trading Hours</b>	The hours during which shops in the Centre must remain open
<b>Corporate Real Estate (CRE)</b>	The management of the property infrastructure that supports a business.

<b>Corporate Responsibility</b>	Traditionally, corporations are responsible to the law and to their owners or shareholders — their statutory obligations. In recent years, many people have argued that corporations should also have corporate social responsibility.
<b>Corrective Maintenance</b>	The actions performed, as a result of failure, to restore an item or asset to its original condition, as far as practicable. Corrective maintenance may or may not be programmed.
<b>Cost of Operation</b>	The total cost associated with the function or operating the component nominated and comprises of the total fixed costs (being both the explicit costs of fixed inputs and implicit costs associated with the firm's operations such as rent) plus total variable costs (being variable inputs to the process such as direct salaries) less any deductions available (such as tax concessions).
<b>Cost Plus Contract</b>	A contract in which the contractor's profit is fixed at a stated percentage of the actual direct costs of labour and materials.
<b>Council By-Laws</b>	Published rules and regulations for the administration and management of a local government area. It includes rules for land use and development, planning and building.
<b>Counter Offer</b>	A new offer as to price, terms and conditions, made in reply to a prior unacceptable offer. Normally the counter offer terminates the previous offer.
<b>Covenant</b>	An agreement between two or more parties to adhere to certain terms, conditions or restrictions regarding property, often written into a deed or other legal instrument such as a Certificate of Title.
<b>Cover Note</b>	Given on behalf of an insurance company giving immediate temporary cover over a specified property.
<b>CPI</b>	Acronym for Consumer Price Index. Measures inflation in relation to the change in the price of a fixed market basket of goods and services purchased by a specified population during a "base" period of time. It is not a true "cost of living" factor and bears little direct relation to actual costs of building operation or the value of real estate. The CPI is commonly used to increase the base rental periodically as a means of protecting the landlord's rental stream against

	inflation or to provide a cushion for operating expense increases for a landlord unwilling to undertake the record keeping necessary for operating expense escalations.
<b>CPI Adjustment Date</b>	Dates listed in the lease
<b>CPI Plus Percentage Adjustment Date</b>	Dates listed in the lease
<b>Crown Land</b>	Unalienated land owned by a State or the Commonwealth Government.
<b>Cul-De-Sac</b>	An access street with a blind end in the form of a turning space for vehicles.
<b>Current Assets</b>	(a) Assets not intended for use on a continuing basis in the activities of the entity such as stocks, obligations owed to the entity, short-term investments, and cash in bank and in hand. In certain circumstances real estate, normally treated as a fixed asset may be treated as a current asset. Examples include improved real estate held in inventory for sale; (b) An asset which satisfies any of the following criteria: (i) it is expected to be realised in, or is held for sale or consumption in, the entity's normal operating cycle; (ii) it is held primarily for the purpose of being traded; (iii) it is expected to be realised within twelve months after the balance sheet date; or (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date. All other assets shall be classified as non-current. See also Non-Current Assets.
<b>Current Capitalisation Rate</b>	See Capitalisation Rate.
<b>Current Liabilities</b>	Liabilities that would in the ordinary course of business be due or payable within twelve months.
<b>Current Ratio</b>	The ratio of current assets to current liabilities.

# D

<b>Damage Event</b>	Damage or destruction by fire, lightning, storm, flood, tempest, earthquake, strike, civil unrest, explosion, enemy or hostile action, impact by aircraft or areal object, act of God or other disabling cause.
<b>Date of Settlement</b>	The date on which a contract of sale is finalised and final payment is made.
<b>Deal</b>	<ul style="list-style-type: none"> <li>(a) Assign or transfer this Lease;</li> <li>(b) Demise, sublet, licence, part or share possession of the Premises (or any part of the Premises);</li> <li>(c) Dispose of the Premises (or any part of the Premises) or this lease or the Lessee's estate or interest in the Premises (or any part of the Premises); or</li> <li>(d) Become or cease to be the trustee of a trust in respect of this Lease</li> </ul>
<b>Dealing</b>	Any transfer (including assignment) subletting, Franchise Dealing, licensing, parting with or sharing possession or other dealing by the Lessee concerning the Premises, this document or the Lessee's interest in this document in favour of any incoming Tenant
<b>Debt</b>	Short or long term borrowings. An obligation or liability to pay, or render money, goods or services to another party.
<b>Debt Service</b>	Periodic payments made on a loan.
<b>Deed</b>	A document executed under seal. For example, a conveyance.
<b>Default</b>	Failure to perform a duty or to fulfil an obligation, particularly where a lessee fails to comply with any obligation imposed by a lease or where a mortgagee fails to pay interest or principal on a mortgage.
<b>Defects Liability Period</b>	The specified period of time within which the contractor is required, at his or her own cost, to rectify any defects in the completed works, arising due to faulty materials or workmanship and notified in writing. The period commences from the date of issue of the 'certificate of

	practical completion' and lasts for the period stated in the contract.
<b>Deferred Maintenance</b>	Maintenance that is due to be carried out in the current financial year but which will not be carried out because of a shortage of funds or unavailability of parts. Deferred maintenance should be added to the backlog of maintenance items awaiting attention.
<b>Demised Premises</b>	The area held under the terms of a lease.
<b>Demographics</b>	The study of information such as living, purchasing and social activity of a group of people within a given area.
<b>Demolish</b>	Includes carrying out substantial repair, renovation or reconstruction of the Centre or the building containing the Premises that cannot practicably be carried out without vacant possession of the Premises and Demolition has a corresponding meaning
<b>Demolition Clause</b>	A clause in a lease which gives the owner the right to serve notice and terminate a lease for the purpose of demolition or renovation.
<b>Department Store</b>	A large purpose-built tenancy designed to provide a broad range of merchandise organised in separate departments. Customers generally pay for goods at cash desks located throughout the store.
<b>Deposit</b>	Percentage of total consideration, or an agreed amount, paid on exchange of contract for purchase of an asset.
<b>Depreciable Amount</b>	(a) The cost of an asset, or other amount substituted for cost (in the financial statements), less its residual value; (b) That element of an asset that deprecates over its useful life. The depreciable amount represents the wasting element of the asset, the balance being the residual amount. Typically, buildings or improvements are treated as the depreciable amount while land is the residual amount.
<b>Depreciable Asset</b>	A non-current asset having a limited useful life.
<b>Depreciated Replacement Cost Approach</b>	A valuation method where the value of an asset is determined by reference to the new cost (replacement or reproduction cost including fees) of the asset less depreciation for physical, functional, technological and economic obsolescence.
<b>Depreciation</b>	(a) In accounting terms, the writing down of the original cost of an asset systematically over the



	<p>life of that asset; (b) An effect caused by physical deterioration, or obsolescence, or both. There are several methods of calculating depreciation such as: (i) Accrued: the difference between the original cost of the asset and the written down value; (ii) Book: the amount reserved upon the books of an owner to provide for the retirement or replacement of an asset, as distinguished from Accrued Depreciation; (iii) Straight Line Depreciation: the provision each year of a fixed proportion of the original cost of the asset; (iv) Diminishing Value Depreciation: the provision by annual instalments of a diminishing amount computed by taking a fixed percentage of the book value of the asset as reduced by previous provisions; (c) In valuation terms, the writing down of the current cost of an asset to calculate its current value. The accumulated effect on the value of an asset due to physical, functional, technological and economic obsolescence.</p>
<b>Derelict</b>	The intentional abandonment or renunciation of property. A state of disrepair.
<b>Design</b>	An architectural drawing or draft of a plan, relating to a structure.
<b>Design Concept</b>	Plans and drawings for the shopfront, shop layout and shopfront signage of the Premises approved by the Lessor pursuant to the lease
<b>Design Criteria</b>	A number of different elements set out in a centre’s design criteria manual, including guidelines for store design; mechanical, electrical, plumbing and structural requirements and the different responsibilities of the landlord and the tenant.
<b>Design Review</b>	A formal, documented and systematic assessment of a design proposal by independent specialists who are not part of the design team. This type of review is used on some large government or private construction projects.
<b>Design Review Panel</b>	A team of experts, normally appointed by the consent authority.
<b>Deterioration</b>	The gradual exhaustion of the usefulness of a property caused by wear and tear or decay and decline from natural causes. One of the causes of depreciation and loss in value.
<b>Determination (Rental)</b>	A decision set down by an appointed independent valuer in which a disputed rent is decided, in circumstances where a lessor and

	lessee have been unable to negotiate an agreement, or deciding on a rent amount previously in dispute between valuers for the landlord and tenant or by a third party.
<b>Develop</b>	To carry out any building, engineering, mining or other operations in, on, over or under the land or the making of any material change in the use of any building or land.
<b>Developer</b>	An individual or company that develops property.
<b>Developers Profit / Risk Margin</b>	Profit calculated as a percentage of the total costs of development.
<b>Development Approval</b>	Approval from the relevant planning authority to construct, add, amend or change the structure of a property.
<b>Development Control Plan (DCP)</b>	Local government authorities in which town planning powers are vested are required to produce plans showing the basis upon which property / land development is to proceed within their territories. These plans are called Development Control Plans (DCPs). All development applications submitted to the local authority are then reviewed on the basis of these development control plans before the granting or withholding of consent to development. DCPs are subordinate to Local Environment Plans (LEPs). However, DCPs cannot be inconsistent or conflict with LEPs. DCPs provide more detail than LEPs. See also Local Environment Plan; Planning Instrument.
<b>Development Cost</b>	The cost to create a project including direct costs of labour and materials, contractor's overhead and profit, plus indirect costs such as taxes and development loan interest.
<b>Development Standard</b>	Any numerically based standard found in a planning instrument or deemed planning instrument, relating to the control of the development.
<b>Differential Advantage</b>	See Competitive Advantage.
<b>Direct Comparison Method</b>	See Market Comparison Approach.
<b>Direct Property</b>	(a) Investments held directly in real estate as opposed to other indirect property investments such as units in a listed property trust"; (b) The owner of direct property makes the controlling decisions in relation to the property.
<b>Direct Sales Comparison</b>	See Market Comparison Approach.
<b>Direct Vacancy</b>	Vacant area of buildings available for occupation directly the from owner. This does not include

	sub-lease vacancy which is available from a tenant.
<b>Disbursements</b>	Recoverable costs. For example, in the case of real estate sales, expenses paid by an agent on behalf of an owner, such as advertising, rates and taxes.
<b>Disclaimer</b>	A statement or claim used to deny any responsibility for the contents of a printed document.
<b>Disclosure Statement</b>	A schedule of information, as required under retail lease legislation, that must be provided by a lessor prior to the new lessee's lease or assignment to lease.
<b>Discount</b>	(a) A reduction in a payment; (b) Reduction of future payments to present worth.
<b>Discounted Cash Flow (DCF) Analysis</b>	(a) A method of analysing investment opportunities in which annual cash flows are discounted to arrive at their Net Present Value (NPV) or Internal Rate of Return (IRR). Also used as a basis in certain types of property valuations; (b) A financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an accepted methodology within the income approach to valuation, Discounted Cash Flow (DCF) analysis involves the projection of a series of periodic cash flows either to an operating property, a development property, or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property or business. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses / outgoings. The series of periodic net operating incomes, along with an estimate of the reversion / terminal value, anticipated at the end of the projection period, is then discounted. In the case of development properties, estimates of capital outlays, development costs, and anticipated sales income are estimated to arrive at a series of net cash flows that are then discounted over the projected development and marketing periods. In the case of a business, estimates of periodic cash flows and the value of the business at the end of

	the projection period are discounted. The most widely used applications of DCF analysis are the internal rate of return (IRR) and net present value (NPV).
<b>Discretely Managed Fund</b>	Portfolios managed on behalf of individual investors and conforming to specific guidelines set down by each investor?
<b>Disposal Costs</b>	The total cost of disposing of an asset. This will normally include agents' commission, marketing / advertising costs, legal fees, valuation fees, and any other costs directly related to the disposal. Generally disposal costs are allowed for in a discounted cash flow, but not in a traditional capitalised income approach.
<b>Dissolution</b>	<ul style="list-style-type: none"> <li>(a) For a natural person, the death, disability, bankruptcy, infancy, deed of assignment to or composition with creditors or other demise of the person; and</li> <li>(b) For a corporation, any scheme of arrangement, reduction of capital or capital reconstruction (except if approved by the Lessor), appointment of any administrator, receiver, receiver and manager, liquidator other person to control the corporation's assets, or the corporation is de-registered or otherwise dissolved.</li> </ul>
<b>Distressed Sale Value</b>	See Forced Sale Value.
<b>District</b>	An area having a common use characteristic such as a retail district and the like.
<b>District Business Centre</b>	A planning term used to describe the hub of a main shopping centre in a city or suburb. It is much more extensive than a daily needs shopping centre.
<b>Due Diligence</b>	An investigation of the legal, financial and physical nature and characteristics, including the entitlements and liabilities attaching to and arising from a real estate asset or assets, usually for acquisition or compliance purposes.
<b>Duration of Lease</b>	The term (length of time) of a lease.
<b>Duty of Care</b>	The leasing representative's responsibility to use information conscientiously when dealing with tenants.

# E

<b>Easement</b>	A right to use the land of another (not involving the taking of any part of the natural produce of that land, or any part of its soil) or a right to prevent the owner of that land from using that land in a particular manner. Most commonly used where Government authorities have the right to run, for example, electrical mains or drainage through private property. Some form of compensation may be payable.
<b>Economic / Viable Rent</b>	The point at which rent level justifies construction.
<b>Economic Life</b>	Either (a) the period which an asset is expected to be economically usable by one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.
<b>Economic Obsolescence</b>	A loss in value due to factors outside the subject asset. Economic obsolescence is also called external, environmental or locational obsolescence. Examples of economic obsolescence are changes in competition or in surrounding land uses like an industrial plant near a residential area. It is deemed incurable as the expense to cure the problem is impractical.
<b>Effective Age</b>	The age of an item, such as a building, as indicated by its physical condition and utility compared to its useful life, in contrast to its chronological age. The amount of maintenance and care given to the building will help determine its effective age. A 5-year old building may have an effective age of 10 years due to poor maintenance of the building.
<b>Effective Date</b>	The date something commences or closes.
<b>Effective Gross Rent</b>	See Rent.
<b>Effective Interest Rate</b>	The actual rate paid or produced by an investment as distinguished from a nominal interest rate.
<b>Effective Net Rent</b>	See Rent.
<b>Effective Rate of Return</b>	The actual rate of return obtained after adjusting for rental concessions or impending vacancies.
<b>Effective Rental</b>	See Rent.

<b>Efficiency Ratio</b>	The percentage of net floor space to gross floor space of a building.
<b>Egress</b>	The exit point from a property.
<b>Emissions and Renewable Energy Charges</b>	The charge reasonably determined by the Lessor as it relates to the Energy supplied to the Lessee (whether directly or indirectly), on account of any cost or liability resulting from or imposed as a consequence of any Emissions and Renewable Energy Legislation and includes the cost of acquiring certificates or units (or any reasonable estimate) to acquit against a liability under that legislation
<b>Emissions and Renewable Energy Legislation</b>	The Renewable Energy (Electricity) Act 2000 Cth and any other law which has as one of its purpose the reduction or restriction of greenhouse gas or carbon emissions or the implementation of a price on carbon, carbon trading scheme or carbon tax
<b>Enclosed Mall</b>	See Appendix II — Retail Definitions.
<b>Encroachment</b>	Infringement of another's rights or intrusion onto another's property rights. For example, a fence or portion of a building erected by one person upon land of an adjoining neighbour, or a structure overhanging the land of a neighbour.
<b>Encumbrance</b>	A charge or liability on a property; for example, a mortgage or a special condition on the use to which it may be put (e.g. easements, restrictions and reservations).
<b>Energy</b>	Either or both of electricity and gas as the case may require
<b>Energy Management</b>	The orderly control of energy use.
<b>Enhancement</b>	Where a change (e.g. re-zoning) or some other external factor increases the value of an asset.
<b>Environment Audit</b>	The review of environment management practices; in particular, the evaluation of a site for environmental liability.
<b>Environmental Factors</b>	Influences external to the property being valued which may have positive effect, negative effect, or no effect at all on the property's value. Hazardous or toxic substances may be found either on or off the site of the property valued.
<b>Environmental Impact Study</b>	A multi-disciplinary assessment of existing environmental conditions and the likely effect on a specified environment of the introduction of a proposed development or actions which may

	change the existing environmental conditions and ecological balance.
<b>Environmental Laws</b>	All laws and regulations, consents, permits, environmental protection policies and directions, standards and guidelines including determinations, of any authority, including federal, state or local government authorities, (and any other like bodies) regulating or otherwise relating to the environment, including but not limited to land use, planning, heritage, coastal protection, water catchments, pollution of air or waters, noise, soil or ground water contamination, chemicals, waste management, use of hazards or dangerous goods or substances, building regulations, public and occupational health and safety, or noxious trades, use of biodegradable/non-bio-degradable products
<b>Environmentally Sustainable Development</b>	The use of procedures that minimise adverse environmental impact during construction and operation.
<b>Equated Yield</b>	See Yield.
<b>Equity</b>	(a) A synonym for a share (as distinct from fixed interest) investment”; (b) the interest or value that an owner has in an asset over and above the debt against it. For example, a home-owner has equity in that part of the value of his or her house above the amount borrowed from a lender.
<b>Equity Yield Rate</b>	See Yield.
<b>Equivalent Yield</b>	See Yield.
<b>Essential Terms</b>	The key elements of a lease or contract (e.g. commencement date).
<b>Estate Agent</b>	See Agent.
<b>Estimate Notice</b>	A notice containing the Lessor’s estimate of Outgoings for a Financial Year
<b>Ethics</b>	The philosophy of human conduct with emphasis upon the determination of right and wrong.
<b>Evaluate</b>	To determine the value; to estimate.
<b>Eviction</b>	The removal of a person from property.
<b>Exchange of Contracts</b>	A formal legal process that creates a binding contract for the sale of real property on agreed terms. The vendor and purchaser each sign a copy of the sale contract and then exchange these documents, after which time the contract becomes legally binding on the parties, The parties are then bound to proceed to settlement, subject to any cooling off period that may apply. A deposit is usually also paid by the purchaser to

	the vendor during the exchange process. Any party that unilaterally declines to proceed to settlement may forfeit deposit monies or be subject to a damages claim.
<b>Exclusive Agency</b>	See Exclusive Listing.
<b>Exclusive Agency Agreement</b>	The agreement between an Agent and a Vendor establishing an Exclusive Listing.
<b>Exclusive Listing</b>	Where a single agent only is appointed to sell or lease a property under an exclusive agency agreement. Under the terms of an exclusive agency agreement, the appointed agent is usually entitled to any commission resulting from a transaction relating to the property, even if it is sold / leased by another agent or the vendor during the term of the agreement. Also known as an Exclusive Agency or a Sole Agency.
<b>Exclusive Rights</b>	Guarantee that a specific category of merchandise will be sold only by a certain store.
<b>Exclusivity Clause</b>	A lease clause that limits the number of stores that can open in a shopping centre competing with the lessee.
<b>Executed Lease</b>	A lease that has been signed by all parties and delivered.
<b>Existing Use Rights</b>	Rights established under planning legislation that allow the continued lawful use of land or buildings following the introduction of a new planning scheme or controls.
<b>Existing Use Value</b>	See Market Value For The Existing Use.
<b>Expendable Cash After Tax (ECAT)</b>	Periodic cash return(s) to the equity owner after allowing for income tax.
<b>Expert</b>	A person who is recognised as having special knowledge or skills.
<b>Expiry Date</b>	A date on which a tenant's lease term is complete.
<b>Explicit Yield</b>	See Yield.
<b>Exposure</b>	A locational attribute. Favourable exposure from a site refers to pleasant vistas such as views of mountains and water. Unfavourable exposure refers to unpleasant sites such as smoky factories, noise from freeways.
<b>Extension</b>	The construction and addition of significant area to a building.
<b>Extension of Lease</b>	An agreement extending or renewing the terms of a lease for a period beyond the expiration date.



<b>Extension of Time</b>	An extension of the contract period to allow for delays. Extensions may be controlled by the terms of the contract.
<b>External Management Structure</b>	Where the Responsible Entity is a completely separate entity to that of the manager of the assets of the entity.

# F

<b>Facade</b>	External cladding of a building and usually referring to that fronting the street.
<b>Face Capitalisation Rate</b>	See Capitalisation Rate.
<b>Face Rate</b>	The rental rate stated in the lease agreement without factoring in concessions or inducements.
<b>Face Rent</b>	See Rent.
<b>Facilities Renewal And Replacement Programme</b>	A systematic and cost-effective approach to planning and budgeting that extends the life and retains the useable condition of facilities and systems, not normally covered in the annual operating budget, including but not limited to the following: deferred maintenance; capital renewal and replacement; facilities remodelling and renovation for functional improvements; retrofitting for energy conservation; elimination of health and life safety problems; provisions for accessibility for persons with disabilities; compliance with federal, state, and regulatory requirements.
<b>Facility</b>	A complex of buildings, structures, roads and associated equipment, such as a hospital, school, shopping centre, manufacturing plant or the like, which represents a single management unit for financial, operational, maintenance or other purposes.
<b>Facility Audit</b>	An audit of the physical and functional adequacy of a facility, with particular reference to the building fabric and building services components, to provide an input for life cycle cost analysis, short-term maintenance planning and long-term planning purposes.
<b>Facility Cost</b>	Can be expressed as either the capital cost to establish a facility initially or the recurrent cost to operate and maintain a facility on an annual basis for the life of that facility.
<b>Facility Management (FM)</b>	The process of planning, managing, maintaining, rationalising and accounting for facilities and associated services, while simultaneously seeking to reduce the associated overall costs. The primary focus of facilities management is to

	provide the optimum level of facility for the least financial outlay.
<b>Facility Management Association of Australia (FMA)</b>	Professional association of facility managers in Australia.
<b>Facility Plan</b>	A facility plan (or facility master plan, strategic facility master plan) is the outcome of the facility planning process, which is the process of planning an organisation's present and future operational requirements and translating them into the working environment in the most effective way.
<b>Fair Market Rent</b>	See Rent.
<b>Fair Market Value</b>	See Market Value.
<b>Fair Value</b>	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's-length transaction.
<b>Feasibility Study</b>	A financial analysis usually included in a report of a proposal to change or develop an asset. A project is 'feasible' when analysis indicates that there is a reasonable likelihood of satisfying explicit objectives and when a selected course of action is tested for fit to a context of specific constraints and limited resources.
<b>Fee Simple</b>	The fullest and highest possible interest one can possess in real estate. Ownership of unlimited duration. See also Freehold.
<b>Finance Lease</b>	A lease that transfers substantially all the risks and rewards incident to ownership of an asset. Title may or may not eventually be transferred.
<b>Financial Institution</b>	Deposit taking institution including all approved deposit funds, superannuation funds, mutual funds, insurance companies and the investment operations of banks (except in the case of mortgagees).
<b>Financial Instrument</b>	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
<b>Financial Modelling</b>	The projection of a business' or property's periodic income or cash flow pattern from which measures of financial return can be calculated. Income or cash flow projections are generated through the use of a financial model that takes into account historical relationships between income, expense, and capital amounts as well as projections of those variables. Financial modelling may also be used as a management

	<p>tool to test expectations for property performance, to gauge the integrity and stability of the Discounted Cash Flow (DCF) model, or as a method to replicate the steps taken by investors in making decisions involving the purchase, sale, or holding of a property or business.<sup>21</sup> See also Discounted Cash Flow Analysis.</p>
<b>Financial Reports</b>	<p>Monthly statements of how much an account had at the start and the end of the month; they provide both budgeted and actual information for the current month and year to date.</p>
<b>Financial Services Institute of Australasia (FINSIA)</b>	<p>A professional institute for practitioners in the financial industry in Australian and New Zealand. FINSIA was formed in 2005 by the merger of the Australasian Institute of Banking and Finance (AIBF), founded 1886, and the Securities Institute of Australia (SIA), founded 1966.</p>
<b>Financial Statements</b>	<p>A summarized report of accounting transactions composed of the balance sheet, the operating statement and the statement of cash flows.</p>
<b>Financial Year</b>	<p>1 July to 30 June</p>
<b>Fire and Life Safety Management</b>	<p>A plan for the protection and safety of building occupants in the event of fire or other potentially life-threatening emergencies.</p>
<b>Fire Control Room</b>	<p>A separate room of concrete or masonry construction that provides an area from which fire fighting operations or other emergency procedures can be directed or controlled. It contains controls, panels and telephones associated with a building's fire services. It must be provided in all buildings with an effective height of more than 25 metres.</p>
<b>Fire Door</b>	<p>A door hung in the direction of egress with automatic closing and capable of containing fire for a period determined by the Building Code of Australia. The door's capability or rating is based on its structural adequacy, integrity and insulation.</p>
<b>Fire Equipment</b>	<p>All stop-cocks, hydrants, fire hoses, fire alarms and other fire prevention, detection and extinguishing equipment that may be in servicing the Premises</p>
<b>Fire Indicator Panel</b>	<p>A control and indicating panel that indicates a signal from an alarm zone together with associated equipment for the fire alarm and / or sprinkler systems.</p>

<b>Fire Isolation</b>	The isolation of a part of a building by a fire-resistant construction, e.g. fire wall.
<b>Fire Resistance Rating</b>	Means the minimum period of time during which an element of a structure may be expected to function satisfactorily while subjected to a standard fire test, as set down by the relevant authority.
<b>Fire Proofing</b>	The use of incombustible materials to protect structural components of a building so it can withstand a complete burn-out of contents without losing structural integrity.
<b>First Refusal (Right Of)</b>	(a) The right granted to a person to have the first privilege to buy or lease real estate, or the right to meet any offer made by another. (b) A tenant's right to lease space that is adjacent, or more desirable. Usually the tenant would be required to match whatever bona fide offer to lease is made by another party.
<b>Fiscal Year</b>	The business year as distinguished from the calendar year. The fiscal year in Australia is 1 July to 30 June.
<b>Fitout Costs</b>	The cost of fitting out premises in accordance with the fit-out contract and includes the cost of any suppliers, consultants and contractors engaged pursuant to the clause.
<b>Fitout Requirements</b>	The provisions contained in the book entitled Fitout Requirements (Specialty Shops) (including all appendices to that book) provided to the Lessee by or on behalf of the Lessor, as amended and re-issued from time to time and includes without limitation, any site specific requirements
<b>Fittings</b>	Installed items that may be removed from real estate without causing irreparable damage to the land, structure or use of the premises.
<b>Fixed Assets</b>	Non-current assets intended for use on a continuing basis in the operations of an entity. Fixed assets include tangible assets (such as property, plant and equipment), intangible assets (such as goodwill, licences and contracts) and financial assets. The term is something of a misnomer as it includes ships, aeroplanes, locomotives, rolling stock and motor vehicles as well as land, buildings, plant and machinery.
<b>Fixed Interest Rate</b>	An interest rate that remains unchanged for a set period, for example, for the whole term of the loan, or the first year of a loan.

<b>Fixed Price Contract</b>	A contract for work to be carried out for an agreed firm price (or fixed lump sum) without any rise and fall cost adjustment.
<b>Fixtures</b>	Those parts of a property affixed to structures or land, usually in such a manner that they cannot be independently moved without damage to themselves or the property housing supporting or pertinent to them. Fixtures are usually included in a sale and commonly include items such as carpets, and awnings.
<b>Floor Area</b>	Generally means the useable floor space of a building. Can be defined in a number of different ways depending upon the type of building. Refer to Method of Measurement published by the Property Council of Australia.
<b>Floor Area Ratio</b>	See Floor Space Ratio.
<b>Floor Churn Rate</b>	The total area affected by moves or reconfiguration, divided by the total building area, or area being considered in the last year, multiplied by 100. See also Primary Churn; Secondary Churn; Tertiary Churn.
<b>Floor Loading Rating</b>	The structural capacity of a floor to hold heavy loads.
<b>Floor Space Ratio (FSR)</b>	The amount of development that can be achieved on a site expressed as a ratio. A FSR of 2:1 means that a floor area equal to twice the area of the site is allowable. The result is known as Floor Space Area (FSA). See also Plot Ratio.
<b>Food Court</b>	An area within a shopping centre devoted to permanent retail shops / kiosks providing food, often accompanied by a common seating area with tables and chairs.
<b>Food Court Expenses</b>	All expenses specifically attributable to a food court operation.
<b>Force Majeure</b>	See Act of God.
<b>Forced Sale (Liquidation) Value</b>	(a) The amount which may reasonably be received from the sale of a property within a time frame too short to meet the marketing time frame of Market Value definition. Forced sale value in particular may also involve an unwilling seller and a buyer or buyers who buy with knowledge of the disadvantage of the seller; (b) Market Value, with a proviso that the vendor has imposed a time limit for completion of the sale, which cannot be regarded as a reasonable time period, taking into account the nature of the asset, its location, and the state of the market.

<b>Foreclosure</b>	Removing the right, title and interest of the owner of a property or asset, usually due to a default of due payments.
<b>Foreign Investor</b>	Investors, public or private, whose centre of operations or residence is outside Australia.
<b>Formal Lease Agreement</b>	A legal document outlining and defining all legal terms and conditions of the occupancy of leased space by the tenant for a given period of time as referred to as the lease term.
<b>Fractional Interest</b>	An interest in land, whether it be a fee simple or some lesser interest, which is shared by two or more parties. See also Partial Interests.
<b>Franchise</b>	An arrangement between a franchisor and franchisee through which the franchisee uses the company name of the franchisor and is provided specified business services in exchange for a franchise fee. The fee is usually an initial purchase requirement plus an ongoing percentage of gross sales of the business.
<b>Franchisee</b>	One who purchases a franchise and operates a business under the direction and subject to the rule and conditions set out by the Franchisor.
<b>Franchisor</b>	A corporation or person who having created the franchise system, sells franchises to other people and controls and regulates the way in which they conduct business as set out by the franchisor.
<b>Franchise Dealing</b>	Any franchise or similar agreement entered into between the Lessee (or any Related Body Corporate of the Lessee) and a Franchisee
<b>Free Rent</b>	A concession granted to a tenant that allows the tenant to carry out business within the premises for a period of time without the payment of base rent. In some cases this allowance may include additional rent as well.
<b>Freehold</b>	Absolute ownership subject to limitations imposed by the state; also known as a fee simple estate. An estate held for perpetuity.
<b>Frontage</b>	Refers to the boundary of a building or a plot of land that abuts a street or river.
<b>Frontsheet</b>	The form commencing on the front page of a lease
<b>Further Term</b>	The term (if any) of any renewal of the lease or extension of the Lease Term

# G

<b>Gazumping</b>	Where the vendor agrees to sell a property, but then sells it to another party on more favourable terms.
<b>Gearing (Leverage)</b>	A measure of indebtedness; i.e. the extent of borrowings as against the equity held by a person or company in an asset. Usually expressed as a ratio. Positive gearing refers to the magnification of financial gain resulting from borrowing when the cost of capital (borrowed) is less than the return on capital and leads to magnification of returns to equity. Negative gearing refers to the same relationships but where the cost of capital exceeds the return on capital.
<b>General Conditions of Contract</b>	Conditions which establish the basic contractual relationship between the parties to a contract. Various types of contracts have general conditions. For example, sale of land, building and engineering contracts.
<b>General Law Title</b>	See Common Law Title.
<b>Going Concern</b>	The entity is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the entity has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations. An operating business. Going concern also serves as a premise, under which Valuers and accountants consider a business as an established entity that will continue in operation indefinitely. The premise of a going concern serves as an alternative to the premise of liquidation. Adoption of a going concern premise allows the business to be valued above liquidation value and is essential to the development of the Market Value of the business.
<b>Going Concern Value</b>	The value of a business as a whole. The concept involves valuation of a continuing enterprise from which allocations, or apportionments, of overall going concern value may be made to constituents parts as they contribute to the whole, but none



	of the components in themselves constitutes a basis for Market Value.
<b>Good Title</b>	Title to real estate sufficiently free of defects to be binding on a purchaser.
<b>Goods and Chattels Personal</b>	The term used for identifiable, portable, and tangible objects considered by the general public to be personal property.
<b>Goods and Services Tax (GST)</b>	A consumption tax imposed by the Commonwealth levied on the provision of goods and services.
<b>Goodwill</b>	o (a) An intangible but marketable asset based on the probability that customers will continue to resort to the same premises where the business is carried on under a particular name, or where goods are sold or services provided under a trade name, with the continuing prospect of earning an acceptable profit being likely; (b) Goodwill may include two distinct components: goodwill that is property-specific, or inherent within the property and transferable to a new owner on sale of the property, and personal goodwill that is associated with the proprietor or manager. (In such case, the goodwill element will be extinguished upon sale of the property); (c) Future economic benefits arising from assets that are not capable of being individually identified and separately recognised. See also Personal Goodwill; Transferable Goodwill.
<b>Government Authority</b>	The local council and any other government or other authority having jurisdiction over the Premises or the Complex (as the context may require)
<b>Grace Period</b>	A period when a mortgage payment or other debt becomes past due, and before it goes into default.
<b>Graduated Lease</b>	A lease which provides for a certain rent for an initial period, followed by an increase or decrease in rent over a stated period.
<b>Green Building Council Australia (GBCA)</b>	Launched in 2002, the GBCA is a national, not-for-profit organisation that is uniquely supported by both industry and governments across the country. The Green Building Council's mission is to develop a sustainable property industry for Australia and drive the adoption of green building practices through market-based solutions. In order to achieve these objectives, the GBCA

	launched the Green Star environmental rating system for buildings in 2003. Green Star rating tools help the property industry to reduce the environmental impact of buildings, improve occupant health and productivity and achieve real cost savings, while showcasing innovation in sustainable building practices.
<b>Green Star</b>	The Green Building Council Australia (GBCA) Green Star suite of rating tools addresses commercial offices at all phases of development - design, construction and operations.
<b>Greenfield</b>	An undeveloped site for which development is proposed; greenfields may be located on the periphery, or outside, an urban area. See also Brownfield.
<b>Gross Annual Value</b>	The annual income producing capacity of real estate before deduction of outgoings.
<b>Gross Building Area (GBA)</b>	Generally, the total square metres of floor space within building envelope.
<b>Gross Effective Rent</b>	See Rent.
<b>Gross Floor Area (GFA)</b>	Gross Floor Area is generally measured from the outside face of external walls.
<b>Gross Lease</b>	One in which all operating costs on the property are included in the rental charged rather than charged as a separate amount. The landlord generally pays for all base year repairs, taxes and operating expenses incurred through ownership. It is the opposite of a net lease in which these costs are borne by the lessee.
<b>Gross Lettable Area (GLA)</b>	Used for calculating tenancy areas in: warehouses; industrial buildings; free standing supermarkets; and, showrooms. Refer to Method of Measurement, Published by the Property Council of Australia.
<b>Gross Lettable Area Retail (GLAR)</b>	A measure of the amount of retail space within a shopping centre, commercial building or strip centre available for lease. Refer to Method of Measurement, Published by the Property Council of Australia. In some states or territories, lease legislation might contain provisions that over-ride the Property Council approach.
<b>Gross Margin</b>	The difference between the sales and the total cost of the merchandise sold.
<b>Gross Operating Profit</b>	(a) The difference between revenue and the cost of making a product or providing a service, before deducting indirect costs such as overheads, payroll, taxation, and interest payments; (b)

	When applied to hotels, profit after operational expenses but traditionally before management fees, insurance rates and taxes, and FF&E allowance. The definition of calculation of gross operating profit is frequently established in the management agreement.
<b>Gross Profit</b>	The retailer's sales income minus the cost of the goods sold. In some cases this includes the cost of merchandise returns, which is subtracted from the total.
<b>Gross Purchase Price</b>	Purchase price plus transaction costs.
<b>Gross Rent</b>	See Rent.
<b>Gross Revenue</b>	Total revenue collected from lessees including base rent, recovered outgoings, percentage rent and all other income.
<b>Gross Sales</b>	The sum total in dollars for all sales that the retailer makes during a specific period, usually in a financial year. Normally used for the purpose of percentage rent calculations.
<b>Gross Turnover</b>	See Gross Sales.
<b>Ground Lease</b>	Usually a long-term lease of land with the lessee permitted to improve or build on the land and to enjoy those benefits for the term of the lease.
<b>Ground Level</b>	The natural level of a site.
<b>Ground Rent</b>	The net rent paid for the right of use and occupancy of a parcel of unimproved land, or that portion of the total rental paid that is considered to represent return upon the land only.
<b>Growth Rates</b>	The expected annual rate of change in income and / or outgoings over a given forecast period. Income growth rates should reflect the expectation of market rent movements. The outgoings growth rates should reflect inflation or anticipated increases.
<b>GST Law</b>	Includes any Act of the Parliament of Australia and any other law that introduces, imposes, deals with or is related to a GST. Any words or expressions used in this Lease that are defined in the GST Law have the same meaning in this Lease
<b>GST Rate</b>	The GST rate from time to time provided for in the GST Law
<b>Guarantee</b>	A pledge or promise to accept responsibility for the payment of a debt or the performance or discharge of an obligation of another, often provided as security in a contract.

<b>Guarantor</b>	A person who undertakes to fulfil a contract if the main party defaults.
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# H

<b>Hard Stand Area</b>	<b>Paved, open area adjacent to an industrial premises (normally on the same site), used to store material, equipment, products or containers. The hard stand area is distinct from any driveway, parking space or loading bay.</b>
<b>Hazardous Substance</b>	In the context of valuation, any material within, around, or near the property being valued that has sufficient form, quantity, and bio-availability to create a negative impact on the property's Market Value.
<b>Head Lease (or Master Lease)</b>	A lease to an entity that will subsequently grant leases to sublessees who will be tenants in possession.
<b>Hectare</b>	The metric measure for an area of land measuring 10,000 square metres (approximately 2.47 acres).
<b>Height Control</b>	Generally the maximum permissible height of a building.
<b>Heritage and Conservation Assets</b>	Assets having some cultural, environmental or historical significance. Heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves.
<b>High Rise</b>	An indefinite term, but generally understood to mean a structure, may be an office block or residential building, higher than three or four storeys.
<b>Highest and Best Use</b>	The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.
<b>Historical Sales Performance</b>	One of the most important analytical tools in determining strong and weak merchandising areas in a centre, and therefore which tenants should be retained, which ones should be relocated and which ones should be replaced.
<b>Holding Company</b>	Shall have the same meaning as "holding company" in the Corporations Act 2001 (Cwlth)

<b>Holding Costs</b>	Often used in reference to a property awaiting further development. Expenses, charges or costs which are met in order to keep real property from year to year, including both fixed charges and variables such as taxes. Also known as Carrying Charges.
<b>Holding Deposit</b>	An amount given by a buyer to the estate agent acting for the seller. It shows the buyer's serious commitment to the property, and is commonly 10% of the purchase price.
<b>Holding Over</b>	Where a lease term expires and the lessee remains in occupation (usually on a month-to-month basis) on the terms and conditions of the original lease.
<b>Holding Period</b>	The time period for which an asset is held by an investor.
<b>Hold over Tenant</b>	A tenant who remains in possession of a leased premise after the lease has expired. Also known as the over-holding period.
<b>Home State</b>	The state or territory of Australia in which the Premises is situated
<b>Hot Spots</b>	Zones where an area of occupancy is air-conditioned unsatisfactorily and has heat or radiation.
<b>Hurdle Rate of Return</b>	The minimum rate of return acceptable to an investor.
<b>Hydraulic Services</b>	Building engineering services related to: supply and distribution of water, hot water, chilled water, steam, etc. drainage, sewerage, and storm-water down takes.
<b>Hypothetical Development</b>	A method of feasibility analysis in which the development of land is envisaged in a hypothetical exercise and all the estimated costs of the proposed development are taken into consideration. The probable net returns from the development are then calculated as a test for its economic viability.



<b>Implied Covenant</b>	A covenant implied rather than expressly written into a lease. On the part of the lessor this could include the asset being fit for the purpose for which it is let and allowing for quiet enjoyment. On the part of the lessee it could include keeping the premises clean.
<b>Implied Easement</b>	An encroachment upon property that has been left unchallenged for a long period of time. One that is apparent by long and continued use.
<b>Improved Value</b>	The combined value of land and all improvements thereon as distinguished from their separate values.
<b>Improvements</b>	Buildings, structures, or modifications to land, of a permanent nature, involving expenditures of labour and capital, and intended to enhance the value or utility of the property. Improvements have differing patterns of use and economic lives.
<b>Imputed Yield</b>	See Yield.
<b>Incentive</b>	See Leasing Incentives.
<b>Income Approach</b>	Valuation methods using income as a predictor of the capital value (e.g. capitalised income approach, discounted cash flow approach).
<b>Income Capitalisation Approach</b>	An approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalisation process.
<b>Income Capitalisation Value</b>	The indication of value derived for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value in one of two ways; direct capitalisation of expected income or discounting the annual cash flows for the holding period at a specified yield rate)
<b>Income Multiplier or Years' Purchase</b>	The ratio between the sale price or value of a property and the average annual income or income expectancy; may be based on gross or net income. It is applied to income to arrive at capital value. The term, income multiplier, is North American usage; years' purchase is Australian usage.

<b>Income Return</b>	Net income received as a percentage of capital employed in a period.
<b>Incoming Tenant</b>	Each person and corporation (other than the Lessee) under a Dealing, including; <ul style="list-style-type: none"> <li>(a) For a corporation (other than a Listed Corporation or a subsidiary of a Listed Corporation) each director and shareholder of the corporation; and</li> <li>(b) For a trust, each trustee and unit holder of the trust and each director and shareholder of each corporate trustee and unit holder of a trust</li> </ul>
<b>Incurable Depreciation</b>	Those items of physical deterioration and functional obsolescence which are not economically feasible to cure.
<b>Indemnity</b>	A form of contract arising where a person undertakes to compensate another for loss they may suffer as a result of a transaction with a third party.
<b>Indemnity Insurance</b>	Insurance carried by a member of a profession or industry body (for example, a prescribed building practitioner or conveyancing solicitor) designed to protect the buyer(s) from loss owing to the negligence of the professional acting on his / her behalf.
<b>Indemnity Value</b>	A basis of insurance cover for buildings and contents. The cost necessary to replace, repair or rebuild the property insured to a condition substantially the same as but not better or more extensive than its condition at the time the damage occurred, taking into consideration age, condition and remaining useful life.
<b>Index</b>	A statistical indicator providing a representation of the value of investments over time. Indices often serve as investment barometers. See also Accumulation Index.
<b>Indexing</b>	A passive portfolio management technique in which the fund manager seeks to match the composition, and therefore performance, of a market index such as the Australian Stock Exchange (ASX) All Ordinaries or the S&P / ASX LPT300.
<b>Indirect Property</b>	Property owned through an intermediary where the equity holders do not make the controlling decisions in relation to the property.

<b>Indirect Property Investments</b>	Investments in pooled property investment vehicles for the purposes of obtaining exposure to direct or listed property.
<b>Indoor Air Quality</b>	Air Quality refers to a range of characteristics: <ul style="list-style-type: none"> <li>• air purity;</li> <li>• air circulation;</li> <li>• the ratio of fresh air to recirculated air;</li> <li>• humidity and temperature of air; and</li> <li>• amount of Carbon Dioxide and Oxygen.</li> </ul>
<b>Indoor Environment Quality</b>	Indoor Environment Quality refers to Indoor Air Quality and: <ul style="list-style-type: none"> <li>• light and outlook;</li> <li>• noise;</li> <li>• radiation;</li> <li>• decor; and</li> <li>• layout and ergonomics.</li> </ul>
<b>Inflation</b>	A general increase in prices in an economy and consequent fall in the purchasing value of money. See also Consumer Price Index.
<b>Infrastructure Assets</b>	Assets that usually display some or all of the following general characteristics: (a) they are part of a system or network; (b) they are specialised in nature and do not have alternative uses; (c) they are immovable; and (d) they may be subject to constraints at time of disposal.
<b>Ingress</b>	The entry point to a property.
<b>Initial Yield</b>	See Yield.
<b>In-Situ</b>	A concept that assumes that the asset will remain in its present location.
<b>Insolvency</b>	The inability or failure to pay debts as they become due.
<b>Instruction</b>	A verbal or written advice to undertake professional services.
<b>Instrument (Planning)</b>	Legal planning documents used to determine or define land use. LEPs and DCPs are Planning Instruments.
<b>Insurance</b>	A contract between a risk-taker (the insurer) and another party (the insured) in which, for a fee the insurer agrees to pay the insured for losses to something specific due to named causes.
<b>Intangible Assets</b>	An intangible asset is an identifiable non-monetary asset without physical substance.
<b>Intelligent Building</b>	A building designed with extensive use of sensors, microprocessor controls and automated systems and able to detect, diagnose and control the response to varying environmental conditions or operational requirements. The use of



	integrated management systems generally results in improved performance and cost savings through conservation of energy and other resources. Also known as Smart Building.
<b>Interest</b>	The payment made by a borrower to a lender in return for the loan of money, in addition to the principal repayments.
<b>Interest in Land</b>	A legal right to use and / or occupy land either wholly or in part.
<b>Interest Only Loan</b>	Only the interest on the principal is repaid during the term of the loan. At the end of that time the principal is repaid as a lump sum.
<b>Interest Rate</b>	The rate of return earned on an investment, or charged by a lender, expressed in the form of a percentage per annum.
<b>Internal Management Structure</b>	Refers to the property owner assuming responsibility for leasing and property management.
<b>Internal Rate of Return (IRR)</b>	The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on the invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV).
<b>Inventory</b>	A detailed list of stock held.
<b>Investment</b>	(a) Using a capital sum to acquire an asset, which is expected to produce an acceptable flow of income, utility and / or appreciate in capital value; (b) The term is also used to refer to an asset acquired for the purpose of investment.
<b>Investment Analysis</b>	A study undertaken for the purposes of development and investment, the evaluation of investment performance, or the analysis of a transaction involving investment properties. Investment analyses are variously called (economic) feasibility studies, market or

	marketability analyses, or financial projection studies.
<b>Investment Asset</b>	An asset owned by a corporation and considered extraneous to the operational requirements of the corporate owner. Land and / or buildings held to earn a present or future rental income and / or for the preservation or gain of capital value or both. It is not held for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business. See also Operational Asset; Surplus Asset.
<b>Investment Performance Index</b>	A direct property index produced by The Property Council of Australia and Investment Property Databank (IPD). It is a capital value-weighted, appraisal-based price and accumulation index measuring income, capital and total return performance of commercial property in Australia. It is comparable with the NCREIF Property Index in the United States, the Russell Canadian Property Index in Canada and the Investment Performance Index in New Zealand.
<b>Investment Property</b>	Property (land or a building — or part of a building — or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.
<b>Investment Value or Worth (See Special Value)</b>	The value of property to a particular investor, or a class of investors, for identified investment objectives. This subjective concept relates specific property to a specific investor, group of investors, or entity with identifiable investment objectives and / or criteria. The investment value, or worth, of a property asset may be higher or lower than the Market Value of the property asset. The term investment value, or worth, should not be confused with the market value of an investment property.
<b>Item</b>	An item in the Reference Schedule

# J

<b>Joint And Several</b>	Where liability for the breach of an agreement or obligation can be enforced against all the parties involved (joint action) or against any of them by individual action (several).
<b>Joint Tenancy</b>	The ownership of land in common by several persons where there is a right of survivorship; i.e. where on the death of one joint owner the land as a whole vests in the survivors.
<b>Joint Venture (JV)</b>	An agreement between two or more parties to jointly undertake a project, usually with equal shares of profit and risk.

# K

<b>Kiosk Space</b>	A booth or stall set up in a property to sell goods and services.
<b>Key Money</b>	An amount of money which may be requested by an existing retailer or landlord simply to transfer the lease on a retail store to a new operator.

# L

<b>Land</b>	The land described in the lease and any additional land that the Lessor identifies or uses from time to time as part of the Centre
<b>Land Agent</b>	See Agent.
<b>Land Economist</b>	See Property Economist.
<b>Land Surveyor</b>	A person qualified and licensed to practice land surveying.
<b>Land Tax</b>	A tax payable annually in respect of the beneficial ownership of land, the rate of which is determined by the assessed valuation. Usually based on unimproved value of land.
<b>Land Usage</b>	The use being made of land or the uses permitted under statutory requirements. Proper land usage attempts to assign the highest and best use to each parcel.
<b>Landlord</b>	The owner of leased property. The lessor.
<b>Landlord's work</b>	Improvements and work carried out by the landlord for the tenant as according to the lease agreement.
<b>Landscaping</b>	The treatment of lawn and plantings to enhance the appearance of a lot.
<b>Law</b>	Any statute, ordinance, regulation, by-law or other form of secondary or delegated legislation in force at the Commencement Date or which comes into force at any time during the Term
<b>Lease</b>	An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.
<b>Lease Abstract</b>	A summary of a lease document listing the specific details peculiar to that lease.
<b>Lease Administration</b>	The function of administering, managing, collecting amounts due and enforcing the provisions of the lease.
<b>Lease Agreement</b>	The contract between a landlord and a tenant that outlines and defines the business, legal terms of the contract and the terms and conditions which apply to it.
<b>Lease Commencement Date</b>	See Commencement Date

<b>Lease Covenants</b>	The special clauses in a lease agreement that contain all promises to be carried out throughout the period of the lease.
<b>Lease Expiry</b>	The date upon which the formal term of a lease ends.
<b>Lease Expiry Profile</b>	For individual buildings, the amount of space (often expressed in square metres) which becomes vacant at different periods in the future or is currently vacant.
<b>Lease Plan</b>	A detailed plan showing the size and configuration of each space located within a shopping centre.
<b>Lease Proposal</b>	The preliminary offer of terms to a lessee which is the basis for any subsequent negotiation.
<b>Lease Renewal</b>	A clause giving a tenant the right to extend the term of a lease, usually for a stated period of time and at a rental amount provided for in the lease agreement.
<b>Lease Term</b>	The period of the lease.
<b>Lease Year</b>	Each consecutive period of 12 months starting on the Date of Commencement and includes any broken period between the last complete Lease Year and the Date of Expiry
<b>Leaseback</b>	See Sale and Leaseback.
<b>Leasehold</b>	Possession and use of a property by virtue of a lease.
<b>Leasehold Estate</b>	The interest which a tenant or lessee acquires under a lease including rights of use and occupancy for a stated term under certain conditions (e.g. the payment of a premium and / or rent). Leaseholds may be of various duration such as 25 years, 60 years and 99 years etc.
<b>Leasehold Interest</b>	The value of a leasehold interest. The right to use, enjoy and profit from the existing rights granted under the lease. This could be because of a profit rent from a difference between the market rent and the current rent or a ground rent.
<b>Leasehold Value</b>	The value of the lessee's interest. Where the rent paid is lower than the market rent, the capital value of the lessee's interest is the Present Value of the profit rent for the unexpired lease term or until the next rent review.
<b>Leasing For Period</b>	A statistical measure of the total area of new leases signed in a given period, reported separately from the area of a lease that has been renewed.

<b>Leasing Incentives</b>	Inducements offered by landlords to attract tenants to lease space. Typically occurs when supply exceeds demand, but in order to maintain value by not lowering face rent or contract rent, tenants are given incentives such as rent free periods, cars and other gifts. Often such inducements are secret. The discount or contribution offered to a lessee at the commencement of a lease which may be applied at the start, during, or at the end of the lease term and is outside the lease terms.
<b>Leasing-Up Costs</b>	Expenses incurred to lease vacant space in a building, including agent's fees, space studies, advertising, promotional programs, legal fees and government charges.
<b>Leasing-Up Period</b>	The period allowed before the date of lease commencement for negotiation of terms and agreement to be reached with prospective lessees.
<b>Leasing Plan</b>	Created by the developer and/or landlord as a strategy on how to plan out the leasing of a building.
<b>Leasing Representative</b>	A mall employee whose responsibilities include property management, maintaining good relations with tenants, lease administration and negotiation, liaison with ownership, capital improvements and coordination.
<b>Legionnaire's Disease</b>	A respiratory disease caused by Legionella bacteria found in some water-cooled air-conditioning systems.
<b>Lessee (Tenant)</b>	A person / legal entity who receives the right to occupy and use a property under", the terms of a lease.
<b>Lessee's Agents</b>	Each subtenant, licensee, Franchisee and invitee of the Lessee
<b>Lessee's Contribution</b>	For an Outgoings Year the amount LC calculated as follows: $LC = (LP \times D \times E) / Y$ Where: LP = the Lessee's Percentage (expressed as a decimal) D = the number of days of the Term in that Outgoings Year E = the Outgoings for that Outgoings Year Y = the number of days in that Outgoings Year
<b>Lessee's Employees</b>	The Lessee's employees, officers, consultants, agents, contractors, invitees, licensees, and

	anyone in the Centre because of the Lessee's use and occupation of the Premises, or any of them
<b>Lessee's Improvements or, Tenant's Improvements</b>	Fixed improvements or additions to land or buildings, installed by and paid for by the tenant to meet the tenant's needs; typically removable by the tenant upon expiration of the lease; removal causes no material damage to the real estate.
<b>Lessee's Interest</b>	Also known as Lease Interest, Tenant's Interest, or Leasehold Estate. The ownership interest that is created by the terms of a lease rather than the underlying rights of real estate ownership. The lease interest is subject to the terms of a specific lease arrangement, expires within a specified time, and may be capable of subdivision, or subleasing to other parties.
<b>Lessee's Percentage</b>	The percentage which the Lettable Area of the Premises bears to the Lettable Area of the Centre, expressed as a percentage
<b>Lessee's Property</b>	Anything installed or placed in or on the Premises or the Centre by or for the Lessee (whether financed or not) and includes the Lessee's stock, fixtures, fittings and signage
<b>Lessee's Proportion</b>	The proportion that the Lettable Area of the Premises bears to the total Lettable Area of all premises in the Centre enjoying or sharing the benefit or burden of any particular item of Outgoings. Free standing buildings (that are not part of the main building structure), basements, office premises and cinema complexes are some of the premises which may not necessarily enjoy the benefit of all Outgoings
<b>Lessee's Security</b>	The amount (if any) specified in the Reference Schedule
<b>Lessee's Trading Hours</b>	(a) The Core Trading Hours; and (b) Any additional hours that the Lessor may approve
<b>Lessee's Works</b>	The fitting out works referred to in the lease and any other works in the Premises carried out by the Lessee during the Term
<b>Lessor (Landlord)</b>	The owner of a property who transfers the right to occupy and use property to another by way of a lease agreement.
<b>Lessor's Fixtures</b>	Includes all fixtures, fittings, plant, equipment, partitions, doors, locks, windows, greasetraps, drains, conduits and other property owned or supplied by the Lessor in or about or providing



	services to the Premises or the Complex (as the context may require)
<b>Lessor's Interest</b>	The interest held by the lessor in a freehold property subject to Lease Interest(s), a Head lease or Master Lease.
<b>Lessor's Property</b>	Anything in the Premises that is not the Lessee's Property
<b>Lettable Area</b>	The floor area of premises in the Centre which from time to time are leased or licensed or intended by the Lessor to be leased or licensed (calculated by the Lessor's surveyor using the PCA method of measurement) but, to the extent permitted by law, excludes any premises: <ul style="list-style-type: none"> <li>(a) Leased or licensed or intended by the Lessor to be leased or licensed for storage or parking;</li> <li>(b) Leased or licensed for a nominal rental or as a temporary or casual letting in the Common Areas;</li> <li>(c) Used for information, entertainment, a public library, child minding or other community facilities;</li> <li>(d) Used for displaying advertisement or telecommunications equipment; or</li> <li>(e) Used for a plant nursery other than that area on which buildings used for retail outlet are erected</li> </ul>
<b>Letter of Intent</b>	An informal offer to lease space from the landlord. This letter requests certain conditions to be allowed by the landlord before entering into any formal agreements.
<b>Letting-Up</b>	A capital amount deducted from the value of a property to acknowledge the estimated rent forgone during initial vacancy period.
<b>Letting-Up Allowance</b>	An allowance in the cash flows of an income-producing property to acknowledge letting periods to bring the premises to its optimum occupancy level. Under the traditional capitalised income approach, a capital amount is deducted in respect of the existing or pending vacancies to reflect the Present Value of the loss of income until fully let. See also Leasing-Up Costs; Leasing-Up Period.
<b>Leverage</b>	See Gearing.
<b>Liability</b>	An amount owed by one person or another. A legal obligation or responsibility.

<b>Licensed Real Estate Agent</b>	A licensed real estate agent may perform the activities in the conduct of a real estate business. He / she is licensed to hold responsibility for an agency's legislative compliance activities.
<b>Lien</b>	A charge, security or encumbrance upon property for the payment of debt.
<b>Life Cycle Cost</b>	The total cost of an asset throughout its life, including the costs of planning, design, acquisition, operations, maintenance and disposal, less any residual value.
<b>Likely Projects</b>	Development projects which have a firm commencement date and the space is expected to be supplied to the market by a nominated date.
<b>Limited Title</b>	The Torrens Title that applies before a property has been surveyed.
<b>Linkages</b>	Time and distance relationships between sites and their users, a locational attribute.
<b>Liquidated Damages</b>	An amount of damages payable by the contractor as compensation for losses incurred by the principal as a result of failure to complete the works within the agreed, or extended, contract period. Damages are payable for every unit of time specified in the contract documents (day, week or month) by which the agreed, or extended, practical completion date is exceeded.
<b>Liquidation</b>	The sale of assets and the settlement of debts in the winding up of a business, estate or other economic unit.
<b>Liquidator</b>	A person appointed by the court, or by the creditors of a company, or by the members of the company for the purpose of effecting the liquidation.
<b>Liquidity</b>	The ability of an investment to be easily converted into cash with little or no loss of capital and minimum delay.
<b>Listed Corporation</b>	A corporation or a subsidiary of a corporation listed on a recognized stock exchange
<b>Listed Property Trust (LPT)</b>	A collective investment vehicle which owns a portfolio of real property, and is listed on the stock exchange.
<b>Listing</b>	(a) A term commonly used by agents for obtaining an instruction to sell or lease real estate; (b) The recording of properties as being available for sale.
<b>Loading Dock</b>	Specific area in or adjacent to a building, designated to accommodate the loading and

	unloading of goods to and from commercial vehicles. Ideally, loading docks should have defined truck parking bays and, where necessary, facilities such as ramps, hoists and the like for easy handling of goods and, where necessary, easy access to a goods lift.
<b>Local Environment Plan (LEP)</b>	A planning instrument prepared and adopted by a local council and gazetted, which provides general details of the permitted and restricted forms of development and of the requirements to be fulfilled by persons or organisations wishing to proceed with developments within its boundaries.
<b>Local Government Act (LGA)</b>	An Act to provide for local government in New South Wales. Essentially, it governs the activities of local government and gives the councils power to require activity approvals (e.g. for erection or demolition of a building).
<b>Long-Term Lease</b>	Generally considered to be a lease extending for ten years or more. In some long-term leases the lessee or tenant may desire, or be required, to do extensive remodelling or, if the property leased is land, to construct a building or other improvements.
<b>Lot</b>	(a) A part (consisting of one or more pieces) of any land (except a road, a reserve or common property) shown on a plan, which can be disposed of separately, It includes a unit or accessory unit on a registered plan of strata subdivision and a lot or accessory lot on a registered cluster or Community Title Plan; (b) An item for sale in an auction.
<b>Lump Sum Contract</b>	A contract under which the contractor agrees to perform the work specified for an amount that is agreed upon by the parties before the contract is executed. A lump sum contract is usually subject to rise and fall provisions to allow for any increases or decreases in the cost of labour and materials.

# M

<b>Machinery</b>	A machine is an apparatus using or applying mechanical power, having several parts each with a definite function, and together performing certain kinds of work. For valuation purpose, this includes individual machines or a collection of machines.
<b>Maintenance</b>	The act of keeping, or the expenditure required to keep, an asset in condition to perform efficiently the service for which it is used.
<b>Maintenance and Repair Expenses</b>	Expenses related to the maintenance and repair of the shopping centre.
<b>Maintenance Standards</b>	The standards set down for maintenance service such as: preventive maintenance schedules; operation and maintenance manuals; codes of practice; estimating criteria; statutory regulations; and mandatory requirements in accordance with maintenance quality objectives and the asset standard classification.
<b>Major Regional Centre</b>	See Appendix II — Retail Definitions.
<b>Major Retailers (Majors)</b>	See Appendix II — Retail Definitions.
<b>Major Tenant</b>	The store that generates the greatest amount of customer patronage to a shopping centre.
<b>Make Good</b>	The obligation of a lessee at the end of their occupation to ensure that premises are returned to the same condition as at the commencement of the lease; for example, painting and restoring partitions.
<b>Mall</b>	(a) Usually defined as the circulation space for pedestrians connecting shops; (b) U.S. terminology for shopping centre.
<b>Manager</b>	Means the manager of the centre, appointed by the property management company. Where relevant, it includes the manger’s employee, or any person the manager authorises
<b>Management</b>	See Property Manager.
<b>Management Agreement</b>	A written contract recording the agreement between the owner and manager of real estate concerning the duties, responsibilities and

	liabilities of the owner and the manager in the management of that real estate.
<b>Management Company</b>	The firm that organizes, manages and administers a shopping centre or a group of shopping centres’.
<b>Management Fee (Fund)</b>	Fee charged by investment manager, does not include external custodian fees and audit fees.
<b>Management Fee (Property)</b>	The fee charged by the property manager to the landlord for the service of managing a property or properties. This service typically includes collecting rents, paying recurrent property expenses, selecting and supervising property service contractors such as cleaners, plant service providers and security. It may also include negotiating new leases, marketing of the property, rent reviews and overseeing building refurbishment. In respect of property trusts, it refers to the fee levied on unit holders by the responsible entity to cover the cost of trust administration.
<b>Managing Agent</b>	A real estate agent authorised to manage the business affairs in connection with the property of another. See also Property Management.
<b>Market</b>	(a) The environment in which goods, services, and commodities trade between buyers and sellers through the price mechanism. The concept of a market implies an ability of goods and I or services to trade among buyers and sellers without undue restriction on their activities. A market can be local, national or international. <sup>21</sup> ; (b) A collection of retail stalls, usually not open every trading day of the week. Often anchored by small food shops but predominantly tenanted by temporary stallholders. May be closed or open to the elements.
<b>Market Analysis</b>	The process of determining the characteristics of the market and the measurements of its capacity to appeal to a community.
<b>Market Area</b>	The area surrounding a shopping centre from which the centre draws its customers.
<b>Market Comparison Approach</b>	See Comparable Sales / Leasing Approach.
<b>Market Penetration</b>	The specific amount or percentage of the market the business has captured for with its on going business.
<b>Market Price</b>	The price actually paid, or agreed in a contract to be paid, for an asset. It differs from market value

	in that it relates to an accomplished fact, whereas market value is and remains an estimate until proved. Market price may involve circumstances not normally included in market value.
<b>Market Rent</b>	See Rent.
<b>Market Rental Value</b>	The estimated amount for which an asset should rent, as at the relevant date, between a willing lessor and a willing lessee in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, and having regard to the usual terms and conditions for leases of similar assets.
<b>Market Research</b>	Information gathered to verify the feasibility of opening a business within the market in question. The research would typically include information about the trade areas, population, market economy, local industries and competing business within the vicinity.
<b>Market Review</b>	A review of rental levels under the terms of a lease (often periodic) with reference to prevailing market rents. Market review varies from lease to lease due to the specifics of the lease contract and the factors incorporated into the market review.
<b>Market Review Date</b>	Date listed in the lease
<b>Market Share</b>	The portion of consumer dollars spent on a particular merchandise category, which a given retailer can capture.
<b>Market Value</b>	Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.
<b>Market Value For The Existing Use</b>	Market value for the existing use is defined as the value of an asset based on the continuation of its existing use, assuming the asset could be sold as part of a continuing business regardless of whether that use represents the highest and best use.
<b>Market Yield</b>	See Yield.
<b>Marketing Contribution</b>	Amount listed in the lease
<b>Marketing Fund (Shopping Centres)</b>	A fund sourced from tenant and owner contributions, used for the sole purpose to finance marketing of the centre.
<b>Master Lease</b>	See Headlease.

<b>Mean</b>	See Average.
<b>Mechanical Services</b>	See Service Core.
<b>Median</b>	The middle number when data is arranged from lowest to the highest in sequence. If there are two median scores, they are averaged to provide the true median. The median is also known as the 50th percentile.
<b>Mediation</b>	The process by which a third party assists two disputing parties to reach a mutually agreeable solution. A recommendation made by the mediator is not necessarily binding on the parties.
<b>Merchants / Traders Association (Shopping Centres)</b>	A legally constituted organisation with an elected committee whose principal objective is to promote the commercial interest of the tenants of a shopping centre.
<b>Mezzanine</b>	A partial storey between the ground floor and first floor of a building.
<b>Mini-Major Retail Tenant</b>	All tenants greater than 400 sqm (GLAR) not defined as major, other retail or non-retail. See also Major Retail Tenant.
<b>Misrepresentation</b>	Where the actual details have been falsely presented with the intention of misleading another party.
<b>Model</b>	(a) A template (often computerised) consisting of financial calculations that can be varied to reflect different circumstances, events or scenarios and from which the computer can automatically re-calculate results (e.g. a discounting model); (b) An abstract of reality based on assumptions.
<b>Monthly Tenancy</b>	A lease of property from month to month and determinable on a month's notice. Often arises after a longer lease expires.
<b>Mooted Projects</b>	Construction Projects which cannot be considered likely to be completed by a nominated date, however are anticipated to commence during the medium term.
<b>Mortgage</b>	Documentation of a property loan. Security over real property to ensure payment of a debt or performance of an obligation.
<b>Mortgagee</b>	Financier who lends money against property as security.
<b>Mortgagee Sale</b>	Sale of a property where, in the case of a default of payments by the mortgagee, the mortgagor can sell the property over which the mortgage has been held.

<b>Mortgagor</b>	One who owns an interest in real estate and who executes a mortgage on that interest as security for a loan or for the advance of credit.
<b>Moving Annual Turnover (MAT)</b>	Sales for a twelve-month period calculated on a monthly rolling basis. See also Turnover Schedule.
<b>Multiple Listing</b>	A method of exchanging exclusive entries for the sale of properties between real estate agents who are members of the same organisation.

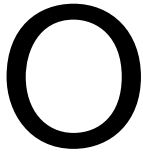


# N

<b>National Tenant</b>	A retailer who operates a chain of stores on a nationwide basis.
<b>Natural break point</b>	The point at which the sales for a tenant whom has a percentage rent clause must begin paying an additional amount as stated in the lease agreement.
<b>Negligence</b>	Breach of a duty of care. Refer to Tort law.
<b>Negotiation</b>	The bargaining process between two or more parties to reach a mutual agreement. For the purposes of commercial leasing, the areas most commonly bargained on are rental rates, term of lease, special options or condition clauses, and other criteria.
<b>Neighbourhood Centre</b>	See Appendix II - Retail Definitions.
<b>Net Asset Values (NAV)</b>	Total assets of a company less total liabilities. A more refined measure is net tangible assets, which does not include intangible items like goodwill.
<b>Net Assets</b>	Total assets less total liabilities.
<b>Net Current Replacement Cost (NCRC)</b>	(a) Cost that would be incurred in the marketplace in acquiring an equally satisfactory substitute asset; (b) It is the cost of purchasing, at the least cost, the remaining service potential of the asset at the balance sheet date; it is an entry value; (c) Simply put, it is the replacement cost less depreciation.
<b>Net Effective Rent</b>	See Rent.
<b>Net Income</b>	Revenue less expenses and or taxes.
<b>Net Lease</b>	A lease where, in addition to the rental stipulated, the lessee assumes payment of all property outgoings. See also Rent.
<b>Net Lettable Area (NLA)</b>	Used to calculate tenancy areas for office tenants. Refer to Method of Measurement published by the Property Council of Australia.
<b>Net Operating Income (NOI)</b>	(a) Annual net income remaining after deducting all fixed and operating expenses and rates, taxes and levies, but before deducting any financial charges (mortgage), costs and income taxes; (b) The net inflow after deducting vacancy allowance, operating expenses and statutory outgoings from gross rents.

<b>Net Operating Profit</b>	See Net Operating Income.
<b>Net Present Value (NPV) / Present Value (PV)</b>	The measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in a DCF analysis. In a valuation that is done to arrive at Market Value, where discounted inflows and outflows and the discount rate are market derived, the resulting present value should be indicative of the Market Value by the income approach.
<b>Net Profit</b>	The amount of money left after all expenses have been paid.
<b>Net Rent</b>	See Rent.
<b>Net Rentable Area</b>	See Net Lettable Area.
<b>Net Sale Proceeds</b>	Sale price less transaction costs.
<b>Net Tangible Assets (NTA)</b>	(a) The total assets of the fund including physical property, cash, receivables less liabilities, intangibles such as the goodwill of the fund, expressed as a ratio with the units on issue; (b) Total assets of a company less total liabilities, and not including intangible items like goodwill.
<b>Nominal</b>	A term used to describe a cash flow before adjusting for the effect of inflation, i.e. a nominal growth rate describes the quantum of growth or decline for cash flows recorded in the dollars of the day.
<b>Nominated Subcontractor</b>	A subcontractor selected by the principal on the basis of a separate tender to provide work specially nominated and defined in the contract documents, such as the supply and / or installation of specialised systems or components. The nominated subcontractor and the head contractor must enter into a contractual arrangement for the work so defined. Some contracts also include nominated suppliers.
<b>Non-Conforming Use</b>	A use that has become prohibited by the re-zoning of the land. See also Existing Use Rights.
<b>Non-Current Assets</b>	Fixed assets such as property, plant and equipment, long-term investments and intangible assets such as goodwill.
<b>Non-Habitable Area</b>	All non-habitable building space in a commercial or industrial building, such as the area occupied by internal columns and other structural supports, internal walls or permanent partitions, lift shafts, service ducts, etc.
<b>Notice of Practical Completion</b>	See Certificate Of Practical Completion.
<b>Notice of Termination</b>	The notice given by either the landlord or tenant that they want to end the rental agreement and

	vacate the property in compliance with the terms and conditions of the lease.
<b>Notice To Quit</b>	A legal notice served on tenants, requiring them to vacate real estate due to a breach of lease terms.



<b>Obsolescence</b>	A loss in value due to a decrease in the usefulness of property caused by decay, changes in technology, people's behavioural patterns and tastes, or environmental changes. Obsolescence is sometimes classified according to items of outmoded design and functionality, items with structural design unable to meet current code requirements, and factors arising outside the asset, such as changes in user demand. See also Economic Obsolescence; Functional Obsolescence; Technological Obsolescence; Physical Obsolescence.
<b>Occupancy</b>	(a) A measure of the utilisation of space such as offices or hotel rooms. The lack of occupancy in this sense is known as vacancy; (b) Having possession of property. Physically taking and holding it and residing thereon as a tenant or owner.
<b>Occupancy Cost</b>	The total of costs incurred by a tenant to provide space for operations. It includes net rent, operating costs (outgoings), capital costs, taxes, insurance and depreciation allowances.
<b>Occupancy Cost Ratio</b>	Calculated by dividing the tenants' total occupancy costs into their gross turnover. Costs include rent, promotional levies, marketing fees, statutory costs and costs related to occupation of floor space. Also known as Rent to Turnover Ratio.
<b>Occupancy Rate</b>	A ratio of occupied to unoccupied space.
<b>Offer</b>	The consideration offered to purchase or lease an asset.
<b>Open-Air Centre</b>	An attached row of stores or service outlets managed as a unit, with on-site parking usually located in front of stores with common areas that are not enclosed, is often referred to as an "open-air centre."
<b>Open Market Rental</b>	See Market Rental Value.
<b>Open Market Value</b>	See Market Value.
<b>Open Space</b>	An area of land at ground level, either reserved in its natural state or paved or landscaped, and

	usually accessible to the public (public open space) and available for recreational use. If it is privately owned, open space may be non-accessible or have access limitations.
<b>Operating Budget</b>	An outline of how much income a shopping centre has and how that income will be spent.
<b>Operating Capital</b>	Monies needed to operate the business as distinct from outlays to finance the business.
<b>Operating Expense Ratio</b>	The total operating expenditure expressed as a percentage of the gross income realised.
<b>Operating Expenses</b>	See Outgoings.
<b>Operating Profit</b>	Income from a company's ordinary business activities that excludes interest and income tax expenses. May be expressed either before or after tax and is the result of operating revenue less operating expenses and does not include any abnormal adjustments.
<b>Operational Asset</b>	An asset considered requisite to the operations of a going concern or corporation.
<b>Operations and Maintenance (O&amp;M) Manuals</b>	Provided by the services engineering contractors after setting up a new installation of electrical / mechanical / hydraulic / fire protection services for a facility.
<b>Option</b>	(a) The right to buy or sell a fixed quantity of a commodity, currency or security at a particular date at a particular price (the exercise price) <sup>4</sup> ; (b) A right given for a consideration to purchase property on or before a fixed date, on terms previously agreed upon. An option entitles, but does not oblige, the person having the option to make the purchase; (c) An option in a lease refers to a further term of tenancy.
<b>Oral Report</b>	The results of a valuation, verbally communicated to a client or presented before a court either as expert testimony or by means of deposition. A report communicated orally to a client should be supported by a work file and at a minimum, followed up by a written summary of the valuation.
<b>Ordinance</b>	Council regulations affecting real estate.
<b>Outbuildings</b>	Any building other than the main structure on a particular allotment of land, e.g. a garage, workshop etc.
<b>Outlet Centre</b>	A property with retail tenants who offer merchandise they have manufactured for sale to the public at prices, which are usually brought in through other retailers.

<b>Outflows</b>	All financial costs incurred in the operation or project that are of a capital or expense nature. Outflows typically include all operating expenses (electricity for common areas, management, insurance, etc.), statutory outgoings (council rates, land tax, water rates, etc.), construction costs and other capital and non-recoverable expenses.
<b>Outgoings</b>	The expenses incurred in generating income. In real estate, these expenses include but are not necessarily limited to property rates, insurance, repairs and maintenance and management fees. Operating expenses when subtracted from gross income equal net operating income.
<b>Outgoings (Non-Recoverable)</b>	The expenditures paid in connection with operating a property, which cannot be charged to tenants in accordance with the lease.
<b>Outgoings (Recoverable)</b>	The expenditures paid in connection with operating a property, which are properly charged to tenants in accordance with the lease.
<b>Outgoings Contribution</b>	The Lessee's Proportion of each item comprising Outgoings
<b>Overage Rent</b>	See Rent.
<b>Overcapitalisation (Overimprovements)</b>	Improvements so costly or so large as to produce a residual land value lower than the residual land value which could have been produced on the same site by a less costly or smaller improvement.
<b>Overhead</b>	The cost of doing business that cannot be charged a specific part of the business's operation.
<b>Owner</b>	In relation to land, the owner includes every person who jointly or severally whether at law or in equity: (a) is entitled to the land for an estate of freehold in possession; or (b) is entitled to receive rent or profits thereof, whether as beneficial owner, trustee, mortgagee in possession or otherwise.
<b>Owners Corporation</b>	See Body Corporate.

# P

<b>Pad: Site</b>	This normally refers to the land area available for a freestanding building within the parking area of a shopping centre or enclosed mall.
<b>Parcel Of Land</b>	Colloquial term for land holding.
<b>Parking Area</b>	A space assigned for the parking of vehicles.
<b>Parking Ratio</b>	In local authority development control rules, this is a ratio of the number of car parking spaces required to be provided for any development per unit of built up space.
<b>Partial Net Interest</b>	(a) Interest less than freehold; (b) Interest other than a majority interest.
<b>Partial Net Lease</b>	A lease where, in addition to the rental stipulated, the lessee assumes payment of all or some property charges, such as taxes, insurance and maintenance.
<b>Partition</b>	An interior wall which subdivides a storey or part of a building into sections, rooms or spaces, but does not normally support any load other than its own weight.
<b>Partnership</b>	A form of ownership that binds the participants shared responsibility for its cost. In a general partnership, all partners are equally and fully liable for its expenses. In a limited partnership, there are one or more general partners who actively manage the business plus one or more partners whose liability is limited to the amount for their investment.
<b>Party Wall</b>	The wall between two adjoining buildings or occupancies that provides common structural support and (fire) separation and is shared by both owners.
<b>Passing Rent</b>	See Rent.
<b>Passing Yield</b>	See Yield.
<b>Payback Period</b>	The length of time required for the net revenues of an investment to return the cost of the investment. See also Years Purchase.
<b>Payment Date</b>	The Commencement Date and the first day of each month during the Term and any holding over period

<b>PCA</b>	The Property Council of Australia Limited (ACN 008 474 422)
<b>PCA Method of Measurement</b>	The March 1997 method of measurement published by PCA
<b>Peppercorn Rent</b>	See Rent.
<b>Percentage Lease</b>	See Rent (Turnover Rent).
<b>Percentage Rent</b>	See Rent.
<b>Percentage Rent Period</b>	Each of: <ul style="list-style-type: none"> <li>(a) The period from and including the Commencement Date to and including the first 30 June in the Term;</li> <li>(b) Each 12 month period ending on 30 June during the Term;</li> <li>(c) The period from and including the last 1 July in the Term to and including the Termination Date, or earlier termination; and</li> <li>(d) The period of any holding over in accordance with the lease</li> </ul>
<b>Performance Bond</b>	A document which provides for a consideration to be paid if an action is not carried out within a specified time.
<b>Period Contract</b>	Fixed term contract for the provision of goods and / or services to be renewed / re-negotiated / re-tendered at the end of each lease term.
<b>Periodic Lease</b>	Where a tenant continues to rent / occupy the property after the lease has formally expired. Also known as Holding Over.
<b>Periodic Maintenance</b>	Programmed routine maintenance of facilities, machinery and equipment to ensure smooth operations and minimum breakdowns.
<b>Permissible Use</b>	Uses allowed under the Planning Scheme.
<b>Permitted Use</b>	The allowable use within the premises specified in the lease contract (not to be confused with 'permissible use').
<b>Personal Goodwill</b>	The value of profit generated over and above market expectations, which would be extinguished upon sale of the specialised trading property, together with those financial factors related specifically to the current operator of the business.
<b>Personal Guarantee</b>	The provision in a lease naming a guarantor who is held personally responsible for the payment of all the amounts for rent and additional rent as set out in the lease.



<b>Personal Property</b>	A legal concept referring to all rights, interests, and benefits related to ownership of items other than real estate, as defined under the PPS Act.
<b>Personalty</b>	See Chattels.
<b>Physical Depreciation (Determination)</b>	The decline in value due to the physical action of time and the elements, as well as through usage. Deterioration through physical depreciation is normally as a result of inadequate maintenance or normal weathering and decay. See also Physical Obsolescence.
<b>Physical Deterioration</b>	A loss in value due to impairment of physical condition; may be curable or incurable.
<b>Physical Life</b>	The period during which an asset is capable of use taking into account factors such as its condition and whether it meets or is capable of meeting accepted standards and statutory requirements.
<b>Physical Obsolescence</b>	The consumption of service potential (useful life) which can be measured in years (or other appropriate units of time), units of production (e.g. millions of impressions — printing machine) or other units of measure as may be appropriate.
<b>Planned Maintenance</b>	Maintenance actions which mostly recur on a predictable basis, including preventive maintenance and routine corrective maintenance. Also known as Regular Maintenance.
<b>Planning Approval</b>	Approval from the relevant authority to use property for a specified use.
<b>Planning Authority</b>	The government body responsible for statutory planning requirements.
<b>Planning Instrument</b>	A statutory (legal) plan which has been prepared in accordance with the requirements of the Environmental Planning and Assessment Act or similar legislation.
<b>Planning Scheme</b>	A document setting out policies and requirements for the use and of land. There is a planning scheme for every municipality in each State.
<b>Plant</b>	An assemblage of assets that may include specialised non-permanent buildings, machinery, and equipment.
<b>Plant and Equipment</b>	Assets intended for use on a continuing basis in the activities of an entity including specialised, non-permanent buildings; machinery (individual machines or collections of machines, trade

	fixtures, and leasehold improvements), and other categories of assets, suitably identified. Tangible assets that: (a) are held by an entity for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used over a period of time. See also Personal Property.
<b>Plant and Machinery (P&amp;M)</b>	See Plant and Equipment.
<b>Plaza</b>	Usually an expansive space within a retail environment or office surrounds at ground level.
<b>Plot Ratio</b>	A measure of the intensity of the permissible use of a piece of land. It is the ratio between the total permissible floor area of a building and the area of the site of that building.
<b>Portfolio</b>	A combination of investments usually designed to reduce some of the risks associated with a single asset or asset class.
<b>Portfolio Management</b>	The management of a portfolio of investments according to risk and return targets.
<b>Potable Water</b>	Drinkable water.
<b>PPS Act</b>	The Personal Property Securities Act 2009 (Cth)
<b>Practical Completion</b>	The stage reached when a project has been essentially completed and is fit for its intended purpose, except for minor omissions and defects that do not prevent its use, and with tests required under the contract having been carried out. Practical completion is marked by the issue to the contractor of a certificate of practical completion.
<b>Pre-Commitment</b>	A contractual commitment to occupy property prior to a building's completion or refurbishment.
<b>Pre-Lease Agreement</b>	An agreement to enter into a lease (which is usually attached to the agreement) upon completion of a building.
<b>Premises</b>	A house, building or other structure together with the surrounding grounds that form part of the title. Also, the real estate forming the subject of a conveyance or licence.
<b>Premium</b>	(a) An increase in value or (in the case of a lease) consideration payable; (b) Capitalised rent paid up-front on the granting of a lease.
<b>Previous CPI</b>	The Consumer Price Index number for the quarter (which corresponds with the quarter relating to the Current CPI) immediately before the latest of: (a) The last Market Review Date;

	<p>(b) The last CPI Adjustment Date or CPI Plus Percentage Adjustment Date;</p> <p>(c) The last Fixed Increase Adjustment Date; or</p> <p>(d) The Commencement Date</p>
<b>Preventive Maintenance</b>	The actions performed to retain an item or asset in its original condition as far as practicable by providing systematic inspection, detection and prevention of incipient failure. Preventive maintenance is normally programmed, for example as 'predetermined preventive maintenance'.
<b>Prime Cost Item</b>	Prime cost items are building components usually relating to building finishes or services, (e.g. air-conditioning, lifts, bathroom finishes, etc.) A sum is allowed for these items in the building contract and they are later selected by the owner.
<b>Prime Rate</b>	Generally, the 10-year Government bond rate is adopted as the benchmark for the prime rate.
<b>Principal</b>	(a) A term used in most Australian contracts in lieu of 'client' or 'proprietor'; (b) A licensed estate agent holding responsibility for an agency's legislative compliance activities including legal responsibility for trust accounts.
<b>Private Certification</b>	See Certification.
<b>Private Sale</b>	Where an owner offers a property for sale without engaging an agent.
<b>Pro Forma Report</b>	A report whose structure is set (previously), a standard report form.
<b>Professional Indemnity</b>	A form of insurance against negligence by a professional adviser.
<b>Professional Property Valuer</b>	A person who possesses necessary qualifications, ability, and experience to estimate property value for a diversity of purposes. See also Certified Practising Valuer.
<b>Profit</b>	A general term for the excess of revenue, proceeds or selling price over related costs.
<b>Profit Rent</b>	The difference between the market rent and the current rent or ground rent resulting in a leasehold interest.
<b>Programmed Maintenance</b>	Maintenance assigned to be carried out within a specific period, such as a budgeting period, or during annual holidays.
<b>Progress Payment</b>	A payment made to the contractor by the principal, following the issue of the progress certificate by the superintendent, at intervals specified by time, such as a monthly payment for

	work completed in that month, or a payment on completion of a specified stage of work such as the basement floor structure.
<b>Prohibition</b>	Any provision in a planning instrument which absolutely precludes a particular type of use of form of development.
<b>Project Management Contract</b>	A contract for the total management of a construction project by an independent person or organisation which is responsible for all aspects of design, documentation, contractual arrangements, inspections and certification of work for payment and of completion on behalf of the proprietor.
<b>Promotion Levy</b>	The specified amount (subject to the lease) each year
<b>Property</b>	At law, property consists of the private rights of ownership. To distinguish between real estate (realty), a physical entity, and its ownership, a legal concept, ownership of land is known as real property. Physical items other than real estate are legally termed 'personalty' and their ownership is known as 'personal property'. The word 'property' used without further qualification or identification may relate to real estate, personalty or a combination. Colloquially, property is anything that can be owned or in which an interest can be held, over which control can be exercised, which can be traded or left in an estate or from which current or future rights to receive benefits can be held. Property can include, but is not limited to, real estate and associated interests therein, personalty, intellectual property, rights, licences and options, plant and machinery, art and jewellery, goodwill and shares.
<b>Property Manager</b>	The individual who manages and supervises all day-to-day operations of a property according to the landlord or management company.
<b>Property Council of Australia</b>	The Property Council is the voice of leadership for the property industry. We are a dynamic organisation that strives to become an integral business partner for our members through the provision of advocacy, information, networking, communications and professional development services. Refer to <a href="http://www.propertyoz.com.au">www.propertyoz.com.au</a> for more information.

<b>Property Developer</b>	An entity or individual that is in the primary business of developing land and property for sale and profit.
<b>Property Economist</b>	A practitioner of property economy, the study of and administration of all land and property matters.
<b>Property Management</b>	The management of a property on behalf of the owner. For example, the leasing of space, collection of rents, selection of tenants and generally the overall maintaining and managing of real estate properties for clients.
<b>Property Reversion</b>	When the interest or use of land or property returns to the owner.
<b>Property Rights</b>	The rights that are related to the ownership of real estate. These include the right to develop or not to develop the land, to lease it to others, to sell it, to give it away, to farm it, to mine it, to alter its topography, to subdivide it, to assemble it, to use it for waste disposal, or to choose to exercise none of these rights. The combination of property rights is sometimes referred to as the bundle of rights. Property rights are typically subject to public and private restrictions such as easements, rights of way, specified development density, zoning, and other restrictions that may encumber property.
<b>Property Sectors</b>	Main usage of property; i.e. hotel, office, retail, residential, industrial, car park, etc.
<b>Property Trust</b>	A collective investment vehicle which owns a portfolio of real property. See also Property Trust (Listed); Property Trust (Unlisted); Real Estate Investment Trust.
<b>Property Trust (Listed)</b>	See Listed Property Trust.
<b>Property Trust (Unlisted)</b>	A collective investment vehicle which owns a portfolio of real property which is not listed on the primary stock exchange. Transactions are directly with the Trust's manager, who fixes the price in relation to the established asset backing with the Trust.
<b>Property, Plant and Equipment (PP&amp;E)</b>	(a) Assets intended for use on a continuing basis in the activities of an entity including land and buildings; plant and equipment; and other categories of assets, suitably identified; less accumulated depreciation. Property, plant, and equipment are tangible, or physical, assets; (b) Tangible items that: (i) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes;

	and (ii) are expected to be used during more than one period.
<b>Proposal</b>	The Lessor's letter of offer of a lease of the Premises to the Lessee
<b>Prospect</b>	A prospective tenant for a property site.
<b>Public (Open) Space</b>	Parks, recreation reserves, sports grounds and the like available for use by the public generally are public spaces.
<b>Public Building</b>	A building that serves some community or social function and is held in public ownership. Examples include courthouses, municipal centres, schools, prisons, police stations, military facilities, libraries, hospitals, clinics, and social or public housing.
<b>Public Liability Insurance</b>	Catch-all insurance against a person's liabilities in tort, arising out of such causes as his activities or his occupation, ownership or use of premises. Such insurance, does not cover areas of liability usually covered by other insurance, such as worker's compensation, professional indemnity, motor vehicle insurance, etc.
<b>Purchase and Lease Back</b>	See Sale and Leaseback.
<b>Purchase Price</b>	The price paid; the amount for which a property is sold.
<b>Purchaser</b>	The buyer. The one who acquires title to a property or an interest therein.
<b>Purpose Use Clause</b>	The uses to which a premise can be put under a lease.

# Q

<b>Quantity Surveyor</b>	A person who undertakes the preparation of a statement of the quantities and costs of material required for the carrying out of constructional work and related activities.
<b>Quiet Enjoyment</b>	A right of a lessee to enter upon and use the premises without any interference from the lessor.

# R

<b>Ratchet Clause</b>	A minimum rental provision in leases, which protects the lessor from a drop in rental below an agreed lower limit in the event of a reduced market value or CPI. Has effect during rent reviews.
<b>Rate of Return</b>	An amount of income (loss) and / or change in value realised or anticipated on an investment, expressed as a percentage of that investment.
<b>Rateable Property</b>	Real estate property in respect of which a statutory body has the power to impose rates.
<b>Rateable Value</b>	See Assessed Value.
<b>Rates</b>	Levies by Local and State Government instrumentalities (e.g. water).
<b>Real</b>	A term used to describe a cash flow after adjusting for the effect of inflation. A real growth rate describes the quantum of growth or decline for cash flows recorded in present dollar terms.
<b>Real Estate</b>	Land and all things that are a natural part of the land, e.g. trees and minerals, as well as things that are attached to the land by people, e.g. buildings and site improvements. All permanent building attachments such as plumbing, heating and cooling systems; electrical wiring; and built-in items like elevators, or lifts, are also a part of real estate. Real estate includes all attachments, both below and above the ground. See also Improvements; Real Property.
<b>Real Estate Agent</b>	See Agent.
<b>Real Estate Institute (REI)</b>	Specifically relates to the eight State and Territory Real Estate Institutes that comprise the Real Estate Institute of Australia, including the Real Estate Institute of the Australian Capital Territory, Real Estate Institute of New South Wales, Real Estate Institute of the Northern Territory, Real Estate Institute of Queensland, Real Estate Institute of South Australia, Real Estate Institute of Tasmania, Real Estate Institute of Victoria and the Real Estate Institute of Western Australia.
<b>Real Estate Institute of Australia (REIA)</b>	The Real Estate Institute of Australia (REIA) is the national professional association for the real



	<p>estate industry in Australia. REIA has eight members, comprised of the State and Territory Real Estate Institutes, through which about 80 per cent of real estate firms and licensed agents are collectively represented. REIA is a politically non-aligned organisation that provides services to members and advice to the Federal Government, Opposition, media and the public on a range of issues affecting the property market, Refer to <a href="http://www.reia.com.au">www.reia.com.au</a> for more information.</p>
<b>Real Estate Investment Trust (REIT)</b>	<p>United States business trust or corporation that is usually traded publicly and manages a portfolio of real estate to earn profits for shareholders. Patterned after investment companies, REIT's make investments in a diverse array of real estate such as shopping centres, medical facilities, nursing homes, office buildings, apartment complexes, industrial warehouses and hotels. (US terminology)</p>
<b>Real Estate Representative</b>	<p>Real estate representatives are persons employed by a real estate agency. They are certified to conduct real estate transactions on behalf of the agency.</p>
<b>Real Interest Rate</b>	<p>A rate of interest or discount rate which is adjusted for inflation.</p>
<b>Real Property</b>	<p>All the rights, interests, and benefits related to the ownership of real estate. Real property is a legal concept distinct from real estate, which is a physical asset. There may also be potential limitations upon ownership rights to real property.</p>
<b>Realty</b>	<p>See Real Estate.</p>
<b>Reasonably Efficient Operator (Average Competent Management)</b>	<p>A market-based concept whereby a potential purchaser, and thus the Valuer, estimates the maintainable level of trade and future profitability that can be achieved by a competent operator of a business conducted on the premises, acting in an efficient manner. The concept involves the trading potential rather than the actual level of trade under the existing ownership, so that it excludes personal goodwill.</p>
<b>Reconfiguration</b>	<p>Changing the layout of the various stores and the common area connecting them, to accommodate a new anchor, compensate for the loss of an anchor, improve the parking area, add a second</p>

	level or change the shopping centre’s use or image.
<b>Recoverables</b>	See Outgoings (Recoverable).
<b>Recurrent Costs</b>	Working expenses which are employed in the general operation of the business on a continual basis.
<b>Redecorate</b>	The Refurbish and otherwise upgrade the Premises, the Lessee’s Property and all exterior signage in the way reasonably required by the Lessor and, if reasonably approved by the Lessor, in the Lessee’s corporate style and colour scheme
<b>Redevelopment</b>	Where existing development is to be replaced by new development.
<b>Redevelopment Zone</b>	An area of land designated by a planning scheme as an area in which the existing development is to be replaced by a new development of the kind specified in the planning scheme.
<b>Reference Schedule</b>	A section of the lease document, usually at the beginning, which outlines the variables in the lease.
<b>Refurbishment</b>	The upgrading of a building's fabric and services with the aim of enhancing its ability to attract tenants, improve rental growth and maximise market value.
<b>Refurbishment (Full)</b>	Where the entire building is vacated and withdrawn from total office stock for the purpose of refurbishment which involves the modernising of interiors, facades and all core services.
<b>Refurbishment (Partial)</b>	Occurs when a portion of a building is vacated and withdrawn from total office stock for the purpose of refurbishment. Tenants occupying other portions of building should continue operating unaffected as works are restricted to cosmetic improvements.
<b>Regional Centre</b>	See Appendix II — Retail Definitions.
<b>Registered Auditor</b>	An entity registered as an auditor under the <i>Corporations Act 2001</i>
<b>Regular Maintenance</b>	See Planned Maintenance.
<b>Reinstatement</b>	(a) A term used in leases where the tenant is required, at the end of the lease term, to remove tenant fixtures, paint and repair the premises and reinstate to their original condition; (b) where real estate is acquired by compulsory acquisition where regard is had to the costs of reinstating a claimant on land equivalent to land which is being acquired and is provided in lieu of a payment.

<b>Release Clause</b>	A clause relinquishing a right or claim by the person in whom it exists to the person against whom it could be enforced, such as where a lease is terminated or assigned and the tenant is 'released' from its obligations.
<b>Relocation Clause</b>	A lease clause that gives a landlord the ability to move the tenant to another location within the shopping centre premises.
<b>Renewal Option</b>	A clause within an agreement allowing the option to extend the term of lease, for a term and rate usually disclosed within the clause.
<b>Renovation</b>	The upgrading and refurbishment of an asset.
<b>Rent</b>	<p>A payment made periodically by a lessee to a lessor for the use of premises.</p> <p>The term 'Rent' is often associated with a variety of other terms outlined below:</p> <p><b>Gross</b></p> <p>In a gross lease, all operating costs on the property (excluding direct tenancy expenses) are included in the rental.</p> <p><b>Net</b></p> <p>In a net lease the owner recovers outgoings from the tenant on a pro-rata basis (where applicable)</p> <p><b>Base</b></p> <p>The minimum acceptable rental provided in a lease. In retail leases the base rent generally refers to the commencing rent which is supplemented with a 'percentage rent' based on the tenants turnover.</p> <p><b>Break-Even</b></p> <p>The point at which a tenant's base rent is equal to an agreed level of sales above which percentage rent takes effect.</p> <p><b>Turnover / Percentage / Participation Rent</b></p> <p>Any form of lease rental arrangement in which the lessor receives a form of rental that is based upon the sales of the lessee. Percentage rent is an example of a turnover rent.</p>
<b>Rent Abatement</b>	Free rent provided to the tenant. May or may not be included in the terms of lease, such as early occupancy.
<b>Rent Commencement Date</b>	The day the tenant starts to pay rent.
<b>Rent Free Period</b>	A period of occupancy where no rent is demanded, normally used as an incentive to a new tenant at the commencement of a lease and varies according to market conditions.

<b>Rent Relief</b>	A concession or amendment to the tenant in the form of reduction of payable rent.
<b>Rent Review</b>	A periodic review of rental under a lease using a predetermined method. For example, increase in line with Consumer Price Index (CPI), or in accordance with a market valuation.
<b>Rent Roll</b>	A group of rental properties managed by a real estate agent and includes names of tenants and the amount they pay.
<b>Rent Schedule</b>	See Tenancy Schedule.
<b>Rent To Turnover Ratio</b>	See Occupancy Cost Ratio.
<b>Rental Bond</b>	See Bond.
<b>Rental Determination</b>	A valuation report by an independent valuer fixing a rent, in circumstances where a lessor and lessee have been unable to negotiate an agreement.
<b>Rental Shortfall</b>	The amount by which rent is less than the market rental.
<b>Replacement Cost</b>	The estimated cost at the date of calculation to replace or build the existing improvements to provide the same standard of utility and appointments, using the most comparable modern materials and construction methods.
<b>Replacement Cost Approach</b>	An application of the cost approach used in assessing the value of specialised assets for financial reporting purposes, where direct market evidence is limited or unavailable. The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.
<b>Required Rate of Return</b>	The minimum rate of return an investment must produce in order to induce an individual to invest. Also known as Hurdle Rate of Return.
<b>Rescind</b>	To terminate a contract of sale.
<b>Reserve Price</b>	The lowest acceptable price fixed by the vendor.
<b>Residual Value</b>	The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The net amount which the entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal. The remaining value of an asset at the end of a prescribed period of time (in this definition residual value is similar to scrap value).

<b>Responsible Entity</b>	The responsible entity for a trust manages the trust. In an internal management structure the responsible entity also manages the properties held by the trust. See also Stapled Securities.
<b>Restoration</b>	Remodelling a building to its original form.
<b>Restriction</b>	An encumbrance which limits the use of real estate in some way.
<b>Restrictive Covenant</b>	An undertaking that requires one party to do, or refrain from doing certain things.
<b>Resumption</b>	See Compulsory Acquisition.
<b>Retail</b>	The sale of goods, materials or services direct to the public, in any quantity or manner, other than by wholesale.
<b>Retail Legislation</b>	The <i>Retail Shop Leases Act 1994 (Qld)</i>
<b>Retail Premises</b>	Premises used to: (a) sell goods by retail, or by retail and wholesale; (b) sell services; or (c) hire goods.
<b>Retail Tenancy Guide</b>	The retail tenancy guide (if any) prescribed by or identified in the Regulations
<b>Retention</b>	A form of a security provided for in construction contracts as limited security for the due performance of the contractor's obligations under the contract.
<b>Retention Rate</b>	The percentage or factor applied within a discounted cash flow to reflect the probability of tenants renewing or exercising options upon expiry of current leases.
<b>Reticulation</b>	A network of pipes, ducts or wires which conveys services through land or buildings.
<b>Return On Investment (ROI)</b>	One of many ratios used to measure profitability calculated by dividing total return by total investment.
<b>Reversionary Interest</b>	(a) A deferred interest in property. Often used where property is subject to life tenancies or ground leases; (b) The right to receive the property held in trust at some future date.
<b>Reversionary Yield</b>	See Yield.
<b>Review Method</b>	The relevant method of Rent Review listed in the lease for any given Review Date
<b>Right Of Access</b>	Where a right has been given, usually for inspection of services, agistment, etc.
<b>Right Of Entry</b>	Where a landlord may inspect the premises, provided reasonable notice is given to the tenant.
<b>Right Of First Offer</b>	A provision requiring the landlord to offer vacant space to the tenant before offering it for lease to anyone else.

<b>Right Of First Refusal</b>	A right granted to a party to enter into a contractual arrangement on terms identical to those offered by some third party.
<b>Right to Terminate</b>	A special clause in the lease agreement giving the tenant the right to cancel the lease.
<b>Rights of Way</b>	Rights or privileges, acquired through use or contract, to pass over a portion or strip of landed property owned by another. See also Easement.
<b>Rise And Fall</b>	An agreed method of upward or downward adjustment to the contract sum to allow for fluctuations in the cost of labour and / or materials during the construction period.
<b>Riser (Service Riser)</b>	A vertical service pipe or duct which supplies upper floors of a building with an essential service, such as electricity or water.
<b>Riser (Stair Riser)</b>	The vertical or inclined face of a step in a stair flight.
<b>Risk</b>	The uncertainty that an investment will generate the expected rate of return. The most commonly expressed measure of risk (or volatility) is the standard deviation which is a statistical measure of dispersion around the mean.
<b>Risk Free Rate</b>	Generally, the 10-year Government bond rate is used as a proxy for the risk free rate.
<b>Risk Management</b>	The management of an activity or process involving the acceptance of an actual or estimated level of risk as an economic trade-off, usually on the basis of a risk assessment model.
<b>Risk-Adverse</b>	An investor who will choose the least risky investment, all things being equal.
<b>Roof Space</b>	The space between the roof covering and the ceiling of the highest storey.
<b>Routine Corrective Maintenance</b>	Corrective maintenance, excluding emergency corrective maintenance.
<b>Routine Maintenance</b>	Day-to-day operational activities to keep the plant operating and which form part of the annual operating budget, including preventive maintenance.
<b>Rules</b>	The rules for managing the Centre set out in the lease (subject to change under the same lease)
<b>Running Maintenance</b>	Maintenance that can be carried out whilst the building or item continues in service.

# S

<b>Sale</b>	The amount received by or accrued on the store in exchange for merchandise sold to customers during an accounting period.
<b>Sale and Leaseback</b>	A transaction whereby an existing owner sells an asset to another who then leases it back to the original owner on pre-determined terms and conditions for the mutual advantage of each party.
<b>Sales Comparison Approach</b>	See Comparable Sales / Leasing Approach.
<b>Sales Per Square Metre</b>	The sales of a retail business divided by the number of square metres of the leased space.
<b>Sale Projection</b>	A tenant's estimate of monthly sales and total annual sales for the balance of the lease.
<b>Schematic</b>	(a) Relating to a scheme, plan or diagram; (b) An architect's three-dimensional, detailed drawing.
<b>Scope of Works</b>	Pre-contractual drawings and specifications showing what and how an owner wants to build.
<b>Scrap Value</b>	The value a wasting asset will have at the end of its predictable life, as known or ascertainable at the time when the asset was acquired or provided by the person making the disposal.
<b>Second Mortgage</b>	A mortgage or charge on real property ranking after a prior mortgage or charge; i.e. after a first mortgage.
<b>Security</b>	(a) A term used for the major systems and personnel protecting the building from theft, damage and access; (b) An investment; (c) Assets used to guarantee a loan or mortgage.
<b>Security Deposit</b>	A deposit to assure performance usually of a lease. In the event of nonperformance, the deposit will usually be fully or partially forfeited.
<b>Security Of Tenure</b>	Describes the advantages of ownership as compared with leasing. When the term is used in connection with renting, it means the certain term a tenant can remain in occupation.
<b>Seller's Market</b>	The condition which exists when, under competitive conditions, the pressures of supply and demand are such that market prices are at a relatively high level, giving the seller an advantage. An under-supply causing prices to increase.

<b>Service Agreement</b>	Agreement between service providers and customers that establishes agreed service scope volumes and standards.
<b>Service Core</b>	The structural part of a high-rise building that contains vertical runs of most of the mechanical, electrical and hydraulic services, including lifts. Also called Mechanical Core.
<b>Service Lift</b>	A small lift designed for the carriage of quantities of goods or materials, but not passengers, controllable from outside the lift well.
<b>Services</b>	See mechanical Services. The services (including without limitation gas, electricity, water, sewerage, drainage, lifts, escalators, communications, fire control and air conditioning and all plant and equipment in connection with them as applicable) to or of the Building, the Centre or any premises in it or the Land supplied by any authority, the Lessor or any person the Lessor authorises
<b>Services Easement</b>	An area of land reserved by law for the specific use of routing services like water, drainage, sewerage, electrical / telecommunication cables.
<b>Setback</b>	The minimum distance a structure must be moved back from the street or boundary line in accordance with local planning or building regulations.
<b>Settlement</b>	This is the final stage of the sale when the purchaser completes the payment of the contract price to the vendor and takes legal possession of the property.
<b>Settlement Date</b>	The date on which a contract of sale is finalised and the balance of money is paid for an asset.
<b>Shopfront</b>	The front of the premises and includes any windows, doors, glazing, signage, lighting, roller-shutters, counters, dwarf walls, bag rails, foot rails, skirting and the ceiling infill zone that may enclose the front of the Premises
<b>Shopping Centre Council of Australia (SCCA)</b>	The Shopping Centre Council of Australia represents the interests of shopping centre owners and managers in relation to regulation which affects shopping centres including retail leasing, retail property management, retail trading hours, land use planning and building.
<b>Shopping Centre Directory</b>	A directory of Shopping Centres in Australia published by the Property Council of Australia.
<b>Shopping Centre Manager</b>	The person in charge of the shopping centre. They should be familiar with all aspects of



	shopping centre management including property management, marketing, leasing, tenant relations, budgeting, capital improvement planning and coordination and directing staff.
<b>Shutdown Maintenance</b>	Maintenance that can only be carried out when the building or item is taken out of service.
<b>Sick Building Syndrome (SBS)</b>	A variety of symptoms of discomfort and illness experienced by occupants in certain office buildings (including headaches, ear, nose and throat irritations, coughs, nausea, mental fatigue and general lethargy) linked to indoor air quality.
<b>Signage Rights</b>	The right to display a sign (usually illuminated) on the exterior of the building.
<b>Simple Interest</b>	Interest that is calculated on a sum that does not include previous interest charges.
<b>Sinking Fund</b>	An account set up with regular payments made over a period of time for the purpose of paying for future maintenance and repairs of a capital nature (e.g. the fund established by a body corporate for the collection of strata monies for capital expenditure within the unit block).
<b>Site</b>	A parcel of land marked for possible development.
<b>Site Cover</b>	The maximum amount of a site that can be covered by a building, usually expressed as a percentage.
<b>Site Improvements</b>	These are: (a) The reclamation of land by draining, filling, construction of retaining walls and other works appurtenant to the reclamation; (b) Excavation, grading or levelling of land not being irrigation or conservation works.
<b>Site Instructions</b>	Instructions given to the contractor only by the person administering the contract.
<b>Site Plan</b>	An outline of drawings illustrating the finished look of the leased premises after all tenant improvements is completed.
<b>Site Value</b>	For rating and taxing purposes, refer to relevant state, territory and / or federal legislation.
<b>Siting</b>	Placement or orientation of a building on its lot.
<b>Smoke Control System</b>	A system incorporated into a building control to control the spread and the movement of smoke and combustion gases during a fire within a building.
<b>Smoke Detector</b>	A mechanical device that detects the presence of smoke and / or heat and forms part of the fire protection system of a building.

<b>Soft Opening</b>	(a) Starting an operation before the main opening to identify issues and ensure employees are trained for the tasks ahead; (b) A period prior to the official opening of a hotel operation during which the hotel is operated at less than full scale to provide staff training opportunities and to test functionality of systems and design.
<b>Sole Agency</b>	See Exclusive Listing.
<b>Sound Attenuation</b>	The reduction of the energy or intensity of sound by any one of a number of acoustic treatments.
<b>Space Efficiency Ratio</b>	The ratio of Net Lettable Area (NLA) to Gross Building Area (GBA). Also used to compare the efficiency of floorplates of a range of buildings in accommodating generic workplace layouts for a specific organisation's facilities. The ratio of a building's net rentable area, which is the space used and occupied exclusively by tenants, to its gross floor area (including the building's core).
<b>Special Value</b>	A term relating to an extraordinary element of value over and above Market Value. Special value could arise, for example, by the physical, functional, or economic association of a property with some other property such as the adjoining property, It is an increment of value that could be applicable to a particular owner or user, or prospective owner or user, of the property rather than to the market at large; that is, to a purchaser with a special interest.
<b>Special Value To The Owner</b>	A value amount above market value that reflects the particular value an asset has to the owner and the use to which the owner can or does put it to. Excludes any sentimental value.
<b>Specialist Retail Valuer</b>	A specialist retail valuer recorded as such under the <i>Valuers Registration Act 1992</i> or such other meaning ascribed by the retail legislation
<b>Specialty Store</b>	See Appendix II — Retail Definitions.
<b>Specification</b>	A written document with technical directions and conditions describing the quality of materials and standard of workmanship of the project or parts of a project. It deals with items that cannot be shown on drawings or in schedules and is normally presented in a sequence of trades. The specification forms part of the tender documents and, with agreed modifications (if any), of the contract documents. The Australian National Building Specification System (NATSPEC) is

	designed as a guide specification for building works.
<b>Sprinkler</b>	A mechanical device that, upon activation, releases water for fire protection.
<b>Sprinkler Mains</b>	The water mains supplying the sprinkler system of a building.
<b>Stacking</b>	The process of determining and illustrating the location of business units on the floors of a building adjacent or relative to other business units, based on predefined proximities or affinities.
<b>Stamp Duty</b>	The tax imposed by state governments on certain contracts (e.g. Contracts of Sale, and Registered Leases). The amount of tax payable is calculated as a percentage of the contract value. Refer to individual state legislation.
<b>Standard Lease</b>	A lease in commonly used form into which specific clauses or provisions may be written.
<b>Stapled securities</b>	Certain listed property trusts use a combined corporate and trust structure. The phrase 'stapled securities' refers to the permanent attachment of shares in the company with the units of the property trust for trading purposes on the ASX. The structure is utilized to allow property groups to receive income from sources other than property or financial investment such as development activities. A trust will be taxed as a company where it carries out activities other than the investing in land or property for the primary purpose of deriving rent.
<b>State Environment Planning Policy (SEPP)</b>	A planning instrument created under the EP&A Act.
<b>Statement Of Claim</b>	A legal document detailing a claim made by one party on another. Usually in instances where damages are sought.
<b>Statutory Maintenance</b>	Maintenance that must be carried out to meet statutory requirements.
<b>Statutory Outgoings</b>	Those outgoings payable by the Lessee detailed in the Lease
<b>Statutory Valuation</b>	A valuation prepared in accordance with government legislation; valuations made for rating and taxing purposes.
<b>Stepped Rents</b>	See Ratchet Clause.
<b>Stipulated Rate</b>	The rate per cent per annum equal to the highest lending rate charged by the Lessor's principal lender to its customers as at the due date for payment for an unsecured business loan of less

	than one hundred thousand dollars, plus 2%. A certificate by an officer of the relevant bank or other financial institution is conclusive evidence of the rate
<b>Storey</b>	That part of a building between floor levels. If there is no floor above, it is the part between the floor level and ceiling. It may include an attic, basement, built over car parking area and mezzanine.
<b>Strata Plan</b>	The registered plan of a strata title property showing the boundaries of lots and unit entitlements. Pursuant to legislation on strata or unit titles.
<b>Strata Title</b>	(a) The formal ownership of property held within a strata plan where property is defined within horizontal and vertical boundaries; (b) A scheme of property ownership where each proprietor owns parts of a building and has joint rights with other proprietors over the land and other common areas.
<b>Strategic Asset Allocation</b>	The composition of an asset mix within a portfolio, constructed with the aim of meeting the long-term objectives of a fund, rather than being based on short-term views of relative performance of the various asset classes.
<b>Strip Retail</b>	A strip of retail shops, usually located along a roadway.
<b>Sub-Agent</b>	A person employed by an agent as their sales representative to provide assistance in transacting the affairs of the principal. In some States a sub-agent is referred to as a sales representative.
<b>Sub-Basement</b>	The storey or storeys below a basement.
<b>Subdivision</b>	Divisions by a land owner, of all or part of a parcel of land, into separate allotments (or sections), each with a separate title, in accordance with a 'plan of subdivision' approved by the planning authority.
<b>Sub-Lease / Sub-Let</b>	A contract whereby the whole or part of the property is let to another person, the party letting being themselves a lessee. The obligations of the lessee to the lessor are not diminished. The length of the sub-lease must not be longer than the unexpired part of the head lease.
<b>Sublease Vacancy</b>	Vacant office space being offered for lease by a tenant holding a head lease as opposed to an owner.

<b>Sub-Lessee</b>	One who enjoys the benefits, rights and obligations of a sub-lease.
<b>Sub-Lessor</b>	A tenant who grants a sub-lease of the property of which they are the tenant.
<b>Sub-Regional Centre</b>	See Appendix II — Retail Definitions.
<b>Sum Insured</b>	The total amount covered by an insurance policy.
<b>Summation Approach</b>	Refers to the addition of the value of the parts of real estate to obtain the value of the whole (i.e. land and buildings). May refer only to a value prediction using the depreciated replacement cost approach. See also Cost Approach.
<b>Super Regional Centre</b>	See Appendix II — Retail Definitions.
<b>Superintendent</b>	(a) The architect, engineer, or other person, appointed in writing by the principal as the principal's agent, and notified to the contractor as such. The superintendent is responsible to the principal for all aspects of the administration of the contract for a construction project. Some of the functions may be delegated to a nominated superintendent's representative; (b) A building superintendent is a manager responsible for repair and maintenance in a residential building (U.S. terminology).
<b>Superstructure</b>	Part of a structure above the ground or above the top of foundation walls.
<b>Surrender</b>	The relinquishing of a lease before its expiration.
<b>Survey</b>	The measurement and depiction on paper of the boundaries of real estate and the location of the improvements on the land, or measurement of a part of a building, usually undertaken by a registered surveyor.
<b>Sustainable Development</b>	See Environmentally Sustainable Development.

# T

<b>Tangible Assets</b>	Assets with a physical manifestation. Examples include land and buildings, plant and machinery, fixtures and fittings, tools and equipment, and assets in the course of construction and development.
<b>Task Lighting</b>	The lighting directed to a specific surface or area that provides illumination for visual task.
<b>Tenancy Agreement</b>	A form of lease, generally in an abbreviated form. It may be registered on an owner's certificate of title.
<b>Tenancy In Common</b>	Ownership that is separate and not held directly with another person. There is no survivorship.
<b>Tenancy Schedule</b>	A listing of each premise in a property including tenancy name, number, area, lease commencement and expiry dates, rental, rental review date and type, outgoings and rent review mechanism.
<b>Tenant</b>	A person or entity paying rent in exchange for the occupancy of a building or dwelling. See also Lessee.
<b>Tenant Mix</b>	The collection of retailers and services that occupy a shopping centre.
<b>Tenant Retention</b>	A statistical measure of length of occupation within a property or portfolio.
<b>Tenant's Agent</b>	A tenant's agent should be a licensed real estate agent, who acts on behalf of a tenant in a commercial property transaction.
<b>Tenant's Interest</b>	See Lessee's Interest.
<b>Tender</b>	The sale of an asset through the seeking of written bids.
<b>Tenure</b>	The holding or possession of anything. The right to possession and use of property, or the period of that possession and use.
<b>Term Of Lease</b>	The length of time a lease is to run.
<b>Termination</b>	Interruption of the lease before the term expires.
<b>Termination Date</b>	The date shown as the "Expiry date" on the lease form and the "Termination Date" in the lease
<b>Terms of Engagement</b>	See Conditions of Engagement.
<b>Themed Centre</b>	See Appendix II — Retail Definitions.

<b>Time Of The Essence</b>	Where completion of a purchase or a lease is required within a certain period or by a specified date.
<b>Title</b>	The form of ownership of real estate (i.e. Torrens, strata or company title).
<b>Title Deeds</b>	Documents evidencing the ownership of property.
<b>Torrens Title</b>	The title to land by registration. Originating in South Australia under the stewardship of R.R.Torrens (later Sir Robert Torrens) and enacted in 1858, the Torrens Title has superseded the 'Common Law Title' system throughout Australia. Under the Torrens system dealings and ownership of land are managed by registration with the Titles Office.
<b>Total Lettable Area</b>	The Floor Area of all premises in the Complex occupied or available for occupation by any tenant or occupier but, to the extent allowed by law, excludes any Common Areas, plant rooms, dedicated storage areas and management office
<b>Total Operating Costs</b>	Include the total costs associated with the day-to-day operation of the facility. Such costs include inter alia, maintenance and repair costs (both fixed and variable), administrative costs, management fees, labour costs, rates, land taxes, income taxes, insurances, light, power, fuel, security, cleaning and all costs associated with grounds and car parking. See also Operating Expenses; Outgoings.
<b>Total Return</b>	(a) Incorporates the return from current income together with the return from capital growth adjusted for expenditure in the period; (b) The aggregate increase or decrease in the value of an property or portfolio resulting from the net appreciation (or depreciation) of the principal plus the net income (or loss) generated by that property or portfolio during the period.
<b>Trade Area</b>	The geographical area from which a building draws most of its customers and clients.
<b>Trade Fixtures or Tenant's Fixtures</b>	Non-realty fixtures attached to property by the tenant and used in conducting the trade or business.
<b>Trading Name</b>	The trading name of the Lessee
<b>Traffic Count</b>	The total number of people (vehicles) passing through (by) a property or location within a given time period, from which potential customers may be estimated.

<b>Traffic / Pedestrian Estimate</b>	Number of customers that enter a shopping centre.
<b>Transaction Costs</b>	Costs associated with the purchase or sale of a property. Acquisition costs include legal fees and stamp duty, etc. while disposition costs include legal fees, brokerage fees, etc.
<b>Transaction Dates</b>	There are two dates associated with a property transaction — date of contract exchange and date of settlement which is the date of legal completion and transfer of title.
<b>Transferable Goodwill</b>	That intangible asset that arises as a result of property-specific name and reputation, customer patronage, location, products and similar factors, which generate economic benefits. It is inherent to the specialised trading property, and will transfer to a new owner on sale. See also Goodwill; Personal Goodwill.
<b>Triple Bottom Line</b>	Economic, Environmental and Social accountability.
<b>Trust</b>	A fiduciary relationship, an instrument thereof, which places the legal title to, and the control of property, in the hands of a trustee for the benefit for another person or persons (beneficiaries). A trust may be temporary, conditional, or permanent.
<b>Trust Account</b>	A legislative required bank account where monies are held by an agent for or on behalf of another person, e.g. deposits, rental etc.
<b>Turnover</b>	The gross takings of a business.
<b>Turnover / Sales Per Square Metre</b>	Sales divided by the total number of square metres of rentable area. May apply to individual stores, groups of stores or total centre.
<b>Turnover Rent</b>	Any form of lease rental arrangement in which the lessor receives a form of rental that is based upon the earnings of the lessee. Percentage rent is an example of a turnover rent.
<b>Turnover Report</b>	A report showing the monthly or year-to-date M.A.T sales for all reporting tenants in a shopping centre.
<b>Turnover Schedule</b>	The normal monthly reports prepared by shopping centre managers showing the recorded sales or turnover of each retailer within the centre. The turnover is normally reported in two ways — for the month just completed and for the full year just completed (the latter form is also known as Moving Annual Turnover).



# U

<b>Under Construction</b>	Buildings which are currently being developed. A building is deemed to be under construction when development proceeds beyond the laying of footings.
<b>Undercapitalisation (Underimprovements)</b>	Improvements that do not represent the highest and best use of the land.
<b>Underpinning Clause</b>	See Ratchet Clause.
<b>Unencumbered Property</b>	Property free and clear of mortgages, restrictive covenants, leases, and assessments of any kind.
<b>Unimproved Capital Value (UCV)</b>	The estimated value of unencumbered land, assuming that no improvements have been made and as otherwise defined in legislation.
<b>Unimproved Value</b>	A statutory concept of value used mainly for rating and taxing purposes, which envisages the land as being in its virgin state but enjoying the benefits of all external factors which influence the value at a given date. The value of land as if all existing improvements thereupon, including site works, had never been built or made, but regarding all other lands as in their current circumstance, including all improvements, roads, services and amenities.
<b>Unit (Strata)</b>	Each dedicated lot / unit area designated within a strata plan.
<b>Unit(s) of Comparison</b>	Typically, a factor produced by two components, which reflects precise differences between properties and facilitates analysis in the three approaches to value, e.g. price per square metre, or the ratio of a property's sale price to its net income (Net Income Multiplier / Years' Purchase).
<b>Urgent Repairs</b>	Repairs which must be made to a property to ensure that it is fit for purpose.
<b>Use Clause</b>	A lease provision that restricts a retail tenant's use of the rented space by indicating what is allowable for the tenant to sell in goods and services within the premises.
<b>Useable Space</b>	A space between controlling zones in which human activities or mechanical processes take place. This space may contain partitions or stairs.
<b>Useful Life</b>	Either (a) the period of time over which an asset is

	<p>expected to be used by the entity; or (b) the number of production or similar units expected to be obtained from the asset by the entity. In regard to leases, useful life is defined as: The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits embodied in the asset are expected to be consumed by the entity.</p>
<b>User (Building User)</b>	<p>The organisation or persons who will use the finished works or operate within or from them.</p>
<b>Usual Terms And Conditions</b>	<p>This expression contemplates a lease containing commonly accepted lease terms and conditions for a particular type or class of property.</p>
<b>Utility Services (Utilities)</b>	<p>All reticulation services such as water supply, gas supply, sewerage, electricity and garbage disposal.</p>

# V

<b>Vacancy</b>	The area, expressed in square metres, which is physically empty but otherwise occupiable. Space which is empty but unable to be occupied is not included in the calculation of vacancy and marketable stock. This may be due to refurbishment or the inability to pass Occupational Health & Safety standards. See also Direct Vacancy; Sublease Vacancy.
<b>Vacancy Allowance</b>	An allowance consisting of a period or periods of zero inflows reflecting the on-going renewal of leases and vacancies during letting periods as they occur specifically, or are forecast to occur, and any losses due to non-payment of rent.
<b>Vacancy Factor</b>	An expression of total vacant space as a percentage of total marketable stock. Formula: Total Vacant Space (sqm) / Total Marketable Stock (sqm)
<b>Vacancy Rate</b>	See Vacancy Factor.
<b>Vacant Possession</b>	In real estate this refers to a right to possession of land or built-up property in respect of which there is no current occupant.
<b>Vacate</b>	To give up occupancy; to make vacant move out of property.
<b>Valuation</b>	(a) The process of estimating value <sup>21</sup> ; (b) The prediction of the value of an asset at a point in time, depending on the purpose for which the valuation is required.
<b>Valuation Approach</b>	The specific approach(es) or methodology(ies) adopted by the valuer to determine value. Commonly used approaches include: (a) market comparison approach; (b) depreciated replacement cost approach; (c) income approach (capitalised income approach and discounted cash flow approach).
<b>Valuation Date</b>	The date as of which the Valuer's opinion of value applies.
<b>Valuation Method</b>	Within valuation approaches, a specific way to estimate a value.
<b>Valuation Rationale</b>	A section in a valuation report that discusses the basis of valuation and valuation approaches) and

	explains the reasons and rationale for adopting that particular basis and approach(es).
<b>Valuation Report</b>	A document that records the instructions for the assignment, the purpose and basis of the valuation, and the results of the analysis that led to the opinion of value. A Valuation Report may also explain the analytical processes undertaken in carrying out the valuation, and present meaningful information used in the analysis. Valuation Reports can be either oral or written. The type, content and length of a report vary according to the intended user, legal requirements, the property type, and the nature and complexity of the assignment. The terms, Valuation Certificate and Valuation Report, are sometimes used interchangeably.
<b>Valuation Review</b>	The principal characteristic all valuation reviews have in common is that one Valuer exercises impartial judgment in considering the work of another Valuer. A valuation review may support the same value conclusion in the valuation under review or it may result in disagreement with that value conclusion. Valuation reviews provide a credibility check on the valuation as well as a check on the strength of the work of the Valuer who developed it, as regards the Valuer's knowledge, experience, and independence.
<b>Valuation Standards</b>	Refer to the API Professional Practice (5th Edition) Standards.
<b>Value</b>	The quantity of one thing that can be obtained in exchange for another usually expressed in money terms; i.e. in dollars. The value of an object is generally considered to be equal to the Present Value of the future benefits arriving out of ownership or use to typical users or investors.
<b>Value in Use</b>	A valuation concept rather than a basis of value. The value of an asset to an owner — user based on the productivity of the asset to a specific individual. May not necessarily represent market value.
<b>Value of Improvements</b>	The value added to the land by improvements such as buildings, structures or modifications to the land, of a permanent nature, involving expenditures of labour and capital, and intended to enhance the value or utility of the property. Improvements have differing patterns of use and economic lives. See also Improvements.

<b>Valuer</b>	A person who is: (a) registered / licenced / approved to carry out property or plant and machinery valuations under any State, Territory or Commonwealth legislation; and / or (b) a member of the Australian Property Institute who is accredited as a Certified Practising Valuer.
<b>Variable Rate</b>	A loan interest rate that varies over the term of the loan. The rate is usually tied to a predetermined index.
<b>Variation</b>	An addition to, omission from, or alteration to the works under a contract or to the contract conditions, normally executed by means of a 'variation order' to the contractor from the principal of the superintendent as the agent of the principal.
<b>Vendor</b>	One who sells anything. In real estate transactions, the person(s) or entity selling the property.
<b>Void</b>	(a) A space left in a wall, as for a window or door; (b) Any unfilled space in a building or structure; (c) Having no legal effect.
<b>Voidable</b>	An agreement which can be made void at the option of one or both of the parties.

# W

Waiver	<b>The surrender of a legal right.</b>
Waiver of Subrogation	Tenant and landlord mutually agree not to sue the other party for property damage, spelled out in the lease clause.
Warranty	Assurances given from the building owner to the tenant or the seller to the buyer.
Wasting Asset	An asset which in real terms will generally depreciate in value over time. Examples include leaseholds and extractive interests
Water Closet	A room equipped with toilet fixtures and facilities.
Water Supply Riser	Any vertical section of pipe for conveying water from a lower to a higher level.
Wear and Tear	The depreciation of an asset due to ordinary usage.
Weighted Average Lease Expiry (WALE)	See Weighted Average Lease Term.
Weighted Average Lease Term	The weighted average lease term remaining to expire across a portfolio, it can be weighted by rental income or square metres.
White Noise / Masking	Shifting the threshold of audibility through the introduction of low-pitched tones to produce a masking effect upon higher-pitched tones; the auditory masking of one tone upon another is greater when the masking tone is almost identical with the masked tone. Also referred to as anti-noise.
Wholesale Property Funds	Unlisted property investment vehicles that have been or are currently open to institutional investors, that is, superannuation funds or general funds. These funds can either be diversified or sector specific.

WHS Act	<i>Work Health And Safety Act 2011 (QLD)</i> , or if it applies, the <i>Work Health and Safety Act 2011 (Cth)</i>
WHS Law	The WHS Act, the WHS Regulation and any applicable code of practice approved under section 274 of the WHS Act
WHS Regulation	The <i>Work Health and Safety Regulation 2011 (QLD)</i> or if it applies, the <i>Work Health and Safety Regulations 2011 (Cth)</i>
Willing Lessor And Willing Lessee	The 'willing' concept excludes from consideration any element of special interest of anxiousness that may occur in a real market situation. For example, if a lessee has extensive fit-out improvements which may give rise to a special interest situation, these should not be taken into account for rental assessment purposes.
Workers Compensation Insurance	Insurance for the purpose of covering workers / employees for claims of compensation as a result of accidents / injury, etc. within levels and / or buildings.
Working Capital	The amount by which current assets exceed current liabilities.
Write Down Value	(a) Applies to a depreciable asset and is the remaining value after the deduction of accumulated depreciation from the original or historical cost. This value will be affected by either the method of depreciation chosen and the value attributed to the asset; (b) The unexpired cost of an asset carried in the books of an organisation. The value of an asset, at a point in time, after the systematic allocation of depreciation. See also Book Value.
Written Report	The results of a valuation communicated to a client in writing, which includes electronic communication.

# Y

<b>Years Purchase</b>	<p>The number of years required for the net income from an interest in property to amount (without interest) to a sum equal to the purchase price. The years purchase in any particular instance is determined by dividing 100 by the yield.</p>
<b>Yield</b>	<p>It is important to note that yields and capitalisation rates (cap rates) are separate and distinct concepts, although they are often discussed together. Yield is also referred to in Australia as the direct capitalisation rate, or, simply, the capitalisation rate. Technically the yield is the resultant rate of return from a net income / value relationship while the (direct) capitalisation rate is the rate of return used to capitalise the net income to determine the value or price.</p> <p>Generic Definitions: Yield The derived percentage return of a property assessed from the net income and the market value or price. It is calculated by dividing the net income by the opening market value or price.</p>
<b>Your Property</b>	<p>All property inside the premises which you own or lease and includes all fixtures, fittings, signs, equipment, goods, and if you own or lease it, the shopfront</p>



# Z

<b>Zone</b>	(a) Used in fire protection and air-conditioning trades as defining areas within a building provided within the relevant services; (b) In planning, land use zones set out permitted and prohibited uses of land. See also Zoning.
<b>Zoning</b>	Local planning authorities control the present and future development of land, including residential, business and industrial uses.

## Appendix I – Formulas

### Acid-Test Ratio

This is a measurement of how well a business could meet its short-term financial obligations if sales suddenly stopped. The purpose of this calculation is to determine how easily a company could be liquidated, and helps financial institutions determine creditworthiness. The easier it is to liquidate, the less risk to the bank or financial institution.

$$\text{Acid Test Ratio} = \text{Current Assets} - \text{Inventory} \div \text{Current Liabilities}$$

### Amortization

Amortization is the paying off of debt with a fixed repayment schedule in regular installments over a period of time for example with a mortgage or a car loan. It also refers to the spreading out of capital expenses for intangible assets over a specific period of time (usually over the asset's useful life) for accounting and tax purposes.

$$\text{Payment amount per period} = P \frac{r(1+r)^n}{(1+r)^n - 1}$$

P = initial Principal (loan amount)

r = interest rate per period

n = total number of payments or periods

### Basic Retailers Formula

(Also see: Markup)

$$\text{Retail Price} = \text{Cost of Goods} + \text{Markup}$$

$$\text{Markup} = \text{Retail Price} - \text{Cost of Goods}$$

$$\text{Cost of Goods} = \text{Retail Price} - \text{Markup}$$

## Break Even Analysis

The break-even point for a product is the point where total revenue received equals the total costs associated with the sale of the product. A break-even point is typically calculated in order for businesses to determine if it would be profitable to sell a proposed product, as opposed to attempting to modify an existing product instead so it can be made lucrative. Break even analysis can also be used to analyze the potential profitability of an expenditure in a sales-based business.

$$\text{Break Even (\$)} = \frac{\text{Fixed Costs}}{\text{Gross Margin Percentage}}$$

## Gross Margin

**Gross margin, Gross profit margin** or **Gross Profit Rate** is the difference between the sales and the production costs including the overhead. Gross margin can be defined as the amount of contribution to the business enterprise, after paying for direct-fixed and direct-variable unit costs, required to cover overheads (fixed commitments) and provide a buffer for unknown items. It expresses the relationship between gross profit and sales revenue.

$$\text{Gross Margin} = \text{Total Sales} - \text{Cost of Goods}$$

## Gross Margin Return on Investment

A measure of inventory productivity that expresses the relationship between your total sales, the gross profit margin you earn on those sales, and the number of dollars you invest in inventory.

$$\text{GMROI} = \frac{\text{Gross Margin}}{\text{Average Inventory Cost}}$$

## Initial Markup %

The initial markup is the average markup required on all products to cover the cost of all items, incidental expenses, and to obtain a reasonable profit. The initial dollar markup is expressed as a percentage.

$$\text{Initial Dollar Markup} = \frac{(\text{Operating Expenses} + \text{Price Reductions} + \text{Profit})}{(\text{Forecasted Net Sales} + \text{Price Reductions})}$$

Initial pricing of a product is an important step in merchandising. The Keystone Method doubles cost of an individual product to arrive at its selling price (2 x total product cost). The Dollar Markup Method takes into account the total amount of operating expenses and desired profit. These are then broken down on a per product unit basis, which is then added on to the total product cost. This addition onto the total cost is the dollar markup. This dollar markup is either expressed as a percentage of the total cost per unit or the selling price.

$$\text{Initial Markup \%} = \frac{(\text{Expenses} + \text{Reductions} + \text{Profit})}{(\text{Net Sales} + \text{Reductions})}$$

## Inventory Turnover

**Inventory turnover** is an equation that measures the number of times inventory is sold or used over in a period such as a year. The equation equals the cost of goods sold divided by the average inventory. **Inventory turnover** is also known as **inventory turns, stockturn, stock turns, turns, and stock turnover**.

$$\text{Inventory Turnover} = \frac{\text{Net Sales}}{\text{Average Retail Stock}}$$

## Markup

Markup is the difference between the cost of a good or service and its selling price. A markup is added on to the total cost incurred by the producer of a good or service in order to create a profit. The total cost reflects the total amount of both fixed and variable expenses to produce and distribute a product. Markup can be expressed as a fixed amount or as a percentage of the total cost or selling price. Different methods exist in determining the markup of a product.

(Also see: Basic Retailers Formula)

$$\text{Markup (\$)} = \text{Retail Price} - \text{Cost}$$

$$\text{Markup (\%)} = \frac{\text{Markup Amount}}{\text{Retail Price}}$$

## Net Sales

Net sales are operating revenues earned by a company when it sells its products. **Revenue** (net sales) are reported directly on the income statement as **Sales** or **Net sales**.

In financial ratios that use income statement sales values, “sales” refers to net sales, not gross sales. Sales are the unique transactions that occur in professional selling or during marketing initiatives.

Revenue is earned when goods are delivered or services are rendered. The term sales in a marketing, advertising or a general business context often refers to a contract in which a buyer has agreed to purchase some products at a set time in the future. From an accounting standpoint, sales do not occur until the product is delivered. “Outstanding orders” refers to sales orders that have not been filled.

$$\text{Net Sales} = \text{Gross Sales} - \text{Returns and Allowances}$$

## Open to Buy

OTB is the difference between how much inventory is needed and how much is actually available. This includes inventory on hand, in transit and any outstanding orders.

$$\begin{aligned} \text{OTB (Retail)} &= \text{Planned Sales} + \text{Planned Markdowns} \\ &+ \text{Planned End of Month Inventory} \\ &- \text{Planned Beginning of Month Inventory} \end{aligned}$$

## Sales Per Square Metre

$$\text{Sales per Square Metre} = \frac{\text{Total Net Sales}}{\text{Square Metres of Selling Space}}$$

## Sell-Through Rate

This figure is a comparison of the amount of inventory a retailer receives from a manufacturer or supplier to what is actually sold.

$$\text{Sell Through \%} = \frac{\text{Units Sold}}{\text{Units Received}}$$

## Stock to Sales ratio

Stock to Sales Ratio expresses as a decimal point the

$$\text{Stock to Sales} = \frac{\text{Beginning of Month Stock}}{\text{Sales for the Month}}$$

## Appendix II – Retail Definitions

The following classification of shopping centres are employed in all of the Property Council's Shopping Centre Directories.

The revised system comprises six (6) core and four (4) specialist classifications. Core classifications appear in all of the Property Council's Directories. Specialist classifications are included in Directories at the discretion of the Property Council in each State or Territory.

Each classification contains a definition of the centre type and a summary of key features.

### 1. City Centre

**Definition:**

Retail premises within an arcade or mall development owned by one company, firm or person and promoted as an entity within a major Central Business District.

Total gross lettable area retail exceeds 1,000 square meters.

**Key features:**

- Dominated by specialty shops;
- Likely to have frontage on a mall or major CBD road;
- Generally, do not include supermarkets; and
- Often co-exists with large department stores.

### 2. Super Regional Centre

**Definition:**

A major shopping centre typically incorporating two full line department stores, one or more full line discount department stores, two supermarkets and approximately 250 specialty shops.

Total gross lettable area retail exceeds 85,000 square meters

**Key features:**

- One-stop shopping for all needs;
- Comprehensive coverage of the full range of retail needs (including specialised retail), containing a combination of full line department stores, full line discount department stores, supermarkets, services, chain and other specialty retailers;

- Typically include a number of entertainment and leisure attractions such as cinemas, arcade games and soft play centres; and
- Provides a broad range of shopper facilities (car parking, food court) and amenities (rest rooms, seating).

### 3. Major Regional Centre

**Definition:**

A major shopping centre typically incorporating at least one full line department store, one or more full line discount department stores, one or more supermarkets and approximately 150 specialty shops.

Total gross lettable area retail ranges between 50,000 and 85,000 square metres.

**Key features:**

- One-stop shopping for all needs;
- Extensive coverage of the full range of retail needs (including specialized retail), containing a combination of full line department stores, full line discount department stores, supermarkets, services, chain and other specialty retailers;
- Typically, includes a number of entertainment and leisure attractions such as cinemas, arcade games and soft play centres; and
- Provides a broad range of shopper facilities (car parking, food court) and amenities (rest rooms, seating).

### 4. Regional Centre

**Definition:**

A shopping centre typically incorporates one full line department store, a full line discount department store, one or more supermarkets and approximately 100 specialty shops.

Total gross lettable retail ranges between 30,000 and 50,000 square meters.

In some instances, all other characteristics being equal, a centre with two full line discount department stores, without a department store, serves as a regional centre.

**Key features:**

- Extensive coverage of a broad range of retail needs (including specialized retail), however, not as exhaustive as major regional centres;
- Contains a combination of full line department stores, full line discount department stores, supermarkets, banks, chain and other specialty retailers; and

- Provides a broad range of shopper facilities and amenities.

## 5. Sub Regional Centre

### **Definition:**

A medium sized shopping centre typically incorporating at least one full line discount department store, a major supermarket and approximately 40 specialty shops.

Total gross lettable area retail ranges between 10,000 and 30,000 square meters.

### **Key features:**

- Provides a broad range of sub-regional retail needs; and
- Typically dominated by a full line discount department store or major supermarket.

## 6. Neighbourhood Centre

### **Definition:**

A local shopping centre comprising a supermarket and approximately 35 specialty shops.

Total lettable area retail is less than 10,000 square meters.

### **Key features:**

- Typically located in residential areas;
- Services immediate residential neighbourhood;
- Usually has extended trading hours and
- Caters for basic day-to-day retail needs.





## **About the Author**

Phillip Chapman is one of Australia's leading retail shop lease advocates with over 30 years of Retailing, Shopping Centre Marketing, and Centre Management and Leasing experience.

Having worked in such diverse roles as Operations and State Manager for Retail Chains to State Leasing Manager for one of the countries' largest shopping centre portfolios, and currently Founder and Chairman of Australia's leading Retailer (only) lease consultancy firms, Phillip has a unique perspective and advantage when it comes to the complex and often contentious arena of Retail Shop Leasing. Acknowledged as a passionate advocate of the retail industry, his love affair with the retail lease sector can be directly attributed to his hands on professional involvement on both sides of the Lessee/Lessor relationship.

Since 1997 Phillip's firm Advantage Retail Management Pty Ltd (T/A LEASE1) has specialised in advising and supporting Retailers with all facets of retail shop/tenancy leasing including renewals, lease options, market rentals, day to day operational issues, strategic portfolio management as well as dispute resolution.

LEASE1 consults to and supports the Members of the countries' largest Retailer channels including the Pharmacy Guild of Australia, Australian Retailers Association, Franchise Council of Australia and Restaurant and Caterers Association as well as independent and chain Retailers. Phillip is a Certified Shopping Manager Australia (CSMA), Retailer Lease Advocate and has represented Retailers in the reform of retail tenancy legislation since 1999.

He presents at Retailer/Franchise forums and conferences around the nation and contributes regularly to industry publications and is the author (and co author) of several reference titles and eBooks.

Phillip Chapman and his Team at LEASE1 are dedicated to achieving strategic business savings through sound industry knowledge and practices in retail leasing and are accredited with continual lease savings in excess of \$20 million per annum on behalf of Retailers.

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