

# QUICK QUIZ

## Commercial Real Estate: What You Need To Know

(NAPSA)—If you are working for, starting or planning to grow a business, you may want to build on your knowledge of commercial real estate terms.

Here's a quick quiz from the members of the CENTURY 21® Commercial program to help give you a head start:

1. Master metered is a) the name of a Beatles song, b) the criteria by which all other meters are judged, c) a building with a single (usage) meter recording utilities consumption for all units.

2. A gross lease is a) a lease in which the tenant pays fixed or base rent, b) a dirty lease, c) a lease paid with a percentage of your gross income.

3. Capitalization rate is a) the rate at which you can capitalize letters, b) the rate of return or the interest rate expressed as a percent value, c) the ability to memorize state capitals.

4. Leverage is a) the thing you put under something to lift it, b) a small amount of cash used to buy a property, c) the height a house is built over water.

Answers:

1. c) In master-metered buildings, the tenant pays for utility services as part of their rent to the landlord.

2. a) In this type of lease, the landlord pays taxes, insurance and all operating costs, say members of the CENTURY 21 Commercial program. It is also called a fixed, flat or full-service lease in some markets.



**Knowing more commercial real estate terms can help give you leverage when it comes to buying or selling property.**

3. b) Capitalization is the ratio between net income and property value. The current value of a property can be estimated by dividing its current net income by the appropriate capitalization rate.

4. b) Leverage is usually 15-25 percent for commercial properties.

For the last several years, members of the CENTURY 21 Commercial program have helped investors buy and sell industrial sites, business opportunities, apartments, retail centers, farms/ranches and other commercial investment properties.

For more information on commercial real estate, visit [www.Century21.com/commercial](http://www.Century21.com/commercial). There, visitors can access related industry news and search for commercial property listings.