

VTS Recommendation Memo Command

Claude Code

VTS Recommendation Memo for Approval

You are tasked with generating a comprehensive VTS Recommendation Memo for lease approval based on the provided documents.

Required Document

Offer to Lease / Lease Agreement: {offer-to-lease}

Optional Supporting Documents

Tenant Financial Statements: {financial-statements} (if provided) **Tenant Credit Check:** {credit-check} (if provided) **Market Comparables:** {market-comps} (if provided)

Extraction & Analysis Instructions

Phase 1: Extract Key Information

From Offer to Lease / Lease Agreement

Extract the following deal terms: - **Tenant Name** (legal entity name) - **Entity Type** (sole proprietorship, partnership, corporation) - **Indemnifier/Guarantor** (if any) and entity type - **Premises**: Address, unit number, square footage (rentable and usable if available) - **Lease Term**: Commencement date, expiry date, total months/years - **Base Rent**: Annual /*s* and *total annual rent* - * * *Rent Schedule** * : *Year* – by – *year escalations* – * * *TMII/Additional Rent** * : *Annual estimate* – * * *Security Deposit** * : *Amount, form (cash, LC, etc.)* – * * *Free Rent Period** * : *Months of abatement, timing* – * * *Tenant Improvements** * : *Landlord contribution (/sf or total), tenant work allowance* - **Renewal Options**: Number of terms, notice period, rent determination method - **Use Clause**: Permitted use - **Special Provisions**: Any material deal terms from Schedule G or special clauses

From Tenant Financial Statements (if provided)

Extract and calculate: - **Reporting Period**: Most recent fiscal year-end - **Statement Type**: Audited, reviewed, or notice to reader (NTR) - **Revenue**: Total annual revenue - **EBITDA or Net Income** - **Total Assets and Total Liabilities** - **Current Assets** and **Current Liabilities** - **Cash and Cash Equivalents** - **Working Capital**: Current Assets - Current Liabilities - **Key Ratios**: - Current Ratio: Current Assets ÷ Current Liabilities - Debt-to-Equity: Total Liabilities ÷ Equity - EBITDA to Rent Coverage: EBITDA ÷ Proposed Annual Rent - **Cash Flow Analysis**: Operating cash flow trend (if multi-year statements available) - **Liquidity Assessment**: Cash reserves relative to rent obligations

Financial Solvency & Manipulation Scores: - If statements are **audited or reviewed**: No need to

calculate Z-score or M-score - If statements are **NTR or manually generated and appear suspect**: Calculate Altman Z-score (financial solvency) and Beneish M-score (financial manipulation detection)

From Credit Check Report (if provided)

Extract: - **Credit Score** (Equifax, Dun & Bradstreet, etc.) - **Payment History**: Trade references, payment behavior - **Public Records**: Liens, judgments, bankruptcies - **Credit Recommendations**: Any flags or concerns

From Market Comparables (if provided)

Extract recent comparable transactions: - Property address - Lease date - Square footage - Base rent (/sf) – *TMI*(/sf) - Total occupancy cost - Free rent periods - TI allowances - Lease term - Building class and location

Phase 2: Research & Context Gathering

1. Tenant Business Description:

- If available, search for the tenant's website (use WebSearch if needed)
- Extract business description from "About Us" or similar section
- Determine: Years in operation, business type, geographic presence

2. Space Vacancy History:

- Note current vacancy status of the premises
- If vacant: Duration of vacancy
- Previous tenant (if known from context or provided)

3. Deal History:

- Note if this is the 1st, 2nd, or nth deal attempt on this unit
- Any previous dead deals or rejected offers

4. Budget Context:

- If budget information is available in supporting documents, extract budgeted rent and NER
- If no budget available, note this explicitly

Phase 3: Generate VTS Recommendation Memo

Create a comprehensive recommendation memo following this structure:

1. TENANT PROFILE

Format: > [Tenant Legal Name] is a [sole proprietorship/partnership/corporation] that engages in [business description extracted from website or documents] and has been operating for [X years] in [general location/region or specific address if known].

If Indemnifier/Guarantor exists: > The Indemnifier, being [Indemnifier Legal Name], is a [entity type] that engages in [business description].

2. FINANCIAL COVENANT & CREDIT ANALYSIS

Provide a detailed but concise assessment covering:

Financial Statements Summary: - Statement type (audited/reviewed/NTR) and period - Revenue and profitability metrics - Balance sheet strength (assets, liabilities, equity) - Working capital and liquidity position - Key financial ratios with interpretation

Credit Assessment: - Credit score and rating interpretation - Payment history and trade references - Public records or red flags - Overall credit risk assessment

Cash Flow & Rent Affordability: - Describe cash flow in general terms - **Critical Analysis:** Can the tenant's cash flow support the proposed annual rent of \$[X]? - Compare to existing rent if known (typically new rent is higher) - EBITDA-to-rent coverage ratio and adequacy assessment

Z-Score & M-Score (if calculated): - Altman Z-score result and interpretation (>2.99 = safe zone, 1.81-2.99 = grey zone, <1.81 = distress zone) - Beneish M-score result and interpretation (>-2.22 suggests possible manipulation) - Recommendation based on scores

Overall Financial Covenant Conclusion: > Based on the financial analysis, [Tenant Name]'s financial position is [strong/adequate/weak] with [key strengths] and [key concerns if any]. The tenant [is/is not] financially capable of meeting the lease obligations.

3. PREMISES DESCRIPTION

Current Status: - Address and unit number - Rentable square footage - Current occupancy status (vacant or occupied) - If vacant: Duration of vacancy (e.g., "vacant for 8 months since [Previous Tenant] vacated") - Previous tenant information if available

4. DEAL HISTORY & CONTEXT

- Unit listing status (listed on [date] or not listed)
- Number of previous deal attempts: "This is the [1st/2nd/nth] deal in play since the unit was listed"
- Summary of any previous dead deals and reasons for failure (if known)

5. MULTIPLE OFFERS COMPARISON (if applicable)

If multiple offers were received: - Create comparison table showing: - Offer A vs Offer B vs Recommended Offer - Key terms: Rent, term, free rent, TI, security, total consideration - **Analysis:** Why this offer was selected over others - Trade-offs and decision rationale

6. PROPOSED DEAL TERMS vs. MARKET

Deal Summary: | Term | Proposed Deal | |---|-----| | Base Rent | \$[X]/sf/year | | TMI | \$[Y]/sf/year | | Total Occupancy Cost | \$[Z]/sf/year | | Lease Term | [X] years | | Free Rent | [X] months | | TI Allowance | \$[X]/sf or \$[Y] total | | Security Deposit | \$[X] or [form] |

Market Comparables Summary:

Create a table of recent comparable transactions:

Property	Date	SF	Rent (/sf)	TMI(/sf)	Total (/sf)	Free Rent	TI(/sf)	Term			
[Address 1]	[Date]	[SF]	\$[X]		\$[Y]			\$[Z] mo	\$[Y]		[X] yr
[Address 2]	[Date]	[SF]	\$[X]		\$[Y]			\$[Z] mo	[Y] [X] yr **ProposedDeal** * * [Date] * * **[SF]** * *[X]**	[Y] * * * *[Z]	

Market Positioning Analysis: - Is the proposed rent at/above/below market? - How do concessions (free rent, TI) compare to market norms? - Are there any market-driven adjustments or compromises? - Reference VTS analysis tab comps if available - **Conclusion:** This deal is [at market/above market/below market] based on recent transactions in [same building/similar buildings in portfolio/submarket].

7. PROPOSED DEAL TERMS vs. BUDGET & NER ANALYSIS

Budget Comparison (if budget available): | Metric | Budget | Proposed | Variance | |---|---|---|

-----| | Base Rent (\$/sf) | \$[X] | \$[Y] | \$[Z] or [%] | | Net Effective Rent | \$[X] | \$[Y] | \$[Z] or [%] | | Total Consideration | \$[X] | \$[Y] | \$[Z] or [%] |

If no budget: > No formal budget was established for this unit because [reason: new development, opportunistic deal, market-driven negotiation, etc.].

Breakeven NER Analysis: - Calculate or reference breakeven Net Effective Rent - Compare proposed deal NER to breakeven - **Conclusion:** This deal is [accretive/dilutive] to the portfolio - If **accretive:** NER exceeds breakeven by \$[X]/sf or [Y%] - If **dilutive:** NER is below breakeven by \$[X]/sf or [Y%]

If Deal is Dilutive: Provide additional justification: - Reasons for supporting the deal despite being dilutive: - Portfolio stabilization strategy - Tenant quality and long-term relationship - Market conditions requiring competitive positioning - Alternative uses limited - Mitigation strategies implemented: - Shorter lease term to allow for market re-positioning ([X] years instead of [Y] years) - Reduced TI allowance - Enhanced security provisions - Other concessions minimized

8. RECOMMENDATION

Overall Recommendation: [APPROVE / APPROVE WITH CONDITIONS / REJECT]

Rationale: - Summarize key strengths of the deal (tenant quality, market positioning, economic returns) - Address any concerns or risks and how they are mitigated - Confirm alignment with portfolio strategy and asset plan

Conditions (if applicable): - Enhanced security requirements - Personal guarantees or indemnities - Financial reporting covenants - Other conditions precedent to execution

Phase 4: Document Checklist

Generate a checklist of approval documents required:

Required Approval Documents

- Tenant Financial Statements** - [Most recent fiscal year] [audited/reviewed/NTR]
- Tenant Credit Check** - [Provider] dated [Date]
- Market Comparables** - [Number] comparable transactions analyzed
- Draft Waiver** (if applicable) - Waiver of [specific provisions]
- Final Executed Offer to Lease** - Signed by tenant on [Date], landlord approval pending

Document Status: - All required: [Complete / Pending: [list missing documents]]

Output Format

File Naming: Reports/YYYY-MM-DD_HHMMSS_recommendation_memo_[tenant_name].md

Report Structure:

```

# VTS RECOMMENDATION MEMO FOR APPROVAL

**Property**: [Address, Unit]
**Tenant**: [Legal Name]
**Prepared By**: Claude Code
**Date**: [YYYY-MM-DD]
**Recommendation**: [APPROVE / APPROVE WITH CONDITIONS / REJECT]

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## 1. TENANT PROFILE
[Content as specified above]

## 2. FINANCIAL COVENANT & CREDIT ANALYSIS
[Content as specified above]

## 3. PREMISES DESCRIPTION
[Content as specified above]

## 4. DEAL HISTORY & CONTEXT
[Content as specified above]

## 5. MULTIPLE OFFERS COMPARISON
[Content as specified above if applicable]

## 6. PROPOSED DEAL TERMS vs. MARKET
[Content as specified above]

## 7. PROPOSED DEAL TERMS vs. BUDGET & NER ANALYSIS
[Content as specified above]

## 8. RECOMMENDATION
[Content as specified above]

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## APPROVAL DOCUMENTS CHECKLIST
[Checklist as specified above]

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**Prepared using Claude Code Lease Management Toolkit**
**Report Date**: [Timestamp]

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Execution Steps

1. **Extract all data** from the offer to lease and supporting documents
2. **Research tenant** business description if website URL can be inferred or found
3. **Analyze financials** and calculate ratios, Z-score/M-score if needed
4. **Compare to market** using provided comps or reference typical market ranges
5. **Calculate NER** and determine if deal is accretive or dilutive
6. **Generate memo** following the exact structure above
7. **Create checklist** of approval documents with status
8. **Save report** to Reports/ with proper timestamp naming convention

Critical Requirements

- **Tenant entity description** must include business type, years operating, and location
- **Financial analysis** must address cash flow adequacy for proposed rent
- **Market comparison** must reference specific comparable transactions

- **NER analysis** must clearly state if deal is accretive or dilutive
 - **If dilutive:** Must provide justification and mitigation strategies
 - **If no budget:** Must explain why
 - **If multiple offers:** Must explain why this offer was selected
 - **All dollar amounts** should be presented consistently (\$/sf annual and total \$ where applicable)
 - **All tables** must be properly formatted in Markdown
 - **Recommendation** must be clear and supported by analysis
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Notes

- Use professional, executive-level language suitable for approval committees
- Be objective and balanced in risk assessment
- Highlight both strengths and concerns
- Provide actionable recommendations
- Ensure all analysis is data-driven and referenced
- If data is missing or unavailable, explicitly note this and explain impact on recommendation