

# CAM RECONCILIATION



CAM reconciliation, or CAM billing, is also known as Year-end reconciliation or billing. It's a common practice for leaseholds, yet it's commonly dismissed as either more terms or a way for landlords to take advantage of tenants.

That's far from the truth and knowing your leverage in negotiations can yield great advantages for landlords and tenants alike. You just need to keep in mind that CAM charges must be negotiated before signing, and they're not static.

## WHAT IS CAM RECONCILIATION OR CAM BILLING?

CAM refers to Common Area Maintenance, and the process ensures landlords also [cover the costs of common](#) areas via a separate bill. The CAM bill includes maintenance costs for common areas used by all tenants within commercial property use.

These common areas refer to spaces outside the leased area: staircases, elevators, parking lots, and roofs. They could also improve capital expenditure on the property, depending on the agreed terms.

As for the expenses themselves, tenants can expect to pay for services like landscaping, repairs, garbage disposal, and janitors.

People refer to Year-end billing as CAM Billing because insurance and real estate taxes are usually passed during the same period. The three bills also tend to be closely related in terms of the benefits you can gain.

## WHY IS IT IMPORTANT?

CAM billing is important to ensure optimal conditions for common areas. It plays a vital role in ensuring proper functioning while attracting more clients to the businesses within the property.

CAM billing can be leveraged to save money or increase ROI for both tenants and landlords.

## HOW DOES IT BENEFIT BOTH TENANTS AND LANDLORDS?

While the document is usually seen as protection for the landlord and nothing more, it really depends on the expectations and negotiation capabilities of both parties.

At first sight, it feels straightforward: landlords can [make money on expenses](#), and tenants are more likely to receive the necessary maintenance if they agree to pay for them.

Nevertheless, hiring a trusted service to take care of your year-end billing can exploit these terms beyond the average scope. For instance, tenants can ask for a base year, gain abatement, decrease their pro-rata shares, and even exclude expenses while still benefiting from them. On the other hand, landlords can gross-up their CAM bill, in case the property is partially vacant to avoid sacrificing their profits by having to cover for these expenses themselves.

## CONCLUSION

CAM reconciliation presents great chances to boost your ROI regardless of the role you play in the leasing of commercial spaces. You need to leverage these agreements and finding professional help can do that for you.

With today's technology and our experience at Assetsoft, we can lend you the hand you need to turn your CAM reconciliation agreement in your favor. At the same time, the relationship between landlord and tenant will improve due to responsibility and transparency. Our experts can help setup CAM properly in MRI Software and also help validate the date entered in MRI before CAM billing.

If you're interested to know how to do it, you just need to [click here](#).