

13-706. Entire taking of leasehold; damages to lessor.

The owner of the property taken is also the lessor under a lease on the property for a term ending _____.

The owner-lessor is entitled to recover money damages for the total of the following:

1. The net rental loss due for cancellation of the lease for the remaining term;
2. The depreciated value of the improvements the lessor would have owned at the end of the lease term; and
3. The fair market value of the land at the end of the lease term.

All damages awarded for the above items shall be discounted to present value as of the date of taking.

The term "net rental loss," as used in this instruction, means the total rent payable by the tenant less the total expenses, if any, payable by the lessor for the balance of the lease term.

USE NOTES

When this instruction is given, the blank in the first paragraph will need to be completed.

[As amended by Supreme Court Order No. S-1-RCR-2025-00126, effective for all cases pending or filed on or after December 31, 2025.]