

Lease accounting survey

June 2016



About this survey

What will be the impacts from the sweeping changes to lease accounting finalized by the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB)? How are companies preparing for the coming changes?

To find out, PwC and CBRE surveyed executives from organizations' accounting, finance and real estate functions about actions they are considering to prepare for the new standards. Key findings from the survey, summarized here, reveal the challenges ahead and steps companies are taking now.

Responses were collected through an open, online survey between March and April of 2016. More than 500 executives responsible for lease accounting or lease management from across a wide range of industries participated in the survey.

Top findings and interactive tools online

Visit our [*2016 Lease accounting survey – top findings*](#) page online for access to:

- Interactive data explorer
- Video interviews with PwC leasing specialists

[***pwc.com/us/leasingsurvey***](http://pwc.com/us/leasingsurvey)

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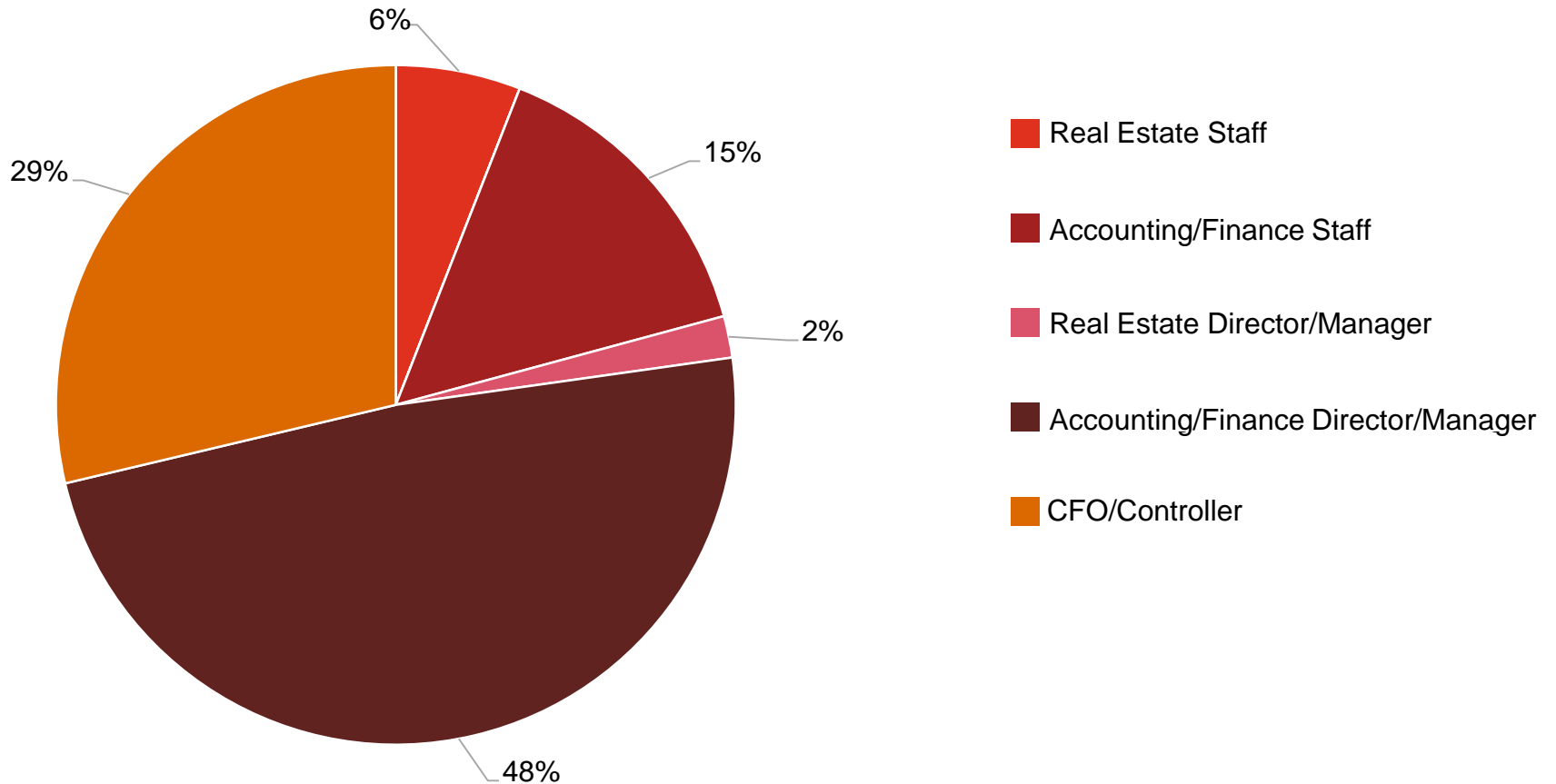
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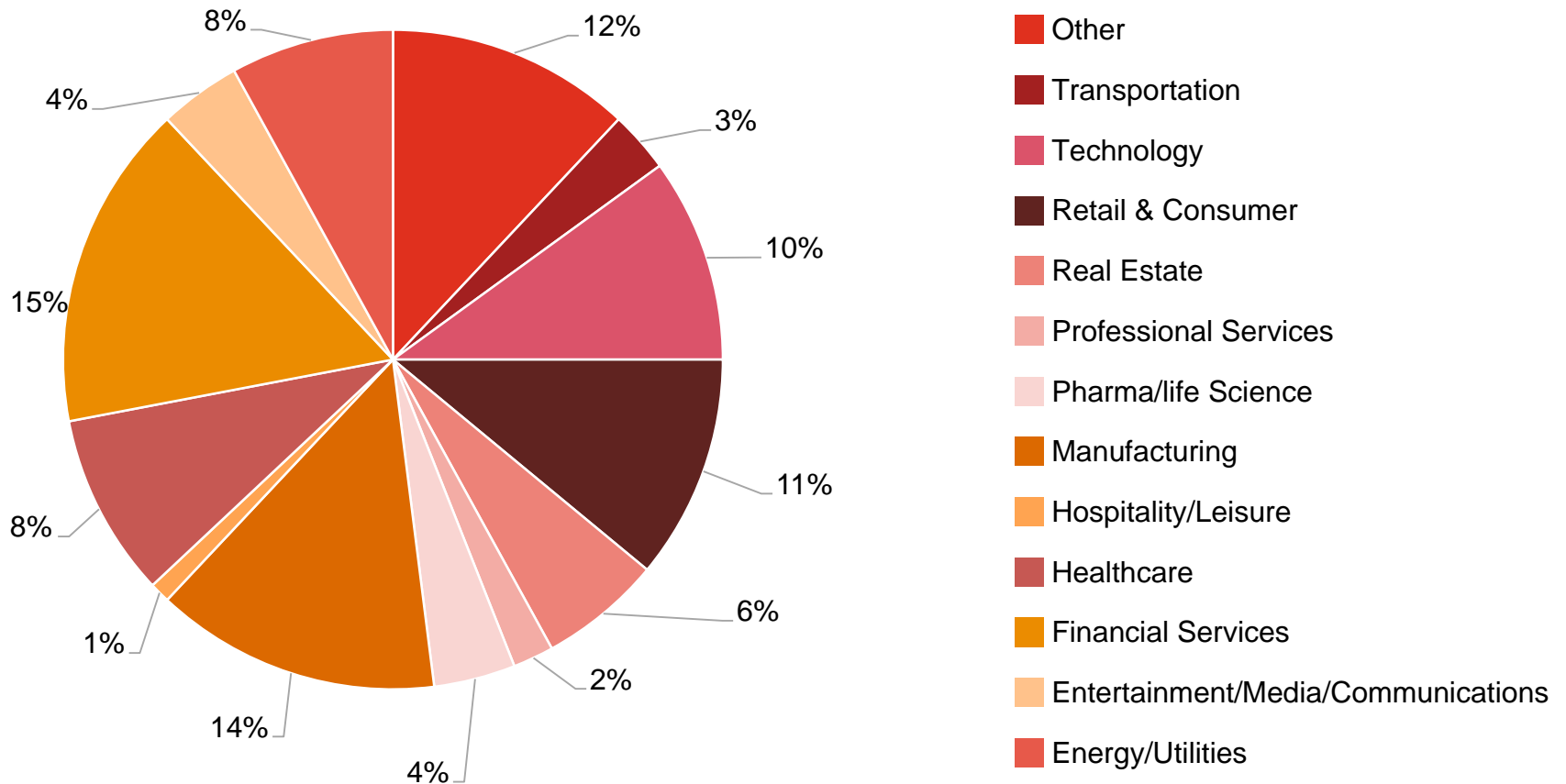
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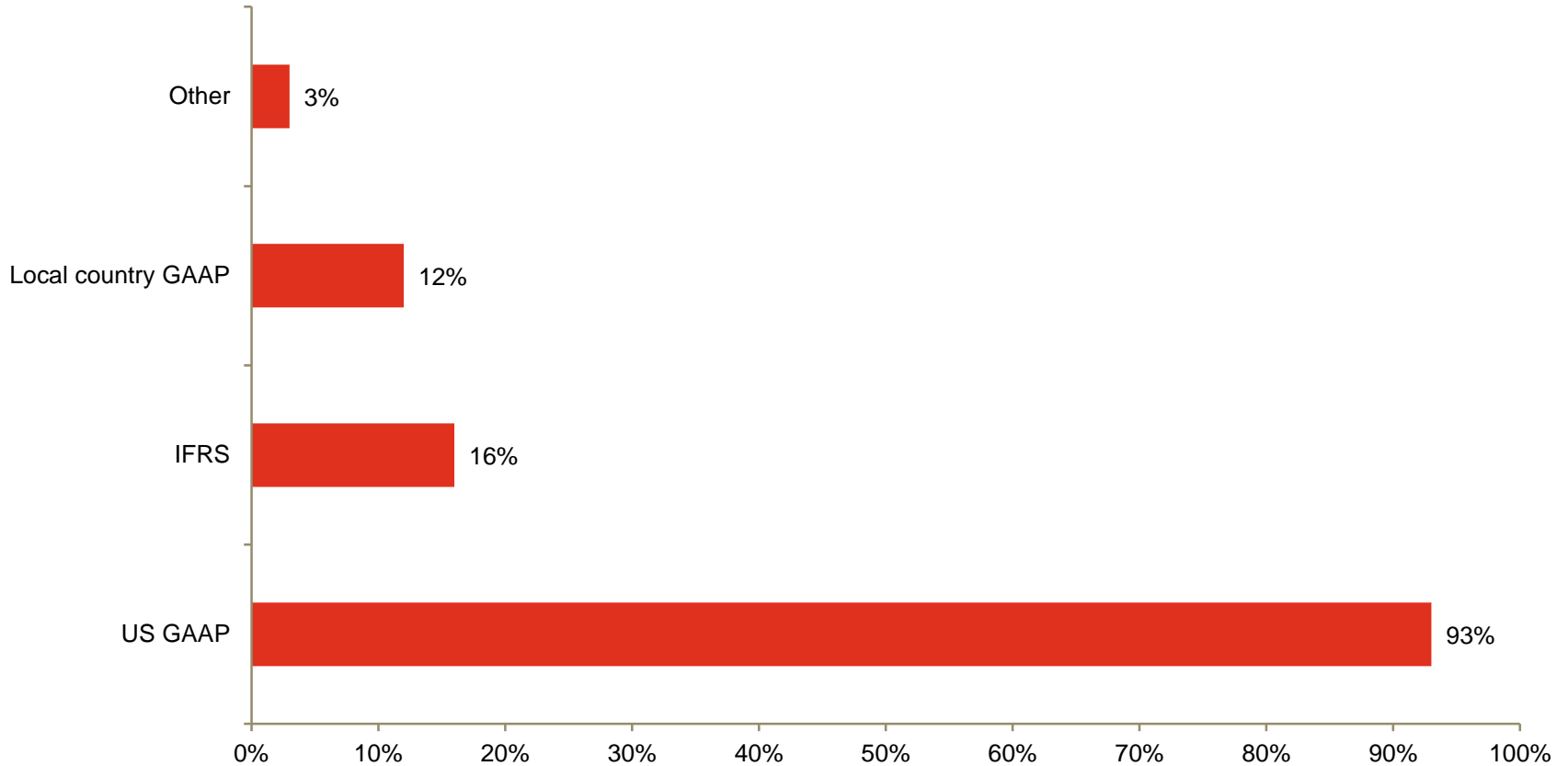
What best describes your job title?



Which of the following best describes your company's primary industry?

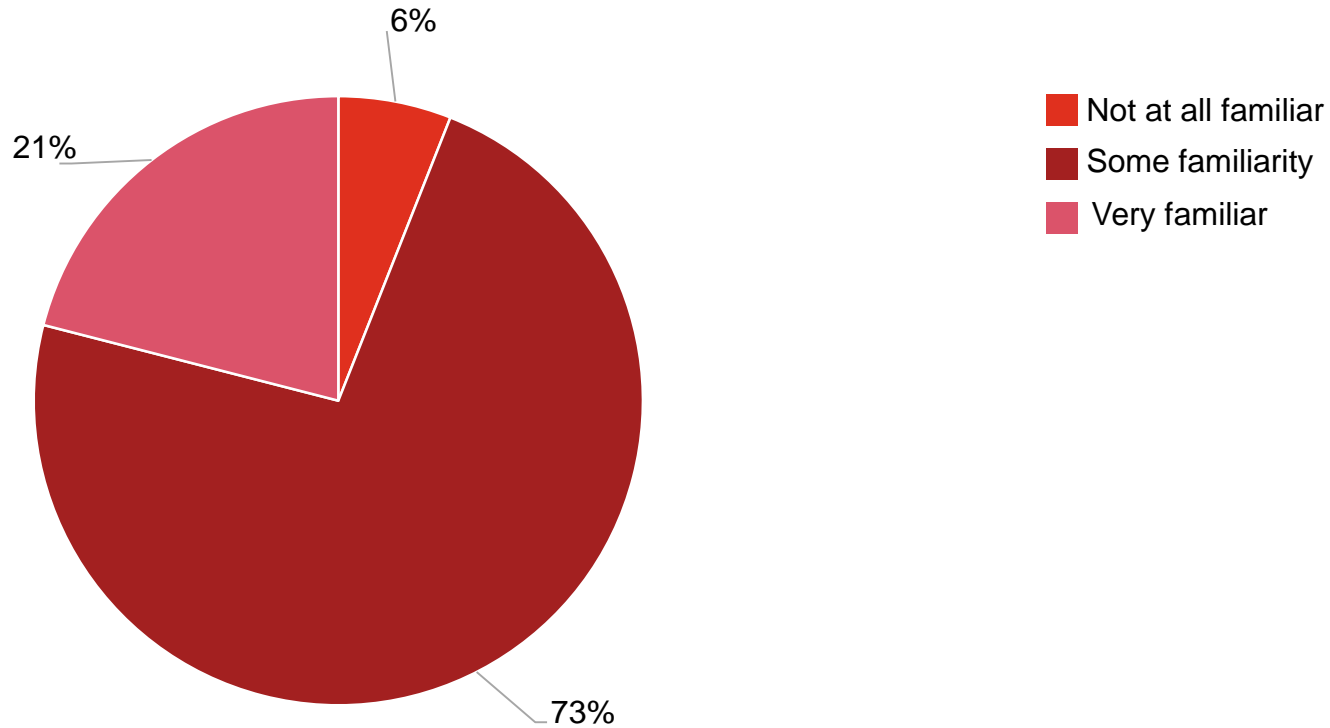


Please indicate which basis of accounting your company is required to report under (select all that apply):

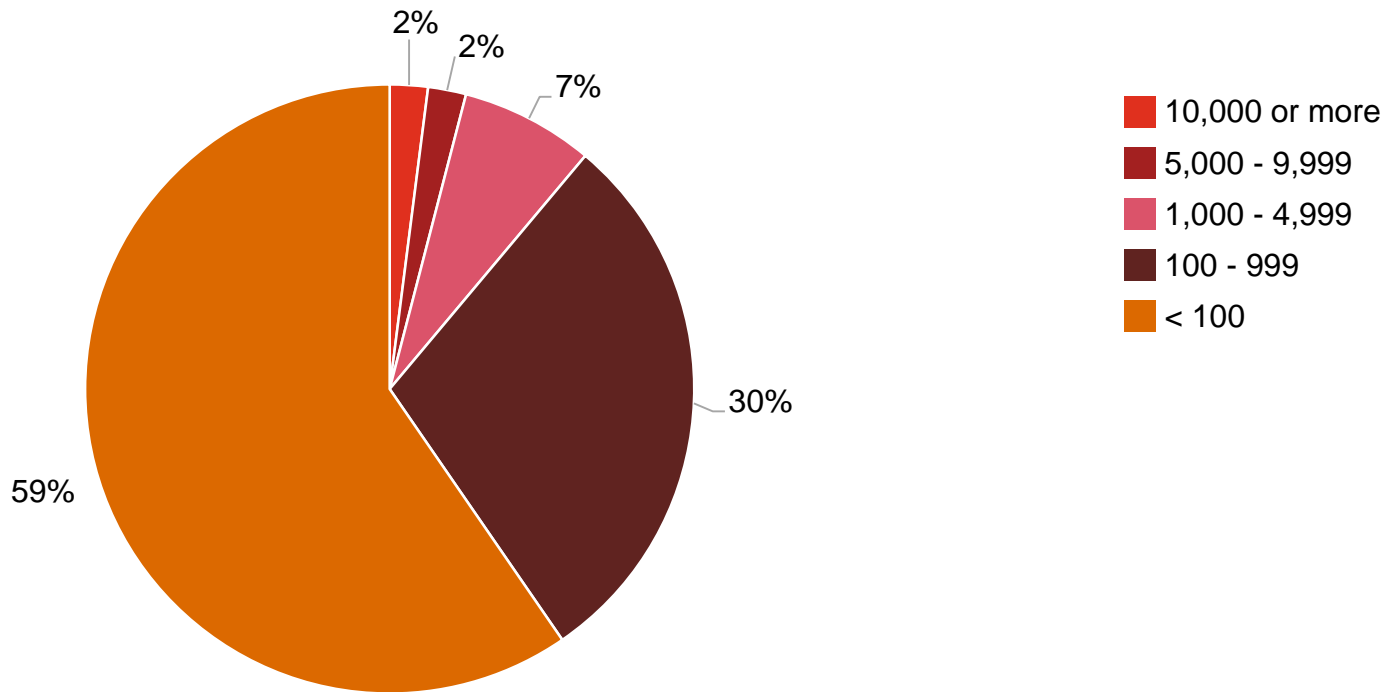


(Respondents were allowed to choose multiple answers so results do not total 100%.)

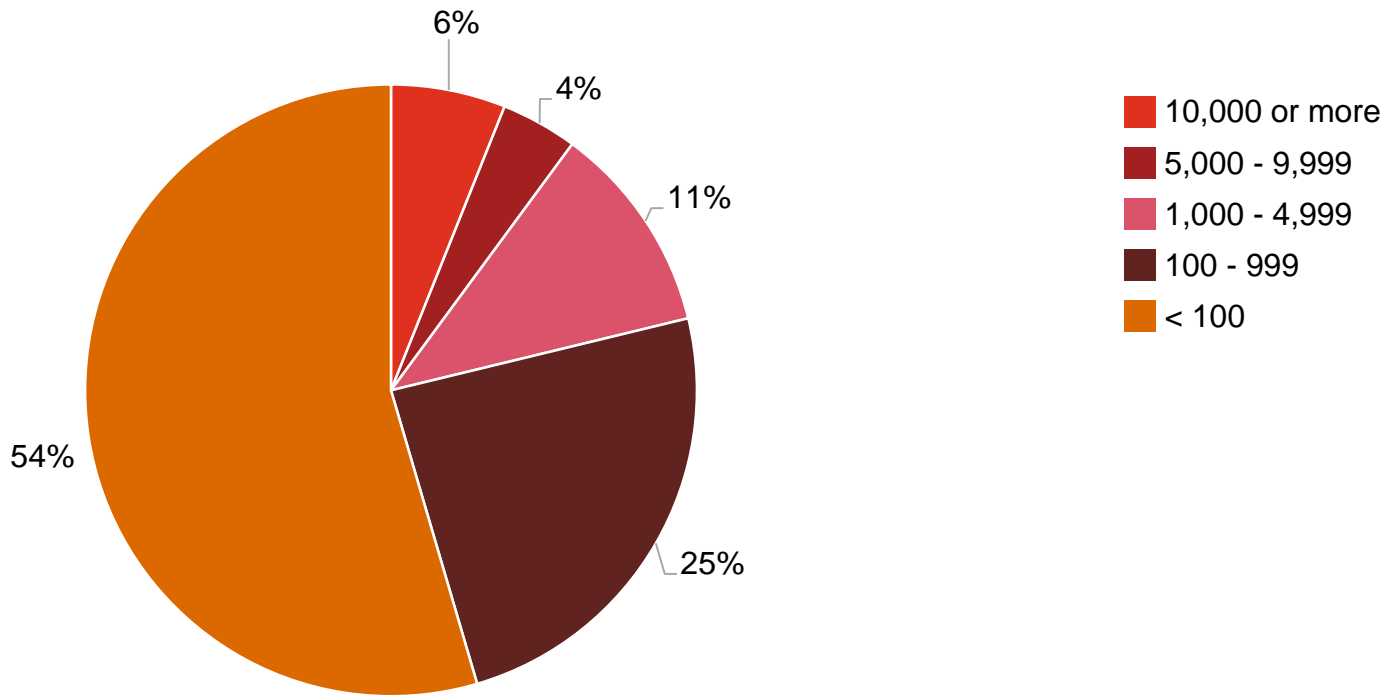
How familiar are you with the new lease accounting standards and their requirements?



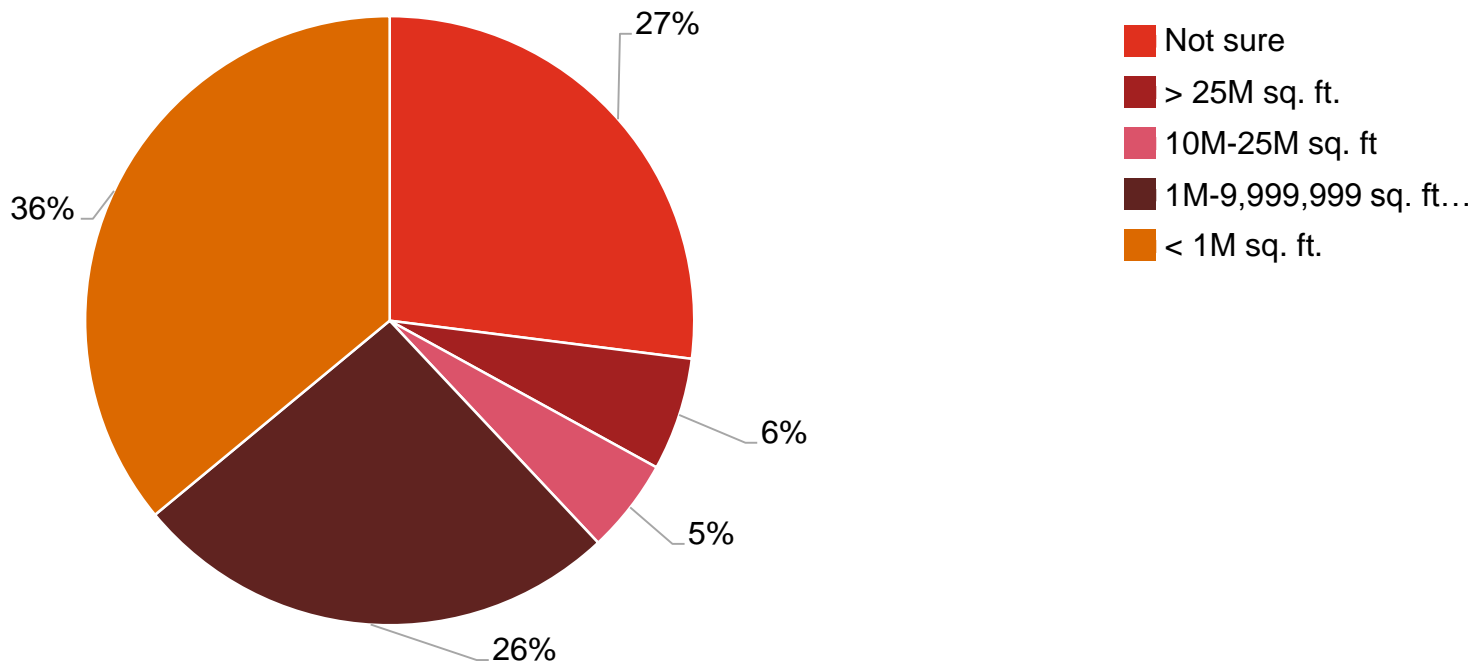
How many real estate assets are leased?



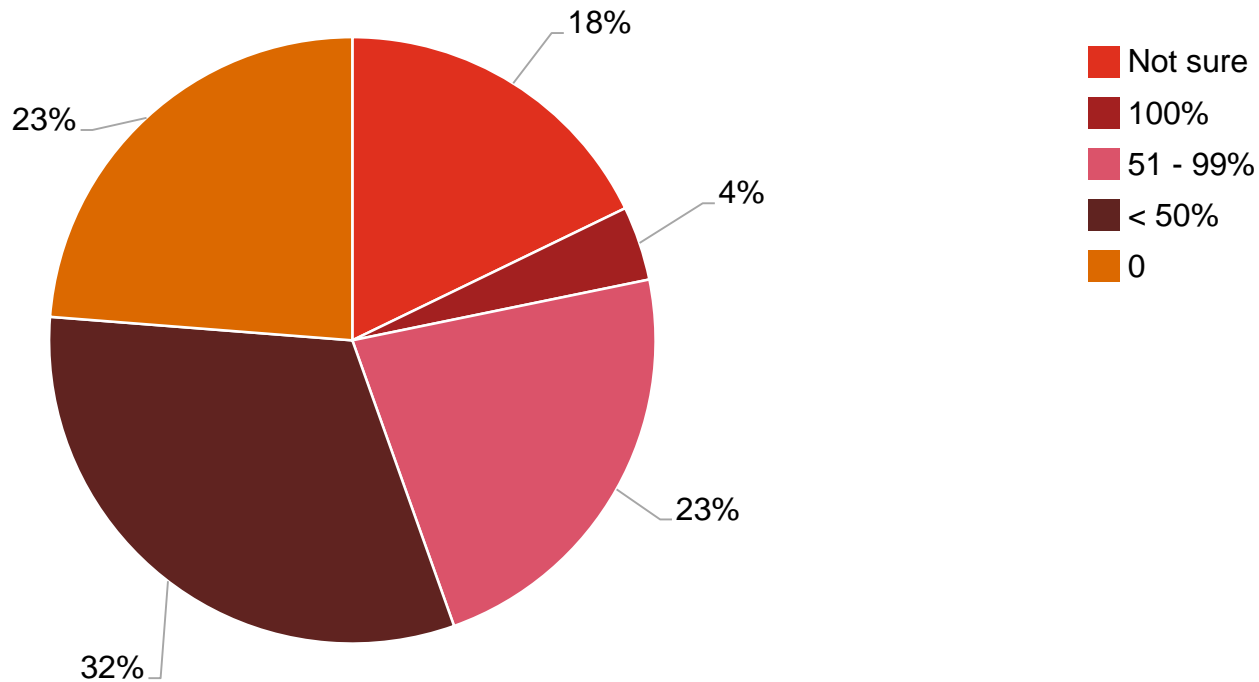
How many non-real estate assets are leased?



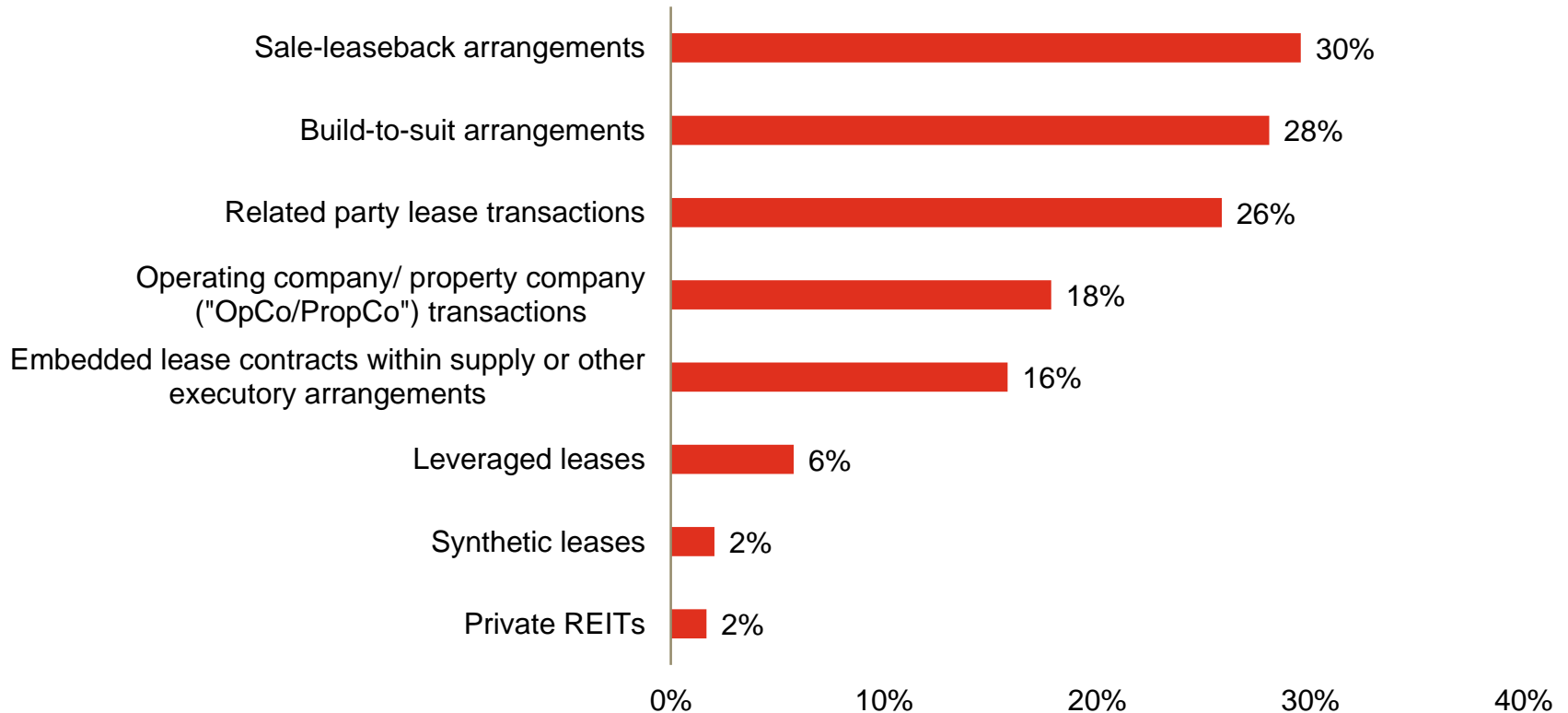
What is the approximate size (square feet) of your combined real estate portfolio, both owned and leased?



Approximately what percentage of your real estate portfolio is owned (based on square footage)?

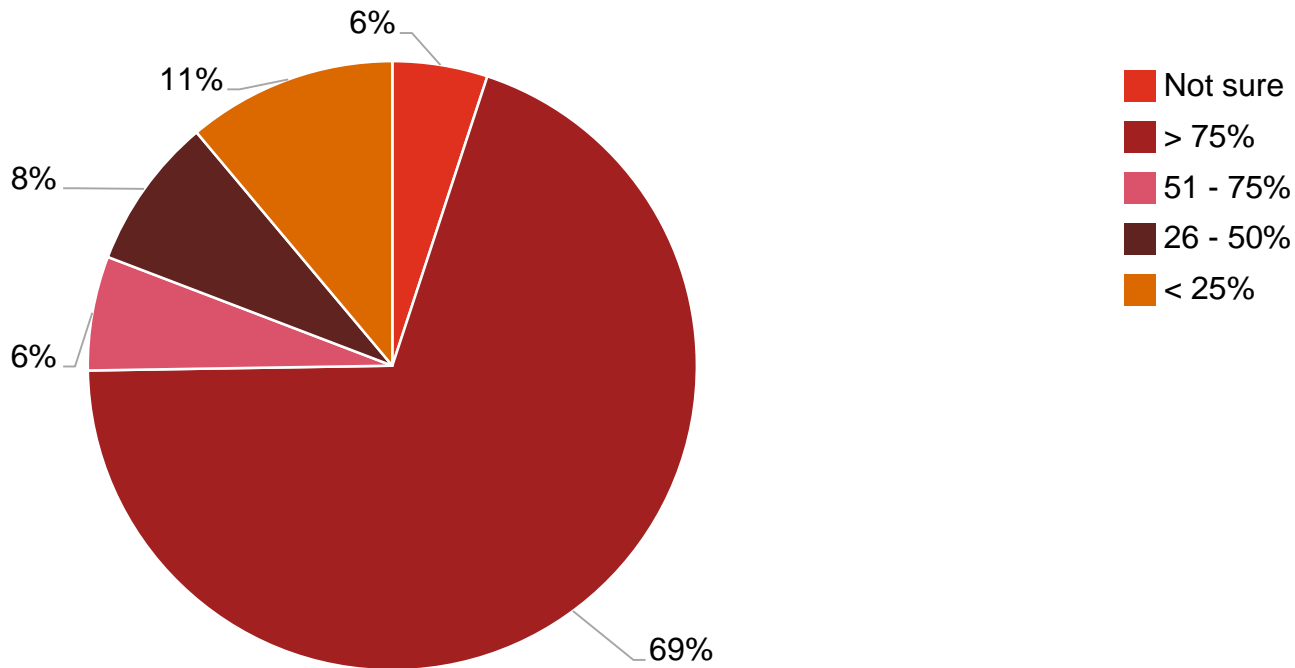


Do you have the following types of lease arrangements?

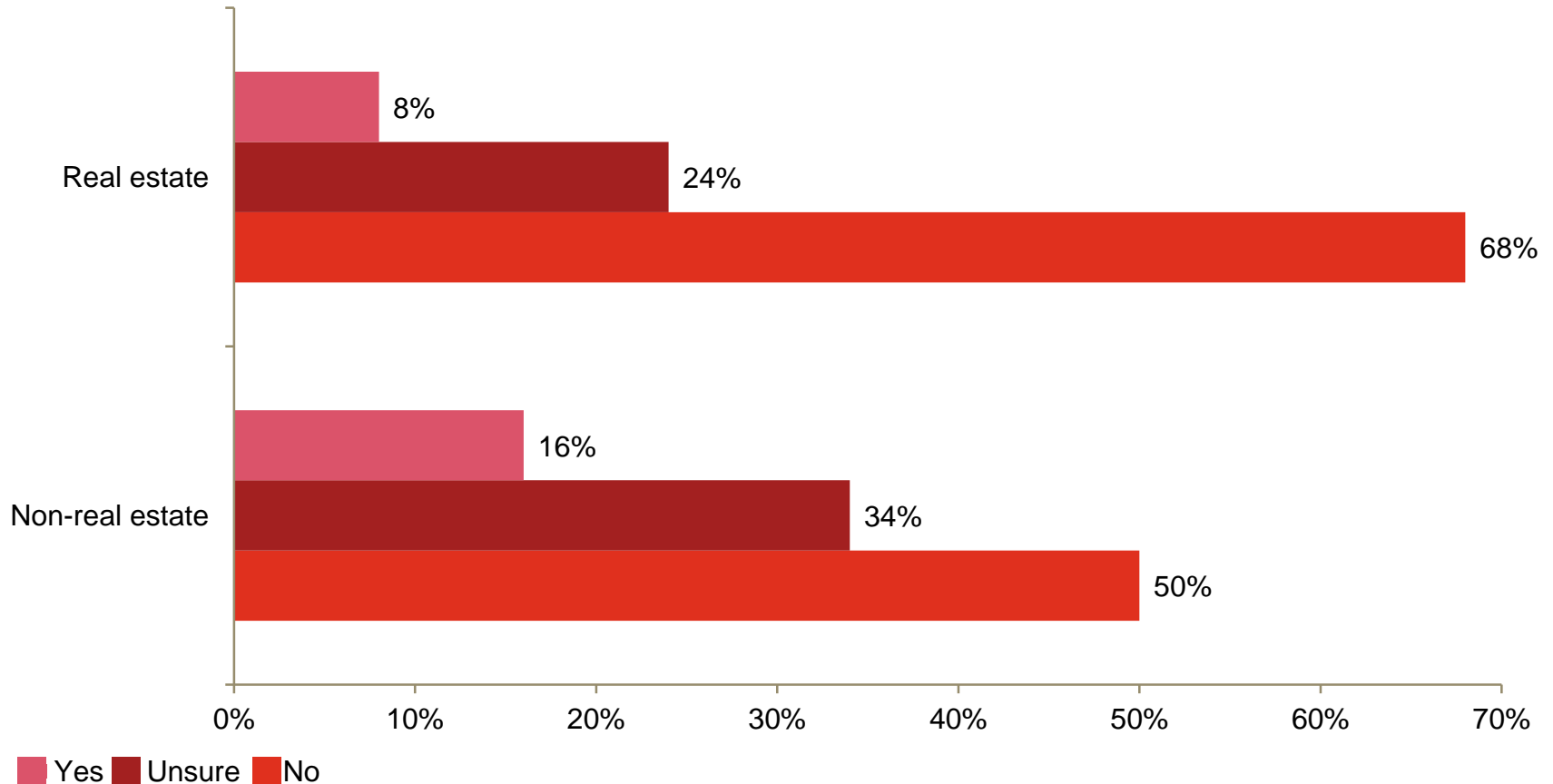


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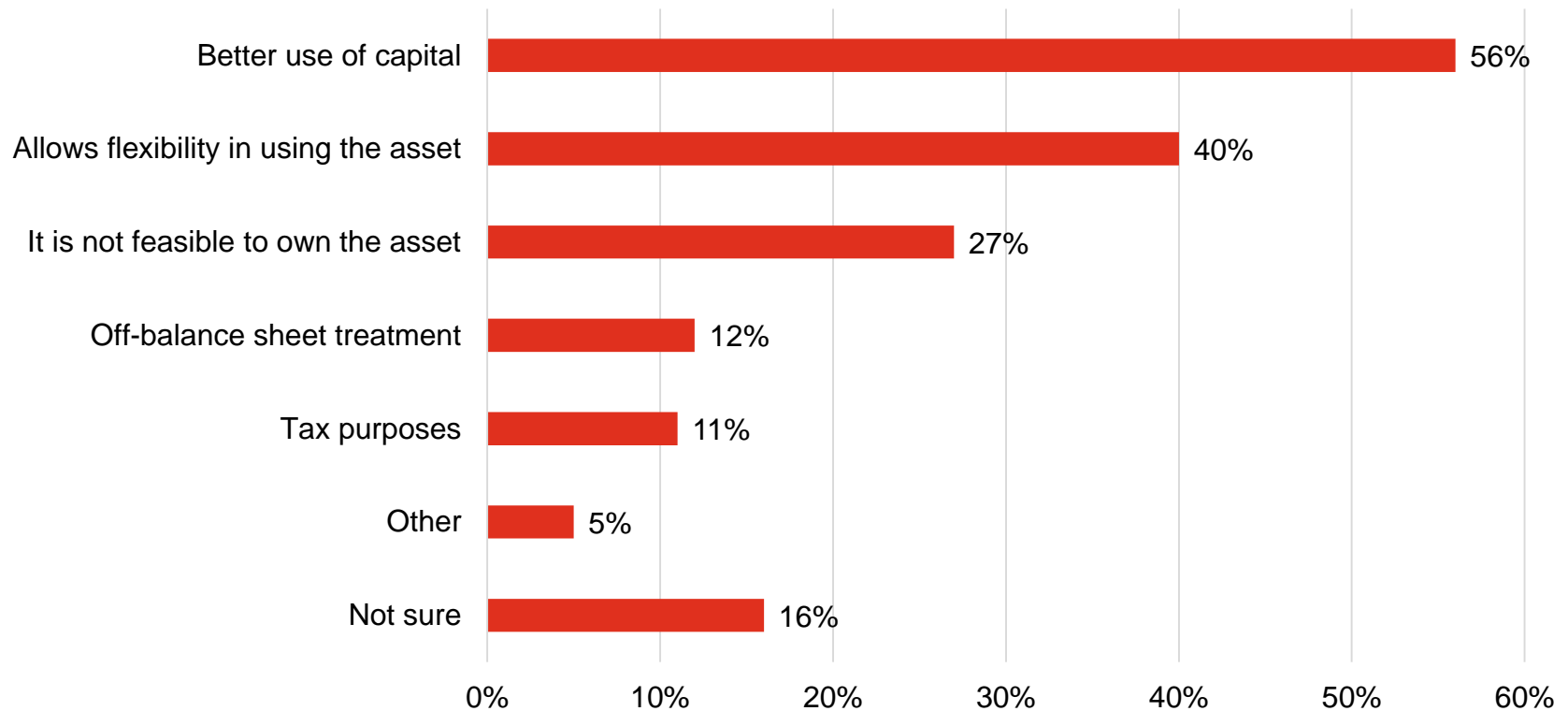
What percentage of your leases are based in the US?



As a result of the new standards, do you expect your company's lease vs. buy strategy to change?

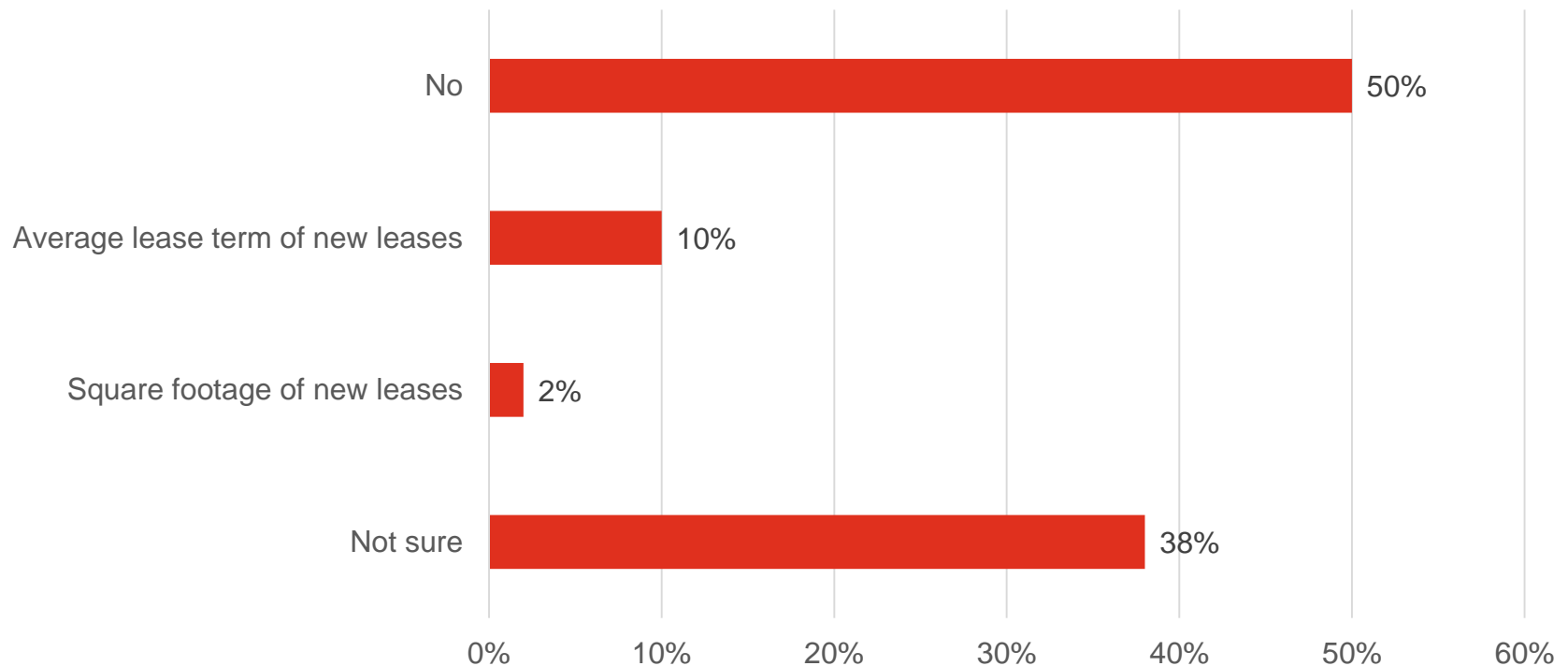


What drives your company's decision to lease vs. buy assets?

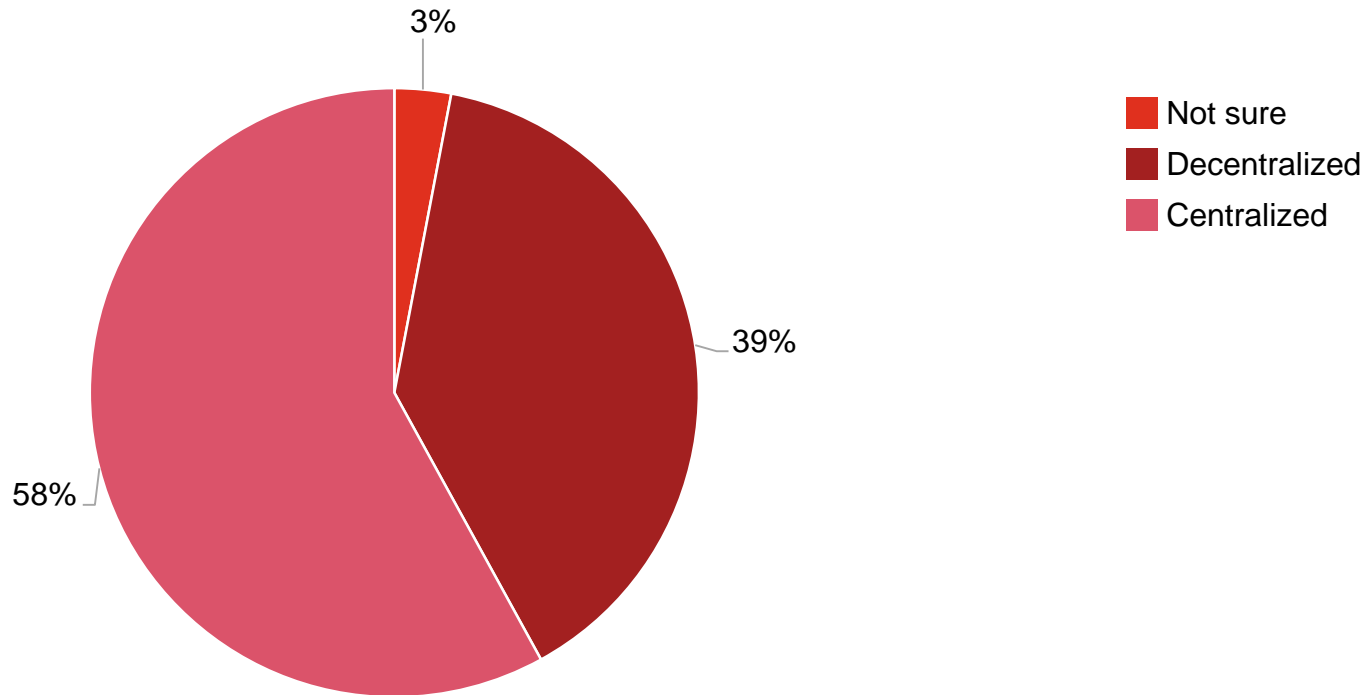


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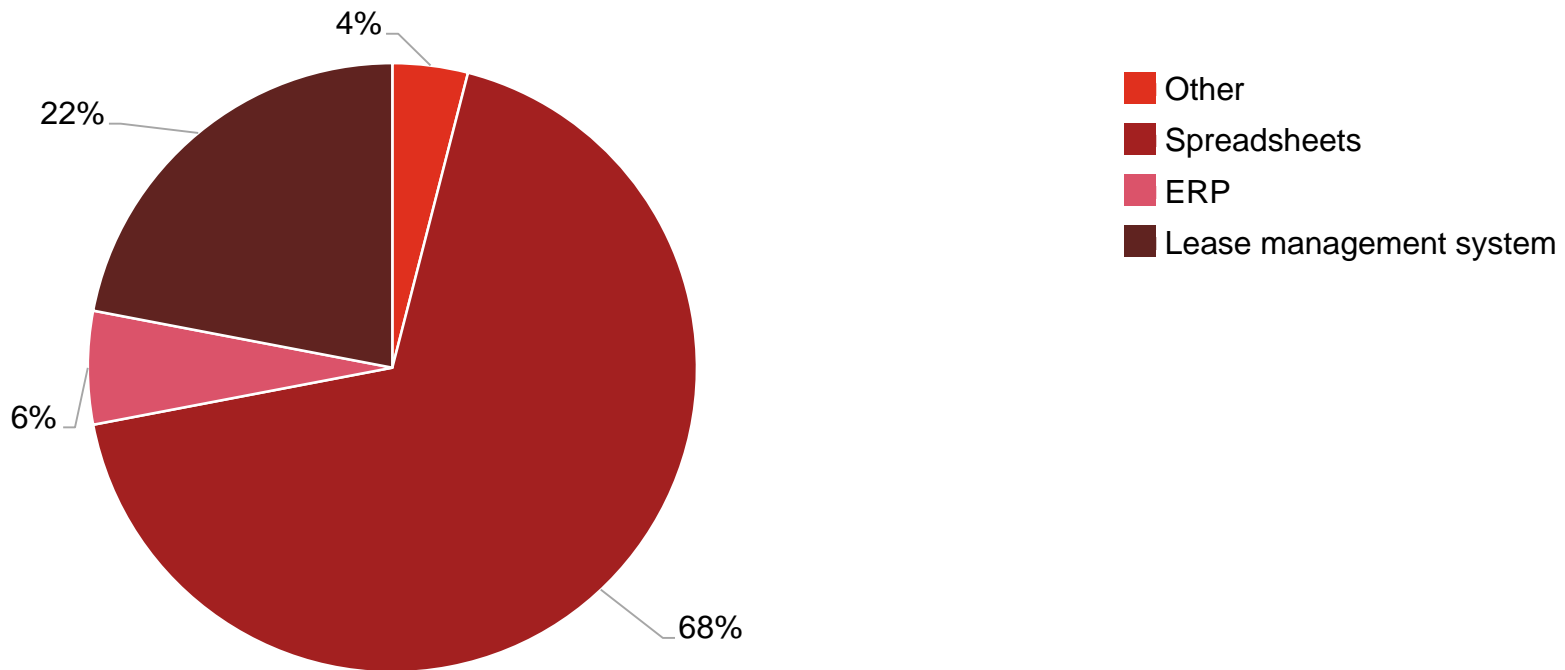
Do you expect your organization to reduce the square footage leased and/or the average lease term as a result of the new lease accounting?



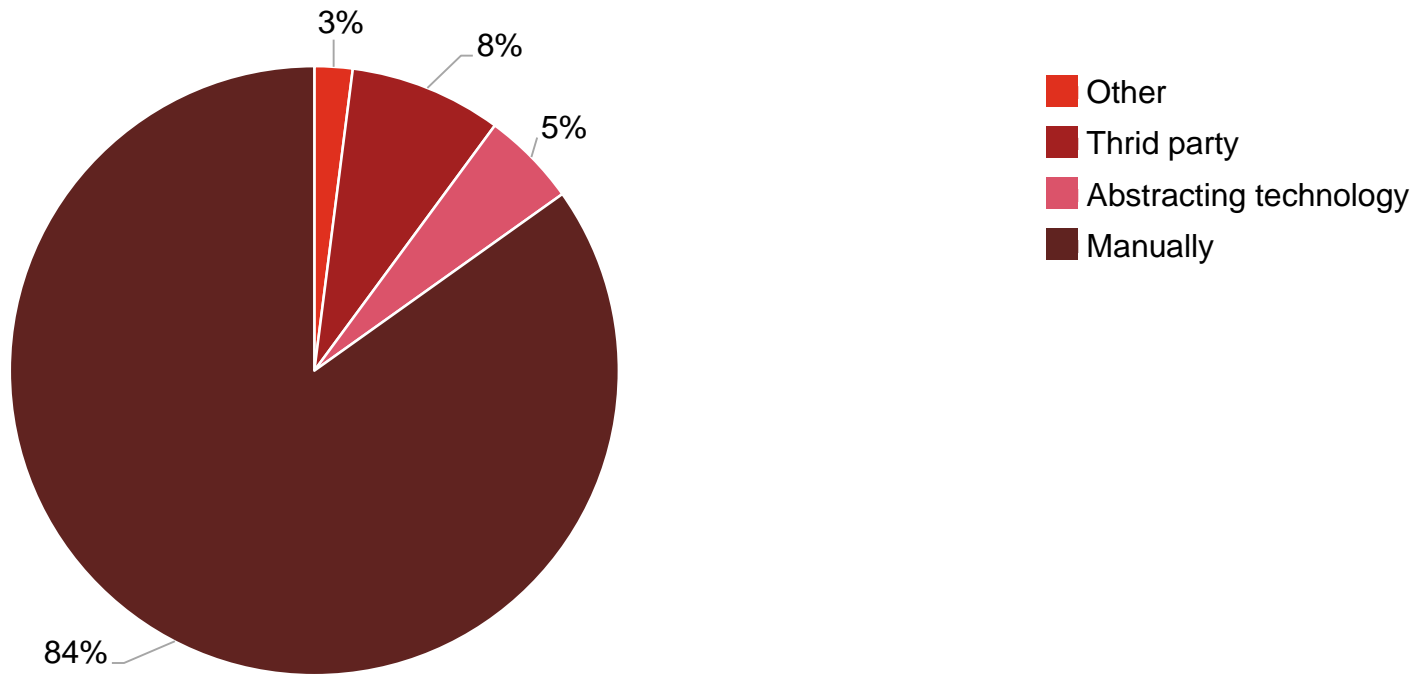
Does your organization have all its lease agreements and related accounting centralized or geographically dispersed?



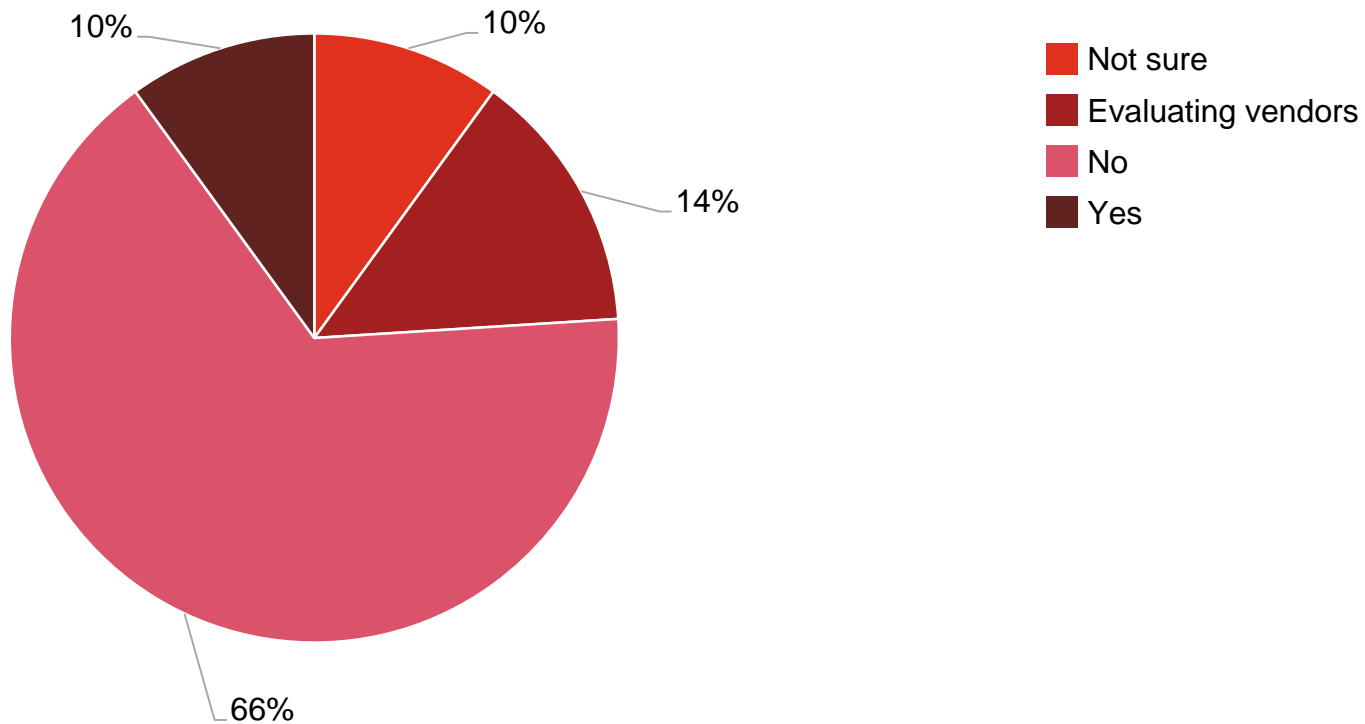
Which of the following best describes the primary system used for tracking leases and lease accounting?



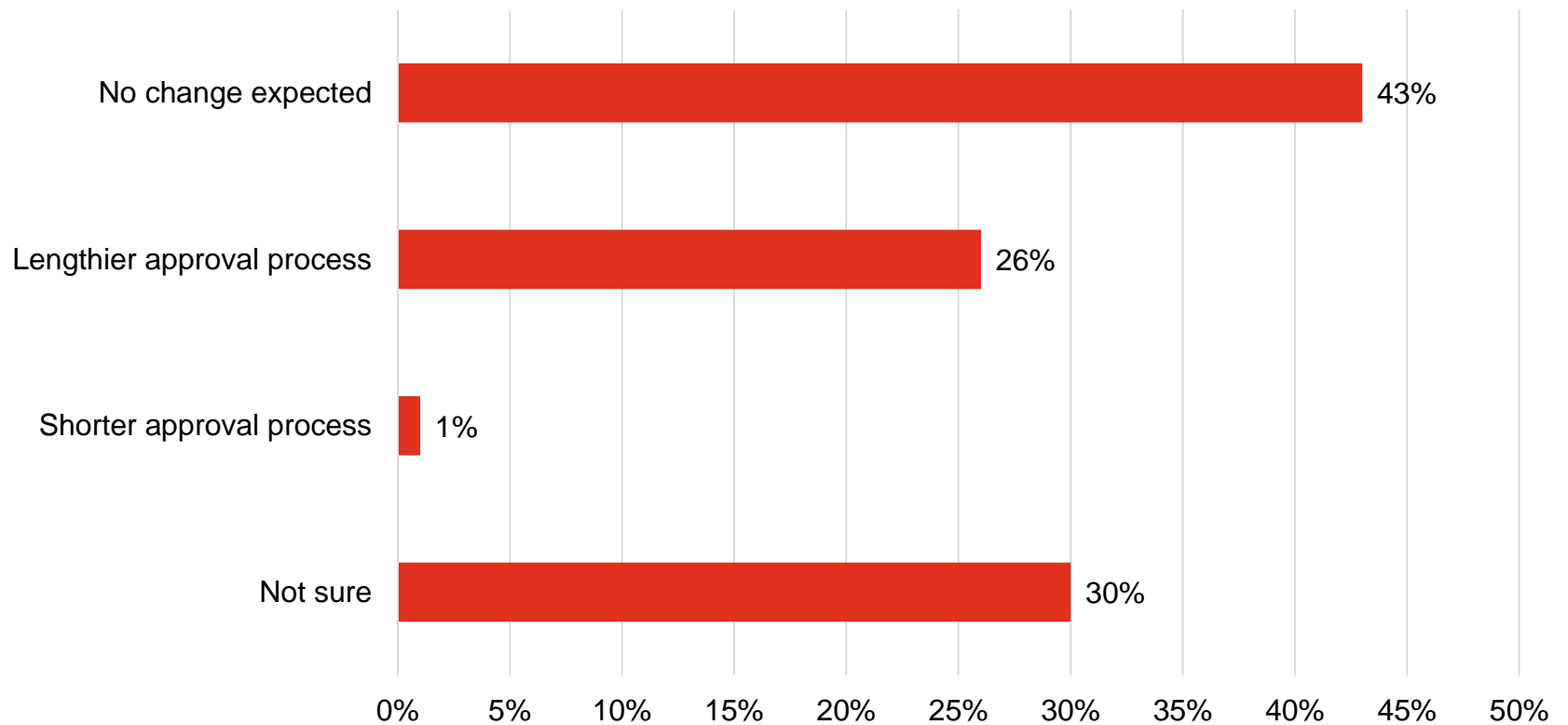
How do you currently abstract the key terms from your lease agreements?



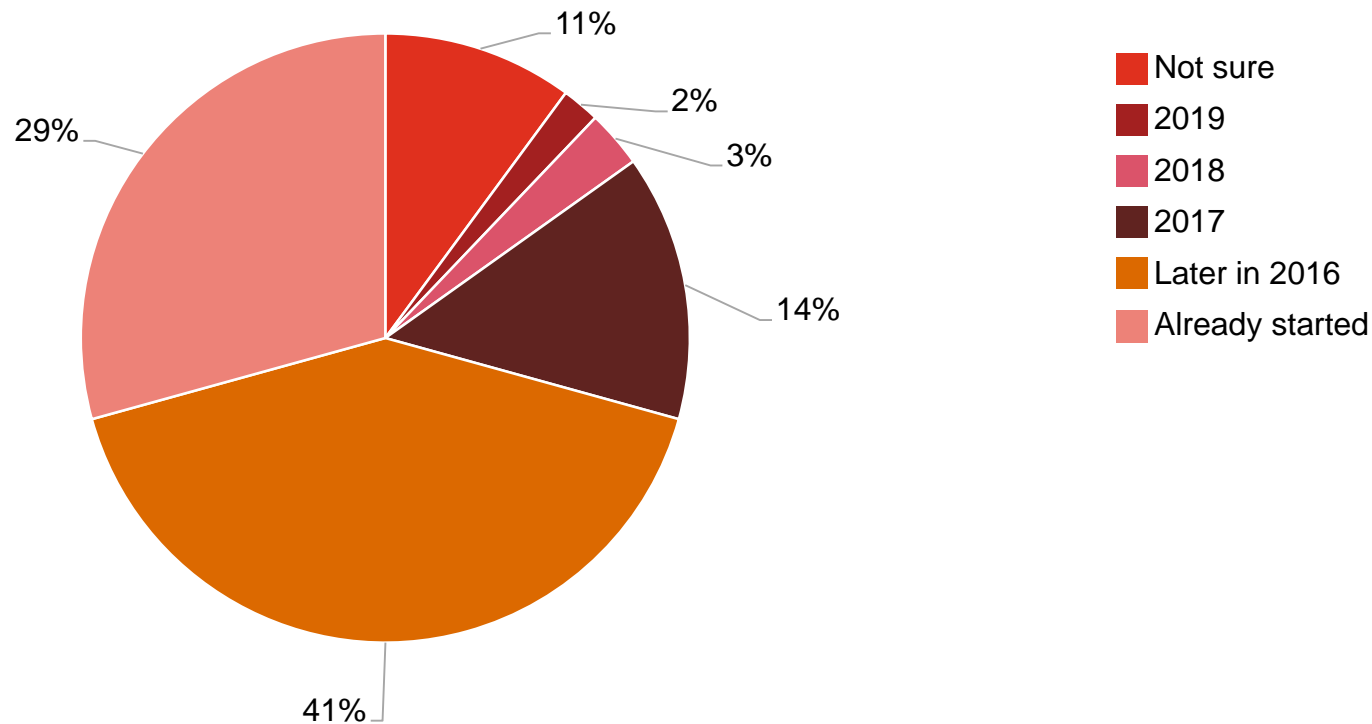
Have you selected a software solution to accommodate the new leasing requirements?



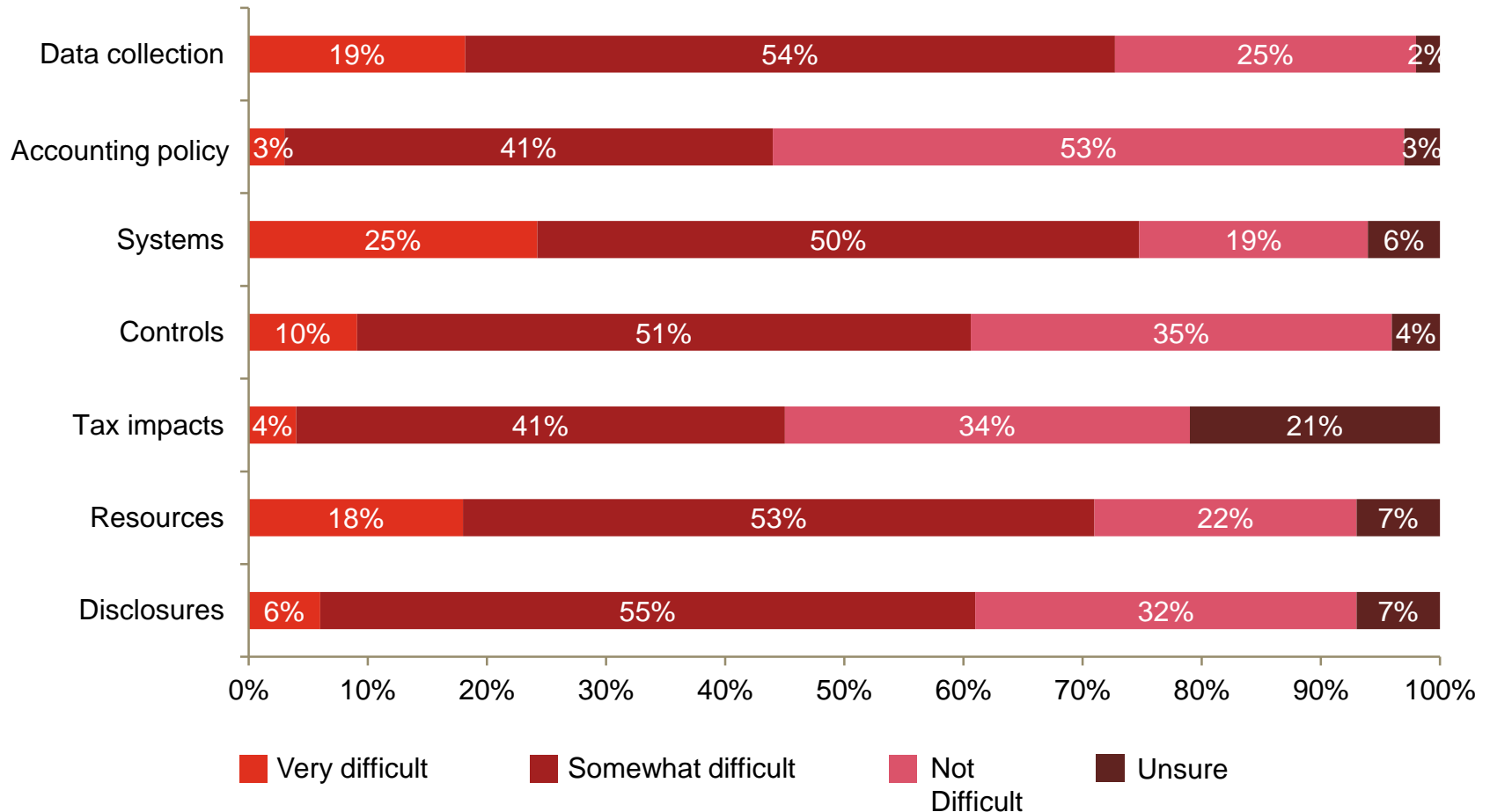
How do you expect the process and/or level of approvals necessary for leases considered material to change as a result of the new standards?



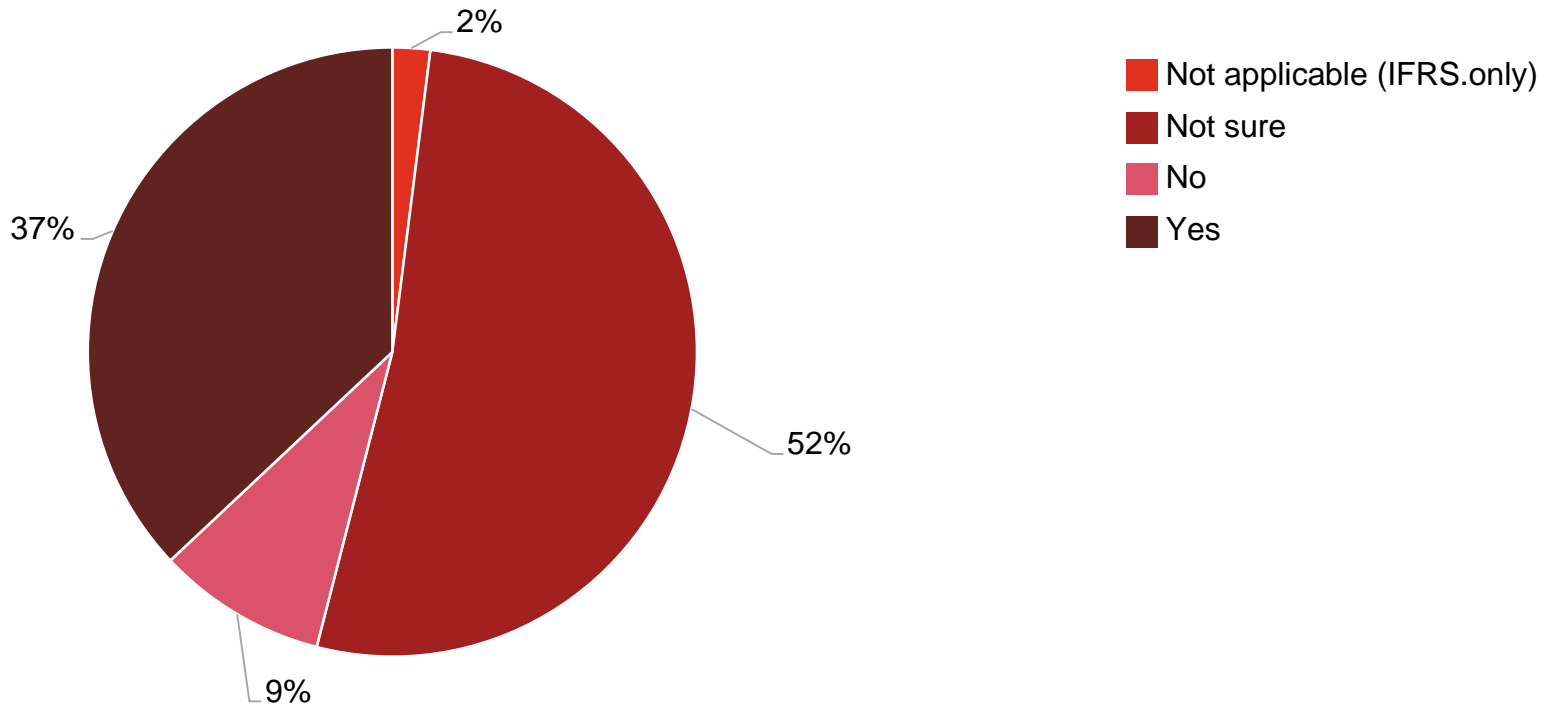
When does your company expect to begin implementation of the new standard and the related requirements?



For each of the following implementation considerations, please rate the potential difficulty level for:



FASB rules provide companies with certain specified reliefs upon transition that must be elected as a package and applied to all of a lessee's leases. Do you expect your company will take advantage of the specified reliefs upon adopting the new leasing standard?



Contacts

To have a deeper conversation about how the new lease accounting standards impact your organization, please contact your PwC representative or one of our lease accounting specialists:

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