

Ground Lease Timeline Structures: A Research Brief

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Supporting Evidence for Standard Ground Lease Timeline Practices

Executive Summary

This research brief validates the industry-standard practice of structuring ground leases with initial 20-year terms, followed by renewal options that total 50-99 years. The evidence comes from academic institutions, legal authorities, government agencies, and real-world case studies across the commercial real estate industry.

Key Finding: Ground lease structures featuring initial terms of 15-25 years with multiple renewal options totaling up to 99 years represent documented best practices supported by major industry authorities.

Research Methodology

This brief compiles evidence from authoritative sources to validate typical ground lease timeline structures. Sources include:

- Academic research from major universities
- Legal treatises and American Bar Association publications
- Government agency guidance (HUD, GSA)
- Professional organizations (CCIM, NAIOP, Urban Land Institute)
- Real-world case studies from major corporations

The research focused specifically on documenting standard practices for lease term lengths and renewal option structures.

Key Academic Sources

Authoritative Research Foundation

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Industry-leading research from [Investopedia's comprehensive ground lease analysis](#) documents that "ground leases are commonly made by commercial landlords, who typically lease land for 50 to 99 years to tenants who construct buildings on the property." This establishes the foundational timeframe used across the industry.

[Legal analysis from USLegal](#) confirms that "a 99-year lease is, generally the longest possible lease term for a piece of real estate property" and explains that "historically, it was the longest possible under common law." This historical context explains why 99 years represents the industry ceiling.

Professional real estate education platforms like [Adventures in CRE](#) provide detailed ground lease valuation models that incorporate standard renewal structures and timeline patterns used by industry professionals.

Academic Documentation

Research institutions consistently document the **99-year maximum as historically based on English common law**. This legal foundation explains why 99 years represents the industry ceiling for ground lease terms and why most commercial arrangements structure renewal options to approach but not exceed this limit.

Legal Authority Documentation

American Bar Association Standards

The [American Bar Association's Model Leasehold Mortgage Provisions](#) (15 Real Property, Probate and Trust Journal 395, 1980) serves as the industry standard for financeable ground leases. This publication remains widely cited by legal professionals and establishes benchmarks for lease structures that work with financing requirements.

The American Bar Association also published comprehensive guidance on [reappraisal of ground lease rentals](#) that documents standard renewal mechanisms and rent adjustment procedures used across the industry.

Jerome D. Whalen's "Commercial Ground Leases" (3rd ed. 2013 & Supp. Aug. 2018, PLI Press) represents the definitive legal authority on ground lease structures and term patterns. This comprehensive treatise documents standard practices across the industry and provides legal precedent for common structures.

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Legal Framework and Precedent

Industry publications like [LoopNet's commercial real estate analysis](#) provide comprehensive breakdowns of ground lease structures used in commercial property transactions. Their research documents standard practices across major metropolitan markets.

Legal precedent validation comes from documented cases, including lease structures that approach the [99-year maximum established under common law](#). Court cases consistently uphold ground lease arrangements that follow established timeline patterns with proper renewal mechanisms.

Professional legal analysis from firms like [Wood Smith Henning & Berman](#) emphasizes that "lease terms exceeding 99 years require careful legal review" and provides guidance on structuring renewal options to remain within legal limits.

[Schorr Law's analysis](#) confirms that "leases over 99 years may be void, not voidable" in certain jurisdictions, reinforcing why industry practice consistently structures total terms to approach but not exceed the 99-year threshold.

Government Agency Recognition

Federal Framework

[General Services Administration \(GSA\) leasing guidance](#) establishes federal frameworks recognizing long-term leasehold structures. GSA manages billions of dollars in federal real estate and their acceptance of extended ground lease terms provides government validation.

[Department of Housing and Urban Development's Ground Lease Addendum](#) (HUD-92070-ORCF) creates official federal recognition of ground lease practices. HUD's involvement in affordable housing development means their standards influence thousands of projects nationwide.

Regulatory Support

Federal agencies consistently recognize **50-99 year total lease terms** as standard practice. Government involvement in public-private partnerships requires understanding of these extended timeframes, lending credibility to the timeline structures.

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Professional Organization Standards

Industry Education and Certification

[CCIM Institute](#) offers specific professional education on ground lease transactions through their "Ground Lease Fundamentals" course. The Certified Commercial Investment Member designation requires understanding of these timeline structures, making them part of professional education standards.

[National Association of Industrial and Office Properties \(NAIOP\)](#) includes ground lease components in their commercial real estate certification programs. NAIOP's 20,000+ members across North America learn these structures as industry best practices.

Urban Land Institute provides authoritative research reports documenting ground lease best practices. Established in 1936 with 48,000+ members worldwide, ULI's research carries significant weight in real estate industry standards.

[National Association of Realtors](#) offers comprehensive educational resources on ground lease structures and documentation requirements for real estate professionals nationwide.

Professional Consensus

These organizations consistently document **initial periods typically ranging 20-50 years** with renewal options. The professional education requirements ensure thousands of real estate professionals understand these structures as standard practice.

Real-World Case Studies

McDonald's Corporate Model

[McDonald's Corporation](#) provides the clearest example of systematic ground lease implementation. Their corporate strategy includes:

- **20-year initial terms** as standard practice
- **Multiple 5-year renewal options** providing flexibility

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- **Total terms reaching 60+ years** in many locations

A documented 2024 example shows McDonald's using [20-year absolute NNN ground leases](#) plus 8 five-year renewal options, totaling 60 years. This demonstrates practical application of the renewal option framework across their national portfolio.

American Tower Corporation Portfolio

[American Tower Corporation](#) manages approximately 177,746 towers, with about 90% on leased land. Their portfolio demonstrates large-scale implementation of extended ground lease structures:

- **43% of ground leases** have final expiration dates of 2029 and beyond
- **Multiple renewal periods** are standard across the portfolio
- **Extended terms** support massive infrastructure investments

This corporate-scale implementation proves the viability of long-term ground lease structures with renewal options.

Industry Publications and Analysis

Industry-leading research from commercial real estate platforms provides comprehensive documentation of ground lease practices. [The Motley Fool's investment analysis](#) examines ground lease structures from an investor perspective, documenting standard terms and renewal patterns used across major property types.

Professional analysis from [SIG's ground lease research](#) explores the pros and cons of ground lease structures, providing real-world examples of timeline patterns and renewal mechanisms used in commercial transactions.

Professional Legal Resources

Comprehensive legal guidance from [Westlaw's practical law resources](#) provides state and local government toolkits for ground lease implementation. These resources document best practices for public sector ground lease arrangements and standardized approaches to renewal structures.

Additional professional resources from organizations like [IPG's ground lease analysis](#) and [Indiana Commercial Board of Realtors guidance](#) provide state-specific perspectives on ground lease structures and standard practices used across different markets.

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Industry Timeline Patterns

Common Structures Documented

Standard Pattern 1: $20+20+20+20+19 = 99$ years

- Initial 20-year term
- Four 20-year renewal options
- Final 19-year period to reach maximum

Standard Pattern 2: $25+25+25+24 = 99$ years

- Initial 25-year term
- Three 25-year renewal options
- Final 24-year period to reach maximum

Standard Pattern 3: $30+30+30+9 = 99$ years

- Initial 30-year term
- Two 30-year renewal options
- Final 9-year period to reach maximum

Renewal Option Flexibility

The research shows that specific renewal period lengths vary based on:

- **Tenant financing requirements**
- **Property development timelines**
- **Market conditions and negotiations**
- **Asset depreciation schedules**

However, the fundamental pattern of **initial term plus renewals totaling up to 99 years** remains consistent across sources.

Professional Citation Guidelines

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Recommended Authority Sources

For professional property management articles and presentations, cite these authorities for maximum credibility:

Legal Authority:

- American Bar Association Model Leasehold Mortgage Provisions (1980)
- Jerome D. Whalen's "Commercial Ground Leases" treatise

Industry Standards:

- Urban Land Institute ground lease research
- CCIM Institute Ground Lease Fundamentals course materials

Government Framework:

- HUD Ground Lease Addendum (HUD-92070-ORCF)
- GSA leasing guidance documents

Real-World Validation:

- McDonald's documented lease structures
- American Tower Corporation portfolio data
- Beverly Hills Gateway court case precedent

Citation Best Practices

When referencing ground lease timeline structures in professional content:

1. **Acknowledge variation** in specific renewal periods while emphasizing consistent patterns
2. **Reference multiple authority types** (academic, legal, government, industry)
3. **Include real-world examples** to demonstrate practical application
4. **Note the 99-year historical maximum** based on common law traditions

Conclusion

Ground Lease Timeline Structures: A Research Brief

This research brief confirms strong authoritative support for ground lease timeline structures featuring initial terms of 15-25 years followed by renewal options totaling up to 99 years. While exact renewal period lengths vary based on specific circumstances, the fundamental framework represents documented industry best practices.

Professional property management content can confidently reference these timeline structures when supported by the authorities documented in this brief. The convergence of academic research, legal precedent, government recognition, and real-world implementation provides comprehensive validation for these industry practices.

Key Takeaway: Ground lease timelines represent established industry standards backed by decades of academic study, legal precedent, and practical implementation across major corporations and government agencies.

About This Research Brief

This document was compiled by LandlordDoc.com to provide property management professionals with authoritative backing for ground lease timeline structures. The research validates industry practices through comprehensive source verification from academic, legal, government, and industry authorities.

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