

Current CAM Practice Financial Calculations ANSWER KEY

Make the following calculations using this information. Be sure to use annual numbers and whole dollars.

Monthly Gross Potential Rent: 2% Collection Loss (GPR X .02) 6.2% Vacancy (GPR X .062) 8% Other Income (GPR X .08)	\$144,160/\$1,729,920 \$34,598 \$107,255 \$138,394
What is the Annual Market Rent? (\$144,160 x 12)	\$1,729,920
What is the EGI (Effective Gross Income)? (\$1,729,920 - \$107,255 - \$34,598)	\$1,588,067 (GPR-VAC-COL = EGI)
What is the Economic Occupancy? (\$1,588,067/\$1,729,920)	91.8% EGI/GPR
How Much is Other Income? (\$1,729,920 X .08)	\$138,394
Operating Expenses are 45% of GOI. What is this number? (1,588,067+138,394=1,726,461) (\$1,726,461 X .45)	\$776,907 (GOI X .45)
Debt Service is \$450,000 Reserve for Replacement is \$150,000	
What are the Total Controllable Expenses? (\$776,907 + \$450,000 + \$150,000)	\$1,376,907 (OE + DS + RR = TE)
How much is NOI? (\$1,588,067 + \$138,394 = \$1,726,461) (\$1,726,461 - \$776,907)	\$949,554 (GOI = EGI + OI) (GOI - OE = NOI)
What is the amount of Cash Flow? (949,554 - \$450,000 - \$150,000)	\$349,554 (NOI - DS - RR = CF)
What is the Cash-on-Cash Return if the Owner invested \$2 million? (349,554/\$2,000,000)	17.5% (CF/\$2million)

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Your Total Income missed budget by \$10,214. The budget was \$156,016

What percent was the negative variance? (Use one decimal place) **6.5%**

(\$10,214/\$156,016 = .0654676 or 6.5%)

23% of 4,967 is what number? (use whole numbers) 1,142 (4967 X .23 = 1142.41 or 1142)

135 is what percent of 367? (use one decimal place) 36.8% (135/367 = .3678474 or 36.8)

A property has NOI of \$2,130,287. It contains 369,362 total square feet.

What is the NOI per square foot per month? (use dollars and cents) \$.48/sq.ft/month
 (2,130,287/369,362 = 5.7674774 or 5.77/12 = .480833 or .48)

Fill in the following blanks. Use whole dollars and extend percentages to one decimal place.

The Property has an annual GPR of	\$2,425,760
What Percent of GPR is Vacancy if it totals \$207,589? ($\$207,589/\$2,425,760$)	8.6% VAC/GPR = %
What Percent of GPR are Concessions at \$65,223 ($65,223/\$2,425,760$)	2.7% CON/GPR
Other Income is 6.2% of GPR. What amount is this? ($\$2,425,760 \times .062$)	\$150,397 (GPR X .062)
Operating expenses are \$992,937. Is this over or under the industry standard of 43% of GPR? What % of GPR are the expenses. (NOTE – this is NOT the Operating Expense Ratio) ($\$992,937/\$2,425,760 = .40933$ or 41%)	OVER _____ UNDER ___X___ 41% (OE/GPR)
What is Gross Operating Income for this Property? ($\$2,425,760 - \$207,589 - \$65,223 + \$150,397$)	\$2,303,345 (GPR-VAC-CON+OI=GOI)
If NOI is \$1,310,408, what is the value of the property using a cap rate of 6.5%? ($\$1,310,408/.065$)	\$20,160,123 (NOI/CAP RATE)
If the Property has 294 units, what is the value per unit? ($\$20,160,123/294$)	\$68,572 (VALUE/UNITS)

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There are 344 units at the property. There were 207 move outs last year.

What was last year's turnover rate? (207/344 = .6017441 or 60.2%)

The following service requests were completed in the first 5 months:

51, 72, 74, 80, 73. How many may be estimated to be complete for the year? 840 requests
 (51+72+74+80+73 = 350 / 5 months = 70 per month x 12 months)

What is the renewal increase percent if the old rent was \$690 and the new rent is \$745?

8.0%

(\$745 - \$690 = \$55 increase; $\$55/\$690 = .079710$ or 8.0% increase)

There were 77 visitors to the property last month; 9 of those were returns. There were 24 leases. What was the closing ratio?

35.3%

(77 - 9 returns = 68; 24 leases/68 visitors = $.3529411$ or 35.3%)

To reach the goal of 26 leases in the next 30 days, how much traffic is needed with a 29% closing ratio?

90 traffic

(26 leases/.29 (29%) closing = 89.655172 or 90)