



# I. Math is Everywhere!



# Daily Division

- A 650 square foot apartment rents for \$725. What is its rent per square foot?
- **SOLUTION:** \$725 divided by 650 = \$1.12
- A marketing company agrees to change your ad no less than 17 times in a year. How many times will the ad be changed each month?
- **SOLUTION:** 17 divided by 12 months = 1.42 times

# Multiplication Magnifies

- A property has twenty four 650 square foot A-plan apartments. What is the total square footage in A-plan apartments?
- **SOLUTION:** 24 times 650 = 15,600 sq. ft.
- Each week for the last 12 weeks you have had to replace 14 toilet flappers. How many flappers have you replaced? If each costs \$2.42, how much have you spent in total?
- **SOLUTION:** 12 times 14 = 168 flappers; 168 times \$2.42 = \$406.56

# Percentages

To find what percent one number is of another, divide the PART by the WHOLE.

EXAMPLE: 7 is what percent of 48?

**SOLUTION:** 7 divided by 48 = .1458333 OR  
14.6%

# Percentage Portions

- Vacancy Loss this month is \$2,486. Gross Potential Rent is \$126,106. What is the percent of vacancy loss?

**SOLUTION:** \$2,486 divided by \$126,106 = .0197 or 1.97% or 2.0%

- A property has 294 units. 124 are one bedrooms – what percent of the property is TWO bedrooms?

**SOLUTION:** 294 – 124 = 170 two bedrooms; 170 divided by 294 = .57823 or 57.8%

# Decimal & Percent Problems

- Annual Gross Potential Rent is \$826,106. Collections Losses are 1.4% of GPR. How much are Collections Losses?
- 64 pieces of traffic from the Internet visited the property last month. If 32% of traffic comes from the Internet, how many total pieces of traffic are there?
- The rent has been increased on the A-2 from \$685 to \$729. What is the percentage of increase?

# SOLUTIONS

- $\$826,106 \text{ times } .014 \text{ (1.4\% expressed as a percent)} = \$11,565 = \text{Total Collection Losses}$
- $64 \text{ divided by } .32 \text{ (32\% expressed as a decimal)} = 200 \text{ pieces of traffic}$
- $\$729 \text{ (new rent) minus } \$685 \text{ (original rent)} = \$44 \text{ more rent. } \$44 \text{ divided by } \$685 \text{ (the original rent)} = .0642335 \text{ or } 6.4\%$



## II. Daily Operations and the Financial Statement



# Understand the Language

**\$ per Sq. Ft.**

(\$1.08/sq.ft. monthly; \$12.96/sq.ft. annually)

**\$ per Unit or per Door**

(\$1,214/mo average)

**% of GPR**

Marketing Expense is 1.5% of GPR

**Averages**

Annual Utility Costs average \$523/unit

**Monthly vs. Annual**



# III. Budgets, Variances, Trends and the Owner's Point of View



# Variations

A variance is an amount that varies from a projected amount. It can be a positive variance or a negative variance. It may be expressed as a variance %, a variance dollar or % of GPR.

# Sample Variance

EXAMPLE: Other Income is budgeted for the year at \$172,500. Actual Other income for the year is \$164,859. What is the variance to budget?

**SOLUTION:**  $172,500 - 164,859 = (7,641)$  negative variance.  $7,641$  divided by  $\$172,500$  (budget) =  $.0442956$  or (4.4%) variance to budget.



# Critical Calculations are a Part of Your Every Day!

**They Reflect the Value  
of your Property!**

# Test Study Tools – NAA Website

Learn/Education/DesignationPrograms/CandidateResources

- CAM Skill Checks
- Sample Test Questions & Answers
- Sample Application Skill Checks
- CAM Glossary
- CAM Finance Sample Worksheet & Answers
- CAM Test Prep Webinar – free on learning management system (CPS)



# ONE MORE TEST TOOL!!

CAM Text - Financial Management  
Toolbox!!  
Tons of Formulas and Definitions!

