State of Montana Property Management Pre-Licensing Course Math Test

1.	What is the annual rent paid on a unit with a rental agreement that calls for 3% of gross sales or \$400/mo, whichever is greater? Gross income for 2012 totaled \$154,000.
2.	What is the annual and monthly rent on an office space 70' x 40' at \$8.25 per square foot per year?
3.	What is the monthly management fee on a space 50' x 40' at \$8 per square foot, if the commission is 10%?
4.	A building is 5,000 square feet and the rent is \$3,000/mo. What is the annual rent per square foot?

5.	The rent on a six-plex is \$600 per unit. What is the effective gross income (EGI) if you have two vacancies?
6.	Find the NOI, EGI, and CASH FLOW for the property below:
	(All figures are monthly) 50 units at \$400 each

10% vacancy

Utility costs

Property Tax

Debt service

Maintenance costs

Management fee

\$1,500 \$500

6%

\$1,320

\$8,860

Income/Expense: (Profit + Loss = Receipts/Disbursements) Income: Gross Possible Rental Income Vacancy **Effective Gross Income Expenses:** Maintenance Utilities Management Fee **Property Tax Total Expense Net Operating Income (NOI) Gross Potential Income (GPI) Debt Service**

Form for Problem #6

Cash Flow

7.	What is the monthly rent on the following commercial building if the annual rents are as
	follows?

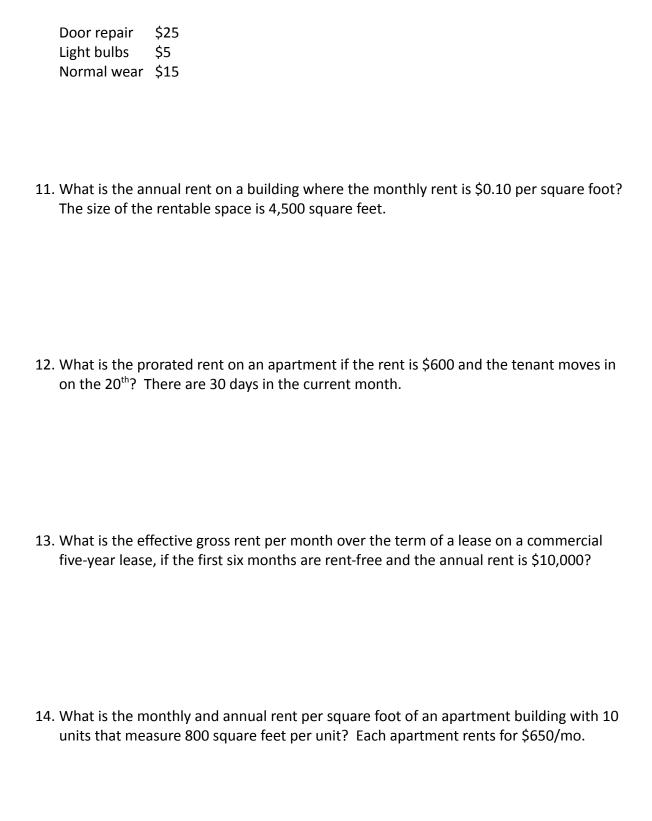
Floor 1	50' x 40'	\$5/SF
Floor 2	20' x 40'	\$6/SF
Floor 3	20' x 40'	\$7/SF

8. What is the effective gross income (EGI) on an apartment building that has 60 units renting for \$500 per unit? The vacancy rate is 10%.

9. What is the EGI on a building with 100 apartments renting at \$400/unit? At present, there are 25 vacant units.

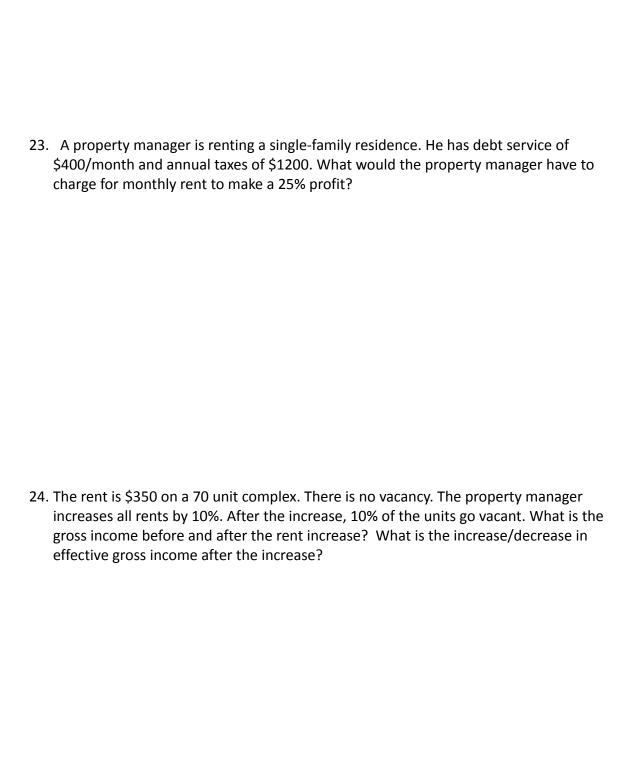
10. The tenant's security deposit is \$375. What security deposit should be returned to the tenant, if after the final inspection and move-out the following were due:

Extra day rent \$17 Late fees \$20



	What is the monthly rent on a building that measures 50' x 75'? The annual rent is \$18,400.
16.	What is the vacancy rate of a single family home that is rented for 11 out of 12 months?
	What is the vacancy rate of an apartment building that has 10 units and during the year 3 units are vacant for 2 months each?
	You are managing a 100 unit apartment complex and your cost of doing business to manage these units is \$15,000. What would your fee and markup have to be per unit to maintain a 10% profit?
	Using problem 18, what commission should you charge to maintain this per unit cost if the gross possible income (GPI) is \$250,000 with a 10% vacancy rate?

20.	You are managing a four-plex and each unit rents for \$500/mo. The operating cost for the year is \$6,000. What is the distribution you will send the owner at the end of the month?
21.	You are managing a 50 unit apartment building. The current rent is \$450 per unit. There are no vacancies. The owner wants you to raise the rents 10%. After raising the rent, five tenants move out. What is the difference in EGI after you raised the rents?
22.	You are managing 600 units and want to make 23% profit. Direct expenses are \$40,000 and indirect expenses are \$10,000. What fee per unit must you charge?



25. If the Gross Potential Income (GPI) is \$200,000 and the Effective Gross Income is \$188,000, what is the monthly vacancy loss over the course of one year?

20 Correct = 80%