

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

Maintenance costs \$1,500

Utility costs \$500

Management fee 6%

Property Tax \$1,320

Debt service \$8,860

Form for Problem #6

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 _____

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

Door repair \$25
Light bulbs \$5
Normal wear \$15

11. What is the annual rent on a building where the monthly rent is \$0.10 per square foot? The size of the rentable space is 4,500 square feet.

12. What is the prorated rent on an apartment if the rent is \$600 and the tenant moves in on the 20th? There are 30 days in the current month.

13. What is the effective gross rent per month over the term of a lease on a commercial five-year lease, if the first six months are rent-free and the annual rent is \$10,000?

14. What is the monthly and annual rent per square foot of an apartment building with 10 units that measure 800 square feet per unit? Each apartment rents for \$650/mo.

15. 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?
17. 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?
18. 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?
19. 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?

23. A property manager is renting a single-family residence. He has debt service of \$400/month and annual taxes of \$1200. What would the property manager have to charge for monthly rent to make a 25% profit?

24. The rent is \$350 on a 70 unit complex. There is no vacancy. The property manager increases all rents by 10%. After the increase, 10% of the units go vacant. What is the gross income before and after the rent increase? What is the increase/decrease in effective gross income after the increase?

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%