Math Test

1. **What is the annual and monthly rent on an office space 70' x 40' at $8.25 per square foot per year?**

2. **A commercial building is 5,000 square feet and the rent is $3,000/mo. What is the annual rent per square foot?**

3. **The rent on a six-plex is $600 per unit. What is the monthly effective gross income (EGI) if you have two vacancies?**

4. **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.**

5. Find the monthly EGI, NOI and CASH FLOW for the property below:

(All figures are monthly)
50 units at $400 each - **GPI**
10% vacancy / 5 Units - **EGI**

Maintenance costs	$1,500
Utility costs	$500
Management fee	6% - $1,080
Debt service	$8,860

Income:
Gross Possible Rental Income
Vacancy
Effective Gross Income

Expenses:

Maintenance	$1,500
Utilities	$500
Management Fee	0.06 x $18,000 = $1,080

Total Expense

Net Operating Income (NOI)
Debt Service
Cash Flow

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

7. 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

8. What is the prorated rent on an apartment if the rent is $1200 and the tenant moves in on the 10th? There are 30 days in the current month.

9. What is the monthly rent on a building that measures 50' x 75'? The annual rent is $18,400.

10. What is the vacancy rate of a single family home that is rented for 11 out of 12 months?

11. 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 20% profit?

12. 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?

13. 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 moved out. What is the difference in the monthly EGI after you raised the rents?

14. You are managing 500 units and want to make 20% profit. Direct expenses are $40,000 and indirect expenses are $10,000. What fee per unit must you charge?

15. 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?

<u>GP Before Increase:</u>

<u>GP After Increase:</u>

<u>EGI After Increase:</u>

16. What is the definition of Cash Flow?

A) Net operating income minus property taxes and insurance only

B) Gross potential income minus capital improvements and depreciation

C) Gross potential income minus vacancies, plus other income, minus expenses and debt service

D) Gross scheduled rent minus property management fees and reserves