

**Sample Test Questions**

1. From the most recent demographic reports, the leasing professional of XYZ Apartments observes that 40% of the prospective residents work at the local Air Force base, 20% work in the metropolitan downtown area, 10% work in law firms, 20% work in government offices, and 10% are unknown/other. Where would be the best place for XYZ Apartments to focus marketing outreach efforts? (Choose only one.)
- A. Local military base
  - B. Nearby colleges/universities
  - C. Government Internet site
  - D. Local law firms

2. Which marketing method is the least cost effective for traffic generation?

Method	Cost Per Month	Traffic Per Month	Leases Per Month
Radio advertisement	\$1,200	27	6
Online locator website	\$150	4	1
Unlicensed sign	\$1,200	16	3
Resident referral	\$800	4	2

- A. Online locator website
  - B. Radio advertisement
  - C. Unlicensed sign
  - D. Resident referral
3. Market conditions are driving current rents down by an average of 10%, and properties are experiencing an increase in the number of current residents giving notice to vacate. As a result, which of the following is most likely to occur? (Choose only one.)
- A. Increased economic occupancy
  - B. Increased use of concessions
  - C. Decreased economic occupancy
  - D. Decreased use of concessions

4. The cost to upgrade 25 units will be \$3,500 per unit. The owner wants to scale back by replacing only refrigerators instead of all appliances, reducing the cost to \$2,800. What is the payback period if the additional market rent is now \$54 per month? (Choose only one.)
- A. 52 months
  - B. 31 months
  - C. 39 months
  - D. 45 months
5. The following table contains unit type, rent, date vacated, made-ready date, and move-in date information for five units at XYZ Apartments.

<b>Apt. No.</b>	<b>Unit Type</b>	<b>Rent</b>	<b>Vacated</b>	<b>Made Ready</b>	<b>Move In</b>
104	1/1	\$850	Nov. 3	Nov. 8	Nov. 9
107	1/1	\$975	Nov. 6	Nov. 19	Nov. 19
212	2/2	\$1,450	Nov. 22	Nov. 30	Dec. 5
435	2/2, Den	\$1,855	Nov. 17	Nov. 23	Nov. 26
513	2/2	\$1,565	Nov. 11	Nov. 16	Nov. 17

Which unit lost the most rent? (use a 30-day month)

- A. 104 lost \$170
  - B. 107 lost \$423
  - C. 212 lost \$628
  - D. 435 lost \$556
6. XYZ Apartments is a 250-unit high-rise community. Two months into the new fiscal year, news is posted that the largest employer in the area is transitioning its business overseas. The market is saturated with newer multi-family construction while existing home ownership is declining due to more stringent lending standards. The choice to rent is overshadowing the desires of homeownership. Employees at the aforementioned company occupy 60% of the property's units.
- A. Reforecast the budget for the year
  - B. Conduct a market survey
  - C. Start a new aggressive resident referral program
  - D. Hold a strategic meeting with the owner

7. XYZ Apartments consists of 363 one-, two-, and three-bedroom units. Property amenities include a swimming pool, a pet park, a lighted tennis court, a fitness center, a playground, and three barbeque and picnic areas. The community also has 375 parking spaces and an on-site laundry care center with six washers and dryers. The resident profile is a blend of families, singles, and couples, with children present in more than half of the apartments. A majority of residents are upper blue collar to white collar workers in largely administrative and professional roles.

What resident event would most likely be a success?

- A. A wine tasting party
  - B. A barbeque cook-off and pot-luck
  - C. A bridge game competition
  - D. A tour bus trip to casinos in the next state
8. A property owner is concerned with the 60-day trend and low property closing ratio. Many prospective residents have leased at neighboring communities that have upgraded interiors but comparable rents (price per square foot). Leasing team members claim that they are having a hard time overcoming objections to old countertops and appliances. Your supervisor schedules a meeting to meet with the owner to discuss the best response. In preparing for the meeting, which of the following **is most essential**:
- A. Complete and recheck the year to date owner's reports for accuracy
  - B. Review leasing agent closing ratios for previous months to find problems
  - C. Recheck market comps with calls and undercover shops
  - D. Aggressively work renewals

9. The table below illustrates the rent schedule for an apartment community:

Unit Type	Number of Units	Square Feet per Unit	Total Square Feet	Monthly Rent per Unit	Total Monthly Rent	Rent per Square Foot
1x1	80	467	37,360	\$489	\$39,120	\$1.04
1x1	100	580	58,000	\$559	\$55,900	\$0.96
1x1	100	685	68,500	\$599	\$59,900	\$0.87
2x1	120	911	109,320	\$739	\$88,680	\$0.81
<b>Total</b>	<b>400</b>		<b>273,180</b>		<b>\$243,600</b>	

Which unit type would have the highest impact if rents were changed across the board?

- A. Small 1x1
- B. Large 1x1
- C. Medium 1x1
- D. Two bedrooms

10. XYZ Apartments is a 400-unit apartment community with 350,000 total square feet. The following operating statement for XYZ Apartments is for the period ending August 31. XYZ Apartments has experienced 140 move-outs as of August 31.

Account	MTD Actual	MTD Budget	\$ Variance	YTD Actual	YTD Budget	\$ Variance	Annual Budget
<b>Revenue</b>							
Rent	476,018	504,082	-28,064	3,706,704	3,816,507	-109,802	5,905,291
Vacancies	-83,409	-35,286	-48,123	-723,651	-372,784	-350,867	-518,999
Other Revenue	7,028	3,452	3,576	43,288	27,616	15,672	41,424
<b>Total Revenue</b>	<b>399,637</b>	<b>472,248</b>	<b>-72,612</b>	<b>3,027,350</b>	<b>3,471,339</b>	<b>-443,989</b>	<b>5,427,716</b>
<b>Expenses</b>							
Renting Expenses	12,160	11,730	-430	61,878	96,640	34,762	143,860
Management Fees	15,348	15,348	0	112,458	112,819	361	176,401
Administrative Expenses	7,638	6,080	-1,558	84,852	47,660	-37,192	71,100
Electric	1,276	8,100	6,824	52,047	48,500	-3,547	68,700
Gas & Oil	2,014	7,700	5,686	229,868	203,800	-26,068	269,500
Water & Sewer	-51	18,600	18,651	146,156	148,800	2,644	223,200
Maintenance	34,901	17,054	-17,847	200,427	170,760	-29,667	254,472
Salaries & Related Expenses	35,020	37,182	2,162	334,298	335,542	1,243	512,311
Taxes	27,048	27,048	0	219,275	216,383	-2,892	324,574
Insurance	8,853	8,853	0	72,342	70,825	-1,517	106,238
<b>Total Operating Expenses</b>	<b>155,509</b>	<b>169,203</b>	<b>13,694</b>	<b>1,584,090</b>	<b>1,522,943</b>	<b>-61,147</b>	<b>2,257,952</b>
<b>Net Operating Income (NOI)</b>	<b>244,127</b>	<b>303,045</b>	<b>-58,917</b>	<b>1,443,260</b>	<b>1,948,396</b>	<b>-505,136</b>	<b>3,169,764</b>

The 2013 NAA Income and Expense Report notes an average operating expense for market garden apartments at \$4.81 per square foot. What is the XYZ operating expense per square foot?

- A. \$4.53 per square foot
- B. \$4.35 per square foot
- C. \$6.45 per square foot
- D. \$6.79 per square foot

## Answer Key

1. C
2. D
3. A
4. A
5. C
6. D
7. B
8. C
9. D
10. D