



CAM V2 Practice Financial Calculations [ANSWER KEY]

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Make the following calculations using this information. Be sure to use **annual numbers** and **whole dollars**.

Monthly Gross Market Rent:	\$213,418
2.6% Loss to Lease (GMR X .026)	\$66,586
2% Collection Loss (GPR X .02)	\$49,889
6.2% Vacancy (GPR X .062)	\$154,655
8% Other Income (GPR X .08)	\$199,554
What is the Annual Market Rent (GMR)? $(\$213,418 \times 12)$	\$2,561,016
What is the Annual Gross Potential Rent (GPR)? $(\$2,561,016 - 66,586)$	\$2,494,430 (GMR-LtL = GPR)
What is the Total Rent Revenue (TRR)? $(\$2,494,430 - 49,889 - 154,655)$	\$2,289,886 (GPR-VAC-COL = TRR)
What is the Economic Occupancy? $(\$2,289,886 / 2,494,430)$	91.8% TRR/GPR
How Much is Other Income? $(\$2,494,430 \times .08)$	\$199,554 (GPR X .08)
Operating Expenses are 45% of EGI. What is this number? $(2,289,886 + 199,554 = 2,489,440) (\$2,489,440 \times .45)$	\$1,120,248 (TRR + OI = EGI) (EGI X .45)
Debt Service is \$650,000 Reserve for Replacement is \$150,000	
What are the Total Property Expenses (All)? $(\$1,120,248 + \$650,000 + \$150,000)$	\$1,920,248 (OE + DS + RR = TE)
How much is NOI? $(\$2,289,886 + \$199,554 = \$2,489,440)$ $(\$2,489,440 - \$1,120,248)$	\$1,369,192 (EGI = TRR + OI) (EGI - OE = NOI)
What is the amount of Cash Flow? $(\$1,369,192 - \$650,000 - \$150,000)$	\$569,192 (NOI - DS - RR = CF)
What is the Cash-on-Cash Return if the Owner invested \$5 million? $(\$569,192 / \$5,000,000)$	11.4% (CF/\$5million)



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Your Total Income missed budget by \$10,214. The budget was \$156,016

What percent was the negative variance? (Use one decimal place) 6.5%

$(\$10,214/\$156,016 = .0654676 \text{ or } 6.5\%)$

23% of 4,967 is what number? (use whole numbers) 1,142 (4967 X .23 = 1142.41 or 1142)

135 is what percent of 367? (use one decimal place) 36.8% (135/367 = .3678474 or 36.8)

A property has NOI of \$2,130,287. It contains 369,362 total square feet.

What is the NOI per square foot per month? (use dollars and cents) \$.48/sq.ft/month

$(2,130,287/369,362 = 5.7674774 \text{ or } 5.77/12 = .480833 \text{ or } .48)$

Fill in the following blanks. Use whole dollars and extend percentages to one decimal place.

The Property has an annual GPR of	\$2,425,760
What Percent of GPR is Vacancy if it totals \$207,589? $(\$207,589/\$2,425,760)$	8.6% VAC/GPR = %
What Percent of GPR are Concessions at \$65,223 $(65,223/\$2,425,760)$	2.7% CON/GPR
Other Income is 6.2% of GPR. What amount is this? $(\$2,425,760 \times .062)$	\$150,397 (GPR X .062)
If the Loss to Lease is 4.2% what is the Gross Market Rent (GMR)? $(\$2,425,760/.958) \times 100$	\$2,532,109 (GPR ÷ %Occ = GMR)
Operating expenses are \$992,937. Is this over or under the industry standard of 43% of GPR? What % of GPR are the expenses. (NOTE – this is NOT the Operating Expense Ratio) $(\$992,937/\$2,425,760 = .40933 \text{ or } 41\%)$	OVER _____ UNDER ___X___ 41% (OE/GPR)
What is Effective Gross Income for this Property? $(\$2,425,760 - \$207,589 - \$65,223 + \$150,397)$	\$2,303,345 (GPR-VAC-CON+OI)
If NOI is \$1,310,408, what is the value of the property using a cap rate of 6.5%? $(\$1,310,408/.065)$	\$20,160,123 (NOI/CAP RATE)



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If the Property has 294 units, what is the value per unit? $(\$20,160,123/294)$	$\$68,572$ $(\text{VALUE}/\text{UNIT})$
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There are 344 units at the property. There were 207 move outs last year.

What was last year's turnover rate? $(207/344 = .6017441 \text{ or } 60.2\%)$

The following service requests were completed in the first 5 months:

51, 72, 74, 80, 73. How many may be estimated to be complete for the year? 840 requests
 $(51+72+74+80+73 = 350 / 5 \text{ months} = 70 \text{ per month} \times 12 \text{ months})$

What is the renewal increase percent if the old rent was \$1915 and the new rent is \$2145?

$(\$2145 - \$1915 = \$230 \text{ increase}; \$230/1915 = .1201 \text{ or } 12.0\% \text{ increase})$ 12.0%

There were 77 visitors to the property last month; 9 of those were returns. There were 24 leases. What was the closing ratio?

$(77 - 9 \text{ returns} = 68; 24 \text{ leases}/68 \text{ visitors} = .3529411 \text{ or } 35.3\%)$ 35.3%

To reach the goal of 26 leases in the next 30 days, how much traffic is needed with a 29% closing ratio?

$(26 \text{ leases}/.29 (29\%) \text{ closing} = 89.655172 \text{ or } 90)$ 90 traffic