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Rent Roll Analytics Baseline Data

SPOTLIGHT PAGE

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WIN Publishing – Spotlight Pages

Each report delivers methods, measures, or processes that are intended to have a positive impact on your rental property assets. The reports may validate your thinking, provide new knowledge, and sometimes offer further information towards a "course correction" in advance of important decisions.

Books by the author:

How to Read a Rent Roll: A Guide to Understanding Rental Income Rent Roll Triangle: The Ultimate Rental Property Grading System 12 Steps Homeownership: A Guide for First-time Homeowners

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Rent Roll Analytics – Baseline Data

At the start of rent roll analysis, you must have the basics. Having the basics in hand, rent roll analysis can begin with simple, yet powerful outputs that tell you about the financial strength, or quality of income, derived from your rental property.

Baseline data is basic information gathered by your team. It is used to provide a comparison for assessing facts provided by ownership or management.

Baseline data is fact—based information used in the creation of the rent roll. Baseline data is everything collected to insert into the rent roll with the objective of validating rental income; baseline data includes property and financial information provided from sources other than the seller or seller's representative. Baseline data includes all the following information:

- Income
- Expenses
- Vacancy
- Address
- Unit Numbers
- Built Square Feet

Income in this case is rental income as derived from your lease file review. On the rent roll, you are not looking to ascertain ancillary income sources- just rents. As rents represent the clear majority of income from rental property this is where to focus your attention on the income side.

Expenses, while not necessarily a "rent roll" component, you will be reviewing expenses as a percentage of income, therefore, it is a necessary component and part of baseline data.

Vacancy is reflected in various ways and through various means. For baseline data purposes, what is vacancy as a percentage of occupied units and in-place leases?

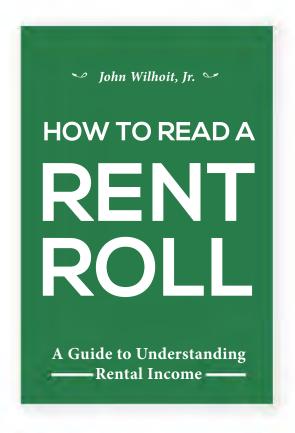
Addresses are important and this is the time to check (and double check) that the number of units as described by the seller and seller's representatives matches what is on-site. You want to assure that there is a physical address for each unit.

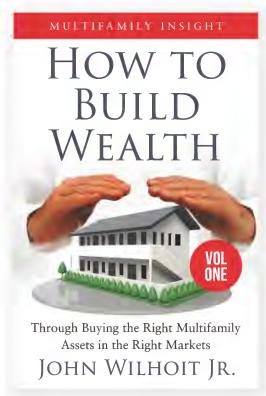
Unit Numbers fold into addresses. If 123 Main Street has apartments A-D listed as physical addresses, great. Your baseline data is just confirming that each address has four units per building.

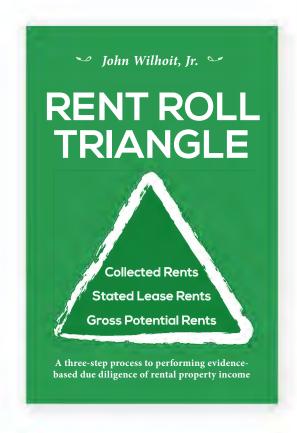
Built Square Feet seems to have a different meaning to different people. The plain question to answer here is; what is the total number of square feet under roof? From there, you can begin to break down livable square feet, common areas, office and storage space, etc.

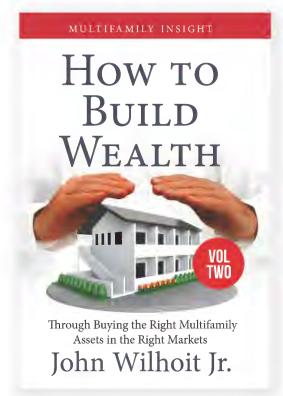
Rent roll analysis is not difficult but it is time-consuming. Breaking down the work into sections, beginning with the collection of baseline data, makes the work that much easier and efficient.

PUBLISHED BOOKS









John Wilhoit Jr

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