Haynie & Company

Multifamily Property Management KPIs

Note: This spreadsheet is provided in conjunction with the 'Multifamily Property Management KPIs' document. This contains examples and descriptions relevant to the information presented in the main document. Please refer to that for context and overview.

KPI #1 - Occupancy Rate

Explanation The percentage of units currently occupied. indicates leasing effectiveness and income stability.

Example If you have 100 units and 95 are occupied, your occupancy rate is 95%. A 5% vacancy might indicate market or management issues.

Potential Impact High occupancy rates lead to stable income and reduced financial risk.

KPI #2 - Tenant Retention Rate

Explanation The percentage of tenants renewing their leases. This reflects tenant satisfaction and reduced turnover costs.

Example Out of 50 lease renewals, 45 tenants renewed, leading to a retention rate of 90%. High retention indicates strong tenant relationships.

Potential Impact High retention lowers turnover costs, increasing profitability and tenant loyalty.

KPI #3 - Rent Collection Rate

Explanation The percentage of rent collected versus what's billed. Ensures reliable cash flow and income stability.

Example If $100,000 is billed for rent and $98,000 is collected, the rent collection rate is 98%. Consistent shortfalls may require improved collection efforts.

Potential Impact High collection rates ensure steady cash flow, which is critical for financial stability.

KPI #4 - Net Operating Income (NOI)

Explanation Total income after deducting operating expenses. This gauges overall profitability and financial health.

Example If total income is $500,000 and operating expenses are $300,000, NOI is $200,000. Monitoring NOI helps in tracking financial performance.

Potential Impact Higher NOI reflects better profitability, allowing for reinvestment in properties.

KPI #5 - Expense Ratio

Explanation The ratio of operating expenses to total revenue. A lower ratio signifies better cost management.

Example If operating expenses are $150,000 and revenue is $500,000, the expense ratio is 30%. A higher ratio may require cost-cutting measures.

Potential Impact Lower expense ratios increase profitability by reducing unnecessary costs.

KPI #6 - Turnover Rate

Explanation The frequency at which units become vacant. High turnover increases costs and vacancies.

Example If 20 units became vacant out of 100 in a year, the turnover rate is 20%. Reducing turnover can lower costs and increase occupancy.

Potential Impact Lower turnover reduces vacancy periods and related costs, improving overall profitability.

KPI #7 - Delinquency Rate

Explanation The percentage of tenants who are behind on rent payments. Lower rates reflect effective collections.

Example If 5 out of 100 tenants are behind on rent, the delinquency rate is 5%. Effective tenant screening and collections can reduce this rate.

Potential Impact Lower delinquency rates reduce bad debt and improve cash flow consistency.

KPI #8 - Maintenance Cost per Unit

Explanation The average cost to maintain each unit. Helps in budgeting and preventing overspending.

Example If the total maintenance cost is $50,000 for 100 units, the maintenance cost per unit is $500. Monitoring this helps in budget control.

Potential Impact Controlled maintenance costs help in avoiding budget overruns and maintaining property value.

KPI #9 - Tenant Satisfaction Score

Explanation A metric indicating how satisfied tenants are with management services. High scores improve retention.

Example If tenant satisfaction surveys show an average score of 85 out of 100, it indicates high satisfaction. Improving this score can enhance retention.

Potential Impact Higher tenant satisfaction leads to better retention and lower advertising costs.