ESCOBAR PROPERTY PERFORMANCE

Sample Property Analysis

Beacon Street Apartments | 15-Unit Multifamily | Waltham, Massachusetts

Illustrative Analysis
This report uses a fictional property and realistic operating conditions to demonstrate how EPP turns property data into prioritized, decision-useful findings. It is not a representation of an actual client property.

Owner's Question

"Expenses seem much higher than they used to be, and I know some rents are probably low."

Executive Property Snapshot

93.3%	PHYSICAL OCCUPANCY
$29,725	SCHEDULED RENT / MO.
$357,775	T12 REVENUE

$159,825	OWNER-REPORTED NOI
44.7%	REPORTED NOI MARGIN
$43,500	THEORETICAL RENT GAP / YR*

*Estimated using EPP market assumptions and subject to lease timing, unit condition, resident circumstances and market validation.

What EPP Identified

Priority	Finding	Estimated Impact
IMMEDIATE	Unit 7 has remained offline while ownership considers an $11,000 renovation.	~$4,760 estimated rent opportunity already lost; ~$2,100/mo continues while vacant.
NEAR TERM	Four below-market leases expire September-December.	~$17,700/yr theoretical gap at conservative market references.
STRATEGIC	Occupied portfolio is positioned below preliminary EPP market ranges.	~$43,500/yr theoretical occupied rent gap.
CONTROL	Owner-reported T12 expense total does not match supplied line items.	$1,000 reconciliation discrepancy.

EPP's role: identify what deserves attention, estimate what it could be worth, separate opportunity from assumption, and help ownership determine what to do next.

1 | Unit 7: Vacancy & Renovation Decision

Unit 7 has been vacant since July 1 while ownership evaluates an approximately $11,000 renovation. The unit is dated but fundamentally sound: worn carpet, paint needs, and selected dated finishes, but functional cabinets, counters, plumbing and several appliances.

Estimated vacancy loss to analysis date: ~$4,760
Using a conservative classic-condition rent of approximately $2,100/month. Each additional month offline represents roughly another $2,100 of potential rent.

Three Forward Options

Strategy	Improvement Cost	Add'l Downtime	Illustrative Target Rent	Incremental View
Basic Turn	~$1,500	~7 days	~$2,125	Fastest return to revenue
Strategic Refresh	~$5,000	~14 days	~$2,300	Flooring, paint, selected visible finishes
Full Renovation	~$11,000	~28 days	~$2,400	Highest rent, but materially higher investment

Incremental Economics

Basic Turn -> Strategic Refresh: approximately $4,000 of additional forward investment including incremental downtime for an illustrative ~$175/month rent premium. Simple incremental payback: **~23 months**.

Strategic Refresh -> Full Renovation: approximately $7,000 of additional forward investment for an illustrative ~$100/month additional rent premium. Simple incremental payback: **~70 months**.

EPP Recommendation - PRIORITY
Obtain a firm strategic-refresh scope focused on flooring, paint and selected high-visibility finishes, then return the unit to market promptly. Based on supplied information, the full $11,000 scope does not presently appear justified by the estimated incremental rent premium.

Confidence: Moderate

How EPP Treats the Past Vacancy

The approximately $4,760 already lost is reported as historical vacancy exposure, not added to today's renovation investment. The forward decision compares only costs and downtime that ownership can still influence.

2 | Market Rent & Revenue Opportunity

EPP does not use a citywide average as the subject property's market rent. The property is an older 15-unit building with a mix of classic and renovated units and no assumed luxury amenity package. Market positioning therefore uses property-specific ranges rather than luxury-community asking rents.

Unit Type	EPP Preliminary Market Range
Classic 1BR	$2,100-$2,250
Renovated 1BR	$2,300-$2,500
Classic 2BR	$2,500-$2,700
Renovated 2BR	$2,750-$3,000

Occupied portfolio theoretical gap: ~$3,625/month | ~$43,500/year
This is a theoretical opportunity, not a promise of immediately collectible revenue.

Near-Term Lease Opportunity

Unit	Type	Current Rent	Conservative Reference	Monthly Gap
10	Classic 2BR	$2,050	$2,500	$450
3	Classic 2BR	$2,100	$2,500	$400
1	Classic 1BR	$1,750	$2,100	$350
5	Classic 1BR	$1,825	$2,100	$275
			TOTAL	$1,475/mo

These four leases represent approximately **$17,700/year of theoretical rent gap** and expire between September and December, creating natural review points.

EPP Recommendation - NEAR TERM
Review each upcoming renewal individually using current unit condition, resident history, turnover risk, market evidence and applicable notice/legal requirements. Do not apply a blanket property-wide increase.

Special Review: Unit 13

Unit 13 is a classic 1BR occupied by the same resident since 2015 at $1,700/month. Preliminary market positioning suggests a $400-$550/month theoretical gap. EPP flags the unit for review rather than automatically recommending a full increase because tenure, unit condition, turnover implications and applicable requirements matter.

3 | Expense & Financial Quality Review

The owner's second concern was that expenses had become much higher. EPP can analyze the composition of the supplied T12, but the available data does not support a confident expense-trend conclusion because prior-year or monthly historical detail was not provided.

Reported T12 Metric	Amount
Revenue	$357,775
Operating Expenses	$197,950
NOI	$159,825
NOI Margin	44.7%

Financial Reconciliation Flag
The owner-reported $197,950 operating-expense total reconciles to the reported NOI. However, the supplied expense line items total $196,950 - a $1,000 difference. EPP would not finalize normalized NOI until the discrepancy is reconciled.

Items Requiring Review

Item	EPP Treatment
Repairs & Maintenance - $31,750	Includes ~$6,850 plumbing; owner reports ~$4,900 related to one pipe-burst event. Show separately for analytical comparison, but do not pretend the expense did not occur.
Miscellaneous - $9,700	Contains unrelated items and requires cleaner classification before normalized expense conclusions.
Security Cameras - $3,200	Potential non-recurring/capital-type item. Accounting treatment should be confirmed with the owner's accounting/tax professional.
Personal Reimbursement - $1,000	Owner indicated a personal purchase may have been categorized to the property. Requires reconciliation.
Current Resident Balance - $1,250	Monitor collection status; insufficient information to classify the full balance as bad debt.

EPP Recommendation - FINANCIAL CONTROL
Reconcile the $1,000 T12 discrepancy, clean miscellaneous/R&M; classifications, and obtain monthly or prior-year expense detail before concluding that operating costs have materially increased or quantifying potential savings.

When the Correct Answer Is 'Insufficient Data'

EPP does not manufacture precision. Current scheduled rent cannot be mixed with historical T12 revenue to create a historical economic-occupancy KPI. Likewise, annual expense totals alone cannot establish an expense trend. Missing information is disclosed rather than silently estimated.

4 | Prioritized Ownership Action Plan

Priority	Action	Why It Matters
1 - IMMEDIATE	Resolve Unit 7: obtain a firm strategic-refresh scope and return the unit to market promptly.	Estimated ~$2,100/month opportunity continues to be lost while the unit remains offline.
2 - NEAR TERM	Review Units 10, 3, 1 and 5 at upcoming lease decision points.	Approximately $17,700/year theoretical rent gap intersects with near-term expirations.
3 - STRATEGIC	Build a staged rent strategy for the remaining occupied inventory.	Portfolio-wide theoretical occupied rent gap is approximately $43,500/year, but not all is immediately addressable.
4 - CONTROL	Reconcile the T12 and improve expense classification.	Normalized NOI should not be finalized from internally inconsistent source data.
5 - MONITOR	Track Unit 6's $1,250 outstanding balance.	Collection status is known; aging and bad-debt risk are not yet established.

From a Vague Concern to an Actionable Plan

Owner Started With	EPP Converted It Into
"Some rents are probably low."	~$43,500/year theoretical occupied rent gap, with ~$17,700 concentrated in four near-term lease expirations.
"I am thinking about an $11K renovation."	A three-option turnover analysis showing that a targeted refresh may produce better incremental economics.
"Expenses seem much higher."	A reconciliation flag, classification issues, a one-time repair event, and a clear statement that trend data is still insufficient.
"Usually everyone pays."	A known $1,250 outstanding balance separated from confirmed bad debt.

The EPP Difference
EPP does not simply report property metrics. It connects operating data to financial impact, distinguishes theoretical opportunity from realistically actionable decisions, identifies where information is incomplete, and gives ownership a prioritized next step.

Methodology & Important Limitations

This sample is illustrative and uses a fictional property. Market-rent ranges, improvement costs, downtime assumptions and opportunity estimates are scenario inputs for demonstration. Actual client analyses depend on supplied property records, current market evidence, property condition, lease terms, applicable law, and other property-specific factors. EPP analysis is intended to support ownership decision-making and does not replace legal, tax, accounting, appraisal, engineering or other licensed professional advice.

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Property Intelligence for Multifamily Owners