

# Lease File Audit Synopsis

**To:** Sabra Atkins (ML Property Group)

**Date:** June 30, 2020

**RE:** Estates 1700

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## Lease File Audit Legend:

- Units highlighted in **RED** indicate that the unit is vacant or a model.
- Units highlighted in **GREEN** indicate that a site employee, courtesy officer, or a corporation occupies the unit.
- Units highlighted in **YELLOW** indicate an occupied unit not audited.
- Units highlighted in **BLUE** indicate a down unit.

## 1. Lease File Audit Key Discoveries

- There were 14 units that were not audited and three units with unverifiable incomes.
- There is a Lease Date Discrepancy in 28 of the files audited.
- There was a Lease Rent Discrepancy in 18 of the files audited.
- The average Market Rent is \$1,089. The average Lease Rent is \$1,050.
- There is an upfront concession listed on 16, ~6%, of the files audited with an average of \$247.
- The lease start dates on the audit are actually the move in dates for the units.

## 2. Unit Type

- The Asset has the following unit types:

Unit Type	No. of Units	Number of Beds	Number of Baths	Square Feet
A1	66	1	1	800
A2	26	1	1	800
A3	40	1	1	900
B1	56	2	2	1,100
B2	40	2	2	1,250
B3	44	2	2	1,256
C1	18	3	2	1,300
C2	10	3	2	1,300

## 3. Names on the Lease

- Out of the 275 occupied files audited, 59, or approximately 21%, of the units have two or more leaseholders.
- Evidence of a guarantor is not present with in any of the files audited.

#### 4. Loss / Gain to Lease

- The average Loss/Gain to Lease are as follows per unit type:

Unit Type	Occupied Unit Count	Average Gain/Loss to Lease
A1	65	\$26.40
A2	24	\$10.21
A3	38	\$27.53
B1	51	(\$114.39)
B2	37	(\$140.70)
B3	36	(\$51.19)
C1	16	(\$27.56)
C2	8	(\$53.63)
Overall Average		(\$39.08)

- There are currently 150 units with a loss to lease, and 120 units with a gain to lease.
- The average loss to lease is -\$105.84 and the average gain to lease is \$42.75.
- Of the 150 units with a loss to lease, there are 74 with a variance greater than \$100 and 18 with a variance greater than \$200. Of the 120 units with a gain to lease, five have a variance greater than \$100 and one has a variance greater than \$200.

#### 5. Recurring Fees

- The Asset charges recurring fees for the following items:

Fee Type	Amount	Qty.
Pet Rent	\$5-\$20	14
Water/Trash/Pest Control	\$60-\$95	All (275)
Storage	\$10-\$75	34

- There are 14 units incurring monthly pet rent; however, there are an additional four units with evidence of a pet, but not incurring pet rent.

#### 6. Total Amount

- The average Total Amount Paid are as follows per unit type:

Unit Type	Audited Unit Count	Average Total Amount Paid
A1	65	\$954
A2	24	\$1,003
A3	38	\$978
B1	51	\$1,199
B2	37	\$1,251
B3	36	\$1,250
C1	16	\$1,428
C2	8	\$1,556
Overall Average	275	\$1,131

## 7. Security Deposits

- The community charges a risk fee in lieu of a security deposit. This fee is reflected in 222, ~81%, of the units audited and the average amount paid is \$517.

## 8. New Lease / Renewal Lease

- There are 170, 62%, renewal leases.
- There are 45, 16%, residents with a tenancy of five or more years.

## 9. Approval Status

- There are 201 units, ~73%, that are conditionally approved or denied.

## 10. Rent to Income Ratios

- The tenant files were audited to obtain income information for current residents. The table below summarizes the data provided excluding 14 units that were unable to be audited, 1 unit with income greater than \$250,000, and 3 units with unverifiable income.

Unit Type	Average Income	Market Rent to Income	Lease Rent to Income	Total Amount Paid to Income
A1	\$34,958	3.42	3.32	3.07
A2	\$35,773	3.26	3.23	2.97
A3	\$38,132	3.62	3.52	3.26
B1	\$45,221	3.07	3.36	3.12
B2	\$41,809	2.66	2.98	2.79
B3	\$46,140	3.16	3.29	3.07
C1	\$44,214	2.72	2.78	2.58
C2	\$39,687	2.19	2.32	2.17
Overall	\$40,394	3.16	3.24	3.00

## 11. Top Employers

- UPS
- Local construction companies