

Real Estate KPIs

KPI	Formula	Definition
Real Estate Sales/Flips: New Home Sales Count	# Homes sold during period	Self-Defining. This can be used to compare months and show trends on when most houses are sold.
Real Estate Sales/Flips: Average Gross Profit Per Home	Gross Profit / Inventory Sales during period	Will help illustrate the success of resales, may bring about the question of what inventory to purchase, how much to invest in development, etc.
Real Estate Sales/Flips: Average holding period of property for resale	(COGS / Average Inventory) * Days in Period	The average number of days that it takes to sell a single piece of inventory
Real Estate Sales/Flips: Unlevered Net Income	Net Income - (interest expense + loan origination fees)	Net Income not including the cost of capital associated with Debt (interest expense and loan origination fees). This can tell us how profitable our sales would be if property was acquired with debt as opposed to equity.
Real Estate Sales/Flips: Unlevered Return on Investment (ROI)	Unlevered Net Income / Unlevered Equity Investment	Including only cash spent on equity investment and excluding financing, what is the annualized return percentage of what was put in. Appropriate for Rentals, Flips & Improvements.
Real Estate Sales/Flips: Internal Rate of Return (Unlevered)	(Unlevered ROI% x (365/prop holding period))	Including only cash spent on equity investment and excluding financing costs, what is the annualized return percentage on net income.
Real Estate Sales/Flips: Levered Return on Investment (ROI)	(Net Income / Levered Equity Investment)	Including only cash spent on equity investment including financing, what is the annualized return percentage of what was put in. Appropriate for Rentals, Flips & Improvements.
Real Estate Sales/Flips: Internal Rate of Return (Levered)	(Levered ROI% x (365/prop holding period))	Including only cash spent on equity investment including financing, what is the annualized return percentage of what was put in. Appropriate for Rentals, Flips & Improvements.
Valuation: Cap Rate (Commercial Property)	((monthly Income generation of property for lease - vacancy) / (Value of Property) x 12 month annualized net income	Expresses the multiple of annualized net income that values the building
Rental: Occupancy Rate	(# units occupied/#units available for lease)	Shows the % of units currently occupied. Having full occupancy would mean full utilization of assets for lease and maximized income.
Rental: Collection Rates Rental Property	Rent Collected / Rent Revenue	Tells us what percentage of our rent we collect each month (% of rent is collected on time). May be illustrative of the need for additional collection efforts, quality of tenants, or need for eviction.

Brokers/Agents: % variance Listing	$(\text{Sales Value of Sold Homes} - \text{List price of sold homes}) / \text{List Price of Sold Homes}$	Tells us the difference between actual sales price and list price. This can allude to the effectiveness of sales force, appropriateness of listing price.
Brokers/Agents: Commissions in total	Commission Expense paid to Employee/ Contractor Real Estate Agents	May help a broker or agency with Employee/Contractor Real Estate agents the cost of commissions.
Brokers/Agents: Sales by Sales Agent/Rep (count or \$)	#\$ of sales for Agent 1	This figure can be used to track sales per agent. May be calculated on a TTM basis, MoM basis or other timeline. May use either sales dollars or count of sales based on what's relevant for client.

For a review of your KPIs, [contact us](#) for a free consultation!

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