

THE NUMBERS

Average

The average, or mean, is presented for all of the income and expense statistics in this study. The average is the most commonly used measure; however, due to the extremes which occur in many line-item expenses, it is more useful to use the median statistic and the ranges.

The median, low and high ranges, discussed below, will give the reader additional valuable information on the reliability of any individual statistic. The number of buildings and units surveyed will also help the user determine data reliability.

Median

We use median values to present historical data, and for lookup values on the *Expense Compiler '02*. Medians are considered more reliable to use than the “mean average,” as it excluded extreme values. This becomes more important with smaller sample sizes.

The median is computed by arranging the samples from the lowest value to the high-

est. The middle sample (or 50% value) is the median. As an example, if there are seven buildings which report an expense in a certain category, the middle value of 37 is the median.

Expense category:
11, 13, 29, 37, 41, 50, 53

If there are an even number of buildings reporting in a certain category the median is the average of the two numbers which fall in the middle, in this case (37 + 41)/2 = 39.

Expense category:
11, 13, 29, 37, 41, 50, 53, 57

Low & High

A “Low” and “High” range is also reported. The “low” is the first quartile number, which 25 percent of the properties fall below. The “high” is the third quartile number, which is exceeded by 25 percent of the properties.

(Continued on page 23)

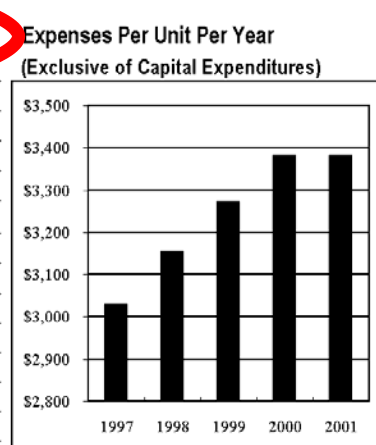
MORE THAN AVERAGE

Each data table shows how many buildings and units were analyzed for any age group, geography, and property size combination; the low, median, average, and high values.

Tip

Based on your understanding of your own property, the tables give you flexibility to select the most appropriate total from low, median, average, high, or a value outside the ranges.

Table: All Age Groups All Counties 100+ Unit Buildings						
	Total Surveyed		Low ¹	Median	Average	High ²
	Buildings	Units				
PHYSICAL						
Property Size (units)	239	48,030	758	843	838	914
Unit Size (rsrf)	239	48,030	758	843	838	914
INCOME						
Effective Apt Income/Unit/Yr	239	48,030	\$6,791	\$7,989	\$8,328	\$9,254
Other Income/Unit/Year ³	239	48,030	\$250	\$331	\$374	\$458
Effective Gross Income/Unit/Yr	239	48,030	\$6,998	\$8,312	\$8,702	\$9,741
EXPENSES						
Real Estate Taxes: \$/unit	223	44,978	\$506	\$650	\$647	\$761
% Eff Gross Income	223	44,978	6.5%	7.5%	7.3%	8.4%
Insurance /unit	226	45,700	\$70	\$84	\$99	\$108
Utilities /unit	239	48,030	\$568	\$658	\$663	\$740
Heat /unit	10	1,626	\$93	\$138	\$171	\$184
Cable /unit	9	1,808	\$118	\$127	\$146	\$148
Resident Management: /unit	239	48,030	\$383	\$441	\$464	\$519



(Continued from page 22)

Total Buildings & Total Units

Each table in this study reports the total number of properties and units surveyed for the particular age group, size and location covered by the table. In addition to reporting simply the overall total survey numbers, the table also shows the number of properties and units surveyed for each line-item of expense.

The more properties and units providing information for any individual line-item, the more reliable the information. Three to five properties reporting will generally provide reasonable data, especially since the table will report more than an average.

\$/unit; \$/nrsf; % Eff Gross

Most line-item costs are presented in the tables as a per unit per year cost. However, some items are also presented on a per square foot basis or as a percent of effective income.

\$/unit

the expense as a cost per unit per year;

\$/nrsf

the expense as a cost per net rentable square foot per year; or

% Eff Gross

the expense as a percent of the effective gross income per year.

Totals

Each data table lists how many properties and units were used to calculate each line item income and expense.

Total bottom line costs are calculated only for properties that report both real estate taxes and insurance.

Adding the individual line item totals will not equal the bottom line income or expense totals because of the calculation method discussed above and also because not all properties incur all line item charges.

It is more useful to build up your own total

operating cost using the appropriate line item categories for your property.

It is also useful to look at the “low” and “high” ranges, in addition to the median or average costs. The “low” cost means that 25% of the properties spent less, and 75% spent more. The “high” means that 25% spent more and 75% less. The range between the two shows where costs fell for one-half of the properties in any particular data set. ■