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IREM's income and expense numbers for 2015 are in!

September 03, 2015 - Owners Developers & Managers

Each year IREM provides an opportunity for all property managers and owners to access income and expense data, for their region collected in March for the previous year. Many owners use these numbers for their roll ups for line items on Budget Proposals, which at this time of year are in full swing, and for Feasibility studies on proposed developments. IREM provides two avenues for obtaining the information. Individuals can purchase the books on the IREM Website or spend a little time in March of each year and submit data to IREM through the website and receive the books FREE.

This process started in 1976 with 200 properties and the Apartment Analysis. Office Building analysis was added in 1978. Federally Funded properties were added in 1986. In addition, Shopping Center analysis was added in 1991. Green Building surveys started in 2010. The 2014 analysis is a compilation of 10,000 properties nationwide.

These numbers include separate books for conventional apartments, condominiums, cooperatives, and planned unit developments, federally assisted apartments, office buildings, and shopping centers.

Conventional or Market rent apartments show an increase in NOI for garden style properties at 6.3%, low rise buildings .6% in the 25 units or more type buildings, and dropped 12.9 % for buildings with less than 24 units.

Federally assisted apartments income increased from \$5.93 to \$10.68 per s/f.

Condominiums, Cooperatives, and planned unit developments for all types increased 5.3% for annual operating expenses. Special assessments were also up 7%. Reserve funds are now estimated to be 24.1% of total Annual Budgets numbers. Of the 2359 condominium associations with \$300,000 unit pricing sampled, Budgeted yearly costs came in at \$5,974 Administration, \$2,686. Operating costs, \$1,028 repair and maintenance, and fixed costs at \$9,421.14.

Office Buildings sampled were private sector buildings with a national vacancy rate at 7% with was equal with 2013, and a suburban property rate of 6%, which was down 4 points from last year. Suburban office buildings averaged 109,457 sf usable area. The total average amount of tenants in these buildings is eight. Downtown office buildings had an average of 308,662 s/f. Average tenants for these buildings were thirteen. Age of the Office buildings averaged at thirty-five years.

In the Boston area occupancy levels in 2014 were at 99%, Vacancy rate was 1%. Overall cleaning costs amounted to 17% of budgets in Boston. Additional data for Boston included Income received at a rate of \$25.48 per s/f. Utilities expenses came in at \$1.38 per s/f. Repairs and Costs were at \$2.45 per s/f. Administrative expenses were \$.81 per s/f. Overall, service expenses were charged at \$1.25 per s/f. Insurance expense was \$.15 per s/f. And taxes were \$2.43 per s/f.

Shopping Center income for open centers increased from \$17.17 to \$17.70 per s/f. Open center operating costs increased from \$5.07 to \$5.27 per s/f.

Green building analysis for the properties submitted for 2014 includes 11% of gray water being recycled. Storm water was captured and reused onsite 32% of the time. In addition, through conservation efforts 24% of water costs were down over 2013.

New high-energy efficient systems now in place in the properties submitted include 223% new HVAC systems. Lights were retro fitted at a rate 44%. In addition, Led Lights were installed 16% of the time.

So mark your calendars for March 2016. Gather your property information together and contact our Boston IREM office for information as to how you can submit your data for the FREE books next year!

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