

Apartment renovation business case

Use annual US-dollar amounts and documented assumptions. Keep a separate monthly schedule for construction and lease-up. This worksheet is an educational comparison, not a valuation or lending approval.

Property / units / review date _____

Annual operating comparison

Input or calculation	Base	Stress
Units x monthly rent x 12		
Less vacancy / collection loss		
Plus other income (if any)		
Effective property income		
Less recurring operating expenses		
Net operating income (NOI)		
Less annual debt payments		
Cash before reserves / capital / owner tax		
Less reserve contributions		
Cash after those contributions		

Use consistent expense definitions. Separate capital work, debt and owner taxes from NOI; reconcile lender adjustments. Fictional guide results: base NOI \$108,720, stress NOI \$78,408. After \$72,000 debt and \$12,000 reserves: \$24,720 and -\$5,592.

Transition and decision

Work budget / contingency / cash source _____

Units unavailable / months / lost rent (count once) _____

Lowest monthly cash balance / funding needed _____

Evidence still needed / owner / review date _____

Check leases, lawful notices, habitability, permits, inspections and applicable lead-safe requirements before fixing the work schedule.

Guide: <https://yenra.com/boutique-apartments/>

Primary starting points: [EPA property-manager renovation guidance](#)