



# Budgeting Breakthrough: A Must-Have Planning Checklist for Multifamily

**Budgeting is an essential part of running a successful multifamily property. Without a well-crafted budget, property managers can find themselves stuck in a financial rut, unable to move forward in terms of growth and development.**

This checklist covers all relevant aspects of budgeting and will help property managers ensure they are on track for the upcoming year!



## BUDGETING CHECKLIST

### Income Sources

- ✓ Assess rental income from residents, including any projected increases or vacancies.
- ✓ Evaluate ancillary income sources, such as pet and parking fees, laundry facilities, and common area rentals.

### Expenses

- ✓ Review operating history to list all recurring expenses, including mortgage payments, utilities, maintenance, repairs, insurance, and fees.
- ✓ Identify any anticipated one-time expenses, such as capital improvements or renovations.
- ✓ Identify and invest in technology that improves property and operating performance.

### Reserve Funds

- ✓ Determine the appropriate level of reserve funds for emergencies, capital projects, or unforeseen expenses.
- ✓ Establish a savings plan to allocate a percentage of the monthly income to the reserve funds.

### Regulatory Compliance

- ✓ Review applicable local, state, and federal regulations related to property management, including any updates that may affect budget planning.
- ✓ Account for any necessary permits, licenses, or certifications and allocate the budget accordingly.
- ✓ Include line items for team training and compliance solutions that reduce your risk.

## Budgeting Checklist, *Continued*

### Resident Experience

- ✓ Consider costs associated with resident acquisition, retention, and turnover, such as marketing, screening, lease renewals, and property improvements.
- ✓ Choose services and amenities that will enhance the resident experience and increase overall satisfaction.
- ✓ Implement [survey solutions](#) that help measure and benchmark resident experience against your competitors.

### Contingency Planning

- ✓ Develop strategies to address unexpected events or changes in market conditions, such as rent fluctuations or regulatory adjustments.
- ✓ Allocate a portion of the budget for contingencies to mitigate potential risks.

### Capital Expenditures

- ✓ Evaluate the condition of major building components and systems, such as HVAC, plumbing, roofing, and common areas.
- ✓ Determine the need for repairs, replacements, or upgrades, and estimate the associated costs.



**By following this checklist, you can create a budget that will help you effectively manage your multifamily property and achieve your financial goals!**



Talk to our multifamily experts today to see how Grace Hill solutions can help improve property and operating performance!