



OPERATIONAL ALPHA™: FORENSIC EXPENSE BENCHMARK

Prepared For: Property Owner

Subject: Subject Property

Date: January 20, 2026

SUBJECT PROPERTY PROFILE

Address	Units	Year Built	Year Renov	Revenue per unit
1245 Southwest 11th Avenue	627	2018	2018	\$990

Property Narrative:

Subject Property is a modern student housing property located at 1245 Southwest 11th Avenue, ideally situated near the University of Florida, catering primarily to the student demographic. Built in 2018, this expansive community features 627 units, offering residents a blend of contemporary amenities and a vibrant living environment. The neighborhood boasts a high percentage of renters, with a median age of 25.5, and is characterized by a culturally enriched community. With competitive rental rates and a strong demand for student housing, Subject Property stands out as a prime option for students seeking convenience and quality in their living arrangements.

OPPORTUNITY

While Subject Property is a strong revenue generator with impressive base rent and ancillary income performance, significant value remains locked in controllable expense inefficiencies—specifically in Real Estate Taxes and General & Administrative costs. By aggressively appealing tax assessments to align closer to newer vintage peers rather than the older median, and by auditing G&A expenditures to market standards, the asset can realize substantial NOI growth.

Financial Impact on Net Operating Income (NOI):

- **Current Annual NOI:** \$4,198,392 vs. Optimized Annual NOI: \$4,559,544 (Increase: 8.6%)
- **Asset Valuation:** \$361,152 (Annual NOI Increase) / 6.0% Cap Rate = +\$6,019,200 in Asset Value



METHODOLOGY

How We Engineer Value: The 7-Step Process

We use a rigorous, data-backed methodology to find the efficiency gaps others miss.

1. Verified Data Ingestion

We utilize WH Advisory's curated database of over 40,000 verified CMBS operating statements—actual financials, not survey guesses. We expertly organize this data to enable advanced valuation and benchmark analyses that others cannot match.

2. AI-Driven Comp Selection

Our AI analyzes thousands of data points to select the most relevant peer group based on vintage, location, and asset class. We generate a narrative justification for why each property was selected, ensuring you are benchmarking against true competitors.

3. Forensic Line-Item Benchmarking

We compare specific line items—Payroll, Repairs, Utilities, G&A—against the verified median of your peer group to identify anomalies.

4. Performance Gap Identification

The system instantly flags underperforming categories, quantifying variances expressed in dollars per unit.

5. AI Diagnostic & Context

We don't just show you the numbers; we tell you what they mean. Our analysis articulates likely causes for underperformance, such as expense inefficiencies, overstaffing relative to unit count, or ancillary revenue stream opportunities.

6. Realistic Target Setting

We set realistic reduction targets based on the actual performance of your specific peer group—not impossible theoreticals.

7. Quantified NOI Impact

We translate efficiency into equity. Every report concludes with a clear calculation: "Achieving these targets will increase NOI by \$X and Asset Value by \$Y."



SECTION 1: COMPARABLE PROPERTY SELECTION

"Comparable properties were selected based on location, asset class, vintage, and demographic profile to ensure a meaningful operational benchmark."

Competitor 1

Address	Units	Year Built	Year Renov	Revenue per unit
1231 SOUTHWEST 3RD AVENUE	375	1970	2015	\$640

Relevance Narrative:

Competitor 1, located just a short distance from the subject property, serves primarily the same demographic of university students. With 375 units and a recent renovation (2015), it represents a well-maintained property that has managed to attract a strong renter population. Although built in 1970, its revenue per unit is competitive, providing insights into potential pricing strategies for the subject property while reflecting the established market dynamics in the area.

Competitor 2

Address	Units	Year Built	Year Renov	Revenue per unit
3658 Southwest 24th Avenue	550	2020	2020	\$752

Relevance Narrative:

Competitor 2 is a modern student housing facility built in 2020, with a capacity of 550 units. Its recent construction and amenities appeal to the student market, making it a relevant comparison for the Subject Property. The rental rates are slightly lower than that of Subject Property, which could indicate potential pricing strategies or market pressures affecting student rentals in Gainesville, thereby aiding in evaluating potential revenue for the subject.

Competitor 3

Address	Units	Year Built	Year Renov	Revenue per unit
1505 Fort Clarke Blvd	444	1999	2012	\$1,415



Relevance Narrative:

Competitor 3 is a well-established garden-style apartment community that attracts a diverse tenant base, including students. Although it has a significantly different unit number (444) and was built much earlier (1999 with renovations in 2012), its market-rate affordability and nearby location make it a relevant point of comparison. The property's revenue per unit is notably higher than most traditional student housing, allowing for a broader perspective on market positioning and income potential.

COMPETITOR 4

Address	Units	Year Built	Year Renov	Revenue per unit
3205 NORTHWEST 83RD STREET	1,178	2001	2012	\$556

Relevance Narrative:

Competitor 4, built in 2001 and renovated in 2012, has a large number of units geared toward the student demographic, which makes it a strong comparable to the subject property. With 1,178 units and a competitive rental rate, this property captures the interest of a similar target market. Its metrics can provide insights into operational efficiency and income potential, making it a valuable asset in assessing market conditions for the student housing segment.

Competitor 5

Address	Units	Year Built	Year Renov	Revenue per unit
100 Castle Dr	462	1971	1971	\$519

Relevance Narrative:

Competitor 5, while primarily an affordable housing community, offers a contrasting perspective with its focus on lower-income residents. Built in 1971, it emphasizes the need for affordable student housing in the area, given the high percentage of renters. Although its revenue per unit is lower than the market rate properties, the demographic insights drawn from this comp can help contextualize the challenges and opportunities present within the rental landscape in Gainesville for the Subject Property.



SECTION 2: OPERATIONAL BENCHMARKS

Detailed Line-Item Performance: ³⁸The Subject Property is significantly outperforming the market in Revenue generation (\$990 vs \$640 median), but operates with higher total expenses (\$431 vs \$391 median), primarily driven by Real Estate Taxes and G&A.

Line Item	Subject Property	Comp Median	Variance	Status
Base Rent	\$821	\$586	+\$235	Outperforming
Other Income	\$169	\$103	+\$66	Outperforming
Total Revenue	\$990	\$640	+\$350	Outperforming
RE Taxes	\$147	\$60	+\$87	Underperforming
Insurance	\$28	\$25	+\$3	Underperforming
Utilities	\$70	\$70	\$0	Outperforming
Repairs & Maint	\$34	\$39	-\$5	Outperforming
Management	\$30	\$26	+\$4	Underperforming
Payroll	\$64	\$68	-\$4	Outperforming
G&A	\$47	\$23	+\$24	Underperforming
Total Expenses	\$431	\$391	+\$40	Underperforming
NOI	\$558	\$308	+\$250	Outperforming



Diagnosics for Underperforming Line-Items

Real Estate Taxes

- Status: Underperforming
- The Data: Expenses are running at \$147/unit vs median of \$60/unit.
- Remediation Strategy: The variance is significant (+\$87). While the median is pulled down by older vintage assets (e.g., Courtyards at \$60), the subject property is also higher than its closest vintage peer, Competitor 2 (Built 2020), which runs closer to \$118/unit. The strategy is to retain tax counsel to appeal the assessment, leveraging the lower tax burdens of comparable newer student housing assets in the jurisdiction.
- Target Improvement: \$120/unit. This target recognizes the newer vintage premium while seeking alignment with its direct competitor, Competitor 2, rather than the unrealistic market median of older stock.

General & Administrative (G&A)

- Status: Underperforming
- The Data: Expenses are running at \$47/unit vs median of \$23/unit.
- Remediation Strategy: The property is spending more than double the market median on G&A. Conduct a granular audit of "Other" office expenses, software subscriptions, and travel/entertainment allocations. Standardize office supply vendors and review administrative payroll allocations if bundled here.
- Target Improvement: \$30/unit. A reduction to \$30 brings the property closer to the median efficiency while allowing for the higher administrative burden often associated with larger, student-focused properties.

Management Fees

- Status: Underperforming
- The Data: Expenses are running at \$30/unit vs median of \$26/unit.
- Remediation Strategy: Management fees are slightly elevated. Review the management agreement structure (fixed vs % of EGI) and competitively bid the contract upon renewal to align with the market standard of ~\$26/unit.
- Target Improvement: \$26/unit. Aligning strictly with the verified market median is achievable for this line item.

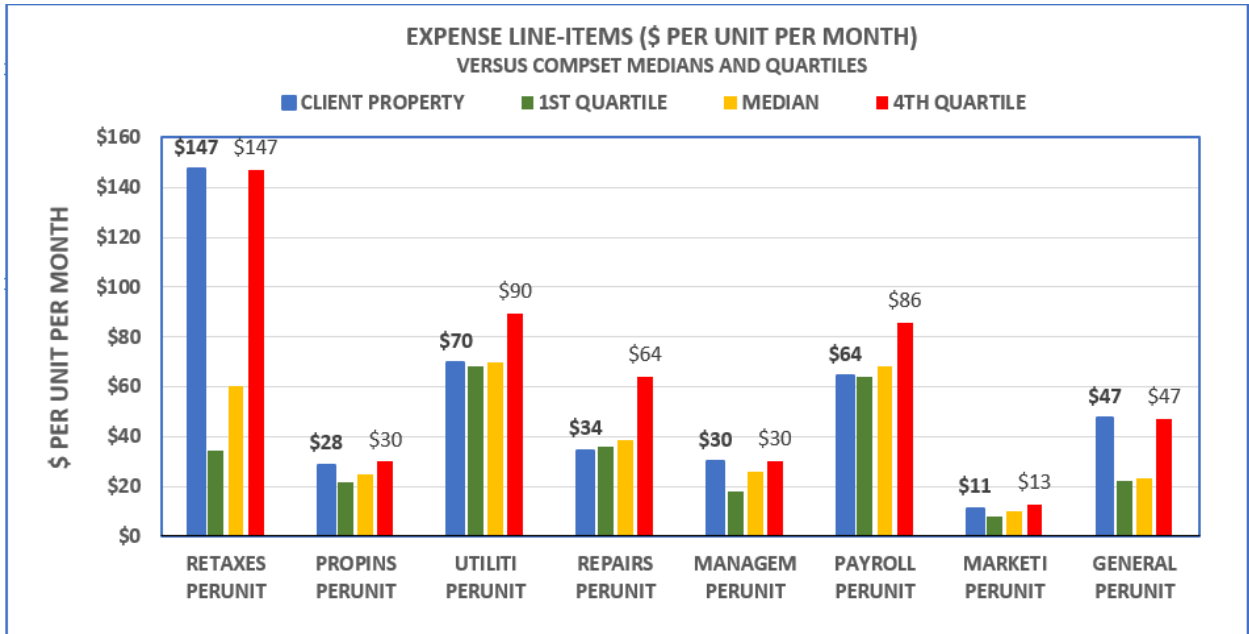
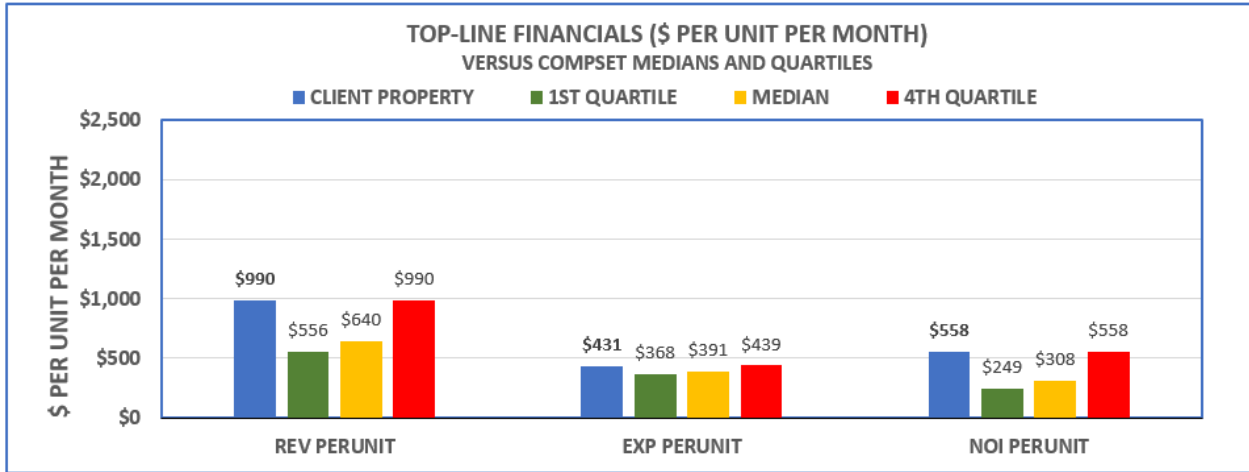


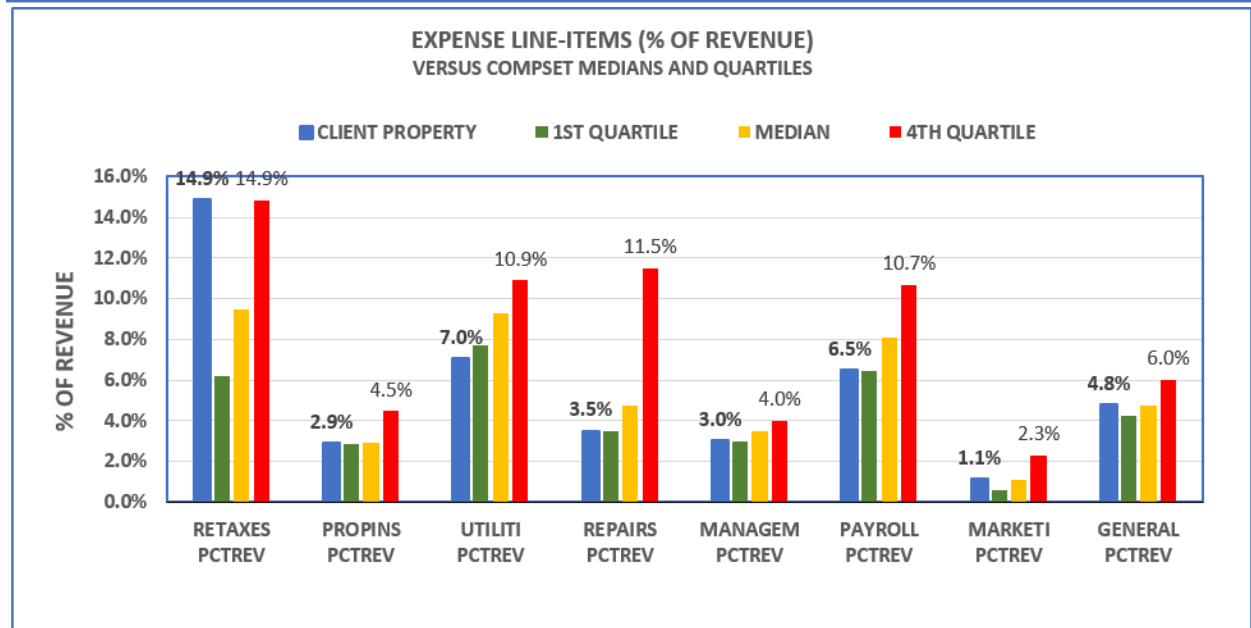
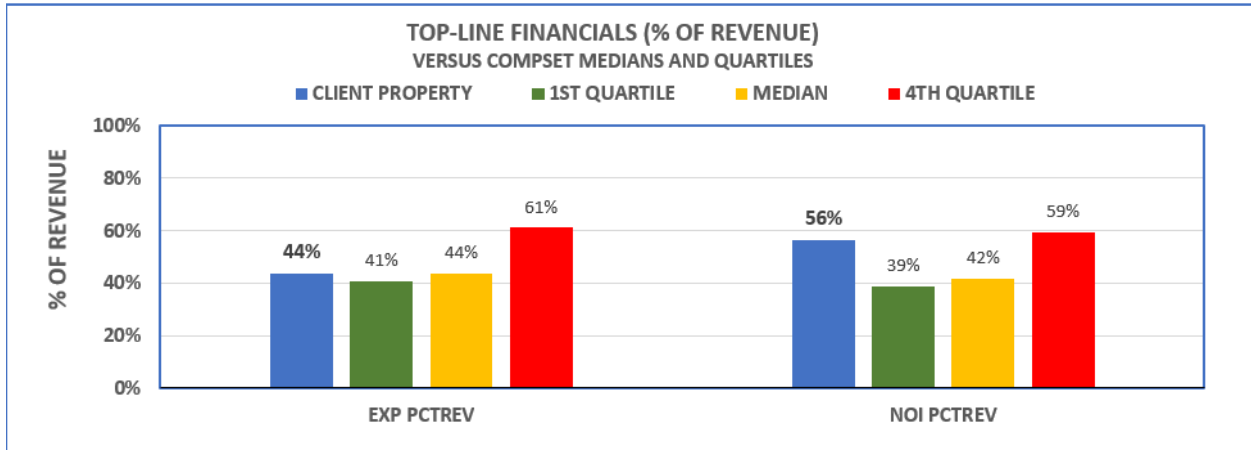
Section 3 : NOI Optimization

Line Item Optimization	Current Cost	Market Target	NOI Impact (Monthly)
RE Taxes Savings	\$147	\$120	+\$27
G&A Optimization	\$47	\$30	+\$17
Management Savings	\$30	\$26	+\$4
Total Monthly Increase			+\$48 / unit

Financial Impact Analysis:

- Net Operating Income: Current Annual NOI \$4,198,392 vs. Optimized Annual NOI \$4,559,544 (Increase: 8.6%)
- Asset Valuation: \$361,152 (Annual NOI Increase) / 6.0% Cap Rate = +\$6,019,200 in Asset Value





Powered by Operational Alpha™ | REFS & WH Advisory | Data Source: Verified CMBS Operating Statements