



FINANCIAL WORKSHEET

The True Cost of Vacancy

Look beyond the empty apartment.

Lost rent is the easiest part of vacancy to see, and rarely the whole story. This worksheet estimates the full cost of one vacancy — rent not earned, incremental turnover cost and concessions — counting each item once and only if the turnover actually caused it.

HOW TO USE IT

- ☐ Page 2: review the fully worked hypothetical example.
- ☐ Page 3: enter your own figures beside the example.
- ☐ Page 4: compare vacancy lengths and choose your levers.
- ☐ Use real invoices and ledger figures where you have them.

MADE FOR

Owners, asset managers, regional managers and property managers evaluating make-ready, pricing and retention decisions.

THE KEY DISTINCTION

Count it — caused by this turnover

Make-ready labor and materials · cleaning · paint · flooring repair · vacant-unit utilities paid by the property · concession on the next lease · incremental marketing for this unit

Don't count it — paid whether or not the unit turned

Property taxes · insurance · on-site salaries · loan payments · routine grounds and common-area costs · capital projects that would occur anyway

Worked example – hypothetical

The figures below are illustrative assumptions, not data from any actual property.

Item	Calculation	Amount
Monthly rent	Assumed	\$1,500.00
Daily rent	$\$1,500 \times 12 \div 365$	\$49.32
Vacant days	Move-out to new move-in	45
1 • Rent not earned	$45 \times \$1,500 \times 12 \div 365$	\$2,219.18
Make-ready	Paint, cleaning, minor repairs	\$1,200.00
Vacant-unit utilities	Paid by the property while empty	\$100.00
2 • Incremental turnover cost	Make-ready + utilities	\$1,300.00
3 • Concession	To secure the next lease	\$500.00
Estimated total cost	$1 + 2 + 3$	\$4,019.18
In months of rent	$\$4,019.18 \div \$1,500$	about 2.7 months

WHY THE DAILY METHOD

Using $12 \div 365$ converts monthly rent to a true daily figure, so vacancies that cross short and long months are treated the same. $\$1,500 \times 12 \div 365 = \$49.315$ per day; 45 days = \$2,219.18 (rounded to the cent only at the end).

What the spreadsheet misses

Some effects are real but hard to price: tours feel different with more empty apartments; teams under leasing pressure have less time for current residents; and concessions can reset renewal expectations months later. Note them; don't force them into the total.

Your property

Enter one recent or expected vacancy. Keep the example beside you as a guide.

Line		Example	Your property
a	Monthly rent	\$1,500.00	
b	Daily rent = $a \times 12 \div 365$	\$49.32	
c	Vacant days (move-out to new move-in)	45	
1	Rent not earned = $b \times c$	\$2,219.18	
d	Make-ready labor and materials	\$1,200.00	
e	Vacant-unit utilities	\$100.00	
f	Other incremental costs for this unit	\$0.00	
2	Incremental turnover cost = $d + e + f$	\$1,300.00	
3	Concession on the next lease	\$500.00	
	Estimated total = $1 + 2 + 3$	\$4,019.18	
	In months of rent = $\text{total} \div a$	about 2.7	

Notes & sources (ledger, invoices, assumptions)

Length of vacancy matters most

Same hypothetical apartment, holding incremental turnover cost (\$1,300) and concession (\$500) constant to isolate the effect of time.

Vacant days	Rent not earned	Turnover cost	Concession	Total
30 days	\$1,479.45	\$1,300.00	\$500.00	\$3,279.45
45 days (example)	\$2,219.18	\$1,300.00	\$500.00	\$4,019.18
60 days	\$2,958.90	\$1,300.00	\$500.00	\$4,758.90

Each day saved is worth about \$49.32 in this example. Fifteen fewer vacant days saves about \$739.73.

Levers worth reviewing

- ☐ Shorten make-ready. Schedule turns before move-out; stage materials; track move-out to rent-ready days.
- Owner _____ Date _____
- ☐ Pre-lease. An apartment leased before it is vacated may never produce a vacant day.
- Owner _____ Date _____
- ☐ Price for days, not just dollars. A slightly lower rent that leases two weeks sooner can be worth more.
- Owner _____ Date _____
- ☐ Protect retention. Every renewal avoids the entire cycle: rent not earned, turnover cost and concession.
- Owner _____ Date _____
- ☐ Use concessions deliberately. Know what they cost now and how they may shape renewal expectations later.
- Owner _____ Date _____

DECISIONS AND NEXT STEPS

Free to download, no sign-up required. Provided for general educational use; adapt to your property, policies and applicable requirements.