Rent roll red flags

What apartment underwriters look for, and what to fix before you send the rent roll. Check yours free at apartment.loans/apartment-rent-roll-analyzer/

1. Rent roll does not tie to the T-12

What it looks like: Total rent on the rent roll, annualized, is well above what the trailing 12-month statement shows as collected.

Before you send it: Reconcile the two and write a short note explaining the gap, for example recent rent increases, burned-off concessions or a unit that came back online.

2. Rents above what the market supports

What it looks like: Several units leased far above comparable buildings, often recent leases with no concession shown.

Before you send it: Check for concessions recorded elsewhere, and be ready with comparables that support the rents, or expect the lender to mark them down.

3. Concessions not shown

What it looks like: Leases with free months or rent credits recorded as full rent, with the concession booked separately or not at all.

Before you send it: Add a concession column showing the amount and the months remaining, so effective rent is visible.

4. High delinquency

What it looks like: A meaningful share of tenants more than 30 days past due, or balances that keep growing.

Before you send it: Show current status and any payment plans, separate past-due amounts by age, and resolve or begin collections on chronic accounts before applying.

5. Heavy month-to-month share

What it looks like: Many tenants out of lease term and paying month to month.

Before you send it: Renew where you can before sending the rent roll, or explain why month-to-month is normal in your market or building.

6. Lease expirations bunched together

What it looks like: A large share of leases expiring in the same one to three months.

Before you send it: Show your renewal history and plan, and consider staggering renewals so the next 12 months look even.

7. Employee, model or owner-occupied units at full rent

What it looks like: Units occupied by staff, used as offices or models, or occupied by owners or relatives, shown at market rent.

Before you send it: Label these units clearly with the actual rent collected. Lenders treat them as non-revenue if they find them on their own.

8. Vacant or down units not identified

What it looks like: Vacant units missing from the roll or shown with a prior tenant's rent, or offline units counted as rentable.

Before you send it: List every unit, mark vacant and down units, and give the expected return date for any unit under renovation.

9. Move-in dates clustered just before the refinance

What it looks like: A run of new leases in the weeks before the rent roll date, raising occupancy quickly.

Before you send it: Be ready with signed leases, deposits and first payments. Lenders often look for a period of sustained occupancy, not just a single date.

10. Missing or inconsistent lease data

What it looks like: Blank lease start or end dates, missing deposits, unit numbers that do not match the unit mix, or totals that do not add up.

Before you send it: Fill every field, confirm the unit count matches the building, and check that column totals tie to the summary.

11. Rent-regulated or subsidized units not flagged

What it looks like: Regulated, restricted or voucher units shown without their status or legal rent.

Before you send it: Add a column for regulation or subsidy status and the legal or contract rent; lenders underwrite those units at that rent.

12. Large or unusual other income on the roll

What it looks like: Recurring charges (parking, pet, storage, utility bill-backs) included in rent, or one-time fees included as recurring.

Before you send it: Separate base rent from other charges, and keep one-time fees off the rent roll.

13. Rent roll date is stale

What it looks like: A rent roll several months old, or one with a different date from the operating statement.

Before you send it: Send a rent roll dated within the last month, and say which date it reflects.