Basic Financial Gain Analysis for Rental Company in Valencia, Spain

# Current Rental Scenario

Apartment 1, Room A: Initially rented at €400.

Apartment 1, Room B: Initially rented at €675 (recently increased from €550, providing an immediate gain of €125).

Apartment 2, Room C: Initially rented at €400.

Total Initial Monthly Revenue: €1,475

## Revenue Changes After One Month

**Tenant Movement:**

Room A (Apartment 1): Vacant after Tenant 2 moves to Room B, paying €675.

Room C (Apartment 2): Potential to rent at €550 after Tenant 1 expresses interest in moving to Room A.

**New Monthly Revenue if Tenant 1 Moves:**

Room A (Apartment 1): Rented to Tenant 1 at €400 (no change in rent).

Room B (Apartment 1): Rented at €675.

Room C (Apartment 2): Rented at €550.

Total Monthly Revenue: €1,625

**Increase in Monthly Revenue: €150, compared to €1,475 previously.**

A graph of a line

Description automatically generated with medium confidence

## Projected Revenue Over Time

Initial Scenario: €1,475 monthly revenue with all rooms rented at initial rates.

First Month (After Tenant 2 Moves): Revenue increases to €1,625 as Room C is rented at €550.

Second Month (After Rent Adjustment): Revenue remains at €1,625.

Third Month and Beyond: Potential increase to €1,775 once Room A's rent is adjusted to €550 after the current tenant's initial agreement ends.

**Total Revenue for the Next 3 Months:**

First Month: €1,475

Second Month: €1,625

Third Month: €1,625

Total Revenue Over 3 Months: €4,725

# Financial Implications

**Immediate Benefit**

By relocating Tenant 1 to Room A at €400 and renting Room C at €550, monthly revenue increases by €150.

**Future Benefit**

After 2 months, Room A’s rent can be increased to €550, resulting in a total monthly revenue of €1,775. This strategy is advantageous as it secures consistent income during typically challenging rental periods.

## Summary of Total Revenue for the Next 3 Months (Transition Period)

* **First Month**: €1,475 (initial scenario)
* **Second Month**: €1,625 (after Person 1 moves)
* **Third Month**: €1,625 (before rent increase for Room A)
* **Total Revenue for 3 Months**: €1,475 + €1,625 + €1,625 = €4,725

# Conclusion

This analysis demonstrates that reallocating tenants and adjusting rental prices significantly enhances revenue both in the short and long term. Allowing Tenant 1 to move to Room A at €400 while renting Room C at €550 maximises your company’s income, ultimately leading to a monthly revenue increase to €1,775 after all adjustments.

This strategy ensures optimal use of rental properties, leading to a clear financial benefit for your company by maximising revenue potential.