Unit 5 Summary

National Valuation: Gross Rent Multiplier

The GRM and GIM are abbreviated forms of valuation using the income approach, but without the complications of property expenses, reserves, depreciation, and debt service.

If one is using the **GRM** method, one uses the property’s **monthly** rent. If using the **GIM**, one uses the property’s **annual** income.

The gross rent multiplier itself is a ratio number reflecting the relationship between a property’s price or value and its income.

**Gross Rent Multiplier (GRM) Formulas**

- Value ÷ Monthly rent = **Gross Rent Multiplier**
- GRM x Monthly rent = **Value**
- Value ÷ GRM = **Monthly rent**

**Gross Income Multiplier (GIM) Formulas**

- Value ÷ Annual rent = **Gross Income Multiplier**
- GIM x Annual rent = **Value**
- Value ÷ GIM = **Annual rent**