



BREAKING DOWN ONE DOLLAR OF RENT

With so much discussion around rent payments and the prevailing misconception that rental housing owners enjoy large margins, the industry would like to offer this explanation of the breakdown of one dollar of rent.

Only **9 cents of every \$1** are returned to owners as profit, including the many apartment owners who are themselves small businesses and rely on this revenue to make ends meet, and investors, which include public pensions and 401(k) plans, on which many Americans rely—whether or not they reside in rental housing.

11 cents of every \$1 is spent on capital expenditures, including roof and HVAC replacements and other important repairs that help ensure quality housing for America's 40 million rental housing residents.

17 cents of every \$1 pays for operating expenses such as property and liability insurance, utilities and ongoing maintenance



38 cents of every \$1 pays for the mortgage on the property. This is a critical expense, as mortgage foreclosures put all residents at risk of losing their housing.

10 cents of every \$1 covers payroll expenses, including pay for employees who operate and maintain the community as part of the 17.5 million jobs that the industry supports.

15 cents of every \$1 goes to property taxes, which in turn support the community through financing for schools, teachers, emergency services and other important local needs.

Between mortgage payments and investor returns, which help support many Americans' retirement plans, and dollars put back into the apartment community to ensure quality living for residents, a rent payment is much more important than one might otherwise realize.

Sources: National Apartment Association 2021 Survey of Operating Income & Expenses in Rental Apartment Communities; NAA/IEM/CEL & Associates, Impact of COVID-19 on Apartment Owners and Operators, April 2020