

COVID-19 Tip #6

The Facts of how \$1.00 rent payment is disbursed

- With so much discussion around rent payments during COVID-19, NAA explains the breakdown of a \$1 in rent to disprove the misconception that MF owners enjoy large margins and can continue operating in the absence of rent payments.
 - 39 cents of every \$1 pays for the property mortgage.
 - Roughly 66% of multifamily owners have private lenders and are ineligible for federal mortgage forbearance via the CARES Act.
 - 27 cents of every \$1 covers payroll expenses.
 - 14 cents of every \$1 covers property taxes.
 - 10 cents of every \$1 is spent on capital expenditures.
 - 9 cents of every \$1 are returned to owners.
- Between mortgage payments and investor returns, which help support many of 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 think.



Source: National Apartment Association 2019 Survey of Operating Income & Expenses in Rental Apartment Communities; U.S. Census Bureau 2015 Rental Housing Finance Survey; Redstone Residential