Where Does $1 of Rent Go?

NAA
NATIONAL APARTMENT ASSOCIATION

Rent payments are more than monthly transactions; they play a vital role in sustaining apartment communities and strengthening local economies. Despite misconceptions, rental housing operates on tight margins. Discover where a dollar of rent goes and how it supports quality housing and community stability.

North Carolina

Per Dollar of Rent, Year: **2024**, Property Type: **All**

89 cents of every $1

$13,021 per unit annually

covers essential expenses. Between mortgage payments, maintenance costs, staff salaries 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.

11 cents of every $1

$1,587 per unit annually

is returned to owners once expenses are paid, 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 retirement plans, on which many Americans rely— whether or not they reside in rental housing.

For every $1 of rent...

43 cents of every $1 — $6,347 per unit annually

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

27 cents of every $1 — $3,916 per unit annually

pays for operating expenses such as property and liability insurance, utilities and ongoing maintenance.

7 cents of every $1 — $1,090 per unit annually

goes to property taxes, which in turn support the community through financing for schools, teachers, emergency services and other important local needs.

10 cents of every $1 — $1,414 per unit annually

covers payroll expenses, including pay for employees who operate and maintain the community.

2 cents of every $1 — $254 per unit annually

goes toward capital expenditure reserves. The funds in these reserves cover roof and HVAC replacements and other important repairs that help ensure quality housing for rental housing residents.

Note: Totals may not sum to $1.00 due to rounding.

Source: National Apartment Association, Multifamily Comps (MFC) Statistical Valuation System (STATVAL™)

Explore the data at https://naahq.org/research/dollar-rent-tool