Based in Washington, D.C., the National Multifamily Housing Council (NMHC) represents the leadership of the apartment industry.

NMHC’s 1,700+ members develop, own, operate and finance a wide variety of apartment homes—from suburban garden-style apartments to more urban mid- and high-rise apartment homes—for Americans across the income spectrum.

America’s Apartment Owners Are Vital Partners in Supporting Communities Nationwide

Apartment owners include individuals, partnerships, real estate investment trusts, corporations and nonprofit organizations. Mortgage financing of apartments is provided by an array of lenders including depository institutions, life insurance companies, government-sponsored enterprises and government agencies. The diversity of apartment ownership type supports housing choice and helps house millions of renters nationwide.

WHO OWNS THE NATION’S APARTMENT PROPERTIES

- 21% LLP, LP, LLC or General Partnership
- 66% Individual Investor
- 3% Nonprofit Organization/Housing Cooperative/Tenant in Common
- 4% Trustee for Estate
- 6% Other/Not Reported
- 1% Real Estate Corporation

Where Does a Dollar of Rent Go?

Apartment owners and managers rely on rent payments to pay their mortgages, property taxes, employee salaries, maintenance and utilities—and therefore communities nationwide rely on the rental ecosystem to fuel economic growth and stability.

DOLLAR OF RENT

- Mortgage 38 cents of every $1 in rent goes to pay the property’s mortgage
- Property Taxes 15 cents of every $1 in rent goes to property taxes
- Payroll 10 cents of every $1 in rent covers payroll
- Operating Expenses 17 cents of every $1 goes towards property and liability insurance, utilities and ongoing maintenance
- Capital Expenditures 11 cents of every $1 in rent goes to Roof and HVAC repairs and other building improvements
- Owner Just 9 cents of every $1 in rent is returned to the owner


Source: National Apartment Association (NAA)

The Apartment Housing Industry is Robust, Diverse and a Key Economic Driver

- $3.4 trillion contributed annually to the economy
- 40 million Americans call an apartment home
- 17.5 million jobs supported

Across the country, apartments create housing choice and contribute to the fabric of communities where they are located.

Source: Hoyt Advisory Services, National Apartment Association and National Multifamily Housing Council, “The Contribution of Multifamily Housing to the U.S. Economy”
Demand for Apartments is Booming but Supply is Not Keeping Pace

Apartment living attracts a wide variety of Americans, including households that could afford to buy, but prefer the convenience of renting.

AMERICA'S RENTERS ARE DIVERSE—RANGING IN AGE AND INCOME.
Renters are young and old, and represent all income levels.

- 25% of apartment renter householders are under 30
- 65 and older
- 75 or more

20% of apartment renter householders are 65 or older
25% of apartment householders earn $75,000 or more

BUT SUPPLY IS NOT KEEPING UP.
The U.S. has a serious shortage of all types of housing across all price points because of decades of underbuilding.

America needs to build 4.3 million more apartments by 2035 to keep up with demand
Underproduction has translated to higher housing costs—resulting in a decline of 4.2 million affordable apartments (monthly rents < $1,000) from 2015-2020
Supply chain disruptions and rising costs will make this even more challenging going forward

AND TO COMPOUND THESE CHALLENGES, EXISTING APARTMENT STOCK IS AGING.
Apartments require routine maintenance and upgrades. And although necessary for maintaining the ongoing viability of our current stock of apartments, they are also costly.

1980
47% were built before 1980
1960-1979
29% of all apartment units were built between 1960 and 1979

It’s Time to Talk Solutions—We’re Here to Help
Making sure everyone has access to quality, attainable housing is a bipartisan issue. The policy challenges facing the apartment industry are equal in scale and scope—touching every sector of the industry from new development to property management—and encompasses firms of all shapes and sizes.

As the voice of the apartment industry, NMHC stands ready to work with federal lawmakers on solutions to support the long-term viability of the apartment industry and the 40 million d,lVisit nmhc.org/advocacy for additional information on where we go from here.

Specific research and resources that dive deeper into the challenges and opportunities are also highlighted below.

COST OF REGULATIONS
Learn more about how the cost of regulations factors into housing affordability. A report produced by NMHC and the National Association of Home Builders found regulation imposed by all levels of government accounts for 40.6 percent of multifamily development.

nmhc.org/cost-of-regulations

GROWING HOMES TOGETHER
A monthly newsletter providing a roundup of policy actions taken around the country to address housing affordability.

growinghomestogether.com

HOUSING AFFORDABILITY TOOLKIT
A comprehensive resource to help policymakers understand the economics of apartment development and which tools and incentives can actually make a meaningful difference in addressing housing affordability.

housingtoolkit.nmhc.org/

WEAREAPARTMENTS.ORG
Find out what apartment demand looks like and how much apartments contribute economically at the national, state and metro level. Use our calculator to learn the impact 100 new or existing apartments have in communities.

weareapartments.org

Apartment Supply Shortages Translate to Worsening Housing Affordability
Housing Affordability is a key focus of NMHC and its members.
For many families, the shortage of rental housing that is affordable to them creates significant hurdles that ultimately hamper future financial success.
And the problem won’t go away on its own.

There are a number of obstacles that prevent the private market from addressing the critical housing shortage.

Rising land, construction and labor costs
Exclusionary land-use planning, zoning and other regulations
Neighborhood opposition to apartments

Unless public and private sector leaders take bold, innovative action today and in the years to come, the housing affordability crisis will become even more desperate.