

# Operating Expenses

<b>Operating Expenses</b>	
Common Components	Information Sources
<ul style="list-style-type: none"> <li>Salaries/Payroll</li> <li>Payroll taxes/Benefits</li> <li>Advertising</li> <li>Office supplies</li> <li>Telephone</li> <li>Management fee</li> <li>Legal</li> <li>Accounting</li> <li>Electric</li> <li>Water/Sewer</li> <li>Gas</li> <li>Trash collection</li> <li>Grounds/Snow removal</li> <li>Decorating/Turnover</li> <li>Repairs/Maintenance</li> <li>Property taxes</li> <li>Insurance</li> <li>Monitoring fees</li> <li>Partnership management fee</li> <li>Operating reserve</li> <li>Replacement reserve</li> <li>Debt service reserve</li> </ul>	<ul style="list-style-type: none"> <li>➤ State Housing Agency</li> <li>➤ Other properties</li> <li>➤ Past experience</li> <li>➤ Utility allowances</li> <li>➤ Market study</li> <li>➤ Utility company</li> <li>➤ Vendor quotes</li> <li>➤ Apartment/Real Estate Association</li> <li>➤ Funder requirements</li> <li>➤ Owner foresight</li> <li>➤ Owner comfort level</li> <li>➤ Recommended practices by National Council of State Housing Finance Agencies</li> </ul>

When gathering expense information, remember to make adjustments by comparing conditions at other properties with your proposed project. Consider the following:

- Population served
- Building configuration
- Unit types
- Per unit
- Per square foot
- Climate
- Local government fees or taxes
- Time elapsed