

**MAINTENANCE & OPERATING ("M&O") EXPENSE STANDARDS**

**NEW CONSTRUCTION**

**2026 (REVISED)**

*(For deals underwritten after March 31, 2026)*

<b>M&amp;O</b>			
	<u>Amount</u>	<u>Per/</u>	
<b><u>ADMINISTRATIVE</u></b>			
Legal	\$30,000	\$300	/du
Accounting	\$25,000	\$25,000	/project
Management Fee <sup>1</sup>	\$141,800	6.5%	of ERI
Fire and Liability Insurance <sup>2</sup>	\$180,000	\$1,800	/du
Tax Credit Monitoring <sup>3</sup>	\$12,600	\$126	See footnote
Benchmarking Expense	\$600	\$600	/bldg
<b><u>UTILITIES</u></b>			
Heating <sup>4</sup>	\$73,542	\$206	/rm
Owner Paid Cooling (if applicable) <sup>5</sup>		\$113	/rm
Hot Water	\$70,686	\$198	/rm
Electric (common areas)	\$74,970	\$210	/rm
Water & Sewer	\$116,025	\$325	/rm
Broadband <sup>6</sup>			
<b><u>MAINTENANCE</u></b>			
Supplies/Cleaning/Exterminating	\$49,980	\$140	/rm
Repairs/Replacement	\$150,000	\$1,500	/du
Super & Maintenance Salaries <sup>7</sup>	\$271,168	\$2,712	/1 Super 1 Porter
Elevator Maintenance & Repairs [Assumes 2]	\$24,000	\$12,000	/elev
Bldg Reserve	\$40,000	\$400	/du
HDC Servicing Fee <sup>8</sup>			
<b>M&amp;O Before Taxes and Debt Service</b>	<b>\$1,260,370</b>	<b>\$12,604</b>	<b>/du</b>
		<b>\$3,530</b>	<b>/rm</b>

<b>NOTES</b>			
<b>1. MANAGEMENT FEE:</b> 8% for Supportive Housing Loan Program.			
<b>2. INSURANCE:</b> Project Managers are directed to underwrite to an actual quote whenever possible. Sponsors should review their ability to get umbrella coverage and underwrite to a lower rate if possible.			
<b>3. TAX CREDIT MONITORING:</b> This fee is a combination of the building fee (\$100 per building), plus the unit fee (0.75% of the maximum annual tax credit rent for all LIHTC units). The unit fee is capped at \$12,500 for buildings of 150 units or less, and \$17,500 for buildings over 150 units.			
<b>4. HEATING:</b> Passive House: For all PH buildings, heating discounted by 40% of electric heat.			
<b>5. OWNER PAID COOLING:</b> Not currently enabled for projects with PB S8 units.			
<b>6. BROADBAND:</b> Project Managers are directed to include broadband and underwrite to an actual quote whenever broadband is incorporated into construction.			
<b>7. SUPER &amp; MAINTENANCE SALARIES:</b> 1 staff member for every 65 units. Additional staff may be added per 65 units of housing. This schedule assumes 1 super + 1 porter for a 100 unit building at prevailing wage/union. In addition, use a 1.15 multiple to account for overtime/vacation assumptions. Handyperson will be considered on a case-by-case basis.			
<b>Salary Assumptions*:</b>			
	<u>Prevailing Wage</u>	<u>With Multiplier</u>	<u>Hourly</u>
FT Super	\$131,139	\$150,810	\$40.85
FT Porter	\$104,659	\$120,358	\$29.78
FT Super + FT Porter		<u>\$271,168</u>	
FT Handyperson	\$111,405	\$128,116	\$32.60
	<u>Non-Union^</u>	<u>With Multiplier</u>	<u>Hourly</u>
FT Super	\$100,205	\$115,236	\$27.92
FT Porter	\$84,129	\$96,748	\$21.20
FT Super + FT Porter		<u>\$211,984</u>	
*Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.			
^Non-Union wages are an estimate and inflated 3.4% versus 2025 (based on NYC CPI 2025).			
<b>8. HDC SERVICING FEE:</b> Servicing fee set at 0.25% of senior permanent loan.			