

# The 2026 Pet-Housing NOI Report

How Pet-First Multifamily Operations Drive NOI

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## Executive Summary

Approximately 70% of U.S. renters own or want a pet. Urban pet households spend \$1,500–\$3,000 per year on services outside the property. Live Work Pet's embedded-services model captures that spend inside the lease, producing measurable lift in rent premium (3–5%), tenancy duration (8–12 months), and ancillary revenue (\$40–\$120/door/month).

## 1. The Pet-Renter Is the Dominant Renter

Pet ownership is the median renter household profile, with Gen Z and Millennial renters indexing highest. Despite this, most institutional multifamily portfolios still treat pets as a risk surcharge rather than an asset class.

## 2. Where the Spend Is Going

The average urban pet household spends \$1,500–\$3,000 per year on walking, daycare, grooming, training, and sitting. This spend is recurring and emotionally inelastic — every dollar leaves the property each month.

## 3. The NOI Framework

Live Work Pet models four NOI drivers:

- Rent premium — pet-first units price 3–5% above comp set.
- Retention — tenancy extends 8–12 months on average.
- Ancillary revenue — lease-embedded bundles add \$40–\$120/door/month.
- NSAT & reviews — review scores rise, lowering acquisition CAC.

## 4. Cap-Rate Impact

On a 250-unit asset at a 5.5% cap rate, embedded pet services lift stabilized NOI by 4–7%, translating to roughly \$1.8M–\$3.2M of asset value created per property — without new capex beyond programming.

## 5. Operating Model

Live Work Pet provides vetted caregivers, scheduling, insurance, resident app, and owner revenue share. The lease is the distribution channel; the building is the storefront.

## **Methodology**

Sources: APPA, NMHC, J Turner Research, and anonymized Live Work Pet operator-partner pilots across the Sun Belt and Mountain West, 2024–2026.

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