



News and Analysis of Breaking Issues in Affordable Housing 2002-113

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Fiscal 2003 Fair Market Rents 40th and 50th Percentile Proposed Rule May 23, 2002 Comment Close Date July 22, 2002

HUD has published the proposed Fiscal 2003 Fair Market Rents. They are again published in a combined table. The 39 markets that have 50th percentile rents are the same as last year¹.

In line with the general slowdown of the economy rent movements are much more restrained this year averaging about 4%. Interestingly, the one market where rents are actually declining on the conventional side shows some of the best increases using this methodology, that is the San Francisco bay area. A lot of far suburban and rural markets are essentially flat with rents moving up only by 1 to 2%. Here are a few of the larger markets, and one rural market, Trego County, KS. which is as rural as you can get.

MSA	FMR	0 br	1 br	2 br	3 br	4 br
Los Angeles 40%	2003	571	683	865	1167	1394
	2002	543	650	823	1110	1325
	Net Change	28	33	42	57	69
	% Change	5.16%	5.08%	5.10%	5.14%	5.21%
Oakland 50%	2003	905	1095	1374	1883	2249
	2002	819	991	1243	1704	2035
	Net Change	86	104	131	179	214
	% Change	10.50%	10.49%	10.54%	10.50%	10.52%
DC/SoMD/NoVA 50%	2003	748	851	999	1360	1642
	2002	707	804	943	1285	1550
	Net Change	41	47	56	75	92
	% Change	5.80%	5.85%	5.94%	5.84%	5.94%

¹50th Percentile markets: Albuquerque, NM; Atlanta, Ga; Austin-San Marcos, Tx, Baton Rouge, La; Bergen-Passaic, NJ; Buffalo-Niagra Falls, NY; Chicago, Il ; Cleveland-Lorain-Elyria, Oh; Dallas, Tx; Denver, Co; Detroit, Mi ; Fort Lauderdale, Fl; Fort Worth-Arlington, Tx; Grand Rapids-Muskegon-Holland, Mi; Kansas City, Mo; Las Vegas, Nv; Miami, Fl; Minneapolis-St. Paul, Mn-Wi; Newark, NJ; Norfolk-Virginia Beach-Newport News, Va; Oakland, Ca; Oklahoma City, Ok; Orange County, Ca; Philadelphia, Pa; Phoenix-Mesa, Az; Richmond-Petersburg, Va; Sacramento, Ca; Salt Lake City, Ut; San Antonio, Tx; San Diego, Ca; San Jose, Ca; St. Louis, Mo; Tampa-St. Petersburg-Clearwater, Fl; Houston, Tx; Tulsa, Ok; Ventura, Ca; Washington, DC-Md-Va-WV; West Palm Beach-Boca Raton, Fl; Wichita, Ks;

MSA	FMR	0 br	1 br	2 br	3 br	4 br
Denver 50%	2003	595	710	945	1311	1548
	2002	561	671	893	1238	1462
	Net Change	34	39	52	73	86
	% Change	6.06%	5.81%	5.82%	5.90%	5.88%
Atlanta 50%	2003	714	795	927	1236	1495
	2002	677	753	878	1171	1416
	Net Change	37	42	49	65	79
	% Change	5.47%	5.58%	5.58%	5.55%	5.58%
Trego County Ks. 40%	2003	287	326	418	539	600
	2002	283	321	412	531	591
	Net Change	4	5	6	8	9
	% Change	1.41%	1.56%	1.46%	1.51%	1.52%
Columbus Oh. 40%	2003	419	496	636	808	929
	2002	412	487	626	794	913
	Net Change	7	9	10	14	16
	% Change	1.70%	1.85%	1.60%	1.76%	1.75%
Dallas 50%	2003	575	662	850	1176	1391
	2002	548	631	810	1120	1325
	Net Change	27	31	40	56	66
	% Change	4.93%	4.91%	4.94%	5.00%	4.98%
Houston 50%	2003	514	578	747	1042	1227
	2002	487	548	709	988	1165
	Net Change	27	30	38	54	62
	% Change	5.54%	5.47%	5.36%	5.47%	5.32%

The full FMR notice is available on the NAHMA Website, the direct link to download it is : <http://www.nahma.org/member/federal.html> The file is 4.5 Mb is size and 60 pages long.

George's Spin - While these are only proposed FMR's, they are essentially final since challenging them is very costly, and only a very few large PHA's or HFA's have the resources to commission a study to overturn them. It remains the case that the rents are neither fair nor market in most cases, and rural owners are particularly disadvantaged since the RDD surveys include some housing that would not even score 30 in a REAC inspection. We continue to bring Congress attention to this problem.