

Requirements for a Market Study

A Market Study must demonstrate a clear need for the proposed units, as well as the advantages. For proposed projects consisting of twenty (20) or more new units, the study must be conducted by an IHFA qualified independent third party available at http://www.ihfa.org/multifamily_taxcredit.asp . The Market Study should not be more than 6 months old and must include the names and positions of the individuals providing the information in the study.

The analysis must provide sufficient data to support your proposed project. The Market Study should address the following:

Complete Description of Proposed Project

- Site map
- Area map
- Site photos
- Proposed rents (including subsidies)
- Income levels of proposed tenants
- Bedroom sizes
- Amenities
- Number of units, type, and size

Determination of Need

Market Area

- Market composition
- Population
- Household description
- Renters, owners, family size, age, income

Site

- Complete description of the proposed site including:
- Location of schools
- Location of shopping
- Location of medical
- Location of major employment
- Location of other services and facilities

Demographic Characteristics

- Demographic community profile
- Economic profile
- Major employers
- Unemployment rate
- Economic outlook

- Housing supply profile
- Existing competition (including vacancy rates)
- Other projects under construction
- Area vacancy rates

Housing Demand Forecast

- Sources of demand
- Predicted absorption rate of proposed project

Conclusion

Include a narrative conclusion to the study

Acquisition Project

Acquisition projects of more than twenty (20) units must complete a full market analysis as outlined above. The market study for an acquisition/rehabilitation project of less than twenty (20) units needs to include, at a minimum, current information regarding the project you wish to purchase. The analysis must include waiting lists and vacancy rates for the past two years as well as economic and employment outlook for the area. Vacancies for other projects in the area also need to be included in your analysis.