

# NIFA Housing Innovation Marketplace

## *Housing Market Studies*

→ *A Review of Market Study Components*



*Presented By: Patrick M. Bowen*  
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# Presentation Highlights

- ❑ *Commissioning a Market Study*
- ❑ *On-Site Analysis*
- ❑ *Establishing a Primary Market Area*
- ❑ *Demographic & Economic Analysis*
- ❑ *Analysis of Area Housing Supply*
- ❑ *Determining Demand & Absorption*
- ❑ *Market Study Resources*



# Commissioning A Market Study



Completed by an independent, third-party market evaluation professional whose credentials are acceptable to NIFA.

*NOTE: NIFA does not have an approval process for market analysts and does not maintain a list of approved providers*

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Conducted at the owner's/applicant's expense. Fees and timing for market studies can range based on the provider, location of the project, etc.

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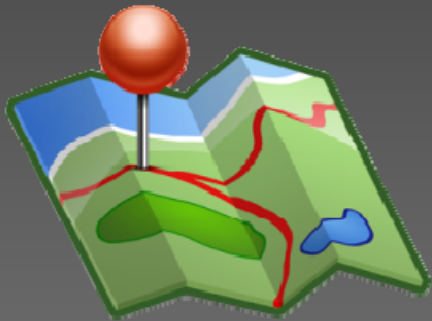


Must be current – dated no more than 1 year prior to submission



# On-Site Analysis

**Each study must include an on-site analysis with the following components:**



Description of the proposed/existing site and its neighborhood, including physical attributes, surrounding land uses, and proximity to community amenities or neighborhood features including shopping, healthcare, schools and transportation.

Map and photos of the site and its surroundings that show the location of community services





# Establishing A Primary Market Area

A Primary Market Area (PMA) is a geographic area from which a property is expected to draw the majority of its residents.

## Factors Used to Determine a PMA:

- Location of Competitive Properties
- Accessibility
- Natural Boundaries
- Housing Product Characteristics
- Market Perceptions
- Commuting Patterns
- Target Market
- Jurisdictional Boundaries
- Local Agency Service Boundaries
- Non-Geographic Factors

## Market Area Red Flags:

- **Based on a Radius**
- **Countywide Market Areas**
- **Gerrymandered/Irregular Shaped**

Source: NCHMA White Paper:  
Determining a Market Area

# Demographic & Economic Analysis

Each study must include an on-site analysis with the following components:

## Demographics (Current and Projected):

- Population Trends
- Household Trends
- Income Trends

## Economics:

- Major Area Employers
- Labor Force Employment
- Employment/Unemployment Trends (past 5-10 years)





# Analysis of Area Housing Supply

## Rental Housing Supply Components:

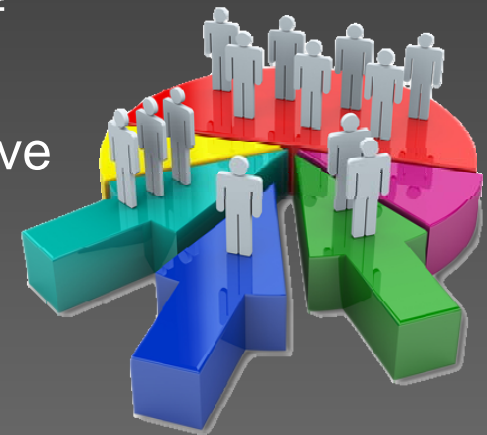
- Identify *COMPARABLE* LIHTC Supply
- Segment Occupancy & Rents by Property Type (Senior vs. Family)
- Evaluate Rents Adjusted for Utilities, Incentives & Concessions
- Should Include Existing and Proposed/Allocated Projects
- Also Consider Square Feet, Age, Quality, # Bathrooms & Amenities
- Study Should Include an Operating Expense Analysis



# Determining Demand & Absorption

## Depth of Market Support

- **Capture Rate** - # Proposed Units Divided by Base of Potential Support
- **Penetration Rate** - # of Proposed Units & Competitive Supply Divided by Base of Potential Support
- **Affordable Housing Impact Statement**
- **Does Project Meet Housing Needs of Community's Overall Housing Plan?**



## Absorption

- **Absorption Rate** – # of Units Expected to be Rented on Monthly Basis
- **Absorption Period** – Months Required to Reach Stabilized Occupancy Rate (93%+)





# Market Study Resources

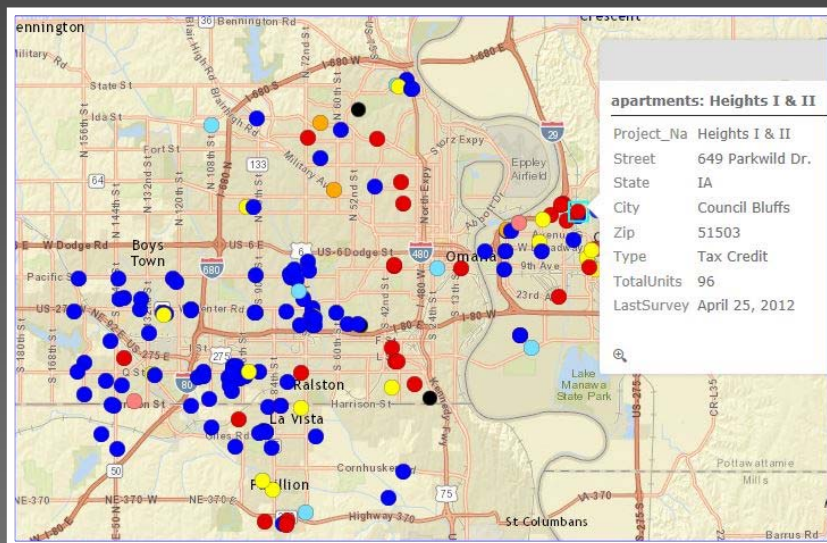
- National Council of Housing Market Analysts – [Market Study Terminology](#)
- NIFA Market Study Guidelines – found under [“Exhibit Examples”](#), Exhibit 112 titled “Information Required to be Included in the Market Study”
- Bowen National Research – [www.bowennational.com](http://www.bowennational.com)
- American Fact Finder – [www.factfinder.census.gov](http://www.factfinder.census.gov)
- Policy Map - [www.policymap.com/maps](http://www.policymap.com/maps)
- Novogradac & Company – [Rent & Income Calculator](#)

## Rental Housing Locator Tools

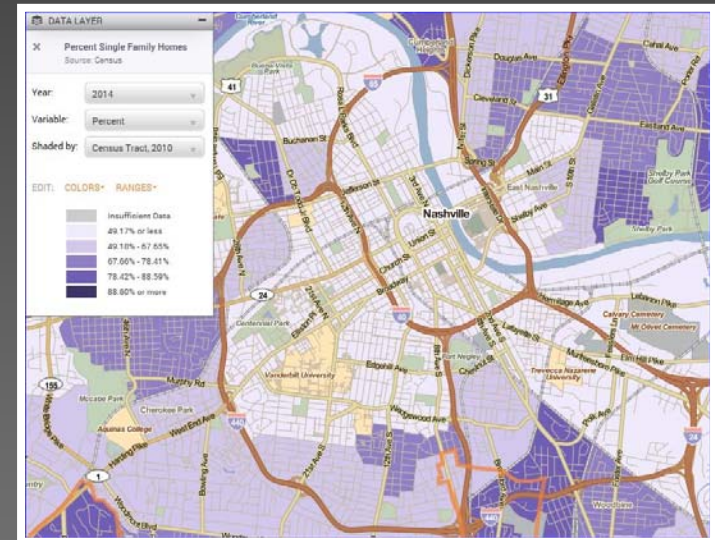
- NIFA – [Active LIHTC Project Excel](#) & [NIFA Housing Locator by Social Serve](#)
- HUD - [Section 8 Housing Listing](#)
- USDA - [RD Housing Listing](#)

# Market Study Resources

## Bowen National Research Apartment Search Tool



## Policy Map



## NEBRASKA INVESTMENT FINANCE AUTHORITY Tax Credit Projects (Updated 12/08/2015)

NIFA #	Project Name	Project Address	City	County	Congressional District	# Bldgs.	Total Units	Project Type
7-0090	North Park Apartments	916,921, 922 Woodhurst Avenue	Norfolk	Madison	1	3	40	Multifamily
7-0091	Springfield Apartments	310, 320 North First Street	Springfield	Sarpy	2	2	16	Multifamily
7-0092	Washington Heights Apts	1200 East Clay (Bldgs A-C)	Fort Calhoun	Washington	1	3	20	Multifamily
7-0093	Ashland Park Apts II	1901 Furnas & 604 19th St.	Ashland	Saunders	1	2	12	Multifamily
7-0094	Ashland Park Apartments	2801 Clay St. & 301 N. 29th	Ashland	Saunders	1	2	24	Multifamily
7-0096	Timber Ridge Apartments	2806 25th Street	Columbus	Platte	1	1	8	Multifamily

## NIFA Active LIHTC List



*Trusted Service, National Experience*

**Patrick Bowen**  
**President**

**Bowen National Research**

**Phone: (614) 833-9300**

**E-mail: [patrickb@bowennational.com](mailto:patrickb@bowennational.com)**

**Web: [www.bowennational.com](http://www.bowennational.com)**

