



# Vermont Housing Finance Agency Market Study Standards

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## Background

This document has been developed as guidance for market studies provided to the Vermont Housing Finance Agency (VHFA or Agency) as part of a Low Income Housing Tax Credit or other applicable financing resource application.

## Market Study Preparation Guidelines

### *Market Study Analysts*

Project sponsors should consult with the Vermont Housing Finance Agency (VHFA) on the experience and qualifications of the proposed analyst. VHFA staff shall review the qualifications of a proposed market study analyst and must approve the analyst. Market study analysts should have experience with projects similar to the subject development proposal, including the project market, unit mix, and other development characteristics.

The Agency expects that analysts will have a thorough understanding of and experience with the Vermont housing market and nationally accepted best practices in preparing market studies. Examples of qualifications include NCHMA Certification or an equivalent education or training background in best practices for analyzing markets and preparing market studies. Market study analysts who are new to the Agency or have not provided a study to the Agency in some time will be required to submit samples of past work.

Market study analysts must be a third-party firm that has no association with the development team. The same firm may complete both the market study and the appraisal with the approval of the Agency.

### *Timing and Updates*

The date that the analyst prepared the market study must be clearly stated on the cover page or in the Executive Summary section of the report. Market studies must have an effective date within six months of submission to VHFA.

For a market study that was originally prepared between six to 24 months before the date of its submission to VHFA, the analyst may provide a letter certifying that they have re-reviewed the study and that there were no material changes in the project or the market since the report was submitted. However, if there are any material changes, the market study must be updated to include a detailed discussion about those changes, with the original and updated dates clearly indicated.

Projects that have changes in the number of units, affordability levels, configuration of units, number of bedrooms, square footage of residential area, addition of commercial space, or other key characteristics will require updates to the market study. Sponsors with project changes that may impact marketability should consult with Agency staff on whether an updated market study or a letter certifying review by the analyst is sufficient to address project updates.

Projects that are reapplying for tax credits in a subsequent allocation year must submit a new or updated market study subject to the guidelines above.

No market study that was originally prepared more than 24 months before the submission date will be accepted.

## Format

Analysts should complete the [Market Study Checklist](#), indicating the page numbers for each relevant section.

Some housing projects do not need to complete all sections or subsections. These exceptions are noted throughout the standards, as well as the Market Study Checklist, which outlines the specific requirements for new projects and subsidized housing rehabilitation projects.

Analysts should follow the format outlined below, including using the headers provided to produce each section and following the general order of the contents listed in each section. "Describe" or "prepare a description" means to provide a brief narrative. The standards guide includes a [Definitions](#) section with selected terms.

## Market Study Outline

### A. Overview

At the onset of the report, the following should be disclosed:

1. Project name
2. Identify the type of report being prepared (full market study, refinance report, update, etc.)
3. Report date
  - a. Date the report was originally prepared
  - b. Date the report was updated (if applicable)
  - c. Date of site visit
4. Name of the developer(s) the report is prepared for
5. The report must identify intended users. This should include VHFA, but may include other lenders/funders, tax credit syndicators, etc.
6. The report must include a statement that it complies with these standards.
7. Names and company of the analyst and any other supporting staff who worked on preparing the report

### B. Executive Summary

Each Market Study should include a concise summary of the data, analysis, and conclusions, including the following:

1. A concise description of the site and adjacent parcels, particularly neighborhood housing.
2. A brief summary of the project, including number of buildings, proposed rents, and population served. If this is a project that includes units with services for the homeless, state the number of units and any additional details about that population.
3. A brief description of the defined Primary Market Area (PMA), with a summary of key economic and demographic indicators supporting the project.
4. Precise statement of key conclusions reached by the analyst. This statement should provide an evaluation of the proposed development and its prospect for success as proposed. This statement should reconcile any major conflicting data indicators among the various sections of the report.
5. Precise statement of analyst's opinion of market feasibility including the prospect for long-term performance of the property given housing and demographic trends and economic factors.

6. Provide a summary of market related strengths and/or weaknesses that may influence the subject development marketability, including compatibility with surrounding uses, the appropriateness of the subject property's location, unit sizes and configuration, and number of units, estimated PMA vacancy rates, and make recommendations to improve marketability.

### C. Project Description

The Market Study should include a project description to show the analyst's understanding of the project at the point in time the Market Study is undertaken. The project description should include:

1. Proposed number of units by number of bedrooms, bathrooms, and unit sizes in square feet.
2. Description of: The number of buildings, design (walk-up, elevator, etc.), number of stories, unit and common amenities, site amenities, and parking.
3. *For all rehabilitation projects, provide:*
  - a. Description of the proposed scope of rehabilitation, including a breakdown of hard and soft costs, if available.
  - b. Description of the methodology for the rehabilitation and the scope of work. A copy of the floor plans and elevations (if ready) should be included as an attachment to the report.
  - c. An estimate of total construction cost and cost per unit.
  - d. Identify existing unit mix and rents, including any existing housing subsidies. Compare current and proposed rents.
  - e. Current and historical (if available) occupancy information.
  - f. An analysis of the current rent roll (if available) to determine if existing tenants will remain income qualified and/or able to afford the proposed rents.
4. Proposed rents and income limits as a percent of Area Median Income (AMI).
  - a. Bedrooms and targeted income levels should break out the unit mix.
  - b. Income restrictions for each unit type, including maximum and minimum income limits, should be presented.
5. Utilities
  - a. Energy sources for tenant-paid hot water, heat, and cooking.
  - b. Utility allowances for tenant-paid utilities.
6. Identification of assisted housing programs at the property.
  - a. *For rehabilitation projects*, identification of any existing assisted housing program at the property, including but not limited to HUD's Housing Choice Voucher Program, Section 202, Section 811, Below Market Interest Rate Programs, Section 236.
  - b. *For new projects*, identification of any project-based rental subsidies that the project sponsors intend to apply for.
7. Describe the target population, including any tenancy restrictions.
  - a. *Rehabs of existing subsidized housing do not need to complete this subsection.*
  - b. *For age-specific projects*, analysts should discuss the appropriateness of the age restriction based on local market conditions and experiences of comparable properties.
  - c. *If the project will serve households with special needs*, evaluate the appropriateness of the building design for the intended tenants. Evaluate the accessibility of the site in terms of local public transportation, parking, and major thoroughfares.
8. Amenities
  - a. List the amenities available to tenants.
  - b. Discuss whether the amenities are appropriate and sufficient for the market and the intended tenants.
9. Description of proposed supportive services provided for residents (if any, if applicable)

- a. This section should distinguish between population-level services available to all residents through the property management provider and Resident Service Coordinators and more intensive services for Vermonters experiencing homelessness that will be provided by owner/manager staff or a third party.
- 10. Description of unit accessibility or universal design compliance, including whether the project has sufficient accessibility features for the intended populations served.
- 11. Developer's projected dates for construction start, construction completion, and start of pre-leasing.
- 12. A description of any strengths or weaknesses that will affect the marketability of the project.

#### *D. Location and Market Area Definition*

*Rehabs of existing subsidized housing must complete only Item 1 below and do not need to complete Items 2-6.*

1. Define the Primary Market Area (PMA) and, if applicable, the Secondary Market Area (SMA) including a map that clearly delineates the areas and an explanation of the basis for the boundaries of the PMA and SMA. Identify PMA and SMA boundaries by Census Tracts, jurisdictions, street names, or other geography forming the boundaries. Also, define the larger geographic area in which the PMA is located (i.e., city, county, Metropolitan Statistical Area (MSA), etc.).
  - a. If using SMA, please explain the basis on which the decision was made to use an SMA and how you have managed to ensure that you are not duplicating household counts that may have been part of projected in-migration into the PMA. VHFA expects to see SMA used infrequently.
  - b. The PMA may be different for special needs populations. Key considerations to defining the Primary Market Area are the service/support providers, their current caseloads, and "geographic reach."
2. Describe the finished site's characteristics, including its size, shape, general topography, and vegetation, as well as potential concerns with accessibility and proximity to adverse conditions.
  - a. For scattered site projects, note the differences between parcels and include a map of the parcels showing their geographic distribution.
3. Provide photographs of the site and neighborhood and a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, medical services, public transportation, places of worship, and other services such as libraries, community centers, banks, etc. In situations where it is not feasible to show all the categories on a map, the categories may be addressed in the narrative.
4. Comment on the availability of public transportation.
5. Describe the marketability of the proposed development.
6. Describe and evaluate the visibility and accessibility of the site.

#### *E. Population and Households*

1. Provide the following information for the Primary Market Area and Secondary Market Area, if one has been defined, as well as for the county/counties in which the property is located for comparison.
  - a. Population and household counts for:
    - i. Historical Decennial Census data.
    - ii. Estimate for the latest year available.
    - iii. 5-year projection from the latest year available.
  - b. Population and household characteristics:

- i. Age, including current estimates and 5-year projection from the latest year available.
  - ii. Household size, including current estimates and 5-year projection from the latest year available.
  - iii. Tenure, including current estimates and 5-year projection from the latest year available.
  - iv. Racial and language groups must be summarized using census data, including a summary of all racial and language groups in the market area that comprise more than .25% of the population.
- c. Income
- i. Income distribution for total households and renter households using Census increments.
  - ii. Analysis of rent as a percent of income (cost burden or rent burden).
- d. An analysis of trends indicated by the demographic data, including a discussion of specific trends that may positively or negatively affect rental housing demand and how they may impact the project.
- e. Provide a singular comprehensive table that shows the total number of renter households in the market area that would be eligible for the proposed housing project based on income, applicable age restriction, and size as follows:
- i. First, the number of households by age restriction (general occupancy or age-restricted eligible),
  - ii. Secondly of those, the number of households by income band.
  - iii. Thirdly of those, the number of households by size.

Sources of data, projections, and estimates should be clearly identified. Data should reflect the most recent Decennial Census, recent American Community Survey (ACS), and/or data provided by third-party providers. The analysis should consider and discuss the margins of error and statistical significance of the data, where applicable. When trends over time or comparisons between two groups based on estimates are included in the study, the study should describe whether the estimates are significantly different at the 95% confidence level. The analyst should present detailed discussions of methodologies used to derive estimates or projections, including when third-party estimates are used.

2. *For existing subsidized housing rehabilitation projects*, VHFA will consider a reduced scope that must provide age and income data for existing tenants.

#### *F. Housing with Supportive Services*

*This section does not need to be completed for rehabs of existing subsidized housing. This section must be completed for new projects that will offer housing with supportive services for Vermonters experiencing homelessness or existing projects that are adding additional Supportive Service units.*

1. Describe the target population that will receive housing with supportive services.
  - a. Describe the number of homeless or at-risk households and individuals identified by the area Continuum of Care (CoC) and the latest annual Point In Time Count (PIT).
  - b. Identify the number of households on waitlists through the Coordinated Entry (CE) master list.
  - c. Identify how the project units support the needs of the target population, including household size and age (for age-specific housing projects).
  - d. Discuss any trends over time among this data that may impact the target population or services to be provided.

2. Describe how the project will identify potential residents through the Coordinated Entry (CE) system.
3. Estimate the time it will take to fill the proposed units. Explain how this estimate was derived.
4. Describe the supportive services to be provided.
  - a. This section should distinguish between population-level services available to all residents through the property management provider and Resident Service Coordinators and more intensive services for Vermonters experiencing homelessness that will be provided by owner/manager staff or a third party.
5. Describe the relevant providers who will be providing supportive services to the target population.
  - a. List the relevant supportive service providers, their location(s), and the distance in miles from the site.
  - b. Detail the types of services provided by each Agency, the experience of that Agency, and the ability of the service provider to sustain these services over time.

### G. Area Services

*This section does not need to be completed for rehabs of existing subsidized housing.*

Describe and evaluate the availability of area services as related to the intended tenants. Listed below are general categories that should be addressed, but this list is not intended to be all-inclusive. Additional services may be applicable, while some of those listed may not.

1. Shopping and related services:
  - a. Location and distance from the site of the nearest grocery, drugstore, convenience store, pharmacy, and other essential services and retail shopping (including neighborhood shopping malls and regional shopping centers).
2. Transportation
  - a. Access and proximity to major roads and highways.
  - b. Access to public transportation, including bus service and transit centers. Comment on transportation linkages and access to amenities and area job centers.
3. Health care
  - a. Location and distance from the site to the nearest hospitals and community health centers.
4. *For age-specific housing projects only:*
  - a. Senior Services/Center - Location and distance from the site to the area's senior center. List the services available through the center or various organizations in the area serving the senior population.

### H. Economy and Employment

*This section does not need to be completed for rehabs of existing subsidized housing. For an age-specific development that is restricted to occupancy for seniors and/or individuals with disabilities only, the assumption may be made that most of the tenants will be retired, and therefore, this section may be omitted.*

Provide data and analysis on the employment and economy of the Primary Market Area (PMA) to give an understanding of the overall economic health of the community in which the Primary Market Area is located. List sources for the data and methodology for the analysis.

1. Describe employment by industry sector for the Primary Market Area or smallest geographic area available that includes the Primary Market Area and compare the data to the larger geographic area, e.g. the county, labor market area, or MSA.
  - a. *For projects including housing with services:* particular attention should be paid to the level of employment in the unskilled and semi-skilled sectors. Supportive work settings should be identified, and their capacity for providing additional work opportunities should be discussed.
2. List major employers in the PMA, the type of business, and the number employed.
  - a. Comment on trends for employment in the PMA in relation to the subject.
  - b. In relevant markets (such as resort areas), comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.
3. Discuss any seasonal versus permanent employment opportunities in the area and how that may affect the marketability of the housing.
4. Show the historical unemployment rate for the last five years for the PMA.
5. Show employment growth over the same period or a more recent, shorter period (last two to three years).
6. Provide a breakdown of typical wages by occupation. This information may be provided on a regional basis rather than for the specific PMA, if that is the best data that is readily available.
7. Provide commuting patterns for workers, such as how many workers in the PMA commute from surrounding areas outside the PMA.
8. Provide a conclusion stating whether economic conditions will have a significant positive or negative impact on the subject property.

### *I. Competitive Environment*

*This section does not need to be completed for rehabs of existing subsidized housing.*

Provide information on other multifamily rental housing in the Primary Market Area and any rental housing proposed to be developed in the Primary Market Area within the 12-month period following the date of the Market Study. This section of the market study should include:

1. Provide an overview of the Primary Market Area's housing stock, including age, condition, structure type, and any identified market trends.
2. Describe the size of the overall rental market in the PMA affordable to the target population, including available subsidized units and market rate properties.
3. Discuss the availability of affordable housing options in the PMA.
  - a. For projects that include housing for households with specific needs, including age-specific housing developments, list the housing options for the target population this project will serve.
4. Identify the number of new units that have come online in the Primary Market Area in the last five years and identify the source of the information. These should include both Market Rate and subsidized units.
5. Identify the number of rental projects in the pipeline in the Primary Market Area. These should both include market rate and subsidized units.
6. An estimate of the market vacancy rate for the Primary Market Area rental housing stock.
7. Identify and describe comparable property in the area. List for each property:
  - a. Name and location
  - b. Target population
  - c. Physical characteristics: type of design, age, and condition, number of units by bedroom type; rent levels by bedroom type, number of bedrooms and baths for each unit type,



square footage of units; kitchen equipment available, type of utilities (state whether paid by tenant or owner and energy sources for hot water, heat, and cooking)

- d. Unit and site amenities included
  - e. Site staffing
  - f. Current effective rents by bedroom size, adjusted to reflect consistent utility policy. Rent trends for the past 24-36 months should be included if available.
  - g. Vacancy rate for the surveyed rental stock. As appropriate, vacancies should be broken up by property classifications and target market, which may include market rate, LIHTC, deeply subsidized (rent based on tenant income), senior, special needs, etc. As available, vacancy data should be provided by bedroom type (unit size). Vacancy trends should be provided and discussed if available/relevant. Identify any significant variances in vacancy rates that exist among price point, location, bedroom size, target market, etc.
  - h. Absorption experience of recently completed rental developments as available, including units per month estimates for each project, with particular emphasis on comparable projects that have entered the market within the past 24 months.
  - i. Name, address, and phone number of property contact.
8. Provide a narrative evaluation of the subject property in relation to the comparable properties. Any area vacancy or absorption problems should be identified and discussed, particularly among the most comparable rental communities.
  9. Discuss how the subject development will impact the existing housing market.

#### *J. Affordability and Demand Analysis*

*This section does not need to be completed for rehabs of existing subsidized housing.*

Provide information on the overall level of demand for rental housing in the market area based both on net demand for additional rental housing and needs addressing the existing population/housing stock. Provide documentation and descriptions that show the methodology for calculations in the analysis section and relate the conclusions to the data. Do not include all rent-overburdened households as part of pent-up market demand for the units. For the portion of rent-overburdened households that you do include, provide your methodology.

1. Provide a detailed analysis of the income levels of the potential tenants who can afford the proposed rents. State and support the minimum household income used for total housing expenses to set the lower limit of the targeted population's income range.
2. Discuss the demand for housing assistance in the primary market area and county.
  - a. Review waitlists for subsidized developments and tenant-based vouchers, including the demand by bedroom size and for the target population.
3. Derive and discuss a market rent for the subject property.
  - a. Proposed rents should be evaluated for each proposed income level rather than an average by bedroom type.
  - b. Analysts should comment if specific units (bedroom/AMI) will lease significantly faster or slower than the remainder of the project.
  - c. Quantify and discuss the market advantage of the subject property and the impact on the marketability of the developer's proposed rents for the subject property. Analysts should comment on the difference between tax credit rents, rents for market rate units within the project, and general market rents.
  - d. Evaluate the need for voucher support or HUD contracts.
4. Calculate the capture rate for the targeted population in the subject property.

- a. The capture rate is the percentage of age, size, and income qualified renter households in the primary market area that the property must capture to achieve the stabilized level of occupancy.
  - b. This analysis must incorporate restrictions such as age, income, tenure, household sizes, living in substandard housing, and other comparable factors.
  - c. The capture rate is calculated by dividing the total number of units in the property by the total number of qualified renter households in the Primary Market Area.
5. Calculate the penetration rate.
    - a. The penetration rate is the percentage of age, size, and income qualified renter households that the subject property, existing competitive units, and proposed competitive units in the Primary Market Area must capture to achieve the stabilized level of occupancy.
    - b. This includes all existing and proposed properties (to be completed within six months of the subject) which are competitively priced to the subject.
  6. Calculate the absorption period and absorption rate.
    - a. The absorption period is the length of time necessary for a newly constructed or renovated property to achieve the stabilized level of occupancy.
    - b. The absorption length is the average number of units rented each month during the absorption period.
    - c. Justify both the absorption period and absorption rate for the subject property.

#### *K. Local Perspective of Rental Housing Market and Housing Alternatives*

*This section does not need to be completed for rehabs of existing subsidized housing.*

The Market Study should include a summary of the perspective on the rental market, the need for the proposed housing and unmet housing need in the market. The local perspective should consider the following:

1. Interviews with local planners; housing and community development officials (including Public Housing Authorities), and market participants (including rental property owners) to estimate proposed additions to the supply of housing that would compete with the subject and to evaluate the local perception of the need for additional housing. This should also include the cost and availability of home ownership and mobile home living, if applicable.
2. *For housing with supportive services:* Interviews with area service providers and area advocates for the target population.

#### *L. Analysis/Conclusions*

This section should summarize salient points from the market study used by the analyst to reach their conclusion. The conclusion of the report should reconcile any significant conflicting data in the report.

1. Identify any significant competitive advantages or disadvantages of the proposed development.
2. Discuss the proposed price position relative to the existing rental market. Comment on the appropriateness of the proposed rents in light of the proposed location and product to be constructed.
  - a. *This subsection does not need to be completed for rehabs of existing subsidized housing.*
3. Identify risks (i.e., competitive properties that may come online at the same time as the subject property, declining population in the PMA, etc.), unusual conditions, and mitigating circumstances.

4. Discuss any impact (short/long term) the subject property will have on the overall rental market and comparable rental communities.
5. Provide recommendations and/or suggest modifications to the proposed project.

**M. Other Requirements**

1. Contact information of analyst preparing study.
2. Statement of qualifications.
3. Certification of no identity of interest between the analyst and the entity for whom the report is prepared.
4. Certification that recommendations and conclusions are based solely on professional opinion and best efforts.
5. List of sources for data in the market study. Upon request, analysts shall provide the demographic reports used for the study.
6. Append utility allowance schedule (or utility company provider letters).
7. *For rehabilitation projects*, append a copy of the floor plans and elevations (if ready)
8. Appended completed Market Study Checklist.

**Definitions**

<b>Absorption Period</b>	The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first certificate of occupancy is issued, and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month leasing is assumed to begin should accompany all absorption estimates.
<b>Absorption Rate</b>	The average number of units rented each month during the Absorption Period.
<b>Affordable Housing</b>	Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.
<b>Age-Specific Housing</b>	Housing that is targeted to households headed by someone age 55 or older. Housing may also serve households with an individual with a disability. Also known as age-restricted or senior housing.
<b>Amenity</b>	Tangible or intangible benefits offered to a tenant at no fee, typically on-site recreational facilities, planned programs, services or activities.
<b>Area Median Income (AMI)</b>	100% of the gross median household income for a specific Metropolitan Statistical Area (MSA), county or non-metropolitan area established annually by HUD.
<b>Assisted Housing</b>	Housing where federal, state or other programs subsidize the monthly costs to the tenant.
<b>Capture Rate</b>	The percentage of age, size, and income qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. VHFA may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, movership and other comparable factors. The Capture Rate is calculated by dividing the total number of units in the

	property by the total number of qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire Market Area.
<b>Census Tract</b>	A small, relatively permanent statistical subdivision defined by the U.S. Census Bureau for conducting surveys and presenting data. Census tract boundaries normally follow geographic features but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Tracts are reviewed and may be revised every 10 years. Census tracts average about 4,000 inhabitants.
<b>Gross Rent</b>	The monthly housing cost to a tenant which equals: 1) the actual rent payable by the tenant to the owner (which includes any rent subsidy paid on behalf of the tenant), inclusive of all terms of the lease, and 2) the estimated cost of all Tenant Paid Utilities.
<b>Household</b>	One or more people who occupy a housing unit as their usual place of residence.
<b>Housing Choice Voucher Program (HUD Section 8 Certificate or Voucher Program)</b>	Federal program for households earning less than 50% of the Area Median Income administered by a local Housing Authority. This program provides monthly rental subsidies to cover the difference between the Household's Gross Rent and the greater of 30 percent of the Household' adjusted income or 10 percent of the Household's gross income. Seventy-five percent of the Housing Authority's vouchers must serve households below 30% of the Area Median Income.
<b>Housing with Services for the Homeless</b>	Permanent housing with services for persons who are homeless or at risk of homelessness. Residency is not time limited. The purpose of the services is to stabilize situations and allow the individual or family to develop the resources or skills needed to access independent permanent housing. Services provided can include, but are not limited to, life skills, budgeting, credit counseling, and housekeeping and parenting. Services may be provided by the organization managing the housing or coordinated by them with other public or private agencies who are local partners. Housing with Services can be provided in one structure or several structures, at one site or in multiple structures at scattered sites. For additional guidelines, review the State of Vermont Allocation Plan.
<b>Low Income Housing Tax Credit (see also "Housing Credit" in the Allocation Plan)</b>	A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended.
<b>Market Advantage</b>	The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.
<b>Market Rate</b>	Apartments or for-sale housing that are for sale or rent at levels unenhanced by special financing or other arrangements and is

	unencumbered by any deed or operating restriction that would diminish its value.
<b>Market Rent</b>	The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, and Amenities. Market Rent should be adjusted for concessions and owner-paid utilities included in the rent.
<b>Market Study</b>	A macroeconomic analysis that examines the general market, economic, and environmental conditions of supply, demand, and pricing, or the demographics of demand for a specific area or property type.
<b>Marketability</b>	The position that the proposed property fits into the area housing market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.
<b>Market Vacancy Rate</b>	Average number of apartment units in the market area that are unoccupied divided by the total number of apartment units in the same market area, excluding units in properties that are in the lease-up stage.
<b>Metropolitan Statistical Area (MSA)</b>	A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The Burlington-South Burlington MSA is the only one MSA in Vermont, and includes all towns in Chittenden, Franklin and Grand Isle counties.
<b>Neighborhood</b>	An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.
<b>Penetration Rate</b>	The percentage of age, size and income qualified renter households in the Primary Market Area that all existing and proposed properties (to be completed within six months of the subject) – and which are competitively priced to the subject – must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. See Capture Rate for property specific rate.
<b>Primary Market Area</b>	A geographic area from which a property is expected to draw the majority of its residents. It is expected that the market analyst will use their experience and best knowledge to define the Primary Market Area (and Secondary Market Area) for the development.
<b>Project Based Rent Assistance</b>	Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.
<b>Secondary Market Area</b>	The portion of a Market Area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.
<b>Section 202 Program</b>	Federal program providing direct capital advances (i.e. grants) to construct, acquire or rehabilitate housing designed for elderly households (over age 62) who have incomes not exceeding 50% of Area Median Income. Section 202 funding can also cover operating costs and rental

	assistance The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.
<b>Section 236 Program</b>	Federal program that provides interest reduction payments for loans that finance housing targeted to Households with income not exceeding 80% of Area Median Income. Tenants pay rent equal to the greater of basic rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.
<b>Section 811 Program</b>	Federal program providing direct capital advances to construct, acquire, or rehabilitate housing for people with disabilities who have income not exceeding 50% of Area Median Income. Section 811 funding can also cover operating costs and rental assistance. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.
<b>Special Needs</b>	People who have specific needs that may not be met by general occupancy housing. This can include people who are homeless, disabled, youth at risk, victims of domestic violence, veterans, and other vulnerable populations.
<b>Stabilized Level of Occupancy</b>	The underwritten or actual number of occupied units that the property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.
<b>Substandard Conditions</b>	Housing conditions that are conventionally considered unacceptable that may be defined in terms of lacking plumbing or kitchen facilities, one or more major systems not functioning properly, or overcrowded conditions.
<b>Target Population</b>	Market niche a development will appeal to or cater to. This may include income restrictions, age restrictions, and/or special needs.
<b>Tenant Paid Utilities</b>	The cost of utilities necessary for the habitation of a dwelling unit that are paid by the tenant. Tenant Paid Utilities do not include costs for telephone, internet or cable service.
<b>Tenure</b>	The distinction between owner-occupied and renter-occupied housing units.
<b>Unmet Housing Need</b>	New units required in the Market Area to accommodate household growth, homeless households, and households in substandard housing.
<b>Vacancy Period</b>	The amount of time that an apartment remains vacant and available for rent.
<b>Vacancy Rate</b>	The number of total habitable units that are vacant divided by the total number of units in the property.