

NCAHMA Market Study Index

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A Executive Summary:

Each market study should include a concise summary of the data, analysis and conclusions.

1 Site Description - is a concise description of the site and the immediate surrounding area presented?

2 Project Summary - including key project characteristics and proposed population to be served.

3 Conclusions - is a precise statement of key conclusions presented?

4 Market Feasibility - is a concise statement of the analyst's opinion regarding market feasibility presented?

5 Recommendations - is a statement for any suggested changes to the proposal present, if necessary?

6 Market Strengths and Weaknesses - is a review of positive and negative attributes present that the analyst has identified as possible impacts upon the proposal's marketability, performance and lease-up?

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B 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.

1 Project Description - does the study contain:

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| # of Bedrooms and baths? | |
| Income limits as a % of AMI? | |
| Unit sizes? | |
| Utility information? | |
| Proposed rents | |
| Target market population | |
| Available subsidies? | |
| Special needs requirements? | |

2 Utilities - is a detail of tenant-paid and project-paid utilities present?

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3 Building/Site/Amenities information - does the study contain and analyze the following:

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| # of Buildings and type? | |
| # of Stories? | |
| Unit amenities? | |
| Project features? | |
| Outdoor features? | |
| Floorplans and elevations? | |

4 For Rehabilitation Projects - does the study contain and analyze the following:

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| Scope of rehabilitation work? | |
| Existing financing? | |
| Remaining subsidies? | |
| Current occupancy levels? | |
| Current rents? | |

5 Market Entry - does the study contain anticipated construction start and completion, as well as start for pre-leasing activity?

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C Location and Market Area Definition

1 Primary Market Area - is the PMA defined in sufficient detail? Are boundaries identified and determined sufficiently? Is a map present? If necessary, is the SMA identified and defined? Is the larger geographic area in which the PMA is located identified?

2 Site Description - is a detailed description of the site present, including size, shape, general topography, vegetation, and proximity to adverse conditions?

3 Photos and Maps - are all nearby community features and amenities identified on a map(s)? Are sufficient photos present to provide a clear depiction of local neighborhood conditions?

4 Site suitability - has the analyst discussed the site's characteristics as they relate to the subject proposal?

5 Visibility and Accessibility - has the analyst discussed these features in relation to the viability of the proposal?

6 Crime - has the analyst provided any relevant information regarding crime, or any possible perceptions of crime within the community?

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D Employment and Economy

The market study should provide data and analysis on the employment and economy of the PMA to give an understanding of the overall economic health of the community in which the PMA is located. Sources for the data and methodology for the analysis

1 Employment by Industry - has the analyst provided data for the PMA (or smallest geographic level that includes the PMA) on employment by industry sector, and compared the data to a larger geographic area?

2 Unemployment - has the analyst illustrated the historical unemployment rate for the last ten years?

3 Major employers - has the analyst listed major employers for the PMA, the type of business, and the number of employees?

4 Employment Change - does the report show in sufficient detail changes in employment?

5 Employment trends - does the report contain sufficient analysis regarding trends in local and regional employment?

6 Workforce housing (if applicable) - does the study comment on the availability of affordable housing for employees of businesses that draw from the PMA?

7 Wages - does the report include a breakdown of typical wages by occupation?

8 Commuting patterns - has the analyst provided information regarding commuting patterns within and outside of the PMA?

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E Demographic Characteristics

Present recent census demographic data for the PMA (and SMA if appropriate) and other geographic areas (cities, counties, or states) as appropriate. Current year estimates and five-year projections are typical. Estimates and projections should be from reliable sources. **All sources of data should be identified.**

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| 1 Population and households - current and projected counts | <input type="text"/> |
| 2 Building permits - if relevant, a 10-year, or other appropriate period, history of building permits. | <input type="text"/> |
| 3 Population and household characteristics - by age and household type | <input type="text"/> |
| 4 Tenure - households by tenure (and age segment if required) | <input type="text"/> |
| 5 Household Income - distribution by tenure - in at least \$5,000 increments. | <input type="text"/> |
| 6 Demographic analysis - has the analyst provided sufficient analysis of trends? | <input type="text"/> |

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F Competitive Environment

Provide information on other multifamily rental housing in the PMA, and any rental housing proposed to be developed in the PMA

1 Existing comparable properties - provide a list of existing comparable developments, including the following information:

- Name and location
- Population served
- Design type, age, and condition
- # of units by bedroom/bath type
- Unit size
- Utility information
- Unit amenities
- Project features
- Site staffing/contact person
- Occupancy and absorption info
- Address and phone number
- Photo of each property
- Map of properties

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2 Comparable analysis - does the report contain sufficient evaluation of the subject proposal in relation to the comparable properties? Did the report identify those properties that are "most comparable", and explain why others were not selected?

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3 Comparable comparisons - has the analyst made sufficient comparisons to the subject proposal in terms of amenities, tenant paid utilities, location, parking, concessions and rental rate trends?

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4 Occupancy rate - is sufficient detail and analysis present for the overall occupancy level and separate occupancy rates by product type and target market?

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5 Impact on the local rental market - is this issue sufficiently addressed?

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6 Waiting lists - is this information present?

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7 Overall rental market data - does the report contain information on the size of the overall rental market, including the percentage of affordable and market rate properties?

8 Affordable housing alternatives - does the report contain information on the availability of options to the target market, such as single family homes?

9 Proposed and under construction information - does the report contain detailed information on any similar proposals, including placed-in-service dates, unit mix, and target market?

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G Analysis/Conclusions

1 Provide a detailed analysis of the income levels of the potential tenants. State and support the minimum household income used for total housing expenses to set the lower limit of the eligible income range. If required provide a demand analysis based on regulating agency's requirements.

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2 Capture rate - calculate and analyze the capture rate for each income limit within the subject proposal.

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3 Penetration rate - calculation and analyze the penetration rate.

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4 Absorption - define and justify the absorption period and absorption rate for the subject proposal.

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5 Documentation - does the report contain sufficient documentation of methodology for any calculations used to determine demand potential?

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6 Market/Achievable rent - derive these rents and then compare to the proposed rent. Is sufficient analysis present for the comparisons?

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7 Housing stock changes - does the report contain a projection and explanation of any future changes in the housing stock?

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8 Risks - does the report contain an identification and analysis of possible market-related risks or circumstances (including new properties coming on-line, demographic or economic shifts), or any other mitigating circumstances, including the need or use of vouchers or other subsidies?

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H Local Perspectives

1 Local perspective - does the report contain the results of interviews with local housing officials?

2 Does the report contain information from the local PHA?

H Other Requirements

1 Dates - does the report list the preparation date for the report and the inspection date for field work?

2 Certifications - does the report contain all the required certifications?

4 Qualifications - does the report contain sufficient documentation of the author's qualifications?

5 Data - does the report contain sufficient documentation of the various sources of data used within the analysis?

6 Checklist - does the report contain the NCAHMA checklist (and any HFA checklist, if required)?

7 Utilities - does the report contain sufficient detail on utility information, including a utility allowance schedule or utility company letter?