

# National Council of Housing Market Analysts

## Finding Profitable Opportunities & Financing Affordable Housing Summit

March 29-30, 2017  
Omni Severin Hotel  
Indianapolis, IN

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# Market Demand

- Demographic, Employment, Construction and Absorption Trends
- Changes in Supply and Demand
- Units to Achieve Market Equilibrium
- Can Market Area Support Pipeline?

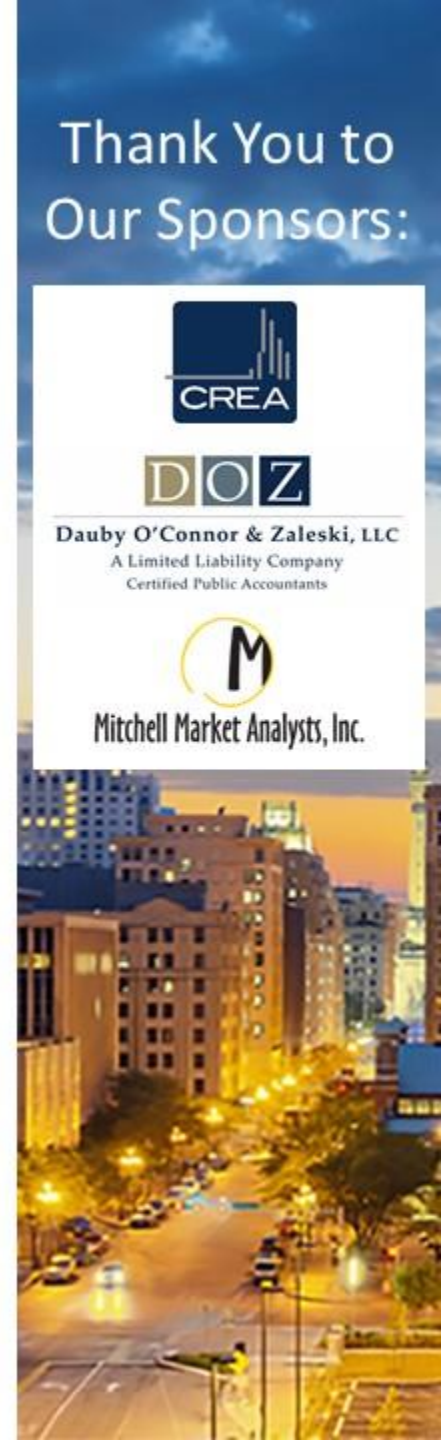
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# Project-Specific Demand

- Income-Qualified Renter Households
- Impact on Existing Rental Units
- How will Project Compete
- Ability to Stabilize at Proposed Rents

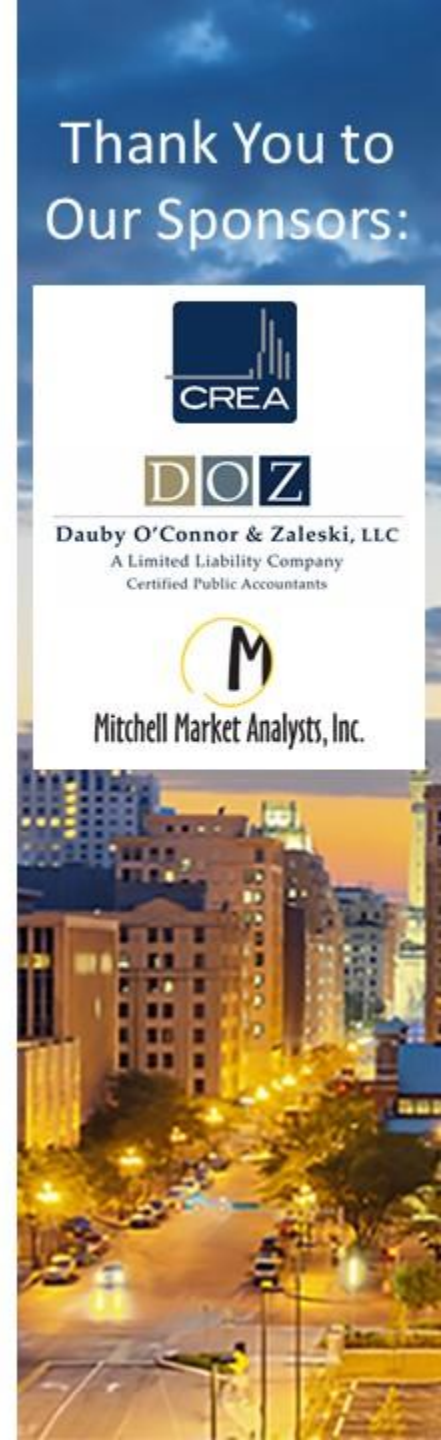
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# Factors to Consider in Analyzing Demand

- Household Growth
- Absorption Level
- Changes to Supply
- Vacancy Rates
- Market Balance
- Market Segmentation

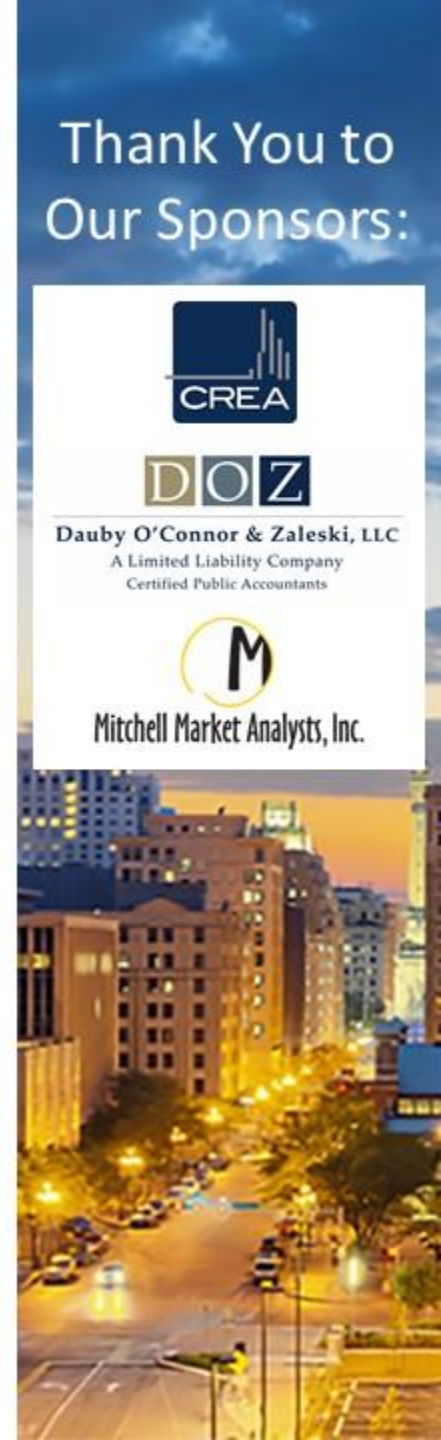
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# Factors to Consider in Analyzing Demand

- Number of Potential Income-Qualified Households
- Unit Distribution
- AMI Distribution
- Turnover
- Affordability
- Housing Choice Vouchers
- Market Saturation

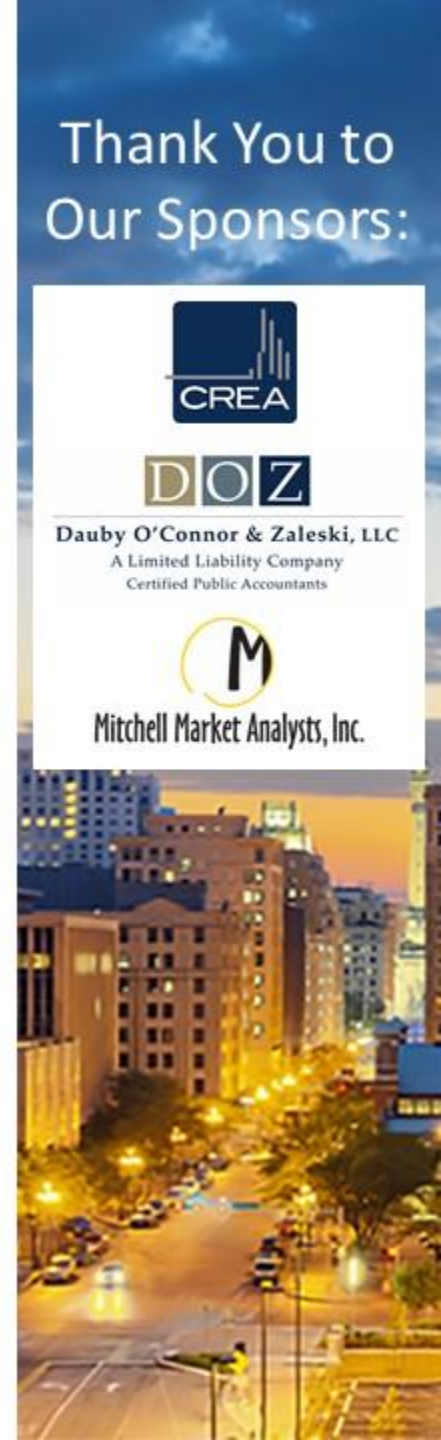
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# Factors to Consider in Analyzing Demand

- Location
- Design
- Price

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# Red Flags

- Inappropriate Market Area
- Sole Reliance on Capture Rates
- Use of Threshold Criteria
- Project Level Capture and/or Penetration Rate
- No Discussion of Pipeline
- Limited Number of Units of Specified Unit Type or AMI Level
- Reliance on Rent Overburden

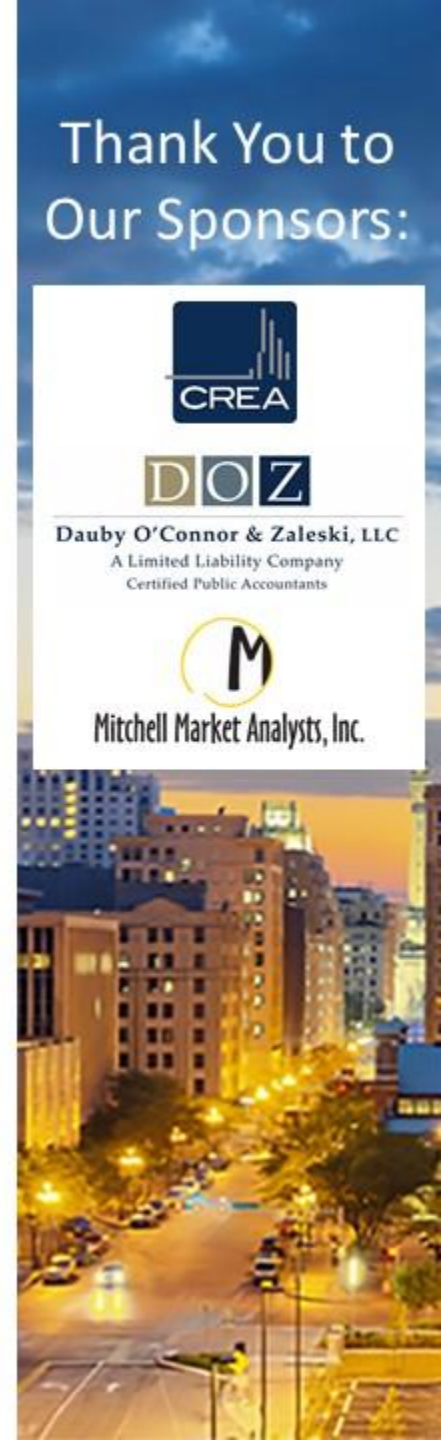
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# Red Flags

- Housing Choice Vouchers
- Use of Census Data to Measure Substandard Housing
- No Discussion of Pipeline in Demand Analysis
- Underperforming LIHTC projects

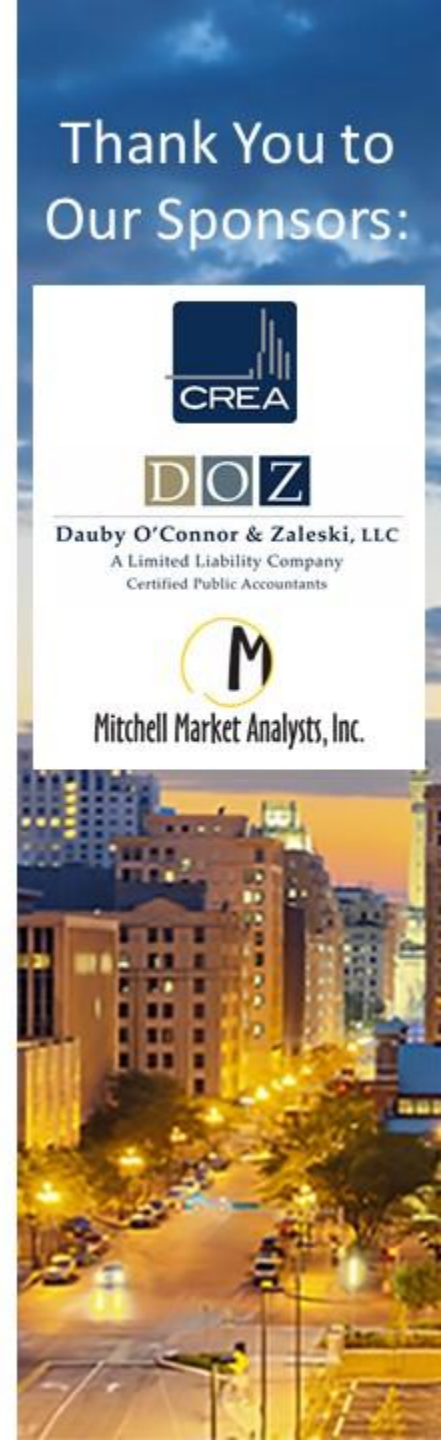
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# Recommended Practices for Analyzing Demand

- Overall Market Demand
- Capture and Penetration Rates
- Market Position
- Absorption

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