

## Market Analysis Guidelines

---

### HOME Consortium

#### **Project Feasibility Requirements:**

- The 2013 HOME Rule requires that prior to committing HOME funds, the PJ must evaluate the feasibility of all rental or homebuyer development projects regardless of size (number of units) or activity type (i.e. acquisition only, acquisition/rehabilitation, rehabilitation, or new construction). Market analysis is not required for downpayment assistance only projects or owner-occupied rehabilitation projects.
- The purpose of the requirement is to ensure that every unit in which the PJ invest HOME funds results in housing that will be rented or sold as quickly as possible.

#### **Marketing Data to Support Need**

For new construction of units for home ownership:

- An identified qualified client for a new home project. A qualified client will have prequalified for permanent financing or be willing to enter into a lease-purchase agreement with an expectation of qualification for permanent mortgage financing within 3 years.
- Documented interest in homeownership in the community at the proposed price point, based on inquiries and pre-applications
- Comparable real estate sales in the area, including average days on the market (available from the Charlottesville Area Association for Realtors (CAAR))

For rental development:

- The Section 8 waiting list
- The State of Housing report completed in 2009, which showed a significant deficit of units for households below 30% AMI and between 30 and 50% AMI
- The vacancy rate of different segments of the rental market
- A quarterly snapshot from the Blue Ridge Apartment Council
- Housing Virginia's Sourcebook statistics on housing availability, affordability and accessibility
- Documentation of the number of tenants who need accessible units and the availability of accessibility units in the area

#### **Documentation and Acknowledgement**

Sub-recipients shall submit a narrative documenting the market analysis, including supporting marketing data, demonstrating the need for the proposed housing. The TJPDC will review the documentation, request additional materials as needed, and acknowledge that the market analysis demonstrates a need for the housing to be developed by signing off on the documentation.