



FY 2019 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2019 FMRs for All Bedroom Sizes

Final FY 2019 FMRs By Unit Bedrooms

Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2019 FMR	\$702	\$831	\$1,061	\$1,329	\$1,521
FY 2018 FMR	\$739	\$884	\$1,117	\$1,400	\$1,627

Hampden town is part of Hampshire County, MA, which consists of the following towns: Sunderland town, MA; Agawam Town city, MA; Blandford town, MA; Brimfield town, MA; Chester town, MA; Chicopee city, MA; East Longmeadow town, MA; Granville town, MA; Hampden town, MA; Holland town, MA; Holyoke city, MA; Longmeadow town, MA; Ludlow town, MA; Monson town, MA; Montgomery town, MA; Palmer Town city, MA; Russell town, MA; Southwick town, MA; Springfield city, MA; Tolland town, MA; Wales town, MA; Westfield city, MA; West Springfield Town city, MA; Wilbraham town, MA; Amherst town, MA; Belchertown town, MA; Chesterfield town, MA; Cummington town, MA; Easthampton Town city, MA; Goshen town, MA; Granby town, MA; Hadley town, MA; Hatfield town, MA; Huntington town, MA; Middlefield town, MA; Northampton city, MA; Pelham town, MA; Plainfield town, MA; Southampton town, MA; South Hadley town, MA; Ware town, MA; Westhampton town, MA; Williamsburg town, MA; and Worthington town, MA. All information here applies to the entirety of Hampshire County, MA.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2012-2016 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2019 provided the estimate is statistically reliable. For FY2019, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself

and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2012-2016 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2019 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2019.

2. HUD calculates a recent mover adjustment factor by comparing a 2016 1-year 40th percentile recent mover 2-bedroom rent to the 2012-2016 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2017 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2016 to annual 2017.
5. All estimates are then inflated from 2017 to FY2019 using a trend factor based on the forecast of gross rent changes through FY2019.
6. FY2019 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. FY2019 FMRs may not be less than 90% of FY2018 FMRs.

The results of the Fair Market Rent Step-by-Step Process

1. The following are the 2016 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Springfield, MA HUD Metro FMR Area.

Area	ACS₂₀₁₆ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS₂₀₁₆ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Springfield, MA HUD Metro FMR Area	\$915	\$10	\$10 / \$915=0.011	6	0.011 < .5 6 ≥ 4 Use ACS ₂₀₁₆ 5-Year Springfield, MA HUD Metro FMR Area 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS₂₀₁₆ Margin of Error Ratio is less than .5, the ACS₂₀₁₆ Springfield, MA HUD Metro FMR Area value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	FY2019 Base Rent
Springfield, MA HUD Metro FMR Area	\$915

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains Springfield, MA HUD Metro FMR Area and has an ACS₂₀₁₆ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

Area	ACS ₂₀₁₆ 1-Year Adjusted Standard Quality Recent- Mover Gross Rent	ACS ₂₀₁₆ 1-Year Adjusted Standard Quality Recent- Mover Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Springfield, MA HUD Metro FMR Area – 2 Bedroom	<u>\$979</u>	\$26	0.027	4	0.027 < .5 4 ≥ 4 Use ACS ₂₀₁₆ 1-Year Springfield, MA HUD Metro FMR Area 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The smallest area of geography which contains Springfield, MA HUD Metro FMR Area and has an ACS₂₀₁₆ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and with a sufficient number of sample cases is Springfield, MA HUD Metro FMR Area.

- The calculation of the relevant Recent-Mover Adjustment Factor for Springfield, MA HUD Metro FMR Area is as follows:

ACS ₂₀₁₆ 5-Year Area	ACS ₂₀₁₆ 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS ₂₀₁₆ 1-Year 40th Percentile Adjusted Standard Quality Recent- Mover Gross Rent
Springfield, MA HUD Metro FMR Area – 2 Bedroom	<u>\$915</u>	<u>\$979</u>

Area	Ratio	Recent-Mover Adjustment Factor
Springfield, MA HUD Metro FMR Area	\$979 / \$915 = 1.070	1.070 ≥ 1.0 Use calculated Recent- Mover Adjustment Factor of 1.070

Area	Ratio	Recent-Mover Adjustment Factor
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4. The calculation of the relevant CPI Update Factors for Springfield, MA HUD Metro FMR Area is as follows: HUD updates the 2016 intermediate rent with the ratio of the annual 2017 local or regional CPI to the annual 2016 local or regional CPI to establish rents as of 2017.

	Update Factor	Type
CPI Update Factor	<u>1.025</u>	Region CPI

5. The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2017 to 2019. This makes Fair Market Rents "as of" FY2019.

National Trend Factor
<u>1.0572</u>

6. The FY 2019 2-Bedroom Fair Market Rent for Springfield, MA HUD Metro FMR Area is calculated as follows:

Area	<u>ACS₂₀₁₆ 5-Year Estimate</u>	<u>Recent- Mover Adjustment Factor</u>	<u>Annual 2016 to 2017 CPI Adjustment</u>	<u>Trending 1.0572 to FY2019</u>	FY 2019 2-Bedroom FMR
Springfield, MA HUD Metro FMR Area	\$915	1.070	1.025	1.0572	\$915 * 1.070 * 1.0250 * 1.0572=\$1,061

7. In keeping with HUD policy, the preliminary FY 2019 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2019 2-Bedroom FMR	FY 2019 Massachusetts State Minimum	Final FY2019 2-Bedroom FMR
Springfield, MA HUD Metro FMR Area	\$1,061	<u>\$700</u>	\$1,061 ≥ \$700 Use Springfield, MA HUD Metro FMR Area FMR of \$1,061

- Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2019 FMRs By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2019 FMR	\$702	\$831	\$1,061	\$1,329	\$1,521

- The FY2019 FMR must not be below 90% of the FY2018 FMR.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2018 FMR	\$739	\$884	\$1,117	\$1,400	\$1,627
FY2018 floor	\$665	\$796	\$1,005	\$1,260	\$1,464
FY 2019 FMR	\$702	\$831	\$1,061	\$1,329	\$1,521
Use FY2018 floor for FY2019?	No	No	No	No	No

Final FY2019 Rents for All Bedroom Sizes for Springfield, MA HUD Metro FMR Area

The following table shows the Final FY 2019 FMRs by bedroom sizes.

Final FY 2019 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2019 FMR	\$702	\$831	\$1,061	\$1,329	\$1,521

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019_code/2019summary.odn?&year=2019&fmrtype=Final&selection_type=county&fips=2501328075

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Abington town (Plymouth County), MA	^ v
Acton town (Middlesex County), MA	
Acushnet town (Bristol County), MA	
Adams town (Berkshire County), MA	
Agawam Town city (Hampden County), MA	
Select a new county	

Press below to select a different state:

Select a new state

Select a Final FY 2019 Metropolitan FMR Area:

Springfield, MA HUD Metro FMR Area	v
Select Metropolitan FMR Area	

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Prepared by the [Economic and Market Analysis Division](#), HUD. Technical problems or questions? [Contact Us.](#)