

## Fair Market Rental calculation worksheet

STEP 1: choose one of the following three methods

1. Comparables
  - a. Craigslist or another ad service
  - b. Identify an ad with housing specifications comparable to your own and the monthly rent listed for that ad
  - c. Print and attach ad comparable to your living situation (with the monthly rent listed for that ad) to your FMR report
2. Real Estate expert
  - a. Identify and recruit a local Real Estate agent
  - b. Obtain a letter from RE agent wherein the monthly FMR is stated, attach RE letter to your FMR report
3. United States Department of Housing and Urban Development (HUD)
  - a. Low- to Middle-Income Areas
    - i. Step 1: Navigate to the [huduser.org](http://huduser.org) website. The U.S. Department of Housing and Urban Development publishes fair market rent values for every state each year. Fair market rents on this site represent amounts that 40 to 50 percent of the people in your area pay based on the size of the rental.
    - ii. Step 2: Click the "Data Sets" tab at the top of the screen and select "Fair Market Rents" from the drop-down menu.
    - iii. Step 3: Click the link "Access Individual Area Fair Market Rent and Income Limit Histories."
    - iv. Step 4: Press the "Summary FMR and IL Information" button.
    - v. Step 5: Select your state and county and press the "Next Screen" button. Your results show the market rents for studio and one to four bedroom units in your county.
    - vi. Step 6: Adjust for the location of your rental, amenities and upgrades. For example, if your rental is in a great neighborhood, you can add about \$25 per month to your rental price. If your rental is an older property without upgrades, subtract \$50 to \$100 per month from your price.
  - b. Moderate- to High-Income Areas
    - i. Step 1: Browse local rental listings in the newspaper or online classified communities or search listings advertised by local real estate companies.
    - ii. Step 2: Look at the rental price for properties similar to yours. Comparable properties should have the same number of bedrooms and bathrooms and be located near your rental. Select a base rent for your property that is competitive for your market.
    - iii. Step 3: Adjust for additional amenities your property has, or lacks from similar listings. For example, if your rental doesn't have a garage, but other comparable rentals do, subtract \$25 from the average market rent for your area. Similarly, if your property has upgraded features and other properties don't, add an extra \$25 to \$50 per month to your rental price.
  - c. Print and attach final page to your FMR report

STEP 2: calculate and report monthly utilities

STEP 3: calculate and report monthly housekeeping

STEP 4: add the dollar amount determined by STEP 1(1), STEP 1(2), or STEP 1(3) to the dollar amounts determined in STEP 2 and STEP 3; this is your total FRM