

# FY 2017 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The Final FY 2017 FMRs for All Bedroom Sizes

Final FY 2017 & Final FY 2016 FMRs By Unit Bedrooms					
Year	<u>Efficiency</u>	<u>One- Bedroom</u>	Two- Bedroom	<u>Three- Bedroom</u>	<u>Four- Bedroom</u>
<b>Final FY 2017 FMR</b>	\$525	\$604	\$775	\$983	\$1,126
<u>Final FY 2016 FMR</u>	\$472	\$578	\$750	\$950	\$1,107
<b>Percentage Change</b>	11.2%	4.5%	3.3%	3.5%	1.7%

Peoria County, Illinois is part of the Peoria, IL MSA, which consists of the following counties: Marshall County, IL; Peoria County, IL; Stark County, IL; Tazewell County, IL; and Woodford County, IL. All information here applies to the entirety of the Peoria, IL MSA.

### Fair Market Rent Calculation Methodology

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

1. 2010-2014 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 FY2017 provided the estimate is

statistically reliable. For FY2017, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself.

If an area does not have a reliable 2010-2014 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 or error test described above. If so, the FY2017 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 FY2017.

2. HUD calculates a recent mover adjustment factor by comparing a 2014 1-year 40th percentile recent mover 2-bedroom rent to the 2010-2014 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 2015 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2014 to annual 2015.
5. All estimates are then inflated from 2015 to FY2017 using a national trend factor based on the forecast of gross rent changes through FY2017.

- FY2017 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.

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

- The following are the 2014 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Peoria, IL MSA.

Area	ACS <sub>2014</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS <sub>2014</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Result
Peoria, IL MSA	<a href="#">\$693</a>	\$11	\$11 / \$693=0.016	0.016 < .5 Use ACS <sub>2014</sub> 5-Year Peoria, IL MSA 2-Bedroom Adjusted Standard Quality Gross Rent

- Since the ACS<sub>2014</sub> Margin of Error Ratio is less than .5, the ACS<sub>2014</sub> Peoria, IL MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	ACS <sub>2014</sub> Rent
Peoria, IL MSA	\$693

- A recent mover adjustment factor is applied based on the smallest area of geography which contains Peoria, IL MSA and has an ACS<sub>2014</sub> 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

<b>Area</b>	<b>ACS<sub>2014</sub> 1-Year Adjusted Standard Quality Recent-Mover Gross Rent</b>	<b>ACS<sub>2014</sub> 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error</b>	<b>Ratio</b>	<b>Result</b>
Peoria, IL MSA – 2 Bedroom	<u>\$727</u>	\$64	0.088	0.088 < .5 Use ACS <sub>2014</sub> 1-Year Peoria, IL MSA 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

- The smallest area of geography which contains Peoria, IL MSA and has an ACS<sub>2014</sub> 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 is Peoria, IL MSA.
- The calculation of the relevant Recent-Mover Adjustment Factor for Peoria, IL MSA is as follows:

<b>ACS<sub>2014</sub> 5-Year Area</b>	<b>ACS<sub>2014</sub> 5-Year 40th Percentile Adjusted Standard Quality Gross Rent</b>	<b>ACS<sub>2014</sub> 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent</b>
Peoria, IL MSA – 2	<u>\$693</u>	<u>\$727</u>

Bedroom		
<b>Area</b>	<b>Ratio</b>	<b>Recent-Mover Adjustment Factor</b>
Peoria, IL MSA	\$727 / \$693 =1.049	1.049 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.049

7. The calculation of the relevant CPI Update Factors for Peoria, IL MSA is as follows: HUD updates the 2014 intermediate rent with the ratio of the annual 2015 local or regional CPI to the annual 2014 local or regional CPI to establish rents as of 2015.

	<b>Update Factor</b>	<b>Type</b>
CPI Update Factor	<a href="#">1.0126</a>	Region CPI

8. The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2015 to 2017. This makes Fair Market Rents "as of" FY2017.

<b>National Trend Factor</b>
<a href="#">1.0531</a>

9. The FY 2017 2-Bedroom Fair Market Rent for Peoria, IL MSA is calculated as follows:

<b>Area</b>	<b><a href="#">ACS<sub>2014</sub> 5-Year Estimate</a></b>	<b><a href="#">Recent- Mover Adjustment Factor</a></b>	<b><a href="#">Annual 2014 to 2015 CPI Adjustment</a></b>	<b><a href="#">Trending 1.0531 to FY2017</a></b>	<b>FY 2017 2- Bedroom FMR</b>
Peoria	\$693	1.049	1.0126	1.0531	\$693 * 1.049

, IL	* 1.0126 *
MSA	1.0531=\$775

10. In keeping with HUD policy, the preliminary FY 2017 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2017 2-Bedroom FMR	FY 2017 Illinois State Minimum	Final FY2017 2-Bedroom FMR
Peoria, IL MSA	\$775	<a href="#">\$654</a>	\$775 ≥ \$654 Use Peoria, IL MSA FMR of \$775

### Final FY2017 Rents for All Bedroom Sizes for Peoria, IL MSA

The following table shows the Final FY 2017 FMRs by bedroom sizes.

Click on the links in the table to see how the bedroom rents were derived.

Final FY 2017 FMRs By Unit Bedrooms					
	<a href="#">Efficiency</a>	<a href="#">One-Bedroom</a>	Two-Bedroom	<a href="#">Three-Bedroom</a>	<a href="#">Four-Bedroom</a>
<b>Final FY 2017 FMR</b>	\$525	\$604	\$775	\$983	\$1,126

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/data/sets/fmr/fmrs/FY2017\\_code/2017summary.odn?&year=2017&fmrtype=Final&section\\_type=county&fips=1714399999](http://www.huduser.gov/portal/data/sets/fmr/fmrs/FY2017_code/2017summary.odn?&year=2017&fmrtype=Final&section_type=county&fips=1714399999)