

# FY2012 Fair Market Rent Documentation System

## The Final FY2012 Fort Bend County FMRs for All Bedroom Sizes

The following table shows the Final FY2012 FMRs by unit bedrooms for **Fort Bend County, Texas**.

Final FY2012 FMRs By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
<b>Final FY2012 FMR</b>	<b>\$694</b>	<b>\$772</b>	<b>\$937</b>	<b>\$1,249</b>	<b>\$1,570</b>

FY2012 FMR areas continue to use the revised Office of Management and Budget (OMB) area definitions that were first issued in 2003 along with HUD defined Metropolitan areas (HMFAs) as described in the FY2011 FMR documentation which can be found at ([Fort Bend County FY2011 FMR Documentation system](#)). No changes have been made to these OMB-defined areas since the publication of Final FY2011 FMRs

**NOTE:** This is a 50<sup>th</sup> Percentile Final FY2012 FMR area as established by HUD regulations. To see the Final 40<sup>th</sup> Percentile Rents for Fort Bend County please click [here](#).

**Fort Bend County, Texas** is part of the **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area**, which is comprised of the following counties: Chambers County, Texas; Fort Bend County, Texas; Galveston County, Texas; Harris County, Texas; Liberty County, Texas; Montgomery County, Texas; San Jacinto County, Texas; and Waller County, Texas.

All information here applies to the entirety of the **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area**.

### Fair Market Rent Calculation Methodology - New for FY2012

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

1. 2005-2009 5-year ACS estimates of 2-bedroom adjusted standard quality rents calculated for each FMR area are used as the new basis for FY2012.
2. In areas where the 2009 5-year ACS estimates are smaller than the reported margin of error, the state non-metro estimate of 2-bedroom adjusted standard quality rent is used.
3. HUD calculates a recent-mover adjustment factor by comparing a 2009 1-year adjusted recent-mover 2-bedroom rent to the 5-year adjusted standard quality rent for the same area in the following manner:

- A. In areas where there are at least 100 observations included in the 2009 1-year ACS estimate of 2-bedroom recent-mover rents, a statistical comparison is made between the 5-year 2-bedroom adjusted standard quality rent and the 1-year 2-bedroom recent-mover rent available from the ACS.
  - If the 1-year data are statistically different than the 5-year data, HUD calculates a recent-mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year data. This recent-mover adjustment factor is floored at 1.0.
  - If the 1-year data are not statistically different than the 5-year data, HUD applies a recent-mover adjustment factor of 1 to the 5-year data.
- B. In areas where there are less than 100 observations of 2009 1-year ACS estimate of 2-bedroom recent-mover rent, a statistical comparison is made between the 5-year 2-bedroom adjusted standard quality rent and the 1-year 2-bedroom recent-mover rent for smallest geographic area containing the FMR area with at least 100 available observations of 2009 1-year ACS estimate of 2-bedroom recent-mover rent. For metropolitan areas, the order of geographies examined is: 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: State Non-Metropolitan Portion, Entire State, and Entire US.
  - If the 1-year data are statistically different than the 5-year data, HUD calculates a recent-mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year data.
  - If the 1-year data are not statistically different than the 5-year data, HUD applies a recent-mover adjustment factor of 1 to the 5-year data.
4. Rents are calculated as of December 2010 using one half of the relevant (regional or local) 2008-2009 CPI change and all of the relevant (regional or local) 2009-2010 CPI change.
5. All estimates are then trended from December 2010 to April 2012 (15 months) with a trending factor of 3 percent per year.
6. FY2012 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

### Houston-Baytown-Sugar Land, TX HUD Metro FMR Area Results

1. The following are the 2009 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Rent estimate and margin of error for **Houston-Sugar Land-Baytown, TX MSA**. The following calculations are based on data for the entirety of the OMB-defined metropolitan area of **Houston-Sugar Land-Baytown, TX MSA** and not **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** because neither the 2000 Census 40<sup>th</sup> Percentile Base Rent nor the 2000 Census Median Family Income differs from the official metropolitan area's 2000 Census 40<sup>th</sup> Percentile Base Rent or 2000 Census Median Family Income by at least 5 percent; however, such differences do exist for other HMFAs within **Houston-Sugar Land-Baytown, TX MSA**. For additional information on area definitions please see the [Fort Bend County FY2011 FMR Documentation system](#).

Area	ACS <sub>2009</sub> 5-Year 2-Bedroom Adjusted Standard Quality Rent	ACS <sub>2009</sub> 5-Year 2-Bedroom Adjusted Standard Quality Rent Margin of Error	Ratio	Result
Houston-Sugar Land-Baytown, TX MSA	<u>\$831</u>	\$5	\$5 / \$831 = 0.006	0.006 < 1 Use ACS <sub>2009</sub> 5-Year Houston-Sugar Land-Baytown, TX MSA 2-Bedroom Adjusted Standard Quality Rent

Since the ACS<sub>2009</sub> Margin of Error is less than 1, the ACS<sub>2009</sub> Houston-Sugar Land-Baytown, TX MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Rent:

Area	ACS <sub>2009</sub> Rent
Houston-Sugar Land-Baytown, TX MSA	\$831

- A recent-mover adjustment factor is applied to the smallest area of geography which contains **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** and has at least 100 Adjusted Standard Quality Recent-Mover observations in the ACS<sub>2009</sub> 1-year estimate:

Geography	100 ACS <sub>2009</sub> 1-Year Adjusted Standard Quality Recent-Mover Observations?
Metropolitan Area	Yes

The smallest area of geography which contains **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** and has at least 100 Adjusted Standard Quality Recent-Mover observations in the ACS<sub>2009</sub> 1-year estimate is **Houston-Sugar Land-Baytown, TX MSA**.

- The calculation of the relevant Recent-Mover Adjustment Factor for **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** is as follows:

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<b>ACS<sub>2009</sub> 5-Year Area</b>	<b>ACS<sub>2009</sub> 5-Year 2-Bedroom Adjusted Standard Quality Rent</b>	<b>ACS<sub>2009</sub> 5-Year 2-Bedroom Adjusted Standard Quality Rent Margin of Error</b>	<b>ACS<sub>2009</sub> 1-Year 2-Bedroom Adjusted Standard Quality Recent-Mover Rent</b>	<b>ACS<sub>2009</sub> 1-Year 2-Bedroom Adjusted Standard Quality Recent-Mover Rent Margin of Error</b>
<b>Houston-Sugar Land-Baytown, TX MSA</b>	<b><u>\$831</u></b>	<b>\$5</b>	<b><u>\$888</u></b>	<b>\$15</b>

<b>Area</b>	<b>Z Score</b>	<b>Result</b>	<b>Recent-Mover Adjustment Factor</b>
<b>Houston-Sugar Land-Baytown, TX MSA</b>	$Z = \frac{\$888 - \$831}{\sqrt{(\$15^2 + \$5^2)}}$ $Z = \frac{\$57}{\sqrt{(\$225 + \$25)}}$ $Z = \frac{\$57}{\sqrt{\$250}}$ $Z = \frac{\$57}{\$16}$ $Z = 3.605$	<p>3.605 &gt;= 1.645</p> <p><b>ACS<sub>2009</sub> 1-Year Significant</b></p>	$\frac{\$888}{\$831} = 1.0686$

4. The calculation of the relevant 2009-to-2012 Update Factors for **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** is as follows:

HUD updates the 2009 intermediate rent (as of June 2009) with the appropriate CPI change (local or regional) to establish rents as of December 2010. HUD then applies additional trending or results of Random Digit Dialing (RDD) surveys to update rents to April, 2012, the mid-point of FY 2012.

<b>Year</b>	<b>Update Factor</b>	<b>Type</b>
June 2009 to 2010	<b><u>1.016969</u></b>	Local CPI

2010 to April 2012	<b>1.03764</b>	Trending 3.0% for 1.25 years
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5. The FY2012 2-Bedroom Fair Market Rent for **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** is calculated as follows:

Area	ACS <sub>2009</sub> 5-Year Estimate	Recent-Mover Adjustment Factor	CPI Adjustment	Trending 3.0% for 1.25 years	FY2012 2-Bedroom FMR
<b>Houston-Baytown-Sugar Land, TX HUD Metro FMR Area</b>	\$831	1.0686	1.016969	1.03764	\$831 * 1.06859 * 1.01697 * 1.03764 = <b>\$937</b>

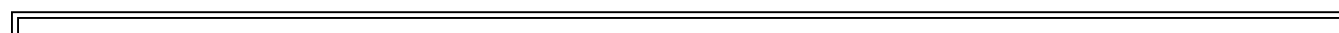
6. In keeping with HUD policy, the preliminary FY2012 FMR is checked to ensure that it does not fall below the state minimum for Texas:

Area	Preliminary FY2012 2-Bedroom FMR	FY2012 Texas State Minimum	Final FY2012 2-Bedroom FMR
<b>Houston-Baytown-Sugar Land, TX HUD Metro FMR Area</b>	\$937	<b>\$584</b>	\$937 >= \$584  <b>Use Houston-Baytown-Sugar Land, TX HUD Metro FMR Area FMR \$937</b>

### Final FY2012 Rents for All Bedroom Sizes for Houston-Baytown-Sugar Land, TX HUD Metro FMR Area

The following table shows the Final FY 2012 FMRs by bedroom sizes. The FMRs for units with different numbers of bedrooms are computed from the ratio of the 2005 Revised Final FMRs (based on 2000 Decennial Census Data) for the different unit sizes to the 2005 2-Bedroom Revised Final FMRs. These Rent Ratios are applied to the Final FY 2012 2-Bedroom FMR to determine the Final FY 2012 FMRs for the different size units.

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



Final FY2012 FMRs By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
<b>Final FY2012 FMR</b>	\$694	\$772	\$937	\$1,249	\$1,570

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.

**NOTE:** This is a 50<sup>th</sup> Percentile Final FY2012 FMR area as established by HUD regulations. Under current regulations, the 50<sup>th</sup> percent status of **Fort Bend County** will be re-evaluated in **2015**. To see the Final 40<sup>th</sup> Percentile Rents for Fort Bend County please click [here](#).

Data file last updated **Thu., Sep 22, 2011**.

## FY2012 40<sup>th</sup> Percentile Rents for Other 50<sup>th</sup> Percentile Areas

Select a Final FY2012 50<sup>th</sup> Percentile FMR Area to see its 40<sup>th</sup> Percentile Rents:

Houston-Baytown-Sugar Land, TX HUD Metro FMR Area

Select 50th Percentile FMR Area

## Other HUD Metro FMR Areas in the Same MSA

Select another Final FY2012 HUD Metro FMR Area that is a part of the **Houston-Sugar Land-Baytown, TX MSA**

Austin County, TX HUD Metro FMR Area


Select Metropolitan FMR Area

Press below to select a different state

Select a new State

or

Select a Final FY2012 Metropolitan FMR Area:

Houston-Baytown-Sugar Land, TX HUD Metro FMR Area 

Select Metropolitan FMR Area

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