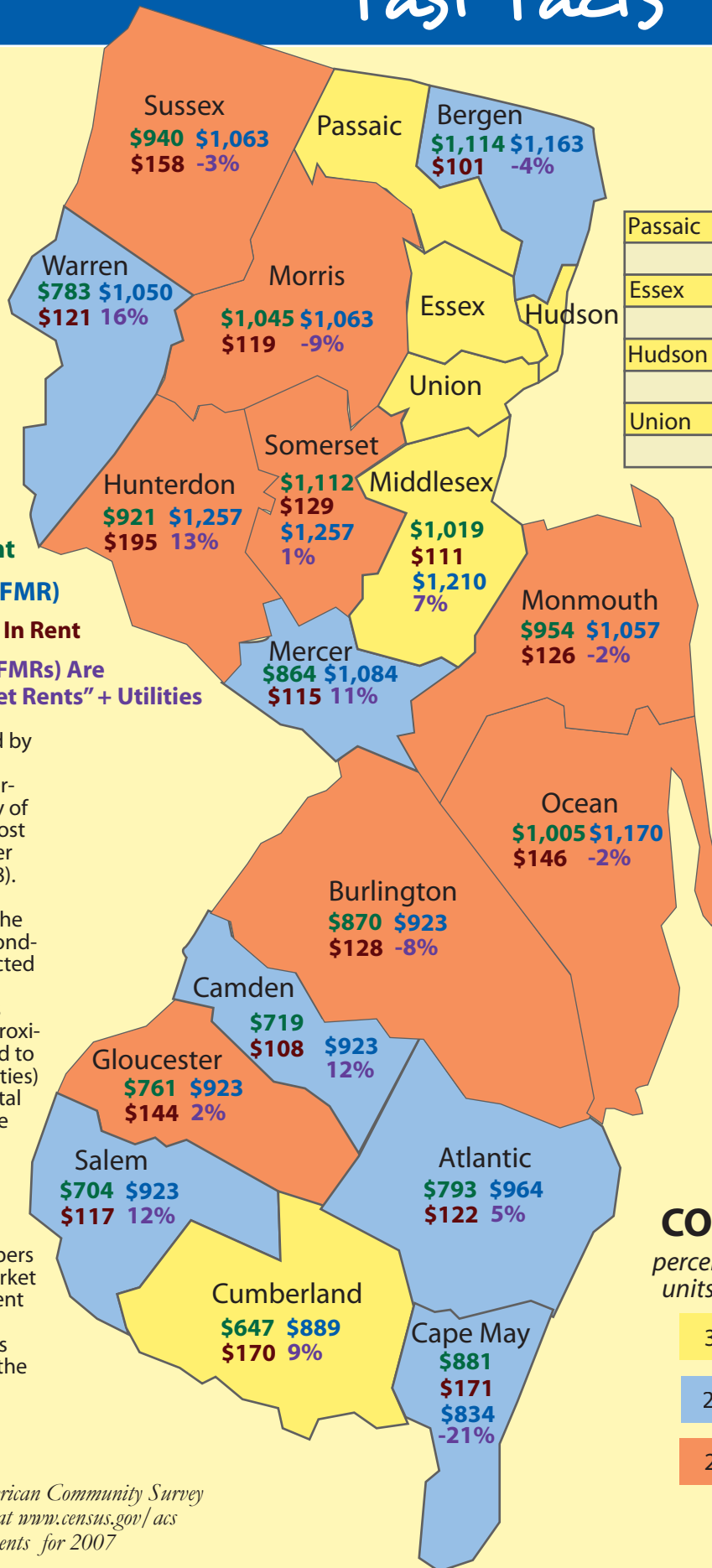


Fair Market vs. Free Market



Fast Facts

November, 2008
Nicholas Kikis, Editor



Passaic	\$898	\$1,163
	\$131	13%
Essex	\$826	\$1,063
	\$106	14%
Hudson	\$896	\$1,154
	\$94	17%
Union	\$889	\$1,063
	\$122	4%

STATISTICS KEY

- Median 2007 Apartment Rent
- HUD 2007 Fair Market Rent (FMR)
- Monthly Utilities NOT Included In Rent
- Percentage Fair Market Rents (FMRs) Are Higher/Lower Than "Free Market Rents" + Utilities

Fair Market Rents (FMRs) are established by the federal Department of Housing and Urban Development (HUD) to help determine the payment standard for a variety of federal housing assistance programs, most significantly the Housing Choice Voucher Program (commonly known as section 8).

HUD determines these values through the regulatory process (accepting and responding to public comment), and uses projected inflation to determine increases from year-to-year since the last sampling was taken. In setting FMRs, HUD aims to approximate "the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of a modest (non-luxury) nature with suitable amenities."

"Fair Market Rents" sometimes are used beyond the clear limited programmatic purpose for which HUD has established them. Oftentimes, in housing policy papers and housing policy discussions, "Fair Market Rents" are used to approximate apartment rents, when data from the U.S. Census Bureau would be more appropriate. This map compares the difference between the Census's rent estimates and HUD's "Fair Market Rent" for 2007.

COUNTY KEY

percentage of housing units that are rentals

- 33% or greater
- 26 - 32%
- 25% or smaller

Data from U.S. Census Bureau 2007 American Community Survey (released September, 2008) available online at www.census.gov/acs as well as HUD's published Fair Market Rents for 2007 available at www.huduser.org