

October 1, 2024

Division Directive  
LIHTC / Section 8 - 2025

Rent Restricted Apartment Valuation and Procedures

The Department does hereby establish and publish the following Rent Schedules, Vacancy and Collection, Expense, and Capitalization Rates for use during the tax year of October 1, 2024, for collection beginning October 1, 2025. The following rates should be used in conjunction with the standard income approach to value and guidelines found in the Alabama Appraisal Manual.

Rent Schedules:

LIHTC / Section 42 Rent Schedule

COUNTY	1 BR/ EFF	2BR	3BR	4BR
AUTAUGA	725	892	1055	1190
BALDWIN	810	996	1168	1317
BARBOUR	523	685	830	935
BIBB	859	1039	1235	1392
BLOUNT	859	1039	1235	1392
BULLOCK	528	685	830	939
BUTLER	567	701	830	939
CALHOUN	572	751	937	1059
CHAMBERS	567	703	830	939
CHEROKEE	564	707	848	959
CHILTON	575	727	936	1002
CHOCTAW	539	698	862	975
CLARKE	540	700	867	981
CLAY	545	685	830	939
CLEBURNE	573	741	922	1044
COFFEE	610	817	1042	1176
COLBERT	605	796	973	1135
CONECUH	528	685	830	939
COOSA	548	710	862	978
COVINGTON	537	709	891	1007
CRENSHAW	537	730	884	992
CULLMAN	620	805	950	1074
DALE	600	719	915	1035
DALLAS	542	703	830	939
DEKALB	521	685	830	939
ELMORE	725	892	1055	1190

HUD Market Rent Schedule

1 BR/ EFF	2BR	3BR	4BR
817	977	1241	1595
928	1206	1534	1971
562	740	941	994
942	1075	1376	1494
942	1075	1376	1494
631	820	999	1229
664	761	926	1022
609	802	1088	1178
692	911	1109	1224
584	759	959	1097
634	755	1036	1040
562	740	921	1260
573	740	1052	1260
626	740	1001	1154
594	741	966	1110
625	803	1141	1250
617	811	1000	1249
655	740	1008	1109
589	766	932	1148
562	740	986	1214
562	740	901	994
655	815	1097	1125
636	740	1052	1260
600	790	961	1061
579	740	1015	1153
817	977	1241	1595

COUNTY	1 BR/ EFF	2BR	3BR	4BR
ESCAMBIA	548	685	830	939
ETOWAH	630	761	917	1035
FAYETTE	568	686	831	941
FRANKLIN	567	685	830	939
GENEVA	605	758	955	1077
GREENE	566	703	830	939
HALE	749	938	1132	1267
HENRY	537	742	942	1026
HOUSTON	605	758	955	1077
JACKSON	567	685	830	939
JEFFERSON	859	1039	1235	1392
LAMAR	561	693	849	960
LAUDERDALE	605	796	973	1135
LAWRENCE	648	809	1020	1157
LEE	768	953	1203	1356
LIMESTONE	924	1116	1396	1605
LOWNDES	725	892	1055	1190
MACON	537	703	830	939
MADISON	924	1116	1396	1605
MARENGO	601	714	891	1021
MARION	526	692	846	958
MARSHALL	535	702	860	965
MOBILE	669	826	972	1098
MONROE	567	685	830	939
MONTGOMERY	725	892	1055	1190
MORGAN	648	809	1020	1157
PERRY	531	689	830	939
PICKENS	539	685	830	939
PIKE	625	772	911	1029
RANDOLPH	568	686	831	941
RUSSELL	617	764	900	1017
SHELBY	859	1039	1235	1392
ST. CLAIR	859	1039	1235	1392
SUMTER	567	703	830	939
TALLADEGA	547	717	846	958
TALLAPOOSA	550	718	848	959
TUSCALOOSA	749	938	1132	1267
WALKER	537	725	930	1051
WASHINGTON	614	769	911	1029
WILCOX	567	703	830	939
WINSTON	521	685	830	939

1 BR/ EFF	2BR	3BR	4BR
606	740	946	1164
660	769	973	1033
655	740	924	1109
655	740	901	1251
622	761	1015	1156
627	794	966	1067
822	1018	1277	1368
562	740	985	1001
622	761	1015	1156
624	740	901	1247
942	1075	1376	1494
613	740	1011	1109
617	811	1000	1249
651	795	1038	1151
774	992	1327	1393
872	1029	1354	1612
817	977	1241	1595
586	772	977	1315
872	1029	1354	1612
655	740	929	1109
562	740	960	1260
569	740	990	994
793	986	1318	1400
655	740	1046	1078
817	977	1241	1595
651	795	1038	1151
707	799	972	1197
562	740	979	994
676	890	1083	1196
655	740	1052	1109
819	945	1276	1610
942	1075	1376	1494
942	1075	1376	1494
690	897	1092	1211
573	754	1033	1102
600	790	1049	1076
822	1018	1277	1368
562	740	1004	1042
712	883	1075	1252
686	892	1086	1198
562	740	1014	1018

Vacancy and Collection Rate:

The Vacancy and Collection Rate is established at 7% (Statewide).

Expense Rate:

The annual expense rates are established as follows:

4 Bedroom:	\$5,700
3 Bedroom:	\$5,415
2 Bedroom:	\$5,130
1 Bedroom and Efficiency:	\$4,845

Capitalization Rates:

The capitalization rates are established as follows:

Baldwin, Jefferson, Lee, Madison, Mobile, Montgomery, Shelby, Tuscaloosa:	8.50%
All other counties:	8.00%

The above capitalization rates should be “loaded” with the effective tax rate of the local jurisdiction to form an overall capitalization rate (OAR) for use in income capitalization.

Income Approach Formula:

$$\begin{array}{r} \text{Potential Gross Income} \\ - \text{Vacancy and Collection Loss} \\ \hline = \text{Effective Gross Income} \\ - \text{Expenses} \\ \hline = \text{Net Operating Income} \\ \div \text{Loaded Capitalization Rate} \\ \hline = \text{Value} \\ - \text{Personal Property Value} \\ \hline = \text{Final Value} \end{array}$$

Rent restricted apartments (LIHTC, Section 8) should be valued using the above rates and procedures consistent with guidelines found in the Alabama Appraisal Manual.

Yours truly,



Lee Ann Rouse, Assistant Director  
Property Tax Division

Distribution:

County Assessing Officials  
Division Field Personnel  
Chairman, Jefferson County Board of Equalization  
Clay Henley, Chief Appraiser, Montgomery County  
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