

What Is Rent Reasonableness?

All Public Housing Authorities are required to verify that the requested rent for subject units is reasonable. MSHDA uses Go Section 8 to complete the HUD mandated rent reasonableness process.

No unit can be approved until MSHDA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program. HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises.

How Does Rent Reasonableness Work With Go Section 8?

The subject unit is compared to three (3) similar units in the surrounding area. Only one (1) of the comparable units must have a rent at or above the rent you are requesting for rent reasonableness to be approved.

- The items compared are: size, age, quality and condition, utilities included/not included in the asking rent, maintenance, parking, and amenities for the unit.
- Comparable units are selected by Go Section 8 based on the information that you provide in the Request for Tenancy Approval (RFTA) form and the Property Owner Checklist-Proposed Unit form for the subject unit.
- The unit available for rent must have a high percentage of similarity and credibility when reviewed against comparable units in the surrounding area.
 - Similarity: If the subject unit does not exactly match the identified comparable units, positive and negative adjustments will be made to increase the similarity.
 - Credibility: The rent you are requesting is compared to listed properties in the surrounding area to determine if the requested price is realistic.

How Can I Avoid Delays And Make This Process Work For Me?

Complete the attached RFTA and RFTA Cover Sheet completely and accurately the first time.

- If either document is incomplete, it will be sent back to you to complete before the process can begin.
- Review the attached Unit Definitions and select the proper unit type.
- Accuracy is extremely important! The information you select will impact whether the asking rent is comparable.
- During the inspection, all items will be verified including the unit type. If the information provided is incorrect, the comparability process will start over with the accurate data after inspection.

If the requested rent is denied, it is very important that you take the time to fill out the Comparable Dispute Form completely and accurately. You can receive a Comparable Dispute form from your Housing Agent.

- **Do not submit the subject unit as a comparable unit; it must be a different unit.**
- Do not submit a comparable unit that is receiving subsidy.
- Complete the form with information for a similar unit type that is comparable in square footage, bedroom/bathroom size, year built, amenities, and utilities.
 - Remember: The more similar a comparable unit is to the subject unit the more likely the requested rent will be approved.
- Submit the rent roll for the property or an active advertisement to support the requested rent of the subject unit.

List your vacant units at www.michiganhousinglocator.com and these will be used in future rent reasonableness comparisons. It is free to list your properties and MSHDA refers all applicants and tenants to this website to find available housing.