FY 2023 Fair Market Rent Documentation System

The FY 2023 Island County, WA FMRs for All Bedroom Sizes

Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms					
Year	**Efficiency**	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
FY 2023 FMR	$1,079	$1,086	$1,376	$1,956	$2,326
FY 2022 FMR	$917	$923	$1,215	$1,726	$2,080

Island County, WA is a non-metropolitan county.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

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

1. **Calculate the Base Rent**: HUD uses 2016-2020 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2023, provided the estimate is statistically reliable. For FY2023, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

   If an area does not have a reliable 2016-2020 5-year estimate, HUD checks whether the area has had at least 1 minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2023 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, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2023.

2. **Calculate the Basis for Recent Mover Adjustment Factor**: HUD has changed the calculation of the FY2023 Recent Mover Factor from previous years due to the unavailability of ACS_{2020} 1-year estimates. The Census Bureau did not release standard 1-year estimates from the 2020 American Community Survey (ACS) due to the impacts of the COVID-19 pandemic on data collection. For FY2023, HUD uses a multi-pronged approach that includes private sources of rental data.

   In order to calculate rents that are "as of" 2020, HUD takes the average of the recent mover factor from 1-year ACS_{2019} recent mover rent inflated by 2019-2020 gross rent change; and the factor from 5-year ACS_{2020} recent mover rent. For areas where private data is available, the 2019-2020 gross rent change uses a weighted average of private sources and the Consumer Price Index (CPI) to calculate the annual percentage change in rents plus utilities from annual 2019 to annual 2020. For areas where private data is not available, the 2019-2020 gross rent change is based only on the CPI.

3. **Adjust for Inflation**: In order to calculate rents that are "as of" 2021, for areas where private data is available, HUD calculates the relevant (regional or local) change in gross rent inflation using a weighted average of private data sources and the Consumer Price Index (CPI) from annual 2020 to annual 2021. For areas where private data is not available, HUD uses only the CPI, which is the same process used in previous years.

4. **Calculate the Trend Factor**: To further inflate rents from 2021 to FY2023, HUD uses a "trend factor" based on the forecast of CPI gross rent changes through FY2023.

5. **Multiply the Factors**: HUD multiplies the base rent by the recent mover factor, the gross rent inflation factor, and the trend factor to produce a rent that is "as of" the current fiscal year.

6. **Compare to the State minimum**: FY2023 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.

7. **Calculate Bedroom Ratios**: HUD calculates "bedroom ratios" and multiplies these by the two-bedroom rent to produce preliminary FMRs for unit sizes other than two bedrooms.

8. **Compare to Last Year's FMR**: FY2023 FMRs may not be less than 90% of FY2022 FMRs. Therefore, HUD applies "floors" based on the prior year's FMRs.

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

1. **Base Rent Calculation**
   The following are the 2020 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimates and margins of error for Island County, WA.

Area	ACS_{2020} 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS_{2020} 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Island County, WA	$1,076	$47	$47 / $1,076=0.04368	6	0.04368 < .5 6 ≥ 4 Use ACS_{2020} 5-Year Island County, WA 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS_{2020} Margin of Error Ratio is less than .5, HUD uses the ACS_{2020} Island County, WA value for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent (Base Rent).

Area	FY2023 Base Rent
Island County, WA	$1,076

2. **Recent Mover Adjustment Factor Calculation**
   Since Island County, WA is not covered by at least 3 private data sources or does not have a local 2019 recent mover estimate, the calculation of the recent mover adjustment factor is as follows:

Area	ACS_{2019} 1-Year Adjusted Standard Quality Recent-Mover Gross Rent	CPI Gross Rent % Change 2019-2020	ACS_{2019} Recent Mover Rent Inflated to 2020	ACS_{2020} 5-year All Mover Rent	Ratio
Island County, WA	$931	1.0345	$931 * 1.0345 = $963	$875	$963 / $875 = 1.10057

Area	ACS_{2020} 5-Year Adjusted Standard Quality Recent-Mover Gross Rent	ACS_{2020} 5-year All Mover Rent	Ratio
Island County, WA	$1,015	$875	$1,015 / $875 = 1.16

Area	Average of Recent-Mover Ratios	Final Recent-Mover Adjustment Factor
Island County, WA	(1.16+1.10057)/2 = 1.13028	1.13028 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.13028

3. **Inflation Adjustment Factor Calculation**
   Since Island County, WA is not covered by at least 3 private data sources, the calculation of the inflation adjustment factor is as follows: HUD updates the 2020 intermediate rent with the ratio of the annual 2021 local or regional CPI to the annual 2020 local or regional CPI to establish rents as of 2021.

	Update Factor	Type
Inflation Update Factor	1.0329	Region CPI

4. **Trend Factor Adjustment**
   The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2021 to 2023 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2023.

	Trend Factor	Trend Factor Type

Trend Factor	1.09510	Region

5. **Combination of Factors**
The FY 2023 2-Bedroom Fair Market Rent for Island County, WA is calculated as follows:

Area	Base Rent	Recent-Mover Adjustment Factor	Annual 2020 to 2021 Gross Rent Inflation Adjustment	Trending 2021 to FY2023	FY 2023 2-Bedroom FMR
Island County, WA	$1,076	1.13029	1.03290	1.09510	$1,076 * 1.13029 * 1.03290 * 1.09510=$1,376

6. **State Minimum Comparison**
In keeping with HUD policy, the preliminary FY 2023 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2023 2-Bedroom FMR	FY 2023 Washington State Minimum	Final FY2023 2-Bedroom FMR
Island County, WA	$1,376	$826	$1,376 ≥ $826 Use Island County, WA FMR of $1,376

7. **Bedroom Ratios Application**
Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2023 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2023 FMR	$1,079	$1,086	$1,376	$1,956	$2,326

8. **Comparison to Previous Year**
The FY2023 FMRs for each bedroom size must not be below 90% of the FY2022 FMRs.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2022 FMR	$917	$923	$1,215	$1,726	$2,080
FY2022 floor	$826	$831	$1,094	$1,554	$1,872
FY 2023 FMR	$1,079	$1,086	$1,376	$1,956	$2,326
Use FY2022 floor for FY2023?	No	No	No	No	No

Final FY2023 Rents for All Bedroom Sizes for Island County, WA

Final FY 2023 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2023 FMR	$1,079	$1,086	$1,376	$1,956	$2,326

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/datasets/fmr/fmrs/FY2023_code/2023summary.odn?&year=2023&fmrtype=Final&selection_type=county&fips=5302999999

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Adams County, WA
Asotin County, WA
Benton County, WA
Chelan County, WA
Clallam County, WA

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2023 Metropolitan FMR Area:

Abilene, TX MSA

Select Metropolitan FMR Area