50 North Ripley Street
Montgomery, AL 36130

revenue.alabama.gov

Alabama Department of Revenue

October 1, 2022

Division Directive
LIHTC / Section 8 – 2022

Rent Restricted Apartment Valuation and Procedures

The Alabama Department of Revenue 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, 2022, for collection beginning October 1, 2023. 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						HUD Market Rent Schedule			
COUNTY	1BR / EFF	2BR	3BR	4BR		1BR / EFF	2BR	3BR	4BR
AUTAUGA	626	772	959	1095		766	908	1148	1520
BALDWIN	667	880	1113	1254		723	922	1249	1584
BARBOUR	426	589	726	827		492	648	806	907
BIBB	698	833	1051	1163		871	1002	1303	1409
BLOUNT	698	833	1051	1163		871	1002	1303	1409
BULLOCK	480	628	771	873		549	705	877	1034
BUTLER	489	589	726	858		556	634	789	930
CALHOUN	455	634	832	945		549	723	944	1094
CHAMBERS	509	653	771	873		620	744	956	1046
CHEROKEE	426	589	771	840		481	634	877	880
CHILTON	496	595	790	840		625	713	1020	1061
CHOCTAW	426	589	726	873		481	634	789	910
CLARKE	440	589	771	873		493	634	907	930
CLAY	484	589	771	873		556	634	868	1060
CLEBURNE	454	594	783	865		481	634	892	968
COFFEE	476	617	895	1012		551	692	990	1184
COLBERT	465	641	801	972		580	748	943	1213
CONECUH	489	589	771	858		532	634	907	930
COOSA	453	603	743	873		523	689	857	1011
COVINGTON	426	595	765	899		499	634	846	1044
CRENSHAW	426	595	743	877		481	634	789	930
CULLMAN	494	624	807	862		541	665	898	902

LIHTC / Section 42 Rent Schedule						HUD Market Rent Schedule			
COUNTY	1BR / EFF	2BR	3BR	4BR		1BR / EFF	2BR	3BR	4BR
DALE	489	595	803	909		526	634	890	1098
DALLAS	451	606	747	837		498	646	804	876
DEKALB	445	589	767	864		492	634	852	936
ELMORE	626	772	959	1095		766	908	1148	1520
ESCAMBIA	463	589	732	873		537	634	809	991
ETOWAH	470	600	750	836		560	717	902	1002
FAYETTE	484	589	726	858		556	634	802	930
FRANKLIN	473	589	726	873		539	634	796	1043
GENEVA	455	595	805	914		547	706	923	1057
GREENE	455	589	726	815		556	634	840	860
HALE	635	790	976	1082		695	839	1061	1138
HENRY	433	595	794	935		532	634	858	1098
HOUSTON	455	595	805	914		547	706	923	1057
JACKSON	477	589	726	858		574	695	864	1020
JEFFERSON	698	833	1051	1163		871	1002	1303	1409
LAMAR	474	589	748	815		545	634	857	860
LAUDERDALE	465	641	801	972		580	748	943	1213
LAWRENCE	482	610	822	899		574	708	925	960
LEE	596	814	1068	1214		625	824	1078	1227
LIMESTONE	647	787	1079	1277		690	821	1089	1387
LOWNDES	626	772	959	1095		766	908	1148	1520
MACON	442	600	748	873		504	664	826	1150
MADISON	647	787	1079	1277		690	821	1089	1387
MARENGO	490	591	746	861		556	634	876	1098
MARION	426	589	757	873		481	634	857	1098
MARSHALL	443	604	781	835		506	660	880	895
MOBILE	542	688	824	932		658	824	1097	1212
MONROE	489	589	752	857		556	634	789	925
MONTGOMERY	626	772	959	1095		766	908	1148	1520
MORGAN	482	610	822	899		574	708	925	960
PERRY	494	596	735	868		556	634	789	942
PICKENS	428	589	767	815		493	634	857	860
PIKE	512	653	771	873		576	675	885	990
RANDOLPH	489	589	767	815		556	634	857	860
RUSSELL	572	687	865	979		717	832	1118	1441
SHELBY	698	833	1051	1163		871	1002	1303	1409
ST. CLAIR	698	833	1051	1163		871	1002	1303	1409
SUMTER	505	653	771	873		603	775	964	1051
TALLADEGA	447	603	771	873		512	675	880	988
TALLAPOOSA	435	604	791	899		504	634	891	1077
TUSCALOOSA	635	790	976	1082		695	839	1061	1138

LIHTC / Section 42 Rent Schedule						HUD Market Rent Schedule			
COUNTY	1BR / EFF	2BR	3BR	4BR		1BR / EFF	2BR	3BR	4BR
WALKER	426	595	756	832		549	724	901	982
WASHINGTON	456	589	741	815		504	648	852	951
WILCOX	473	618	762	854		487	634	789	930
WINSTON	426	589	771	829		481	634	907	909

Vacancy and Collection Rate:

The vacancy and collection rate is established at **7 percent** (statewide).

Expense Rates:

The annual expense rates are established as follows:

4 Bedroom: $4,950
3 Bedroom: $4,703
2 Bedroom: $4,455
1 Bedroom and Efficiency: $4,208

Capitalization Rates:

The capitalization rates are established as follows:

Baldwin, Jefferson, Lee, Madison, Mobile, Montgomery, Shelby, Tuscaloosa: 8.75 percent

All other counties: 8.25 percent

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:

Potential Gross Income
- Vacancy and Collection Loss
=Effective Gross Income
- Expenses
= Net Operating Income
÷ Loaded Capitalization Rate
= Value
- Personal Property Value
= Final Value

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,

Jennifer Byrd

Jennifer Byrd, Director
Property Tax Division

Distribution:
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