375 South Ripley Street
Montgomery, AL 36104

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Alabama Department of Revenue

October 1, 2026

Division Directive
LIHTC / Section 8 - 2027

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, 2026, for collection beginning October 1, 2027. 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	732	888	1110	1293
Baldwin	934	1128	1343	1511
Barbour	573	656	871	948
Bibb	946	1099	1348	1536
Blount	946	1099	1348	1536
Bullock	582	656	810	1064
Butler	518	716	865	988
Calhoun	607	779	942	1064
Chambers	613	799	942	1064
Cherokee	562	720	869	1048
Chilton	619	844	1070	1222
Choctaw	496	658	879	1013
Clarke	483	671	889	1059
Clay	471	656	875	907
Cleburne	567	747	937	1028
Coffee	591	813	1095	1203
Colbert	655	880	1090	1241
Conecuh	495	656	902	997
Coosa	495	656	902	997
Covington	471	656	862	1064
Crenshaw	471	656	810	907
Cullman	550	759	988	1172
Dale	570	656	917	1086
Dallas	517	716	914	972
Dekalb	471	656	859	1064
Elmore	732	888	1110	1293

HUD Market Rent Schedule

1 BR/ EFF	2BR	3BR	4BR
888	1055	1345	1665
1043	1244	1550	1975
648	772	996	1027
1144	1267	1583	1791
1144	1267	1583	1791
688	772	1017	1155
684	809	975	1089
730	941	1295	1394
760	997	1226	1322
663	805	970	1211
682	881	1203	1208
600	772	1007	1309
600	772	1080	1309
630	772	1058	1133
631	828	1039	1245
653	857	1208	1325
743	974	1196	1421
600	772	1088	1155
615	792	957	1184
587	772	1020	1285
587	772	933	1027
695	902	1176	1340
679	772	1088	1309
625	821	1065	1094
587	772	1044	1280
888	1055	1345	1665

County	1 BR/ EFF	2BR	3BR	4BR	1 BR/ EFF	2BR	3BR	4BR
Escambia	555	656	849	1020	643	772	985	1148
Etowah	645	786	953	1102	810	942	1139	1255
Fayette	551	656	902	997	687	772	1068	1155
Franklin	580	656	851	951	688	772	971	1189
Geneva	633	801	1014	1145	722	896	1223	1384
Greene	646	799	942	1064	819	1074	1294	1424
Hale	802	988	1210	1328	922	1138	1450	1509
Henry	549	758	958	1097	597	783	1048	1124
Houston	633	801	1014	1145	722	896	1223	1384
Jackson	523	656	865	1035	674	772	952	1266
Jefferson	946	1099	1348	1536	1144	1267	1583	1791
Lamar	516	656	875	920	648	772	1088	1155
Lauderdale	655	880	1090	1241	743	974	1196	1421
Lawrence	656	841	1094	1301	756	923	1214	1456
Lee	910	1060	1308	1490	1009	1168	1527	1632
Limestone	990	1185	1476	1720	1071	1248	1609	1964
Lowndes	732	888	1110	1293	888	1055	1345	1665
Macon	607	795	942	1064	617	810	999	1372
Madison	990	1185	1476	1720	1071	1248	1609	1964
Marengo	575	663	898	1067	688	772	990	1185
Marion	471	656	882	1064	587	772	982	1309
Marshall	471	656	946	953	594	780	1050	1053
Mobile	730	890	1071	1207	908	1094	1441	1464
Monroe	499	656	902	1045	687	772	1088	1199
Montgomery	732	888	1110	1293	888	1055	1345	1665
Morgan	656	841	1094	1301	756	923	1214	1456
Perry	516	683	843	1017	604	778	1023	1164
Pickens	471	656	860	1063	619	772	1061	1304
Pike	575	774	932	1048	756	992	1199	1322
Randolph	514	658	853	981	688	772	1088	1155
Russell	746	900	1091	1230	937	1108	1463	1781
Shelby	946	1099	1348	1536	1144	1267	1583	1791
St. Clair	946	1099	1348	1536	1144	1267	1583	1791
Sumter	522	707	916	1015	713	918	1109	1325
Talladega	562	694	928	988	661	818	1138	1170
Tallapoosa	543	737	900	1051	638	831	1054	1105
Tuscaloosa	802	988	1210	1328	922	1138	1450	1509
Walker	604	762	997	1126	612	772	1088	1205
Washington	692	855	1086	1161	908	1092	1435	1459
Wilcox	536	719	902	1049	728	936	1132	1401
Winston	511	656	898	993	587	772	1058	1123

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

Expense Rate:
The annual expense rates are established as followows:

4 Bedroom:	$6,000
3 Bedroom:	$5,700
2 Bedroom:	$5,400
1 Bedroom and Efficiency:	$5,100

Capitalization Rates:
The capitalization rates are established as follows:

Baldwin, Jefferson, Lee, Madison, Mobile, Montgomery, Shelby, Tuscaloosa: 8.75%
All other counties: 8.25%

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,

Amanda Wolfe

Amanda Wolfe, Director
Property Tax Division

Distribution:
County Assessing Officials
Division Field Personnel
Maria Knight, Director, Jefferson County Board of Equalization
Chris Kervin, Chief Appraiser, Russell County