

The Public Housing Operating Cost Study

Preliminary Results of Analysis on the Rural Housing Services Multifamily Properties

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Rural Housing Service Database

The RHS of the Department of Agriculture, formerly the Farmers Home Administration, provides direct loans to approximately 360,000 multifamily housing units (13,127 properties) in rural areas. The attached analysis is a subset of the RHS database, which excludes Congregate Housing, Farm Labor Housing and Group Homes. The resulting dataset is comprised of 12,994 properties (354,609 units).

The majority of the properties in the RHS portfolio (86%) are limited-profit properties. The loan documents for these properties restrict owner return to 8% of their investment. The portfolio also contains full profit properties (1% of the total portfolio), which allow unlimited return to owners, and non-profit properties (13% of the total portfolio), where all cash is retained by the property.

The majority of the portfolio is fully subsidized by RHS. Approximately 7% of the portfolio also receives some sort of HUD subsidy. Exhibit 6 in the attached analysis provides summary information on the HUD-subsidized portion of the portfolio.

Total Properties:

	Number of Properties	Total Units	% of Portfolio	Avg Num of Units	Avg Unit Size
Full Profit	75	2,460	1%	33	1.6
Limited Profit	10,671	305,830	86%	29	1.5
Non-Profit	2,248	46,319	13%	21	1.3
Total Portfolio	12,994	354,609	100%	27	1.5

Category	Limited Profit		Full Profit & Non-Profit		Total Portfolio	
	Num Props	Total Units	Num Props	Total Units	Num Props	Total Units
Building Type:						
Duplex/Fourplex	1,453	34,541	682	11,914	2,135	46,455
Garden	3,562	105,996	419	10,086	3,981	116,082
Midrise	395	10,369	81	2,117	476	12,486
Other	1,573	44,511	184	3,821	1,757	48,332
Rowhouse	2,158	66,141	584	12,130	2,742	78,271
Single	111	3,019	16	610	127	3,629
Unidentified	1,419	41,253	357	8,101	1,776	49,354
	10,671	305,830	2,323	48,779	12,994	354,609
Resident Type:						
Family	6,804	198,747	514	10,027	7,318	208,774
Elderly	3,239	87,015	1,587	33,395	4,826	120,410
Mixed	247	7,493	106	1,877	353	9,370
Unidentified	381	12,575	116	3,480	497	16,055
	10,671	305,830	2,323	48,779	12,994	354,609
Number of Units:						
< 50	9,860	254,745	2186	39,389	12,046	294,134
50 to 99	764	45,642	122	7,563	886	53,205
100 to 199	47	5,443	14	1,603	61	7,046
200+	0	0	1	224	1	224
	10,671	305,830	2,323	48,779	12,994	354,609

Geographic Distribution

State	Limited Profit Properties		Full Profit & Non-Profit Properties		Total Properties	
	Num Props	Num Units	Num Props	Num Units	Num Props	Num Units
Alabama	430	14,156	20	651	450	14,807
Arkansas	254	6,879	24	780	278	7,659
Arizona	76	2,278	2	272	78	2,550
California	143	6,152	8	294	151	6,446
Colorado	88	2,449	35	769	123	3,218
Connecticut	39	1,315	20	908	59	2,223
Delaware	33	1,142	8	191	41	1,333
Florida	379	14,544	14	573	393	15,117
Georgia	423	14,388	4	240	427	14,628
Hawaii	9	378	4	256	13	634
Iowa	308	5,693	430	6,767	738	12,460
Idaho	116	2,475	30	524	146	2,999
Illinois	501	8,507	75	1,105	576	9,612
Indiana	239	6,307	48	1,131	287	7,438
Kansas	205	3,748	159	2,178	364	5,926
Kentucky	425	11,475	14	441	439	11,916
Louisiana	316	10,429	17	570	333	10,999
Massachusetts	47	1,469	21	783	68	2,252
Maryland	143	4,624	6	189	149	4,813
Maine	217	4,844	44	1,264	261	6,108
Michigan	561	17,053	22	602	583	17,655
Minnesota	376	6,829	76	1,009	452	7,838
Missouri	423	8,707	210	5,362	633	14,069
Mississippi	437	13,744	22	684	459	14,428
Montana	83	1,569	9	150	92	1,719
North Carolina	501	18,849	36	1,165	537	20,014
North Dakota	99	1,539	132	1,408	231	2,947
Nebraska	142	2,212	107	1,110	249	3,322
New Hampshire	66	2,125	17	643	83	2,768
New Jersey	47	1,953	7	249	54	2,202
New Mexico	86	3,306	5	148	91	3,454
Nevada	59	1,768	4	101	63	1,869
New York	288	8,569	104	2,682	392	11,251
Ohio	287	10,689	33	1,472	320	12,161
Oklahoma	206	5,769	17	362	223	6,131
Oregon	92	2,656	6	166	98	2,822
Pennsylvania	192	6,731	50	1,601	242	8,332
Puerto Rico	47	2,819	1	54	48	2,873
Rhode Island	5	223	7	168	12	391
South Carolina	259	9,665	17	553	276	10,218
South Dakota	290	4,001	145	1,415	435	5,416
Tennessee	334	11,688	33	888	367	12,576
Texas	348	11,748	48	1,027	396	12,775
Utah	57	1,393	1	20	58	1,413
Virginia	168	6,997	8	415	176	7,412
Vermont	35	1,051	18	341	53	1,392
Washington	183	5,093	27	873	210	5,966
Wisconsin	341	6,069	151	3,531	492	9,600
West Virginia	220	6,485	15	397	235	6,882
Wyoming	47	1,255	12	297	59	1,552

*States with fewer than 5 properties have been excluded from this table.

Exhibit 1:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities and Real Estate Taxes
By Census Division

		Number of Projects	Number of Units	Operating Cost			
				Mean	Median	25th Percentile	75th Percentile
New England	Limited Profit	409	11,027	\$170	\$163	\$142	\$192
	Total New England	536	15,134	\$173	\$166	\$143	\$195
Middle Atlantic	Limited Profit	527	17,253	\$148	\$137	\$118	\$161
	Total Mid Atlantic	688	21,785	\$151	\$141	\$121	\$165
East North Central	Limited Profit	1,929	48,625	\$123	\$120	\$103	\$139
	Total East No Central	2,258	56,466	\$122	\$120	\$101	\$139
West North Central	Limited Profit	1,843	32,729	\$116	\$112	\$96	\$131
	Total West No Central	3,102	51,978	\$102	\$100	\$75	\$123
South Atlantic	Limited Profit	2,173	79,513	\$141	\$136	\$118	\$156
	Total South Atlantic	2,282	83,290	\$142	\$137	\$118	\$158
East South Central	Limited Profit	1,626	51,063	\$126	\$122	\$105	\$143
	Total East So Central	1,715	53,727	\$127	\$123	\$105	\$143
West South Central	Limited Profit	1,124	34,825	\$134	\$131	\$115	\$149
	Total West So Central	1,230	37,564	\$134	\$131	\$114	\$150
Mountain	Limited Profit	612	16,493	\$152	\$146	\$121	\$174
	Total Mountain	710	18,774	\$152	\$146	\$118	\$175
Pacific	Limited Profit	428	14,302	\$170	\$165	\$145	\$187
	Total Pacific	473	15,891	\$171	\$165	\$145	\$188
GRAND TOTAL	Total Limited Profit	10,671	305,830	\$133	\$128	\$109	\$151
	Total Portfolio	12,994	354,609	\$130	\$125	\$103	\$150

Chart 1:
Per-Unit-Monthly Median Operating Costs (Excluding Utilities and Real Estate Taxes) of RHS Multifamily Properties
Sorted by Census Division

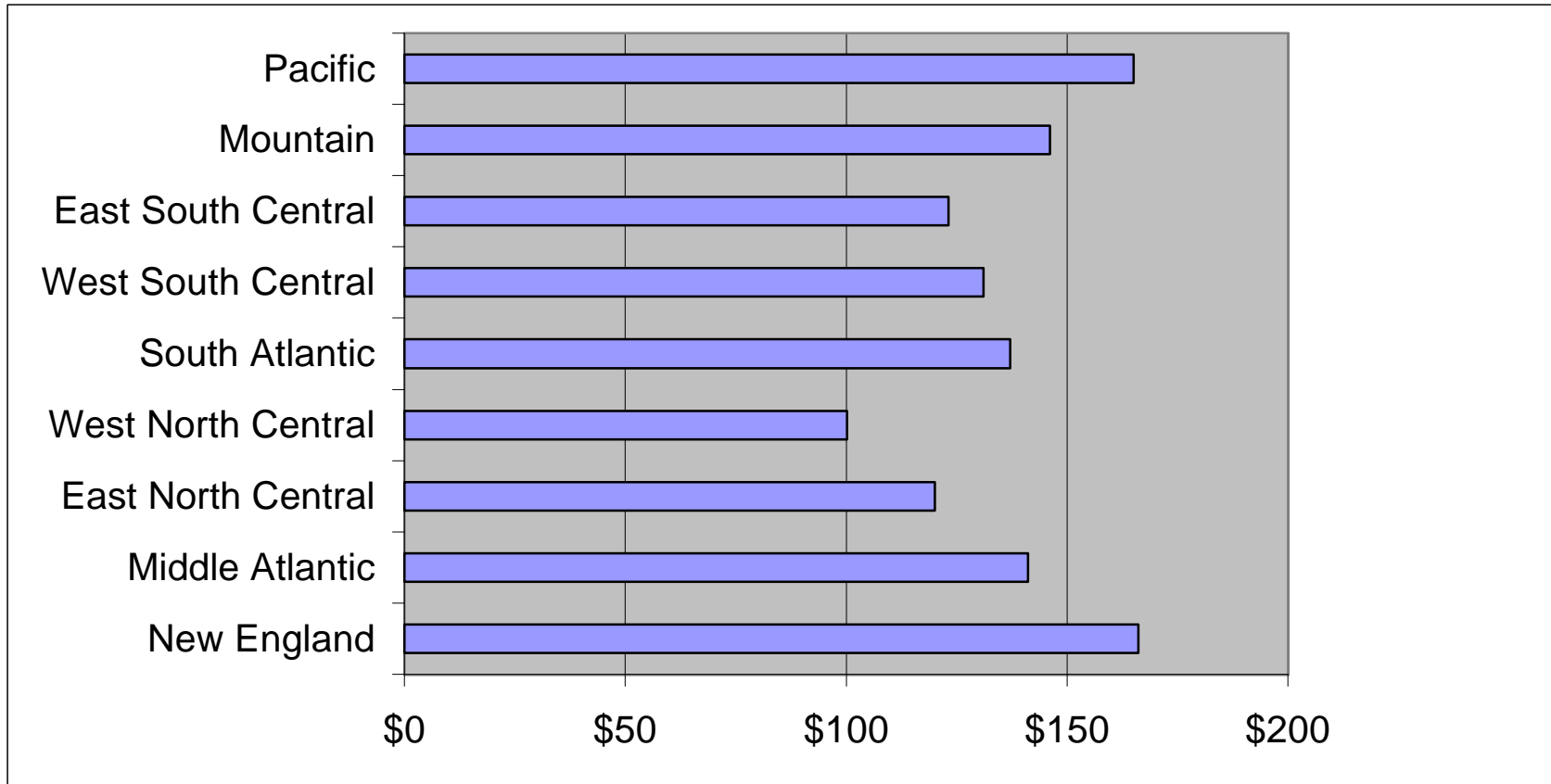


Exhibit 2:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities and Real Estate Taxes
By Census Division and Building Type

		BUILDING TYPE									
		MIDRISE		GARDEN		TOWNHOUSE		DUPLEX/FOURPLEX		OTHER/UNIDENTIFIED	
		Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost
Northeast	Limited Profit	1,122	\$143	13,133	\$142	4,497	\$155	529	\$169	8,999	\$153
	Total Northeast	1,737	\$145	15,797	\$144	6,553	\$156	1,031	\$169	11,801	\$155
Midwest	Limited Profit	5,230	\$116	26,755	\$118	15,764	\$121	8,997	\$107	24,608	\$117
	Total Midwest	6,327	\$114	31,622	\$115	22,138	\$108	17,573	\$94	30,784	\$113
South	Limited Profit	2,160	\$131	54,970	\$127	38,930	\$132	22,231	\$133	47,110	\$129
	Total South	2,365	\$131	57,251	\$128	41,326	\$133	24,461	\$133	49,178	\$130
West	Limited Profit	1,857	\$147	11,138	\$161	6,950	\$148	2,784	\$162	8,066	\$155
	Total West	2,057	\$150	11,412	\$160	8,254	\$146	3,390	\$162	9,552	\$155
Grand Total	Limited Profit	10,369	\$123	105,996	\$128	66,141	\$130	34,541	\$126	88,783	\$128
	Total Portfolio	12,486	\$123	116,082	\$127	78,271	\$126	46,455	\$118	101,315	\$125

Exhibit 3:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities and Real Estate Taxes
By Census Division and Unit Size

		AVERAGE NUMBER OF BEDROOMS PER UNIT							
		0 or 1		1+ to 1.68		1.68+ to 2.24		2.24+	
		Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost
Northeast	Limited Profit	7,580	\$144	9,596	\$148	4,392	\$155	518	\$167
	Total Northeast	10,774	\$149	12,260	\$150	4,810	\$156	595	\$189
Midwest	Limited Profit	13,617	\$112	35,307	\$116	17,830	\$118	2,030	\$136
	Total Midwest	22,725	\$102	43,553	\$111	19,670	\$114	2,372	\$136
South	Limited Profit	13,223	\$126	65,676	\$126	56,065	\$135	6,385	\$154
	Total South	14,222	\$126	68,616	\$126	58,930	\$135	7,214	\$157
West	Limited Profit	3,610	\$145	10,903	\$153	10,887	\$158	1,460	\$169
	Total West	4,386	\$145	11,989	\$151	11,197	\$159	1,858	\$175
GRAND TOTAL	Limited Profit	38,030	\$124	121,482	\$125	89,174	\$133	10,393	\$151
	Total Portfolio	52,107	\$118	136,418	\$123	94,607	\$131	12,039	\$154

Note: Unit mix information was provided for 10,947 properties (295,171 units).

Exhibit 4:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities and Real Estate Taxes
By Census Division and Occupancy Type

		OCCUPANCY TYPE					
		FAMILY		ELDERLY		MIXED	
		Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost
Northeast	Limited Profit	12,408	\$151	14,058	\$146	627	\$132
	Total Northeast	13,197	\$151	20,840	\$150	726	\$134
Midwest	Limited Profit	52,987	\$119	23,066	\$112	2,534	\$102
	Total Midwest	56,665	\$117	43,929	\$99	3,572	\$94
South	Limited Profit	114,188	\$132	39,496	\$125	3,650	\$127
	Total South	118,625	\$133	42,782	\$126	4,390	\$127
West	Limited Profit	19,164	\$160	10,395	\$147	682	\$140
	Total West	20,287	\$162	12,859	\$145	682	\$140
GRAND TOTAL	Limited Profit	198,747	\$130	87,015	\$125	7,493	\$120
	Total Portfolio	208,774	\$129	120,410	\$120	9,370	\$111

Note: Occupancy type was provided for 12,497 properties (338,554 units).

Exhibit 5:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities and Real Estate Taxes
By Census Division and Project Size

		NUMBER OF UNITS IN PROJECT							
		Less than 50		50 to 99		100 to 199		200 plus	
		Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost	Num of Units	Median Op Cost
Northeast	Limited Profit	23,529	\$148	3,848	\$163	903	\$134	0	--
	Total Northeast	29,897	\$150	5,447	\$169	1,575	\$137	0	--
Midwest	Limited Profit	74,712	\$116	5,546	\$126	1,096	\$147	0	--
	Total Midwest	98,152	\$109	8,626	\$115	1,730	\$128	0	--
South	Limited Profit	131,004	\$129	31,689	\$135	2,708	\$158	0	--
	Total South	137,937	\$130	33,639	\$137	3,005	\$156	0	--
West	Limited Profit	25,500	\$154	4,559	\$161	736	\$184	0	--
	Total West	28,148	\$154	5,557	\$162	736	\$184	0	\$0
GRAND TOTAL	Limited Profit	254,745	\$127	45,642	\$137	5,443	\$155	0	\$224
	Total Portfolio	294,134	\$124	53,269	\$137	7,046	\$150	0	\$0

Insufficient number of properties available in 200 plus project size for reporting.

Exhibit 6:
Per-Unit-Monthly Operating Cost of RHS Multifamily Properties, Excluding Utilities
and Real Estate Taxes
Summary Statistics for Properties with HUD Subsidy

Total Number of Properties with HUD Subsidy: 889
 Total Number of Units with HUD Subsidy: 25,380

Category	Num Units	Median OpCost
Census Region:		
Northeast	3,271	\$162
Midwest	7,829	\$113
South	11,789	\$141
West	2,491	\$148
	25,380	
Building Type:		
Duplex/Fourplex	2,949	\$123
Garden	6,905	\$130
Midrise	980	\$120
Rowhouse	6,971	\$134
Other/Unidentified	7,575	\$132
	25,380	
Resident Type:		
Family	14,364	\$137
Elderly	7,972	\$121
Mixed	859	\$112
Unidentified	2,185	\$153
	25,380	