

# ESTIMATED RESIDENTIAL RENTAL LEVEL FOR NEW JERSEY CENSUS TRACTS



## CLIENT

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Econsult Corporation, in conjunction with The Reinvestment Fund (TRF), was engaged by The New Jersey Housing Mortgage Finance Agency (HMFA) to develop a set of Census tract-based estimated rent levels for New Jersey, for the period 2001-2006.

Using census tract level rental information from the 2000 census, rental rates for submarkets within New Jersey, and home sales data provided by the New Jersey Division of Taxation, Econsult created a set of median home prices, median rental rates, and capitalization rates for all residential New Jersey Census submarkets for each year in the 2001-2006 period. Econsult used changes in the submarket cap rates to estimate tract level cap rates for 2001-2006 based on a 2000 cap rate imputed from Census data and then estimated the set of Census tract-based rental rates from those cap rates and tract-level median home prices for 2001-2006.

Our analysis included analyzing and geocoding each residential transaction in New Jersey from 2000 through 2006, computing cap rates for each tract and each submarket for each year, and combining cap rates, initial rental levels, and current submarket rents into a tract level estimated rent.

The result was an estimate of the rent level for each census tract in New Jersey for each year from 2000-2006, a data series that had never before been available and that is now used by HMFA to fulfill its mission of “increasing the availability of and accessibility to safe, decent and affordable housing to families in New Jersey”.