FY 2024 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2024 Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area FMRs for All Bedroom Sizes

Final FY 2024 & Final FY 2023 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2024 FMR	$1,777	$2,006	$2,544	$3,263	$3,600
FY 2023 FMR	$1,534	$1,747	$2,222	$2,888	$3,170

Los Angeles County, CA is part of the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area, which consists of the following counties: Los Angeles County, CA. All information here applies to the entirety of the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

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 2017-2021 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 FY2024, provided the estimate is statistically reliable. For FY2024, 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 2017-2021 5-year estimate, HUD checks whether the area has had at least 2 minimally reliable estimates in the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2024 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 FY2024.

2. **Calculate the Basis for Recent Mover Adjustment Factor**: HUD calculates a recent mover adjustment factor by comparing an ACS 2021 1-year 40th percentile recent mover 2-bedroom rent to the ACS 2017-2021 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.

   HUD has traditionally defined recent movers as those who have moved into their residence within the current year or preceding year of the ACS survey. Newly for FY2024, HUD is electing to first examine recent movers who have moved within the current year of the ACS. Upon determining a reliable recent mover estimate, HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data.

3. **Adjust for Inflation**: In order to calculate rents that are "as of" 2022, HUD applies a gross rent inflation adjustment factor using data from commercial rent data sources and the Consumer Price Index. HUD uses a local measure of private rent inflation for markets that are covered by at least three of the six available sources of private rent data. HUD combines this local measure of rent inflation with either the local metropolitan area CPI rent of primary residence for the 23 areas where such data exist, or the regional CPI rent in areas without a local index.

   Unlike in FY 2023, for areas without at least three of the six private rent data sources available, HUD uses a regional average of private rent inflation factors alongside the regional CPI rent of primary residence. HUD constructs the regional average by taking the rental unit weighted average of the change in rents of each area in a region that does have private rent data coverage. HUD averages the private and CPI shelter rent data with the year-to-year change in the CPI housing fuels and utilities index for the area in order to make the resulting inflation measure reflective of gross rents.

   The private and CPI gross rent update factors are then combined using a weighting scheme which controls the national weighted average of the private and CPI gross rent factors to the national change in the ACS recent mover gross rent. The resulting weights assigned are as follows: W_{2022} = 0.558 assigned to the private gross rent factor and $(1-W_{2022})$ = 0.442 assigned to the CPI gross rent factor.

4. **Calculate the Trend Factor**: To further inflate rents from CY2022 to FY2024, HUD uses a "trend factor" based on the forecast of CPI gross rent changes through FY2024.

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**: FY2024 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**: FY2024 FMRs may not be less than 90% of FY2023 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 2021 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimates and margins of error for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

Area	ACS_{2021} 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS_{2021} 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	$1,651	$8	$8 / $1,651=0.00485	6	0.00485 < .5 6 ≥ 4 Use ACS_{2021} 5-Year Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS_{2021} Margin of Error Ratio is less than .5, HUD uses the ACS_{2021} Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area value for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent (Base Rent).

Area	FY2024 Base Rent

Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	$1,651

2. **Recent Mover Adjustment Factor Calculation**

   A recent mover adjustment factor is applied based on the smallest area of geography containing Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area that has an ACS_{2021} 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and a sufficient number of sample cases.

Area	ACS_{2021} 1-Year Adjusted Standard Quality Recent-Mover Gross Rent	ACS_{2021} 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area – ACS 1-year 2 Bedroom	$2,152	$54	0.025	6	0.025 < .5 6 ≥ 4 Use ACS_{2021} 1-Year Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The calculation of the relevant Recent-Mover Adjustment Factor for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area is as follows:

ACS_{2021} 5-Year Area	ACS_{2021} 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS_{2021} 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area – 2 Bedroom	$1,651	$2,152

Area	Ratio	Recent-Mover Adjustment Factor
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	$2,152 / $1,651 =1.303	1.3035 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.3035

3. **Inflation Adjustment Factor Calculation**

   A gross rent inflation adjustment factor is applied based on a weighted average of a

private source gross rent inflation factor and a Consumer Price Index gross rent inflation factor. Since Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area is covered by at least 3 private data sources, a local-based private rent factor is applied. Furthermore, since Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area is covered by a local-CPI rent area, a Local-based CPI gross rent factor is applied.

Components of 2022 Inflation Adjustment Factor for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area					
	$R_{2022}=$ Shelter Rent Change, 2021 to 2022	$U_{2022}=$ CPI Annual Utilities Change, 2021 to 2022	$C_{2022}=$ ACS Utility Cost as a Percent of Gross Rent	Gross Rent Inflation Factor Calculation = $(R_{2022} \times (1-C_{2022}) + U_{2022} \times C_{2022})$	Inflation Factor Type
$P_{2022}=$ Private Inflation Factor	1.11279	1.12779	0.08488	(1.11279 * 0.91512) + (1.127789 * 0.08488)= 1.11406	Local
$CPI_{2022}=$ CPI Inflation Factor	1.04289	1.12779	0.07907	(1.04289 * 0.92093) + (1.12779 * 0.07907)= 1.0496	Local

The 2022 Gross Rent Inflation Factor for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area is computed as follows:

$= CPI_{2022} \times (1-W_{2022}) + P_{2022} \times W_{2022}$

$= (1.0496 \times 0.442) + (1.11406 \times 0.558)$

$= (0.463923) + (0.621645)$

$= \mathbf{1.08560}$

4. **Trend Factor Adjustment**

The calculation of the Trend Factor is as follows: HUD forecasts the change in gross rents from 2022 to 2024 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2024.

	Trend Factor	Trend Factor Type
Trend Factor	1.08897	Local

5. **Combination of Factors**

The FY 2024 2-Bedroom Fair Market Rent for Los Angeles-Long Beach-Glendale, CA HUD

Metro FMR Area is calculated as follows:

Area	Base Rent		Recent-Mover Adjustment Factor		Annual 2021 to 2022 Gross Rent Inflation Adjustment		Trending 2022 to FY2024		FY 2024 2-Bedroom FMR
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	$1,651	*	1.3035	*	1.08560	*	1.08897	=	$2,544

6. **State Minimum Comparison**
   In keeping with HUD policy, the preliminary FY 2024 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2024 2-Bedroom FMR	FY 2024 California State Minimum	Final FY2024 2-Bedroom FMR
Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	$2,544	$905	$2,544 ≥ $905 Use Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area FMR of $2,544

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 2024 FMRs By Unit Bedrooms				
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2024 FMR	$1,777	$2,006	$2,544	$3,263	$3,600

8. **Comparison to Previous Year**
   The FY2024 FMRs for each bedroom size must not be below 90% of the FY2023 FMRs.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2023 FMR	$1,534	$1,747	$2,222	$2,888	$3,170

FY2023 floor	$1,381	$1,573	$2,000	$2,600	$2,853
FY 2024 FMR	$1,777	$2,006	$2,544	$3,263	$3,600
Use FY2023 floor for FY2024?	No	No	No	No	No

Final FY2024 Rents for All Bedroom Sizes for Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area

Final FY 2024 FMRs By Unit Bedrooms					
	Efficiency	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
Final FY 2024 FMR	$1,777	$2,006	$2,544	$3,263	$3,600

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/FY2024_code/2024summary.odn?
&year=2024&fmrtype=Final&selection_type=county&fips=0603799999

Other HUD Metro FMR Areas in the Same MSA

Select another Final FY 2024 HUD Metro FMR Area that is a part of the Los Angeles-Long Beach-Anaheim, CA:

Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area ▾   Select Metropolitan FMR Area

Select a different area

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

Alameda County, CA
Alpine County, CA
Amador County, CA
Butte County, CA
Calaveras County, CA
    Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2024 Metropolitan FMR Area:

| Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area ⌄ |

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