

Market Advantage Score

A two point maximum score is attributable to a project's Market Advantage Score under Section V (c) of the Appendix II of the 2010 Qualified Allocation Plan. These points are attributed to projects that DCA evaluates have the ability to successfully lease up in accordance with the submitted market study. In determining whether a project will receive the full two points, DCA will utilize the criteria in the QAP and market study guide.

Each project will start with 2 points. Points will be deducted from that score if DCA determines that one or more of the following conditions will negatively affect the ability of the project to meet the DCA market requirements.

- DCA determines that occupancy rates at comparable DCA properties have experienced a significant decline which indicates a deteriorating market. DCA would utilize the submitted market study, rent rolls and project data of similar projects located in close proximity to determine that the property could have difficulty in achieving the required lease up.
- Proposed rents are set at or near the maximum allowable rents and can not be lowered without affecting the long term feasibility of the project.
- There are more than two DCA funded projects in the primary market area which have occupancy rates of less than 90 percent and which compete for the same tenant base as the proposed project. (DCA reserves the right to determine that the low occupancy rate of a project is not the result of market conditions but rather the result of poor property management or deferral of physical maintenance).
- Analysis of one or more comparable properties in the market areas indicates that the property may have difficulty reaching stabilized occupancy within the required timeframe.
- DCA has one or more projects in the primary market area that have been unable to convert construction to permanent loans due to failure to reach stabilized occupancy.
- DCA determines that there has been a significant change in economic conditions in the proposed market that was unknown at the time of Application and which could detrimentally affect the long term viability of the proposed project and the proposed tenant population. An example would be the loss of a major employer that would affect the proposed tenant population.
- DCA determines that foreclosures in the proposed market area will detrimentally affect the ability of the proposed project to lease up.
- DCA determines that the proposed rents are at or near market rate rents of comparable properties.
- The proposed market area appears to be overestimated creating the likelihood that the demand for the project is weaker than projected.
- Land use and structures in the area immediately surrounding the site including significant concentrations of residential, commercial, industrial, vacant or agricultural use that may have a negative impact on market for the project as noted by the market analyst.