

Workshop

HOUSING CREDITS | HOME | HOUSING TRUST FUND

2025

ALABAMA HOUSING
FINANCE AUTHORITY
Love or lose, Alabama.

Underwriting Information

February 2025



AHFA Multifamily Competitive Cycle – Underwriting Updates

Operating and First Mortgage	2024	2023	2022	2021	2020
<u>Assumptions</u>					
Vacancy Rate:	7%	7%	7%	7%	7%
Maximum Expenses per Unit:	\$5,700	\$5,700	\$5,000	\$4,950	\$4,800
Conventional Rate:	7.00%	7.00%	6.50%	6.50%	7.00%
Conventional Term (HOME Term):	20	20	20	20	20
Debt Service Coverage:	1.20	1.20	1.20	1.20	1.20
<u>Development Costs</u>					
Construction Period:	15	15	12	12	12
Project Reserves:	4mths of exp. + 2mths of DS	4mths of exp. + 2mths of DS	4mths of exp. + 2mths of DS	4mths of exp. + 2mths of DS	4mths of exp. + 2mths of DS
Developer Fee:	15%	15%	15%	15%	15%
Housing Credit Price:	0.85	0.85	0.86	0.86	0.85

AHFA Multifamily Competitive Cycle – Underwriting Updates

2025 Underwriting Assumptions

Vacancy Rate	7%
Maximum Expenses / Unit	\$5,900
Conventional Rate	7.00%
Debt Service Coverage	1.20
Housing Credit Price	TBD