logo Image not found or type unknown

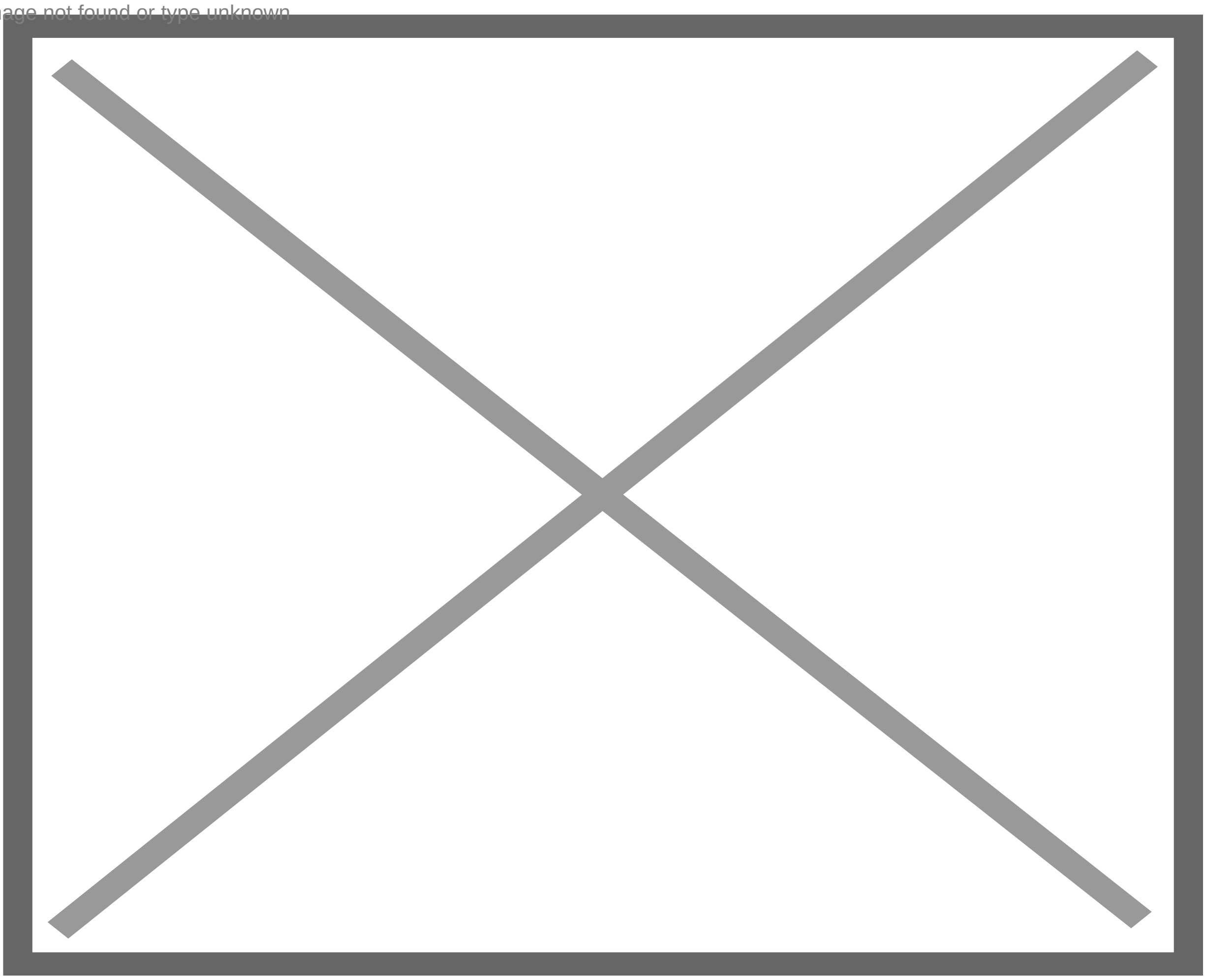
USVI Fair Market Rent Benchmarks Lag Years Behind, Still Anchored to 2020 Census Data

HUD’s FY2027 rent benchmarks for the territory still start with 2020 Census data, shaping Housing Choice Voucher payment standards and maximum subsidies even as most U.S. jurisdictions rely on newer local rental-market surveys and annual ACS updates.

Housing / **Published On September 01, 2026 06:31 AM /**

Staff Consortium September 01, 2026

Image not found or type unknown



Louis E. Brown Apartments on St. Croix, pictured as HUD’s FY2027 Fair Market Rent methodology highlights the U.S. Virgin Islands’ continued reliance on 2020 Census housing data. **By. V.I. CONSORTIUM.**

Federal rent benchmarks that help determine how much rental assistance Virgin Islands families can receive through the Housing Choice Voucher program remain anchored to territory-specific housing data collected in 2020, even as most of the United States enters fiscal year 2027 with substantially newer local rental-market information.

The disparity is spelled out in the U.S. Department of Housing and Urban Development's newly published methodology for FY2027 Fair Market Rents, or FMRs. For most of the country, HUD begins its calculation using American Community Survey data collected from 2020 through 2024 and supplements those figures with recent-mover information. But the ACS is not conducted in the U.S. Virgin Islands. Instead, HUD says its base rents for the territory continue to come from the long-form housing survey conducted as part of the 2020 decennial Census.

That does not mean HUD simply carries 2020 rent prices forward unchanged. The agency updates the territory's 2020 base figures to 2024 using growth in national ACS rent data, then applies additional rent and utility inflation measures and forecasts intended to bring the estimates forward to FY2027. The underlying problem, however, remains: those adjustments begin with a territory-specific rental-market snapshot taken six years ago rather than newer Virgin Islands rent observations.

The issue has direct implications for the Housing Choice Voucher program, commonly known as Section 8. HUD describes the FMR as the basis for the "payment standard" used by housing authorities to calculate the maximum monthly subsidy available to an assisted family. The Virgin Islands Housing Authority administers the voucher program locally, providing federal rental assistance that allows eligible families to lease privately owned housing throughout the territory.

Public housing authorities generally establish voucher payment standards within a range of 90 percent to 110 percent of the applicable FMR, although HUD rules provide mechanisms for higher exception payment standards when justified. That means HUD's estimate of local market rents matters well beyond a statistical report: it helps establish the financial framework within which voucher holders search for housing.

If an FMR does not adequately reflect prevailing rents, a voucher holder can potentially face a smaller pool of properties that fit comfortably within the payment standard, or be required to shoulder a larger portion of the rent when permitted by program rules. However, HUD's reliance on older local data does not by itself establish that current Virgin Islands FMR dollar amounts are below the actual market. Establishing that would require current local rental data comparing HUD's benchmarks with prevailing rents.

For context, HUD's FY2026 schedule placed the two-bedroom FMR at $1,249 on St. Croix, $1,467 on St. Thomas and $1,969 on St. John. Fair Market Rents generally seek to approximate the 40th-percentile gross rent — shelter plus tenant-paid utilities — for modest, standard-quality rental housing.

The Virgin Islands, however, does not have to wait for the 2030 Census to obtain more current federal rent benchmarks.

HUD explicitly allows VIHA or another qualified party to request a reevaluation of the territory's FY2027 FMRs and submit newer local rental-market evidence. HUD says public housing authorities may independently finance local rent surveys using administrative fees or administrative-fee reserves because the federal agency itself does not have the resources to conduct local surveys in response to challenges over individual FMR levels.

For a reevaluation, HUD wants data on gross rents being paid for occupied, standard-quality rental housing, with households that moved during the previous 24 months providing the preferred evidence. The information must be broad and statistically reliable enough for HUD to calculate the 40th-percentile gross rent for two-bedroom housing across the FMR area. HUD generally calls for an address-based survey modeled after the rental and housing portions of the ACS, although other unbiased and statistically reliable survey methods may be accepted.

That gives VIHA a potential route to replace the aging 2020 local base with evidence gathered from the territory's current rental market. HUD's own FY2027 calculations demonstrate that such surveys can make a difference: the agency is already using more recent locally collected rent surveys in a number of jurisdictions where acceptable data from 2024, 2025 and even 2026 are available.

For the FY2027 cycle, a request for reevaluation must be filed during HUD's 30-day comment period. Supporting rental data must then reach HUD by January 8, 2027. HUD says it will use qualifying evidence submitted by that deadline to recalculate FMRs and expects to publish any resulting revisions in April 2027. Data received later can be considered in the FY2028 calculations.

VIHA also has some flexibility on the voucher side even without changing the underlying FMR. Housing authorities generally may establish payment standards up to 110 percent of FMR and can pursue exception standards above that level under HUD rules when market conditions warrant. Those options can help address difficulties voucher holders encounter finding units, but they do not eliminate the broader problem of relying on an aging territory-specific rental dataset.

The longer-term issue is structural. Residents across most of the United States live in jurisdictions where Census Bureau housing information is continually refreshed through the ACS. The Virgin Islands, along with Guam, American Samoa and the Northern Mariana Islands, does not participate in that survey. HUD consequently begins its territorial calculations with the most recent decennial long-form survey and attempts to bridge the intervening years with broader measures of rent growth.

Without a change in federal data collection, the same problem can recur between censuses. But the territory is not powerless to address it: VIHA can commission a statistically valid local rent survey, seek a HUD reevaluation when the evidence supports one, and use available payment-standard flexibility where voucher holders are struggling to compete in the private rental market.