

The Purchase and Sale of Project-Based Rental Assistance Properties

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The United States has been experiencing a housing crisis for decades, and, as a result of high interest rates and low inventory, the crisis has grown in recent years. In an effort to promote affordable housing, the Department of Housing and Urban Development (HUD) offers incentives for real estate investors to become owners of affordable multifamily housing, including providing long-term project-based rental assistance (PBRA) to make units more affordable to families. U.S. Dep't of Hous. & Urb. Dev., *Increasing the Supply of New Affordable Housing: A Primer of Strategies to Implement Today* 15–16 (Oct. 2023).

Although many are familiar with the portable tenant-based Section 8 housing vouchers, project-based vouchers differ in that they are associated with a specific property rather than able to be used for any unit in the United States. Each project-based Section 8 property works through a Housing Assistance Payments contract, or HAP Contract, under which HUD, through the public housing agency contract administrator, provides funding for the subsidy if the property owner follows certain program requirements. Project-based rental assistance provides over 1.2 million low-income families with affordable housing; without this assistance, many currently affordable properties would either convert to market-rate rentals or would be unable to generate enough rental income to continue operations. Off. of Hous., Dep't of Hous. & Urb. Dev., *Project-Based Rental Assistance*, at 21-2 (2021).

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Contact

Chelsea J. Glynn

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