

Comparing CLT Ownership to Other Types of Housing

The below chart shows an estimate of how CLT home ownership can compare to renting a home and purchasing a home through the regular market over a seven-year period:

	Rental	CLT Ownership	Regular Ownership
Purchasing the Home			
Initial Appraised Value of Home	N/A	\$175,000	\$175,000
Affordability Investment (subsidy, silent mortgage, land)	N/A	\$75,000	N/A
Total Purchase Price	N/A	\$100,000	\$175,000
Monthly Housing Costs			
Monthly Rent	\$1200	N/A	N/A
Mortgage Payment: Principal and Interest*	N/A	\$600.00	\$1,020
Taxes and Insurance	N/A	\$106.25	\$175
Mortgage Insurance Premium	N/A	\$0.00	\$100
TM Ground Lease Fee	N/A	\$30	N/A
HOA Fee	N/A	\$90.00	\$90.00
Total Monthly Housing Cost	\$1,200	\$826.25	\$1,385
After 7 Years – Selling the Home			
Increase in Appraised Value (estimated 3%/yr unearned)	N/A	N/A	\$36,750
CLT Resale Formula Unearned Equity (1.5% of price/yr)	N/A	\$10,500	N/A
Financial Gain or Loss			
Amount of Mortgage Paid Off (Earned Equity)	N/A	\$16,786	\$20,885
Plus Unearned Equity (1.5%/yr for CLT home)	\$0	\$10,500	\$36,750
Total Rent Paid	\$100,800	N/A	N/A
Total Financial Gain or Loss	-\$100,800	\$27,286	\$57,635
Benefits			
	Rental	CLT Ownership	Non-CLT Ownership
Ability to deduct mortgage interest on taxes	NO	YES	YES
Long-term Security and Equity-Building	NO	YES	YES
Ability to make alterations and improvements	NO	YES	YES
Future affordability for other community members	?	YES	NO

* CLT calculations assume an MBOH loan with 3.5% interest, no PMI

* Regular Ownership calculations assume a conventional loan with 5% down payment, 5.5% interest