

Comparing CLT Ownership to Other Types of Housing

See how CLT home ownership compares to renting a three-bedroom home and purchasing a home through non-CLT ownership over a seven-year period:

	Rental	CLT Ownership	Non-CLT Ownership
Purchasing the Home			
Initial Market Value of Home	N/A	\$180,000	\$180,000
Cass Clay CLT Affordability Investment	N/A	\$40,000	N/A
Total Purchase Price	N/A	\$140,000	\$180,000
Monthly Housing Costs*			
Monthly Rent	\$1,200	N/A	N/A
Mortgage Payment: Principal and Interest	N/A	\$752	\$966
Taxes and Insurance	N/A	\$350	\$350
Utilities (Sewer, Water, Trash, Heat, Electric)	\$150	\$150	\$150
Cass Clay CLT Ground Lease or Covenant Fee	N/A	\$50	N/A
Total Monthly Housing Cost	\$1,350	\$1,302	\$1,466
After 7 Years – Selling the Home			
New Value of Property (assumes 5%/year increase)	N/A	\$229,700	\$229,700
Total Increase in Value – Market Equity	N/A	\$49,700	\$49,700
Owner's Share of Market Equity (assumes resale formula allowing 25% of market equity to go to CLT owner)	N/A	\$12,425	\$49,700
New Sales Price (original purchase price plus owners increase in appreciation)	N/A	\$152,425	\$229,700
Financial Gain			
Amount of Mortgage Paid Off – Earned Equity	N/A	\$16,877	\$21,699
Plus Share of Market Equity	\$0	\$12,425	\$49,700
Total Financial Gain	\$0	\$29,302	\$71,399
Additional Benefits			
Ability to Deduct Mortgage Interest on Taxes	X	✓	✓
Monthly Housing Payments Protected from Increase	X	✓	✓
Property Tax Write-Off Allowed	X	✓	✓
Long-Term Security	X	✓	✓
Ability to Make Alterations and Improvements	X	✓	✓
Future Affordability	?	✓	X

*Assumes 30-year 5% mortgage, annual property tax of \$3,000 and annual property insurance of \$1,200.