

COST COMPARISON WORKSHEET



**SPAULDING
PLACE**

A WILLOW BROOK COOPERATIVE

	<i>Spaulding Place Cooperative</i>	<i>Your Home</i>
Monthly Charge	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Cable	\$INCLUDED	\$ _____
Heat	\$INCLUDED	\$ _____
Electricity/Air Conditioning	\$ _____	\$ _____
Sewer and Water	\$INCLUDED	\$ _____
Garbage Removal	\$INCLUDED	\$ _____
Real Estate Taxes	\$INCLUDED	\$ _____
Property Insurance	\$INCLUDED	\$ _____
Homeowners Insurance	\$ _____	\$ _____
Reserves (Operating & Replacement)	\$INCLUDED	\$ _____
*Property Maintenance (4–6% of home's value)	\$INCLUDED	\$ _____
Home Repairs, both Interior and Exterior	\$INCLUDED	\$ _____
Lawn Care	\$INCLUDED	\$ _____
Grounds Landscaping and Replacement	\$INCLUDED	\$ _____
Snow Removal	\$INCLUDED	\$ _____
Fire Protection System/Security System	\$INCLUDED	\$ _____
Heated Underground Parking/Wash Bay	\$INCLUDED	\$ _____
Management Services	\$INCLUDED	\$ _____
Social Events/Activities/Entertainment	\$INCLUDED	\$ _____
Use of Fitness Center, Workshop, Library and other Spaciously Designed Common Areas	\$INCLUDED	\$ _____
SUBTOTAL =	\$ _____	\$ _____
HOME VALUE \$ _____		
(-) Less		
COST OF SHARE \$ _____		
AMOUNT		
TO INVEST \$ _____ @ _____ % =	\$ _____	
TOTAL MONTHLY EXPENSES =	\$ _____	\$ _____
ESTIMATED TAX BENEFITS =	\$ _____	

**Most professionals recommend 4–6% of the home's value to keep it in a sales-ready condition: paint, roof, siding, windows, driveway, landscaping, electrical, appliances, carpet, window treatments, water softener, furnace, air conditioner, etc.*

HOW DOES MY INVESTMENT APPRECIATE OVER TIME?

(Sample figures, see the Cooperative's organizational documents for full detail)

Spaulding Place uses a limited equity formula, a practice widely used by cooperatives to keep shares affordable over time, while still building in a return on investment for cooperative members.

When you purchase a share in the cooperative, you are purchasing it at 35 percent of its actual value, the master mortgage makes up the other 65 percent. Annual appreciation is based on 100 percent of the share's value. Look at the chart below to help visualize annual equity growth.

This is a sample portion of the limit equity growth chart which shows how your investment appreciates over time. The chart below shows 10 years but a typical chart is 40 years, the life of the loan. The share price in this example is \$83,280. Total unit value is \$231,323. Annual equity growth works like this:

$$\begin{array}{r}
 \text{1\% of the Total Unit Value - } (\$2,313) \\
 + \text{ Your portion of the loan pay-down - } (\$1,728) \\
 \hline
 = \text{ Annual Equity Growth - } (\$4,041)
 \end{array}$$

UNIT TYPE (CHERRY)	1%	UNIT VALUE \$231,323		SHARE PRICE \$83,280
YEAR	INCREASE	NEW VALUE	LOAN PAY DOWN	NEW PRICE
1	\$2,313	\$233,636	\$1,728	\$87,321
2	\$2,336	\$235,972	\$1,790	\$91,447
3	\$2,360	\$238,332	\$1,853	\$95,660
4	\$2,383	\$240,716	\$1,919	\$99,963
5	\$2,407	\$243,123	\$1,987	\$104,357
6	\$2,431	\$245,554	\$2,058	\$108,847
7	\$2,456	\$248,009	\$2,131	\$113,434
8	\$2,480	\$250,490	\$2,207	\$118,121
9	\$2,505	\$252,994	\$2,286	\$122,911
10	\$2,530	\$255,524	\$2,367	\$127,808

As you can see, the share price is a slow and steady increase that allows for affordable buy-in prices and a predictable return on your investment, a great value for both the buyer and seller.

Note: The above are brief answers, which will be explained in more detail in the Cooperative's formal Organizational Documents.