

~~H.E. V. Futeret~~ Piscataway

1984

-memo re recalculation of Mt. Laurel sales prices

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## M E M O R A N D U M

TO: Piscataway - File  
 FROM: Don Daines *DD*  
 RE: Recalculation of Mt. Laurel Sales Prices per Memo of 10/31/84 from NCDH  
 DATE: November 6, 1984

1. Family Income Limits

# of Bedrooms	Family Size	Moderate	94% of Mod.	28% of 94%	Low	94% of Low	28% of 94%
2	3	24,300	22,842	6,396	16,900	15,886	4,448
3	5	28,700	26,978	7,554	18,200	17,108	4,790

2. Factors to be used:

<u>Interest Rate</u>	<u>Mortgage P &amp; I</u>	<u>Property Taxes</u>	<u>Home Owners Insurance</u>	<u>Condominium Dues</u>	<u>Total Factor</u>
7	.07186	.0225	.002	.005	.10136
8	.07925	.0225	.002	.005	.10875
9	.08960	.0225	.002	.005	.1191
10	.09478	.0225	.002	.005	.12428
11	.10285	.0225	.002	.005	.13235
12	.11109	.0225	.002	.005	.14059
13	.11947	.0225	.002	.005	.14897
14	.12797	.0225	.002	.005	.15747

3. Calculation of Sales Prices:

<u>Interest Rate</u>	<u>Two Bedroom Moderate</u>		<u>Three Bedroom Moderate</u>	
	<u>Preliminary</u>	<u>Actual</u>	<u>Preliminary</u>	<u>Actual</u>
14	40,620	36,560	47,970	43,170
13	42,940	38,650	50,710	45,640
12	45,490	40,950	53,730	48,340
11	48,330	43,500	57,080	51,370
10	51,460	46,320	60,780	54,700

  

<u>Interest Rate</u>	<u>Two Bedroom Low</u>		<u>Three Bedroom Low</u>	
	<u>Preliminary</u>	<u>Actual</u>	<u>Preliminary</u>	<u>Actual</u>
14	28,250	25,430	30,420	27,380
13	29,860	26,870	32,150	28,940
12	31,640	28,480	30,070	30,660
11	33,610	30,250	36,190	32,570
10	35,790	32,210	38,540	34,690

all numbers rounded to nearest \$10.00

4. Calculation of Rental Charges:

Low Income

<u>Family Size</u>	<u>Income Limit</u>	<u>Rent</u>
3 (2 BR)	$16,900 \times .94 \times .28 = 4,448 \div 12 = 371 \times .9 = 334 - 70 =$	\$264.00
5 (3 BR)	$18,200 \times .94 \times .28 = 4,790 \div 12 = 399 \times .9 = 359 - 90 =$	\$269.00

Moderate Income

<u>Family Size</u>	<u>Income Limit</u>	
3 (2 BR)	$24,300 \times .94 \times .28 = 6,396 \div 12 = 533 \times .9 = 480 - 70 =$	\$410.00
5 (3 BR)	$28,700 \times .94 \times .28 = 7,554 \div 12 = 630 \times .9 = 567 - 90 =$	\$477.00

5. Comparison

<u>Interest Rate</u>	<u>Moderate</u>				<u>Low</u>			
	<u>2 BR</u>		<u>3 BR</u>		<u>2 BR</u>		<u>3 BR</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
14		36,560		43,170		25,430		27,380
13	45,670	38,650	48,550	45,640	28,590	26,870	30,790	28,940
12	48,400	40,950	51,440	48,340	30,290	28,480	31,620	30,660
11	51,410	43,500	54,650	51,370	32,180	30,250	34,650	32,570
10	54,750	46,320	58,190	54,700	34,270	32,210	36,900	34,690

6. Analysis of Effect:

55 Mod. 2 BR times additional loss of \$7,500 = \$412,500 additional losses  
 54 Low 3 BR times additional loss of \$2,000 = \$108,000  
 Total Additional Losses \$520,500

7. Effect upon Market Unit Prices:

<u>Type</u>	<u>Number</u>	<u>Sales Price (12%)</u>	<u>Cost</u>	<u>Loss/Unit</u>	<u>Total Losses</u>
Mod. (2 BR)	55 units	40,950	45,000	(4,050)	\$222,750
Low (3 BR)	54 units	30,660	45,000	(14,340)	\$774,360
					<u>\$997,110</u>

Average Loss per Mt. Laurel = \$9,150

Average Increase in Sales price of the 436 Market Units = \$2,500

DRD:jac

cc: George Yankowich  
 Roy Hyman  
 John Murtagh  
 Craig Turner  
 Project Attorneys