

# CL4WF Calculating Maximum Sales Price

The final maximum sales price is calculated by DOH when a home is complete and ready to be listed for sale. The below spreadsheet is provided for Developers to estimate the Maximum sales price based on the current sales price of a home.

Contact Brian O'Donnell by [email](#) or phone (312) 744-0141 to receive a working version of this spreadsheet or for help to calculate the current maximum sales price. What is shown below is intended only as an example.

## MAXIMUM SALES PRICE FOR A SINGLE-FAMILY DETACHED HOME

DEPARTMENT OF HOUSING						
CL4WF PRICING GUIDE						
For more information or an electronic version of this worksheet, contact Brian O'Donnell at (312)744-0141.						
Property:		DOH contact:				
Address:		Date price calculated:				
Developer:						
<b>NOTE: Only enter data in the green shaded cells. The pricing guide will calculate the rest</b>						
<b>Line</b>						
1	CL4WF AMI Sale Price Cap	120% AMI				
2	Number of Bedroom	2	3	4	5	
3	Developer's Market Price (enter)	\$375,000	\$475,000	\$525,000	\$550,000	
4	Monthly Tax Estimate	\$625	\$792	\$875	\$917	
5	Monthly Maintenance Costs	\$150	\$175	\$200	\$225	
6	Monthly Private Mortgage Insurance	\$27	\$586	\$650	\$737	
7	Monthly Homeowner's Insurance	\$234	\$297	\$328	\$344	
8	Mortgage Interest Rate	4.58%	4.58%	4.58%	4.58%	
9	Maximum Affordable Price (enter)	\$350,500	\$390,000	\$432,000	\$490,500	
10	Mortgage Principal @ 97% Loan-to-Value	\$339,985	\$378,300	\$419,040	\$475,785	
11	Monthly Principal & Interest Payment	\$1,739	\$1,935	\$2,144	\$2,434	
12	Plus: Tax, Insurance, Assessment, Fee, PMI	\$1,536	\$1,850	\$2,053	\$2,223	
13	Total Monthly Payments	\$3,276	\$3,785	\$4,196	\$4,657	
14	Required Annual Gross Income	\$119,109	\$137,638	\$152,589	\$169,335	
15	Maximum Allowable Income (120% AMI)	\$119,160	\$137,700	\$153,600	\$169,440	
<b>HUD Median Income for Unit Type/Family Size</b>						
for purposes of calculating max resale price (NOT for determining eligibility to purchase or lease a unit)						
	Bedrooms	Family Size	80% Median	100% Median	120% Median	140% Median
	1	1.5	\$66,200	\$82,800	\$99,360	\$115,920
	2	3.0	\$79,450	\$99,300	\$119,160	\$139,020
	3	4.5	\$91,800	\$114,750	\$137,700	\$160,650
	4	6.0	\$102,400	\$128,000	\$153,600	\$179,200
	5	7.5	\$112,975	\$141,200	\$169,440	\$197,680
HUD figures as of May 15, 2023						

**LINE NOTES:**

1	Units will be kept affordable by a resale restriction, unless otherwise specified.	
2	Use column matching the number of bedrooms in unit.	
3	Enter developer's market rate price.	
4	Property taxes are estimated at 2% of the estimated <b>affordable</b> price. If the project does not go into the Chicago Community Land Trust (CCLT), taxes should be calculated off the market price.	
5	The assessment is the higher of the amount indicated by the developer/homeowner - or the average assessments, calculated by the City using MLS data, for units by number of bedrooms. For single family homes, a monthly maintenance cost of \$150 should be included in the calculations.	
6	PMI is estimated at 186 BPS	
7	Property insurance is estimated at 0.25% of the market price - or 0.75% for single family homes and townhomes	
8	Interest rate calculation	
	1 basis point added to the 10-year monthly average of FNMA interest rates, as calculated by DOH, which is currently:	<b>3.58</b>
9	Use trial-and-error to match the affordable price to the required annual gross income necessary to qualify for this price (Line 15).	
10	Loan amount at 97% of the affordable price.	
11	Monthly payments based on a 30-year loan at the mortgage rate entered on Line 9.	
12	The total of Lines 4, 5, 6, 7 and 8.	
13	The total of Lines 12 and 13.	
14	The annual gross income ( <b>assuming 1.5 persons per bedroom, and household housing costs that total no more than 33% of their total gross annual income</b> ) required to qualify for a loan on the affordable unit at the indicated affordable price (Line 10).	

## MAXIMUM SALES PRICE FOR A 2-FLAT HOME

2-flat homes are calculated utilizing the maximum sales price for a single detached home plus the value of the second unit as a rental. The Homebuyer is credited for 75% of the rent value. Rental rates are HUD's Fair Market Rental Value ([link](#)) by zip code. Below is an example of a 2-flat in Woodlawn. The owner's unit is a 2-bedroom Home and the rental unit is a 1 bedroom.

<b>2 Bedroom Woodlawn Homes</b>		
FM Rent	1 Bed Rental	\$ 1,020.00
Rent Credit (75% of FMR)		\$ 765.00
SF Price	2 Bedroom	\$ 350,500
Rental add-on	add'l principal based on \$765 rental income	\$ 149,575
Maximum 2 Unit Price	for 2 Bed (Owner) /1Bed (Rental)	\$ 500,075
SF Mortgage Payment Amt.	(based on \$308,500)	\$3,276
Max Mortgage Payment	(3095+765)	\$ 4,040.51