MONTGOMERY COUNTY DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (DHCA)

CALCULATION OF SALES PRICES FOR MPDUs FOR:

Duplex Example

<table>
<thead>
<tr>
<th>Street Address(es) and Lot(s)/Block(s):</th>
<th>123 Sample Street - Lot 38, Block Z</th>
</tr>
</thead>
</table>

A. MPDU UNIT TYPE:

1. Unit type and number of stories
   - Duplex: 3

2. Elevation type (if applicable)

3. Number of bedrooms
   - 3

4. Number of full baths and rough-in full baths
   - 1
   - 1

5. Number of half baths and rough-in half baths
   - Finished 1
   - Rough-In

6. Basement or slab on grade?
   - Basement

7. End or interior unit?
   - N/A

8. Square footage of finished area
   - 1900

Final MPDU Sales Price (from Page 2, Line 29) $239,330

B. CALCULATION OF DIRECT CONSTRUCTION COSTS:

NOTE: Please refer to the MPDU Pricing Standards and Minimum Specifications for Base Unit Size, Square Footage Costs, and prices for Additions and Deletions. Attach explanatory letter and cost documentation for any items that do not have set prices.

9. 1900 = Square footage of finished space (from Line 8)

10. 1200 = Square footage of base unit @ $71/sq. ft. $85,200

11. 700 = Sq. foot difference from base @ $36/sq. ft. $24,850

12. Subtotal (Line 10 + Line 11) $110,050

13. Additions and Deletions

   a. End unit
   b. Rough-in half bath
   c. Finished half bath
   d. Rough-in full bath
   e. Finished full bath
   f. Walkout basement - 5 ft. sliding glass door
   g. Attached garage (___sq. ft. x $16/sq. ft.)
   h. Detached garage (315 sq. ft. x $32/sq. ft.) $10,080
   i. Additional Vanity (1 x $290) $290
   j. Separate linen closet (1 x $520) $520
   k. Gas HVAC system (minus standard) (provide cost documentation) $4,800 $3,500
   l. Dishwasher (provide cost documentation) $381
   m. Gas range (minus standard) $600 $400
   n. Energy Star refrigerator (minus standard) $950 $500

   Subtotal $18,881

14. Difference between Additions/Deletions $18,881

15. DIRECT CONSTRUCTION COST (Line 12 + Line 14; enter in Line 16, Page 2) $128,931
MONTGOMERY COUNTY DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CALCULATION OF SALES PRICES FOR MPDUs FOR:

Duplex Example

(Project Name)

C. ADDITIONAL CONSTRUCTION AND INDIRECT COSTS:

16. Direct unit construction cost (from Line 15 on Page 1) $128,931

17. a. Direct lot development cost (from MPDU Pricing Standards) $18,860
    b. Water and sewer house connection fee (attach cost documentation) $2,750
    c. Fire sprinkler system installation cost (attach cost documentation) $2,200

18. Subtotal of Miscellaneous (Lines 17.a through 17.c) $23,810

19. Additional Unusual Costs (see MPDU Pricing Standards - attach explanatory letter and cost documentation):
    a. $8,100
    b. $7,370
    c. $4,089

20. Subtotal of Additional Unusual Costs (Lines 19.a through 19.d) $19,559

21. TOTAL OF DIRECT CONSTRUCTION COST ITEMS (Lines 16 + 18 + 20) $172,300

22. SOFT COSTS: (Calculated as a percentage of the Base MPDU Sales Price)
    Construction Loan Financing Expenses:
    i) Interest Rate = Prime Rate + 2 Points = 5.25%
    ii) Calculation = Interest Rate x Average Take Down Rate (6 months) x Length of Loan (9 months)
        x 75% of Base MPDU Sales Price
        a. iii) Calculation = Interest Rate x .50 x .75 x .75 = 1.48%
        b. Construction loan placement fee 1.50%
        c. Legal and closing costs 3.50%
        d. Marketing and sales commission 1.50%
        e. Builder's overhead 8.00%
        f. Engineering and architectural 5.00%
        g. General requirements 3.00%
        h. Buyer's closing costs (to be given as a credit to the buyer) 3.00%

23. Subtotal of Indirect Cost Percentages (Lines 22.a through 22.h) 26.98%

24. Base MPDU Sales Price Calculation:
    a. Soft Cost Percentages (from above) 26.98%
    b. Inverse Ratio (100 - Soft Cost Percentage / 100) = 73.02%
    c. Base MPDU Sales Price = Direct Construction Cost (Line 21) = $235,952

    Subtotal of Architectural Compatibility Items (from Line 34.c on Page 3) $3,379


26. Buyer's Credit to be Provided at Settlement $7,180

27. Builder's Extended Warranty

28. FINAL MPDU SALES PRICE (Line 24.c + Line 25 + Line 28) $239,330
The MPDU Executive Regulations cap Architectural Compatibility at 10% of the allowable MPDU Base Cost (Line 24.c, Page 2). The Director of DHCA does not have the authority to waive or exceed this cap. The direct construction costs for architectural compatibility must be approved by DHCA. The percentage for construction financing in Line 32.a is obtained from the calculations determined in Line 22.a on Page 2. The cost of the architectural compatibility items must be reduced by a credit for normal construction items which are included in the direct construction cost (for example, brick façade reduced by the cost of vinyl siding). Documentation (contracts or estimates) is required for all architectural compatibility items.

### LIST OF ITEMS AND COSTS FOR ARCHITECTURAL COMPATIBILITY:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>COST</th>
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<tbody>
<tr>
<td>a.</td>
<td>Stone Watertable - Front &amp; Garage Elevation</td>
<td>$1,528</td>
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<tr>
<td>b.</td>
<td>Board &amp; Batten Siding - Front Elevation: 2nd Floor</td>
<td>$300</td>
</tr>
<tr>
<td>c.</td>
<td>Decorative Louver (Gable) - Elevation #1</td>
<td>$59</td>
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<tr>
<td>d.</td>
<td>8' 1-Lite/Panel Glass Front Door w/Multi-Point Lock</td>
<td>$136</td>
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<tr>
<td>e.</td>
<td>Garage Door - Carriage Style</td>
<td>$500</td>
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<tr>
<td>f.</td>
<td>Architectural Roof Shingles - 30 years vs 25 years</td>
<td>$316</td>
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<td>g.</td>
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### SOFT COST CALCULATION FOR ARCHITECTURAL COMPATIBILITY ITEMS:

| Subtotal of Indirect Cost Percentages (Lines 32.a through 32.d) | 15.98% |

### TOTAL COST FOR ARCHITECTURAL COMPATIBILITY:

\[
\text{Cost for Architectural Compatibility} = \frac{\text{Total Hard Cost Architectural Compatibility (Line 31.d)}}{\text{Inverse Ratio (Line 34.b)}}
\]

\[
\text{Inverse Ratio (Line 34.b)} = \frac{100 - \text{Soft Cost Percentage (Line 33)}}{100}
\]

\[
\text{Total Hard Cost Architectural Compatibility (Line 31.d)} = 84.02\%
\]

\[
\text{Cost for Architectural Compatibility} = 3,379
\]