

**GROUSE HILL OF SUDBURY
QUESTIONS AND ANSWERS REGARDING SALE AND RE-SALE PRICING**

Q. Since Grouse Hill is not “Affordable Housing”, and there is no limitation on buyers’ income, how was the price of each unit established?

A. The Sudbury Planning Board established the price of every unit at Grouse Hill using a formula set forth in the Incentive Senior Development Bylaw. The formula used to establish the fixed selling price includes criteria from the U.S. Government’s Housing and Urban Development (a/k/a HUD) Guidelines for the Boston Area including the Median Family Income (MFI) for a family of four, a fixed prevailing interest rate of 6.125%, and a down payment estimate of 5%. Although in all likelihood you will not have four persons in your household that does not affect the criteria used from HUD. The HUD guidelines are updated annually and the information can be found online at:

http://www.huduser.org/portal/datasets/il/il10/index_mfi.html

Q. What is the 2010 HUD Median Family Income (MFI) amount for Sudbury?

A. \$91,800 is the 2010 MFI for Sudbury.

Q. How has the MFI for Sudbury changed since 1990? What is the average increase per year since that time?

A. In 1990, the MFI for Sudbury was \$46,300. Since that time, the *average* increase to the MFI has been 3.33% per year. In 2007, when our first homeowners purchased their new home, the MFI was \$82,400. It increased a total of 3.96% in 2008 to \$85,800, increased a total of 4.88% for 2009 to \$90,200 and increased a total of 1.74% for 2010 to \$91,800.

Note: Please keep in mind this is the “average” and the actual increases vary from year to year.

Q. If the Town of Sudbury established the original sales price for my condominium, who will establish the price when I am ready to sell my unit?

A. At the closing for your unit you will receive a Resale Price Certificate from the Sudbury Planning Department that will be attached to your Unit Deed and recorded at the Middlesex Registry of Deeds. This certificate will provide the Resale Price Multiplier that applies specifically to your unit. This Multiplier is what you will use to determine the maximum selling price for your unit. *Please see the example below.*

Q. How is the Resale Price Multiplier for each unit determined?

A. The Multiplier is calculated by taking the total price (base unit plus upgrades up to 10% of base price) you paid for your unit and dividing that number by the current HUD Median Family Income at the time of sale.

Actual example:

2007 Sale of Belmont Unit	\$519,900
Upgrades at time of purchase	\$51,990
TOTAL BASE PRICE	\$571,890

Total Base Price	\$571,890
Divided by the 2007 HUD MFI	\$82,400
RESALE PRICE MULTIPLIER	6.94

In this example, the Resale Price Certificate issued at closing has a Resale Price Multiplier of 6.94.

When you decide to sell your unit, you will use the Resale Price Multiplier to determine the maximum selling price you can obtain for your unit. At that time you will also need to obtain the then-current HUD Median Family Income (MFI) for a family of four.

For example: 2010 Resale of Belmont Unit

The current MFI	\$91,800
Multiplied by your Resale Price Multiplier	6.94
Preliminary Resale Price	\$637,092

You may also add to this any realtor commission fees or marketing and advertising expenses if you sell your unit without a realtor. Let's assume for this example you pay a 5% realtor commission, the maximum resale price would then be \$668,945.

This example was taken from an actual sale in 2007.

FOR MORE INFORMATION:

US Government Housing and Urban Development Website

http://www.huduser.org/portal/datasets/il/il10/index_mfi.html