

UNDERSTANDING THE CHAP TAX CREDIT

Your new property has been qualified by the Baltimore Commission on Historic and Architectural Preservation (CHAP) as eligible for a 10-year tax credit that will save you thousands of dollars per year on your Baltimore City property taxes. Upon completion of construction, The Revels will be eligible for certification by CHAP that will ensure the tax credit is in place for 10 years.

Here's how the CHAP credit works:

The credit is in place for 10 years from certification and is transferable to a future buyer if you sell your unit in that time period. This increases the resale value.

The credit is based on the difference between the pre-renovation assessed value and the initial post-renovation assessed value times the Baltimore City tax rate (currently 2.288%).

The pre-renovation assessed value for each unit in the building varies according to its square footage prior. For the sake of example, we use \$30,000 as the pre-renovation assessed value. The assessed value of your unit after renovation is likely to be the market price you paid for it. Therefore, your credit for the next 10 years will be the property tax rate times the difference between the new assessment and \$30,000.

Here's how the CHAP credit creates value for you:

The credit saves you thousands of dollars on a yearly basis on the Baltimore City portion of your property tax bill.

The credit increases your buying power, allowing you to get more home for your money.

The credit increases the salability of your home if you sell it prior to the expiration of the tax credit period.

The credit makes your unit more rentable should you decide to rent your unit due to the lower rent that you would need to charge to cover the monthly expenses of the unit.

So how does this translate into dollars into your pocket? Please see below for monthly yearly, and 10-year savings:

Unit Price	\$250,000	\$300,000	\$350,000
Monthly Savings	\$423	\$519	\$615
Yearly Savings	\$5,078	\$6,232	\$7,386
10-Year Savings	\$50,776	\$62,316	\$73,856

The tax credit also helps you buy more home for your dollar. A bank determines how much it can loan you to purchase a home in part on how much you can afford to pay per month for principal, interest, and TAXES. With the tax credit in place, your tax bill is smaller, so the bank can lend you more money and you can afford more home. See below for how this translates into Increased Buying Power on a 90% financed unit:

Monthly Payment You Can Afford	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750
Affordable Purchase Price (w/ Tax Credit)	\$245,000	\$286,000	\$328,000	\$370,000	\$411,000	\$453,000
Affordable Purchase Price (No Tax Credit)	\$190,000	\$221,000	\$253,000	\$284,000	\$316,000	\$347,000
Increased Buying Power	\$55,000	\$65,000	\$75,000	\$86,000	\$95,000	\$106,000

**Calculated based on 90% loan, 6% interest rate, 30-year term. Monthly payment includes principal, interest, and Baltimore City property taxes. State taxes and special benefits district charges not included. Buying power increases at loan levels less than 90% and decreases at loan levels more than 90%.*

Very few condos in Baltimore City have this powerful tax credit. Your purchase will allow you to take advantage of the immense savings that few others in the city can enjoy.