

Assumptions			EXHIBIT B					
	Real Estate Commissions	6%	This spreadsheet uses a more appropriate turnover assumption of 10 years (the actual is 12 years, per Statistical Information Office, U.S. Census Bureau, Washington, D.C.; Geographical Mobility by Tenure: 1987-2006), and a 4% opportunity cost.					
	Purchase Closing Costs U.S. (FRB)	5.0%						
	Discount for 1% Encumbrance	5%						
	Mortgage Rate	5.00%						
	Mortgage Length (yrs)	30						
	Mortgage LTV	85.00%						
	Appreciation Rate	2%						
	Opportunity Cost Rate	4.00%						
Note #1	Initial Property Value without PTF	\$300,000						
Note #2							Transaction 1; 10 Year Hold	
			Without a PTF	With a PTF	Without a PTF	With a PTF	Without a PTF	With a PTF
	PURCHASE		Year 1	Year 1	Year 11	Year 11	Year 21	Year 21
	Purchase Price		\$300,000.00	\$285,000.00	\$365,698.33	\$347,413.41	\$445,784.22	\$423,495.01
		Mortgage Amount	\$255,000.00	\$242,250.00	\$310,843.58	\$295,301.40	\$378,916.59	\$359,970.76
		Equity day of purchase	\$45,000.00	\$42,750.00	\$54,854.75	\$52,112.01	\$66,867.63	\$63,524.25
	Closing Costs at Initial Purchase		(\$15,000.00)	(\$14,250.00)	(\$18,284.92)	(\$17,370.67)	(\$22,289.21)	(\$21,174.75)
	CARRYING COSTS							
	Principal Payments		\$47,577.74	\$45,198.85	\$57,996.99	\$55,097.14	\$70,698.01	\$67,163.11
	Less Carrying Costs:							
	Interest payments		\$116,689.68	\$110,855.20	\$142,244.07	\$135,131.87	\$173,394.73	\$164,724.99
	Taxes (U.S. property) 1.04% of value		\$34,163.13	\$32,454.97	\$41,644.66	\$39,562.43	\$50,764.61	\$48,226.38
	Insurance (Hazard) \$3.50/\$1,000 value		\$11,497.21	\$10,922.35	\$14,015.03	\$13,314.28	\$17,084.24	\$16,230.03
	Total Carrying Costs:		(\$162,350.02)	(\$154,232.52)	(\$197,903.77)	(\$188,008.58)	(\$241,243.59)	(\$229,181.41)
	OPPORTUNITY COSTS							
Note #3	Less Opportunity Costs Associated with Added Costs:							
	Opportunity costs on added principal payments		\$1,167.64	\$0.00	\$1,423.34	\$0.00	\$1,735.04	\$0.00
	Opportunity costs on added closing costs		\$368.12	\$0.00	\$448.74	\$0.00	\$547.01	\$0.00
	Opportunity costs on added carrying costs		\$3,984.33	\$0.00	\$4,856.88	\$0.00	\$5,920.51	\$0.00
	Opportunity costs on added equity		\$1,104.37	\$0.00	\$1,346.23	\$0.00	\$1,641.04	\$0.00
Note #4	Total Opportunity Costs:		(\$6,624.47)	\$0.00	(\$8,075.19)	\$0.00	(\$9,843.61)	\$0.00
	SALE		Year 10	Year 10	Year 20	Year 20	Year 30	Year 30
	Sales Price		\$365,698.33	\$347,413.41	\$445,784.22	\$423,495.01	\$543,408.48	\$516,238.05
	Real Estate Commissions		(\$21,941.90)	(\$20,844.80)	(\$26,747.05)	(\$25,409.70)	(\$32,604.51)	(\$30,974.28)
	1% Private Transfer Fee Paid When Sold		\$0.00	(\$3,474.13)	\$0.00	(\$4,234.95)	\$0.00	(\$5,162.38)
	SUMMARY							
Note #5	Appreciation from Purchase to Sale		21.90%	21.90%	21.90%	21.90%	21.90%	21.90%
Note #6	Net Financial Position		(\$140,218.06)	(\$130,388.05)	(\$170,925.03)	(\$158,942.30)	(\$208,356.66)	(\$193,749.78)
	Financial Benefit to the Buyer with Transfer Fee		\$9,830.01		\$11,982.73		\$14,606.88	
Note #1	PTF = Private Transfer Fee.							
Note #2	The longer the holding period, the more beneficial the PTF is to the consumer. The current median turnover in the U.S. is 8 years, the average is 12 years. This table shows a 10 year turnover.							
Note #3	Added cost is the difference between the respective line item without a PTF & with a PTF.							
Note #4	Higher return on alternate investments increases opportunity costs of unencumbered property.							
Note #5	There is no seller "lost appreciation". The lost appreciation shown in Figure 1, Page 6 of the CRE paper are differences in values of two homes which appreciated at the same rate (2%/yr) for the same duration (5 yrs, 10 yrs, or 15 yrs), each with a different basis (\$300,000 and \$285,000). This line shows the total appreciation of the respective homes over the holding period.							
Note #6	Net Financial Position = Sales Price - Real Estate Commissions - Transfer Fee - Purchase Price - Carrying Costs - Opportunity Costs							