Conventional vs. Sustainable Ground Lease

Conventional ground lease value over time

Lessor = 100% Value

Lessee = 0% Value

(Pack Bags & Leave)

Time:

Beginning of Lease

End of Lease

CLT Sustainable Ground Lease value over time

Re$ale Formula

- Initial purchase price
  ÷ Initial Appraisal
  = Ratio applied to sales price
  x (Current Appraisal - Original Appraisal)
  =
  x Shared Appreciation Factor (length of ownership)
  + Homeowners Share of Appreciation
  + Initial Purchase Price
  = Base Forula Price
  + Capital Improvement Credit
  - Excessive Damage Charge
  = Formula Price/Sale Price

Lessor

Home Owner

(Lessee)

Time:

Beginning of Lease

End of 99 Yr Lease

+ 99 yr option