Proposed Construction Replacement Cost Formula

Section 202 / Section 8 Projects

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

03753

Value of Leased Fee (from Section K of form HUD-92264)		$ = L
All Grant / Loan Amounts Included in Replacement Cost		$ = G
Excess Unusual Land Improvements		$ = U
Cost Containment Mortgage Deduction		$ = D
Unpaid Balance of Special Assessments		$ = S
Consultant Fee (if lump sum)	$	
Supplemental Management Fund	$	
Warranted Price of Land	$	
Ground Rent During Construction	$	
Total for All Improvements	$	
Taxes	$	
Insurance	$	
Title & Recording	$	
Legal	$	
Organizational	$	
Cost Certification Audit Fee	$	
Total Knowns		$ = A
$\frac{\text{Interest Rate}}{2}$ x Construction Period (Yrs)		
Project Contingency		
Consultant Fee (if an unknown)		
Marketing Expense (Cooperative Only)		
Total Unknowns		$ = B
Project Cost less Value of Leased Fee, less Grant, less Excess Unusual Land Improvements, less Cost Containment, Less Unpaid Balance of Special Assessments $\frac{A\text{-}L\text{-}G\text{-}U\text{-}D\text{-}S}{1\ 0\ \text{-}\ B}$ =		$ = X
Total Project Replacement Cost. X+L+G+U+D+S =		$ = R
Maximum Mortgage: R-L-G-U-D-S = ($) x (%) = (loan ratio)		$

Complete part G of form HUD-92264 using the above-determined maximum mortgage amount rounded to the next lower $100 multiple The resulting "Total Estimated Replacement Cost of Project" should correspond approximately to the total project replacement cost found by the formula