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Ownership Incentives: Sheldon Crossing Homes

To encourage consumers to more seriously consider green construction as a viable housing alternative, local, state and national government programs continue to be rolled out, revised and enhanced.

Below is a summary of widely-published, generalized information from sources including the City of Philadelphia, Fannie Mae and the IRS on programs that offer abatements, tax credits and EEMs.

Because income levels, lifestyles and energy consumption habits are unique to each homebuyer, the following are possible cost benefits of owning a Sheldon Crossing carriage townhome.

CONSIDER THESE INCENTIVES:

Philadelphia Tax Abatement

- 10 year tax abatement: Taxes will be roughly \$500/year for 10 years

Federal Tax Credit

- 1st time buyer tax credit: \$8,000 if filing individually; \$4,000 if married and filing separately
- \$150,000 income limit if filing jointly; \$75,000 income limit if filing individually

Energy Tax Credits

- Energy Tax credits are available at 30% of the cost, with no upper limit through 2016 (for existing homes & new construction) for: Geothermal Heat Pumps, Solar Panels, Solar Water Heaters, Small Wind Energy Systems and Fuel Cells (\$500/0.5 kW).

Reduction of Utility Bills

- Bills may be reduced up to 75%, compared to traditional construction, due to energy efficiency.
- PECO will deregulate utilities as of 2011, so savings will be even greater.

Reduced Maintenance and Operating Costs

- Maintenance and operating costs are negligible due to new construction associated with less maintenance, and advanced materials and construction techniques used to build green.

Mortgage Interest Deduction

- 33% tax bracket if income is between \$164-\$357K

Interest Rates

- Rates are at historic lows
- Lower rates and better terms for energy efficient mortgages (EEM)

Energy Efficient Mortgages

An Energy Efficient Mortgage (EEM) is a mortgage that credits a home's energy efficiency in the mortgage itself. Conventional EEMs can be offered by lenders who sell their loans to Fannie Mae and Freddie Mac. There are currently 163 Fannie Mae lender partners in PA.

1. Incentives are proportionate to loan amount.
2. Buyers can finance energy-saving measures as part of a single mortgage allowing borrowers to qualify for a larger loan amount.
3. EEMs increase the purchasing power of buying an energy efficient home by allowing the lender to increase the borrower's income by a dollar amount equal to the estimated energy savings.
4. Qualifying (debt to income) ratios can be expanded up to 45%.