

SAMPLE EXERCISE – PRICING PROPERTY

Fill out a market analysis worksheet based on the following information.

Subject property information

- Owners of record are Dawn and Charles Blake.
- Street address is 2810 Mable Road.

The subject property is 8-room, 2-story frame house on an average size lot. The condition is good except for exposed wood on the shutters which need to be repainted. There are 4 bedrooms, 2 ½ baths, a separate dining room, a family room with a fireplace, and a full basement.

You found the following four properties in the same subdivision that have sold within the past twelve months and are comparable to the subject property.

Comparable #1: 2513 Mable Road 8-room, 2-story frame home. It has 4 bedrooms and 2 ½ baths, good condition. Lot is average size. A ditch in back of the property makes the lot less desirable. The house has the same features and floor plan as the subject, and has a full basement. It sold for \$192,000.

Comparable #2: 2121 Jane Drive 7-room, 2-story frame home. It has 3 bedrooms and 2 ½ baths, with a full basement in good condition. The features and floor plan are similar to the subject. This property sold for \$186,000.

Comparable #3: 1876 George Street 8-room, 2-story brick and frame home. This house is in good condition and sits on an average sized lot. House has same features and similar floor plan to subject property, but only has a half basement. It has 4 bedrooms and 2 ½ baths and it sold for \$184,000.

Comparable #4: 2635 Frank Street 7-room, 2-story frame house in good condition on average size lot. House has 3 bedrooms, 2 ½ baths, with a full basement. It has the same features as the subject property, but the floor plan is dissimilar. It sold for \$189,960.

- Suggested adjustment for lack of a bedroom is \$4,000.
- Brick and frame homes in this subdivision sell approx. \$2,000 more than frame homes.
- Suggested adjustment for the undesirable ditch in back of the property on Mable Road is \$3,000.
- Your broker suggested an adjustment figure of \$6,000 for lack of full basement.

Assign the following:

- * 30% of value to Comparable #1.
- * 25% of value to Comparable #2.
- * 25% of value to Comparable #3.
- * 20% of value to Comparable #4.

Reconciled Estimated Value for Subject: \$190,000

MARKET ANALYSIS ADJUSTMENT WORKSHEET FORM 10-2

ITEM	SUBJECT PROPERTY	COMPARABLE - 1	COMPARABLE - 2	COMPARABLE - 3	COMPARABLE - 4
Address	2810 Mable	2513 Mable	2121 Jane	1876 George	2635 Frank
Sales Price		\$192,000	\$186,000	\$184,000	\$189,960
Date of Sale & Time Adjustment					
Terms and conditions of Sale					
Construction	Frame	Frame	Frame	Subtract -2,000 Brick/Frame	Frame
# of Rooms	8	8	7	8	7
Bedrooms	4	4	3 + Add +4,000	4	3 + Add +4,000
Basement	Full	Full	Full	Half + Add +6,000	Full
Financing	—	—	—	—	—
Lot	Average	Add Ditch +3,000	Average	Average	Average
Condition	Needs paint	Subtract Good -1,800	Sub. Good -1,800	Sub. Good -1,800	Sub. Good -1,800
Total NET Adjustments		+1,200	+2,200	+2,200	+2,200
Sales Price		\$192,000	\$186,000	\$184,000	\$189,960
Less Adjustments		1,200	2,200	2,200	2,200
Adjusted Sale Price		\$193,200	\$188,200	\$186,200	\$192,160

Reconciliation:

Comp #1	\$193,200	x .30	=	\$57,960
Comp #2	\$188,200	x .25	=	47,050
Comp #3	\$186,200	x .25	=	46,550
Comp #4	\$192,200	x .20	=	38,432
		(round up)		<u>\$189,992</u>