

2024 Level II
Sales Comparison Class Problem # 2
Lump Sum and Percentage Adjustments

You are using the sales comparison approach to value, to determine the true tax value of a single family residence.

You have determined the following elements of comparison contribute significantly to value and have estimated their values.

Basement:	\$10,000
Garage Space:	\$3,000
Time:	+1.5% per month
Size:	\$40 per square foot

<u>Fireplace:</u>	\$3,000
<u>Location:</u>	10% more for waterfront
<u>Brick Exterior:</u>	\$15,000

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The subject property is a 2,400 square foot cedar sided ranch home located on a lot with water frontage. It has a full basement, 2 car garage, 1 fireplace, and 2 full bathrooms.

Sale # 1: Sold for \$210,000 five months ago. It is identical to the subject in all aspects except it does not have a basement.

Sale # 2: Sold last week for \$240,000. It is a brick home with 2,250 square feet. It has a full basement, 2 full bathrooms, 2 fireplaces and a 2 car garage. It is located on the water.

Sale # 3: It is a 2,600 square foot cedar sided ranch home on a slab foundation. It has a 3 car garage, 2 fireplaces, and 2 full bathrooms. It is not located on the water. It sold 11 months ago for \$195,000.

Sale # 4: It is a brick ranch home with a full basement. It has 2,520 square feet. It has 2 full bathrooms, a 1 car garage, and 1 fireplace. It is not located on the water. It sold 20 months ago for \$172,500.

Using the sales rating grid provided on the next sheet, estimate the value of the subject property.

Class Problem # 2
Lump Sum and Percentage Adjustments

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4
Sale Price	Current				
Date of Sale	Current				
Time Adjustment	none				
Time Adj Sale Price	none				
Other Adjustments					
Basement	Full				
Garage	2 car				
Size Sq Feet	2400				
Fireplace	1				
Location	Water				
Exterior	Cedar				
Bathrooms	2				
Net Adjustments					
Adjusted Price					

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Sales Comparison Class Problem # 2 Answer
Lump Sum and Percentage Adjustments

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4
Sale Price	Current	\$210,000	\$240,000	\$195,000	\$172,500
Date of Sale	Current	5 months	Current	11 months	20 months
Time Adjustment	none	\$15,750	\$0	\$32,175	\$51,750
Time Adj Sale Price	none	\$225,750	\$240,000	\$227,175	\$224,250
Other Adjustments					
Basement	Full	\$10,000	\$0	\$10,000	\$0
Garage	2 car	\$0	\$0	-\$3,000	\$3,000
Size Sq Feet	2400	\$0	\$6,000	-\$8,000	-\$4,800
Fireplace	1	\$0	-\$3,000	-\$3,000	\$0
Location	Water	\$0	\$0	\$22,718	\$22,425
Exterior	Cedar	\$0	-\$15,000	\$0	-\$15,000
Bathrooms	2	\$0	\$0	\$0	\$0
Net Adjustments		\$10,000	-\$12,000	\$18,718	\$5,625
Adjusted Price	\$235,750	\$235,750	\$228,000	\$245,893	\$229,875
	MEDIAN	\$232,813			