

Sales Comparison Approach
Class Problem # 2
ADJUSTING COMPARABLE SALES

You are reviewing an appeal of a three bedroom, two bath ranch style house that has 2,420 square feet. This subject house has a full basement and an attached two car garage. You have located 5 recent comparable sales in the same neighborhood.

- Sale # 1: This is a four bedroom, three bath ranch style home containing 2,600 square feet of living area. It has a full basement and an attached three car garage. Sale price is \$275,000.
- Sale # 2: This is a three bedroom, two bath ranch style home that has 2,400 square feet of living space. It is on a crawl space and has a one car attached garage. Sale price is \$230,000.
- Sale # 3: This is a three bedroom, two and one half bath residence containing 2,400 square feet of living area. It has a full basement and a three car attached garage. Sale price is \$245,000.
- Sale # 4: This is a three bedroom, two and one half bath home located on a crawl space. It contains 2,600 square feet of living area and has a two car attached garage. Sale price is \$245,000
- Sale # 5: This is a four bedroom, two bath home with 2,500 square feet of living space. It has a full basement and a three car attached garage. Sale price is \$262,250.

You have determined that the following elements of comparison are influential on value: Bedrooms, bathrooms (both full and half), garage bays, and basement. You have conducted a paired sales analysis and determined the contributory value of these elements as follows:

Bedrooms:				\$8,000
Bathrooms:	Full	\$3,000	Half	\$1,000
Garage bay:				\$4,000
Basement:				\$15,000

Using the grid, determine the estimation of value for the subject property.

[illegible]

Sales Comparison Approach
Class Problem # 2 Answer
ADJUSTING COMPARABLE SALES

	SUBJECT	SALE # 1		SALE # 2		SALE # 3		SALE # 4		SALE # 5	
SALE PRICE			\$275,000		\$230,000		\$245,000		\$245,000		\$262,250
BEDROOMS	3	4	(\$8,000)	3		3		3		4	(\$8,000)
BATHROOMS	2	3	(\$3,000)	2		2 1/2	(\$1,000)	2 1/2	(\$1,000)	2	
GARAGE	2 CAR	3 CAR	(\$4,000)	1 CAR	\$4,000	3 CAR	(\$4,000)	2 CAR		3 CAR	(\$4,000)
FOUNDATION	BSMNT	BSMNT		CRAWL	\$15,000	BSMNT		CRAWL	\$15,000	BSMNT	
NET ADJ.			(\$15,000)		\$19,000		(\$5,000)		\$14,000		(\$12,000)
ADJ SALES PRICE			\$260,000		\$249,000		\$240,000		\$259,000		\$250,250
SQ FEET	2,420	2,600		2,400		2,400		2,600		2,500	
SALE PRICE/SF			\$100.00		\$103.75		\$100.00		\$99.62		\$100.10

IT APPEARS THE SQUARE FOOT VALUE OF THE COMPS WOULD BE \$100.00/SQUARE FOOT.

THEREFORE, 2,420 SQUARE FEET TIMES \$100.00/SQUARE FEET EQUALS (Subject estimated Value)

\$242,000

\$ 99.62

\$ 100.00

\$ 100.00

\$ 100.10

\$ 103.75