

Level I - Cost Approach  
Class Problems

*For problems 1, 2, and 3, assume the base rate for the lots is \$100  
per front foot.*

- 1.) The standard lot for Neighborhood 1254 is 100 feet by 132 feet. Lot # 7 is 100 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?
- 2.) The standard lot for neighborhood 781 is 100 feet by 150. Lot #12 is 125 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?
- 3.) The Standard lot for Neighborhood 832 is 100 feet by 200 feet. Lot #61 is 100 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?

*For problems 4, 5, and 6 use Table 2-11 on Page 57, of Chapter 2*

- 4.) A .70 acre tract is located in a neighborhood where 1 acre tracts are valued at \$25,000 per acre. What is the estimated value of this parcel?
- 5.) A .94 acre tract is located in a neighborhood where 1 acre tracts are valued at \$55,000 per acre. What is the estimated value of this parcel?
- 6.) A .28 acre tract is located in a neighborhood where 1 acre tracts are valued at \$40,000 per acre. What is the estimated value of this parcel?

*For problems 7, 8, and 9, assume a Homesite value of \$10,000, an excess acreage value of \$2,500 per acre and a farmland value of \$1,500 per acre with a productivity factor of 1.05.*

- 7.) A residential parcel contains 4 acres and is vacant. What is the estimated value of this parcel?
- 8.) A residential parcel contains 10 acres and has a dwelling. Seven of the acres are being farmed. What is the estimated value of this parcel?
- 9.) A residential parcel contains 5 acres, and has no dwelling. It is being farmed until construction on a new home starts. What is the estimated value of this parcel?

**Cost Approach**  
**Problem Packet-Level I Answers**

*For problems 1, 2, and 3, assume the base rate for the lots is \$100.*

- 1.) The standard lot for Neighborhood 1254 is 100 feet by 132 feet. Lot # 7 is 100 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?

Look at Table 2-7: The factor for 175 feet on the 132 foot table is 1.12. Multiply 1.12 by the base rate of \$100. The new adjusted base rate is now \$112. Multiply that by the frontage of 100 ( $112 \times 100$ ). The estimated value is \$11,200.

- 2.) The standard lot for neighborhood 781 is 100 feet by 150. Lot #12 is 125 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?

From Table 2-7: The factor for 175 feet on the 150 foot table is 1.07. Multiply 1.07 by the base rate of \$100. The new adjusted base rate is then \$107. Multiply that by the frontage of 125 feet ( $\$107 \times 125$ ). The estimated value is \$13,375 or \$13,380 which then rounds to \$13,400 to the nearest \$100.

- 3.) The Standard lot for Neighborhood 832 is 100 feet by 200 feet. Lot #61 is 100 feet wide by 175 feet deep. What is the adjusted base rate and the estimated value of the lot?

From Table 2-8: The factor for 175 feet on the 200 foot table is .95. Multiply .95 by the base rate of \$100. The new adjusted base rate is \$95. Multiply that by the frontage of 100 ( $100 \times \$95$ ). The estimated value is \$9,500.

*For problems 4, 5, and 6 use Table 2-11 on Page 57, of Chapter 2*

- 4.) A .70 acre tract is located in a neighborhood where 1 acre tracts are valued at \$25,000 per acre. What is the estimated value of this parcel?

Going to Table 2-11, the factor for .70 acres is 1.32. Multiply the factor times the rate per acre and then multiply that answer by the amount of acreage:  $1.32 \times \$25,000 = \$33,000$ .  $\$33,000 \times .70 = \$23,100$ . Estimated Value

- 5.) A .94 acre tract is located in a neighborhood where 1 acre tracts are valued at \$55,000 per acre. What is the estimated value of this parcel?

Going to Table 2-11, the factor for .94 acres is 1.06. Multiply the factor times the rate per acre and then multiply that answer by the amount of acreage:  $1.06 \times \$55,000 = \$58,300$ .  $\$58,300 \times .94 = \$54,800$ . Estimated Value

- 6.) A .28 acre tract is located in a neighborhood where 1 acre tracts are valued at \$40,000 per acre. What is the estimated value of this parcel?

Going to Table 2-11, the factor for .28 acres is 1.91. Multiply the factor times the rate per acre and then multiply that answer by the amount of acreage:  $1.91 \times \$40,000 = \$76,400$ .  $\$76,400 \times .28 = \$21,400$ . Estimated Value

*For problems 7, 8, and 9, assume a Homesite value of \$10,000, an excess acreage value of \$2,500 per acre and a farmland value of \$1,500 per acre with a productivity factor of 1.05.*

- 7.) A residential parcel contains 4 acres and is vacant. What is the estimated value of this parcel?

A residential parcel contains 10 acres and has a dwelling. Seven of the acres are being farmed. What is the estimated value of this parcel?

8.)

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A residential parcel contains 10 acres and has a dwelling. Seven of the acres are being farmed. What is the estimated value of this parcel?

9.)

Land Type	Soil ID	Meas Acres	Prod Factor	Base Rate	Adj Rate	Ext Value	Infl Factor	Land Value
4	RAH1	5	1.05	\$1,500	\$1,575	\$7,880		\$7,880
								\$0

Homesite						\$0		\$0	
Excess Acres						\$0		\$0	
		GRAND TOTAL						\$7,880	\$7,900