

2023 Level II Sales Comparison
Class Problem # 1
Comparative Attributes of an Apartment Building

You are trying to determine if the current value you have on an apartment building is accurate. Currently it is assessed at \$310,000. Part of your analysis involves comparing the subject apartment building to comparable buildings in your jurisdiction that have sold in the last two years. Values have not changed significantly during this two year period. The subject and all comparable properties all consist of one bedroom apartment units and each apartment contains three rooms. The information on the subject and the comparable sales that you have found are as follows.

- Subject: 10 years old and two stories with 16 units, good location, average condition, Grade C quality of construction. All units have central air conditioning. The building contains 12,800 square feet.
- Sale # 1: 12 year old building, 2 stories, 16 units, contains 12,800 square feet. It is identical to the subject with the exceptions of no central air and the location is average. It sold 8 months ago for \$351,200.
- Sale # 2: 15 year old building, 2 stories, 16 units, average condition, Grade C quality in a good location. All units have central air. The building contains 13,000 square feet and it sold for \$369,900 10 months ago.
- Sale #3: 8 year old building, 2 stories, 16 units, average condition, C-1 Grade, and in a good location. Units do not have central air. The building has 13,120 square feet and sold 15 months ago for \$348,000.
- Sale # 4: 18 year old building, 2 stories, 18 units, average condition, Grade C, and good location. The units do not have central air. The building has 14,400 square feet and sold 15 months ago for \$397,000.
- Sale # 5: 10 year old building, 2 stories, 18 units, fair condition, Grade C, and average location. The units have central air and the building contains 14,400 square feet. It sold 2 years ago for \$371,000.

Using the sales grid below, analyze the sales to determine if your current value for the subject property is correct. You do not have to make quantitative adjustments, just compare the comparable sales to the subject to determine if your value

Sale #	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	
Sale Price	-----						
Square Feet							
Apartments							
Rooms							
\$per square foot							
\$per apartment							
\$per room							
Sale Date							
Age							
Stories							
Condition							
Quality							
Location							
Central A/C							
Overall Comparability							

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Sale #	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
Sale Price		\$351,200	\$369,900	\$348,000	\$397,000	\$371,000
Square feet	12,800	12,800	13,000	13,120	14,400	14,400
Apartments	16	16	16	16	18	18
Rooms	48	48	48	48	54	54
\$/SF	\$364,160.00	\$27.44	\$28.45	\$26.52	\$27.57	\$25.76
\$/Apt	\$369,904.00	\$21,950.00	\$23,119.00	\$21,750.00	\$22,056.00	\$20,611.00
\$/Room	\$369,888.00	\$7,317	\$7,706	\$7,250	\$7,352	\$6,870
Sale Date	CURRENT	8 mo =	10 Mo =	15 mo =	15 mo =	24 mo =
Age	10	12 +	15 +	8 -	18 +	10 =
Stories	2	2 =	2 =	2 =	2 =	2 =
Condition	Ave	Ave =	Ave =	Ave =	Ave =	Fair +
Quality	C	C =	C =	C-1 +	C =	C =
Location	Good	Ave +	Good =	Good =	Good =	Ave +
Central A/C	Yes	No +	Yes =	No +	No +	Yes =
OVERALL COMPARISON		3 + 0 - Inferior	1 + 0 - Slightly Inferior	2 + 1 - Inferior	2 + 0 - Inferior	2 + 0 - Inferior

Range of Unit Values and the Median Value for Each Unit of Comparison

Unit of Comparison	Range	Median
\$/SF	\$25.76 to \$28.45	\$27.44
\$/Apt	\$20,611 to \$23,119	\$21,950.00
\$/Room	\$6,870 to \$7,706	\$7,317.00

Unit of Comparison	# of Square Feet and/or Units in Subject	Median Values	Indicated Value of the subject	Sale # 2 Values	Indicated Value of the Subject
\$/SF	12,800	\$27.44	\$351,232	\$28.45	\$364,160
\$/Apt	16	\$21,950.00	\$351,200	\$23,119.00	\$369,904
\$/Room	48	\$7,317.00	\$351,216	\$7,706.00	\$369,888

It appears that the value of the subject property is somewhere between \$351,000 and \$370,000. These are well above the current \$310,000 it is assessed for. The property needs to be re-valued.