

**Sales Comparison Approach
Practice Problem # 3
Adjusting Comparable Sales**

You are valuing a subject property for an assessing official. The subject property is 12 years old in average condition. It has an attached garage. It fronts a golf course. Your property has 1,800 square feet and is of average quality. You have researched the market and found three comparable sales.

#1.) This home sold for \$95,800 2 years ago. It is in good condition with 1,700 square feet. This home has an attached garage and fronts a golf course. It is 12 years old and in good condition and average quality.

#2.) Sold 18 months ago. It is a good quality home with 1,600 square feet and a detached garage. It does not front a golf course and is 10 years old and in good condition. The sale price was \$94,900 and the quality is good.

#3.) This home sold for \$83,900 18 months ago. It is 8 years old, in average condition and does not front a golf course. It has 1,650 square feet and a detached garage and is average quality.

Time:	\$100 per month decrease
Age:	\$1500 per year
Condition:	\$5000 difference between Average and Good
Location:	Fronting a golf course sell for \$5000 more
Floor Area:	\$48/Sq Ft
Garage:	\$800 less for detached garage
Quality:	\$4000 between average and good

Value the subject property and round to the nearest \$100

	Subject	Sale # 1		Sale # 2		Sale # 3	
Sale Price							
Time Adj							
Time Adj							
Sale price							
Age	12						
Condition	Avg						
Fronts Golf Course	Yes						
Floor Area (SF)	1800						
Garage	Att						
Quality	Avg						
Net							
Adjustment							
Adjusted							
Sale Price							

**Sales Comparison Approach
Practice Problem # 3 Answer
Adjusting Comparable Sales**

	Subject	Sale # 1		Sale # 2		Sale # 3	
Sale Price			\$95,800		\$94,900		\$83,900
Time Adj		2 yrs	(\$2,400)	18 Mos.	(\$1,800)	18 Mos.	(\$1,800)
Time Adj Sale price			\$93,400		\$93,100		\$82,100
Age	12	12	\$0	10	(\$3,000)	8	(\$6,000)
Condition	Avg	Good	(\$5,000)	Good	(\$5,000)	Avg	\$0
Fronts Golf Course	Yes	Yes	\$0	No	\$5,000	No	\$5,000
Floor Area (SF)	1800	1700	\$4,800	1600	\$9,600	1650	\$7,200
Garage	Att	Att	\$0	Det	\$800	Det	\$800
Quality	Avg	Avg	\$0	Good	(\$4,000)	Avg	\$0
Net Adjustment			(\$200)		\$3,400		\$7,000
Adjusted Sale Price			\$93,200		\$96,500		\$89,100

The comparable with the least amount of adjustments is Comparable #1.
If you used the median comparable, Comparable #1 would also be the answer.
The amount you would assign to the subject property is \$93,200.