



# Department of Local Government Finance

---

## **The Sales Comparison Approach Problem and Answer Packet with Audio**

2026 Level II Tutorials

## 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 is correct.

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



**Sales Comparison Class Problem # 1 Answer**  
**Comparative Attributes of an Apartment Building**

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 inf	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.



**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

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

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.

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



**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			



### Sales Comparison Practice Problem # 1

#### Paired Sales Problem

Sale #	1	2	3	4	5
Sale Price					
Square Ft.					
Price/SF					
Bedrooms					
Bathrooms					
Garage					
Basement					

Using the information below, fill in the grid and then determine the price per square foot that each attribute contributes. Round any odd cents to the nearest whole dollar.

Sale # 1 has three bedrooms, two baths, a 2-car garage and a full basement. It sold for \$120,000 and has 2,000 square feet.

Sale #2 sold for \$129,500 and has 2,056 square feet. It contains three bedrooms, two bathrooms, a 3-car garage and a full basement.

Sale #3 has four bedrooms, two baths, a 2-car garage and a full basement. It sold for \$134,400 and has 2,100 square feet.

Sale #4 sold for \$116,000 and has 2,000 square feet. It has three bedrooms, one bathroom, a 2-car garage and a full basement.

Sale #5 has three bedrooms, two bathrooms, a 3-car garage, but no basement. It sold for \$121,540 and has 2,060 square feet.

PRICE PER SQUARE FOOT FOR:

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Garage \_\_\_\_\_

Basement \_\_\_\_\_



**Sales Comparison Practice Problem # 1 Answer**  
**Paired Sales Problem**

Sale #	1	2	3	4	5
Sale Price	\$120,000	\$129,500	\$134,400	\$116,000	\$121,540
Square Ft.	2,000	2,056	2,100	2,000	2,060
Price/SF	\$60	\$63	\$64	\$58	\$59
Bedrooms	3	3	4	3	3
Bathrooms	2	2	2	1	2
Garage	2	3	2	2	3
Basement	Y	Y	Y	Y	N

Using the information below, fill in the grid and then determine the price per square foot that each attribute contributes. Round any odd cents to the nearest whole dollar.

Sale # 1 has three bedrooms, two baths, a 2-car garage and a full basement. It sold for \$120,000 and has 2,000 square feet.

Sale #2 sold for \$129,500 and has 2,056 square feet. It contains three bedrooms, two bathrooms, a 3-car garage and a full basement.

Sale #3 has four bedrooms, two baths, a 2-car garage and a full basement. It sold for \$134,400 and has 2,100 square feet.

Sale #4 sold for \$116,000 and has 2,000 square feet. It has three bedrooms, one bathroom, a 2-car garage and a full basement.

Sale #5 has three bedrooms, two bathrooms, a 3-car garage, but no basement. It sold for \$121,540 and has 2,060 square feet.

PRICE PER SQUARE FOOT FOR:

Bedrooms 64-60 = 4

(House 3 – House 1)

Bathrooms 60-58 = 2

(House 1 – House 4)

Garage 63-60 = 3

(House 2 – House 1)

Basement 63-59 = 4

(House 2 – House 5)



**Practice Problem # 2**  
**Sales Comparison**

Your subject home is 20 years old. It contains 2,400 square feet. There is a 2 car attached garage, 2 baths, and has a full basement. It also has 1 fireplace and is located on a lake and has a Cedar wood exterior.

Sale # 1 was five months ago for \$210,000. It is 20 years old and has 2,400 square feet. There is no basement but it has a 2 car attached garage. It has cedar wood siding and is located on the water. It also has 1 fireplace and 2 baths.

Sale # 2 was 2 weeks ago for \$240,000. It is 15 years old and has 2,250 square feet. There is a full basement and a 2 car attached garage. It is located on the water and has a brick exterior. It also has 2 fireplaces and 2 baths.

Sale # 3 was eleven months ago for \$195,000. It is 25 years old and has 2,600 square feet. There is no basement but it has a 3 car attached garage. It is not located on the water but has cedar wood siding. It has 2 fireplaces and 2 baths.

Sale # 4 was 20 months ago for \$172,500. It is 22 years old and has 2,520 square feet. There is a full basement and a 1 car attached garage. It is not located on the water and it has a brick exterior. It has 1 fireplace and 2 baths.

The following elements contribute significantly to value and the contributory value of each has been extracted from paired sales analysis:

Time: \$500 per month

Age: \$1,600 per year

Floor area: \$40.00/square foot

Garage: \$3,000 for an extra bay

Fireplace: Adds \$3,000

Brick: Sells for \$15,000 more than non brick homes

Basement: Adds \$10,000

Location: On the water: Adds \$22,700



Practice Problem # 2 Answer  
Sales Comparison

SALE #	SUBJECT	SALE # 1	SALE # 2	SALE # 3	SALE # 4
SALE PRICE					
DATE OF SALE					
TIME ADJ					
TIME ADJ SALE PRICE					
OTHER ADJ					
AGE					
BASEMENT					
GARAGE					
SIZE					
FIREPLACE					
LOCATION					
EXTERIOR					
BATHS					
NET ADJ					
ADJ PRICE					

**Practice Problem # 2 Answer**  
**Sales Comparison**

SALE #	SUBJECT	SALE # 1		SALE # 2		SALE # 3		SALE # 4	
SALE PRICE			\$210,000		\$240,000		\$195,000		\$172,500
DATE OF SALE	CURRENT	5 MONTHS		CURRENT		11 MONTHS		20 MONTHS	
TIME ADJ		\$500/MONTH	\$2,500		\$0	\$500/MONTH	\$5,500	\$500/MONTH	\$10,000
TIME ADJ SALE PRICE			\$212,500		\$240,000		\$200,500		\$182,500
OTHER ADJ									
AGE	20	20	\$0	15 -	(\$8,000)	25 +	\$8,000	22 +	\$3,200
BASEMENT	FULL	None +	\$10,000	FULL =		None +	\$10,000	FULL =	\$0
GARAGE	2 CAR	2 CAR =	\$0	2 CAR =		3 CAR -	(\$3,000)	1 CAR +	\$3,000
SIZE	2,400	2400 =	\$0	2250 +	\$6,000	2600 -	(\$8,000)	2520 -	(\$4,800)
FIREPLACE	1	1 =	\$0	2 -	(\$3,000)	2 -	(\$3,000)	1 -	\$0
LOCATION	WATER	WATER =	\$0	WATER =		NO +	\$22,700	NO +	\$22,700
EXTERIOR	CEDAR	CEDAR =	\$0	BRICK -	(\$15,000)	CEDAR =	\$0	BRICK -	(\$15,000)
BATHS	2	2 =	\$0	2 =		2 =	\$0	2 =	\$0
NET ADJ			\$10,000		(\$20,000)		\$26,700		\$9,100
ADJ PRICE			\$222,500		\$220,000		\$227,200		\$191,600

I WOULD USE \$222,500 BASED ON ONLY ONE ADJUSTMENT FROM THE COMP TO THE SUBJECT. CLOSEST TO OUR SUBJECT.



**Practice Problem # 3**  
**Time Adjustment Practice**

1.) Property sells for \$208,000 and resells one year later for \$233,000.

What is the amount of the time adjustment?

What is the % per month?

2.) In completing an appraisal, the following properties sold.

Sale 1 – House sold 5 months ago for \$150,000. What is the adjusted sales price today using the answer from number 1?

Sale 2 – House sold 11 months ago for \$140,000. What is the adjusted sales price today using the answer from number 1?



**Practice Problem # 3 Answer**  
**Time Adjustment Practice**

1.) Subtract difference between sale prices which is \$25,000. Then divide the \$25,000 by first sale price of \$208,000.

First sale price of \$208,000. You come up with .1202 or 12.02%.

This is the % increase per year, divide by 12, average increase per month is 1%.

2.) Sale #1 -  $\$150,000 \times 5\% = \$7,500$  (this is amount of time adjustment). The time adjusted sale price is  $\$150,000 + \$7,500 = \$157,500$

Sale #2 =  $\$140,000 \times 11\% = \$15,400$  (time adjustment). Time adjusted sale price is the  $\$140,000 + \$15,400 = \$155,400$ .

