



COMMON APPRAISAL ADJUSTMENTS

Comparable sales are selected on the basis of nearest similarity to the subject property as to time of sale, proximity of location and similarity as to age, condition, gross living area, bedroom and bathroom count, basement, garage size and updated and upgraded features.

Sales prices are presented subject to adjustments as necessary for financing terms, relationship of buyer and seller, agreements for expenses between the parties, and any other factor that would affect the net sales price.

Time adjustments are made to relate each comparable sale price to current-market price levels. The adjustments are based upon estimated appreciation rates for the property type. Considerable effort is made to use sales within six months of the effective date of the appraisal.

The appraiser attempts to use comparable sales located within the subject's subdivision. If this is not feasible, sales are used from competing developments within the subject's market area. If necessary, location adjustments are based on the use of sales outside the subject's development and the differences of predominant values between the competing developments.

Site adjustments are based on the differences of lot size between the subject and the sales. Adjustments applied are based on the contributory value of the added land, not the actual cost.

Adjustments for view may reflect various situations. Mountain views of Pikes Peak and the front range of Colorado and backing to park and open space generally attract higher sale prices. Views of commercial property or location on busy streets may reflect negatively on a property due to increased traffic noise and decreased privacy.

Design and appeal adjustments reflect differences between home designs such as ranch, two-story, tri-level, bi-level, etc. An adjustment in this category may also be based on the market reaction to various front elevations and curb appeal.

The construction quality adjustments recognize differences in building construction and the amount and quality of exterior and interior finish.

The age and condition adjustments consider observable differences in actual age and condition of the comparables and the subject with regard to periodic routine maintenance and deferred maintenance.

Adjustments for bedroom and bathroom count reflect the market reaction of importance of these features. The bedroom and bathroom differences may or may not be relevant in a particular development based on the demographics and familial status of the typical purchaser in a given neighborhood.



Gross living area adjustments are based on the differences of above grade square footage. Adjustments applied are made on a dollar-amount per square foot basis. These adjustments generally range from \$20.00 to \$40.00 per square foot. Generally, the typical buyer does not differentiate between homes that are within fifty square feet of each other. No adjustments are applied in this situation.

Adjustments for basement are based on the differences of below grade square footage. Adjustments applied are made on a dollar-amount per square foot basis. These adjustments generally range from \$5.00 to \$20.00 per square foot. Generally, the typical buyer does not differentiate between basements that are within fifty square foot of each other. No adjustments are applied in this situation.

A separate adjustment may be applied for rooms below grade. The adjustments applied are based on the contributory value of the improvements, not the cost to construct.

Adjustments for updates and upgrades reflect updating a property has recently received. Examples are new carpet, paint, windows, furnace, roof, landscaping, etc. Upgraded features generally reflect the amount of added features installed by the builder of newer homes.

Additional adjustments are made for heating and cooling types, garage sizes, decks, patios, porches, fireplaces, etc. Adjustments made are based on the market reaction to these features in the subject's neighborhood.