

Reconsideration of Value Request

EXAMPLE

Date: mm,dd,yyyy

Property Address: 123 Osprey Avenue

Contract Price: \$470,000

Appraised Value: \$440,000

Date of Appraisal: mm, dd, yyyy

Reconsideration Request Prepared By: Pat Doe, Realtor

Commentary On Existing Comparable Sales From Appraisal

Comparable #1: MLS A654321, 321 Osprey Avenue. Sold eight months prior to the date of appraisal for \$440,000. Appraiser said this was the best comparable. Sale prices have been increasing since this comparable sold eight months ago (see exhibit 1 below). The appraiser did not make an adjustment for changes in the market that would give this comparable more value. This sale is located on the same street as the appraised property but unlike the appraised property it does not have a swimming pool or a remodeled kitchen. The appraised property and this comparable both have three bedrooms and three bathrooms but this comparable is 400square feet smaller. This comparable is a less recent sale and less similar than Alternate Sale 1 provided below which we think is the best sale available.

Comparable #2: This sale is located in a different neighborhood. There were many other sales available within the neighborhood of the appraised property that are more similar in size, number of bathrooms and view that were not used.

Alternate Sales For Consideration

Alternate Sale #1: MLS A123456, 123 Beach Street. Sold 30 days prior to the date of appraisal on mm, dd, yyyy for \$475,000. This sale is located two blocks west in the same neighborhood. Like the appraised property it has a swimming pool, remodeled kitchen and overlooks a neighborhood pond. The appraised property and this sale both have three bedrooms, three bathrooms and are only 150square feet different in size. This sale is the most recent sale in the neighborhood and is almost a match to the appraised property.

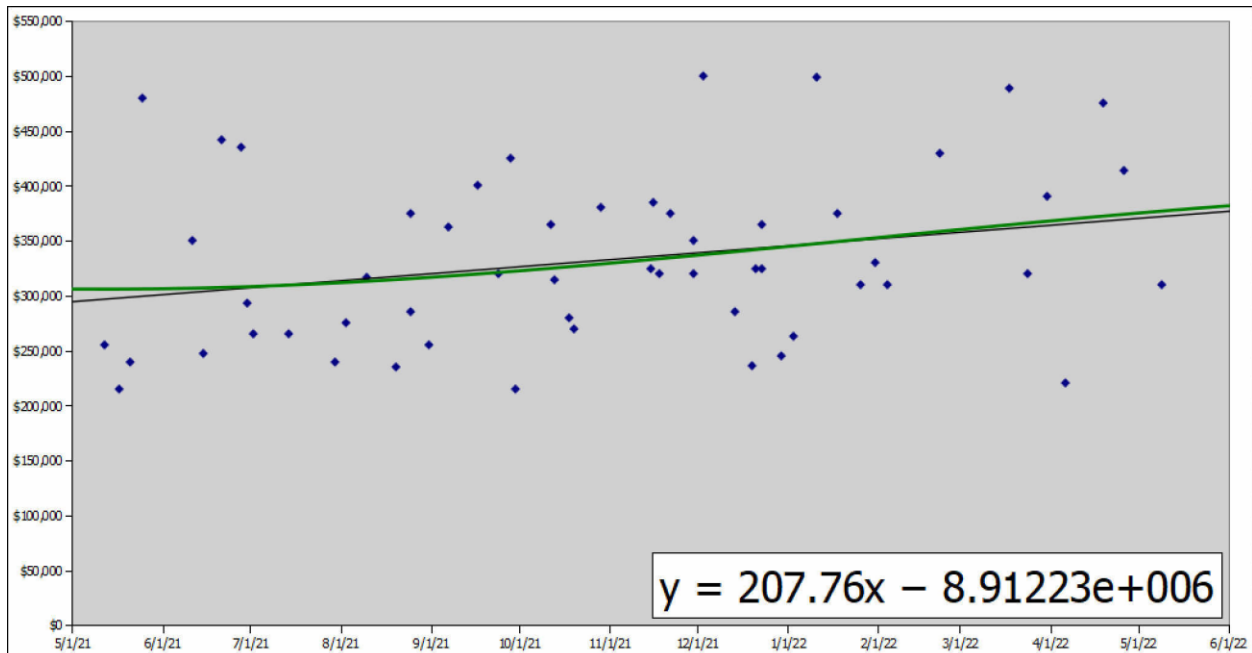
Alternate Sale #2: MLS A162534, 213 Palm Avenue. Sold 90 days prior to the date of appraisal on mm, dd, yyyy for \$455,000. This sale is located in the same neighborhood and overlooks a wooded area. Like the appraised property it has a swimming pool. It also has (1) a remodeled primary bathroom, (2) a new A/C unit, (3) a new water heater and (4) a new generator. The cost and marketability of these four (4) improvements is similar to the appraised property's remodeled kitchen. This sale has one less bathroom than the appraised property but has the same number of bedrooms and is only 200 square feet smaller in size. This sale is more similar than other sales from the appraisal.

Alternate Sale #3: MLS A342516, 312 Island Way. Sold 180 days prior to the date of appraisal on mm, dd, yyyy for \$420,000. This sale is located three blocks south in the same neighborhood. Like the appraised property it has a swimming pool and overlooks a neighborhood pond. This property has not received any recent improvements but is the same builder's model as the appraised property with the same number of bedrooms, bathrooms and square footage. Despite not having any recent updates, in our professional experience buyers will prefer this house over houses from the neighborhood the appraiser provided comparables from. They prefer this neighborhood because it is gated with a security guard and the other neighborhood does not have this feature.

Additional Items To Consider

Exhibit 1: Realtor had independent appraiser complete a detailed market analysis of the neighborhood. Results support an increasing trend in values at a rate of \$208 (\$207.76 rounded) per day. This adjustment was not applied to any of the sales in the appraisal. If it was applied the adjustment would have increased the appraised value significantly.

Appraiser Provided Market Analysis: Homes included in this analysis sell within a range of 0 - 186 days of exposure to the market. The majority of homes are reported to have sold within 60 days. This means inventory is selling relatively quickly when priced appropriately. List-to-sale ratios for homes included in this analysis range from 82% - 125%. Most homes have a list-to-sale price ratio that is approximately 99% - 100%. This means most homes are selling at or just below their most recent asking price. The absorption rate has been calculated using data from the 12 months prior to the effective date of this appraisal. On average 4.58 homes sold per month during this timeframe. Based on the current active inventory, there is 0.87 months of inventory available supporting a shortage in housing inventory ($S < 3$ months). There are currently 5 pending sales that went under contract within the prior 23 days indicating that if appropriately priced homes are going under contract as they are entering the market, further supporting a shortage in inventory. The scatter plot chart below of the comparable sales illustrates a linear trend line with trend equation, and a third order polynomial trend line. This analysis supports an increasing trend in sale price in the amount of \$208 per day (rounded). This means that sales will likely warrant an adjustment for date of sale/time (market conditions) at this rate.



Conclusion

This request demonstrates strong support for a reconsideration of the appraised value. We have provided three (3) alternate sales that are highly similar to the appraised property. We provided reasoning why two of the comparables from the appraisal are less similar to the appraised property than the alternate sales. An unbiased analysis of price trends in the neighborhood completed by an appraiser independent of this purchase transaction was provided. This analysis clearly shows support for a date of sale/time (market conditions) adjustment that was not applied in the appraisal, and if applied, will increase the appraised value.

We understand the reconsideration of value process is time consuming for the appraiser and the appraiser does not receive additional compensation for this task. Therefore, we made every effort for our presentation to be clearly presented, thorough, and to contain valid information. We simply request the presentation of our information be given fair consideration and a thorough and clear response.