

CATEGORY: COST APPROACH

TOPIC: CHANGE IN % CALCULATIONS, SITE AREA

Problem – Solve each of the following problems involving value changes and %.

- 1) A property sold for \$520,000 which represents a reduction of 20% from the list price. What was the list price?
- 2) A property sold for \$745,000 and resold 8 months later for \$815,500. How much (as a % of the first sale price) was the increase of the second sale price?
- 3) A property is listed for sale at \$387,000 --- but the seller told the broker that any offers above 93% of the list price will be accepted. A potential buyer offers \$359,000. Will the seller accept the offer?
- 4) A rectangular-shaped parcel contains 38 acres and has 1,200 feet of road frontage. Is the depth of the site more or less than $\frac{1}{4}$ mile?
- 5) A township section contains how many square feet?

Problem Solution – NEXT PAGE

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Problem Solution

- 1) $\$520,000 \div .8 = \$650,000$
- 2) $(\$815,500 - \$745,000) \div \$745,000 = 9.5\%$
- 3) $\$387,000 \times .93 = \$359,910$. The offer will not be accepted.
- 4) $(38 \times 43560) \div 1,200 = 1,379$ (depth of the parcel; more than $\frac{1}{4}$ mile)
A $\frac{1}{4}$ mile = 1,320 feet
- 5) $640 \text{ acres} \times 43,560 \text{ square feet} = 27,878,400 \text{ square feet}$ in one township section