

Clarity Home Group

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RE: Appraisal Rebuttal for 5146 E Weaver Drive

I'm writing in response to the appraisal completed 3/22/16 with the hopes to encourage a secondary appraisal review and revision.

First, I'd like to address the comps I used to support the offer price of \$417,500. We were in a multiple offer situation and this was the first property in over 100 showings that was a fit for the client who was searching for a small detached single family home or patio home with a small yard in the south metro Centennial/Littleton area under \$425,000.

Comps to support the offer price were gathered from the surrounding area from Colorado Blvd on the West to Quebec on the East, and Dry Creek on the South and Orchard on the North.

Comps to support offer price were gathered from properties between 1500-2500 SF above grade. Subject is 1946 SF Above grade.

Comps to support the offer price were gathered from homes built after 1980. Subject property was built in 1990.

Comps to support offer price were gathered from properties that are Active, Under Contract, and Sold within the last year due to a lack of comps within the last 6 months.

There are only nine sales within the last 12 months in that entire area within the above criteria. Range of value is from \$349,000 to \$898,000. Only five of them are comps.

Comparable #1- 6486 S Forest No greenspace, needs vastly more updating than the subject property. Adjusted value \$429,000. There is one active listing in the same neighborhood, backing to commercial space, with inferior interior finish, and with no green space in the backyard. It's listed at \$399,000. It's comparable #1 on the attached market analysis. Adjusted for condition and location adjusted price is \$428,000. This property was shown to the client and was vastly inferior to the subject property.

Comparable properties #2, 3, 5 are all located in a vastly inferior cluster/patio home community, but are comparable to the subject because they are newer patio homes with exterior maintenance provided by the HOA. None of these properties have a private yard and thus were not properties that were alternatives for the client.

- Comparable #3 – 4052 E Hinsdale Circle – this property has incredible traffic influence from Dry Creek, has no backyard, and was agent owned and the agent represented the buyer on the other side of the transaction. Sales price reflects a non-arm's length transaction and was discounted for the lack of any agent commissions. When adjusted for condition, location, and commissions value adjusts to \$419,000.
- Comparable #4 – 4144 E Hinsdale Circle - this property also has incredible traffic influence from Dry Creek, and has no backyard. Interior condition is similar. Adjusted value is \$400,000.

- Comparable #5 – 4246 E Hinsdale Circle – this property also has incredible traffic influence from Dry Creek, and has no backyard. Interior condition is similar. Adjusted value is \$427,000.

Comparable #1 and #6 are both located in the same Georgetown Village community, but both are inferior locations within the community with either traffic influence or commercial influence.

Comparable #1 – Active listing. 6486 S Forest No greenspace, needs vastly more updating than the subject property. Adjusted value \$429,000.

Comparable #4 – 6498 S Forest – This property was viewed by the client. The property photographed well, but required updating in nearly every room. The property needed new flooring, new paint throughout, and most of the lighting did not work. Property was on the market for nearly six months. Adjusted value is \$414,000.

Appraiser Comparable #1 – 6498 S Forest – see response to comparable #4 above. Appraiser adjusted basement gross square footage and finished square footage at a higher value than I would think reasonable for the quality of construction in all comps. Property was on the market for nearly six months during one of the hottest real estate markets in recent history due to the fact it was in very rough shape.

Appraiser Comparable #2 – 8073 S Albion – This property is located quite a distance from the subject property. I know that the appraiser likely utilized this to try and bring the value up. This property was given a \$40,000 quality adjustment. Construction quality was very similar. This property is only six years newer than the subject property. A \$40,000 adjustment seems very high. Additionally, this property is located backing directly to Colorado Blvd and has no private yard space. A token consideration of \$5K was given for traffic influence. A paired sales analysis would likely reveal that the traffic influence adjustment is closer to \$30K.

Appraisal Comparable #3 – 4448 E Phillips – This property is also located quite a distance from the subject property and sides directly to County Line Blvd and has influence from C-470, a major highway. This property was also given a \$40,000 quality adjustment. Construction quality was very similar. This property is only six years newer than the subject property. A \$40,000 adjustment seems very high. A token consideration of \$5K was given for traffic influence. A paired sales analysis would likely reveal that the traffic influence adjustment is closer to \$30K.

Appraisal Comparable #4 – 6448 S Hudson place – This property is an attached unit/townhouse. Though the appraiser gave an adjustment of \$25,000, the property is not a reasonable comparable property when other properties are available.

Appraisal Comparable #5 – Active listing. 6486 S Forest No greenspace, needs vastly more updating than the subject property. Adjusted value \$429,000.

While it is understandable that, with the lack of inventory, this market analysis is difficult. I do, however, strongly believe that a difference of \$29,500 between the appraised value and the offer price seems inflated and I believe that if the property was appraised by a different appraiser at a different time we would likely see a very different result. I look forward to your review and response.

Sincerely,

Andrea Myers, Clarity Home Group with RE/MAX Professionals, 720-254-7892