



## How to Use the After Repaired Value Calculator

The After Repaired Calculator is a single Excel spreadsheet that is designed to allow you to estimate value using one of the same methods that appraisers use. You will be comparing the features of the property that you are considering to the features of similar properties that have recently sold. For each feature that the comparable sale property has that your property doesn't, a dollar amount adjustment is calculated. The net impact of all the adjustments is used to adjust the overall sales price of the comparable sale to "right size" it to your property. These adjusted sales prices are then used to estimate the value of your property. Price per square foot is also calculated and used as a measure of value.

The After Repaired Value Calculator consists of:

- the Adjustment Variables section
- the Features comparison section
- the Value section

## Adjustment Variables

The adjustment variables section at the bottom of the spreadsheet determines the dollar amount of the adjustment assigned to each feature. It comes preloaded with values that have been compiled based on market research – but any value can be changed to better match your market experiences.

ADJUSTMENT VARIABLES				
<b>LOCATION</b>				
INFERIOR		5%		
SAME/GOOD		0%		
SUPERIOR		7.50%		
LOT SIZE		\$2.50	Per sq ft if > or <	15% as compared to subject
<b>CURB APPEAL</b>				
INFERIOR		10%		
SAME/GOOD		0%		
SUPERIOR		10%		
<b>AGE</b>				
<b>CONDITION</b>				
INFERIOR				
SAME/GOOD				
SUPERIOR				
SQ FT		\$40	Per sq ft if > or <	10% as compared to subject
BEDROOMS		10%	Per additional bdrm	
BATHROOMS		7.50%	Per additional bath	
<b>BASEMENT</b>				
FINISHED		10%		
UNFINISHED		5%		

### Location

The location adjustment is somewhat subjective, but in most cases it won't be difficult to determine whether your property is in a better area, about the same area or a worse neighborhood than the comparable sale. Before you buy a property to flip or even rent, you should be familiar enough with the surrounding area to easily make this assessment. Adjustment is measured as % of the sales price – a comparable sale in a superior location will have a % of the sales price *deducted* since the sales price should have been slightly higher on that property based on a better location.

### Lot Size

This is a straightforward measurement. Adjustment is only made if the lot size is at least 15% more or less. Keep an eye on this adjustment as it can vary widely. For example, if you're looking at properties in rural areas lot size differences may result in only a very low adjustment if any.

### Curb Appeal

Another subjective factor, but an important one that most people can measure. % of sale price added or deducted for curb appeal.

### Condition

The condition of a property will definitely influence its value, but this isn't something that can be measured as a % of the sales price...you'll have to estimate how much items like newer hardboard floors and granite countertops increase the value of the property and then enter a dollar amount. This isn't as hard as it sounds. If you have studied comparable sales and looked at a few homes in your market, you'll have a feel for condition adjustment.

### Square Footage

This is a straightforward measurement. Adjustment is only made if the square footage of the house is at least 10% more or less. Watch the Bedroom adjustment. If the extra square footage is due solely to having more bedrooms, you may be adjusting twice (adjustment appears both in bedroom and sq footage adjustment).

### Bedrooms and Bathrooms

Bedrooms and Bathrooms receive a +/- % of sales price adjustment. They can be adjusted separately.

### Basement

The Basement adjustment is based on 3 potential conditions: Finished Basement, Unfinished Basement and No Basement. The calculator compares the subject property to the comparable property and automatically makes an adjustment based on the 2 variables. For example, if the subject property has no basement and the comparable sale has a finished basement the adjustment will be higher than if the subject property has no basement and the comparable sale has an unfinished basement.

### Garage

The garage adjustment adds or deducts \$s based on the number of garage spaces. The adjustment is based on the \$ per garage unit that appears in the adjustment variables section.

### Heat

The heat adjustment adds or deducts \$s based on a comparison of the heating systems in the subject property and comparable sale property. For example, if the area standard heating method is forced hot air and the comparable property has radiator heat the \$ amount would be added to the comparable property.

### Air Conditioning

An adjustment is made based on whether or not the subject and comparable sale properties have central air conditioning or not.

### Covered Concrete or Stone Patio, Wood Deck & Enclosed Patio

These adjustments all automatically compare the features in the subject property to the comparable property and assign a % of the sales price as an adjustment if there are differences. For example, if the subject property has a wood deck and the comparable sale does not, the % of the sales price indicated in the adjustment variables section would be added to the comparable sale.

### Fireplace & Pool/Hot Tub/Other

The \$ amount adjustment indicated in the adjustment variables section is made based on a comparison of the subject and comparable sale property.

## How to Use the After Repaired Value Calculator

Start by entering data for the subject property (the property you are trying to establish a value for).

Enter data or make selections for each yellow cell:

A	B
Value Indicated by Comparable Method	
Value Indicated by Price per Sq Ft	
FEATURE	SUBJECT
ADDRESS	1234 Main Street, Anywhere, USA
TAX ID	1234-6789
SALES PRICE	
DATE OF SALE	
LOCATION	
LOT SIZE (SQ FT)	15054
CURB APPEAL	
AGE	1972
CONDITION	
SQUARE FT	2232
BEDROOMS	4
BATHROOMS	2.5
BASEMENT	UNFINISHED
GARAGE	0
HEAT	STANDARD HEAT
AIR CONDITIONING	YES
COVERED CONCRETE OR STONE PAVEMENT	NO
WOOD DECK	YES
ENCLOSED PORCH	NO
FIREPLACE	YES
POOL/SPA/OTHER	NO

The diagram illustrates the data entry process for the calculator. A box labeled "Data Entry" has blue arrows pointing to the yellow cells for TAX ID, LOT SIZE (SQ FT), AGE, SQUARE FT, BEDROOMS, and BATHROOMS. A box labeled "Select from Drop Down Box Choices" has green arrows pointing to the yellow cells for BASEMENT, HEAT, AIR CONDITIONING, WOOD DECK, and ENCLOSED PORCH.

Then find up to 3 comparable sales and enter the data for those sales in the yellow cells the same way you did for the subject property (some data entry, some drop down selections)

ADJUSTED SALE \$	\$232,270
COMPARABLE SALE #1	ADJUSTMENTS
6789 Elm Street, Anywhere, USA	\$5,270
\$227,000.00	
9/12/2014	
SAME/GOOD	\$0
14285	\$0
SUPERIOR	-\$22,700
1965	
INFERIOR	
2150	\$0
4	\$0
2.5	\$0
SUBJECT FINISHED/COMP NONE	\$22,700
0	\$0.00
SUBJECT STANDARD/COMP STANDARD	\$0
NO	\$3,000
NO	\$0
NO	\$2,270
NO	\$0
YES	\$0
NO	\$0

This is the net total of adjustments that is applied to the Comparable Sales Price to get the Adjusted Sale Price

Your Guess on Condition Adjustment \$s

## 2 Results are Reported

Value Indicated by Comparable Method		\$250,104
Value Indicated by Price per Sq Ft		\$228,206

### Value by Comparable Method

This is the average of your 3 comparable Adjusted Sale values. Note that the calculation averages 3 values, so if you use only 2 this calculation won't work correctly (it will include one adjusted sale value @ \$0 in the average).

### Value by Price per Sq Ft

This calculation takes the sales price and divides by the square footage of each comparable sale. It then multiplies the result by the subject property square footage. Again the calculation averages all 3 comparable sales values so make sure you use 3 comparable sales if you want these calculations to work correctly.

The results will should give you a pretty good after repaired value range to work with. Generally the Value by Comparable Method is more reliable because it takes into account all the adjustments, but buyers do consider price per square foot & if your property is priced significantly higher on a price by square foot basis it should have some major unique features that you can highlight in your marketing.