



Contributory Value

Scott Cullen, CR, MNAA

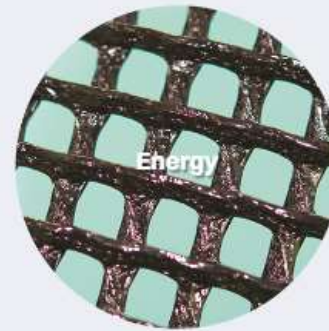
scullen2@comcast.net

SolomonAppraisal.com



Markets

We pride ourselves in working with our customers, in many different industries, from concept to commercialization. Conwed serves a wide variety of markets and enjoys the challenge of creating customized products to meet your industry specifications.



& FRENCH TOAST

SHORT STACK 13.50
Three buttermilk pancakes topped with powdered sugar

TALL STACK 15.50
Five buttermilk pancakes topped with powdered sugar

STRAWBERRY PANCAKES 17.25
Three buttermilk pancakes topped with powdered sugar, fresh strawberries, strawberry sauce & fresh whipped cream

CHOCOLATE CHIP PANCAKES 17.25
Three buttermilk pancakes topped with powdered sugar, chocolate chips, chocolate sauce & fresh whipped cream

Large crost
topped wi

FRENCH
Three
batte

CH
S
I

contribution

1. The amount a component of a property adds to the total value of the property. Contribution may or may not be equivalent to the cost to add the component.
2. The concept that the value of a particular component is measured in terms of the amount it adds to the value of the whole property or as the amount that its absence would detract from the value of the whole.

contributory value

1. A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.
2. The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called *deprival value* in some countries.



Contributory value of a house to a site.

Contributory value of a feature to a house.

Sensitivity Analysis

Paired data and grouped data analysis are variants of sensitivity analysis, which is a method used to isolate the effect of individual variables on value.

Isolate the effect
of individual variables
on value.

Uniform Residential Appraisal Report

File # _____

There are _____ comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ _____ to \$ _____		There are _____ comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ _____ to \$ _____											
FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3					
Address _____													
Proximity to Subject _____													
Sale Price		\$ _____			\$ _____			\$ _____					
Sale Price/Gross Liv. Area		\$ _____ sq.ft.			\$ _____ sq.ft.			\$ _____ sq.ft.					
Data Source(s) _____													
Verification Source(s) _____													
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION		
		+ (-) \$ Adjustment			+ (-) \$ Adjustment			+ (-) \$ Adjustment			+ (-) \$ Adjustment		
Sales or Financing													
Concessions													
Date of Sale/Time													
Location													
Leasehold/Fee Simple													
Site													
View													
Design (Style)													
Quality of Construction													
Actual Age													
Condition													
Above Grade		Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths
Room Count													
Gross Living Area		sq.ft.			sq.ft.			sq.ft.			sq.ft.		
Basement & Finished													
Rooms Below Grade													
Functional Utility													
Heating/Cooling													
Energy Efficient Items													
Garage/Carport													
Porch/Patio/Deck													
Net Adjustment (Total)					<input type="checkbox"/> + <input type="checkbox"/> - \$ _____			<input type="checkbox"/> + <input type="checkbox"/> - \$ _____			<input type="checkbox"/> + <input type="checkbox"/> - \$ _____		
Adjusted Sale Price					Net Adj. %			Net Adj. %			Net Adj. %		
of Comparables					Gross Adj. % \$			Gross Adj. % \$			Gross Adj. % \$		

SALES COMPARISON APPROACH



DEFINITIONS

159 **REPORT:** any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client
160 or a party authorized by the client upon completion of an assignment.

161 **SCOPE OF WORK:** the type and extent of research and analyses in an appraisal or appraisal review assignment.¹¹

162 **SIGNATURE:** personalized evidence indicating authentication of the work performed by the appraiser and the
163 acceptance of the responsibility for content, analyses, and the conclusions in the report.

164 **VALUATION SERVICE:** a service pertaining to an aspect of property value, regardless of the type of service
165 and whether it is performed by appraisers or by others.

166 **VALUE:** the monetary relationship between properties and those who buy, sell, or use those properties,
167 expressed as an opinion of the worth of a property at a given time.

168 Comment: In appraisal practice, value will always be qualified - for example, market value, liquidation
169 value, or investment value.

170 **WORKFILE:** documentation necessary to support an appraiser's analyses, opinions, and conclusions.¹²

496 **STANDARDS RULE 1-1, GENERAL DEVELOPMENT REQUIREMENTS**

497 In developing a real property appraisal, an appraiser **must:**

498 (a) be aware of, understand, and correctly employ those recognized methods and techniques that are
499 necessary to produce a credible appraisal;

Foundation in USPAP

- Standards Rule 1-1, General Development Requirements
 - Be aware of
 - Understand
 - Correctly employ
 - Recognized methods and techniques

2024

Uniform Standards of Professional Appraisal Practice (USPAP)

Effective January 1, 2024



Table 20.2 Techniques Used in Quantitative and Qualitative Analysis

Quantitative Analysis

- Paired data analysis (sales and resales of the same or similar properties)
- Grouped data analysis
- Secondary data analysis
- Statistical analysis including graphic analysis and scenario analysis
- Cost-related adjustments (cost to cure, depreciated cost)
- Capitalization of income differences
- Trend analysis

Qualitative Analysis

- Relative comparison analysis
 - Ranking analysis
 - Personal interviews
-

Uniform Residential Appraisal Report

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Proximity to Subject													
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Data Source(s)													
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VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION		
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Actual Age													
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Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count													
Gross Living Area		sq.ft.			sq.ft.			sq.ft.			sq.ft.		
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Energy Efficient Items													
Garage/Carport													
Porch/Patio/Deck													
Net Adjustment (Total)													
		□ + □ - \$			□ + □ - \$			□ + □ - \$			□ + □ - \$		
Adjusted Sale Price of Comparables					Net Adj. %			Net Adj. %			Net Adj. %		
					Gross Adj. % \$			Gross Adj. % \$			Gross Adj. % \$		

ALES COMPARISON APPROACH

Zone 1

Sales or Financing Concessions

Date of Sale/Time

Sales or Financing Concessions

The amount of the negative dollar adjustment for each comparable with sales or financing concessions should be equal to any increase in the purchase price of the comparable that the appraiser determines to be attributable to the concessions.

Sales or Financing Concessions

The need to make negative dollar adjustments for sales or financing concessions and the amount of the adjustments to the comparable sales is not based on how typical the concessions might be for a segment of the market area.

Date of Sale/Time

The comparable sales being considered must be analyzed by the appraiser to determine if there have been any changes in market conditions from the time the comparable went under contract to the effective date of the appraisal.

Date of Sale/Time

- Moving Average
- Time Series Analysis
- Grouped Data

Date of Sale/Time

- Moving Average

East Bloomington

+ ADD AN AREA



PRICE RANGE CUSTOM

All Price Ranges

\$219,999 or Less

\$220,000 to \$259,999

\$260,000 to \$298,999

\$299,000 or More

PROPERTY TYPE

All Property Types

Single-Family

Townhouse-Condo

Condo

Townhouse

CONSTRUCTION TYPE

All Construction Types

New Construction

Previously Owned

SELLER TYPE

All Seller Types

Traditional

Lender-Mediated

Foreclosure

Short Sale

SQUARE FOOTAGE CUSTOM

All Sizes

1,500 sq ft or Less

1,501 to 2,000 sq ft

2,001 to 2,500 sq ft

2,501 sq ft or More

PRINT

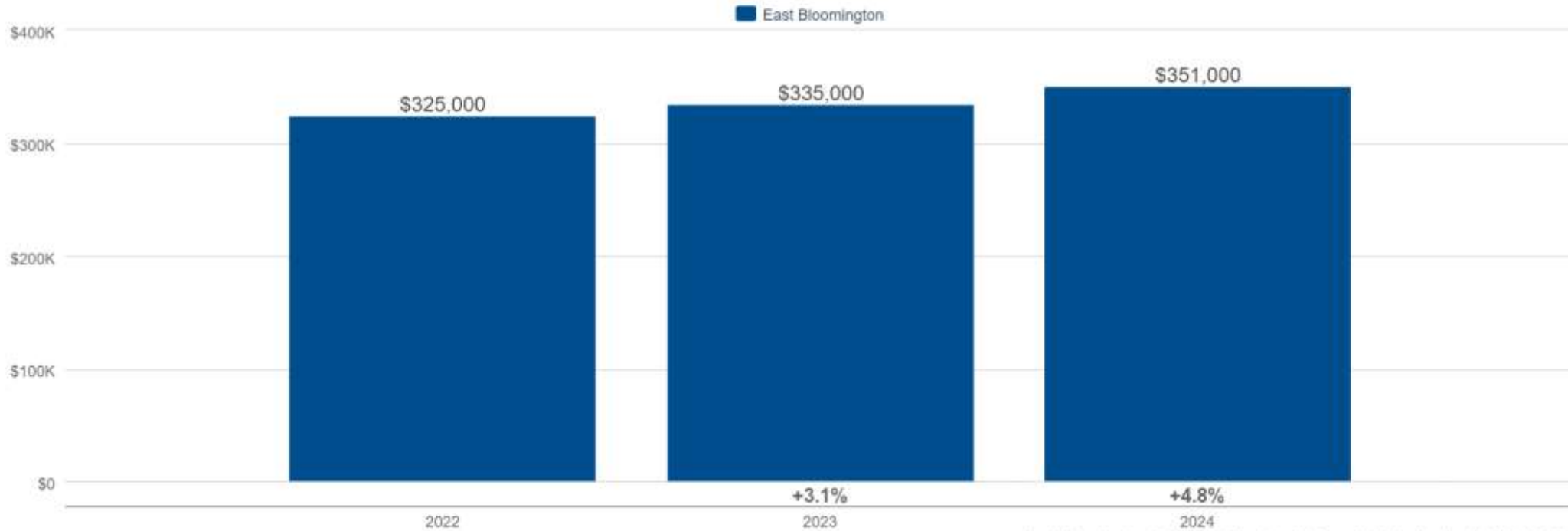
SHARE

Bar

3 Years

12 Months

March Median Sales Price



MARCH 2024

East Bloomington
\$351,000 | +4.8%

East Bloomington: Traditional, Previously Owned, Single-Family, 1,501 to 2,000 sq ft

New Listings

Homes for Sale

Pending Sales

Closed Sales

Days on Market

Months Supply

Sales Price

MEDIAN AVERAGE

Price Per Sq Ft

Original List Price

Pct of Original Price

Pct of Last List Price

Dollar Volume

Shows to Pending

Shows Per Listing

East Bloomington

+ ADD AN AREA



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2,001 to 2,500 sq ft

2,501 sq ft or More

PRINT

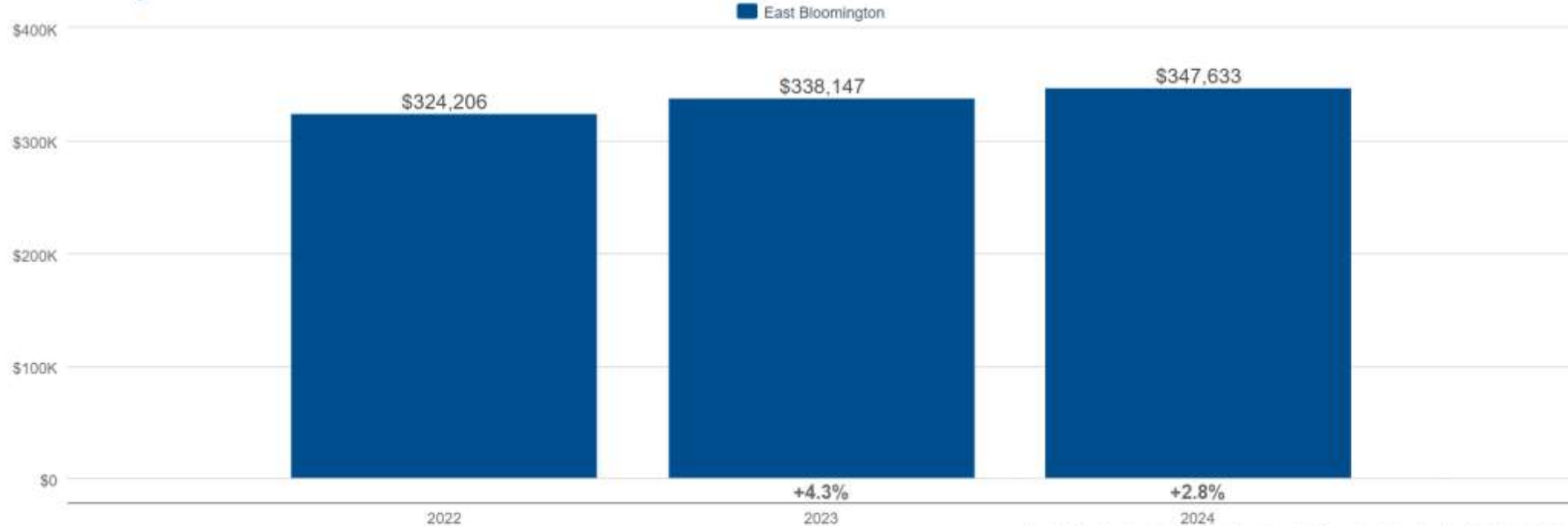
SHARE

Bar

3 Years

12 Months

March Average Sales Price



MARCH 2024

East Bloomington
\$347,633 | +2.8%

East Bloomington: Traditional, Previously Owned, Single-Family, 1,501 to 2,000 sq ft

New Listings	Homes for Sale	Pending Sales	Closed Sales	Days on Market	Months Supply	Sales Price
Price Per Sq Ft	Original List Price	Pct of Original Price	Pct of Last List Price	Dollar Volume	Shows to Pending	MEDIAN AVERAGE
						Shows Per Listing

East Bloomington

+ ADD AN AREA



PRICE RANGE CUSTOM

All Price Ranges

\$219,999 or Less

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\$260,000 to \$298,999

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PROPERTY TYPE

All Property Types

Single-Family

Townhouse-Condo

Condo

Townhouse

CONSTRUCTION TYPE

All Construction Types

New Construction

Previously Owned

SELLER TYPE

All Seller Types

Traditional

Lender-Mediated

Foreclosure

Short Sale

SQUARE FOOTAGE CUSTOM

All Sizes

1,500 sq ft or Less

1,501 to 2,000 sq ft

2,001 to 2,500 sq ft

2,501 sq ft or More

PRINT

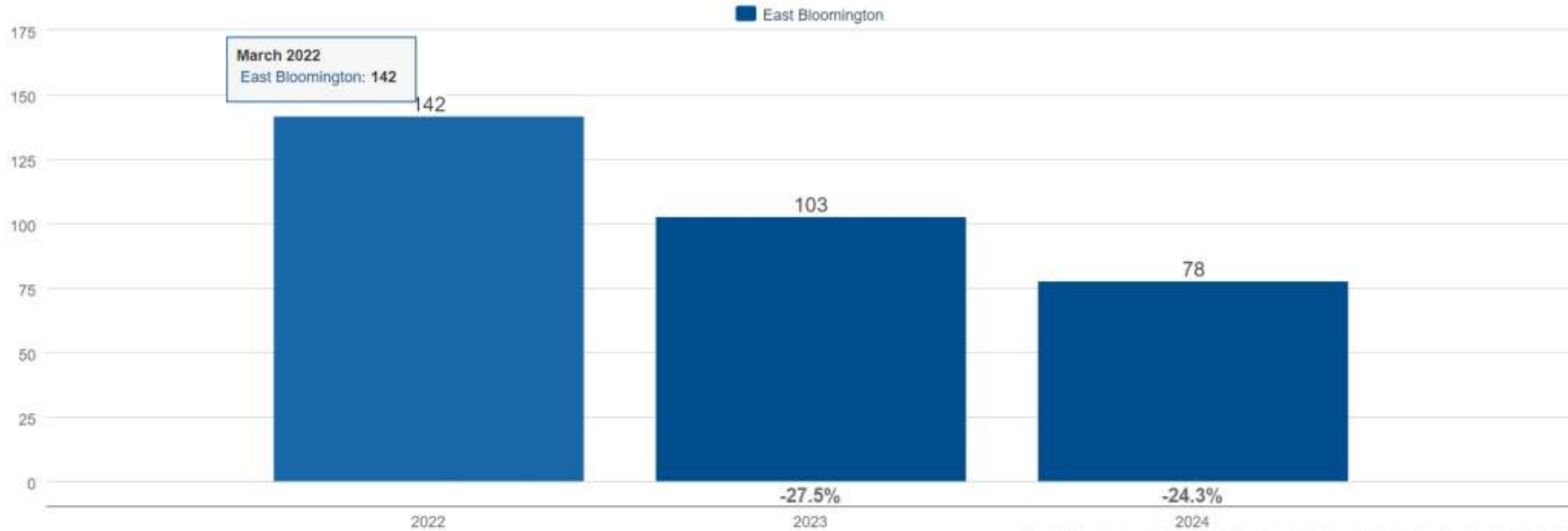
SHARE

Bar

3 Years

12 Months

March Closed Sales



MARCH 2024

East Bloomington
78 | -24.3%

East Bloomington: Traditional, Previously Owned, Single-Family, 1,501 to 2,000 sq ft

New Listings

Homes for Sale

Pending Sales

Closed Sales

Days on Market

Months Supply

Sales Price

Price Per Sq Ft

Original List Price

Pct of Original Price

Pct of Last List Price

Dollar Volume

Shows to Pending

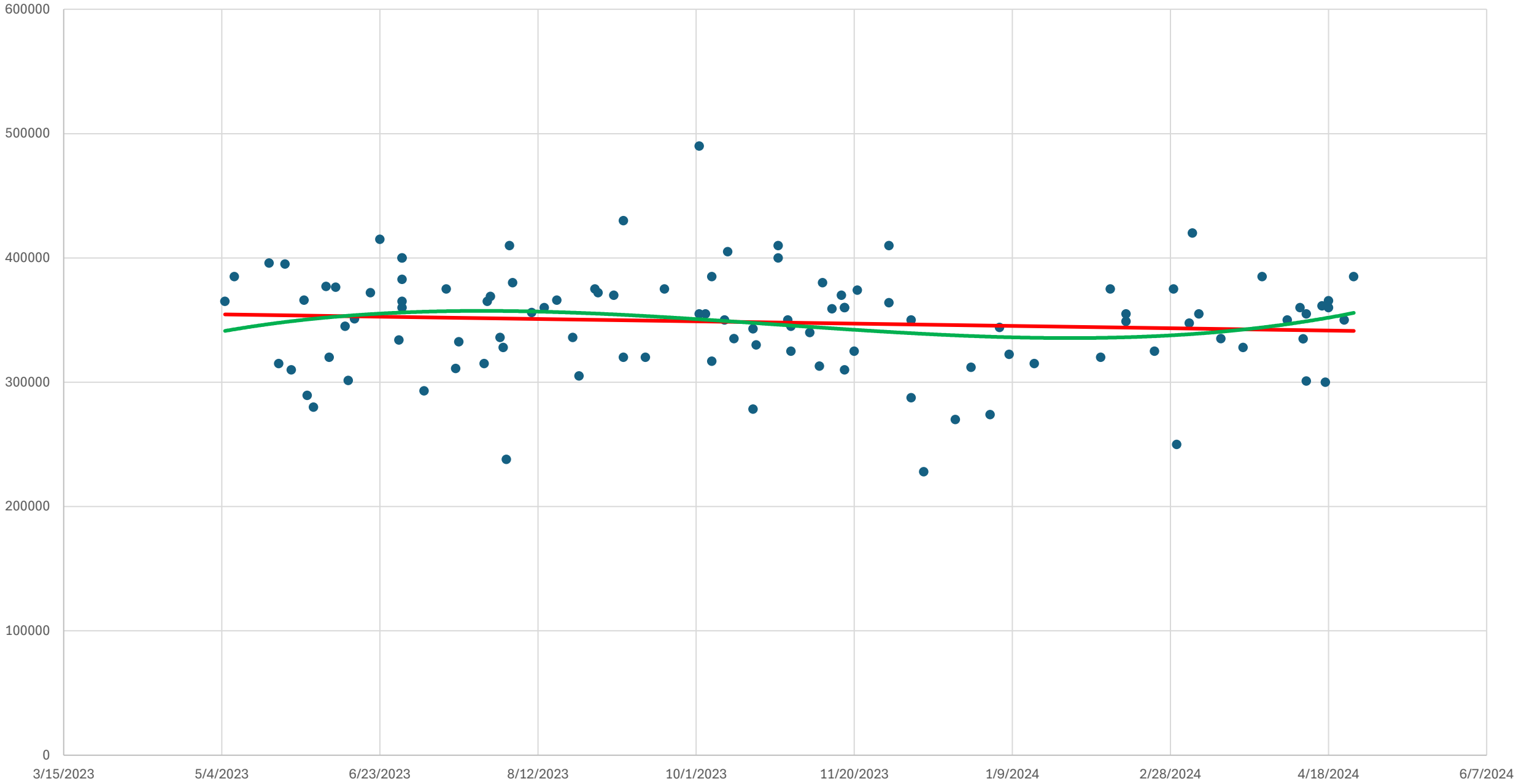
Shows Per Listing

Date of Sale/Time

- Moving Average
- Time Series Analysis

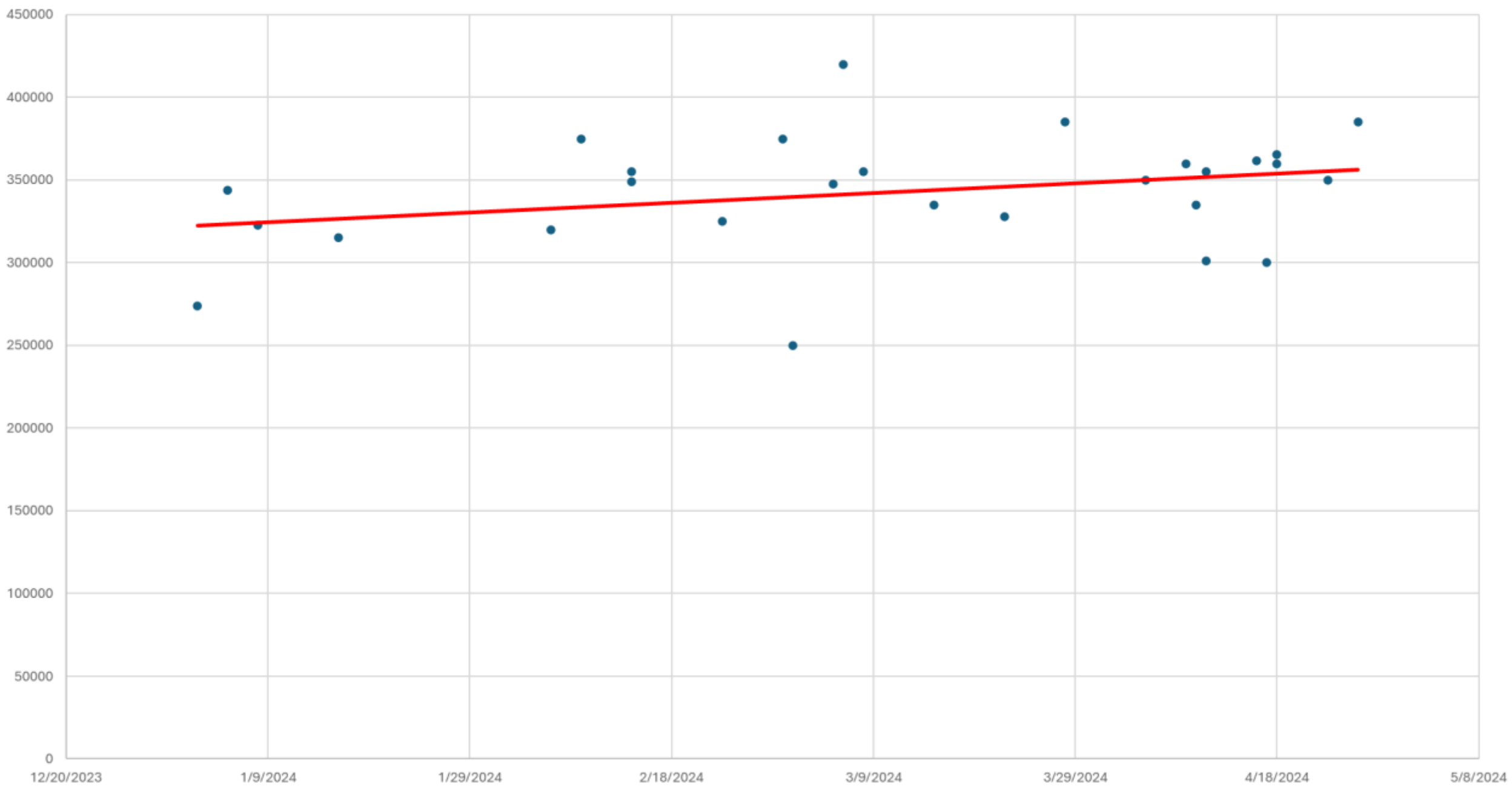
0-365 Closed Sale Price Trend

$$y = -36.901x + 2E+06$$



January 1 - April 26 Price Trend

$$y = 293.92x - 1E+07$$



Watch it Now!

**The Basics of Time Adjustments
& the MLS Download**

on George Dell's YouTube channel



with Craig Gilbert and George Dell

**Watch it Now! The Basics of Time Adjustments & the MLS
Download with Craig Gilbert. On George Dell's YouTube Channel.**

Date of Sale/Time

- Moving Average
- Time Series Analysis
- Grouped Data

Current Price: All (108)

	List Price	DOM	PDOM	CDOM	Close Price	Beds	Baths	Yr Blt	AG FSF	Taxes	TFSF	LP\$/TFSF	SP\$/TFSF	FSZ	Acres
Min	\$219,900				\$228,000	2.00	1.00	1950	901	\$2,583	967	\$138.61	\$140.27	806	
Max	\$450,000	118	97	259	\$490,000	5.00	2.00	1968	1100	\$4,975	2314	\$323.89	\$331.44	1,695	.6
Avg	\$340,282	17.1	12.1	19.2	\$348,350	3.35	1.81	1957	1033	\$3,660	1675	\$208.8	\$213.94	1,038	.28
Median	\$347,000	8	8	9	\$352,950	3.00	2.00	1956	1050	\$3,616	1705	\$204	\$209.33	1,050	.26
Sum	\$36,750,489				\$37,621,850					\$387,908					

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Criteria: Property Type is 'Single Family'
Status is 'Closed'
Status Contractual Search Date is 04/29/2024 to 04/30/2023
Municipality is 'BLMT - Bloomington'
Garage Stalls is 2
Year Built is 1950 to 1970
Above Grade Finished Sqft is 900 to 1100
Search Time: 0.53s

Current Price: All (120)

	List Price	DOM	PDOM	CDOM	Close Price	Beds	Baths	Yr Blt	AG FSF	Taxes	TF SF	LP\$/TF SF	SP\$/TF SF	FSZ	Acres
Min	\$235,000		1		\$235,000	2.00	1.00	1950	900		960	\$135.67	\$111.9	700	
Max	\$399,900	119	78	119	\$411,000	5.00	3.00	1968	1100	\$5,140	2200	\$360.98	\$356.81	2,120	.92
Avg	\$332,077	15.7	11.6	17.7	\$341,059	3.34	1.92	1957	1025	\$3,376	1731	\$196.54	\$202.06	1,026	.3
Median	\$329,900	9	8	9	\$344,500	3.00	2.00	1956	1040	\$3,311	1781	\$191.42	\$197.14	1,040	.26
Sum	\$39,849,286				\$40,927,080					\$405,060					

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Criteria: Property Type is 'Single Family'
Status is 'Closed'
Status Contractual Search Date is 04/29/2023 to 04/29/2022
Municipality is 'BLMT - Bloomington'
Garage Stalls is 2
Year Built is 1950 to 1970
Above Grade Finished Sqft is 900 to 1100
Search Time: 0.52s

Grouped Data

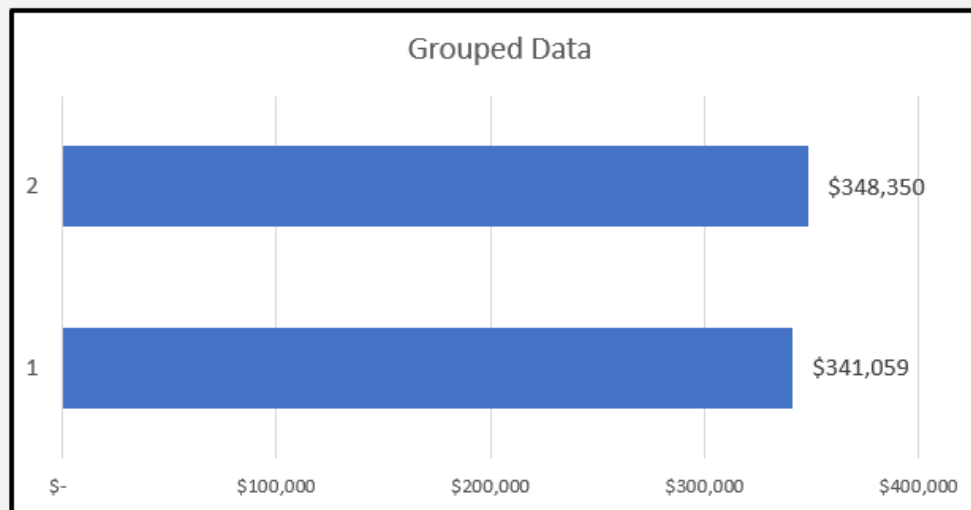
Group 1	\$	341,059
Group 2	\$	348,350

Change \$ 7,291

% Change from 1 to 2 2.1%

% Change from 2 to 1 2.1%

The number of sales in each group should exceed 30, when possible.

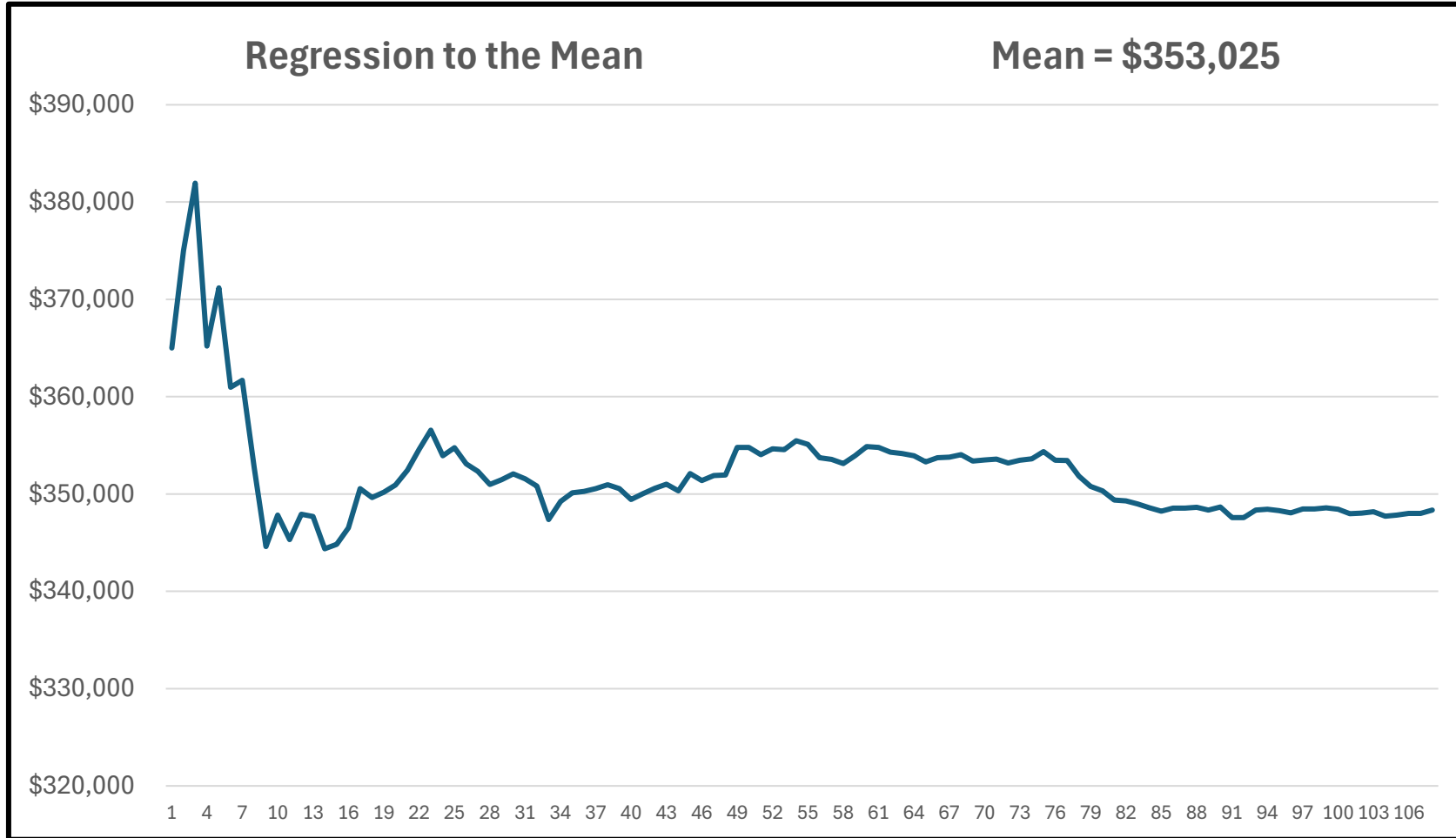


Grouped data analysis extends the logic of paired data analysis to larger data sets. In this technique, comparable sales are grouped by an independent variable such as date of sale and then the groups are studied as pairs.

The Appraisal of Real Estate 15th Edition

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Sale Price/Gross Liv. Area		\$ _____ sq.ft.			\$ _____ sq.ft.			\$ _____ sq.ft.					
Data Source(s)													
Verification Source(s)													
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION		
		+(-) \$ Adjustment			+(-) \$ Adjustment			+(-) \$ Adjustment			+(-) \$ Adjustment		
Sales or Financing													
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Site													
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Quality of Construction													
Actual Age													
Condition													
Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count													
Gross Living Area		sq.ft.			sq.ft.			sq.ft.			sq.ft.		
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Functional Utility													
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Porch/Patio/Deck													
Net Adjustment (Total)													
		□ + □ - \$			□ + □ - \$			□ + □ - \$			□ + □ - \$		
Adjusted Sale Price of Comparables					Net Adj. %			Net Adj. %			Net Adj. %		
					Gross Adj. % \$			Gross Adj. % \$			Gross Adj. % \$		

ALLES COMPARISON APPROACH

565 **STANDARDS RULE 1-3, MARKET ANALYSIS, AND HIGHEST AND BEST USE**

566 **When necessary for credible assignment results in developing a market value opinion, an appraiser must:**

567 **(a) identify and analyze the effect on use and value of:**

- 568 **(i) existing land use regulations;**
569 **(ii) reasonably probable modifications of such land use regulations;**
570 **(iii) economic supply and demand;**
571 **(iv) the physical adaptability of the real estate; and**
572 **(v) market area trends; and**

573 **Comment: An appraiser must avoid making an unsupported assumption or premise about market area**
574 **trends, effective age, and remaining life.**

Foundation in USPAP

- Standards Rule 1-1, General Development Requirements
 - Be aware of
 - Understand
 - Correctly employ
 - Recognized methods and techniques

2024

Uniform Standards of Professional Appraisal Practice (USPAP)

Effective January 1, 2024



The Appraisal of Real Estate

Fifteenth Edition



Quantitative Adjustments

- Paired data
 - Adjusted pairs
- Grouped data
- Secondary data
- Statistical analysis
 - Graphic analysis
- Depreciated Cost

Zone 2

Depreciated Cost