

SALES COMPARISON APPROACH (continued)

SINGLE-PURCHASER "BULK SALE" LOT VALUE CONCLUSION (17 VACANT LOTS)

Five comparable bulk lot sale transactions (closed or pending) have been analyzed in order to estimate the prospective bulk sale value of the 17 subject lots. The comparables indicate an overall range in value for the subject lots of between \$135,000 and \$180,000 per lot.

The low end of the range is indicated by **Comparables No. 1 (\$135,000/lot)**, which is the pending sale for 16 lots negotiated in September 2005. These lots are smaller than the subject at 6,500 SF and are located in a slightly inferior area near more affordable home product. In addition, lot prices have appreciated significantly since this sale was negotiated, and it would sell for more today. Overall, this is considered a low indicator for the subject.

The middle of the range is indicated by **Comparables No. 2 (\$150,000/lot)** and **No. 3 (\$150,000/lot)**. **Comparable No. 2** is the January 2006 sale of 56 lots averaging 8,300 SF. With regard to physical characteristics, this plat is considered similar to the subject. This plat's location in Ridgefield is considered inferior to the subject's close in location in an area of moderate to lower upscale supported home prices. In addition, this sale was negotiated in December 2005. Overall, this is considered a low indicator for the subject. **Comparable No. 3** is the current pending sale of a 17 lot plat located east of the subject in East County. The location is considered superior to the subject. With regard to physical considerations this comparable is considered inferior, as it has smaller lots at 6,000 SF and has no greenbelt amenity. Based on physical considerations this is considered a low indicator for the subject.

The high end of the range is indicated by **Comparable No. 4 (\$177,000/lot)** and **No. 5 (\$180,000/lot)**. **Comparable No. 4** is the current pending sale of a 58 lot plat. This plat has similar lot sizes and some of the lots also have a greenbelt amenity. However, the greenbelt in this plat is more substantial, and those lots which abut the greenbelt are very private. Overall, this is considered a high indicator for the subject due to the superior greenbelt amenity with similar lot sizes. **Comparable No. 5** is a recent closed sale of a 21 lot plat with lots averaging 7,925 SF. While this plat has similar lot sizes with a park amenity, the lot shape/plat design is superior, and the location is considered superior to the subject supporting higher home values, making this a high indicator for the subject.

After analyzing the comparables with regard to location, plat amenities, lot sizes, and supported home prices, a narrower value in the range of \$160,000 to \$170,000 is supported for the subject property. Based on the subject's good location with new home prices in the moderate to lower price sector supported, good overall plat design with a greenbelt/open space amenity for 5 of the lots, a value near the middle of the range of \$165,000 per lot is concluded for the subject lots.

As previously discussed, lots similar to the subject lots typically sell on a bulk basis. However, there has recently been some retail sales activity. Specifically, there are 24 lots in the Parkview Estates plat that are currently pending between \$177,500 and \$187,000 per lot in small groups of two or three lots. This plat is located northwest of the subject near the intersection of NE 131st St and NE 50th Avenue. This location is

SALES COMPARISON APPROACH (continued)

considered slightly superior to the subject. The lots are also slightly larger, averaging approximately 8,900 SF, with some lots as large as 10,000 SF. The broker indicated he believes these lots would have sold for between \$170,000 and \$175,000 in bulk. Lots typically sell at a 10 to 15% discount from retail to bulk. Overall, the pending retail lot sales in this plat add further support to the concluded bulk sale value of the subject, as these lots are selling in retail, are slightly larger, and have a slightly superior location.

The overall prospective bulk sale value of the subject lots is calculated as follows:

Bulk Sale Value - Sales Comparison Approach			
Lot Type	No. Lots	Concluded Value Per Lot	Total
Detached	17	\$165,000	\$2,805,000

RETAIL LOT VALUE COMMENTS

Similar 7,000-10,000+/- SF lots in Clark County rarely sell on an individual retail basis given the limited lot supply and strong demand for lots. Most plats similar to the subject sell in bulk for all cash. It is reasonable to assume that some premium may be achieved by selling the lots individually to multiple builders given the lack of supply. This premium would likely be about \$5,000-\$10,000 per lot. Again, there is limited market support for retail numbers, and the bulk sale scenario is most likely, given the project scope.