

2024 Level II
Practice Problem # 3
Time Adjustment Practice

1) Property sells for \$208,000 and resells one year later for \$233,000.

What is the amount of the time adjustment?

What is the % per month?

2) In completing an appraisal, the following properties sold.

Sale 1 – House sold 5 months ago for \$150,000. What is the adjusted sales price today using the answer from number 1?

Sale 2 – House sold 11 months ago for \$140,000. What is the adjusted sales price today using the answer from number 1?

Level II
Practice Problem # 3 Answer
Time Adjustment Practice

Answer:

1.) Subtract difference between sale prices which is \$25,000. Then divide the \$25,000 by 1st sale price of \$208,000. 1st sale price of \$208,000. You come up with .1202 or 12.02%. This is the % increase per year, divide by 12, average increase per month is 1%.

2.) Sale #1 - $\$150,000 \times 5\% = \$7,500$ (this is amount of time adjustment). The time adjusted sale price is $\$150,000 + \$7,500 = \$157,500$

Sale #2 = $\$140,000 \times 11\% = \$15,400$ (time adjustment). Time adjusted sale price is the $\$140,000 + \$15,400 = \$155,400$.