

Here is a little key for the market analysis section of the report, please see the attached pictures, I have marked the corresponding spreadsheet with the numbers as well. Also please put the adjustments in as well for time and list to sales price ratio.

Inc., or the appraiser(s) for unauthorized use of this report.

Market Analysis

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- 3 In the subject's immediate area (½ mi. Southfield Schools, City of Southfield) there has have been 9 sales in the past 12 months, and there are 19 properties available for sale. These figures suggest an absorption rate of 0.75 units per month at present, resulting in a time span of 25.3 months for the currently listed homes to sell. In the last year to date, according to MLS records, DOM for 1st Qtr 2008 is 146.44, up from 93.9 days during 1st Qtr 2007.
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- 8 A review of MLS records over the last year to date indicates that the ratios of sale price to asking price has decreased to nearly 95.5 percent, 1st Qtr 2007 list price ratios reflected 100%. However, median average sale prices are trending downward at approximately 26.6%, down from \$109,224 in 1st Qtr 2007 to \$80,131 in year to date for properties similar to the subject.
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- 10 Nearly 90% of the available sales and listings inventory are consists of distressed, bank owned, or corporate owned properties sales; suggesting that the available supply consists of vacant, lower priced homes an influence of atypically motivated sellers in the market at present.
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- Recently RealtyTrac and the Detroit Free Press have reported a 21% increase in the amount of foreclosures from last year at this time. The drastic price decreases over the past year have had a negative effect on the market. Prices appear to be continuing to decline, albeit at new reduced levels, and marketing times are up, suggesting the market is moving further from equilibrium and the worst has not yet hit us, worst may be over. In order for the subject to compete within this market, the subject would have to be competitively priced at or below \$51,700 if the subject did not have any value detracting repairs or updates necessary.
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- A thorough analysis was made to determine the presence of a time adjustment for the 12 month period prior to the effective date of this appraisal, which reflects the closing dates of the comparable sales utilized in this report. It was concluded that extractable data could be determined from sales in the last 12 months, a quantitative adjustment that could be applied to sales within the last 12 months. An analysis of sales from 1st Qtr 2007 reveal market decreases of 26.6%. Although sales have remained similar to prior levels, many sales are

trending downward at this rate. Reflecting an (slight, overwhelming, net zero) (increasing, declining, stabilized) market trend. A conservative 26.6% or 2.21% per month was applied to sales.

The market continues to be imbalanced with supply outpacing demand as evident by the large number of listings, coupled with the few sales that have occurred in recent years. Continued consolidation in the automotive sector, i.e. plant closings, early retirement plans, will likely have an adverse or negative effect on sales activity during the near term. Most of the early retirements and plant closures are not supposed to take effect to the latter part of 2007 and beginning 2008. This will have an increased effect in the decrease in values, as well as the overall current instability of the real estate market.

In summary the outlook for this market is continued declines as the result of an overall lack of demand for condominiums, especially in high tax Southfield. The tax issue for Southfield has decreased values since 2004 when the voters approved the repeal of the Homestead exemption so they would not lose their school district. This repeal has increased taxes nearly 30% higher than surrounding cities, as a result values are uniformly lower in order for the taxes decrease to levels similar to surrounding cities. This is evidenced by the sheer number of REOs and foreclosures that eclipse the rest of the market in severity (which is already pretty severe). This trend is expected to continue to decrease, with no real relief in the future..

COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
26049 Franklin Pointe Dr 29		26515 Franklin Pointe Dr 124		26781 Franklin Pointe Dr 171	
STONEBROOKE OF SOUTHFIELD 1		STONEBROOKE OF SOUTHFIELD 1		STONEBROOKE OF SOUTHFIELD 1	
0.45 miles NE		0.14 miles NE		0.05 miles E	
\$	47,500	\$	63,500	\$	104,500
\$	36.91Sq. ft	\$	51.34Sq. ft	\$	68.03Sq. ft
Ext Insp/MLS# 27221722		Ext Insp/MLS# 27083846		Ext Insp/MLS# 26122605	
Public Records		Public Records		Public Records	
DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Conventional		Cash		Conventional	
Yes//DOM 22	-1,000	None//DOM 47		None//DOM 220	
CL: 01/30/2008	-949	CL: 05/30/2007	-12,545	CL: 03/13/2007	-26,598
Stonebrooke of		Stonebrooke of		Stonebrooke of	
COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
26631 Franklin Pointe Dr 155		26479 Franklin Pointe Dr 117		26441 Franklin Pointe Dr 105	
STONEBROOKE OF SOUTHFIELD 1		STONEBROOKE OF SOUTHFIELD 1		STONEBROOKE OF SOUTHFIELD 1	
0.10 miles NE		0.15 miles NE		0.17 miles NE	
\$	54,900	\$	77,500	\$	81,000
\$	35.74Sq. ft	\$	50.46Sq. ft	\$	52.08Sq. ft
Ext Insp/MLS# 27089187		Ext Insp/MLS# 27112310		Ext Insp/MLS# 27157408	
Public Records		Public Records		Public Records	
DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Active Listing	-2,456	Active Listing	-3,466	Active Listing	-3,578
DOM 285		DOM 251		DOM 183	
LD: 05/18/2007		LD: 06/21/2007		LD: 08/28/2007	
Stonebrooke of		Stonebrooke of		Stonebrooke of	

The Spreadsheet

Absorb	Supply	Decline	Mo declin	LTSP %-12	LTSP-12>		
0.75	25.333333	-0.266361	-0.022197	0.955271	1.0001465		
Absorb	Supply	Decline	Mo declin	LTSP %-12	LTSP-12>		
0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		
Subject	1	2	3	4	5	6	
02/27/08	01/30/08	05/30/07	03/13/07				
	-0.019977	-0.197551	-0.254523	#NUM!	#NUM!	#NUM!	
	#DIV/0!	#DIV/0!	#DIV/0!	#NUM!	#NUM!	#NUM!	
	47500	63500	104500				
	-948.9106	-12544.49	-26597.61	#NUM!	#NUM!	#NUM!	
	#DIV/0!	#DIV/0!	#DIV/0!	#NUM!	#NUM!	#NUM!	
List	1	2	3	4			
\$	54900	77500	80000				
	2455.6203	3466.495	3578.3174	0	0	0	

Market Condition Adj.

List to Sale \$ Ratio Adj (Should be a (-) adj)

