

APPENDIX I

Comp analysis for ARV.

Establishing a defensible after-repair value is the single most important number in any rehab proforma.

Step 1 • Pull comps.

Pull three to six closed sales that match the subject: same neighborhood, within half a mile, sold in the last 6 months, similar square footage ($\pm 20\%$), same bed count, similar bath count, similar lot and style, similar projected post-rehab condition.

#	ADDRESS	SOLD DATE	SOLD PRICE	SQ FT	\$/SQFT	BEDS / BATHS
1			\$		\$	
2			\$		\$	
3			\$		\$	
4			\$		\$	
5			\$		\$	
6			\$		\$	

● STEP 2 • ADJUST

Adjust each comp up or down for differences from the subject.

- Square footage: \$50 to \$100/sf
- Bedroom: \$5,000 to \$10,000
- Bath: \$5,000 to \$15,000
- Garage: \$5,000 to \$15,000
- Finished basement: \$20 to \$40/sf

● STEP 3 • TRIANGULATE

Use both averages, then take the lower for conservatism.

- Median adjusted sale price
- Median \$/sq ft $\times$ subject sq ft
- **Your ARV** — lower of the two

THE 70% RULE • QUICK SCREEN

Maximum offer = $(ARV \times 70\%) - \text{repairs}$. Use as a screen, not a substitute for full proforma analysis.