

Market Conditions Addendum to the Appraisal Report

Case No. LAPP 46-46-6-5177TRA

File No. 1-01235TRA

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 4476 Chanting Circle SW

City Port Orchard

State WA

ZIP Code 98367

Borrower Mike Thomas

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	9	9	7	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.50	3.00	2.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	NOT AVAILABLE	NOT AVAILABLE	9	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	NOT AVAILABLE	NOT AVAILABLE	3.86	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	256,713	259,385	257,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	0	0	82	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	256,713	259,385	262,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	NOT AVAILABLE	NOT AVAILABLE	129	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100.00	100.00	99.92	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). There is no reliable way to search for seller concession data, so the data that has been used has been used and the conclusion reached in this section is based on information obtained from parties involved in the transactions through the process of verifying the sales information on individual properties.

The seller concessions in this market appear to be quite stable at 3% of the selling price or less over the past twelve months with no apparent increase in the amount of seller concessions. While they are typical in this market, there are still a significant number of sales that do not have any seller concessions.

Are foreclosure sales (REO sales) a factor in the market? ☐ Yes ☒ No If yes, explain (including the trends in listings and sales of foreclosed properties).

There is no reliable way to search for this information, so the information provided here and the conclusion reached is based on what information could be gleaned from the local MLS and in verifying sales through interested parties to individual transactions. Of the sales and listings that have been researched and analyzed for this report, one was identified as bank- or lender-owned, and one was identified as being subject to a short sale. All of the other sales and listings are being offered by the property owners and were not identified as being bank-owned or subject to a short sale. A total of 34 listings and sales were researched in this report with just under 3% of them being subject to short sale or were bank-owned. This is a rather insignificant factor.

Cite data sources for above information.

Data sources include MetroScan, the local multiple listing service, and individual parties that had some interest or connection to the individual sales and listings researched in the course of carrying out this appraisal assignment.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The total number of active listings in this market at the time and on the day the search was made was 9 for the most current 3-month period resulting in a 4 month supply of housing when divided by the absorption rate for the most recent period of 2.33 sales per month for this particular market. This is considered to be a bordering on a short supply of housing in this particular market. The data for the total number of listings and the months of housing supply for the previous two periods is not available from the local Multiple Listing Service. The same is true for the previous two periods for the Median Comparable Listing Days on Market. The Median Sale Price as a % of the List price has been calculated by dividing the sale price of the closed sales that have been included in this analysis by their original listing prices. The median selling price of competing properties for the previous 7-12 month period was \$256,713 while the median selling price of competing houses over the most recent 3-month periods is at \$257,000. These figures are virtually identical indicating that the housing prices in this market are very stable. The sample size is fairly small and may not be reliable.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature Jason Snell

Appraiser Name Jason Snell

Company Name EVALUATION CO.

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State WA

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Signature

Supervisory Appraiser Name

Company Name

Company Address

State License/Certification #

State

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