

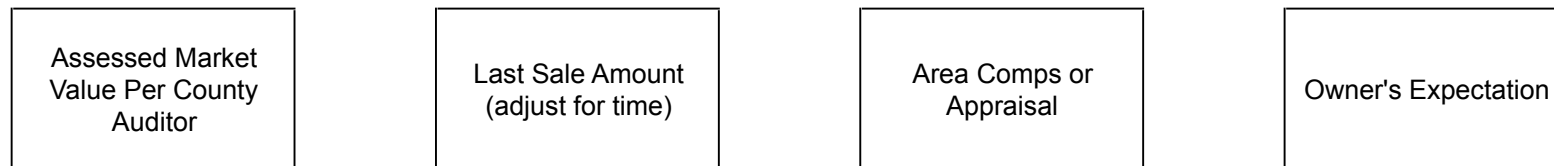
Assessing The Value of Vacant or Abandoned Property

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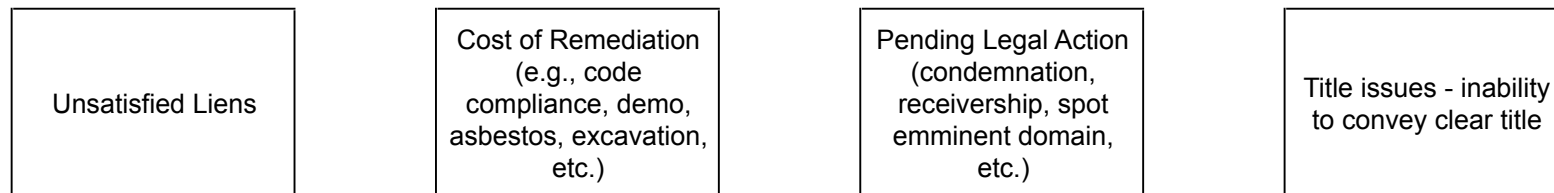
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Owners (or lenders in control) of vacant or abandoned property frequently set unrealistically high sale prices when approached about selling their property. Paying these prices can make sustainable restoration difficult or impossible. Worse, paying these prices may encourage other sellers to set artificially inflated sales in the neighborhood. In reality, many of these properties will have a negative market value if the full extent of code compliance, delinquent taxes and other liens is taken into account. The following is a suggested framework for arriving at a value that more accurately reflects physical, legal and financial condition.

- Begin with a number that considers the following baseline factors -



Then adjust downward for the cumulative value of the following...



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Purchase Offer

The above framework can be used to calculate an offer, or merely as a guide for negotiations. The final test for any offer should be the impact it has on a redevelopment pro forma or budget.

