
Reviewer's Take on Subdivisions

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Agenda

1. Extraordinary Assumptions
2. Adequate Support
3. Data Sources
4. DCF Modeling
5. Timing of Outflows/Inflows
6. Rentals
7. Reconciliation
8. Change in Value(s)

Disclaimers

This panel consists of Allen Greer, Robert Mogster, Kris Kocher and Mark Watson.

The opinions and comments expressed here are solely the opinions of the individual panel members and do not reflect the official opinion of any of the companies represented here.

Extraordinary Assumptions Gone Awry!

- Extraordinary Assumption vs. Hypothetical Condition
- Environmental Issues
- Development Rights
- Zoning change
- Timing of development
- Construction costs
- Availability of Utilities

What is “Adequate Support?”

- Yield Rates (stage of development)
- Profit
- Absorption
- Price Trends
- Horizontal Costs
- Vertical Costs

Data Sources

- Market Trends
- Discount Rate and Profit
- Absorption
- Home Sales

DCF Modeling - All cash or Leverage?

- Static Residual versus DCF
- Bifurcation
- Capital stacks
- Rates

Timing of Outflows/Inflows

- Horizontal / Vertical Costs
- Phasing
- Sales / Presales
- Cancellation Rates
- Closings

Single Family Rental Portfolios

- Shadow Inventory
- Other Value Scenarios
- Value As If Rented Condo vs. Apartments
- Value of Homes as Rentals

Reconciliation of Value

- Recent Purchases
- Listings
- Previous appraisals

Change in Values – Reconciling with Priors

- Raw land vs. Completed Units
- Entitled vs. Not
- Impact of Assumptions
- Appreciation/Depreciation in home prices falls directly to the land

Questions / Answers



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