

ADKINS CAPITAL MANAGEMENT

**ADKINS RESIDENTIAL HOME
VALUATION ANALYZER**

Residential Real Estate Property Analysis

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ANALYTICAL INPUT INFORMATION



MORTGAGE LOAN VARIABLE

Mortgage Loan Variable	Rate or Amount	Notes
Annual Pre-Tax Household Income Amount	\$55,136	The annual pre-tax household income amount should include the combined household income amount for married couples.
Percentage of Pre-Tax Household Income Amount	28%	The percentage of pre-tax household income amount represents the largest percentage of household income that the prospective home buyer believes should be spent in order to repay the principal and interest costs for a mortgage loan. If the prospective home buyer has a conservative risk tolerance, he may want to consider a spending rate that does not exceed 25% of annual pre-tax household income. If the prospective home buyer has a moderate risk tolerance, he may want to consider a spending rate of no more than 40% of annual pre-tax household income. If the prospective home buyer has an aggressive risk tolerance, he may decide that it is appropriate to spend more than 40% of annual pre-tax household income. It is important to keep in mind that these thresholds should only serve as a general guideline and that the assumption chosen is imperative to the analysis, as it used to help determine the level of underpricing or overpricing of homes in the community.
Home Purchase Price	\$275,000	The Adkins Residential Home Valuation Analyzer will provide a precise residential home valuation analysis for residential real estate property priced up to \$100 million dollars.

MORTGAGE LOAN VARIABLE

Mortgage Loan Variable	Rate or Amount	Dollar Amount	Notes
Down Payment Percentage Amount	0%	\$0	It is recommended that the prospective home buyer have the ability and willingness to make a minimum down payment amount of 20% of the home purchase price before considering the purchase of a home. A down payment amount of 20% is recommended in order to mitigate the negative impact of interest expense and private mortgage insurance, which in turn will increase the likelihood that the home will appreciate in value at a rate that is required to offset the costs associated with owning the home. If the prospective home buyer does not make a significant down payment amount, he will find that the home will need to appreciate in value each year at a very high rate in order to offset the costs associated with owning the home.
Mortgage Loan Interest Rate	7%		The prospective home buyer can determine the mortgage loan interest rate for 30-year fully-amortized fixed-rate mortgage loan by reading his local newspaper, by visiting his local bank, by visiting a financial website on the Internet, or by working with a mortgage lender in his community. Interest expense is a significant cost associated with owning a home and should be closely analyzed before making a home purchase decision. The Adkins Residential Home Valuation Analyzer will truncate the mortgage loan interest rate to the hundredths position in order to conduct the analysis.

MORTGAGE LOAN VARIABLE

Mortgage Loan Variable	Term	Dollar Amount	Notes
Mortgage Loan Term	30.0		The Adkins Residential Home Valuation Analyzer is configured to analyze residential real estate property over a 30-year time horizon. The prospective home buyer cannot change the time horizon for the analysis, except to amortize closing costs and real estate agent transaction costs over a shorter period of time.

HOME OWNERSHIP COSTS

Home Ownership Costs	Rate	Notes
Maintenance Costs	1%	<p>Maintenance costs are typically expressed as a percentage of the home purchase price. While 1% of the home purchase price per year is a general rule that is used in the real estate industry to evaluate maintenance costs, the prospective home buyer should use the historical expenses provided by the seller of the home in order to make this assessment. The prospective home buyer could also use his historical home maintenance cost history as a proxy for making this assessment, provided he believes that his personal home maintenance cost history will be typical of what he will have to pay each year after he purchases the home.</p>
Homeowners Insurance Costs	0.26%	<p>Homeowners insurance provides financial protection against potential fires, floods, hail, tornadoes, hurricanes, earthquakes, landslides, tsunamis, volcanoes, ice storms, and other events that the prospective home buyer may experience in his geographical locale. Homeowners insurance costs typically fall in the range of \$800 dollars and \$1,000 dollars per year. While 0.5% of the home purchase price per year is a general rule that is used in the real estate industry to evaluate homeowners insurance costs, the prospective home buyer could also use his historical insurance expense experience as a proxy for making this assessment, provided he believes that his personal homeowner's insurance cost history will be typical of what he will have to pay each year after he purchases his home. It is also recommended that the prospective home buyer call one of the major homeowner insurance carriers for his community in order to get a detailed insurance quote for the specific home that he is considering to purchase.</p>

HOME OWNERSHIP COSTS

Home Ownership Costs	Rate	Notes
Private Mortgage Insurance Costs	1%	<p>Private Mortgage Insurance (PMI) is typically required if the prospective home buyer does not make a down payment amount equivalent to at least 20% of the home purchase price. An annual cost of 0.50% to 1.0% of the home purchase price is a general rule that is used in the real estate industry to estimate the cost for PMI. The prospective home buyer's mortgage lender will be able to provide the specific cost for PMI.</p> <p>It is important to keep in mind that the cost for PMI may be a tax-deductible expense. In the event that PMI is tax deductible, the costs for PMI should be reduced by the prospective home buyer's marginal income tax rate. For example, if the PMI cost is 0.85%, and the prospective home buyer is in the 25% federal marginal income tax bracket, the expense amount that should be entered into the Adkins Residential Home Valuation Analyzer would be 0.60%. In the event that PMI is not tax deductible, no adjustment is required, and the actual cost of 0.85% would be entered into the Adkins Residential Home Valuation Analyzer.</p> <p>It is also important to keep in mind that the PMI cost will be automatically removed from the analysis once the Adkins Residential Home Valuation Analyzer calculates that the prospective home buyer has accumulated 20% in equity capital in the home.</p>

HOME OWNERSHIP COSTS

Home Ownership Costs	Rate	Notes
Property Taxes	2.1%	<p>Property tax burdens typically fall within a range of 0.5% and 1.0% of the price of the home. This range typically translates into a property tax amount between \$500 dollars and \$2,000 dollars per year. Property tax burdens vary substantially by region. With this in mind, the prospective home buyer should obtain the specific property tax rate for his state and locale in order to utilize an accurate property tax rate in the analysis.</p> <p>It is important to keep in mind that property taxes are typically tax deductible. Therefore, the Adkins Residential Home Valuation Analyzer will also calculate the savings attributed to the property-tax shield as part of the residential real estate analysis.</p>

HOME OWNERSHIP COSTS

Home Ownership Costs	Rate or Amount	Term in Years	Notes
Real Estate Agent Transaction Costs	6%	7	<p>The real estate agent transaction cost is typically expressed as a percentage of the home purchase price. An expense amount equivalent to 6% of the home purchase price is a general rule that is used in the real estate industry to estimate this expense. However, it is recommended that the prospective home buyer ask the appropriate real estate agent the amount that he will charge in order to have an accurate amount to enter into the Adkins Residential Home Valuation Analyzer.</p> <p>It is important to keep in mind that most people will not live in the home that they purchase for 30 years. Therefore, the Adkins Residential Home Valuation Analyzer will allow the prospective home buyer to amortize the real estate agent transaction costs on a straight-line basis over any period of time for up to 30 years.</p>

HOME OWNERSHIP COSTS

Home Ownership Costs	Rate or Amount	Term in Years	Notes
Closing Costs	\$13,273	7	<p>Closing costs are charged by the mortgage lender and other third parties for services related to the purchase of the home. Closing costs are typically paid at the time the prospective home buyer closes on the mortgage loan, and vary greatly due to many factors, including geographic locale, the competitive trends that are taking place in the mortgage lending industry, the type of loan that the prospective home buyer utilizes to purchase the home, and the cumulative fees for services such as loan origination, title search, underwriting and recording.</p> <p>Typically, the prospective home buyer will pay a closing cost expense between 2% and 5% of the home purchase price. The mortgage lender should be able to provide the prospective home buyer with the specific closing cost expenditure amount that will complete the home purchase transaction.</p> <p>Closing costs will be amortized by the Adkins Residential Home Valuation Analyzer on a straight-line basis over the length of time that the prospective home buyer plans on living in the home.</p>

TAX IMPLICATIONS

Tax Implications	Rate or Amount	Notes
Federal Standard Income Tax Deduction Amount	\$24,000	<p>The federal standard income tax deduction amount is taken into account when conducting a residential real estate property analysis. The prospective home buyer can utilize either the federal standard income tax deduction amount or the benefit of the itemized mortgage loan interest tax shield amount in order to reduce his taxable income amount.</p> <p>The Adkins Residential Home Valuation Analyzer will only take into account the amount of the mortgage loan interest tax shield that exceeds the federal standard income tax deduction amount in order to calculate the tax savings that is associated with owning the home.</p>
Federal Marginal Income Tax Rate	22%	<p>The United States utilizes a progressive federal income tax structure. Currently the marginal income tax rates in the U.S. are 10%, 15%, 25%, 28%, 33%, 35%, and 39.6%.</p> <p>The prospective home buyer can determine his federal marginal income tax bracket by visiting the Internal Revenue Service website. It is important to keep abreast of any potential changes in the federal income tax code in order to ensure that an accurate marginal income tax rate is used to conduct the analysis.</p> <p>The federal marginal income tax rate is an important component of a residential real estate analysis, because it is utilized to calculate the savings associated with the mortgage loan interest tax shield, the savings associated with the property tax shield, and the savings that may be associated with the private mortgage insurance tax shield.</p>

HOUSING MARKET INFORMATION

Community Variables	Dollar Amount	Notes
Median Household Income Amount for the Community	\$55,136	Median household income for the community can be found on the Internet from multiple data sources including city-data.com
Median Home Price Level for the Community	\$275,000	Median home price information for the community can be found on the Internet from multiple data sources including city-data.com.

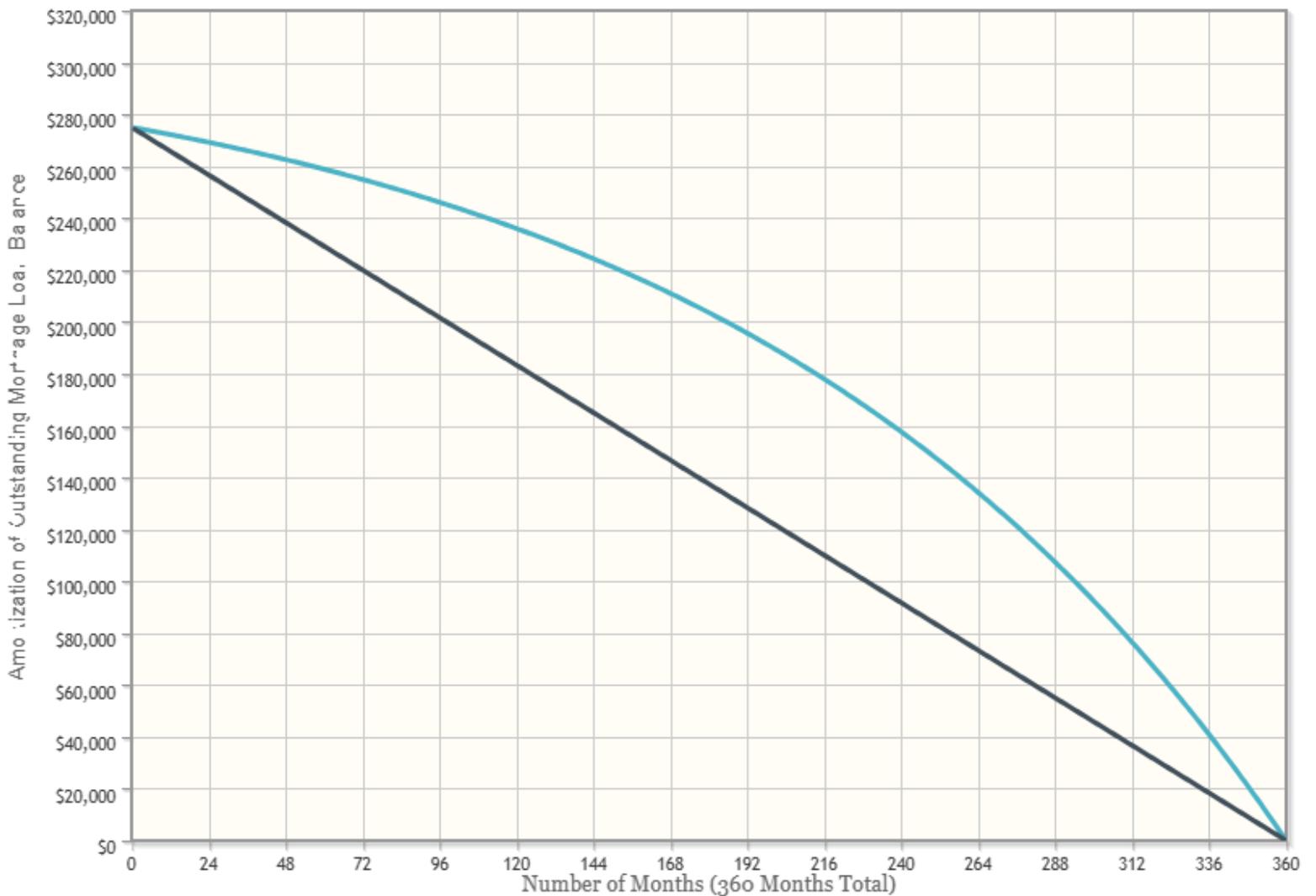
EXPENSE-BASED ANALYSIS



MONTHLY RESIDENTIAL MORTGAGE LOAN AMORTIZATION SCHEDULE

Month	Beginning Balance	Payment	Interest	Principal	Ending Balance	Cumulative Principal Accumulation
1	\$275,000	\$1,830	\$1,604	\$225	\$274,775	\$225
12	\$272,447	\$1,830	\$1,589	\$240	\$272,207	\$2,793
24	\$269,469	\$1,830	\$1,572	\$258	\$269,211	\$5,789
36	\$266,275	\$1,830	\$1,553	\$276	\$265,999	\$9,001
48	\$262,851	\$1,830	\$1,533	\$296	\$262,555	\$12,445
60	\$259,180	\$1,830	\$1,512	\$318	\$258,862	\$16,138
72	\$255,242	\$1,830	\$1,489	\$341	\$254,902	\$20,098
84	\$251,021	\$1,830	\$1,464	\$365	\$250,655	\$24,345
96	\$246,494	\$1,830	\$1,438	\$392	\$246,102	\$28,898
108	\$241,640	\$1,830	\$1,410	\$420	\$241,220	\$33,780
120	\$236,434	\$1,830	\$1,379	\$450	\$235,984	\$39,016
132	\$230,853	\$1,830	\$1,347	\$483	\$230,370	\$44,630
144	\$224,868	\$1,830	\$1,312	\$518	\$224,350	\$50,650
156	\$218,451	\$1,830	\$1,274	\$555	\$217,895	\$57,105
168	\$211,569	\$1,830	\$1,234	\$595	\$210,974	\$64,026
180	\$204,190	\$1,830	\$1,191	\$638	\$203,552	\$71,448
192	\$196,278	\$1,830	\$1,145	\$685	\$195,593	\$79,407
204	\$187,794	\$1,830	\$1,095	\$734	\$187,060	\$87,940
216	\$178,696	\$1,830	\$1,042	\$787	\$177,909	\$97,091
228	\$168,941	\$1,830	\$985	\$844	\$168,097	\$106,903
240	\$158,480	\$1,830	\$924	\$905	\$157,575	\$117,425
252	\$147,264	\$1,830	\$859	\$971	\$146,293	\$128,707
264	\$135,236	\$1,830	\$789	\$1,041	\$134,195	\$140,805
276	\$122,339	\$1,830	\$714	\$1,116	\$121,223	\$153,777
288	\$108,510	\$1,830	\$633	\$1,197	\$107,313	\$167,687
300	\$93,681	\$1,830	\$546	\$1,283	\$92,398	\$182,602
312	\$77,780	\$1,830	\$454	\$1,376	\$76,404	\$198,596
324	\$60,729	\$1,830	\$354	\$1,475	\$59,254	\$215,746
336	\$42,446	\$1,830	\$248	\$1,582	\$40,864	\$234,136
348	\$22,841	\$1,830	\$133	\$1,696	\$21,145	\$253,855
360	\$1,819	\$1,830	\$11	\$1,819	\$0	\$275,000
Total		\$658,649	\$383,649	\$275,000		\$275,000

MORTGAGE LOAN AMORTIZATION



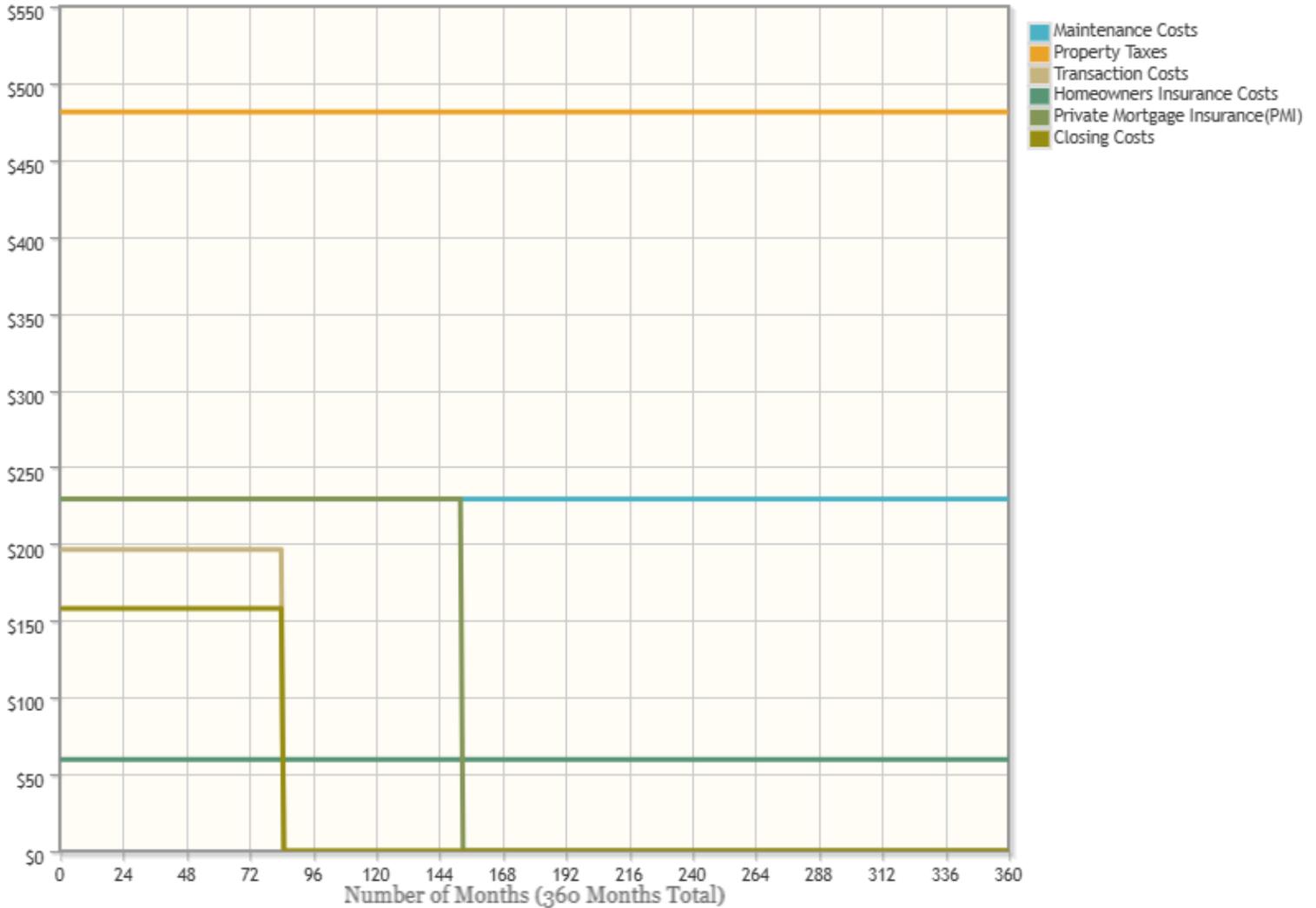
Important Notes About Mortgage Loans

A mortgage loan interest rate of 5.3040399%, 9.3967767%, or 13.06281084% will require the prospective home buyer to repay exactly two- three- or four-times the amount of the home purchase price, assuming that the prospective home buyer carries the 30-year fixed-rate mortgage loan to maturity. To confirm the findings above, the prospective home buyer can enter the interest rates into the Control Panel and review the results found in the Mortgage Loan Amortization worksheet.

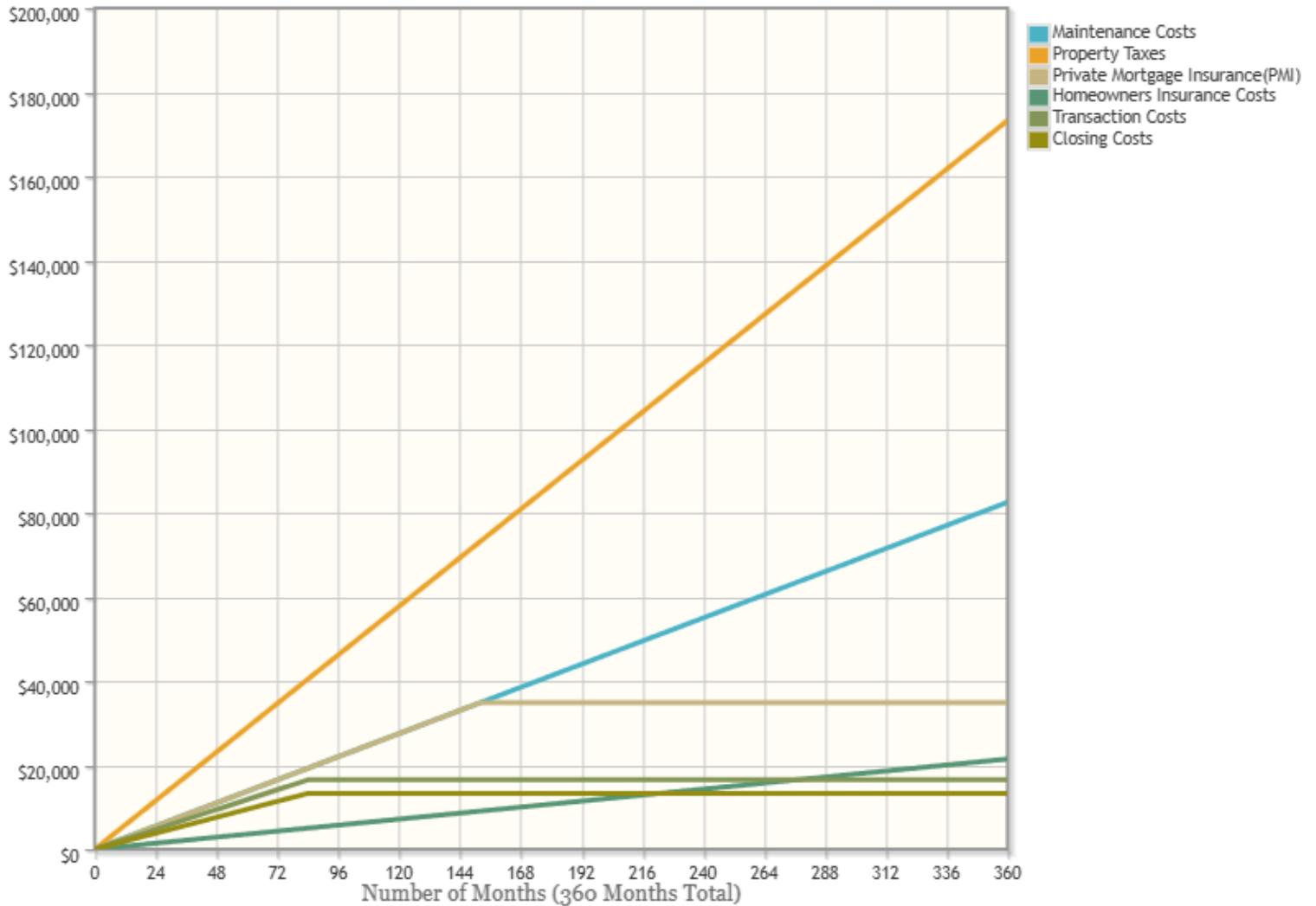
MONTHLY HOME OWNERSHIP COSTS

MONTHLY HOME OWNERSHIP COSTS							INTEREST EXPENSE	MORTGAGE LOAN TAX DEDUCTIONS		TOTAL HOME OWNERSHIP COSTS		
Month	Maintenance Costs	Home Owners Insurance	Private Mortgage Insurance (PMI)	Transaction Costs	Closing Costs	Property Taxes	Mortgage Interest Expense	Mortgage Tax Shield (Capped at \$1M)	Property Tax Shield	Total Monthly Costs Less Tax Breaks	Cumulative Monthly Costs Less Tax Breaks	Costs as a Percentage of Household Income
1	\$229	\$60	\$229	\$196	\$158	\$481	\$1,604	\$0	\$0	\$2,958	\$2,958	64.37%
12	\$229	\$60	\$229	\$196	\$158	\$481	\$1,589	\$0	\$0	\$2,943	\$35,405	64.05%
24	\$229	\$60	\$229	\$196	\$158	\$481	\$1,572	\$0	\$0	\$2,926	\$70,608	63.67%
36	\$229	\$60	\$229	\$196	\$158	\$481	\$1,553	\$0	\$0	\$2,907	\$105,594	63.27%
48	\$229	\$60	\$229	\$196	\$158	\$481	\$1,533	\$0	\$0	\$2,887	\$140,348	62.83%
60	\$229	\$60	\$229	\$196	\$158	\$481	\$1,512	\$0	\$0	\$2,865	\$174,853	62.37%
72	\$229	\$60	\$229	\$196	\$158	\$481	\$1,489	\$0	\$0	\$2,843	\$209,091	61.87%
84	\$229	\$60	\$229	\$196	\$158	\$481	\$1,464	\$0	\$0	\$2,818	\$243,043	61.33%
96	\$229	\$60	\$229	\$0	\$0	\$481	\$1,438	\$0	\$0	\$2,437	\$272,435	53.04%
108	\$229	\$60	\$229	\$0	\$0	\$481	\$1,410	\$0	\$0	\$2,409	\$301,497	52.42%
120	\$229	\$60	\$229	\$0	\$0	\$481	\$1,379	\$0	\$0	\$2,378	\$330,207	51.76%
132	\$229	\$60	\$229	\$0	\$0	\$481	\$1,347	\$0	\$0	\$2,346	\$358,538	51.06%
144	\$229	\$60	\$229	\$0	\$0	\$481	\$1,312	\$0	\$0	\$2,311	\$386,463	50.3%
156	\$229	\$60	\$0	\$0	\$0	\$481	\$1,274	\$0	\$0	\$2,044	\$413,036	44.49%
168	\$229	\$60	\$0	\$0	\$0	\$481	\$1,234	\$0	\$0	\$2,004	\$437,310	43.62%
180	\$229	\$60	\$0	\$0	\$0	\$481	\$1,191	\$0	\$0	\$1,961	\$461,083	42.68%
192	\$229	\$60	\$0	\$0	\$0	\$481	\$1,145	\$0	\$0	\$1,915	\$484,319	41.68%
204	\$229	\$60	\$0	\$0	\$0	\$481	\$1,095	\$0	\$0	\$1,865	\$506,981	40.6%
216	\$229	\$60	\$0	\$0	\$0	\$481	\$1,042	\$0	\$0	\$1,812	\$529,025	39.45%
228	\$229	\$60	\$0	\$0	\$0	\$481	\$985	\$0	\$0	\$1,755	\$550,408	38.21%
240	\$229	\$60	\$0	\$0	\$0	\$481	\$924	\$0	\$0	\$1,694	\$571,081	36.88%
252	\$229	\$60	\$0	\$0	\$0	\$481	\$859	\$0	\$0	\$1,629	\$590,994	35.45%
264	\$229	\$60	\$0	\$0	\$0	\$481	\$789	\$0	\$0	\$1,559	\$610,091	33.93%
276	\$229	\$60	\$0	\$0	\$0	\$481	\$714	\$0	\$0	\$1,484	\$628,314	32.29%
288	\$229	\$60	\$0	\$0	\$0	\$481	\$633	\$0	\$0	\$1,403	\$645,599	30.53%
300	\$229	\$60	\$0	\$0	\$0	\$481	\$546	\$0	\$0	\$1,316	\$661,878	28.65%
312	\$229	\$60	\$0	\$0	\$0	\$481	\$454	\$0	\$0	\$1,224	\$677,080	26.63%
324	\$229	\$60	\$0	\$0	\$0	\$481	\$354	\$0	\$0	\$1,124	\$691,125	24.47%
336	\$229	\$60	\$0	\$0	\$0	\$481	\$248	\$0	\$0	\$1,018	\$703,930	22.15%
348	\$229	\$60	\$0	\$0	\$0	\$481	\$133	\$0	\$0	\$903	\$715,406	19.66%
360	\$229	\$60	\$0	\$0	\$0	\$481	\$11	\$0	\$0	\$781	\$725,456	16.99%
Total	\$82,500	\$21,450	\$34,833	\$16,500	\$13,273	\$173,250	\$383,649	\$0	\$0	\$725,456	\$725,456	

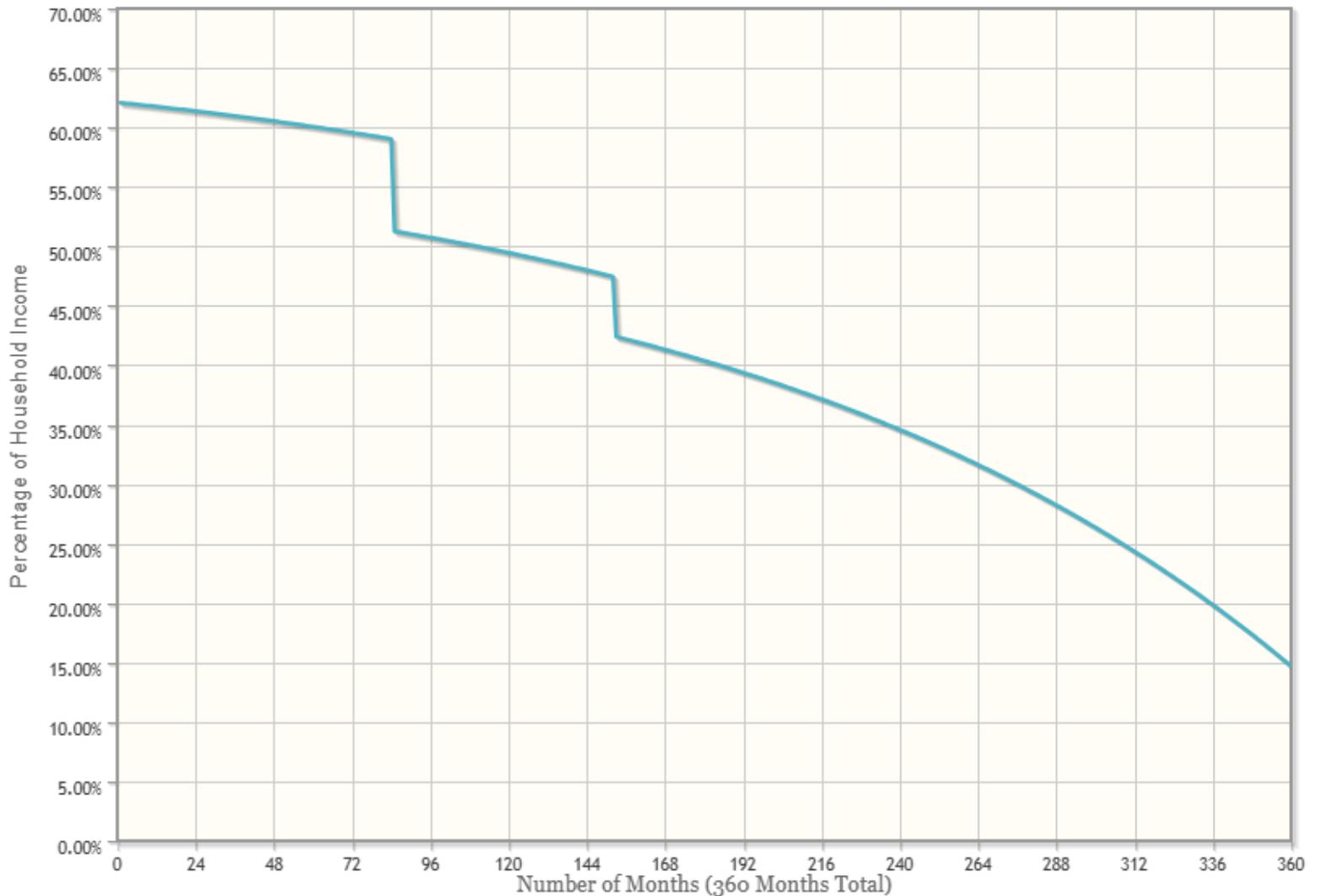
NON-MORTGAGE LOAN COSTS



TOTAL NON-MORTGAGE LOAN COSTS



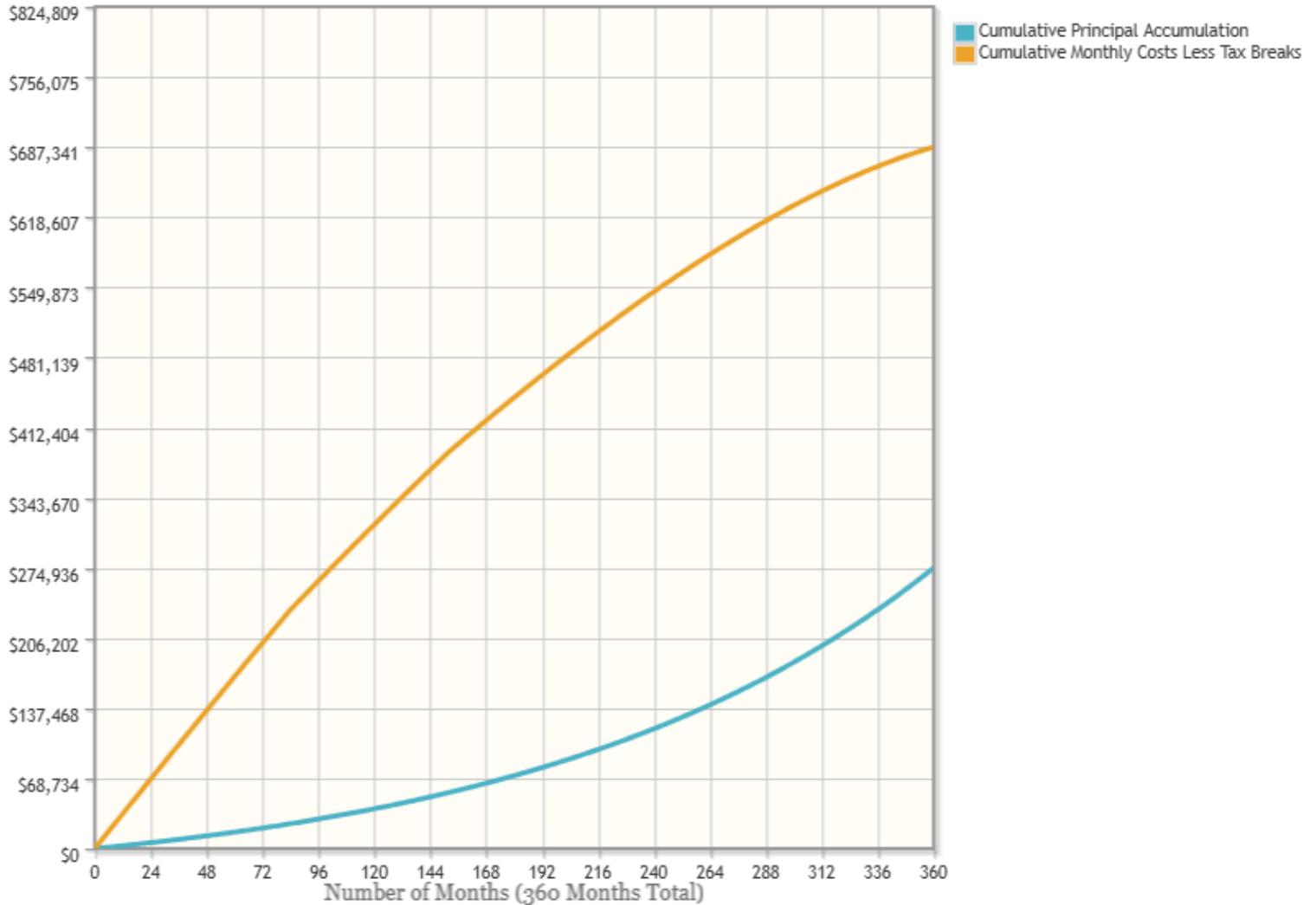
TOTAL HOME OWNERSHIP COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME



Important Notes About This Chart

The kinks in the trend line represent the amortization of the brokerage fees and closing costs associated with the mortgage loan, as well as the phase out of private mortgage insurance, which takes place after an equity accumulation rate of 20% has been obtained.

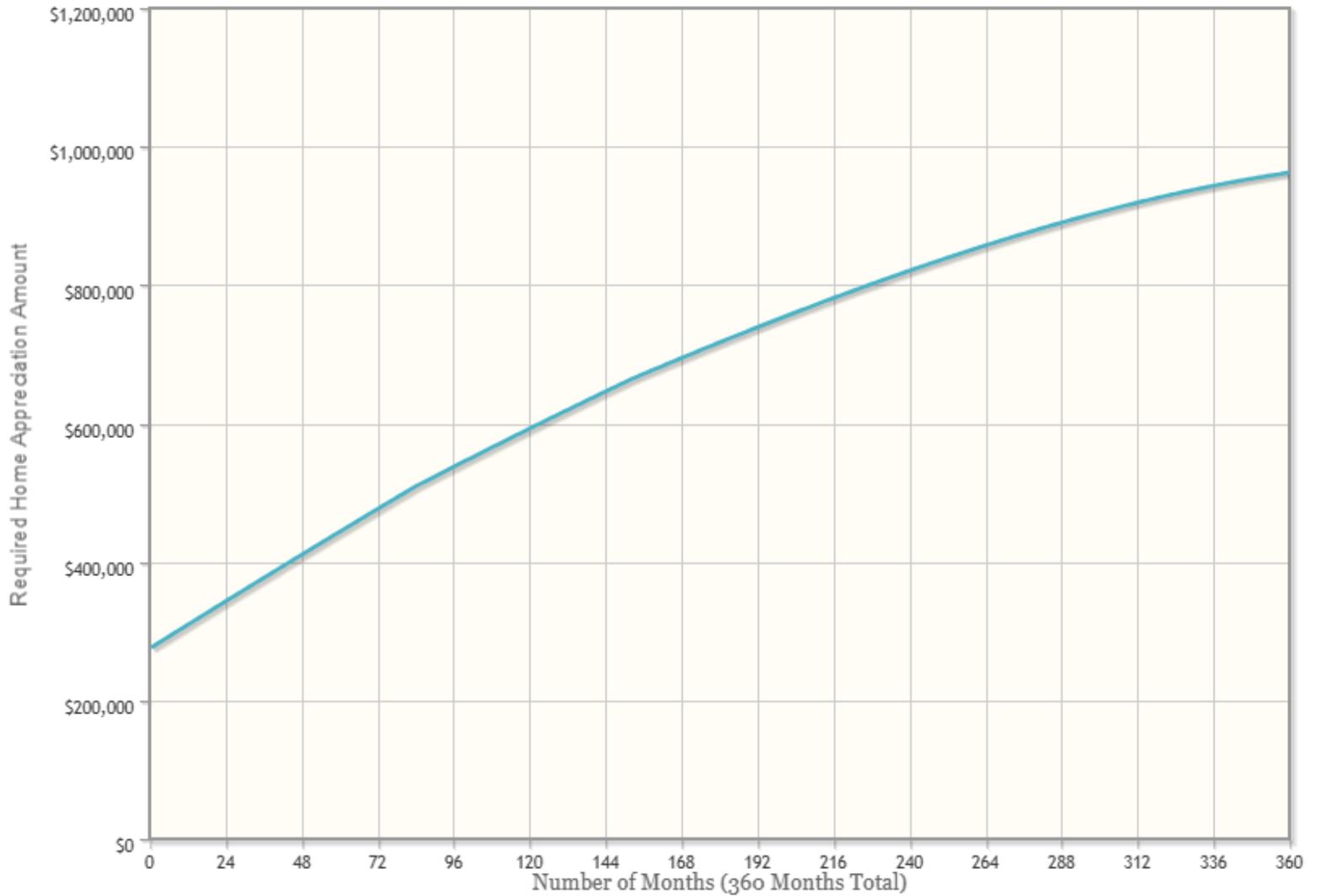
TOTAL HOME OWNERSHIP COSTS IN RELATION TO HOME EQUITY



Important Notes About Home Ownership Costs

The spread between the high trend line and the low trend line represents the difference between the cumulative costs associated with owning the home and the cumulative principal that will be accumulated over a 30 year time horizon. The difference between the two trend lines represents the amount of money that needs to be accumulated through the appreciation in the value of the home in order to offset the costs associated with owning the home.

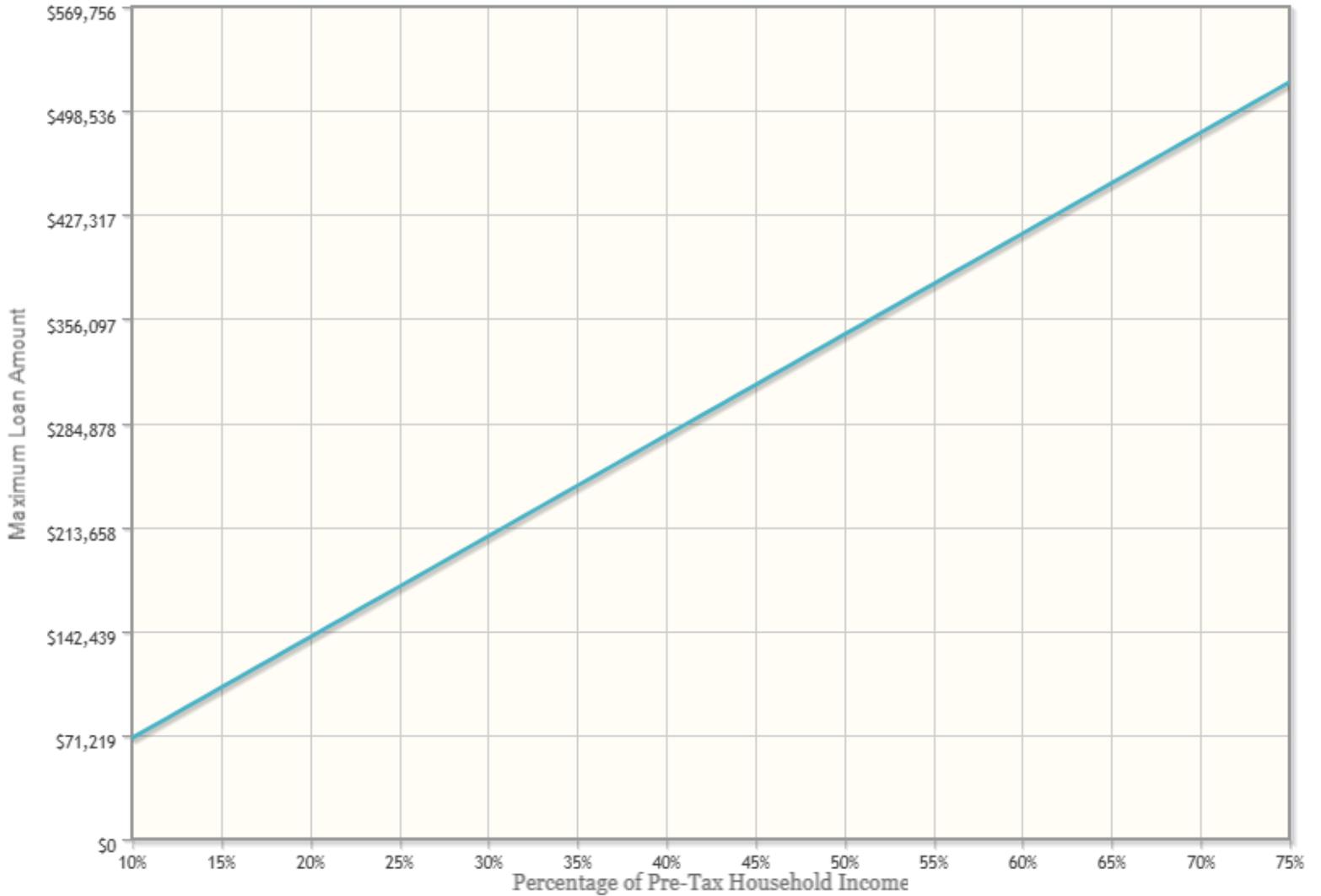
REQUIRED HOME APPRECIATION BREAKEVEN AMOUNT



FINANCE-BASED ANALYSIS



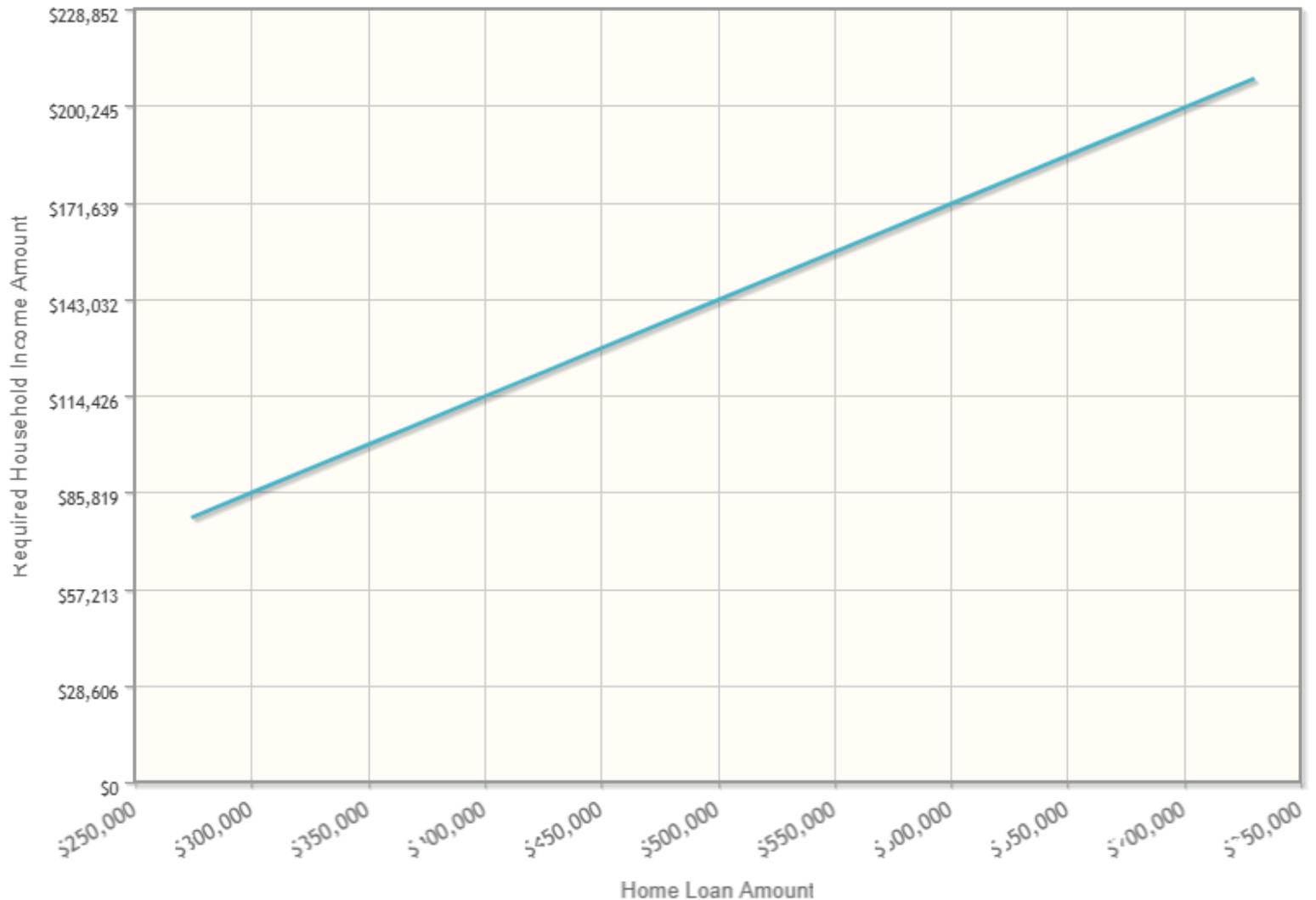
MAXIMUM MORTGAGE LOAN AMOUNT AS A PERCENTAGE OF HOUSEHOLD INCOME



Important Notes About This Chart

This chart is generated by the pre-tax household income amount and the cost of debt for a 30-year fully-amortized fixed-rate mortgage loan that was inputted into the Control Panel. These amounts were held constant in order to generate this chart.

REQUIRED HOUSEHOLD INCOME AMOUNT PER HOME LOAN AMOUNT



Important Notes About This Chart

This chart is generated by the original home loan amount that was inputted into the Control Panel. The home loan amount was increased incrementally by 5% in order to illustrate the relationship that should exist between a host of home loan amounts and their corresponding required household income amounts. The percentage of household income amount that the prospective homebuyer believes is largest amount of money that should be spent in order to repay the principal and interest costs of the mortgage loan was also taken into account, as well as the cost of debt for a 30-year fully-amortized fixed-rate mortgage loan. These two factors were taken from the data inputted into the Control Panel, and were held constant in order to generate this chart.

OUTPUT SUMMARY



ANALYTICAL FACTORS

FACTORS CONSIDERED TO CONDUCT THE RESIDENTIAL REAL ESTATE PROPERTY ANALYSIS

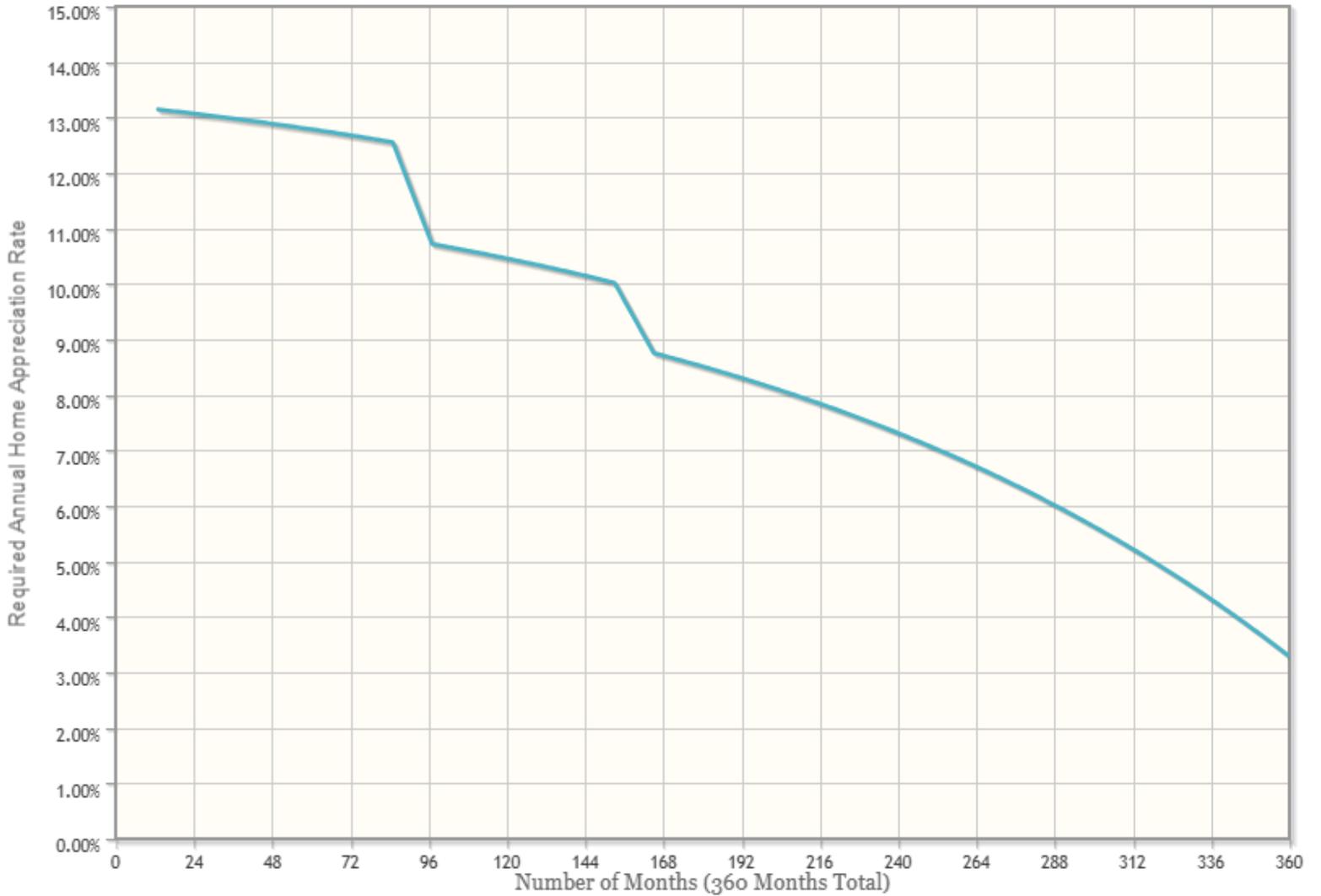
Mortgage Loan Factors	Analytical Factors	Monthly Terms	Home Ownership Cost Factors	Rate or Cost	Time Horizon*
Home Purchase Price	\$275,000		Maintenance Costs	1.00%	12
Down Payment Percentage	0.00%		Homeowners Insurance Costs	0.26%	12
Down Payment Amount	\$0		Private Mortgage Insurance	1.00%	12
Home Loan Amount	\$275,000		Transaction Costs	6.00%	7
Loan Interest Rate	7.00%	0.58%	Closing Costs	\$13,273	7
Term of Loan	30	360	Property Taxes	2.10%	12
Mortgage Payment Amount	\$21,955	\$1,830			
Federal Tax Standard Deduction Amount	\$24,000		*The factors for transaction costs and closing costs are expressed in years, whereas the factors for maintenance costs, homeowners insurance, private mortgage insurance, and property taxes are expressed in months.		
Federal Marginal Income Tax Rate	22.00%				

EXPENSE-BASED ANALYSIS RESULTS

HOME OWNERSHIP COSTS DERIVED FROM THE EXPENSE-BASED ANALYSIS

Residential Mortgage Loan Amortization Summary	Cumulative Total	Total Home Ownership Costs	Cumulative Total	Cumulative Costs
Principal Paid Over 30 Years (Home Loan Amount)	\$275,000	Maintenance Costs	\$82,500	Including Interest
Interest Paid Over 30 Years	\$383,649	Homeowners Insurance Costs	\$21,450	Expense, Home
Total Mortgage Loan Cost	\$658,649	Private Mortgage Insurance	\$34,833	Ownership Costs,
Tax Shield Benefits	Cumulative Total	Transaction Costs	\$16,500	and Tax
Interest Tax Shield	\$0	Closing Costs	\$13,273	Shield Benefits
Property Tax Shield	\$0	Property Taxes	\$173,250	\$725,456

EXPENSE-BASED ANALYSIS RESULTS



EXPENSE-BASED ANALYSIS RESULTS

SUMMARY OF THE EXPENSE-BASED ANALYSIS RESULTS

Based on the cost factors incorporated into the analysis, the chart above illustrates how much the home would need to appreciate in value each year in order to offset the seven costs associated with owning the home. As a general guideline, a conservative-risk prospective home buyer should only consider purchasing a residential real estate property when the annual required home appreciation rate is less than 3%. For a moderate-risk prospective home buyer, a rate of less than 7% may be appropriate. For an aggressive-risk prospective home buyer, a rate exceeding 7% may be appropriate. It is important to keep in mind that an assessment of these rates will be dictated greatly by the geographic locale in which the home is located, and should only serve as a general guideline when conducting the Expense-Based analysis.

In order to assist the prospective home buyer in determining if the required annual home appreciation rate is at a feasible level for a home that is located in the community, the prospective home buyer can visit the Federal Housing Finance Agency (FHFA) website, and review the House Price Index category. A listing of the 12-month historical home appreciation rates for the quarter-ending periods should be available to facilitate an analysis. The prospective home buyer can compare the information from the FHFA against the information in the chart above in order to determine the likelihood of the home appreciating at a rate that is required in order to offset the seven costs associated with owning the home.

When completing the Expense-Based analysis, it is important to note that if the required home appreciation rate exceeds the historical level for the community, there are a host of options that can be undertaken in order to reduce the breakeven rate for the home. First, the prospective home buyer can increase his down payment amount in order to reduce the required home appreciation rate. Second, the prospective home buyer can make a 20% down payment toward the purchase price of the home in order to eliminate the need to carry private mortgage insurance. Third, the prospective home buyer can handle the real estate transaction independently in order to eliminate the real estate commission amount that would be assessed by the real estate agent. Fourth, the prospective home buyer can find alternative parties to utilize in order to lower the closing costs of the home purchase transaction. By making these material changes to the home purchase strategy, the prospective home buyer will significantly lower the required home appreciation rate and increase the likelihood of making a more prudent home purchase decision.

FINANCE-BASED ANALYSIS RESULTS

HOME OWNERSHIP ASSUMPTIONS AND FACTORS DERIVED FROM THE FINANCE-BASED ANALYSIS

The prospective home buyer's home loan amount.	\$275,000
The prospective home buyer's annual household income amount.	\$55,136
The percentage of pre-tax household income that the prospective home buyer believes is the largest amount of money that should be spent in order to repay the principal and interest costs for the mortgage loan.	28.00%
The prevailing mortgage loan interest rate in the community for a 30-year fully-amortized fixed-rate mortgage loan.	7.00%
Based on the Finance-Based analysis, the following factor multiple corresponds with the relationship between the prospective home buyer's pre-tax household income level, the home price level, and the cost of debt for a 30-year fully-amortized fixed-rate mortgage loan.	3.507
The median home price level in the prospective home buyer's community.	\$275,000
The median household income level in the prospective home buyer's community.	\$55,136
Based on the median home price level for the community and the median household income level for the community, the following factor multiple was derived for the community by the Adkins Residential Home Valuation Analyzer. This factor multiple is used to determine if homes are underpriced, overpriced, or properly-priced in the community.	4.99

FINANCE-BASED ANALYSIS RESULTS

This calculation represents the largest amount of money that the prospective home buyer should consider borrowing in order to purchase the home.	\$193,372
This calculation represents the annual pre-tax household income amount that the prospective home buyer would need to earn on an annual basis in order to be able to afford to purchase the home.	\$78,411
The following conclusion represents the assessment of the price-level of homes in the community. This conclusion is based on the relationship between the median household income level for the community and the median home price level for the community, and takes into account the amount of pre-tax household income that the prospective home buyer believes is the largest amount of money that should be spent in order to repay the principal and interest costs for a mortgage loan, as well as the prevailing mortgage loan interest rate that is available in the community for a 30-year fully-amortized fixed-rate mortgage loan.	Homes are Overpriced in Your Community
This calculation represents the percentage of pre-tax household income amount that residents in the community would need to be willing and able to spend in order to justify the median home price level in the community. This justified percentage of household income amount, should be compared against the largest amount of pre-tax household income that the prospective home buyer believes should be spent in order to repay the principal and interest costs of a mortgage loan, in order to accurately evaluate the level of underpricing or overpricing of homes in the community. For more information about how to apply this analytical methodology, please watch our movie presentations.	40%
This calculation represents the mortgage loan interest rate for a 30-year fully-amortized fixed-rate mortgage loan that residents in the community would need to be willing and able to obtain in order to justify the median home price level for the community. This justified mortgage loan interest rate should be compared against the prevailing cost of debt for a 30-year fully-amortized fixed-rate mortgage loan in the community, in order to accurately evaluate the level of underpricing or overpricing of homes in the community. For more information about how to apply this analytical methodology, please watch our movie presentations.	3.85%

CONCLUSION



CONCLUSION

The Adkins Residential Home Valuation Analyzer is designed to provide prospective home buyers with a comprehensive, accurate, automated, user-friendly, and affordable residential real estate analysis. This analytical report provides prospective home buyers with the information that they need to use in order to accurately assess the level of underpricing or overpricing of homes in their community, as well as accurately assess the costs associated with owning a home.

It is recommended that prospective home buyers keep abreast of the local news in their community, as well as the national news in the U.S. in order to be aware of the events and trends that may have a material impact on their residential housing environment. In addition, prospective home buyers should watch the video presentations on the Adkins Capital Management website, and they should review The State Of The Nation's Housing report, which is produced by the Joint Center for Housing Studies of Harvard University.

In closing, prospective home buyers should remember that the Adkins Residential Home Valuation Analyzer is designed to analyze residential real estate property from a quantitative perspective. However, the decision to purchase a home is also based on a host of qualitative and emotional factors. With this in mind, we believe that prospective home buyers can use the analytical information in this Residential Real Estate Property Analysis report in order to make a prudent home purchase decision.