

Market Conditions Addendum Report - Calculations Defined

This document outlines how Market Conditions Report in Paragon calculates the various columns of data for the Fannie Mae Form 1004MC and Freddie Mac Form 71.

The Market Conditions Addendum Report in Paragon will calculate all of the data columns automatically based off of the search results. It will also filter out listings that according the 'Max List Date' identified to 12 months back. This means that if a listing in the search results only occurred outside these dates, it will not be included in the appropriate calculation.

Example 1: 'Max List Date' is set to July 1, 2009, therefore 12 months back would equal July 2, 2008. If a listing in the search results was sold on June 30, 2008, it would not appear in the report since it was sold (and therefore active) over 12 months back from the 'Max List Date' of July 1, 2009.

Example 2: 'Max List Date' is set to July 1, 2009, therefore 12 months back would equal July 2, 2008. The report was run on July 3, 2009. A listing appears in the search results, but was not sold until July 3, 2009 (after the 'Max List Date'). This listing would be used for calculating historical active data, but would not be included in the sold calculations since it was sold AFTER the 'Max List Date' of July 1, 2009 specified when the report was run.

The following is breakdown of the calculations used for each column and section:

Market Conditions Addendum Report (Fannie Mae Form 1004MC) (Freddie Mac Form 71)

Date Run: 7/2/2009

Base/List Date/Current: 7/2/2009

Inventory Analysis	Prior 7 - 12 Months	Prior 4 - 6 Months	Current - 3 Months
Total # of Comparable Sales (Settled) ¹	22	6	10
Absorption Rate (Total Sales/Months) ²	3.67	2	3.33
Total # of Comparable Active Listings ³	209	132	120
Months of Housing Supply (Total Listings/Ab.Rate) ⁴	57	66	36
Median Sale & ListPrice, DOM, Sale/List%	Prior 7 - 12 Months	Prior 4 - 6 Months	Current - 3 Months
Median Comparable Sale Price ⁵	\$1,112,500.00	\$1,100,000.00	\$1,124,063.00
Median Comparable Sales Days on Market ⁶	132	322	235
Median Comparable List Price ⁷	\$1,195,000.00	\$1,195,000.00	\$1,175,000.00
Median Comparable Listings Days on Market ⁸	261	235	194
Median Sale Price as % of List Price ⁹	92.75%	88.04%	94.66%

1. Total # of Comparable Sales (Settled)
 - **Current – 3 Months:** Off Market Date is \leq 'Base Date' **AND** \geq 'Base Date – 91'.
 - **Prior 4 – 6 Months:** Off Market Date is $<$ 'Base Date – 91' **AND** \geq 'Base Date – 183'
 - **Prior 7 – 12 Months:** Off Market Date is $<$ 'Base Date – 183' **AND** \geq 'Base Date – 365'.
2. Absorption Rate (Total Sales/Months)
 - **Current – 3 Months:** Total # of Sales calculated in #1 for 'Current – 3 Months' **DIVIDED BY** three.
 - **Prior 4 – 6 Months:** Total # of Sales calculated #1 for 'Prior 4 – 6 Months' **DIVIDED BY** three.
 - **Prior 7 – 12 Months:** Total # of Sales calculated in #1 for 'Prior 7 - 12 Months' **DIVIDED BY** six.
3. Total # Comparable Active Listings
 - **Current – 3 Months:** 'List Date' \leq 'Base Date' **AND** 'Off Market Date' is 'Null' **OR** \Rightarrow 'Base Date – 91'.
 - **Prior 4 – 6 Months:** 'List Date' $<$ 'Base Date – 91' **AND** 'Off Market Date' is 'Null' **OR** \Rightarrow 'Base Date – 183'.
 - **Prior 7 – 12 Months:** 'List Date' $<$ 'Base Date – 183' **AND** 'Off Market Date' is 'Null' **OR** \Rightarrow 'Base Date – 365'.
4. Months of Housing Supply (Total Listings/Ab. Rate)
 - **Current – 3 Months:** List Date \leq 'Base Date' **AND** Off Market Date is 'Null' **OR** \Rightarrow 'Base Date – 91' **DIVIDED BY** 'Absorption Rate' calculated in #2 for 'Current – 3 Months'.
 - **Prior 4 – 6 Months:** List Date $<$ 'Based Date - 91' **AND** Off Market Date is 'Null' **OR** \Rightarrow 'Based Date - 183' **DIVIDED BY** 'Absorption Rate' calculated in #2 for 'Prior 4 – 6 Months'.
 - **Prior 7 – 12 Months:** List Date $<$ 'Base Date - 183' **AND** Off Market Date is 'Null' **OR** \Rightarrow 'Base Date - 365' **DIVIDED BY** 'Absorption Rate' calculated in #2 for 'Prior 7 – 12 Months'.
5. Median Comparable Sale Price
 - **Current – 3 Months:** Closing Date is \leq 'Base Date' **AND** \Rightarrow 'Base Date – 91'. The listing with a 'Sold Price' that separates the listings with a higher 'Sold Price' from the listings with a lower 'Sold Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
 - **Prior 4 – 6 Months:** Closing Date is $<$ 'Based Date – 91' **AND** \Rightarrow 'Base Date – 183'. The listing with a 'Sold Price' that separates the listings with a higher 'Sold Price'

from the listings with a lower 'Sold Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

- **Prior 7 – 12 Months:** Closing Date is < 'Base Date – 183' **AND** => 'Base Date – 365'. The listing with a 'Sold Price' that separates the listings with a higher 'Sold Price' from the listings with a lower 'Sold Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

6. Median Comparable Sales Days on Market

- **Current – 3 Months:** Closing Date is =< 'Base Date' **AND** => 'Based Date – 91'. The listing with a 'DOM' that separates the listings with a higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
- **Prior 4 – 6 Months:** Closing Date is < 'Base Date – 91' **AND** => 'Based Date – 183'. The listing with a 'DOM' that separates the listings with a higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
- **Prior 7 – 12 Months:** Closing Date is < 'Base Date -183' **AND** => 'Base Date – 365'. The listing with a 'DOM' that separates the listings with a higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

7. Median Comparable List Price

- **Current – 3 Months:** Current – 3 Months: 'List Date' =< 'Base Date' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 91'. The listing with a 'List Price' that separates the listings with a higher 'List Price' from the listings with a lower 'List Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
- **Prior 4 – 6 Months:** 'List Date' < 'Base Date – 91' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 183'. The listing with a 'List Price' that separates the listings with a higher 'List Price' from the listings with a lower 'List Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
- **Prior 7 – 12 Months:** 'List Date' < 'Base Date – 183' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 365'. The listing with a 'List Price' that separates the listings with a higher 'List Price' from the listings with a lower 'List Price'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

8. Median Comparable Listings Days on Market

- **Current – 3 Months:** 'List Date' =< 'Base Date' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 91'. The listing with a 'DOM' that separates the listings with a

higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

- **Prior 4 – 6 Months:** 'List Date' < 'Base Date – 91' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 183'. The listing with a 'DOM' that separates the listings with a higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.
- **Prior 7 – 12 Months:** 'List Date' < 'Base Date – 183' **AND** 'Off Market Date' is 'Null' **OR** => 'Base Date – 365'. The listing with a 'DOM' that separates the listings with a higher 'DOM' from the listings with a lower 'DOM'. In the case of an even set of listings, the mean of the middle two listings becomes the median.

9. Median Sale Price as % of List Price

- **Current – 3 Months:** Median Comparable Sale Price for 'Current – 3 Month' calculated in **#5 DIVIDED BY** Median Comparable List Price of Solds calculated in **#5** for 'Current – 3 Month'.
- **Prior 4 – 6 Months:** Median Comparable Sale Price for 'Prior 4 – 6 Months' calculated in **#5 DIVIDED BY** Median Comparable List Price of Solds calculated in **#5** for 'Prior 4 – 6 Months'.
- **Prior 7 – 12 Months:** Median Comparable Sale Price for 'Prior 7 – 12 Months' calculated in **#5 DIVIDED BY** Median Comparable List Price of Solds calculated in **#5** 'Prior 7 – 12 Months'