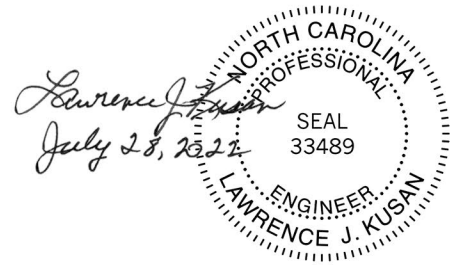


Date: July 28, 2022
To: Ashley and Michael Anderson, buyers
Copy: Holly Hicks, A Cole Real Estate Agent
Job ID: 22-Holly Hicks-001
Job Title: Response to Lender's questions
Job Location: 543 Duke Dr, Rougement, NC



IMPACT OF ROOM ADDITION TO VALUATION

- o At time of construction estimated well before 2014 based on close examination of materials used and finishes, construction of this approx 9'x14' conditioned living space, construction **met** the existing NC Residential Building Code.
- o Impact to Tax Valuation and value added to this updated property's resale value, this room addition added value to this home. It added 126sqft of valuable living area space, making it more marketable to family with children, and it allowed kitchen layout improvement at time addition was likely built.
- o Since room addition was on an existing deck, the foundation perimeter did not change, and based on my 50+ years in real estate services, today's increase to this property's valuation would be estimated to be 3.0% to 3.5%. It would be approx 4.5% increase if it had been built on a more expensive permanent foundation, though a permanent foundation does not improve living conditions.

On an aside, this Engineer has designed over 400 room additions in last dozen years that were built on existing or new decks to help homeowners keep construction costs down. And every one was readily accepted by their lenders, including FHA underwriters.