DESCRIPTION OF PROPOSED PHASE 6
Subdivision Description

A TYPICAL SUBDIVISION DEFINED

It is important to look at a subject subdivision in light of typical modern subdivision designs because they are good designs and designs that maximize a subdivision's profitability.

A typical subdivision in this market has a good design and location sufficient to be well-accepted by the market's lot buyers and home buyers.

Typical residential subdivisions in this market are usually either small projects of 15 to 20 lots or larger projects developed in separate phases of 30 to 50 lots per phase. The majority of subdivision phases contain 20 to 40 lots. Size is important for a number of reasons. The correct number of lots ideally combines the lower development costs achieved by greater *economies of scale* with the higher holding costs and market risk associated with a larger project. The smaller size decreases the risks associated with a potentially declining market and allows for more diversity in a particular investor's portfolio. In addition, since many subdivision developers in this market are relatively small, the smaller developments are more feasible.

SUBJECT SUBDIVISION, AS PROPOSED

Overall, Phase 6 has a good design and location sufficient to be well-accepted by the market. The design is good, logical and based on designs of typical modern subdivisions. The 36 marketable lots is a good size in quantity when considering the current and anticipated market dynamics.

LOTS

36 lots for detached single-family residential use

LOT CONFIGURATIONS AND SIZES

The size of the individual lots range from 6,000 sf to 11,101 sf, with an average of 7,498 sf. All of the lots are well-designed and marketable regarding size, configuration and immediate location, with the exception of two - Lot 14 and 22 have configurations were necessary because of the site's shape. However, these two lots are sufficiently marketable at a slightly lower price than the average of the others.