

Land Appreciation Analysis – Antelope Valley

Ace Capital Group analyzed the appreciation of land in the Antelope Valley according to the following methodology:

- Analyzed the period from 1994 – 2007.
- Evaluated data from MLS (Greater Antelope Valley Multiple Listing Service) sales records for all properties with APN's starting with "3". Used only actual sales data - discarded active, pending or expired listings.
- From 8,544 sale transactions, 665 valid repeat sales of property were found. Repeat sale means the property was sold at least twice in the period, once to establish value and start date and a second time to establish the increase/decrease in value and time period.
- Used geometric (compounding) averaging methodology.
- Parcels were held for various periods of time, normalized by comparing on appreciation per year basis.
- Each sale given equal weight in percentage increase averaging – not adjusted for size, land value or number of times land was sold in period.

Exclusions:

- Property held less than 1-year – unrealistically high mathematical rates of return.
- Subdivision sales – could not verify how many parcels were divided and sold from original parcel APN.
- Errors within MLS – called brokers to verify when obvious aberrations were encountered (Example: land sold for \$1).
- Multiple parcel transactions - Occurrences where multiple parcels in close proximity were purchased by an individual at markedly different prices (usually for tax reasons) were excluded.

Results :

Antelope Valley - all land

Average property annual appreciation rate = 54%.

Median property annual appreciation rate = 41%.

Antelope Valley land - deleting top and bottom 10% of properties:

Average property annual appreciation rate = 45%.

Antelope Valley land – less assumed commissions on sales*

Average property annual appreciation rate = 50%.

Median property annual appreciation rate = 38%.

Antelope Valley land – less assumed commissions and deleting top/bottom 10%*

Average property annual appreciation rate = 42%.

* Commissions vary by individual sale; a commission rate of 6% was used for this analysis.

The results presented above have been reviewed by an independent CPA. Specifics of the CPA's report are available on the www.ace4wealth.com website or by request to Ace Capital Group. Past performance is not a guarantee of future results and Ace makes no projection as to the magnitude of future land price changes in Antelope Valley.