

Building Committee Report

November 20, 2011

Agenda

- Recap of the original plans
- Current status
- Timeline for immediate plans
- Status of the current parsonage
- Things to consider from the congregation

Estimated Profits from Selling the Land

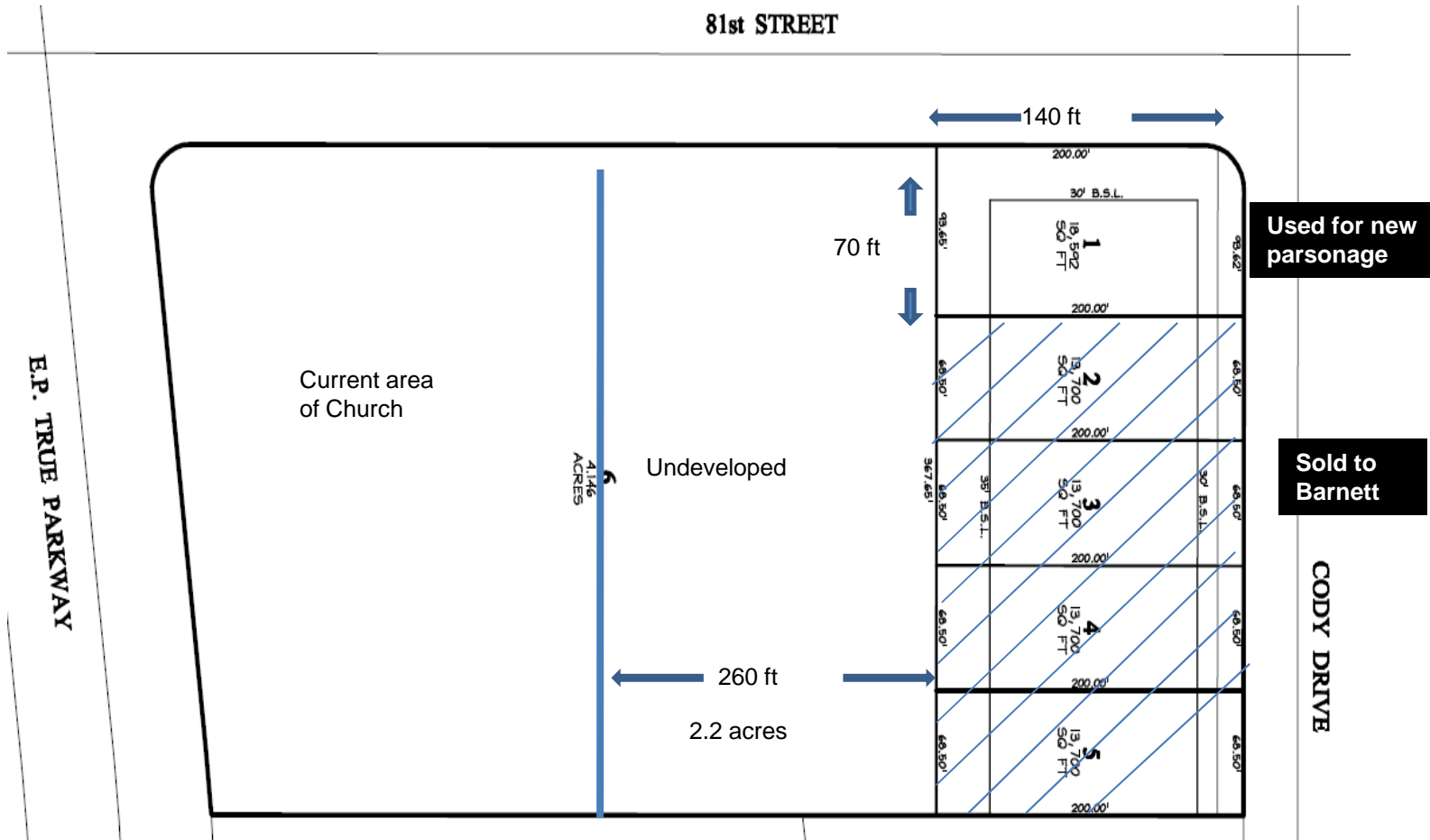
- Barnett has proposed to send a check for \$80,000 for the four lots.
- We have discussed a contract that Barnett would develop all of the lots as ready to build on, including the 5th lot that the new parsonage would be built on.
- This would alleviate the church from having to put up money for developing the proposed lot for a new parsonage.

Congregational Approved Plans for Building a New Parsonage

- Plat around 1 square acre of church land into 5 lots
- Sell 4 of the lots at \$20,000 each (\$80,000 total) with the terms including that Barnett would develop our lot so it is ready-to-build.
- Begin looking to prepare the old parsonage for sale.
- Identify the plans for a comparable sized house on the current Church property
- Result with at least \$50,000 in a separate bank account so the money is not included in the general fund.

Category	Money In/Out	Proceeds
Selling the Church property	In	\$80,000
Selling the old parsonage	In	\$170,000
Building a new parsonage	Out	Ca. \$170 - 190,000
Final money	In	\$50 – 80,000

Current Status



1. Re-platted the ~ 1 square acre into 5 lots.
2. Sold 4 of the lots to Barnett for \$20,000 per lot (total of \$80,000). What is the account and where is it at (CEF account information?)
3. 5th lot is held by Church as the site for the new parsonage.
4. Terms of the land sale to Barnett is that they will develop our lot when we are ready to build (utilities)

Specifics on the New Parsonage

- Timeline for building new parsonage (attach table into Appendix)
 - Finalize floor plan selection by 11/30/11
 - Get plan drawn by 12/30/11
 - Redline plan by 1/15/12
 - Go out for bids 1/30/12
 - Select contractors by 2/28/12
 - Look to begin building by 4/1/12
- Estimated costs (attach table into Appendix)
 - \$183,437 assuming no work done by congregation
 - \$3,200 or more savings from sweat equity by congregation (see appendix)

Current Parsonage

- Total living area
 - 1869 square ft
- Number of floors
 - 2 floors and basement
- Garage
 - 2 bays
- Specifics
 - 3 bedrooms
 - Finished basement
 - No master bedroom on main level

Proposed Parsonage

- Total living area
 - 1973 square ft
- Number of floors
 - 2 floors and basement
- Garage
 - 2 bays
- Specifics
 - 4 bedrooms
 - Has basement, will look at costs to finishing basement immediately or in time
 - Master bedroom on main level

Specifics on the Old Parsonage

- Working with the same realtor (Adam Coyle) as in Oct. 2009.
- Comparative listing prices between Oct. 2009 and Nov. 2011
 - Oct. 2009 listing details: \$180,000 to \$189,000 (comps were ~ \$199,000)
 - Nov. 2011 listing details: \$179,900 to \$192,200 (comps are ~ \$192,000)
- Thoughts to consider prior to listing from Adam
 - Suggested price adjustments
 - Busy street hurts price (nothing we can do about that)
 - Replace carpeting or offer allowance if needed by buyer
 - Upgraded sinks, tubs, faucets/shower heads
 - New light fixtures
 - Interior painting
 - Staging
- Timeline of possible listing – Decisions that need to be made
 - List in April at the busiest time of the home buying season – house would average 30-90 days on the market.
 - Run the risk of selling early – but still have 30 days minimum at closing
 - If the new parsonage is started at the end of March/first of April looking at 4 months till move in, which would put us having to move out around August.
 - List in July when new parsonage is completed and old parsonage is vacated.
 - No risk of having to move Pastor and his family twice and no extra relocation costs
 - Vacated parsonage enables more efficient staging and fixing up prior to listing
 - Even in July, housing market is still active.

Where are We at Today

Category	Money In/Out	Proceeds
Selling the Church property	In	\$80,000
Selling the old parsonage	In	\$175,000 to 185,000
Realty Costs	Out	\$12,500 to 12,950 (7% of sale price)
Staging costs (carpet, sinks, paint, etc.)	Out	\$1000 to 5000
Building a new parsonage	Out	Ca. \$170 - 190,000
Final money	In	\$50 – 80,000

Thoughts at This Point

- Current parsonage sales price and resulting proceeds may be a little less than estimated in 2009 due to market drop.
 - Is the timeframe of pulling comps accurate for now, but not in the spring which has the highest selling rate?
 - Any chance the market comes back at the end of next year? The home prices are trending up based on year-on-year numbers. Do we put off on listing the current parsonage until July-August?
- How would the \$5,000 to 10,000 difference in proceeds from the current parsonage be handled?
 - Is the top priority to keep the newly created building fund as high as possible for future projects?
 - If so, this will require some additional considerations for the new parsonage – unfinished lower level to start off with, more sweat equity, reduce floor plan?
 - Appendix contains slide with local housing sizes -
- Do we reduce the amount of prepping work done on the current parsonage and go AS IS?

Appendix

From the package Adam put together last week.

Estimated Sale Price:	\$185,000	
1st Mortgage Balance:		
2nd Mortgage Balance:		Buyer's Downpayment:
Total Seller's Mortgage:		Buyer's Total Mortgage:
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<u>Seller's Expenses</u>	Figures are estimates only, not a guarantee, and are subject to change.	
Current Taxes (Full or Half Year):		
Prorated Taxes from 7-1-____ to ____:		
Abstracting: + \$550		\$550
Revenue Stamps on \$ 185,000 x \$1.60 per \$1,000:		
Special Assessments:		
Discount Points _____ on \$ _____:		
Buyers Loan Costs (optional):		
Termite Inspection: + \$100		\$100
Recording Fees/Other Legal Fees and Deed Preparation: + \$100		\$100
Brokers Administrative Commission: + \$119		\$119
Home Warranty Plan: + \$390		\$390
Property Settlement Fee: + \$255		\$255
Realtor Services:: 7.00% of Sell Price		\$12,950
Other Expenses:		
Total Estimated Seller Expenses:		\$14,464
Estimated Sale Price:		\$185,000
Less Estimated Seller Expenses:		\$14,464
Less Sellers Mortgage:		
Estimated Net Proceeds:		\$170,536

Why Sell the Current Parsonage?

- The original plan was to have the parsonage close to the church, but the building of the church has changed.
- Looking to expand presence in the neighborhood to grow the church
- Cost of maintaining the current parsonage needs to be addressed.
 - Roof, siding, heating/AC unit, windows are all original (16 yrs old) replacing? Expenses would cost ca. \$20-30,000
 - Utility costs would be greatly reduced for monthly savings

Comparative Analysis of Similar Homes to the Current Parsonage

- Selling it “as is” with a realtor.
 - Realtor comps estimates proceeds ca. \$170,000
- Staging it and then selling it
 - Realtor comps estimates proceeds ca. \$180,000
- Working out a deal with Barnett to sell the parsonage to them w/out fixing it up.
 - Estimate price of a similar home on the current church land ca.\$170,000

Summary

- Goal is to reach Phase 2 and 3 for the church development – having \$50-80,000 in hand would expedite development
- Working with Barnett would dramatically reduce financial risk for the church while moving towards Phase 2 and 3
- No money will be put up by the church
- Potential to move the parsonage on site and increase presence in neighborhood
- Reduce upkeep costs on current parsonage over the next 5 yrs
- First time home buyers/new home buyers tax credit incentives
- Proceeds from selling current parsonage should cover most of the expenses of a new parsonage – should reduce cost

Comparables for Selling the Parsonage – As Is (2009)

Comparative Market Analysis Summary

Currently On The Market

ADDRESS	STYLE	BEDS	FBTHS	PBTHS	HBTHS	SQFT	LIST PRICE
4920 Hawthorne Dr	2sty	3	2	0	1	1769	\$199,900
4739 Wistful Vista Dr	2sty	3	2	0	1	1802	\$199,900
5111 Coachlight Dr	2sty	3	1	1	1	1909	\$207,900
5018 Raintree Dr	2sty	3	1	1	1	1755	\$210,000

Average of 4 Properties: \$204,425 Min: \$199,900 Max: \$210,000 Median: \$203,900

Recently Sold

ADDRESS	STYLE	BEDS	FBTHS	PBTHS	HBTHS	SQFT	SOLD PRICE
5601 Westridge Court	2sty	3	2	0	1	1779	\$179,000
5076 Coachlight Dr	2sty	3	2	0	1	1844	\$206,900
4552 Coachlight Dr	2sty	4	1	1	1	1978	\$210,000

Average of 3 Properties: \$198,633 Min: \$179,000 Max: \$210,000 Median: \$206,900

**Analysis of the comparable properties
suggests a list price range of:**

\$180,100 to \$189,900

Neighboring Houses Specs

#	Location	List Price	Style	Beds	Baths	Sq Ft	Basement Sq Ft	Total	Lot (acre)	Lot (Sq Ft)
1	7620 Escalade Ct	\$318,500	Ranch	4	2.25	1570	1570	3140	0.25	10,735
2	816 80 th St	\$314,900	2 St (new)	4	2.5	2330	1185	3515	0.21	9,513
3	7111 Cody Cr.	\$314,500	2 ST (new)	4	2.5	2330	1185	3515	0.19	8,276
4	7695 Escalade CT	\$284,990	Ranch	3	2.5	1570	1570	3140	0.19	8,276
5	7741 Pommel Pl	\$275,000	1.5 ST	5	3.5	2108	1400	3508	0.24	10,454
6	7182 Cody Dr.	\$265,000	Ranch	3	2.25	1364	1364	2728	0.13	5,662
7	532 78 th St	\$274,900	2 ST	4	3.25	2440	1080	3520	0.22	9,583
8	8354 Boulder Dr	\$259,900	Ranch	2	2.25	1609	1134	2743	0.21	9,147
9	726 82 nd St	\$176,900	2 ST	3	2.5	1456	728	2184	0.32	13,935
10	8231 Cody Cr.	\$175,900	1.5 St New	3	2.5	1430	680	2110	0.21	9,108