

How to Calculate Building Value as a Missing Variable

Acquisition Price is congruent to Total Value

Buyer

$$(\text{Cash Consideration}) + (\text{Assumed Loan}) = \mathbf{Acquisition\ Price}$$

Appraisal

$$(\text{As Is Value}) + (\text{Favorable Financing}) = \mathbf{Total\ Value}$$

$$(\text{Land Value}) + (\text{Building Value}) = \mathbf{Total\ Value}$$

Restated Appraisal

$$(\text{As Is Value}) + (\text{Favorable Financing}) = (\text{Land Value}) + (\text{Building Value})$$

Solving for Missing Variable

$$(\text{Building Value}) = (\text{As Is Value}) + (\text{Favorable Financing}) - (\text{Land Value})$$

Reconsolidation to Acquisition Price as **Acquisition Price** is congruent to **Total Value**

$$(\text{Cash Consideration}) + (\text{Assumed Loan}) = (\text{Land Value}) + (\text{Building Value})$$

Solving for Missing Variable

$$(\text{Building Value}) = (\text{Cash Consideration}) + (\text{Assumed Loan}) - (\text{Land Value})$$