

Market Value compared to Replacement Cost

Market Value



Home in Minneapolis
1,000 square feet

Sold for \$40,000

Cost \$80,000 to build

Replacement Cost



Home on Lake Minnetonka
1,000 square feet

Sold for \$340,000

Cost \$80,000 to build

Market Value-
What the house would sell
for on the open market.

Replacement Cost-
The final cost to build an
identical home new today.