

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioners:</p> <p>WILLIAM N. & MARIA R. HART,</p> <p>v.</p> <p>Respondent:</p> <p>ARAPAHOE COUNTY BOARD OF EQUALIZATION.</p>	<p>▲</p>
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Maria R. Hart Address: 6135 South Geneva Way Englewood, Colorado 80111-5439 Phone Number: (303) 793-0834</p>	<p>Docket Number: 39303</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on October 7, 2002, Karen E. Hart, Rebecca A. Hawkins and Debra A. Baumbach. Petitioners appeared pro se. Respondent was represented by George Rosenberg, Esq., Assistant County Attorney.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**Lot 13 Blk 1 Arapahoe Lake, 2nd Flg known as 6135 S Geneva Way
(Arapahoe County Schedule No. 2075-22-1-09-040)**

Petitioners are protesting the 2001 actual value of the subject property, a stucco ranch style home built in 1978. The subject consists of 2,552 square feet of living area, with a full basement comprised of 1,531 square feet of finish.

ISSUES:

Petitioners:

Petitioners contend that the subject has been overvalued. The comparable sales selected by the Respondent represent the higher end of the market and do not take into consideration all the factors in the area affecting the overall value.

Respondent:

Respondent contends that the subject property has been correctly valued based on the market comparison approach. The appraisal is well documented and supports the value conclusion.

FINDINGS OF FACT:

1. Ms. Maria Hart, Petitioner, presented the appeal on the Petitioners behalf.
2. Based on the market approach, Petitioners presented an indicated value of \$352,176.00 for the subject property.
3. Petitioners presented seven comparable sales of custom and semi-custom homes in the subject's direct subdivision. The Petitioners presented an additional six sales of tract homes and two lake front homes. The Petitioners used the time adjusted sales price and divided by the square footage to arrive at a price per square foot value.
4. Ms. Hart testified that she has lived in the "Arapahoe Lakes" subdivision for approximately twenty years and is very familiar with the area. The market area consists of custom and semi-custom homes along with tract homes built in the 1970's. The area also includes a park, lake and walkways. All of the lots in the area have been valued at \$100,000.00 with the exception of three lots. These lots back up to a main street and have been valued at \$90,000.00.
5. Ms. Hart testified the subject is an average quality semi-custom ranch style home located on an interior lot. The subject is located within near proximity to the elementary school with a higher degree of traffic. The subject is constructed of stucco and consists of approximately 2,552 square feet of living area with a full walkout basement consisting of approximately 1,531 square feet of finish.
6. Ms. Hart testified that the Respondent has valued the subject on a price per square foot basis higher than most of the homes in the area. The sales used by the Respondent are not comparable to the subject property and reflect higher values. The Respondent's comparable sales 2 and 3 have lake locations and sale 1 is located next to the park. Comparable sale 6 is a tract home and not very comparable. The adjustments made to the sales for lake location seem to be low and other adjustments appear to be high.

7. Under cross-examination Ms. Hart testified that the subject is considered to be a ranch style, semi-custom home, not a tract home. She obtained a list of sales in the subdivision and used time-adjusted sales as calculated by the Respondent. The adjusted sales price was divided by the square footage to derive a price per square foot. There were no other adjustments made to the sales for any differences in physical characteristics. The price per square foot value placed on the subject is higher than the majority of the homes in the area, with the exception of two lake front homes. The average in the area was calculated to be \$143.00 per square foot. The subject was calculated to be \$164.00 per square foot. The Respondent's sale 1 is a ranch style home, with a walkout basement located close to the park and was calculated at \$150.00 per square foot.

8. Upon questioning by the Board, Ms. Hart testified that the sales in Respondent's Exhibit #1 were also sales listed in her exhibits. She testified that she was familiar with Respondent's sale properties and she believed that the factual data regarding the physical characteristics of each sale was accurate.

9. Petitioner, Mr. William Hart, testified that he worked for the builder in the area for fifteen years and is very familiar with the overall building costs, lot premiums for location, and quality of construction. He believes that the adjustments made for some of the physical characteristics are excessive and the adjustments made for location is minimal. Adjustments for park location should be \$15,000.00 and the lake locations should be \$50,000.00. Respondent's sale 1 is the most similar to the subject. The subject property has been valued higher than most of the homes in the area, with the exception of the two lake front properties.

10. Petitioner is requesting a 2001 actual value of \$352,176.00 for the subject property.

11. The Respondent did not present a witness. Respondent's Exhibit #1 was offered and admitted into evidence without an objection by Petitioner. As there was no witness to testify as to the value conclusion listed in Respondent's Exhibit #1, the Board gave the exhibit consideration for the physical characteristics of the subject and the sale properties, but did not rely upon the value conclusion presented in the report.

12. Respondent called Ms. Hart as an adverse witness. Ms. Hart testified the sales located on the lake are smaller properties.

13. Respondent assigned an actual value of \$420,000.00 to the subject property for tax year 2001.

CONCLUSIONS:

1. Petitioners presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2001

2. The Board has carefully considered all evidence and testimony and agrees with the Petitioners that further consideration should be given to the value. The Board could give little weight to the Petitioners' comparable sales. No adjustments were made to any of the sales

for any differences in physical characteristics. The only adjustment made to the sales was for time trending calculated by the Respondent. Colorado State Statutes require that residential property be valued using the market comparison approach. The adjustments made to the sales are to be derived from market extraction, not actual cost estimates.

3. However, the Board was convinced by the Petitioners' testimony that the adjustments made to the comparable sales in the Respondent's exhibit are questionable. The Respondent's appraiser was not present to testify regarding her value conclusion. The Board agrees with the Petitioners that the adjustment for location next to the park and lake was minimal. The adjustments made to the sales for quality of construction and walkout basement appear to be aggressive. The Respondent's appraisal report only contained support for the time trending adjustment; no other support was included in the report for the basis of the other adjustments.

4. The Board agrees with the Petitioners that Respondent's sale 1 is the most similar to the subject in location, size, and other physical characteristics. There were minimal adjustments required on this sale and it best reflects the subject. The Board agrees a larger adjustment should be made for the location of the sales. The Board increased the location adjustment for park location to \$10,000.00 and the location on the lake to \$15,000.00. There was minimal weight placed on Respondent's sale 3, which is considered to be a tract home. The Board recognizes that adjustments were made to the comparable sales for all the differences in physical characteristics and all the differences were addressed. However, the Board was not convinced that all of the adjustments were supportable in the market. The Board was not convinced that the market reflects a higher adjustment for a walkout basement than a location on a lake. The adjustment made for quality of construction appears to be aggressive, with no market support for this high of an adjustment. The potential buyer in this area is going to consider the market area, schools and amenities reflective in this area. The adjustment made for quality of construction was reduced to \$10,000.00 and the adjustment for walkout basement was reduced to \$10,000.00.

5. The Board placed the most weight on Respondent's sale 1. Minimal weight was placed on the lake front sales and sale 4, which appears to be much larger than the subject. After the adjustments were made to the Respondent's sales, the value concluded was \$409,000.00.

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property to \$409,000.00.

The Arapahoe County Assessor is directed to change his records accordingly.

APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 15th day of November, 2002.

BOARD OF ASSESSMENT APPEALS

Karen E Hart

Karen E. Hart

Rebecca Hawkins

Rebecca Hawkins

Debra A. Baumbach

Debra A. Baumbach

This decision was put on the record

NOV 14 2002

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Mary J. Helfer
Mary J. Helfer

