

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioners:</p> <p>GLEN BERT AND DELORIS E. JONES,</p> <p>v.</p> <p>Respondent:</p> <p>TELLER COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioners:</p> <p>Name: Glen Bert & DeLoris E. Jones Address: P.O. Box 77 Penrose, CO 81240 Phone Number: (719) 372-3409 E-mail: Attorney Reg. No.:</p>	<p>Docket Number: 39362</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on January 9, 2002, Debra A. Baumbach, Steffen A. Brown, and Karen E. Hart, presiding. Petitioner, Ms. DeLoris E. Jones, appeared pro se via teleconference. Respondent was represented by Stephen Hess, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**CRIPPLE CREEK FREEMAN PL. ADD. BLK 23 LOTS 5-7
(Teller County Schedule No. M0028263)**

Petitioners are protesting the 2001 actual value of the subject property, a 1968 Century mobile home that is 12' x 62' in size, located in Cripple Creek on land owned by Petitioners. The land is valued under a separate schedule number and is not a part of this appeal.

ISSUES:

Petitioners:

Petitioners contend that Respondent's sales are not from Cripple Creek, are located on acreages that vary in size, and are not comparable to their property. Respondent improperly valued the utilities with the mobile home; they should be valued with the land. They purchased the subject property together with land, which was their primary consideration, not the mobile home.

Respondent:

Respondent contends that the subject property was correctly valued according to the market approach to value, utilizing sales of similar properties similarly situated that occurred during the appropriate base period.

FINDINGS OF FACT:

1. Ms. DeLoris E. Jones, Petitioner, presented the appeal on Petitioners' behalf.
2. Based on the market approach, Petitioners presented an indicated value of \$3,500.00 and \$7,000.00 for the subject property.
3. Petitioners presented four comparable sales, including the subject sale, ranging in sales price from \$15,000.00 to \$35,000.00 and in size from 420 to 780 square feet. No adjustments were made to the sales.
4. Ms. Jones testified that the subject property is a 1968 mobile home that is 12' x 62' in size. It cannot be placed on any other property located in Cripple Creek or Teller or Fremont Counties, as it is pre-1976 in age and cannot meet HUD requirements. She believes the subject value was established by comparison of newer mobile homes with 2" x 6" walls. The comparables are from areas that are not in or around Cripple Creek.
5. Ms. Jones submitted four properties that sold in Cripple Creek. They are all located in Cripple Creek except the sale located on Bennett, which is in a subdivision near but outside of Cripple Creek. Sale #1 is located just one block from her home. She believes that Sale #2 is not comparable to her property as it is older and has additions. Sale #4 is located on two acres and is located just outside of Cripple Creek.
6. Ms. Jones testified that Sale #3 is the subject property sale. The subject sale price was \$25,000.00 and included personal property such as the washer and dryer, refrigerator, dining room set, the propane tank, and 400 gallons of propane. She felt the sale price was high, but they were interested in the land more than the mobile home; the mobile home is in poor condition.

7. Ms. Jones testified that Teller County has a \$14,325.00 constant, which includes the utility charges for water, sewer, and electric services. These services would not go with the mobile home if moved and should be included in the land value.

8. Ms. Jones testified that she does not know how the county arrived at the figures in their 2001 Single-Wide Mobile Home model. These square footage costs are double what a mobile home should cost, according to her submitted for sale advertisements. The sales prices for new mobile homes are considerably lower than the price placed per square foot on mobile homes according to the county model.

9. In cross-examination, Ms. Jones testified that they purchased the subject property in November of 2000.

10. Upon questioning by the Board, Ms. Jones testified that the tires and wheels are still located under the property, and the tongue is still attached. They still have the mobile home title; it has not been purged. They fixed the water pipes after their purchase. They have not fixed the flooring and roof. They had been looking for a property for a year and took one month to close on this property.

11. Petitioners are requesting a 2001 actual value between \$3,500.00 and \$7,000.00 for the subject property.

12. Respondent's witness, Ms. Carol Pearce, Chief Data Analyst and a Certified General Appraiser with the Teller County Assessor's Office, presented an indicated value of \$31,913.00 for the subject property based on the market approach.

13. Respondent's witness presented five comparable sales ranging in sales price from \$55,000.00 to \$91,000.00 including both the land and mobile home values, and in size from 624 to 924 square feet. After adjustments were made, the sales ranged from \$27,673.00 to \$36,573.00 for the mobile home only. The land is not a part of this appeal.

14. Ms. Pearce testified that Colorado Revised Statutes require that mobile homes be valued on a market basis. Previously, they were valued on a cost adjusted basis not valued on a market basis, as there were not enough sales to allow a market analysis. From January 1, 1999 to June 30, 2000, there were 120 sales of mobile homes, 34 of which were sales of single-wide mobile homes.

15. Ms. Pearce testified that page 16 of Exhibit 1 is the definition of market value that was used to determine if a sale was in fact a fair market sale. If a portion of the definition is not met, they probably would not use the sale as it may not be an arm's-length transaction.

16. Ms. Pearce testified that she looked for sales of mobile homes without purged titles and of similar age, size, and condition as the subject. None of the comparables are located within the town of Cripple Creek. They value mobile homes using an improvement residual method. They take the sales price, minus the assessor's land value, and the residual is what is considered the sale amount attributed to the mobile home. The differences in location are accounted for in the land value.

17. Ms. Pearce testified that she adjusted the sales for differences in physical characteristics. The adjustments were arrived at through multiple regression, a statistical analysis tool. She explained how each adjustment was applied. The average sales price of the comparables was \$32,552.00, with a median sales price of \$31,854.00. She felt the subject property value was appropriate, as the mass appraisal value was supported by the individual sales ranges; it is the best value for consistency. The greatest portion of the difference in value between the subject and the comparables is mostly in the condition of the sale properties; she had difficulty locating mobile home sales that were in worn-out condition.

18. Ms. Pearce testified that she has considered the property condition; it was inspected at the time of sale. There was a roof leak and associated damage. She is familiar with the subject property sale circumstances. They did not consider the subject sale, as it occurred outside the base period. It was a sale to settle an estate, and they did not consider it to be an arm's-length transaction. The fact that a mobile home cannot be moved from a property does not affect her value conclusion.

19. Regarding the Petitioners' sales, Ms. Pearce testified that Petitioners' Sale #1 was disqualified because one of the co-listing agents purchased it for a rental after four days on the market and owner financing was involved. Petitioners' Sale #2 had owner financing, and the purchaser owned the adjacent property. The sold date on the warranty deed was November 30, 2000, outside the base year. Petitioners' Sale #4 had owner financing, which was a key factor for the buyers. There is a problem with the title, which has not yet been transferred. The size is not correct in the listing; it should be 672 square feet, not 762.

20. Under cross-examination, Ms. Pearce testified that the comparable land values were arrived at by using all unimproved vacant land sales. The sales were then adjusted for location characteristics. Vacant land is valued by either a site or acreage basis. Cripple Creek is valued on a site basis. Most of the sites are .07 acres; the subject site is larger than most. All of the comparables sites are valued on a location basis.

21. Regarding the subject property personal representative deed, her knowledge is due to historic information. She knows the owner passed away and that the personal representative lived out of state; usually these properties are motivated for sale.

22. Upon questioning by the Board, Ms. Pearce testified that there were over 800 land sales that occurred during the base year. The subject property land value is \$18,180.00. Ms. Pearce explained the derivation of the condition adjustment, which was applied according to square footage. She chose her sales according to both age and size. They analyzed all double-wide mobile homes and all single-wide mobile homes as separate groups for multiple regression analysis. Living area differences do not account for room or bathroom count differences, as the model did not produce a significant value contribution. Porches and decks were considered similar to "stick-builts", so they used a market indicated cost and used variations for quality differences.

23. All of the comparables have been field inspected; all Teller County mobile homes were inspected for inventory purposes. Comparable #1 is located nearer to Highway 24. Comparable #2 is located north of Divide in a remote area that is considered more desirable. Comparable #3 is located in Forest Glen, where there are water issues and properties sell for less. Comparable #5 has a purged title.

24. Respondent assigned an actual value of \$31,913.00 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 was convinced that attaching the value of utilities to the subject property mobile home was improper. Utility services such as electrical, well, and septic systems should be considered site improvements and as such should be included in the land value. For mobile home parks, Teller County recognizes these services as site improvements and they are valued with the land. Yet Respondent values these same utilities to the mobile home, not the land, when located outside a mobile home park. Similar to a mobile home park situation, the utility services would remain with the land if the subject property mobile home were removed. There was no dispute that the subject property title was not purged or that the subject mobile home could be moved at some date in the future. The Board removed the utility value from the Respondent's value conclusion, which indicated an improvement only value of \$20,713.00.

3. However, the Board was not convinced that Respondent's improvement residual valuation methodology was accurate. This methodology is completely dependent upon accurate land values in order to derive proper improvement values. Respondent presented no supporting documentation for the derivation of the assigned land values. In fact, Respondent's witness testified that the comparable sales' land values were based on vacant land sales used in the mass appraisal process. The use of these types of sales likely would not include inherent value consideration for site improvements, such as utility services, and would not reflect individual differences between the subject property land characteristics and the comparable sales' land characteristics, such as topography, land cover, views, etc. Therefore, the Board studied and adjusted the submitted sales from both parties and calculated adjusted sales prices based on the entire property sale, including land and mobile home.

4. The Board felt that Respondent's Sales #4 and #5 were not comparable to the subject. Sale #4 involved a land parcel that was nearly 10 acres in size with good tree cover. Sale #5 had an addition to the mobile home as well as a basement, making it more of a permanent type structure. The Board applied adjustments to the three remaining sales and arrived at an adjusted sales price range of \$42,360.00 to \$50,000.00, including both land and improvements.

5. The Board then applied Respondent's residual improvement methodology to the sales. Respondent's indicated improvement value calculated to a range of \$5,818.00 to \$23,311.00. The indicated value range per square foot was \$6.30 to \$27.65. The Board could put little weight on such a wide range of value. In addition, although no comparable sales map was included in Respondent's report, it was clear that none of the sales occurred in Cripple Creek and all appeared to have superior land characteristics, including larger sizes and tree cover. The Board also notes that Respondent's witness admitted that it was difficult to determine an improvement adjustment for the comparable sales, as she was unable to located sales involving mobile homes of similar poor condition.

6. The Board next applied adjustments to Petitioners' sales for differences in physical characteristics including building and land size. The resulting adjusted value range including land was \$23,888.00 to \$25,864.00, a fairly tight range of value. The Board also noted that all three sales occurred within a period of less than two months prior to the level of assessment date of June 30, 2000. All of these sales were located within or near Cripple Creek and were, therefore, considered very similar to the subject in location. The Board concluded that the total value for Petitioners' property including the land would be \$26,000.00.

7. The Board could not apply Respondent's residual improvement methodology to Petitioners' sales, as the assigned land values were unknown.

8. After careful consideration of all the testimony and evidence presented, the Board concluded that the 2001 actual value of Petitioners' property including the land should be \$26,000.00. Although the Board considers Respondent's land value methodology to be flawed, there was insufficient evidence to support any change to the Respondent's land value. Therefore, the Board concluded that the subject property mobile home value should be \$7,820.00 (the \$26,000.00 total value less the assigned land value of \$18,180.00).

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property mobile home to \$7,820.00.

The Teller 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 ~~28~~ day of February, 2002.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

Steffen A. Brown

Steffen A. Brown

Karen E. Hart

Karen E. Hart

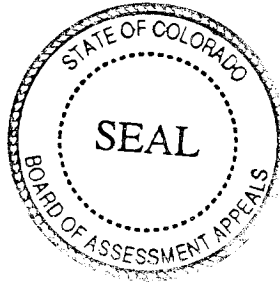
This decision was put on the record

FEB 20 2002

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

Diane Von Dollen

Diane Von Dollen



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