

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioners:</p> <p>GEORGE M. AND BEVERLY J. LEDERLE,</p> <p>v.</p> <p>Respondent:</p> <p>BOULDER COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioners:</p> <p>Name: George M. & Beverly J. Lederle Address: 169 Cordova Court Boulder, Colorado 80303 Phone Number: (303) 581-4393 E-mail: Attorney Reg. No.:</p>	<p>Docket Number: 39745</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on February 14, 2002, Judge Nuechter and Karen E. Hart presiding. Petitioner, George M. Lederle, appeared pro se via telephone conference. Respondent was represented by Robert R. Gunning, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**LOT 17 SPANISH HILLS
(Boulder County Schedule No. 0035941)**

Petitioners are protesting the 2001 actual value of the subject property, a one story average quality frame constructed single-family residence, built in 1971, and consisting of 1,824 square feet, located at 169 Cordova Court in unincorporated Boulder Colorado.

ISSUES:

Petitioners:

Petitioners contend that the subject property is the smallest and least desirable property in the subdivision. Respondent's comparables are not similar to the subject property. Petitioners have not received an adequate explanation from the Respondent as to why their requested value methodology is not acceptable.

Respondent:

Respondent contends that the subject property is located in the Spanish Hills development, which consists of very nice properties. The comparables used to value the subject are from the same subdivision as the subject and were adequately adjusted for differences in physical characteristics.

FINDINGS OF FACT:

1. Mr. George M. Lederle, Petitioner, presented the appeal on behalf of Petitioners via telephone conference.
2. Petitioners presented an indicated value of \$343,000.00 for the subject property, based on the previous valuation, time trended according to factors taken from the county assessor's web site.
3. Petitioners presented no comparable sales.
4. Mr. Lederle testified that the subject house is the smallest and most simple design in the subdivision. Respondent's comparables are of more complex designs with greater amenities. Respondent's Comparable Sale 2 is multiple stories and architecturally superior. Petitioners' house is an average quality and the comparables are good and very good quality, which require significant adjustments. There are other properties that have sold that would be better comparables.
5. Under cross-examination, Mr. Lederle testified that he located sales that occurred outside the appropriate time frame. He has not submitted any sales from either the subject property subdivision or neighboring subdivisions. He has a garage which is located at the back side of the house.
6. Petitioners are requesting a 2001 actual value of \$343,000.00 for the subject property.
7. Respondent's witness, Mr. Ken Larson, a Registered Appraiser with the Boulder County Assessor's Office, presented an indicated value of \$470,000.00 for the subject property based on the market approach.

8. Respondent's witness presented three comparable sales ranging in sales price from \$475,000.00 to \$589,000.00 and in size from 1,733 to 2,914 square feet. After adjustments were made, the sales ranged from \$440,654.00 to \$529,550.00.

9. Mr. Larson testified that he used the market approach to value the property. Colorado Revised Statutes do not allow a time trending of a previous base-year period value. The correct time period is January 1, 1999 through June 30, 2000.

10. Mr. Larson testified that he contacted the Petitioners regarding an inspection of the property but his call was not returned. He visited the property on January 22, 2002, but no one was home.

11. The subject subdivision is located east of Boulder. There is an average to good view of the front range. The subdivision is in an area of high appeal. He did not know until today that the subject property had a two-car garage. The subject is a lesser quality than the majority of homes in his area. The subject is an average quality; the bulk of the properties in the subdivision are good to very good quality.

12. Comparable Sale 1 is an adobe-style home. Comparable Sale 2 had remodeling after the sale, which resulted in an adjusted age of 1977. Comparable Sale 3 is a one-story home. These are the only sales that occurred in the subject property's area. The sales were adjusted for design, quality, land size, basement area, et cetera. Adjustments were made for the subject lacking a garage, which it was just learned today that the subject has a two-car garage. All of the sales were adjusted for time, based on sold property trends in the area.

13. Mr. Larson testified that all the comparables are located within ¼ mile of the subject property. Comparable Sale 1 is smaller, older, and has lesser basement area, but it is superior in other areas. He gave less weight to Comparable Sale 2 due to the remodeling. He considers Comparable Sale 3 to be most similar to the subject. He concluded to a value of \$470,000.00.

14. Respondent assigned an actual value of \$427,900.00 to the subject property for tax year 2001.

15. Respondent's witness, Ms. Lori Freedman, a Senior Residential Appraiser and Supervisor with the Boulder County Assessor's Office, testified that the sales comparison method is the required valuation method for residential properties. Sale prices are trended forward, not assessor's values. This does not allow for a factor to apply to existing values. The trend factors can only be applied to sale prices; previous assessor values may have been incorrect and would not represent actual market value.

16. The time trending factor was developed according to the entire economic area. This area would include several rural subdivisions, with a minimum of 30 sales. There was a very strong market during the 18-month period.

17. Ms. Freedman testified that she would have stayed within the subdivision for sales comparables. She would not have made some of the adjustments made by Mr. Larson, but her adjustments would have resulted in a higher value. She would not have made adjustments for land sizes. The overall adjustments for quality are standard.

18. Ms. Freedman testified that Comparable Sale 2 should not have had the negative \$20,000.00 age adjustment or used the square footage shown in Mr. Larson's adjustment grid as both the age and square footage were affected by the remodel, which occurred after the sale.

19. Upon questioning from the Board, Ms. Freedman testified that the economic area encompasses all of Boulder County that does not lie in a town or city, and also excludes the mountain area. The subject subdivision is somewhat unique and sales should be used only from it. If you choose sales from other subdivisions, you must make substantial location adjustments, which would result in a similar value. She suspects that Comparable Sale 2 was very similar to the subject property in characteristics prior to remodeling, but she does not have the data available to confirm this.

20. In rebuttal, Mr. Lederle testified that he still believes that his time trend analysis was correctly applied. It is a fundamental issue of average versus superior quality. The subject property is a small modest house with limited appeal due to the types of properties located in the subdivision. If the subject property were sold, the house would likely be removed and a different house would be built.

CONCLUSIONS:

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

2. Petitioners calculated their requested value by time trending the previous year's assigned taxable value. This methodology is not acceptable according to standard appraisal theory, and is also a violation of Colorado Revised Statutes. The value of the subject property must be determined using market sales from the appropriate time frame, and making adjustments for differences between the comparable sales and the subject property. Petitioners did not present any comparable sales but challenged the comparability of Respondent's sales. The Board reviewed Respondent's sales and adjustments and made the following findings:

3. The Board was not convinced that the time trending factor was correct. Respondent's witnesses testified that there were only three sales that occurred in the subject property subdivision. The time adjustment was developed using an economic area that encompasses all of Boulder County that does not lie in a town or city, and also excludes the mountain area. This very broad area would likely have many factors contributing to value that may or may not affect the subject property value. The Board finds that there was insufficient evidence presented to support Respondent's time adjustment.

4. The Board gave no weight to Respondent's Comparable Sale 2. This property was remodeled after the sale and the information used to compare the sale property to the subject property reflected the remodeling. As the Board had no information regarding the comparable property prior to remodeling or its condition at the time of sale, the Board could not consider this comparable.

5. The Board was convinced by Ms. Freedman's testimony that an adjustment for land size differences was not warranted. The Board also removed the garage adjustments, as Petitioner admitted that there was a garage located on the subject property. The Board reviewed Respondent's remaining adjustments and found them to be appropriate. The resulting adjusted sales prices were \$525,450.00 and \$427,350.00.

6. The Board was convinced by Petitioner that the value of the subject property should be near the lower end of the value range due to its simple design and quality. Therefore, the Board finds Mr. Larson's appraised value of \$470,000.00 to be too high.

7. However, after careful consideration of all the evidence and testimony presented, the Board takes notice that the County Board of Equalization's value is very similar to the lowest indicated sales price and therefore affirms the assigned value of \$427,900.00.

ORDER:

The petition is denied.

APPEAL:

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

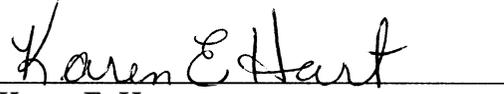
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 26th day of March, 2002.

BOARD OF ASSESSMENT APPEALS



Judee Nuechter



Karen E. Hart

This decision was put on the record

MAR 25 2002

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



Diane Von Dollen



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