

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioners:</p> <p>ROYCE D. AND SHERYL L. SMITH,</p> <p>v.</p> <p>Respondent:</p> <p>BOULDER COUNTY BOARD OF EQUALIZATION.</p>	<p>▲</p>
<p>Attorney or Party Without Attorney for the Petitioners:</p> <p>Name: Royce D. Smith Address: 2913 Bryn Mawr Place Longmont, Colorado 80503 Phone Number: (303) 823-2128 E-mail: Attorney Reg. No.:</p>	<p>Docket Number: 39894</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on February 15, 2002, Mark R. Linné and Judee Nuechter presiding. Petitioner, Royce D. Smith, appeared pro se. Respondent was represented by Robert R. Gunning, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**LOT 9 BLK 1 REYNOLDS
(Boulder County Schedule No. 0101020 01)**

Petitioners are protesting the 2001 actual value of the subject property, a residential dwelling located at 2913 Bryn Mawr Place, Longmont, Colorado. The dwelling is a good quality ranch-style built in 1991, containing 2,004 square feet. Additionally, the dwelling has a 2,004 square foot basement and a two-car garage.

ISSUES:

Petitioners:

Petitioners contend that their property has been valued too high for 2001 based on a market approach that was prepared by the Petitioners as a valuation review.

Respondent:

Respondent contends that the subject property has been properly valued using the market approach to value using similar properties that sold during the valuation period. The Respondent's appraisal used the same comparable sales as the Petitioner, with the differences contained in the adjustments used by the two parties.

FINDINGS OF FACT:

1. Mr. Royce Smith, Petitioner, presented the appeal on behalf of the Petitioners.
2. Based on the market approach, Petitioners presented an indicated value of \$289,600.00 for the subject property.
3. Petitioners presented three comparable sales ranging in sales price from \$319,000.00 to \$347,500.00, and in size from 2,161 to 2,694 square feet. After adjustments were made, the sales ranged from \$257,300.00 to \$287,300.00.
4. Mr. Smith testified that he has an oversized two-car garage, but only two autos will fit within the garage. Additionally, the finished basement is not finished as indicated by the Respondent, because he does not have a certificate of occupancy from the City of Longmont.
5. The Petitioners presented their valuation review and indicated that they agreed with the adjustments made by the Respondent. They did not feel that any consideration was given to their broken concrete driveway.
6. Time trending was discussed in regards to differences in cities within Boulder County and the City of Longmont. Mr. Smith testified that the time trending used by the Respondent was too high and perhaps a lower level of time trending would be more appropriate for his property. He testified that he used Multiple Listing Service data in establishing a time trend.
7. Mr. Smith testified that his dwelling has no vaulted ceilings and has inexpensive interior finish such as slab doors, vinyl flooring, and Formica countertops; whereas, the comparable sales presented in the valuation review had superior granite countertops, six panel doors, and ceramic tile flooring.

8. Mr. Smith testified that he used an adjustment of \$65.00 per square foot for the gross living area in his valuation, which was based on discussions with a contractor and is based on cost.

9. Petitioners presented an indicated value for the subject property of \$271,400.00 based on the market approach, which was an average of the indicated adjusted values. He testified that this is a lower value than what he is asking the Board to affirm for their property.

10. Based on questions from the Board, Mr. Smith testified that after his discussion with a contractor and based on current costs of construction, he deducted the land value from the cost of construction before he determined that \$65.00 a square foot was a reasonable adjustment. The basement costs were also based on current costs to finish a similar basement. The amenity adjustments were based on previous remodeling done by the Petitioners.

11. Petitioners are requesting a 2001 actual value of \$289,600.00 for the subject property.

12. Respondent's witness, Ms. Lisa Bryan, a Certified Residential Appraiser and Senior Residential Appraiser-Supervisor with the Boulder County Assessor's Office, presented an indicated value of \$334,500.00 for the subject property based on the market approach.

13. Respondent's witness presented three comparable sales ranging in sales price from \$319,000.00 to \$347,500.00 and in size from 2,161 to 2,695 square feet. After adjustments were made, the sales ranged from \$317,700.00 to \$351,000.00.

14. The witness testified that she believes the Petitioners have based their adjustments for differences in living area on costs and not on the market sales analysis that she used and which is more typical in the valuation process.

15. The Respondent's witness presented her appraisal report and discussed the adjustments made based on quality and amenity factors to each of the comparable sales. She indicated that she does not make adjustments for damage caused by shifts in driveway surfaces or for vaulted ceilings. She did consider the superior features of the comparable sales, including floor coverings, countertops, and quality of doors. Ms. Bryan applied adjustments of \$35.00 a square foot to the sales for differences in gross living area as compared to the subject property.

16. The witness testified that no land adjustment was made to Sale 2, although it is larger than the subject property. The Respondent would now reduce the land value of this sale for equity purposes in the amount of \$20,000.00, which would indicate an adjusted value of \$316,600.00 for this sale. She gave the most weight to Sales 1 and 2 in her report because they are of similar age and quality in comparison to the subject property.

17. The witness testified that she considers diminished or marginal utility for additional bathrooms above a certain base level, and that giving \$6,000.00 per bathroom for a fifth bathroom is too high, although it may be appropriate for a dwelling with one or two bathrooms.

18. Ms. Bryan presented her understanding of time trending as it is applied in the Assessor's office. She believes the Petitioners took an average from a time trending chart taken from the Multiple Listing Service data, which is incorrect for real property valuation purposes.

19. The Respondent assigned an actual value of \$334,500.00 to the subject property for tax year 2001, but is recommending a reduction in value to \$317,000.00.

CONCLUSIONS:

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

2. The Petitioners and the Respondent presented well-researched comparable data, with the primary differences relating to the adjustment factors that were applied in their reports.

3. Based on standard appraisal practices, the adjustments assigned to comparable sales in an appraisal report are based on market-derived data and not on costs.

4. The Board understands that the time adjustments used in both the Petitioners' report and the Respondent's appraisal were disputed by both parties. The time trending data presented by the Respondent is considered the most accurate based on actual data, as required by Colorado Revised Statutes, for the 2001 tax year. The Board cannot accept time trending based on raw Multiple Listing Service data since it cannot be verified as to its accuracy. It appears to the Board that this method was used by the Petitioner in determining the time trends used in valuing his property for this hearing.

5. The Board agrees that, although the Petitioners do not have a certificate of occupancy for the basement finish, the Respondent is correct in identifying the 260 square feet in the basement as finished area.

6. After careful consideration of all the presented evidence and testimony, the Board concluded that the 2001 actual value of the subject property should be reduced to Respondent's recommended value of \$317,000.00.

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property to \$317,000.00.

The Boulder County Assessor is directed to change her records accordingly.

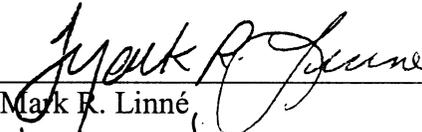
APPEAL:

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

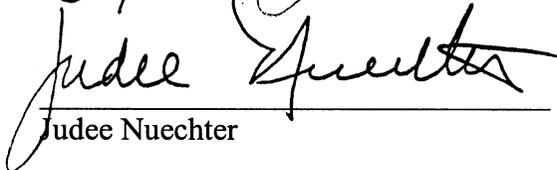
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 21st day of March, 2002.

BOARD OF ASSESSMENT APPEALS



Mark R. Linné

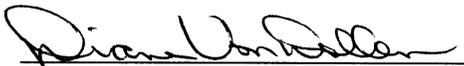


Judee Nuechter

This decision was put on the record

MAR 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



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