

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>BYRON WATSON,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>DENVER COUNTY BOARD OF EQUALIZATION.</b></p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Bryon Watson Address: 1450 Wynkoop #1I Denver, Colorado 80202 Phone Number: (303) 534-3397 E-mail: Attorney Reg. No.:</p>	<p><b>Docket Number: 39922</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on May 14, 2002, Karen E. Hart and Mark R. Linne presiding. Petitioner appeared on his own behalf. Respondent was represented by Charles T. Solomon, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**1450 Wynkoop Street #1I  
(Denver County Schedule No.: 02331-20-024-024)**

Petitioner is protesting the 2001 actual value of the subject property, a residential loft property located at 1450 Wynkoop Street, Unit 1I. The property consists of a total of 1,046 square feet with 1,099 square feet of finished area below grade, and is located on the lower level of the greater condominium building.

## **ISSUES:**

### **Petitioner:**

Petitioner contends that the Respondent has not properly considered the impact of locational factors in applying a value to his property. Additionally, the square footage of the property is incorrect, and the adjustments applied to the comparable sales are incorrect.

### **Respondent:**

Respondent contends that the subject property has been properly valued using the applicable approaches to value, and that the comparable sales considered in the Direct Sales Comparison analysis support the assigned valuation.

## **FINDINGS OF FACT:**

1. Mr. Byron Watson, Petitioner, presented the appeal on his own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$455,000.00 for the subject property.
3. The Petitioner testified that size, location, amenities, floor level, corner location, and number of parking spaces are all critical factors in the valuation of his property.
4. The Petitioner testified that there are factors that should have been considered that were not, and their consideration would lead to a different conclusion of value.
5. The Petitioner provided six comparable sales that were all situated within the building in which the subject is located. One of the comparable sales, Sale #6, was outside of the applicable period, and thus only five of the sales were determined to be applicable to the subject. The five applicable sales ranged in sales price from \$291,878.00 to \$621,992.00, and on a square footage basis, from \$223.00 to \$301.00 per square foot.
6. With respect to location, the Petitioner testified that his property is located in proximity to a well-known drug dealing location. The Petitioner testified that Rock Island, a bar that is adjacent to the subject building, provides an unsavory environment that has a significant impact. The owner of Rock Island reportedly commented before the Denver City Council that his property is a “den of iniquity”. This property impacts the subject, and was the reason that he paid \$340,000.00 for the property in 1998.
7. Under cross-examination, the Petitioner testified that he was not a licensed appraiser.

8. The Petitioner provided Exhibit B, which detailed the square footage of the subject property as measured by John R. Doherty of Doherty Appraisal Group. The measurements indicated an area for the lower level of 1,099 square feet; main level area of 971 square feet, and an upper level loft area of 75 square feet.

9. The Petitioner testified that an earlier appraisal completed in 2001 indicated a value of \$500,000.00. He felt that the comparable sales provided by the Respondent indicated a lower value, and for this reason, he did not enter the appraisal into evidence.

10. With respect to the adjustments he applied, the Petitioner testified that basement square footage has a lesser value than main level area. The factors that make a basement less desirable include less lighting and a perception from purchasers that a basement is more confining and dark.

11. The Petitioner testified that the adjustments that he made to the comparable sales for items such as corner location, private deck, and other features, were all based on his experience of having owned three loft units in the Lower Downtown neighborhood.

12. The Petitioner testified that he based his estimate of value for parking spaces on an internal auction to property owners within Edbrooke Lofts, in which a surplus unit sold for \$30,000.00. He was unaware of a sale of a parking space for \$22,500.00.

13. The witness agreed that other factors could also impact value, including bathrooms, and the configuration of a unit as a penthouse.

14. Petitioner is requesting a 2001 actual value of \$455,000.00 for the subject property.

15. Respondent's Witness, Vicky L. Freeman, Real Property Appraisal Specialist, and a Colorado Certified Residential Appraiser, presented an indicated value of \$525,000.00 for the subject property, based on the market approach.

16. The property was constructed in 1909, and was renovated in 1991. She has performed a physical inspection of the subject property, and felt that the subject was fairly typical for the project and the neighborhood.

17. Based on the information from the Petitioner's Exhibit B, Ms. Freeman adjusted the square footage of the subject to agree with the measurement from the Doherty appraisal of 2,145 square feet.

18. Respondent's witness presented six comparable sales ranging in sales price from \$249,000.00 to \$612,000.00 and in size from 1,310 to 1,874 square feet. After adjustments were made, the sales ranged from \$365,980.00 to \$574,976.00.

19. The witness testified that all of the adjustments she applied were based on the aggregate group of sales that occurred in the Lower Downtown market, and her analysis of market factors.

20. Ms. Freeman testified that her adjustment factors for parking were based on a sale that occurred within the subject building at \$22,500.00 in January 2000. The use of sales within the subject property, in her opinion, is the most appropriate method of adjusting for differences in number of parking spaces.

21. The witness testified that the impact of the adjacent Rock Island bar has been considered by the market in the sales prices ultimately achieved by units within the subject building.

22. In her analysis, Ms. Freeman testified that the fact that no size adjustments were made by the Petitioner is inappropriate, and has an impact on the final value conclusion.

23. Under cross-examination, Ms. Freeman testified that the impact of the adjacent bar will impact all of the units and would have a similar economic influence.

24. Ms. Freeman testified that she has utilized the Petitioner's submitted information in arriving at a final size for the subject. The witness was unaware of the clearance of the loft area, in that she did not inspect this area during her physical inspection.

25. In response to questions from the Board, Ms. Freeman testified that based on the wall height indicated by the Petitioner for the upper level loft area, she would not include it as living area, and the value should be adjusted accordingly.

26. Respondent assigned an actual value of \$531,500.00 to the subject property for tax year 2001, but is recommending a reduction in value to \$525,000.00.

## **CONCLUSIONS:**

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

2. The adjustments presented by the Respondent were ultimately more credible than those presented by the Petitioner. It is clear that both parties endeavored to provide comparable sales with appropriate locational and physical characteristics.

3. The Board agrees with the Respondent that the impact of the adjacent bar has been considered in all of the comparable sales submitted by both parties, and that no further consideration can be given, based on the market evidence.

4. The Board notes that the upper level loft area, included in the square footage of the property for valuation purposes, has limited clearance, and should not be accorded the same weighting as the square footage on the lower levels. An adjustment for this factor is appropriate.

5. The Respondent indicated a reduction in value to \$525,000.00 from the current assigned value of \$531,500.00, based on the results of the Respondent's appraisal. The Board believes that an additional reduction to account for the upper level loft area is appropriate.

6. The Board concludes that the 2001 actual value of the subject property should be reduced to \$515,000.00.

**ORDER:**

Respondent is ordered to reduce the 2001 actual value of the subject property to \$515,000.00, with \$39,300.00 allocated to land and \$475,700.00 allocated to improvements.

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

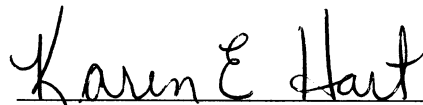
**APPEAL:**

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 30<sup>th</sup> day of May, 2002.

**BOARD OF ASSESSMENT APPEALS**

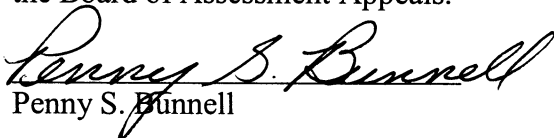
  
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Karen E. Hart

  
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Mark R. Linné

This decision was put on the record

MAY 29 2002

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

  
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Penny S. Bunnell

