

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>SHARON A. GRIMM,</p> <p>v.</p> <p>Respondent:</p> <p>LARIMER COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Sharon A. Grimm Address: 5705 Jordan Drive Loveland, Colorado 80537 Phone Number: (970) 669-5467</p>	<p>Docket Number: 41309</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on August 11, 2004, Debra Baumbach and Rebecca Hawkins presiding. Petitioner appeared pro se. Respondent was represented by Jeannine S. Haag, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**5705 Jordon Drive, Loveland, Colorado
(Larimer County Schedule No. R1175238)**

Petitioner is protesting the 2003 actual value of the subject property, a split-level residence built in 1972. It has 2,952 square feet, a basement of 984 square feet, a two-car garage, and a site consisting of approximately 3.4 acres.

ISSUES:

Petitioner:

Petitioner contends that the subject property has been overvalued. Respondent's sales were not the best available for comparison to the subject property. The Respondent did not consider the subject's structural deficiencies.

Respondent:

Respondent contends that the subject property has been properly valued using the market approach. The comparable sales used are similar to the subject as they are in a rural setting with additional land.

FINDINGS OF FACT:

1. Ms. Sharon Grimm, Petitioner, presented the appeal on her own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$380,000.00 for the subject property.
3. Petitioner presented two comparable sales ranging in sales price from \$259,900.00 to \$325,900.00 and in size from 2,371 to 2,702 square feet. No adjustments were made to the sales.
4. Ms. Grimm testified that the initial value assigned to the subject property for tax year 2003 was \$480,400.00. After appealing to the Larimer County Assessor, the value was reduced to \$413,000.00. On appeal to the Larimer County Board of Equalization, the value was reduced to \$400,000.00, which she felt was still too high. When she received the tax bill showing an assigned value of \$387,400.00 she assumed that the value had been further reduced. After investigation, Ms. Grimm learned that the bill showing the value at \$387,400.00 was erroneous.
5. Petitioner testified that few properties similar to the subject sold during the base period. Petitioner's Exhibit A contains two sales; Comparable Sale 1 is a split-level style, similar in square footage and quality. It is seven years newer than the subject, does not have any outbuildings, and has a side load two-car garage. The site is substantially smaller than the subject property. Petitioner's Comparable Sale 2 is a split-level style that is similar to the subject in quality of construction. It is located close to the subject and has a golf course view similar to the lake view of the subject. Sale 2 is not as comparable as Petitioner's Sale 1 as it is 15 years newer, substantially smaller in square footage and is located on a smaller site. No adjustments were made to Petitioner's comparable sales.
6. Ms. Grimm testified that the Respondent disregarded the subject's structural deficiencies. After moving into the property, the Grimms noticed doors sticking or swinging open, unlevelled floors, poor drainage in the yard and poor downspout placement. An engineer's report dated July 1992, included in Petitioner's Exhibit A, details the subject's structural deficiencies and

provides recommendations for repairs. Replacing all of the framing is the most costly repair, as the walls rest on the slab foundation. She is not considering this recommendation due to the expense and invasive nature of this repair. All exterior recommendations have been completed, including cosmetic repair to the cracks in the exterior brick walls. Foundation movement continues to cause exterior masonry cracks. Additional movement has also occurred in the interior walls. This movement and subsequent cracking causes further devaluation of the property.

7. Under cross-examination, Ms. Grimm explained that she made no adjustments to her comparable sales because she did not have the knowledge to do so. Per the instructions on the appraisal sheet, she left the adjustment area blank. Ms. Grimm explained that when she purchased the subject property, no evidence of most of the problems was visible. She did see cracks in the exterior brick but had no idea there was a drainage problem until she moved in. When she observed movement inside the dwelling, she contacted an engineer. The engineer reported serious problems with movement. The suggestions for repair were not simple; they were extensive and intrusive. The estimate of \$20,000.00 for repairs came from consultations with the engineer. Ms. Grimm mentioned the structural problems to the Assessor's office during the first stage of the appeal process. She does not remember asking the appraiser to inspect the interior of the home but explained that the problems can be seen from the exterior.

8. Upon questions from the Board, Ms. Grimm testified that the golf course view of Petitioner's Comparable Sale 2 is very comparable to the view of the subject. If she were to adjust the sales, she would adjust for differences in land size based on the assessed land values.

9. Petitioner is requesting a 2003 actual value of \$380,000.00 for the subject property.

10. Respondent's witness, Ms. Lindsay A. Kuntz, a Licensed Appraiser with the Larimer County Assessor's Office, presented an indicated value of \$415,000.00 for the subject property based on the market approach.

11. Ms. Kuntz presented three comparable sales ranging in sales price from \$319,900.00 to \$399,500.00 and in size from 2,400 to 2,532 square feet. After adjustments were made, the sales ranged from \$400,265.00 to \$427,432.00.

12. Ms. Kuntz testified that the subject property has the largest site and is the oldest home in the subdivision. Construction quality and condition are good and the property shows good maintenance. No major drainage issues or structural problems were observed during her inspection. Positive features of the property include vinyl siding, view to the northeast of the lake, the deck, and equipment building.

13. Ms. Kuntz testified that no similar sales were available within the subject subdivision. Most of the sales that occurred within the subject subdivision were homes built after 1995. These homes ranged in price from \$380,000.00 to \$650,000.00. She had to broaden the search to find larger homes located on bigger sites. The sales shown in Respondent's Exhibit 1 are similar to the subject in rural setting and have larger than typical sites. Ms. Kuntz indicated that all of Respondent's comparable sales have nice views, but none have lake views. Comparable Sale 1 has less square footage than the subject, is slightly newer and has an equipment building. Ms. Kuntz

testified that Comparable Sale 2 is the best comparable. It is similar to the subject in year of construction and design, and it has an equipment building. The dwelling is smaller than the subject and does not have a basement. Comparable Sale 3 is located near Comparable Sale 2. It is smaller in square footage and site size and does not have an equipment building.

14. Ms. Kuntz testified that she used the Marshall and Swift Cost Service manual to determine adjustments for the equipment building. She applied a positive time adjustment of 0.5% per month due to an increasing market.

15. Petitioner did not mention the structural and drainage problems during Ms. Kuntz's on-site inspection. She does not remember seeing any damage at that time. Ms. Kuntz became aware of the issues when she read the engineer's report. She testified that she does not have the adequate background to observe drainage problems. Just because she did not see any problems during her inspection does not mean they did not exist.

16. Ms. Kuntz applied Petitioner's figure for cost to repair of \$20,000.00 to the comparables. After the \$20,000.00 adjustment, the indicated values of Respondent's comparable sales ranged from \$380,265.00 to \$407,432.00.

17. Ms. Kuntz testified that Petitioner's comparable sales are located within the city of Loveland, which is not comparable to the rural location of the subject property. Other differences in Petitioner's sales include neighborhood, land size, views, and access. Ms. Kuntz attempted to grid Petitioner's comparable sales; however, a land study would be required to adjust for the differences in land size. After applying adjustments for differences in land value, location, square footage, basement size and the equipment building, the Petitioner's sales ranged from \$388,400.00 to \$430,600.00. Ms. Kuntz did not feel comfortable using Petitioner's comparable sales, as the net adjustments were \$83,000.00 on Comparable Sale 1 and \$100,000.00 on Comparable Sale 2.

18. Respondent assigned an actual value of \$400,000.00 to the subject property for tax year 2003.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2003.

2. While both parties raised issues with respect to the appropriateness and suitability of the comparable sales presented, the Board was ultimately persuaded by Respondent's comparable sales. Respondent presented three sales that are similar to the subject property in rural appeal and land size. However, the Board was convinced by Petitioner's evidence and testimony that further consideration should be given to the adverse affects of the structural and drainage problems.

3. The Board was convinced the subject property suffers from structural and drainage problems that would negatively affect the market value of the subject property. In making its determination, the Board gave credence to the engineer's report and Petitioner's testimony. The

Board believes it is unlikely that all of the recommendations contained in the engineer's report could be accomplished for under \$20,000.00.

4. After applying an additional \$20,000.00 adjustment for structural and drainage problems to Respondent's comparables, the sales ranged from \$380,265.00 to \$407,432.00. The Board believes that the lower end of the range accurately reflects the market value of the subject property.

5. After careful consideration of all of the testimony and evidence presented, the Board concluded that the 2003 actual value of the subject property should be reduced to \$380,000.00.

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$380,000.00.

The Larimer County Assessor is directed to change his/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 3rd day of November 2004.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

Rebecca Hawkins

Rebecca Hawkins

This decision was put on the record

NOV 02 2004

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



Penny S. Lowenthal

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