

<b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203	
<hr/> Petitioners:  <b>CHRIS RAMSAY AND DIANA HOHSTADT,</b>  v.  Respondent:  <b>MONTROSE COUNTY BOARD OF EQUALIZATION.</b>	
Attorney or Party Without Attorney for the Petitioner:  Name: Chris Ramsay Address: 57351 K57 Trail Montrose, Colorado 81401 Phone Number: (970) 249-4792	<b>Docket Number: 41326</b>
<b>ORDER</b>	

**THIS MATTER** was heard by the Board of Assessment Appeals on April 8, 2004, Karen E. Hart and Rebecca Hawkins presiding. Mr. Chris Ramsay presented the appeal on behalf of Petitioners. Respondent was represented by Robert Hill, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**57351 K57 Trail, Montrose, Colorado  
(Montrose County Schedule No. R0012245)**

Petitioners are protesting the 2003 actual value of the subject property, a ranch style home with 1,848 square feet of living area, 336 square feet of studio/workshop and an 840 square foot garage. The property contains 35 acres and is located approximately 12 miles west of Montrose.

## **ISSUES:**

### **Petitioners:**

Petitioners contend that the subject property has been overvalued and that numerous errors were made in the appraisal report presented by the Assessor's office.

### **Respondent:**

Respondent contends that the subject property has been properly valued using the market approach to value.

## **FINDINGS OF FACT:**

1. Mr. Chris Ramsay, Petitioner, presented the appeal on behalf of Petitioners.
2. Based on the market approach, Petitioner presented an indicated value of \$222,474.00 for the subject property.
3. Petitioners presented three comparable sales ranging in sales price from \$174,000.00 to \$225,000.00 and in size from 1,020 to 1,920 square feet. After adjustments, the sales ranged from \$201,432.00 to \$236,672.00.
4. Petitioners' three comparable sales are located 6 to 24 miles from the subject property. All were similar in year of construction and site size. Comparable Sale 1 is closest to the subject and is similar in style and square footage. Comparable Sale 2 is 10 miles south of the subject, is similar in style, site size and square footage. Comparable Sale 3 is located 24 miles to the south. It is a 1.5 story residence that is smaller in square footage but similar in site size. The subject property has an expanded equipment shed that is superior to all of Petitioners' comparable sales. Mr. Ramsay explained that he averaged the adjusted values of all three comparable sales to arrive at a value of \$222,474.00 for the subject property.
5. Mr. Ramsay testified that he believes the Montrose County Assessor did not follow Colorado Statutes. He feels that homes in the subject subdivision were not appraised properly. He also maintains that there are disparities in the way the Assessor applies values.
6. Under cross-examination, Mr. Ramsay explained that he made adjustments to the sales. He used Montrose County property information, although he was not sure if some outbuildings shown in the photos contained in Petitioner's Exhibit A were built after the sale.
7. Upon questions from the Board, Mr. Ramsay testified that the subject site was very dry land and could not sustain animals. The comparable sales used by the Respondent were irrigated

properties. He explained that the comparable sales he presented are more similar to the subject property than the sales used by Respondent.

8. Petitioner is requesting a 2003 actual value of \$222,474.00 for the subject property.

9. Respondent's witness, Mr. Matthew Kramer, a Registered Appraiser with the Montrose County Assessor's Office, presented an indicated value of \$280,000.00 for the subject property based on the market approach. Respondent is requesting that the Board affirm the assigned value of \$259,410.00 as it is well supported by the market approach to value.

10. Respondent's witness presented four comparable sales ranging in sales price from \$225,000.00 to \$287,500.00 and in size from 1,699 to 2,123 square feet. After adjustments were made, the sales ranged from \$264,500.00 to \$288,400.00.

11. Mr. Kramer testified that he did not inspect the interior of the home but did take exterior measurements. The subject property was built in 1996 and has an additional 336 square feet of unheated area that is currently used as a studio/hobby room. He searched for comparable sales that occurred between January 1, 2001 and June 30, 2002 and found four comparable sales. The subject property is unique and only a limited number of sales were available. Respondent's four comparable sales are similar to the subject property in architectural style, square footage, garage size and property characteristics. He did not use sales in town, sales with large tracts of land or sales with less than two acres.

12. All four of Respondent's comparable sales are located within 15 miles of the subject property. Three of the four sales are similar in year of construction and all are ranch style homes. Respondent's Comparable Sale 1 is superior in quality of construction and Comparable Sale 3 is inferior in quality. Respondent's Comparable Sale 3 is a manufactured home, not built on site. Since the water supply for the subject property is a cistern, all four of Respondent's comparable sales were adjusted to reflect the difference in water source – cistern compared to domestic water or wells.

13. Mr. Kramer testified that he applied a positive time adjustment to Respondent's four comparable sales. He did not apply land size adjustments as he viewed each site as one building site regardless of land size. Respondent's Comparable Sale 1 required an adjustment for a more desirable location and Comparable Sales 2 and 4 are irrigated land. Mr. Kramer placed greatest weight on Comparable Sales 1 and 2.

14. Mr. Kramer rated the subject property as average quality with Pro-Panel construction. Pro-Panel is a unique type of construction; the panels are constructed off-site and assembled on-site. Respondent's Comparable Sales 2, 3 and 4 are similar in quality. Respondent's Comparable Sale 3 is a manufactured home that is considered inferior to a stick built home. He added the unheated studio square footage to the garage square footage for adjustment purposes. The subject property has a 1,728 square foot equipment shed that is superior to all of the comparable sales. Mr. Kramer explained that the roof type on the subject is similar to all of the comparable sales, therefore no adjustments were made for differences in quality.

15. Under cross-examination, Mr. Kramer explained he did not find any improved sales in the subject development or any sales with cisterns. His search for comparables did not result in sales that had occurred close to the date of value. He was reluctant to go too far back in time, as the time adjustment would have been difficult. Mr. Kramer explained that the shop was added to Respondent's Comparable Sale 2 after the sale date.

16. In response to questions from the Board, Mr. Kramer explained that he considered distances from the highway as well as to the town of Montrose. The location adjustment on Respondent's Comparable Sale 1 does not reflect a location south of town but rather a more desirable subdivision. While it is true that Respondent's Comparable Sale 3 is removed from the highway, distance from the highway does not equate to a difference in value in this market. Mr. Kramer testified that he did not know of another property using R-Control Panel construction in Montrose County. After drywall is installed, he cannot tell the difference between R-Control Panel and stick built and made no adjustment. Upon further questions from the Board, Mr. Kramer testified that he believes modular homes require an adjustment of 20% when compared to stick built homes because they are inferior in construction quality.

17. In support of the time adjustment, Mr. Kramer testified that he used more than 30 sales in economic area 5 to extract the time adjustment of 0.4753 per month. The adjustment for a well was \$5,000.00 and the adjustment for domestic water was \$15,000.00. The tap fee of \$3,500.00 does not include the cost to run water from a house to a viable water source. The \$15,000.00 adjustment made to Respondent's Comparable Sales 1, 2 and 3 is not sufficient to cover the cost but reflects the contribution recognized in the market. He explained that these adjustments are based on the best information available and his best judgment. The subject property has a cistern that he believes adds value to the property.

18. Respondent assigned an actual value of \$259,410.00 to the subject property for tax year 2003.

## **CONCLUSIONS:**

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

2. The Respondent presented comparable sales that were properly adjusted for time trending and for differences in property characteristics. The Board reviewed Respondent's comparable sales and agrees that they are similar to the subject property in year of construction and improvement square footage. All of Respondent's comparable sales have either domestic water or a well and comparable Sales 2 and 4 are irrigated land. Respondent made adjustments to reflect these superior features.

3. The Petitioners did not provide the Board with the water source of the comparable sales used. The Petitioners also did not provide the Board with support for value differences in property location, quality of construction, well or domestic water compared to a cistern or irrigated

land versus dry land. Through evidence and testimony presented, the Board was convinced that the market views domestic water or a well as superior to a cistern.

4. The Board understands Petitioners' frustration with perceived inequities in the assessment procedure and the neighboring property's omission from the tax roles; however, the Board only has authority to address the value of the property that is the subject of this hearing.

5. Petitioners used three comparable sales that were adjusted for some, but not all differences in property characteristics. Petitioners did not adjust Comparable Sale 2 for time trending, quality of construction or a superior water source. The Board reviewed Petitioners' comparable sales and agrees they are similar in site size and Sales 1 and 2 are similar in square footage. Respondent's Comparable Sale 3 and Petitioners' Comparable Sale 2 are the same property. The Board concluded that the value of the subject property is bracketed by Respondent's Comparable Sales.

6. After careful consideration of all of the evidence and testimony presented, the Board affirms the Respondent's assigned value of \$259,410.00.

### **ORDER:**

The petition is denied.

### **APPEAL:**

Petitioners 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 21<sup>st</sup> day of June, 2004.

BOARD OF ASSESSMENT APPEALS

Karen E Hart

Karen E. Hart

Rebecca Hawkins

Rebecca Hawkins

This decision was put on the record

JUN 24 2004

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

Penny S. Lowenthal  
Penny S. Lowenthal

