

BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203 <hr/> Petitioner: JOHN B. AND SUSAN C. KAVANAUGH, v. Respondent: JEFFERSON COUNTY BOARD OF EQUALIZATION.		
Attorney or Party Without Attorney for the Petitioner: Name: John B. Kavanaugh Address: 24094 Sumac Drive Golden, Colorado 80401 Phone Number: (303) 526-1216		Docket Number: 42886
ORDER		

THIS MATTER was heard by the Board of Assessment Appeals on June 30, 2004, Karen E. Hart and Judee Nuechter presiding. Petitioner appeared pro se. Respondent was represented by Eugene Mei, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**24094 Sumac Drive, Golden, Colorado
(Jefferson County Schedule No. 139419)**

Petitioner is protesting the 2003 actual value of the subject property, a single-family residential dwelling located at 24094 Sumac Drive in Golden, Colorado.

ISSUES:

Petitioner:

Petitioner contends that the Respondent has overvalued the subject property, as it is over 25 years old and has not been updated.

Respondent:

Respondent contends that the subject property has been correctly valued based on the market approach. All of the comparable sales presented are the same model as the subject and all of the Petitioner's concerns have been addressed. At issue is the value of the remodeling that has been completed on the comparable sales.

FINDINGS OF FACT:

1. Mr. John Kavanaugh, Petitioner, presented the appeal on his own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$400,000.00 for the subject property.
3. Petitioner presented five comparable properties, three of which sold during the January 1, 2001 through June 30, 2002 base period. The three comparable sales ranged in sales price from \$415,000.00 to \$440,000.00. No adjustments were made to the comparable sales.
4. Mr. Kavanaugh testified that the comparable sale located at 948 Cornflower sold during the base period for \$440,000.00 and has a remodeled kitchen. He believes that the cost of a remodeled kitchen averages between \$20,000.00 and \$35,000.00. All five of Petitioner's comparable properties had remodeled kitchens prior to the date of sale.
5. During cross-examination, Mr. Kavanaugh indicated that he has been inside the comparable property located at 24184 Sumac Drive. This property did not sell during the base period; he was relying on its assessed value. He obtained information regarding the comparables from the Multiple Listing Service and Realtors' sales brochures. He does not know the actual costs associated with the remodeling, but has received estimates of up to \$50,000.00 to update the subject property.
6. The Petitioner testified that he made no adjustments for views since he was only reporting factual and historical sales data. He believes that all of the comparable properties he presented have views similar to the subject property.
7. Petitioner is requesting a 2003 actual value of \$400,000.00 for the subject property.

8. Respondent's witness, Ms. Cary Lindeman, a Certified Residential Appraiser with the Jefferson County Assessor's Office, presented an indicated value of \$446,500.00 for the subject property based on the market approach.

9. Respondent's witness presented four comparable sales ranging in sales price from \$415,000.00 to \$443,900.00 and in size from 2,319 to 2,392 square feet. After adjustments were made, the sales ranged from \$422,900.00 to \$471,900.00.

10. Ms. Lindeman testified that she conducted a physical inspection of the subject property. The dwelling is a frame construction, two-story with an attached two-car garage, and is known as the Buckthorn model in the subdivision.

11. The Respondent's witness testified that all of the comparables are the same model as the subject property. She also included the dwelling adjacent to the subject, 24084 Sumac Drive, although it was a dated sale.

12. Respondent's witness testified that, based on state statute, a time adjustment was required. Adjustments for the differences in heating systems, fireplace, decking, hot tub and shed were made to the comparables. She applied a \$20,000.00 adjustment to the comparables to reflect the market indicated value for remodeling.

13. Ms. Lindeman testified that all of the comparables are located in the front portion of the Genessee Subdivision and are semi-custom tract homes.

14. The witness testified that she did not use the comparable sale at 948 Coneflower, as the Respondent's records indicate that it is a ranch style dwelling with substantially less square footage than the subject property.

15. During cross-examination, Ms. Lindeman testified that a \$5,000.00 adjustment for a bathroom remodel and a \$15,000.00 adjustment for a kitchen remodel are standard appraisal adjustments.

16. In rebuttal testimony, Mr. Kavanaugh indicated that the gross living area of the property at 948 Cornflower is based on erroneous county records. It is an identical model to the subject. Typical kitchen remodels in the Genessee area include slab granite countertops and high-end appliances that cost substantially more than the \$20,000.00 the Respondent indicated. He believes that the cost would be closer to \$50,000.00 and that most of the cost would be recovered in the sales price.

17. Respondent assigned an actual value of \$455,000.00 to the subject property for tax year 2003, but is recommending a reduction in value to \$446,500.00.

CONCLUSIONS:

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

2. The Board was most persuaded by the Petitioner's description of the subject property and the lack of updating. The Respondent made adjustments to the comparable sales to reflect the subject's lack of updated bath and kitchen based on their contributory value in the market, not on the actual cost for a remodel. Petitioner argued that Respondent's adjustments for updating were not adequate, as remodeling costs were substantially higher in the Genessee area. This Board can only consider market data for residential properties, as required by state statute. Remodeling costs cannot be considered, only the increase in market value due to the remodeling may be considered.

3. The Respondent provided a well-documented appraisal report with appropriate adjustments. However, based on the lack of updating for the subject property, the Board believes that the subject property should be valued at the lower end of Respondent's adjusted sales range.

4. Based on all of the evidence and testimony presented, the Board concluded that the 2003 actual value of the subject property should be reduced to \$422,900.00.

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$422,900.00.

The Jefferson 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 5th day of August 2004.

BOARD OF ASSESSMENT APPEALS

Karen E Hart

Karen E. Hart

Judee Nuechter

Judee Nuechter

This decision was put on the record

AUG 05 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

