

BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203 <hr/> Petitioner: CLINTON HEIPLE, v. Respondent: BOULDER COUNTY BOARD OF EQUALIZATION.		
Attorney or Party Without Attorney for the Petitioner: Name: Clinton Heiple Address: 1785 Deer Valley Rd. Boulder, CO 80305 Phone Number: (303) 494-5383		Docket Number: 42952
ORDER		

THIS MATTER was heard by the Board of Assessment Appeals on February 25, 2004, Rebecca Hawkins and Judee Nuechter presiding. Petitioner appeared pro se. Respondent was represented by Robert R. Gunning, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**1785 Deer Valley Road, Boulder, CO
(Boulder County Schedule No. R0003604)**

Petitioner is protesting the 2003 actual value of the subject property, a 2,132 square foot single-family residential dwelling located at 1785 Deer Valley Road in Boulder, Colorado.

ISSUES:

Petitioner:

Petitioner contends that the Respondent has overvalued his property, which is located in the West Highland Park area of Boulder. He believes the subject property has always been assessed higher than other similar properties in the neighborhood, although he has made no recent changes to the property. The lot is pie shaped and is undesirable due to setback restrictions imposed by the City of Boulder, and therefore, the lot is overvalued.

Respondent:

Respondent contends that the subject property has been properly valued using the market approach. The testimony will show that there is strong demand for land in the area, which supports their land value.

FINDINGS OF FACT:

1. Mr. Clinton Heiple, Petitioner, presented the appeal on his own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$451,000.00 for the subject property.
3. Petitioner presented eight comparable sales ranging in “trended” sales price from \$331,122.00 to \$688,380.00 and in size from 1,994 to 4,329 square feet. The “trended” sales prices were determined from the Respondent’s appraisal report. No adjustments were made to the sales.
4. Mr. Heiple testified that there were no sales of single-family homes located on Deer Valley Road that occurred during the assessment period. There were seven sales nearby and the averaged trended sale price per finished square foot indicated an average of \$197.00. He also averaged the trended price for the three comparable sales utilized by the Respondent, resulting in an indicated value of \$201.00 per square foot. He believes that the trended sale prices are too high and testified that according to the Boulder County Multiple Listing Service website, the average sale price for residential properties declined 13 percent during the first half of 2002.
5. Petitioner testified that the fourth sale presented by the Respondent was a scrape-off. He believes that the buyers purchased the property to add on and applied to the city for a variance, but were subsequently turned down for that addition. They then scraped off the improvement and built a new home on the site. His lot is pie-shaped and not suitable for construction of a large dwelling, which could possibly reduce the value of the lot up to 20 percent.
6. During cross-examination, the witness testified that he made no adjustments to the sales he presented since he is not a broker or an appraiser. Mr. Heiple testified that he averaged the sale prices from the City of Boulder MLS data that were representative of improved sales in his price range. In addition, he averaged the price per square foot of the seven sales he presented and

determined the value of the land from a price per square foot based on the assessed value of a nearby vacant lot and applied a 20% reduction for shape to arrive at a value of \$451,000.00. He has not checked with the city regarding limitations if he did scrape off the subject property's existing improvements.

7. Petitioner is requesting a 2003 actual value of \$451,000.00 for the subject property.

8. Respondent's witness, Ms. Patricia Roberts, a Certified Residential Appraiser with the Boulder County Assessor's Office, presented an indicated value of \$572,900.00 for the subject property based on the market approach.

9. Respondent's witness presented four comparable sales ranging in sales price from \$545,900.00 to \$660,000.00 and in size from 1,620 to 1,852 square feet. After adjustments were made, the sales ranged from \$551,380.00 to \$621,160.00.

10. The witness testified that the subject is a wood frame structure built in 1965 with a walkout basement and an attached two-car garage. The finished above ground area is 1,466 square feet and the finished basement is 666 square feet. The roof is partially flat and partially sloped. The kitchen was added approximately 30 years ago and appears to be in the same condition as when it was added. There is a deck and two porches. The condition of the improvements is average. Ms. Roberts performed an interior and exterior inspection of the property.

11. The witness testified that the subject property is within the city limits of Boulder and that there are 38 single-family sites within the West Highland Park subdivision. Economic Area 1, as defined by the Boulder County Assessor's Office, was utilized for time trending factors. The subject site is elevated and has views of the Flatirons to the west. Measuring 10,850 square feet, the subject site is average to small as compared to the other 12 building sites on Deer Valley Road.

12. Ms. Roberts testified that she chose the most similar comparable sales based on location, age, quality and gross living area. Dwellings at higher elevations were selected since the subject is elevated. Elevated sites are typically considered more desirable than lower elevation sites.

13. The witness testified that Sale 1 is located on the top of a hill and considered similar in location to the subject property although it is a larger site than the subject. Sale 2 also has an elevated site. Sale 3 is located on the lower part of a hill and has an inferior view, resulting in an adjustment of \$50,000 based on studies of north Boulder sites with views and without views. The study indicated a \$60,000.00 adjustment, but she was more conservative in her appraisal. Sale 4 was allowed under the extended five-year base period and was used since it was the only sale that occurred on Deer Valley Road. She believes that even if the purpose of the buyers was to remodel the existing dwelling, the Respondent considers it a scrape-off since it was done shortly after the sale date. Sale 4 is a triangular shaped lot and narrow on the southeast side, indicating usable area similar to the subject property. This site backs to open space, has a partially blocked view due to a hill and

is considered inferior to the subject. Respondent's final conclusion of value was based on Sales 1 through 3 with the appropriate adjustments. Sale 4 supports vacant land value and supports a higher value than the Respondent indicated in her report.

14. The witness testified that she believes the Petitioner looked at sales with inferior location as compared to the subject property and at lower elevations, which are not as desirable. The Petitioner also included above ground gross living area with the unfinished basement size in his report. She does not base her valuation on price per square foot in her appraisal approach since location, site size and conditions can be substantially different in the comparables. She is not aware of any restrictions on building size in the neighborhood since the residence across the street is a new three-story dwelling.

15. Under cross-examination, the Respondent's witness testified that the \$40.00 square foot adjustment for gross living area and \$20.00 square foot adjustment for basement size was determined by market data gathered and analyzed over a period of years. Adjustments are not indicated by a cost to build, but what is typical of what a buyer would pay. A time period between someone purchasing and deciding to scrape off can be a couple of months or up to one to two years, although within one year is typical in Boulder. In her office, lots are typically valued on a per lot basis and not on a per square foot basis. A typical lot in Petitioner's subdivision is valued at \$550,000.00, while Petitioner's lot is valued less due to its shape and size.

16. Based on questions from the Board, the witness testified that since she physically inspected the property, she has not changed her opinion of its average condition.

17. Respondent assigned an actual value of \$572,900.00 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 Board was most persuaded by Respondent's witness. Ms. Roberts presented a well-documented and reasonably adjusted market approach to value.

3. The Board cannot consider the assigned valuation of other properties in comparison to the subject as grounds for an adjustment. Additionally, the Board cannot consider averaging as a supportable basis for determining values. Proper appraisal practice indicates appropriate adjustments to comparable sales with similar characteristics, which is considered the market approach in establishing a value.

4. The Board notes that Respondent's Comparable Sale 4 was within the allowable five-year period based on statute and that the Respondent indicated that this sale was given little consideration in determining the value of the subject property.

5. After careful consideration of all of the evidence and testimony presented, the Board affirms the assigned value of \$572,900.00 for the subject property for tax year 2003.

ORDER:

The petition is denied.

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 March, 2004.

BOARD OF ASSESSMENT APPEALS

Rebecca Hawkins

Rebecca Hawkins

Judee Nuechter

Judee Nuechter

This decision was put on the record

MAR 04 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

