

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**

1313 Sherman Street, Room 315
Denver, Colorado 80203

Petitioner:

CHARLES ANDERSON,

v.

Respondent:

DENVER COUNTY BOARD OF EQUALIZATION.

Attorney or Party Without Attorney for the Petitioner:

Name: Kenneth Wall
Elite Property Services, Inc.
Address: 6000 East Evans Ave., Suite 1-426
Denver, Colorado 80222
Phone Number: (303) 355-5871

Docket Number: 42994

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on December 10, 2004, 2004, Diane M. DeVries and Debra A. Baumbach presiding. Petitioner was represented by Kenneth Wall. Respondent was represented by Charles Solomon, Esq. Petitioner is protesting the 2003 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**1065 Pennsylvania Avenue, Denver, Colorado
(Denver County Schedule No. 05038-04-013-000)**

The subject property is a 35-unit mid-rise apartment complex with a gross building area of 26,470 square feet and a net rentable area of 21,351 square feet.

ISSUES:

Petitioner:

Petitioner contends that the subject property was overvalued for tax year 2003. Respondent's comparable sales are superior to the subject. Potential investors would consider the gross rent multiplier in determining the value of the subject property.

Respondent:

Respondent contends that the subject was correctly valued based on the market comparison approach. Appropriate adjustments were made to the sales to reflect any differences in physical characteristics. The gross rent multiplier was utilized and supports the value concluded in the market comparison approach.

FINDINGS OF FACT:

1. Mr. Kenneth Wall of Elite Property Services, Inc. presented the appeal on behalf of Petitioner.
2. Based on the market approach, Petitioner presented an indicated value of \$2,477,369.00 for the subject property.
3. Petitioner presented four comparable sales ranging in sales price from \$1,480,000.00 to \$1,800,000.00 and in size from 12,270 to 21,116 square feet. The indicated price per square foot ranged from \$83.22 to \$120.62. No adjustments were made to any of the sales.
4. Mr. Wall testified that he did not place much weight on the market approach. There were not enough adequate sales for comparison and the adjustments required would render them unsuitable. He believes that potential investors would consider the value derived from the gross rent multiplier as the best indicator of value.
5. Mr. Wall testified that he reviewed numerous sales and selected the four sales he felt were the most suitable. He believes the sales do not indicate the most appropriate value due to the degree of adjustments that would have to be applied. However, he did rely on the sales to derive the gross rent multiplier of 7.8.
6. Under cross-examination, Mr. Wall testified that he reviewed 10 comparable sales and tried to find properties that sold within the 18-month base period that were the most similar to the subject.
7. Petitioner is requesting a 2003 actual value of \$1,965,500.00 for the subject property.

8. Respondent's witness, Mr. Kenneth Drybread, a Certified Residential Appraiser with the Denver County Assessor's Office, presented an indicated value of \$2,583,400.00 for the subject property based on the market approach.

9. Respondent's witness presented four comparable sales ranging in sales price from \$1,030,000.00 to \$2,225,000.00 and in size from 9,277 to 20,171 square feet. After adjustments, the sales ranged from \$2,461,711.00 to \$2,992,529.00.

10. Mr. Drybread testified that he reviewed 130 mid-rise apartments consisting of 9 to 80 units that sold within the 18-month base period. The four sales selected were considered to be the most similar in size, style, quality and other characteristics. Adjustments were made for all of the differences to arrive at an adjusted value range of \$70,335.00 to \$85,501.00 per unit.

11. Mr. Drybread testified that the gross rent multiplier was derived from reviewing the sales transactions and transfer declarations of 130 sales that occurred within the base period. Potential rents were applied versus effective rents. The comparable sales indicated a GRM ranging from 9.28 to 10.48. He selected a GRM factor of 9.9 for the subject property.

12. Mr. Drybread testified that Petitioner's comparable sales are not the most appropriate. Petitioner's Sale 1 was part of a bulk sale and a condominium declaration was on file. Petitioner's Sale 2 was sold intestate two months after the base period for a substantially higher price. Petitioner's Sale 3 has swimming pools, courtyards and elevators. Petitioner's Sale 4 is a smaller complex and all of the units are buffet models.

13. Mr. Drybread testified that he disagrees with Petitioner's assertion that the sales are not considered suitable in the market approach but are considered reliable to derive a gross rent multiplier.

14. Respondent assigned an actual value of \$2,583,400.00 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 considered all of the comparable sales presented by both parties. The Board was convinced that Respondent's comparable sales were the most reliable. Respondent's sales were more similar in size, style, quality and physical characteristics. Adjustments were made for all differences in physical characteristics. The Respondent derived the gross rent multiplier from the sales presented as well as from numerous sales that occurred within the appropriate time frame.

3. The Board placed little weight on Petitioner's sales and value conclusion. Based upon Mr. Walls own testimony, the four sales he presented were not considered to be suitable for

comparison in the market approach, yet were used to derive Petitioner's gross rent multiplier, which indicates a suspect value conclusion. Further, Petitioner's sales were not adjusted for physical differences or for factors affecting the sales prices.

4. Based on all of the evidence and testimony presented, the Board affirms Respondent's assigned value 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 24th day of February 2005.

BOARD OF ASSESSMENT APPEALS



Diane M. DeVries

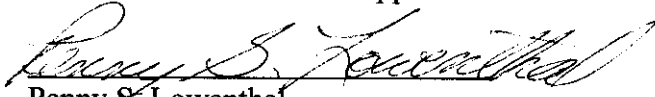


Debra A. Baumbach

This decision was put on the record

FEB 23 2005

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



Penny S. Lowenthal

