

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>WILSON COMPANIES/CRESTMoor Downs COMPANY,</p> <p>v.</p> <p>Respondent:</p> <p>DENVER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 43049</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on March 30, 2006, Steffen Brown and MaryKay Kelley presiding. Petitioner was represented by William McLain, Esq. Respondent was represented by Max Taylor, Esq. Petitioner is protesting the 2003 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**6700-6790 East Cedar Avenue and 110-278 South Monaco Parkway,
Denver, Colorado
Denver County Schedule Nos. 06084-00-011-000 and 06084-00-022-000**

The subject property is an apartment complex built in two phases (1969 and 1974). Seven mid-rise buildings house 538 units on seven floors: 166 one-bedroom units (730 to 965 square feet); 360 two-bedroom units (965 to 1,375 square feet); and 12 three-bedroom units (1,180 to 2,000 square feet). These units have central air conditioning, patios and decks, laundry facilities on each floor, and underground and surface parking. The subject has 172 two-story townhouses in 17 buildings with two bedrooms (1,450 to 1,600 square feet) or three bedrooms (1,750 square feet), basements, carports, fireplaces, patios, washer/dryer hook-ups, and air conditioning. Outdoor amenities for the project include three lakes, one pool, two tennis courts, volleyball and basketball courts, and playground. Indoor amenities include two pools, two racquetball courts, three billiard rooms, driving range, Jacuzzi and steam rooms, two exercise rooms, beauty salon, party and activity

rooms, and two guest suites. The owner pays utilities on the mid-rise apartments. The tenants pay utilities on the townhouses.

Petitioner:

Petitioner contends that economic conditions at the end of the base period were not reflected in the 2003 assigned value, that Respondent's selection of sales is flawed and related data wrong, and that price per unit is the appropriate measure of comparison.

Respondent:

Respondent contends that Petitioner's selection of sales is flawed, that market data does not reflect declining values during the base period, and that price per square foot is the appropriate measure of comparison.

FINDINGS OF FACT:

1. Petitioner is requesting a 2003 actual value of \$38,435,622.00 for the subject property.

2. Both Petitioner and Respondent relied on the market approach and presented the following indicators of value:

Petitioner: \$38,435,622.00

Respondent: \$66,984,000.00

3. Petitioner presented four comparable sales ranging in sales price from \$2,700,000.00 to \$29,900,000.00 and in average unit size from 593 to 823 square feet in comparison to the subject's average unit size of 1,123 square feet. Adjustments were made for economic downturn, location, actual age, project size, project quality and appeal, and average unit size. After adjustments, Petitioner's comparable sales ranged from \$48,773.00 to \$57,790.00 per unit. Petitioner reconciled to a value for the subject property of \$55,000.00 per unit or \$39,050,000.00. The value of personal property was then deducted to arrive at a final indicated value of \$38,435,622.00.

4. Respondent presented four comparable sales ranging in sales price from \$5,950,000.00 to \$74,655,000.00 and in average unit size from 533 to 847 square feet in comparison to the subject's average unit size of 1,179 square feet. Adjustments were made for effective age and condition, design, comparison of project and average unit sizes, scale of property or number of units, parking, and location. After adjustments, Respondent's comparable sales ranged from \$80.00 to \$82.00 per square foot. Respondent reconciled to a value of \$80.00 per square foot or \$66,984,000.00 for the subject property.

5. Respondent assigned an actual value of \$53,233,600.00 for tax year 2003.

6. Analysis of apartment complexes on a per unit basis is more typical of the market than analysis on a square footage basis. The wide range of comparable sale sizes skews the analysis on a square footage basis.

7. The following sales were not considered valid for arriving at a conclusion of value for the subject property:

Petitioner's Sale 1, which closed prior to the base period in March of 2000.
Respondent's Sale 2, which involved subsidized rents.
Respondent's Sale 4, which was one of three sales in a portfolio transaction.

8. Of the remaining comparables, the sale at 3010-3166 West 14th Avenue, used by both Petitioner (Sale 4) and Respondent (Sale 1) was selected as the best indicator of value because it includes both apartment and townhouse units. The sales price of this property was \$29,900,000.00 or \$62,815.00 per unit.

9. The per unit price was not adjusted for time, as no market-extracted information was presented. No adjustment was made for location, as this comparable sale has offsetting positive and negative factors. Despite slight differences in reported ages between the subject and this comparable sale, no age adjustment is warranted. No adjustment was made for features/complex quality. The appropriate adjustment for unit size was determined to be a negative 5%, as smaller units are worth more per square foot than larger units. Since larger complexes have fewer potential purchasers and sell for a lower price per unit, a negative 3% adjustment was applied for the scale of the property.

10. The adjusted sales price of the comparable sale is \$57,800.00 per unit, resulting in a total indicated value for the subject property of \$41,038,000.00.

CONCLUSIONS OF LAW:

1. Petitioner presented sufficient probative evidence and testimony to prove that the tax year 2003 valuation of the subject property was incorrect.

2. The 2003 actual value of the subject property should be reduced to \$41,038,000.00.

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$41,038,000.00.

The Denver County Assessor is directed to change his/her records accordingly.

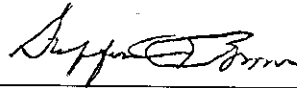
APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

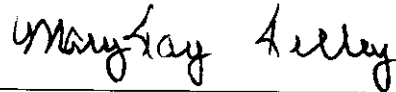
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 22nd day of April 2006.

BOARD OF ASSESSMENT APPEALS



Steffen A. Brown

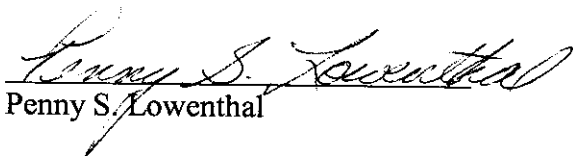


MaryKay Kelley

This decision was put on the record

APR 21 2006

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


Penny S. Lowenthal

**BOARD OF ASSESSMENT APPEALS,
STATE OF COLORADO**
1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 43049

Petitioner:

**WILSON COMPANIES/CRESTMoor DOWNS
COMPANY,**

v.

Respondent:

DENVER COUNTY BOARD OF EQUALIZATION.

**ORDER ON MOTION CONCERNING
CLERICAL MISTAKE OR OVERSIGHT**

On May 9, 2006, the Board Of Assessment Appeals received Respondent's Motion Concerning a Clerical Mistake or Oversight in the Order dated April 22, 2006. The Board received Petitioner's response to the motion on May 16, 2006. The Board has carefully considered the Order dated April 22, 2006, Respondent's Motion and Petitioner's response to the Motion.

Respondent contends that the Board's application of a negative 5% adjustment to the comparable sale on a per square foot basis was an oversight. We concur. Application of consistent units of comparison necessitates a positive 5% adjustment. As such, the Board hereby corrects the Order dated April 22, 2006 as follows:

FINDINGS OF FACT:

9. The per unit price was not adjusted for time, as no market-extracted information was presented. No adjustment was made for location, as this comparable sale has offsetting positive and negative factors. Despite slight differences in reported ages between the subject and this comparable sale, no age adjustment is warranted. No adjustment was made for features/complex quality. The appropriate adjustment for unit size was determined to be a ~~negative~~ positive 5%, ~~as smaller units are worth more per square foot than larger units because the average unit size of the comparable sale is inferior to the average unit size of the subject property.~~ Since larger complexes have fewer potential purchasers and sell for a lower price per unit, a negative 3% adjustment was applied for the scale of the property.

10. The adjusted sales price of the comparable sale is ~~\$57,800.00~~ \$64,071.00 per unit, resulting in a total indicated value for the subject property of ~~\$41,038,000.00~~ \$45,490,410.00.

CONCLUSIONS OF LAW:

2. The 2003 actual value of the subject property should be reduced to ~~\$41,038,000.00~~ \$45,490,410.00.

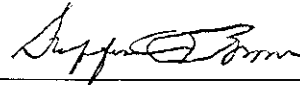
ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to ~~\$41,038,000.00~~ \$45,490,410.00.

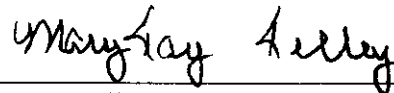
The Denver County Assessor is directed to change his/her records accordingly.

DATED and MAILED this 18th day of May 2006.

BOARD OF ASSESSMENT APPEALS



Steffen A. Brown



MaryKay Kelley

This decision was put on the record

MAY 17 2006

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



Penny S. Lowenthal

