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| <p><b>BOARD OF ASSESSMENT APPEALS,<br/>STATE OF COLORADO</b><br/>1313 Sherman Street, Room 315<br/>Denver, Colorado 80203</p> <hr/> <p>Petitioners:</p> <p><b>WILLIAM L. AND JEAN LARSON ABNEY,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>DENVER COUNTY BOARD OF EQUALIZATION.</b></p> |                                    |
| <p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: William L. Abney<br/>Address: 841 Lafayette Street<br/>Denver, Colorado 80218<br/>Phone Number: (303) 860-7689</p>   | <p><b>Docket Number: 43072</b></p> |
| <p><b>ORDER</b></p>   |                                    |

**THIS MATTER** was heard by the Board of Assessment Appeals on April 7, 2004, Steffen A. Brown and MaryKay Kelley presiding. Petitioners appeared pro se. Respondent was represented by Maria Kayser, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**841 Lafayette Street, Denver, Colorado  
(Denver County Schedule No. 05023-16-019000)**

Petitioner is protesting the 2003 actual value of the subject property, a 2,413 square foot brick two-story home with basement and three-car garage built in 1900 on a 5,210 square foot city lot in Cheesman Park.

## **ISSUES:**

### **Petitioners:**

Petitioners contend that the subject property was overvalued for tax year 2003, that Respondent did not adjust fully for incomplete remodeling and that comparable sales are not correctly adjusted.

### **Respondent:**

Respondent contends that the 2003 actual value of the subject property is correct and takes into account unfinished remodeling.

## **FINDINGS OF FACT:**

1. William L. Abney, Jr. presented the appeal on behalf of Petitioners.
2. Petitioners did not present any comparable sales.
3. Mr. Abney testified that Respondent's Comparable Sale 1 at 816 Lafayette Street sold for \$572,816.00 and should have carried a larger adjustment for total renovation, including a new kitchen with Viking range and stainless steel appliances. Mr. Abney testified that Respondent's Comparable Sale 2 at 935 Lafayette Street sold for \$479,900.00 in December 2001 and resold in September 2003 for \$437,500.00 as a distress sale. He testified that Comparable Sale 3 at 1131 Vine Street, sold for \$505,000.00 in June 2001 and was later re-listed for \$585,000.00, but the listing was withdrawn without a contract. Mr. Abney also discussed the assessed values of Respondent's comparable sales and made comparisons on a price per square foot basis.
4. Mr. Abney presented Petitioner's Exhibit A, which includes an itemized list totaling \$98,464.00 for remodeling and repairs that were not completed during the base period. This figure was a revision of an earlier estimate to address updated costs and omitted items. Mr. Abney testified that sandblasting had been discontinued in favor of paint stripping because the sandblasting damaged the brick exterior.
5. Mr. Abney testified that Respondent's \$441,162.00 estimated value by the cost approach is far below the market approach value of \$517,500.00 and that the value for the subject property should lie between the two.
6. Petitioner is requesting a 2003 actual value of \$475,000.00 for the subject property.
7. Respondent's witness, Walter A. Sorrentino, a Certified General Appraiser with the Denver County Assessor's Office, presented an indicated value of \$517,500.00 for the subject property based on the market approach and that he adjusted for repairs and remodeling not completed during the base period.

8. Mr. Sorrentino presented the three comparable sales shown in Respondent's Exhibit 2 that range in sales price from \$479,900.00 to \$572,816.00 and in size from 1,868 to 2,475 square feet. After adjustments were made, the sales ranged from \$482,995.00 to \$579,516.00.

9. Mr. Sorrentino testified that the comparable sales are similar in age and location to the subject property. The value of the subject property was estimated as if renovation were complete. Adjustments were made for lot size, square footage of the improvements, room count, condition and remodeling, basement finish, air conditioning, garages, and fireplaces. The condition and remodeling of Sales 1 and 3, based on Building Department permits, were considered similar to the subject. Sale 2 was assigned a condition/remodeling adjustment for average condition and lack of remodeling.

10. Mr. Sorrentino testified that his estimated cost to cure was \$32,500.00 for work to have been completed during the base period. The estimate was based on an interior inspection of the subject house and an exterior inspection of the garage on March 15, 2004, and on data from Marshall and Swift Residential Cost Handbook and Marshall and Swift Home Repair and Remodel Cost Guide. Respondent's estimated cost to cure did not include basement finish, which was addressed in the market grid, or exterior paint stripping, which he did not know had replaced sandblasting.

11. Respondent assigned an actual value of \$519,000.00 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 recognizes the difficulty in comparable sale selection for turn-of-the-century homes with a wide range of remodeling. The Board agrees with the Petitioner that the remodeling of Comparable Sale 1 is more extensive and superior to the subject; the Board would have benefited from greater detail, support, and adjustments in this regard. Both parties testified that Sale 2 is inferior and Sale 3 is superior to the subject, but no details were provided. Respondent's evidence and testimony, despite limited remodeling data, is more persuasive than the Petitioner's and has, therefore, been given more weight.

3. The Board understands Petitioner's concern regarding the difference in value between Respondent's market and cost approaches. However, pursuant to Colorado Revised Statutes and Constitutional Amendment #1, residential property must be valued using the market approach to value for ad valorem tax purposes. The value indicated by the cost approach rarely correlates with the value indicated by the market approach with properties of this age.

4. The Board acknowledges Mr. Abney's testimony regarding price per square foot; however, it is not an acceptable method of establishing market value either in commonly recognized appraisal practice or in the Division of Property Taxation's Assessor's Reference Library guidelines.

5. Based on the evidence and testimony presented, the Board has carefully reviewed cost to cure estimates, agreeing in part with both parties, and has concluded to an estimated cost to cure of \$55,000.00.

6. The Board contends that the cost to cure does not contribute to market value on a dollar-for-dollar basis. Much of the remodeling may add value to the subject property, but the full cost of the remodeling would not likely be realized in the market. Some items, such as painted versus exposed brick, would be considered "value in use" to the owner

7. After careful consideration of all evidence and testimony presented, the Board affirms Respondent's assigned value of \$519,000.00 for tax year 2003.

**ORDER:**

The petition is denied.

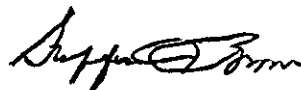
**APPEAL:**

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

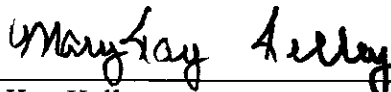
If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

**DATED and MAILED** this 24<sup>th</sup> day of April, 2004.

**BOARD OF ASSESSMENT APPEALS**



Steffen A. Brown

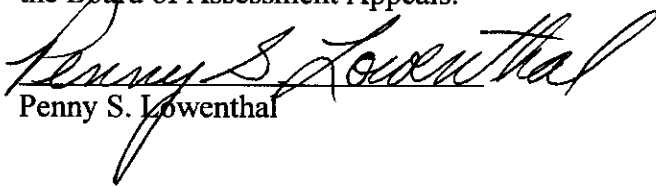


MaryKay Kelley

This decision was put on the record

APR 23 2004

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

  
Penny S. Lowenthal

