

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>WEST RIDGE GROUP, LLC,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>MONTROSE COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket No.: 48209</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on April 30, 2008, James R. Meurer and Karen E. Hart presiding. Petitioner was represented by Phillip Anselmo, an LLC member. Respondent was represented by Carolyn Clawson, Esq. Petitioner is protesting the 2007 actual value of the subject properties.

**PROPERTY DESCRIPTION:**

Subject properties are described as follows:

<u>Montrose County Schedule No.</u>	<u>Unit No.</u>	<u>Address</u>
<b>R0014564</b>	<b>101</b>	<b>South 3<sup>rd</sup> Street, Montrose, Colorado</b>
<b>R0018301</b>	<b>103</b>	<b>South 3<sup>rd</sup> Street, Montrose, Colorado</b>
<b>R0018302</b>	<b>105</b>	<b>South 3<sup>rd</sup> Street, Montrose, Colorado</b>
<b>R0012164</b>	<b>107</b>	<b>South 3<sup>rd</sup> Street, Montrose, Colorado</b>
<b>R0018303</b>	<b>109</b>	<b>South 3<sup>rd</sup> Street, Montrose, Colorado</b>

The subject properties consist of five townhouse units located in two separate buildings. Each unit has a total living area square footage of 1,413. Units 107 and 109 have 102-square-foot wood decks. Units 103, 107, and 109 have a garage allocation of 378 square feet. Unit 101 has a garage allocation of 365 square feet. Unit 105 has no garage allocation. The subject properties are located in the core area of the town of Montrose.

Based on the market approach, Petitioner presented the following indicated values for the subject properties:

Schedule R0014564	Unit 101	\$91,500.00
Schedule R0018301	Unit 103	\$91,500.00
Schedule R0018302	Unit 105	\$87,500.00
Schedule R0012164	Unit 107	\$91,500.00
Schedule R0018303	Unit 109	\$91,500.00

Petitioner presented 13 comparable sales ranging in sales price from \$70,000.00 to \$95,000.00 and in size from 705 to 1,500 square feet. No adjustments were made to the sales. All of the sale properties were much older than the subject properties and all but three were much smaller in square footage. None of the sales were townhome properties. All of the sales occurred prior to September 30, 2004.

Petitioner's witness, Mr. Phillip Anselmo, testified that Respondent ignored the location of the subject properties. The subject complex was built as two-story buildings in order to obtain a larger square footage per unit due to a limited site area. The market is limited due to the two-story design. The subject properties were on the market for \$129,000.00 and there were no offers.

The subject properties are rentals with monthly rents of \$795.00. Mr. Anselmo believes the subject properties should be valued using a gross rent multiplier of six. The gross rent multiplier was calculated using data from the Assessor's Reference Library, which indicated gross rent multiplier's between five and six.

Mr. Anselmo testified that Respondent's comparables are not similar to the subject properties. They are of different design and are located in golf course areas in newer parts of the town. The area experienced huge growth through late 2006. He does not believe Respondent's time adjustment is supported by evidence. He believes that values were decreasing and not increasing as Respondent has indicated. He believes that a hybrid approach should be considered using both single-family detached sales in the immediate neighborhood as well as sales of townhomes.

Petitioner presented some market information that was post base year. The Board did not give any consideration to post base year data.

Petitioner's adverse witness, Ms. Sara S. Waller, a Licensed Appraiser with the Montrose County Assessor's office, testified that she originally valued the subject property at a higher value as a result of using sales from the subject neighborhood that included single-family detached homes. The subject properties' neighborhood consists typically of older single-family homes. Respondent reduced the value based on sales of townhomes only.

Ms. Waller testified that she looked for sales of townhomes that were of similar age and square footage. She did not use any single-family detached homes from the subject area. She testified that location is an important market factor. Her Comparable Sale 5 is near the old golf course but does not adjoin it. The market was increasing; there was a huge time of growth in Montrose County during the appropriate time frame including a large increase in values.

Petitioner is requesting a 2007 actual value as follows for the subject properties:

Schedule R0014564	Unit 101	\$91,500.00
Schedule R0018301	Unit 103	\$91,500.00
Schedule R0018302	Unit 105	\$87,500.00
Schedule R0012164	Unit 107	\$91,500.00
Schedule R0018303	Unit 109	\$91,500.00

Respondent presented an indicated value range for the subject properties of \$166,549.00 to \$184,223.00, based on the market approach.

Respondent presented a list of 80 townhome sales that occurred during the base period of January 1, 2005 through June 30, 2006. From this list, Respondent chose six comparable sales to value the subject properties, ranging in sales price from \$145,000.00 to \$175,000.00 and in size from 1,229 to 1,426 square feet. After adjustments were made for time, age, heat type, gross living area, and garage area, the sales ranged from \$166,549.00 to \$184,223.00. All of the comparable properties are of one-story design.

Respondent's witness, Ms. Sara S. Waller, testified that some of the properties presented by Petitioner are condominiums and the remaining sales are single-family homes. There is a difference between a condominium unit and a townhome; townhomes sell for higher values as the rights of ownership are different than those of condominium properties. Petitioner's sales occurred between January 1, 2004 and September 30, 2004. Ms. Waller testified that there was no need to go back further than the current base period ending June 30, 2006; there were plenty of sales during the appropriate time frame. There are no two-story townhomes in the town, so she could not determine an adjustment for that attribute. It is not appropriate to use sales of condominiums or single-family detached homes.

Regarding a gross rent multiplier, such information may be used as a unit of comparison within the market approach. Respondent did not develop a gross rent multiplier.

Respondent assigned the following actual values to the subject properties for tax year 2007:

Schedule R0014564	Unit 101	\$173,990.00
Schedule R0018301	Unit 103	\$174,400.00
Schedule R0018302	Unit 105	\$163,850.00
Schedule R0012164	Unit 107	\$176,560.00
Schedule R0018303	Unit 109	\$176,560.00

Petitioner presented sufficient probative evidence and testimony to prove that the subject properties were incorrectly valued for tax year 2007.

Petitioner presented no documentation to support his gross rent multiplier calculation.

The Board gave little weight to Petitioner’s sales, which were condominium units and single-family detached houses. Sales of townhomes should be used to value the subject property when they are available.

However, the Board is convinced that an adjustment should be made to Respondent’s sales for the fact that all of the sales are of one-story design versus the subjects’ two-story design. As there are no two-story design properties to use to determine what the adjustment should be, the Board determined that the value of the subject properties should be taken from the low end of the value range at \$166,550.00 rounded. The Board valued the units with garage allocations at the same value as the Board was not convinced that the small garage square footage difference or the small decks on two of the units would result in a notable market value difference. Unit 105, which has no garage allocation, is valued by the Board at \$160,880.00, a \$5,670.00 reduction calculated using Respondent’s \$15.00 per square foot for garage area differences times 378 square feet, the garage size of the majority of the subject properties.

The Board concluded that the 2007 actual value of the subject properties should be reduced as follows:

Schedule R0012164	Unit 107	\$166,550.00
Schedule R0018303	Unit 109	\$166,550.00
Schedule R0014564	Unit 101	\$166,550.00
Schedule R0018301	Unit 103	\$166,550.00
Schedule R0018302	Unit 105	\$160,880.00

**ORDER:**

Respondent is ordered to reduce the 2007 actual value of the subject properties as noted above.

The Montrose County Assessor is directed to change his records accordingly.

**APPEAL:**

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation of the Respondent county, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

CRS § 39-8-108(2) (2008).

**DATED and MAILED** this 23<sup>rd</sup> day of September 2008.

**BOARD OF ASSESSMENT APPEALS**

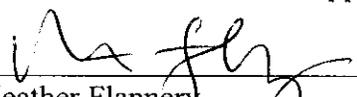
  
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James R. Meurer

  
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Karen E. Hart

This decision was put on the record

**SEP 23 2008**  
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I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

  
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Heather Flannery

