

<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>FOUR-M ENTERPRISES,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>DENVER COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket No.: 50044</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on January 21, 2010, Diane M. DeVries and MaryKay Kelley presiding. Petitioner was represented by Sharon Slater, owner. Respondent was represented by Max Taylor, Esq. Petitioner is protesting the 2007 actual value of the subject property.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**2501-2505 South Pearl Street, Denver, Colorado  
(Denver County Schedule No. 05276-05-032-000)**

The subject property consists of two duplexes built in 1954 on a 12,500 square foot lot. Each duplex has a one-bedroom and a two-bedroom unit. Total improvement size is 2,576 square feet (1,288 square feet per duplex). Neither has a basement or garage. Interiors are original and dated.

Respondent assigned an actual value of \$456,500.00 for tax year 2007 but is recommending a reduction to \$404,000.00. Petitioner is requesting a value of \$367,400.00.

Petitioner presented three comparable sales, all two-unit properties selling for \$186,775.00 (Sale 1), \$101,000.00 (Sale 2), and \$183,700.00 (Sale 3). They ranged in size from 446 to 1,278 square feet. Ms. Slater had no additional information about the properties and made no adjustments. She multiplied the duplex sales prices by two to arrive at an indicated value for the subject's four-

unit property: \$373,550.00 (Sale 1), \$202,000.00 (Sale 2), and \$367,400.00 (Sale 3). She gave most weight to Sale 3.

Respondent presented an indicated value of \$404,000.00 for the subject property based on the market approach. The witness presented three comparable sales, all two-unit properties selling for \$340,000.00 (Sale 1), \$320,000.00 (Sale 2), and \$395,000.00 (Sale 3). They ranged in size from 1,621 to 2,012 square feet. After adjustments were made, adjusted sales prices ranged from \$179,376.00 to \$228,262.00. Per-unit prices ranged from \$89,688.00 to \$114,131.00. The witness concluded to a value per unit of \$101,000.00 or \$404,000.00 for the subject's four units.

Respondent's witness reported that Petitioner's Sales 1 and 3 were foreclosures and Sale 2's use was as a single family residence.

Sufficient probative evidence and testimony was presented to prove that the subject property was incorrectly valued for tax year 2007.

The Board gives no weight to Petitioner's comparable sales. Sale 2 occurred beyond the base period from January 1, 2005 through June 30, 2006 and therefore cannot be considered by the Board. Sales 1 and 3 were foreclosures and the Board was not convinced these sales represented arm's-length transactions. Further, the Board was not provided with sufficient data to make adequate comparisons.

Neither party provided sales of four-unit properties, which would have conformed to acceptable appraisal practice. The value of a four-unit property does not correlate to the same value as two duplexes nor does it equate to price per unit of a duplex times four. The parties, however, did persuade the Board that the property was incorrectly valued.

The Board is not convinced that Respondent's negative 10% zoning adjustments should be applied to all three of Respondent's R-2 zoned sales. Respondent's witness argued that the subject property, which has grandfathered R-1 zoning, carries additional value because its 12,500 square foot site could be divided and sold as two duplexes on 6,250 square foot lots each for additional profit. First, this scenario, in which the witness contends the subject property has greater value, would result in positive rather than negative adjustments. Second, this scenario presumes approval. Third, actual value was assigned as of January 1, 2007, on which date the subject was a four-unit property and should be valued as such.

For lack of additional information, value per Respondent is concluded.

The Board concludes that the 2007 actual value of the subject property should be reduced to \$404,000.00.

**ORDER:**

Respondent is ordered to reduce the 2007 actual value of the subject property to \$404,000.00.

The Denver County Assessor is directed to change his/her 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 Section 24-4-106(11), C.R.S. (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 Section 24-4-106(11), C.R.S. (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.

Section 39-8-108(2), C.R.S.

**DATED and MAILED** this 22<sup>nd</sup> day of April 2010.

**BOARD OF ASSESSMENT APPEALS**

*Diane DeVries*

Diane DeVries

*MaryKay Kelley*

MaryKay Kelley

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

*Heather Flannery*

Heather Flannery

