

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

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No. 55918

Petitioner:

CASTLE ROCK OVERLOOK LLC,

v.

Respondent:

DOUGLAS COUNTY BOARD OF EQUALIZATION.

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on January 30, 2012, Gregg Near and James R. Meurer presiding. Petitioner was represented by Kendra L. Goldstein, Esq. Respondent was represented by Robert D. Clark, Esq. Petitioner is protesting the 2010 actual value of the subject properties.

Subject properties are is described as follows:

**751 Maleta Lane Unit 102 , Castle Rock, CO
(Douglas County Account No. R0474461)**

**757 Maleta Lane Unit 102 , Castle Rock, CO
(Douglas County Account No. R0474485)**

**757 Maleta Lane Unit 103 , Castle Rock, CO
(Douglas County Account No. R0474486)**

**757 Maleta LandeUnit 104 , Castle Rock, CO
(Douglas County Account No. R0474487)**

The property consists of four commercial condominium units located in the Castle Rock Overlook condominium project in Castle Rock, Colorado. The units were constructed in 2006 and range in size from 597 square feet to 1,237 square feet. The units were vacant as of the valuation date of June 30, 2008; however, leases were executed on each of the units subsequent to the valuation date. The units are wood frame, zoning is Metzler Ranch PD, and the units are considered good quality construction.

Petitioner presented the following indicators of value for the subject units based on the cost and income approaches.

R0474461	\$89,550
R0474485	\$91,650
R0474486	\$97,200
R0474487	\$185,550

Petitioner's witness, Ms. Brenda Fearn, a certified general appraiser, testified that the best indication of value for the subject units resulted from the cost and income approaches. Relative to the cost approach, Ms. Fearn testified that the value of the units should equate to the established 2009 value plus the costs of tenant finish. In terms of the income approach, Ms. Fearn stated that a net operating income capitalized at an appropriate rate would also reflect market value for the subject units. Ms. Fearn testified that the appropriate level of value for the units should approximate \$150 per square foot based on the cost and income analysis.

Petitioner argued that Respondent should have developed multiple approaches to value and that relying solely on a market (sales comparison) approach is not appropriate given the physical and income characteristics of the subject units.

Based on the market (sales comparison) approach, Respondent presented the following indicators of value for the subject units.

R0474461	\$161,000
R0474485	\$164,000
R0474486	\$174,000
R0474487	\$344,000

Respondent's witness, Mr. Robert D. Sayer, a certified general appraiser, presented a market approach using nine comparable sales. Six of the sales were shell, and three had tenant improvements in place. Unadjusted sales prices ranged from \$147,400 to \$565,700 or \$215.01 to \$353.22 per square foot. The adjustments to the comparables were for location, unit location, square footage, and finish. After adjustments, Mr. Sayer concluded to a value for each of the subject units ranging from \$231.24 to \$281.30 per square foot.

Mr. Sayer testified that a cost approach was not an appropriate methodology for the subject units since they were condominiums and it would be difficult to allocate the value of the common elements. Mr. Sayer further testified that the units were designed for owner-users and that no leases were in place as of the valuation date; therefore, an income approach was also not applicable.

Respondent assigned the following actual values for the subject units for tax year 2010.

R0474461	\$149,250
R0474485	\$152,750

R0474486	\$162,000
R0474487	\$309,250

Respondent presented sufficient probative evidence and testimony to prove that the tax year 2010 valuation of the subject units was correct.

After careful consideration of the testimony and exhibits presented at the hearing, the Board concludes that Respondent's arguments pertaining to the value of the subject units is realistic and supportable. The Board concludes that Respondent's use of a market (sales comparison) approach constitutes the best indication of the market value of the units given their physical (e.g. condominium) characteristics as of the valuation date.

ORDER:

The petition is denied.

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.

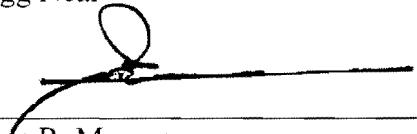
Section 39-8-108(2), C.R.S.

DATED and MAILED this 24th day of February, 2012.

BOARD OF ASSESSMENT APPEALS

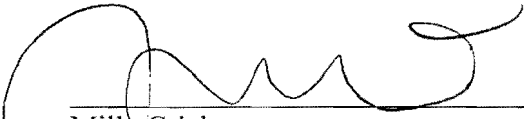


Gregg Near



James R. Meurer

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



Milla Crichton

