

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>ERVIN C. JAROS,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 63269</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on May 27, 2014, James R. Meurer and MaryKay Kelley presiding. Ervin C. Jaros appeared pro se. Respondent was represented by Writer Mott, Esq. Petitioner is protesting the 2013 actual value of the subject property.

Subject property is described as follows:

**9440 West 63rd Place, Arvada, Colorado
Jefferson County Schedule No. 438773**

The subject is a 2,581 square foot ranch with a partially-finished walkout basement and two oversized (single and double car) garages. It was built in 2003 on a .462-acre site in a cul-de-sac enclave of five homes.

Respondent assigned an actual value of \$559,500 for tax year 2013. Petitioner is requesting a value of \$387,603.

Mr. Jaros discussed two issues impacting marketability and value; additional traffic due to cars changing directions in the subdivision's cul-de-sac, and noise from three nearby railroad crossings. He considered them to be negative impacts on value yet not addressed in Respondent's appraisal.

Mr. Jaros argued that, despite a good mountain view, his site sloped steeply to the rear, resulting in unusable terrain. He noted that comparable sales used by Respondent's witness offered more usable terrain yet were not appropriately adjusted.

Mr. Jaros purchased the subject property in September of 2012 and made the following improvements in 2013: a new trex deck; new stucco exterior; a new dining room; master bedroom, and new study flooring. Total cost was estimated at \$63,440.

Mr. Jaros presented four comparable sales ranging in sale price from \$550,000 to \$585,000 and in size from 3,008 to 3,490 square feet. Adjusting only main floor square footage, he concluded to values of \$168, \$190, \$158 and \$186 per square foot, respectively. Petitioner arrived at the value conclusion of \$387,603 by averaging his four comparables, multiplying that average by the subject's 2,581 square feet and deducting \$63,440 (cost of improvements).

Respondent presented a market approach to derive an estimated value of \$571,000. Respondent's witness, Ms. Dorin Tissaw, Registered Appraiser, presented three comparable sales ranging in sale price from \$525,000 to \$626,000 and in size from 2,507 to 3,297 square feet. After adjustments for time, acreage and view, age, main floor size and room count, basement size/walkout and finish, garages, fireplaces, and patios/decks, adjusted values ranged from \$526,200 to \$646,000. Ms. Tissaw gave most weight to Sale Three to conclude to an indicated value of \$571,000.

Ms. Tissaw neither observed additional traffic in the subject's cul-de-sac nor heard train noise and noted that none of the railroad crossings were near the subject property. The Board is persuaded by her testimony.

Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2013.

The Board does not find the subject's topography to be a negative marketing factor. Photographs show a moderate slope with railroad-tie terracing.

The Board notes that Petitioner's exterior and interior improvements (deck, stucco, and flooring) were made after January 1, 2013 and cannot, therefore, be factored into valuation for tax year 2013.

Both state constitution and statutes require use of the market approach to value residential property. The Board gives little weight to Petitioner's methodology of averaging sale prices per square foot. It is not considered an appropriate appraisal practice and does not independently address the many features within a property, such as site size and view, property size and finish, condition and quality of construction, and additional features (fireplaces, patios/decks, etc.), among others.

The Board does not consider Petitioner's purchase of the subject property in September of 2012 to be a valid comparable sale. Neither date of contract nor date of sale falls within the statutory base period beginning January 1, 2011 and ending June 30, 2012 per Section 39-1-104(10.2)(d) C.R.S: "... 'level of value' means the actual value of taxable real property ... for the one-and-one-

half-year period immediately prior to July 1 immediately preceding the assessment date...” .

The Board gives greatest weight to Respondent’s Sales One and Two and Petitioner’s Sale Two as discussed below.

Respondent’s Sale One and Petitioner’s Sale One are the same property. While Petitioner adjusted only main floor square footage, Respondent’s witness addressed all features of the home, and the Board considers these adjustments appropriate. Respondent’s Sale One is given weight in value conclusion.

An attempt has been made to apply Respondent’s adjustments to Petitioner’s Sale Two, the result being \$550,950 without addressing its superior quality, bathroom count, and view premium (the adjustments are difficult to derive from Respondent’s data). This sale is given weight despite insufficient information.

Petitioner’s Sales Three and Four are “short sales” and are given little weight by the Board. Short sales are typically marketed under duress, are priced accordingly, and require bank approval. In comparison, arm’s length transactions involve willing sellers not acting under duress. Respondent did not argue that short sales or foreclosures set a pattern, in which case they would be considered typical for the area.

Respondent’s Sale Three is new construction, which the Board is not inclined to compare to the ten-year-old subject property. Further, some information about that sale is unknown; whether the home was pre-sold, the condition of interior features, and whether landscaping and sprinkler system were included in the price. Pre-sold properties can carry a premium for site selection, floor plan selection, and choice of materials. The Board gives little weight to this sale. Also, the Board notes that its sale price and adjusted sale price are considerably higher than Respondent’s other sales, suggesting a new-home premium.

The Board places greatest weight on Respondent’s Sale One at \$546,400, Petitioner’s Sale Two (Board’s value absent some adjustments) at \$550,950, and Respondent’s Sale Two at \$526,200. The Board finds Respondent’s Sales One and Two to be adequately adjusted and has most confidence in them.

The Board concludes that the 2013 actual value of the subject property should be reduced to \$535,000.

ORDER:

Respondent is ordered to reduce the 2013 actual value of the subject property to \$535,000.

The Jefferson County Assessor is directed to change their 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-nine 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-nine 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.

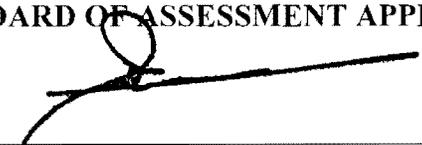
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

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

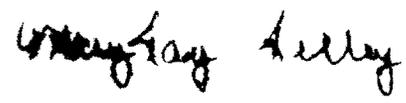
DATED and MAILED this 10th day of June, 2014.



BOARD OF ASSESSMENT APPEALS

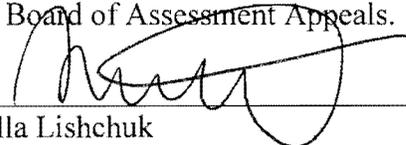


James R. Meurer



MaryKay Kelley

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



Milla Lishchuk