

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>CASA NOVA REAL ESTATE LLC,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 63569</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on May 7, 2014, Diane M. DeVries and MaryKay Kelley presiding. Petitioner was represented by Fleming Schutrumpf, Manager. Respondent was represented by Rebecca Klymkowsky, Esq. Petitioner is protesting the 2013 actual value of the subject property.

Subject property is described as follows:

**1614 Jay Street, Lakewood, Colorado
Jefferson County Schedule No. 058731**

The subject is a 735 square-foot brick bungalow with porch, patio, carport, and utility shed. It was built in 1934 on a .114 acre lot and is located in an established neighborhood north of Colfax Avenue, a major arterial.

Respondent assigned an actual value of \$127,540 for tax year 2013 but is recommending a reduction to \$118,000. Petitioner is requesting a value of \$60,000.

Mr. Schutrumpf purchased the subject property, a HUD foreclosure, as an investment in February of 2011. Paying \$40,000, he then replaced laminate countertops, vinyl flooring, and painted the interior. His requested value of \$60,000 is based on this purchase price and the subsequent updating.

Mr. Schutrumpf described the home's location as negatively influenced by adjacent multi-family housing (apartment buildings) and Colfax Avenue's prostitution, drugs, pawn shops, bars and related criminal activity. He argued that Respondent's comparable sales, absent Colfax Avenue influence, were not similarly affected. Two sales abutted or were adjacent to multi-family housing with one carrying only a nominal adjustment (\$300).

Mr. Schutrumpf, while not presenting any market analysis, considered foreclosures to be better indicators of value than Respondent's arm's length transactions. He also noted the superior condition of Respondent's sales, which had been updated with new windows, kitchens/baths, and hardwood flooring.

Respondent's witness, Dorin Tissaw, Registered Appraiser, described the subject's condition as "original", noting no deficiencies in structural integrity or in the exterior brickwork. She gave little value to the covered porch, patio, carport, or shed due to their ages and considered the interior to be in average/fair condition with little updating.

Ms. Tissaw completed a market approach to derive a value of \$118,000. She presented four arm's length transactions ranging in sale price from \$122,000 to \$159,000 and in size from 679 to 1,114 square feet. After adjustments were made, the sales ranged from \$99,100 to \$137,100.

Three of Ms. Tissaw's sales were located north of Colfax Avenue like the subject in a neighborhood exemplifying gentrification. In her experience, she estimated that nine of ten homes have been updated/remodeled, and she did not include foreclosure sales in her analysis. All four sales had some degree of updating/remodeling with related adjustments. While Sales One and Four abutted or were adjacent to multi-family housing, she did not consider this to be a significant impact on value.

Ms. Tissaw placed greatest weight on Sales Three and Four with adjusted sale prices of \$112,100 and \$123,100, respectively. Adjustments were made for updating/remodeling of kitchens and baths, size, heat, and porches/patios.

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

Both state constitution and statutes require use of the market approach to value residential property.

The Board is convinced that foreclosure activity exists in the subject neighborhood. Respondent's witness acknowledged it represented approximately fifty percent of sales activity. While a two-tiered market may exist (both arm's length sales and foreclosure sales), Petitioner presented no foreclosure sales for discussion and comparison to Respondent's sales.

The Board agrees with Respondent that Sales Three and Four are the best indicators of value. However, it is also convinced that the proximity of multi-family housing and Colfax Avenue are likely to impact marketability and value. Additionally, the Board considers the likelihood of a two-

tiered market that includes foreclosures, but foreclosure sales were not presented by either party. Petitioner did not present any evidence to support its arguments, and the Board is unwilling to make unsupported adjustments for the home's proximity to Colfax Avenue, the influence of multi-family housing, and for the difference between arm's length and foreclosure transactions.

ORDER:

The petition is granted. Respondent is ordered to reduce the subject's 2013 value to Respondent's recommended value of \$118,000.

Jefferson County Assessor is ordered to adjust 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-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.

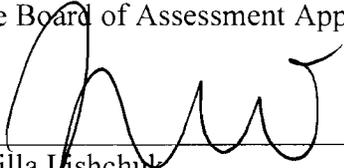
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

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

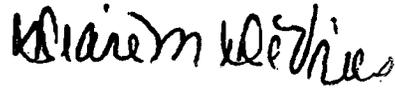
DATED and MAILED this 13th day of May, 2014.

BOARD OF ASSESSMENT APPEALS

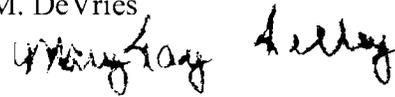
I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.



Milla Lishchuk



Diane M. DeVries



MaryKay Kelley

