

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>DANIEL C. ZABEL,</p> <p>v.</p> <p>Respondent:</p> <p>DENVER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 68410</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on May 24, 2016, Gregg Near and MaryKay Kelley presiding. Petitioner appeared pro se. Respondent was represented by Noah Cecil, Esq. Petitioner is protesting the 2015 actual value of the subject property.

Subject property is described as follows:

**420 South Newton Street, Denver, Colorado
Denver County Schedule No. 05181-20-023-000**

The subject property is a 2,900 square foot multi-family structure comprised of six one-bedroom units of approximately 483 square foot each. It was built in 1955 on a 10,425 square foot lot.

Respondent assigned a value of \$460,000 for the subject property but is recommending a reduction to \$380,000. Petitioner is requesting a value of \$269,023.

Petitioner, Mr. Zabel, presented the market values of six sales, which ranged from \$256,900 to \$390,300 and from \$85.00 to \$117.00 per square foot. He selected them for their unit count (three to four units per structure) and for their proximity to the subject (all within 1.1 mile or closer). He made one 8% adjustment to all six sales for the difference in construction quality assigned by the Assessor (Grade D for the subject and Grade C for the six sales). Petitioner testified that his experience as a broker was the basis for his percentage adjustments. Mr. Zabel concluded to a range of adjusted actual values from \$78.00 to \$108.00 per square foot for an average of \$93.00 per square

foot. He applied this unit value to the subject's 2,900 total square feet for a requested value of \$269,023.

Mr. Zabel argued that Respondent's Sale Two should be disqualified. Respondent's Sale Two was purchased in July 2013 for \$400,000. Afterwards, an adjoining property was quit claimed to a developer and legally reconfigured into separate lots for the purpose of redevelopment. In April 2015, Sale Two was sold again for \$1,300,000. According to Petitioner, Respondent's Sale Two did not meet the criteria of a fair market sale because it was sold for purposes of redevelopment.

Respondent's witness, Greg Feese, Certified General Appraiser for the Denver County Assessor's Office, presented a Sales Comparison Approach with four comparable sales ranging in sale price from \$273,900 to \$725,000. Without an interior inspection, he assumed the subject's condition to be average and assigned the same quality rating to the subject as to the comparable sales (Grade C). After adjustments for time, neighborhood, unit size, open parking and garages, he concluded to an adjusted sale price range from \$238,747 to \$683,039. With a median adjusted value per unit of \$392,000, a median per-square-foot value of \$245,000, and a median gross rent multiplier of \$405,000, he concluded to an indicated value of \$380,000.

Mr. Feese considered Sale Two (2,488 square feet) to be most similar to the subject's size (2,900 square feet). Its adjusted price was \$409,700 (per unit analysis) or \$398,000 (per square foot analysis), both supportive of the indicated value. He gave most weight to this sale and argued that future development had no bearing on the 2013 sale.

Mr. Feese discussed Petitioner's analysis, declining use of his comparable sales because they were comprised of three and four units. He testified that the subject's six units should have been compared with investor-grade buildings (five-plus units) rather than residential-grade buildings (two-to-four units); residential and investor grade buildings are marketed and financed differently.

Petitioner argued that the subject was not valued equally to other similar properties. While equalization is the goal of uniform means and methods of assessment, perfect uniformity is not required under statute or the constitution.

The Board can consider an equalization argument as support for the value determined using the market approach. *Arapahoe County Bd. of Equalization v. Podoll*, 935 P.2d 14, 16 (Colo. 1997). For an equalization argument to be effective, Petitioner must also present evidence or testimony that the assigned value of the comparable used was also correctly valued using the market approach. As that evidence and testimony was not presented, the Board gave limited consideration to the equalization argument presented by Petitioner.

Both state constitution and statutes require use of the market approach to value residential property. Respondent's witness correctly completed a site-specific appraisal of the subject property, comparing sales of similar properties. The Board also finds the witness's comparable sale selection (five to ten units per structure) more reliable in valuing the subject than Petitioner's selection of three to four unit sales.

With regard to the discrepancy in construction quality (Grade D or C), Mr. Feese's explanation is satisfactory; Grade D rating for mass appraisal was based on statistical analysis modeling and subsequently converted to Grade C, where it now stands.

The Board finds that Respondent's Sale Two is a qualified sale. Its purchaser continued to rent the five units for a period of time after the purchase, and there is no evidence that the property was bought for anything other than fair market value.

ORDER:

Respondent is ordered to reduce the subject's value to Respondent's recommended value of \$380,000.

Denver County Assessor is ordered 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-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).

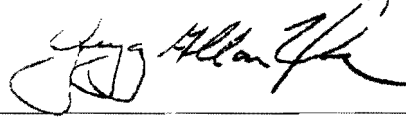
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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.

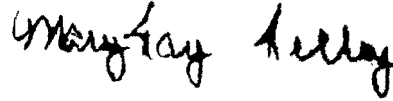
Section 39-8-108(2), C.R.S.

DATED and MAILED this 15th day of June, 2016.

BOARD OF ASSESSMENT APPEALS




Gregg Near



MaryKay Kelley

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


Milla Lishchuk