

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>SHEILA PETERSON,</p> <p>v.</p> <p>Respondent:</p> <p>EAGLE COUNTY BOARD OF EQUALIZATION.</p>	<p>▲</p>
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Sheila Peterson Address: P.O. Box 3875 Avon, Colorado 81620 Phone Number: (970) 926-0035 E-mail: Attorney Reg. No.:</p>	<p>Docket Number: 38198</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on March 5, 2002, Steffen A. Brown and Karen E. Hart presiding. Petitioner appeared pro se. Respondent was represented by Bryan R. Treu, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**CLUBHOUSE CONDO-ARROWHEAD
(Eagle County Schedule No. R025881)**

Petitioner is protesting the 2001 actual value of the subject property, a condominium unit built in 1985, consisting of 2,001 square feet with a single-car garage, located in Edwards, Colorado.

ISSUES:

Petitioner:

Petitioner contends that her property was constructed in 1985 and has had no subsequent renovations. Respondent has incorrectly classified her unit as very good quality. The sales used by Respondent are all newer and of better quality, and certain adjustments made by Respondent were not correct.

Respondent:

Respondent contends that the subject property was properly valued using sales of similar properties similarly situated that occurred during the appropriate time period.

FINDINGS OF FACT:

1. Ms. Sheila Peterson, Petitioner, presented the appeal on her own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$609,396.36 for the subject property.
3. Petitioner presented three comparable sales ranging in sales price from \$520,000.00 to \$743,500.00 and in size from 1,710 to 3,100 square feet. No adjustments were made to the sales.
4. Ms. Peterson testified that her property is located in the Clubhouse condominium complex and was built in 1985. The complex consists of two buildings with six condominium units in each building. The subject property is an end unit. This is the oldest complex in the subdivision with lesser interior finish in each unit. The roof on the building is in poor condition and leaks. The subject property's interior finish is original; the bathrooms need remodeling. There is condensation between the windowpanes and some water damage from the leaking roof. The construction is not a "very good" quality. Older units should be less valuable than newer units.
5. Ms. Peterson testified that the subject property is located near the Country Club of the Rockies (CCR). Her unit does not have a membership option premium, which is required to purchase a golf club membership. She presented documentation that indicated the option premium was worth from \$50,000.00 to \$100,000.00 in 1998.
6. Petitioner testified that the Respondent's Comparable Sale 1 is a ski-in/ski-out property. Presently, the lot between the comparable and the ski lift is not developed and the complex is advertised as ski-in/ski-out. The unit has massive wooden doors, three outdoor patios, and good sunlight exposure on five sides. The bedrooms are above street level. The property is six years newer than the subject property, and the bathrooms have marble interior finishes. She does not believe the adjustment applied to the comparable for deferred maintenance cost to cure by the assessor is correct. It would not cost \$50,000.00 to replace the

carpet and repaint the interior of the unit. She does not believe her property is superior in quality to the comparable, as shown by the assessor.

7. Petitioner testified that the Respondent's Comparable Sale 2 sold with a CCR option premium. The assessor adjusted the sale \$65,000.00 for this amenity, but Ms. Peterson testified that she believes the sale should be adjusted by \$100,000.00.

8. Ms. Peterson testified that Respondent's Comparable Sale 3 is the most prestigious building in Arrowhead; it has elevators, a private club with a world-class spa, a private dining area, and other amenities. An Alpine Club membership is required at a price of \$17,500.00. It was built in 1999 and is near a ski lift; it is a ski-in/ski-out property. The assessor's quality classification is very good, the same as the subject property. She considers the quality of this unit to be outstanding.

9. Ms. Peterson testified that her Comparable Sale 1 is Unit 9 in the subject property complex. It sold for \$304.09 per square foot. She believes it is the best comparable to the subject property as it is located in the same condominium complex, is the same age and quality, and did not include a golf membership option. She believes her value should be \$304.09 per square foot, prior to adjustments for time and size.

10. Ms. Peterson testified that her Comparable Sale 2 sold on January 13, 1999, for \$239.84 per square foot. It was built in 1994, is of the same stucco and wood frame construction as the subject property, and is steps from the ski slope. It sold for much less than her unit is assessed. Her Comparable Sale 3 sold for \$355.88 per square foot, was built in 1999, is steps from the ski lift and included a \$17,500.00 Alpine Club membership. It is superior to her property.

11. Petitioner is requesting a 2001 actual value of \$609,396.00 for the subject property.

12. Respondent's witness, Ms. Ruth Berglund, a Certified General Appraiser with the Eagle County Assessor's Office, presented an indicated value of \$784,000.00 for the subject property, based on the market approach.

13. Respondent's witness presented four comparable sales ranging in sales price from \$791,700.00 to \$1,025,150.00 and in size from 1,986 to 2,172 square feet. After adjustments were made, the sales ranged from \$779,005.00 to \$812,500.00.

14. Ms. Berglund testified that she has done an exterior inspection of the subject property. A different assessor staff member did an interior inspection. The subject property is an exterior condominium unit that is located on the golf course; the back yard of the complex is the golf course. The subject property is classified as very good quality, according to Marshall & Swift descriptions, supported by market data.

15. Ms. Berglund testified that she conducted exterior inspections of all of her comparable sales; Comparable Sale 1 had an interior inspection as well.

16. Ms. Berglund testified regarding the golf membership premium options. There are only 320 memberships available for 720 units. The options can be sold but only to other unit owners. The option value is rarely reported to the assessor's office. Their adjustment of \$65,000.00 for the option was derived from two properties that sold twice, with and without the options. They have no evidence to support a \$100,000.00 adjustment. They do not value the options, as they are intangibles.

17. Ms. Berglund testified that her Comparable Sale 2 was adjusted for the membership option and size. Comparable Sale 1 suffered from deferred maintenance at the time of sale. It is located one block south of the subject property. Although it is newer construction, the effective age is considered equal to the subject. She does not feel it is a ski-in/ski-out property; the vacant lot is flat between the subject and the ski lift and will be developed. The subject property is located on the golf course, which would offset any ski-in/ski-out benefit of the comparables. Comparable Sale 3 is in the Alpine complex and is located at the bottom of the lift; it was adjusted for location, Alpine Club membership fees, age, number of bedrooms, and size. Regarding the membership fee, she was told that there is a \$5,000.00 difference in membership fees for owners versus non-owners. She added her Comparable Sale 4 after receiving Petitioner's information regarding the Dakota complex.

18. Regarding Petitioner's comparables, Ms. Berglund testified that Unit 9 is an interior unit, not an exterior unit such as the subject, and is 300 square feet smaller; she does not feel it is comparable to the subject. The Dakota at Arrowhead Unit 20 is much larger and also is an interior unit. Petitioner's Comparable Sale 3 is a sale where the purchaser was the developer and she did not consider it an arm's-length transaction.

19. Under cross-examination, Ms. Berglund testified that the subject Clubhouse condominiums has one-car garages; whereas, the Dakota complex has two-car garages. She has no evidence that there is a difference in the market for the number of garage spaces. The Clubhouse condos are classified as very good. The Dakota complex was built in phases and is classified as good quality. Petitioner's comparable sale was built in 1994, but quality of construction is not age specific. The deferred maintenance was carpet and painting and was reflected in the sales price. Comparable Sale 1 was less desirable in the market as it is a "dark" unit and the marble finish contributes to the darkness of the bathroom.

20. In redirect testimony, Ms. Berglund testified that construction quality is not much of a value factor in condominiums in the subject area. All of the condominium complexes are in close proximity and compete against each other in the market.

21. Respondent assigned an actual value of \$784,000.00 to the subject property for tax year 2001.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2001.

2. Petitioner presented three comparable sales, but the sales were not adjusted for physical characteristic differences, as required in basic appraisal practice. Additionally, the Board does not believe that Petitioner's Comparable Sale 3 was an arm's-length transaction. Therefore, the Board relied upon Respondent's sales to indicate the value of the subject property, with certain adjustment modifications.

3. The Board was convinced that the adjustment to Respondent's Comparable Sale 3 for the Alpine Club membership should be \$17,500.00, rather than the \$10,000.00 used by Respondent's witness, and that the condition adjustment to Comparable Sale 1 should be less than the \$50,000.00 used by Respondent; the Board reduced the adjustment to \$10,000.00. The Board was also convinced by Petitioner's evidence and testimony that Respondent's Comparable Sales 1 and 4 were of a higher quality than the subject property and determined that additional adjustments in the amount of \$20,000.00 for this quality difference would appear appropriate.

4. The Board was not convinced that the location of properties near the ski lift or being ski-in/ski-out was more valuable than the subject property location on the golf course. The Board believes that each of these locations would have equal appeal in the market.

5. However, the Board was convinced that Respondent's golf membership option adjustment was too low. The Board was convinced that the value of the option appeared to be increasing over time. Based on the evidence presented by Petitioner, the Board believes that the appropriate value of the option should be determined at the upper end of the range, being \$100,000.00.

6. The Board made the aforementioned adjustments to Respondent's comparable sales, which resulted in a value range of \$744,005.00 to \$759,250.00, a much tighter range than that originally indicated. The Board determined that Respondent's Comparable Sale 2 should be given the most weight, as it is in the same complex as the subject property and required the least adjustments.

7. After careful consideration of all the evidence and testimony presented, the Board concluded that the 2001 actual value of the subject property should be reduced to \$759,000.00.

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property to \$759,000.00.

The Eagle County Assessor is directed to change her records accordingly.

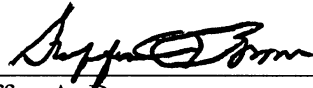
APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 30th day of May, 2002.

BOARD OF ASSESSMENT APPEALS



Steffen A. Brown



Karen E. Hart

This decision was put on the record

MAY 02 2002

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



Diane Von Dollen

