

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>DARLA M. LARSON,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>ARAPAHOE COUNTY BOARD OF EQUALIZATION.</b></p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Darla M. Larson Address: 5683 Southmoor Circle Englewood, Colorado 80111</p>	<p><b>Docket Number: 39009</b></p>
<p style="text-align: center;"><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on February 18, 2003, Debra A. Baumbach and Steffen A. Brown presiding. Petitioner appeared pro se. Respondent was represented by George Rosenberg, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**Lot 11 Blk 6 Southmoor Vista, known as 5683 Southmoor Circle  
(Arapahoe County Schedule No. 2075-05-3-06-003)**

Petitioner is protesting the 2001 actual value of the subject property, a one story home containing 2,388 square feet of living area, two bedrooms, two bathrooms and located in Southmoor Vista.

## **ISSUES:**

### **Petitioner:**

Petitioner contends that the subject, a two bedroom, two bath functionally obsolete home has been overvalued and the actual value assigned has been increased to where they could not sell it for that price.

### **Respondent:**

Respondent contends that the subject property is correctly valued using the market approach and the Arapahoe County Assessor took into consideration the functional obsolescence of the improvements.

## **FINDINGS OF FACT:**

1. Ms. Darla M. Larson, Petitioner, presented the appeal on her own behalf.
2. Based on the market approach, Petitioner presented an indicated value of \$323,000.00 for the subject property.
3. Petitioner presented five comparable sales ranging in sales price from \$440,000.00 to \$650,000.00 and in size from 2,210 to 2,469 square feet. Petitioner made no adjustments to the sales.
4. Ms. Larsen testified she has lived in the subject since it was built in 1971. It was designed as a two bedroom, two bath home where both bedrooms share one bathroom from a common hallway. There has been no interior updating except for carpeting which is four years old. The windows are single pane and the home is the lowest class house in the neighborhood.
5. Ms. Larsen testified the subject has square footage similar to other homes in the area but not the number of bedrooms and baths. Most homes in the area were built with four to six bedrooms as shown in Petitioner's Exhibit A, page 6.
6. Ms. Larsen described the five sales testifying Comparable Sale #1 has four bedrooms and three baths and was remodeled throughout by more than one owner and has an opulent master suite; Comparable Sale #2 has four bedrooms and three baths and was totally updated in the late 1980's; Comparable Sale #3 contains three bedrooms and three baths and totally remodeled sometime in the past; Comparable Sale #4 has three bedrooms and four baths and has been totally renovated and remodeled more than once; Comparable Sale #5 has three bedrooms and four baths and has had major renovations done but it is 7.3 miles from the subject and is on larger site containing .89 acres.

7. Ms. Larsen cited an array of sales in Petitioner's Exhibits A pages 7, 8, 9 and Petitioner's Exhibit B, testifying that forty nine of the sixty one sold below the assessed or actual value.

8. Under cross examination, Ms. Larsen admitted they designed and built the subject to their specifications and the study which is located near the garage, on the other side of the house, is not large enough to be used as a bedroom, but there is a second bathroom there.

9. Petitioner is requesting a 2001 actual value of \$323,000.00 for the subject property.

10. Respondent's witness, Ms. Merry L. Fix, an appraiser with the Arapahoe County Assessor's Office, presented an indicated value of \$495,550.00 for the subject property, based on the market approach.

11. Respondent's witness presented three comparable sales ranging in sales price from \$440,000.00 to \$538,500.00 and in size from 2,373 to 2,469 square feet. After adjustments were made, the sales ranged from \$504,405.00 to \$528,382.00.

12. Ms. Fix described the subject property as a one story brick home built in 1971 and includes 2,388 square feet of living area with two bedrooms, two bathrooms and a 716 square foot basement, of which 644 square feet was finished.

13. Ms. Fix testified of eleven sales in the subject neighborhood of Southmoor Vista, she picked the two that were most similar to the subject, since other sales were either a different style or significantly larger. The third comparable sale is located in a nearby neighborhood. With the exception of its lower land value it is the same size as the subject. Ms. Fix described the comparable sales testifying she placed most weight on Comparable Sale 3 since it was the same size as the subject and that without the land adjustment of \$50,000.00 the net adjustment was only 2.5%.

14. In re-direct Ms. Fix testified adjustments made were \$2,000.00 for age difference; \$5,000.00 for bathroom difference and a 10% functional obsolescence adjustment was made to the indicated improvement value.

15. Respondent assigned an actual value of \$495,500.00 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. The Board agrees with both Petitioner and Respondent the subject property is in dated condition and has a functional obsolescence due to the configuration and number of bedrooms and bathrooms.

3. The Board could place little weight on Petitioner's market approach. Although the

Petitioner presented five comparable sales, no adjustments were made. The Petitioner did not follow any accepted appraisal principals required to form an opinion of value. Some of the elements of comparison to consider would be financing, conditions of sale, market conditions, location, physical characteristics and other characteristics.

4. While the Board agrees with the Petitioner that actual values placed on some properties may be higher than the sale prices as noted in Petitioner's Exhibit A, pages 7, 8 and 9 and in Petitioner's Exhibit B. However, it is the sales price, in conjunction with appropriate adjustments that is used to determine value.

5. The Board agrees with both Respondent and Petitioner sales used may be the most appropriate. However, the Board does not agree with Respondent that most weight be placed on Comparable Sale 3 because the total net adjustment is only 2.5% after removing the \$50,000.00 land adjustment. Comparable Sale 3 is not located in the subject subdivision, a large site/location adjustment was required, it is the oldest sale requiring a large time adjustment and Comparable Sale 3 has the largest net adjustment.

6. The Board agrees with the Respondent the subject suffers from functional obsolescence and a 10% adjustment would be appropriate. However, the Board believes this should have been reflected as a dollar adjustment in the sales comparison grid and not an arbitrary adjustment from the indicated values of the sales.

7. After careful consideration of all the evidence and testimony the Board placed most weight on Respondent's Comparable Sales 1 and 2 and re-calculated adjustments, including functional obsolescence.

8. The Board concluded that the 2001 actual value of the subject property should be reduced to \$458,000.00.

### **ORDER:**

Respondent is ordered to reduce the 2001 actual value of the subject property to \$458,000.00.

The Arapahoe County Assessor is directed to change his/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 15<sup>th</sup> day of March, 2003.

**BOARD OF ASSESSMENT APPEALS**

*Debra A. Baumbach*

Debra A. Baumbach

*Steffen A. Brown*

Steffen A. Brown

This decision was put on the record

MAR 14 2003

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

*Penny S. Lowenthal*  
Penny S. Lowenthal

