

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>ROBERT J. VERBIC,</p> <p>v.</p> <p>Respondent:</p> <p>CHAFFEE COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Robert J. Verbic Address: 16340 Mount Princeton Road Buena Vista, Colorado 81211 Phone Number: (719) 395-2264 E-mail: Attorney Reg. No.:</p>	<p>Docket Number: 39108</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on January 24, 2002, Claudia D. Klein, Steffen A. Brown, and Mark R. Linné presiding. Petitioner, Robert Verbic, appeared pro se via telephone conference call. Respondent was represented by Jennifer A. Davis, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**PT S2SW4 8-14-78 PT N2NW4 17-14-78
(Chaffee County Schedule No. R327108300224)**

Petitioner is protesting the 2001 actual value of the subject property, a residential property consisting of a primary single-family residence and three rental cabins. The property also includes a number of ancillary structures that are presently unusable. The improvements are located in Buena Vista, Colorado.

ISSUES:

Petitioner:

Petitioner contends that the Respondent has failed to consider the investment property considerations inherent in the subject, and additionally, is imputing value to outbuildings. Property adjustment of the comparable sales data would yield a lower value.

Respondent:

Respondent contends that the valuation assigned to the subject property is appropriate and supported by the comparable sales data. The Respondent contends that it correctly valued the subject property in accordance with established assessment practice.

FINDINGS OF FACT:

1. Mr. Robert J. Verbic, Petitioner, presented the appeal on his own behalf via telephone conference call.

2. Based on the market approach, Petitioner presented an indicated value of \$205,000.00 for the subject property.

3. Petitioner presented two comparable sales ranging in sales price from \$140,000.00 to \$180,400.00 and in size from 2,016 to 2,200 square feet. After adjustments were made, the sales ranged from \$213,530.00 to \$215,620.00.

4. The Petitioner, testifying on his own behalf, admitted that the subject was a difficult property to value.

5. The witness testified that the subject property was a residential investment property that encompassed a main house with three rental cabins and outbuildings.

6. The witness described the primary house as comprising 1,440 square feet on the main level. There was a problem in the county's assessment records with respect to the square footage of the second level of the main house. There are only 440 square feet of usable area on the second floor. The total area of the house is 1,880 square feet.

7. The witness testified that the secondary rental units are cabins and not houses. He described the garage as having a dirt floor, noting that much of the cost for a garage is in the foundation and footings.

8. The witness testified that the Respondent was going to present a new comparable sale that included a house with cabins, and thus provide appropriate insight into the valuation of the property.

9. Petitioner's witness, Ken Eigsti, Licensed Appraiser, testified that he is the property manager for the subject property. The witness was familiar with the property and described its condition and configuration.

10. The witness testified that the subject property is an income property, with some ancillary structures. He believes that there is no value to the root cellars. They are very old and do not produce any income. The garage was described as not having any foundation. The three cabins are 50 years old; they are quite small.

11. The witness testified with respect to the similarly configured comparable sale that the Respondent is using to support the value of the subject. He noted that the cabins for this property have lofts, so they are somewhat larger than the subject.

12. The witness testified with respect to the main house, noting that there is inadequate wiring in the property.

13. The witness felt that there was no need for time adjustments to the sales. He does not make such adjustments in the appraisals he performs, and feels that such adjustments are inappropriate in the market.

14. In response to cross-examination, the witness testified that all of the cabins are occupied, and that occupancy has historically been very good. The rents for the cabins are indicated as \$425.00, \$425.00, and \$475.00 respectively. The main house rents for \$800.00. Total rental income for the property is indicated as \$2,125.00 per month.

15. Petitioner is requesting a 2001 actual value of \$205,000.00 for the subject property.

16. Mari P. Moore, Colorado Registered Appraiser, Residential Appraiser for the Chaffee County Assessor's Office, presented a value based on the market approach of \$280,000.00.

17. Respondent's witness presented three comparable sales ranging in sales price from \$178,400.00 to \$291,353.00 and in size from 2,048 to 3,184 square feet. After adjustments were made, the sales ranged from \$253,570.00 to \$284,245.00.

18. The witness indicated that the subject was purchased for \$255,000.00 in October 1996.

19. The witness testified that she had limited sales, and could find only two sales; for this reason, she utilized the earlier sale of the subject.

20. The witness testified that the adjustments for the guest homes was made at a rate of \$20,000.00, based on market information.

21. She did not make adjustments for land value because she did not see evidence that one was needed from the market.

22. Ms. Moore testified that for comparable #3, her records show an upper level attic on only one of the cabins. The cabins are slightly smaller than the subject's cabins.

23. The witness testified that in selecting comparable properties, she was looking primarily for rental properties.

24. Respondent assigned an actual value of \$329,640.00 to the subject property for tax year 2001, and recommended that the value be reduced to \$280,000.00.

CONCLUSIONS:

1. The Board agrees with the recommended reduction by Respondent.
2. The Board has examined the valuation data presented by the Respondent, and ultimately finds it credible. Additionally, the Board notes that the Respondent correctly applied time adjustment factors, in accordance with Colorado State Statutes. Conversely, the Petitioner failed to apply appropriate time adjustment factors, and this omission provides a lesser validity to the comparable sales data that he presented.
3. The Board believes that the most persuasive valuation information was presented by the Respondent. The actual sale of the subject property, appropriately adjusted for changes in market conditions, and the one comparable sale that was presented, aggregately present appropriate insight into the valuation of the subject.
4. While information was presented by the Petitioner with respect to cost and income data, the Board notes that consideration of such information is strictly prohibited by Colorado Revised Statutes.
5. With consideration limited to the market approach, the Board finds it credible that the valuation of the subject can appropriately be discerned through consideration of the two sales. The sale of the subject property was particularly persuasive. The Board does not find it credible that the valuation of the subject has declined since its 1996 sale.
6. The assertion by the Petitioner that time adjustments were inappropriate contravenes Colorado Revised Statutes. Time adjustments must be applied, and such adjustments were appropriately applied by the Respondent.
7. The Respondent has appropriately examined the applicable data, and recommended a reduction in value to \$280,000.00. The Board concurs that this value appropriately quantifies the subject within the base year market environment.

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property to \$280,000.00.

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

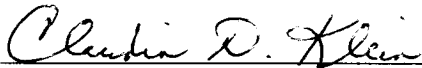
APPEAL:

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 20th day of February, 2002.

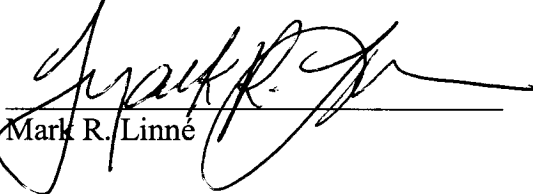
BOARD OF ASSESSMENT APPEALS



Claudia D. Klein



Steffen A. Brown



Mark R. Linne

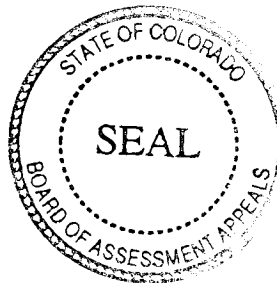
This decision was put on the record

FEB 20 2002

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



Diane Von Dollen



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