

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>STEVEN HUGO & JULIA GROW OLSON,</p> <p>v.</p> <p>Respondent:</p> <p>ARAPAHOE COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 48111</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on September 18, 2008, Debra A. Baumbach and Karen E. Hart presiding. Mr. Steven Olson appeared pro se on behalf of Petitioners. Respondent was represented by George Rosenberg, Esq. Petitioners are protesting the 2007 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**1897 Oak Creek Drive, Greenwood Village, Colorado
(Arapahoe County Schedule No. 2077-14-4-18-002)**

The subject property consists of a 3,248 square foot two-story residence built in 1978 with an attached two-car garage. There are five bedrooms, four bathrooms, and a 1,435 square foot partially finished basement. There are Corian countertops in the kitchen. The subject site is 0.391 acres in size.

Petitioner, Mr. Steven Olson, a Certified Residential Appraiser, testified that he prepared an appraisal report on the subject property and that he did not believe it was an ethical violation to prepare an appraisal on property owned by him; he believes he prepared an unbiased report. He has inspected both the interior and exterior of all the sales in both appraisals. He is well acquainted with the area. Petitioners are real estate brokers and were involved in several of the comparable sale transactions.

Respondent's witness, Mr. Stephen M. Snyder, a Colorado Certified General Appraiser with the Arapahoe County Assessor's Office, also prepared an appraisal report on the subject property and he inspected both the interior and exterior of the subject property.

Mr. Olson prepared an appraisal review report of Mr. Snyder's appraisal.

Based on the market approach, Petitioners presented an indicated value of \$925,000.00 for the subject property. Petitioners presented five comparable sales ranging in sales price from \$827,000.00 to \$1,165,000.00 and in size from 2,770 to 3,412 square feet. After adjustments were made, the sales ranged from \$816,800.00 to \$984,800.00.

Respondent presented an indicated value of \$1,020,000.00 for the subject property based on the market approach. Respondent presented five comparable sales ranging in sales price from \$827,000.00 to \$1,165,000.00 and in size from 3,129 to 3,574 square feet. After adjustments were made, the sales ranged from \$991,787.00 to \$1,043,896.00.

Petitioners' Sales 1, 3, 4, and 5 were all used by Respondent. Mr. Snyder did not use Petitioners' Sale 2 as it was an older sale. The differences between the value conclusions are primarily due to the adjustments made by each appraiser.

Mr. Snyder testified that he used a resale analysis to determine his time adjustment factor of 0.45% per month. Mr. Snyder testified that the properties used for analysis of time had similar market appeal and are from the same area as the subject property. He looked for outliers to see if there was more than time involved in the sales prices.

Mr. Olson conducted a time study and determined that there was no conclusive evidence of an appreciating market. Mr. Olson believes that Respondent's time study is in error due to the use of upgraded houses in the paired sales analysis and the use of a sale that was purchased by an adjoining property owner for land value only with the house subsequently scraped.

Mr. Snyder testified that his Sale 1 (same as Petitioners' Sale 5) was significantly upgraded prior to the sale and a \$200,000.00 downward adjustment was made for superior condition. Mr. Olson testified that the square footage according to his own measurements is 3,404 and not 3,164 as listed by Respondent, the house had huge upgrades including a "killer" kitchen, and it showed in perfect condition. Therefore Mr. Olson adjusted the sale for condition in addition to a remodeling adjustment. Petitioners represented the seller in this transaction and were not contacted by Mr. Snyder regarding confirmation of the sale.

Respondent's Sale 2 (same as Petitioners' Sale 3) was on the market for 260 days, much longer than typical for the area. Mr. Snyder called the listing agent who indicated the buyer was an attorney and the sale price was lowered 2.8% as the buyer would not pay the commission amount, the house was dated and in fair condition at the time of sale, and the buyers spent \$250,000.00 to update the house immediately prior to moving. Therefore Mr. Snyder made a \$200,000.00 upward adjustment for condition. He also made a \$20,000.00 upward adjustment for a superior location as it backs to the Highline Canal. Mr. Olson testified that he knows this property was not updated to the

tune of \$200,000.00; remodeling permits were pulled for a total of less than \$60,000.00 and included such items as a new roof. At the time of sale it was a little dated but featured new slab granite countertops in the kitchen, extensive wood floors, and other attractive features. He also indicated that many homes in Green Oaks sell without a broker and fees are always negotiated. Mr. Olson believes Respondent's square footage is incorrect and should be 3,412 square feet above grade and 1,413 square feet in the basement with 1,088 square feet of finish.

Mr. Snyder testified that his Sale 3 (same as Petitioners' Sale 4) was not listed on the MLS but was indicated to be a market sale on the TD1000 and carpet was included in the sale price. He also verified the information with existing file data. It is very similar to the subject and required very small adjustments. Mr. Snyder gave this sale the most weight. Mr. Olson indicated that Petitioners represented both the buyers and sellers in this transaction, the sale was never exposed to the market, the buyers were in no hurry to move into the property, and Mr. Snyder did not contact them to confirm the sale.

Respondent's Sale 4 (same as Petitioners' Sale 1) was Mr. Snyder's oldest sale occurring 12 months prior to the level of value date and required a small net adjustment with the most significant adjustment being for finished basement area differences.

Mr. Snyder testified that his Sale 5 required a large adjustment (-\$99,250.00) for its superior size. Mr. Olson indicated that Petitioners represented both the buyers and sellers in this transaction and Mr. Snyder did not contact them to confirm the sale. Furthermore, this home is not comparable to the subject property due to its contemporary design and exceptional features. Also, MLS procedures allowed garden level square footage to be included with above grade square footage which distorted the true area.

Mr. Olson disputes Respondent's adjustments for above grade square footage and finished basement based on his research of numerous errors in Mr. Snyder's analysis including listed house styles, disputed square footages, and unaddressed location differences.

Petitioners are requesting a 2007 actual value of \$925,000.00 for the subject property.

Respondent assigned an actual value of \$1,005,200.00 to the subject property for tax year 2007.

Petitioners presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2007.

The Board was more persuaded by Petitioners' appraisal report. Petitioners were more knowledgeable of the circumstances surrounding the comparable sales and the physical characteristics of the properties than Respondent's witness as they were broker representatives in many of the sales. Petitioners' net adjustments were on a whole smaller than Respondent's adjustments.

More weight was given to Petitioners' time adjustment study as Respondent's paired sales analysis was shown to be distorted due to issues raised by Petitioners. Petitioners' requested value falls solidly within the value range of their appraisal and is well supported.

The Board concluded that the 2007 actual value of the subject property should be reduced to \$925,000.00.

ORDER:

Respondent is ordered to reduce the 2007 actual value of the subject property to \$925,000.00.

The Arapahoe County Assessor is directed to change his 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 CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five 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 CRS § 24-4-106(11) (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five 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.

CRS § 39-8-108(2) (2008).

DATED and MAILED this 18th day of December 2008.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach
Debra A. Baumbach

Karen E. Hart
Karen E. Hart

This decision was put on the record

DEC 18 2008

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

Heather Flannery
Heather Flannery

