

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>MARJORY ANN ULM, v.</p> <p>Respondent:</p> <p>BOULDER COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 68353</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on October 17, 2016, Diane M. DeVries and Debra A. Baumbach presiding. Petitioner was represented by Mr. Mills H. Ford, Agent. Respondent was represented by Mark Doherty, Esq. Petitioner is protesting the 2015 actual value of the subject property.

Subject property is described as follows:

**720 West Street, Louisville, Colorado
Boulder County Schedule No. R0019234**

The Board admitted Petitioner's Exhibit 1 (noting Respondent's objection) and Respondent's Exhibits A and B.

The subject property is a 2-story, single family home built in 2012. The home includes 2,624 square feet of above-grade living area and a 1,322 square foot unfinished basement. There are four bedrooms, one full bath, one three-quarter bath and one half bath. Other amenities include: covered porch, covered patio, landscaping and a 2-car detached garage. The subject sits on a 7,305 square foot site. The property is located in Old Town Louisville.

Petitioner is requesting an actual value of \$677,285 for the subject property for tax year 2015. Respondent assigned a value of \$928,100 for the subject property for tax year 2015.

Mr. Mills H. Ford, Certified General Appraiser, with AVPros, LLC, Agent for Petitioner, testified that the subject property is located in a market area that is currently in a gentrification cycle. Builders in the area are demolishing existing residential improvements in favor of new home

construction. The subject property was originally an older residential improvement that was demolished and replaced by new construction in 2012. After construction was complete, the subject property was listed through IRES for \$837,000 and purchased by Petitioner on May 29, 2013 for \$849,671.

Mr. Ford presented a market analysis consisting of the sale of the subject property. Mr. Ford argued that he was unable to locate any appraisal guideline or state statute that specifies a required number of sales in establishing a market value. Mr. Ford contended that the sale of the subject property is the best representation of a market value for the subject. The sale was listed on the open market and was an arms-length transaction. The sale required no adjustments other than a time adjustment for changing market conditions.

Mr. Ford developed a 3% time adjustment based on a regression analysis. The analysis included sales in the subject's market area over a 24 month time period. Mr. Ford presented two separate analyses. The first sample group included a total of 598 base period sales located in the Louisville market area. Mr. Ford concluded to an annual average rate of 4.34% and a median rate of 2.28%. The second sample group included a total of 826 base period sales located in the Louisville and Lafayette market areas. Mr. Ford concluded to an annual average of 5.52% rate and median rate of 3.81%. Mr. Ford then calculated the average between the median rates from both sample groups and concluded to an overall time adjustment rate of 3%. Mr. Ford applied a 3% time adjustment to the subject's sales price of \$849,671 and concluded to a value of \$877,285 for the subject property.

Petitioner is requesting a 2015 actual value of \$877,285 for the subject property.

Respondent's witness, Mr. J. Mitchell Pruett, Certified Residential Appraiser with the Boulder County Assessor's Office, presented five comparable sales ranging in sales price from \$773,600 to \$989,000 and in size from 2,334 to 2,918 square feet. The sales were adjusted for time, above grade living area, basement size, basement finish, bathrooms, garage area, year of construction and land area. After adjustments were made, the sales ranged from \$871,390 to \$1,023,245. Mr. Pruett placed most weight on Sale 3 because it was the most recent sale and required the least degree of adjustments. Mr. Pruett concluded to a value of \$950,000 for the subject property using the market approach.

Mr. Pruett testified that he completed an exterior and interior inspection of the subject property on March 22, 2016. Mr. Pruett testified that he selected sales located in the Old Town Louisville market area that share the same location influences and market perception. The sales were considered similar in size, style, quality, age and market appeal. Market extracted adjustments were made for differences affecting the value. A time adjustment factor was developed using a sales ratio analysis that included sales in economic area 403 during the last assessment date, July 1, 2009 through June 20, 2014. (See Exhibit A, pages 23-24).

Mr. Pruett testified he agreed with Petitioner that it was appropriate to include the sale of the subject property in the valuation analysis. However, Mr. Pruett stated that his valuation analysis was based on the appraisal concept of substitution which analyzes the sales of properties similar to the subject property. Also, according to Mr. Pruett, the use of multiple sales is appropriate when

developing market-derived adjustments. In addition, Mr. Pruett disagreed with Petitioner's time adjustment factor because Mr. Ford's methodology included properties that were not comparable to the subject. Mr. Pruett stated that according to the assessor's property records, the subject sold on May 29, 2013 for \$849,671. The difference between the listing price of \$837,000 and the sales price is attributed to the negotiations over the landscaping costs.

Respondent assigned an actual value of \$928,100 to the subject property for tax year 2015.

A taxpayer's burden of proof in a BAA proceeding is well-established: a protesting taxpayer must prove that the assessor's valuation is incorrect by a preponderance of the evidence. *Board of Assessment Appeals v. Sampson*. 105 P.3d 198 (Colo.2005). Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2015.

After careful consideration of the evidence and testimony presented by both parties, the Board finds the appraisal methodology and conclusions presented by Respondent to be most persuasive. The Board concludes that Respondent's market approach utilizing five comparable sales is the most persuasive methodology in supporting an opinion of market value. See Section 39-1-103(8)(a)(I), C.R.S., "[u]se of the market approach shall require a representative body of sales [.]". Further, the Board finds that Respondent correctly applied the appraisal concept of substitution. In addition, Respondent made adjustments to the sales and addressed all factors affecting the value.

The Board agrees with Petitioner that the recent sale of the subject property is the best indication of its market value. The sale required no adjustments other than for changing market conditions. However, the Board gives minimal weight to Petitioner's time adjustment analysis. Petitioner used sales that included varied types of properties dissimilar to the subject which may indicate different market conditions that are not relevant to the subject property.

The Board finds that Respondent's assigned value of \$928,100 is well supported by Respondent's sales comparison approach and it reflects the property's May 29, 2013 sale price appropriately adjusted for time.

ORDER:

The Petition is denied.

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).

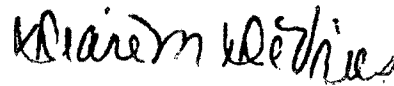
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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 27th day of October, 2016.

BOARD OF ASSESSMENT APPEALS

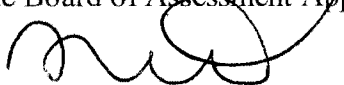


Diane M. DeVries



Debra A. Baumbach

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



Milla Lishchuk