

**BOARD OF ASSESSMENT APPEALS,  
STATE OF COLORADO**

1313 Sherman Street, Room 315  
Denver, Colorado 80203

**Docket No.: 71484**

Petitioner:

**ARGOSY WESTCLIFF, LLC,**

v.

Respondent:

**LARIMER COUNTY BOARD OF EQUALIZATION.**

**ORDER**

**THIS MATTER** was heard by the Board of Assessment Appeals on May 3, 2018, Diane M. DeVries and Louesa Maricle presiding. Mr. Eric Norrie appeared pro se on behalf of Petitioner. Respondent was represented by David P. Ayraud, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Petitioner's Exhibits 1 through 13 and Respondent's Exhibit A were admitted into evidence for the hearing.

Subject property is described as follows:

**1621 Mathews Street, Fort Collins, Colorado  
Larimer County Schedule No. R0110248**

The subject property is a one-story duplex residence with 1,282 square feet above grade and a 1,282 finished basement with outside entrance. The property has five bedrooms, two and one-half bathrooms, and a two-car attached garage. This design was referred to as an "over/under" style during the hearing, referring to an above grade unit and a below grade unit. The duplex was built in 1960 on a 9,101 square foot lot. Petitioner rents out both units.

Petitioner is requesting an actual value of \$375,000 for the subject property for tax year 2017. Respondent assigned a value of \$461,900 for the subject property for tax year 2017.

Petitioner claims Respondent's appraisal analysis does not comply with Fannie Mae appraisal guidelines. Respondent's comparable sales are not true comparables because they were not originally

constructed as duplexes with individual addresses, separate entrances, separate heating systems, and separately metered utilities. Petitioner claims Respondent's analysis of sale prices on a per square foot basis is not relevant because investors base purchases on the number of legal duplex units, numbers of bedrooms and bathrooms, and parking. Petitioner further contends Respondent did not inspect the interior of the duplex units, so did not adequately reflect the mostly original condition of the improvements in the valuation.

Petitioner presented eleven sales that occurred between August 2012 and May 2016 to support his value estimate. The 2017 values assigned by the assessor to several other properties on the same street as the subject were also presented to support Petitioner's claim the subject property is over-valued relative to other properties in the vicinity.

Petitioner is requesting a 2017 actual value of \$375,000 for the subject property.

Respondent presented a value of \$485,000 for the subject property based on the market approach.

Respondent presented the testimony of Ms. Jody Masters, a Certified General Appraiser in the State of Colorado, who is employed by the Larimer County Assessor's Office. The witness presented her appraisal of the property including three comparable sales that occurred between June 2014 to May 2016. The witness testified the sales all have "over/under" design and were all used as duplex residences on the date of value. All the individual residential units are limited to having no more than three unrelated residents. After adjustments for improving market conditions and differences in physical characteristics, the sales indicated values for the subject property ranging from \$468,757 to \$567,511. The witness concluded to a market value for the subject property of 485,000.

The witness testified that Fannie Mae appraisal guidelines apply only to appraisals used to obtain Fannie Mae loans; they do not apply to ad valorem appraisals. In response to questions from the Board about interior condition of the property, the witness testified the interior photographs presented by the taxpayer supported her previous assumptions about the condition of the improvements and that no further adjustment to her value was needed.

Respondent requested the Board uphold the lower assigned actual value of \$461,900 for the subject property for tax year 2017.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2017.

"The actual value of residential real property shall be determined solely by consideration of the market approach to appraisal. A gross rent multiplier may be considered as a unit of comparison within the market approach to appraisal." Section 39-1-103, C.R.S.

"Direct sales comparisons, with sales adjustments determined from market analysis,

will be made.” *Assessor’s Reference Library* Volume 3.

Petitioner used an equalization argument as one basis to support Petitioner’s requested value. Once the actual value of the subject property has been determined, the Board can then consider an equalization argument if evidence or testimony is presented which shows the Board that the assigned values of the equalization comparables were derived by application of the market approach and that each comparable was correctly valued. Because that evidence and testimony was not presented, the Board gave little weight to the equalization argument presented by Petitioner.

The Board can only consider an equalization argument as support for the value of the subject property, once the subject property’s value has been established using a market approach. *Arapahoe County Bd. of Equalization v. Podoll*, 935 P.2d 14, 16 (Colo. 1997).

The Board concurs with Respondent that Fannie Mae appraisal guidelines do not apply to ad valorem appraisal analysis, so Petitioner’s claim is irrelevant for this case.

The Board finds Petitioner did not apply the necessary adjustments to his sales required by the market approach to value. The Board concludes Petitioner’s conclusion of value is not supported by market approach analysis and is not credible.

The Board finds Respondent’s sales all have a similar “over/under” design as the subject property and, like the subject, all the comparable duplex and single family converted to two-unit rental units permit a maximum of three unrelated residents. Regardless of original design, the Board finds the sale comparables are all rented as duplex residential units. The Board finds that Respondent’s methodology of reporting the above grade square footage of each property for comparison to the subject property is reasonable combined with the necessary adjustments made for below grade finished square footage. The Board finds Respondent’s appraisal includes adjustments for relevant differences in the physical characteristics for the sales presented compared to the subject property. The Board concludes that Respondent’s appraisal analysis is credible.

**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).

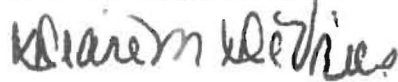
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

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 25th day of May, 2018.

**BOARD OF ASSESSMENT APPEALS**

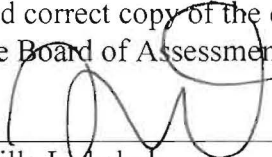


\_\_\_\_\_  
Diane M. DeVries



\_\_\_\_\_  
Louesa Maricle

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

  
\_\_\_\_\_  
Milla Lishchuk