

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

1313 Sherman Street, Room 315
Denver, Colorado 80203

Docket No.: 73648

Petitioner:

RICHARD K. AND VERA K. LADTKOW,

v.

Respondent:

**JEFFERSON COUNTY BOARD OF
EQUALIZATION.**

ORDER

THIS MATTER was heard by the Board of Assessment Appeals on June 15, 2018, Diane DeVries and MaryKay Kelley presiding. Richard K. Ladtkow appeared *pro se* on behalf of Petitioners. Respondent was represented by Rachel Dehlinger, Esq. Petitioners are protesting the 2017 actual value of the subject property.

Subject property is described as follows:

**8035 Lee Drive, Unit 202
Jefferson County Schedule No. 300447877**

The subject is a 1,320 square-foot condominium with a one-car detached garage. Built in 2006, it is located on the second floor of one of the three Mountain Vista Subdivision buildings.

Respondent assigned an actual value of \$280,400, which is supported by an appraised value of \$286,800. Petitioners are requesting a value of \$245,000.

Mr. Ladtkow, a licensed real estate agent, presented a Sales Comparison Analysis with three comparable sales ranging in sale price from \$235,000 to \$249,500. All sales were located within the subject project. He made adjustments for market change and sales concessions/personal property, size and bathroom count, and concluded to an adjusted sale price ranging from \$240,138 to \$245,323. An average of the three derived a value of \$243,595.

Mr. Ladtkow, referencing his knowledge of the real estate market, disagreed with Respondent's market change adjustments, which he considered excessive. He noted that Sale Two sold for \$235,000 eleven months prior to Sale One at \$240,000, which occurred at the end of the base period (June 30, 2016). Based on a difference of \$5,000, he concluded that the change in the market was a rounded \$455 per month for the eleven-month difference in sale dates, and he applied this figure to the sale dates of Sales Two and Three.

Mr. Ladtkow disagreed with Respondent's use of \$183.00 per square-foot adjustments for unit size, considering them excessive, and applied \$83.00 per square foot based on discussions with area appraisers.

Respondent's witness, Renee Nelson, Ad Valorem Appraiser for the Jefferson County Assessor's Office, presented a Sales Comparison Analysis with three comparable sales ranging in sale price from \$235,000 to \$259,900. All sales were located in the subject project. Sales One and Two are the same as those used by Petitioners. Adjustments were made for market change and sales concessions/personal property, size and bathroom count. Adjusted sale prices ranged from \$267,300 to \$297,600 for a conclusion of \$286,800 based on averaging.

Ms. Nelson testified that the report was based on mass appraisal (computer generated). Market change adjustments were derived from regression analysis concluding to 1.32% per month. Her size adjustments were derived from a base value of \$150.00 per square foot applied to all condominiums plus factors for improvements, design, construction type, and quality, equaling to \$183.00 per square foot.

Ms. Nelson acknowledged that Sale Two had undergone remodeling (kitchen, baths, hardwood, etc.) but failed to make an adjustment, testifying that she assigned both actual and effective ages.

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

The Board has little confidence in Respondent's analysis for several reasons. First, Ms. Nelson's market change adjustments, based on regression analysis, are less convincing than Petitioners' simple comparison of two properties that sold eleven months apart. While a larger sampling is generally more reliable, Respondent's adjustments of \$33,759 and \$40,693 (Sales Two and Three) are quite large, not supported by paired sales, and, therefore, given little reliance. Second, Ms. Nelson failed to recognize any value in Sale Two's remodeling and made no adjustment; the assignment of an effective age does not recognize the marketability and market value for a newer kitchen and bath and other improvements. Third, Ms. Nelson failed to address the wide range in adjusted values for her three comparable sales (\$267,300, \$295,600, and \$297,600). The large market change adjustments were applied to Sales Two and Three, the highest of the three, which raises further doubts about their legitimacy.

While Petitioners' appraisal is the more convincing of the two, Mr. Ladtkow's averaging of adjusted sale prices does not adhere to acceptable appraisal methodology; rather, weight should be

placed on the most similar sale (location, proximity, size, for example, or the sale with the fewest adjustments). The Board finds Petitioners' Sale One to be most similar to the subject: it is located in the subject project; it sold at the end of the statutory base period and requires no market change adjustment; and Petitioners' use of \$51.00 per square foot for size is based on Mr. Ladtkow's experience in the real estate market and confirmed by area appraisers.

ORDER:

Respondent is ordered to reduce the 2017 actual value of the subject property to \$245,000.

The Jefferson County Assessor is directed to change their 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 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 3rd day of July, 2018.

BOARD OF ASSESSMENT APPEALS

Diane M DeVries

Diane M. DeVries

MaryKay Kelley

MaryKay Kelley

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

Milla Lishchuk

Milla Lishchuk

