

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>RICHARD K. AND VERA K. LADTKOW,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 73649</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on June 15, 2018, Diane DeVries and MaryKay Kelley presiding. Richard 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:

**8777 Eldridge Street, Arvada, Colorado
Jefferson County Schedule No. 300450930**

The subject is a 1,691 square-foot ranch design with unfinished basement and garage. It was built in 2015 on a 13,866 square-foot site in the Wild Grass Subdivision.

Respondent assigned an actual value of \$511,768 for tax year 2017 but is requesting a reduction to \$488,000 based on appraisal. Petitioners are requesting a value of \$458,800.

Mr. Ladtkow, a licensed real estate agent, presented a Sales Comparison Analysis with three comparable sales ranging in sale price from \$465,000 to \$507,000. He made adjustments for market change, concessions and personal property, bathroom count, basement size and finish, garages, and lot size. His adjusted sale prices ranged from \$453,163 to \$464,900. He averaged the three for a concluded value of \$458,210.

Mr. Ladtkow disagreed with Respondent's assignment of "average" construction quality to two of the sales in comparison with Respondent's witness' assignment of "good" for the subject. He questioned the large \$40,000 and \$36,900 adjustments, testifying that all sales in Wild Grass Subdivision were built of frame construction and were similar in quality. Considering all homes in the subdivision to be of similar quality, he made no quality adjustments in his appraisal.

Mr. Ladtkow found Respondent's adjustments for bathroom count excessive based on his experience in real estate and consultation with area appraisers. He made slight adjustments for the differences in bathroom count in his appraisal.

Mr. Ladtkow disagreed with Respondent's garage size adjustments. He consulted with an appraiser, who reported adjusting for garages at \$8,000 per bay, not for size. He also defined a builder's price to be \$10,000 per bay for new construction.

Mr. Ladtkow described his site as long and narrow with a steep slope at the rear requiring mitigation. A 125-foot driveway accesses the house from the street. He disagreed with Respondent's lot size adjustments, arguing that his larger lot is impacted by loss of utility, steep terrain at the rear, and the need for additional snow plowing. Considering these factors offsetting to size, he made no adjustments.

Respondent's witness, Renee Nelson, Ad Valorem Appraiser for the Jefferson County Assessor's Office, was denied access to the subject property. She presented a Sales Comparison Analysis with four comparable sales ranging in sale price from \$465,000 to \$507,000 (Sales One through Three are the same as those used by Petitioners). She made adjustments for market change, concessions and personal property, construction quality, bathroom count, basement size and finish, garage size, and lot size. Adjusted sale prices ranged from \$474,500 to \$502,300.

Ms. Nelson testified that her report was based on mass appraisal (computer generated).

Ms. Nelson responded to Petitioners' discussion of construction quality adjustments. While all comparable sales were in the Wild Grass Subdivision, homes were built by a variety of builders, resulting in a range of quality construction. Her Sales Two and Three were considered to be of inferior quality and were adjusted per quality designation assigned at time of construction. She did not address the source of her adjustments (\$40,500 and \$36,900).

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

While Petitioners disagree with Respondent's adjustments for construction quality, the only testimony provided to the Board was that of Respondent's witness, who testified that Sales Two and Three were constructed of standard materials while the subject and Sales One and Four featured superior materials by a different builder. The Board notes the significant adjustments (\$40,500 and \$36,900) without supportive explanation, but Petitioners provided the Board with no contradictory testimony or evidence. The Board accepts these adjustments.

The Board finds that Respondent's adjustment for Sale Three's bathroom count was made in error. Respondent's witness defined the \$1,400 adjustment as "quality" but had already made a quality adjustment.

With regard to garage adjustments, the Board agrees with Petitioners' \$8,000 adjustment for Sale One's two-car garage. Mr. Ladtkow interviewed an appraiser, who estimated an adjustment of \$8,000 for the difference, and a builder, who reported charging \$10,000 for a third-car bay. Respondent's garage adjustments (\$13,600 for Sale One and \$17,900 for Sale Four) were made at \$68.00 per square foot derived from mass appraisal (computer generated). In comparison with Petitioners' appraiser and builder feedback, the Board finds these amounts excessive. The Board finds Petitioners' adjustments more reliable because they are derived from house-specific market research as opposed to large samplings.

Petitioners are contesting Respondent's lot size adjustments for Sales One, Two and Four due to their smaller sizes. Although the subject site is long and narrow with a 125-foot driveway, its larger size also provides more usable space and additional privacy. The Board finds Respondent's adjustments appropriate.

Re-calculating Sales One through Three (used by both parties) results in adjusted values of \$468,900 for Sale One (garage adjustment to \$8,000), \$502,300 for Sale Two (no change), \$490,063 for Sale Three (deletion of bath adjustment). Recalculation of Sale Four results in an adjusted value of \$472,600 (garage adjustment to \$8,000).

Respondent's witness reached a value conclusion by averaging her four adjusted sale prices. Averaging is not considered acceptable appraisal methodology; rather, a value conclusion should be based on the sale(s) most similar to the subject (size, design, quality, condition, proximity, etc.).

The Board notes the wide range of adjusted sale prices: Sales One and Four at \$468,900 and \$472,600, respectively; and Sales Two and Three at \$502,300 and \$490,063, respectively. This approximate \$20,000 to \$30,000 range was not addressed by either party.

In review, Sales Two and Three have three-car garages like the subject. Sales One and Four are similar in "good" construction quality. Sale Three has the largest lot. Sale One sold near the end of the base period and has no market condition adjustment. Sales One and Two have no basement finish (similar to the subject). In conclusion, Sale One (\$468,900) is considered the most similar, and the Board puts most weight on it with support from Sale Four (\$472,600). The Board concluded that the 2017 actual value of the subject property should be reduced to \$470,000.

ORDER:

Respondent is ordered to reduce the 2017 actual value of the subject property to \$470,000.

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

Mary Kay Kelley

Mary Kay 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

