

<b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203		<b>Docket No.: 73851</b>
Petitioner:  <b>RENEE SWEET,</b>  v.  Respondent:  <b>DOUGLAS COUNTY BOARD OF EQUALIZATION.</b>		
<b>ORDER</b>		

**THIS MATTER** was heard by the Board of Assessment Appeals on August 21, 2018, Debra Baumbach and MaryKay Kelley presiding. Jeff Buske appeared pro se on behalf of Petitioner. Respondent was represented by Megan Taggart, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Subject property is described as follows:

**3630 Collins Street, Castle Rock, Colorado  
Douglas County Schedule No. R0085016**

The subject is a 1,440 square foot raised ranch with an unfinished walkout basement. Built in 1973, it is located on a 17,293 square-foot site in the 106-lot Silver Heights subdivision.

Respondent assigned a value of \$244,630 supported by an appraised value of \$250,000. Petitioner is requesting a value of \$40,000.

Mr. Buske defined the subject improvement, built in 1973, as a mobile home. He referenced Section 39-1-102(8), C.R.S., which defines a mobile home as a “manufactured home built prior to the adoption of the ‘National Manufactured Housing Construction and Safety Standards Act of 1974’”. He noted that Petitioner’s 1973 home was placed on a poorly engineered walkout foundation and that the building codes were not yet in place. Mr. Buske testified that the sill plate was not bolted to the foundation and the foundation has moved five to six inches.

Mr. Buske described the subject site as having a 20% slope. Over the years, soil has moved downhill and has impacted the structural integrity of the house. The raised front deck has separated, its stairway has been abandoned, and the front door can no longer be accessed. Soil movement has pushed the basement foundation wall inward, creating a gap that allows rain and animals to enter. The rear deck and entry are unsafe due to foundation damage. Mr. Buske provided an estimate of remediation/repairs/replacements for the foundation and decks on page 7 of 49 in Exhibit 1.

Mr. Buske discussed other deferred maintenance: fencing is damaged and has no value; windows are original and do not meet industry standards; the front door is unsafe and in need of replacement; interior doors and flooring need replacement; roof has been hail damaged and needs replacement; gutters/downspouts are at end of life; roof and wall insulation do not meet code; kitchen and bathrooms need replacing; the 1980 heating system and water heater do not meet code; some aluminum wire is not to code. Estimates for replacement are on page 7 of 49 in Exhibit 1.

Mr. Buske argued that the improvement, built in 1973, cannot be sold as a residence. He estimated the cost to demolish at \$233,792.

Mr. Buske testified that the area has grown considerably. Commercial signage now obstructs mountain views, and noise, dust and trash impacts enjoyment. He estimated a \$5,000 impact on value.

Mr. Buske presented Schedule Number M0328161, a mobile home, as the best comparison for the subject improvement. Built in 1973 with 1,344 square feet, its 2017 assessed value was \$11,302 or \$8.00 per square foot. His \$40,000 requested value was based on this value plus \$20,000 (cost to repair the foundation, replacement of decking, and miscellaneous repairs) plus \$5,000 (the impact from noise, trash, and lights) and the remainder as land value. He also mentioned asbestos without providing an estimate for remediation.

Respondent's witness, Martin Wilson, Ad Valorem Appraiser for the Douglas County Assessor's Office, described the subject improvement as a modular home; historical assessor records document it as modular, and it secured an FHA loan at time of purchase in 2009 (a mobile home dated pre-1976 would not have qualified for an FHA loan).

Mr. Wilson inspected the exterior of the property and confirmed some foundation and deck issues but was denied an interior inspection and could not verify Petitioner's claims of deferred maintenance. Referencing Petitioner's Exhibit 1, page 7 of 49, he applied the following adjustments in his appraisal; \$13,672 foundation, \$2,400 rear deck, \$800 concrete step removal, \$2,360 front stairs, \$3,200 front stairway, \$11,780 front deck, totaling \$34,212.

Mr. Wilson did not notice any noise, lights or trash in the area and declined to adjust for these.

Mr. Wilson presented a Sales Comparison Analysis with five comparable sales ranging in sale price from \$230,000 to \$355,000. Adjustments were made for market change, age, size, basement walkout and finish, garages, heating and air conditioning, and deferred maintenance of

\$34,212 based on some of Petitioner's cost to cure estimates. With adjusted values ranging from \$233,167 to \$329,720, Mr. Wilson concluded to an indicated value of \$250,000.

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

The Board finds that Respondent's witness provided credible testimony with regard to the subject's classification as modular. Neither party described wheels and axels, which are removed from a mobile home (also referred to as manufactured) before the structure is "tied down" to the foundation. The year of construction (1973) does not preclude construction as a modular home, and the fact that Petitioner purchased the property with an FHA loan persuades the Board that it is, indeed, modular.

The Board is persuaded by Petitioner's testimony and exhibits that soil movement has occurred and has caused the subject's foundation and deck problems. The Board strongly suggests that Petitioner allow a thorough inspection. Appraisers are trained to perform unbiased inspections, to consult with homeowners about issues within the subject property, and to reach a conclusion that addresses both positive and negative impacts on value. Less than both exterior and interior inspection precludes determination of a true market value.

Petitioner presented evidence regarding the assessed values of other properties. Pursuant to Section 39-8-108(5)(b), C.R.S., the Assessor's valuation of similar property similarly situated is credible evidence. While reviewing and considering Petitioner's equalization argument, the Board finds Respondent's evidence more compelling. Pursuant to Section 39-1-103(5)(a), C.R.S., the actual value of residential property shall be determined solely by consideration of the Market Approach to appraisal, which was presented by Respondent's witness. The Board is convinced that Respondent's value conclusion, which relied on the Market Approach, is credible.

The Board finds Respondent's Sales Four and Five most representative of marketability and value due to their modular construction. In addition, and while Respondent applied Petitioner's foundation and deck repair/replacement estimates, the Board is convinced that the damage is substantial (plus, asbestos is not addressed) and also that an "inconvenience" factor to a purchaser should be applied. With adjusted sale prices of \$233,167 and \$252,788, respectively, the Board finds that an indicated value near the low end of the range best reflects these issues.

The Board concluded that the 2017 actual value of the subject property should be reduced to \$233,000.

### **ORDER:**

Respondent is ordered to reduce the 2017 actual value of the subject property to \$233,000.

The Douglas 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 4th day of September, 2018.

**BOARD OF ASSESSMENT APPEALS**

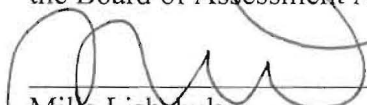
*Debra A. Baumbach*

Debra A. Baumbach

*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