

TAX COURT OF NEW JERSEY

Kathi F. Fiamingo  
Judge



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NOT FOR PUBLICATION WITHOUT APPROVAL OF  
THE TAX COURT COMMITTEE ON OPINIONS

May 31, 2016

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Re: Stephen G. Givant and Madelyn J. Givant v. Borough of Franklin Lakes  
Docket Nos. 009100-2012 & 016329-2013

Counsel:

This letter constitutes the court's opinion after trial in the above-referenced matter challenging the 2012 and 2013 tax year assessments on plaintiff's single-family residence. After reviewing the evidence presented, the court reduces the assessment on the subject property to \$1,007,160 for tax year 2012 and to \$1,036,750 for tax year 2013.

**I. Procedural History and Factual Findings**

The court makes the following findings of fact and conclusions of law based on the evidence and testimony offered at trial in this matter.

Stephen G. Givant and Madelyn J. Givant ("plaintiff") are the owners of the single-family home located at 820 Sussex Road, Borough of Franklin Lakes, County of Bergen and State of New

Jersey. The property is identified on the tax map of the Borough of Franklin Lakes as Block 1104, Lot 7 (the “subject property”). For both of the years under appeal, the subject property was assessed as follows:

Land:	\$ 493,800
<u>Improvements</u>	<u>630,500</u>
Total	\$ 1,124,300

The average ratio of assessed to true value, commonly referred to as the Chapter 123 ratio, for the Borough of Franklin (“defendant”) for the 2012 and 2013 tax years was 91.56% and 94.25%, respectively. When the average ratio is applied to the assessment, the implied equalized value of the subject property is \$1,227,937 for the 2012 tax year and \$1,192,891 for the 2013 tax year.

Plaintiff filed a direct appeal with the Tax Court for tax year 2012. Plaintiff filed a petition of appeal with the Bergen County Board of Taxation challenging the 2013 tax year assessment. The County Tax Board affirmed the assessment and a timely complaint was filed in the Tax Court.

The defendant did not file a Counterclaim in either year. The matters were tried to conclusion before this court. At trial, each party offered the testimony of a State of New Jersey certified general real estate appraiser, both of whom were accepted without objection as an expert in the field of real estate valuation (the “plaintiff’s expert” and the “Borough’s expert,” respectively). Both experts prepared appraisal reports, which were admitted into evidence without objection.

The subject property is a colonial-style single-family home, built around 1984, in average condition and situated on a lot containing approximately .9685 acres. The home consists of a total of ten rooms, five bedrooms and three and one-half bathrooms, a finished basement, a three-car garage, pool and “pool house.” The pool house is essentially a three by six or eight foot shed

where the pool equipment is housed and also includes a powder room. The subject property has a gross living area of 4,160 square feet, exclusive of the finished basement. It is situated on the corner of Sussex Road at the entrance to a cul-de-sac known as Mortimer Court.

The subject property is located in an RA-40 zone with a required minimum lot size of 40,000 square feet and is a conforming lot.

Both of the experts employed the comparable sales approach to value the property as of October 1, 2011 and October 1, 2012, the appropriate valuation dates. Plaintiff's expert reached an opinion of the true market value of the subject property on those dates of \$960,000, whereas the Borough's expert offered his opinion that the true market value was \$1,200,000.

## **II. Plaintiff's Valuation Evidence**

Plaintiff's expert examined six comparable sales for the 2012 tax year and five comparable sales for the 2013 tax year, all of which were located in the Borough.

### **2012 Tax Year**

Comparable Sale One, located at 618 Dakota Trail, approximately 1.15 miles from the subject, was a 4,360 square foot contemporary-style single-family residence situated on 1.02 acres, which sold on November 19, 2010 for \$870,000. It had a total of ten rooms, four bedrooms, three and one-half baths, no basement, a two-car garage and two fireplaces. It was built in 1973 and did not feature a pool. Plaintiff's expert made a \$10,000 adjustment for location, -\$5,000 for lot size, \$11,000 for age, -\$24,000 for gross living area, \$40,000 for the lack of a basement, \$10,000 for the two-car garage, -\$5,000 for the additional fireplace and \$25,000 for the pool/pool house. The gross adjustments totaled 14.9% and the net adjustments were 7.1%, resulting in an adjusted sales price of \$932,000.

Comparable Sale Two, located at 719 Dakota Trail, approximately .72 miles from the subject, is a 3,751 square foot colonial single-family home built in 1966, situated on 1.61 acres, which sold on September 1, 2011 for \$900,000. It contained ten rooms, five bedrooms, two and one-half baths with a two-car garage. It had a finished basement with a full bath (not included in the foregoing bathroom count). There was no pool, but there were tennis courts on the property. The expert made the following adjustments: \$10,000 for location, -\$64,000 for lot size, \$18,000 for age, \$5,000 for bathroom count, \$48,500 for gross living area, \$5,000 for the basement bathroom, \$10,000 for the two-car garage, and \$25,000 for the pool. The total gross adjustments were 20.6% and net adjustments were 6.4%, resulting in an adjusted sales price of \$957,500.

Comparable Sale Three was located at 1096 Franklin Lake Road, approximately .27 miles from the subject and was a 4,492 square foot colonial-style home, built in 1992, on a 1.32 acre lot, which sold on July 26, 2011 for \$995,000. It contained ten rooms, five bedrooms and three baths, a full unfinished basement, three fireplaces, a two-car garage and a pool but no pool house. The expert made the following adjustments: \$40,000 for location (busy street), -\$35,000 for lot size, -\$8,000 for age, \$2,500 for one half-bath, -\$39,500 for gross living area, \$30,000 for the unfinished basement, \$10,000 for the two-car garage, -\$10,000 for three fireplaces and \$5,000 for the pool house. The gross adjustments were 18.1% and the net adjustments were .5%, resulting in an adjusted sales price of \$990,000.

Comparable Sale Four was located at 300 Ivy Court, approximately .67 miles from the subject property, and built in 1982. It was a 4,112 square foot colonial-style home on .92 acres, which sold on May 30, 2011 for \$999,999. It contained ten rooms, four bedrooms, and two and one-half baths, a three-car garage and a pool but no pool house. Plaintiff's expert made the following adjustments: -\$20,000 for location (cul-de-sac), \$5,000 for lot size, \$2,000 for age,

\$5,000 for bathrooms, \$5,500 for gross living area, and \$5,000 for the pool house. The gross adjustments were 4.3% and the net adjustments were .3%, resulting in an adjusted sales price of \$1,002,499.

Comparable Sale Five was located at 415 Walder Drive, approximately .46 miles from the subject, and was a 5,514 square foot colonial-style home built in 1995 on 1.025 acres, which sold on July 11, 2011 for \$1,125,000. It contained ten rooms, five bedrooms and four baths, a full unfinished basement, two fireplaces, a three-car garage and no pool. Plaintiff's expert made the following adjustments: \$10,000 for location, -\$5,500 for lot size, -\$11,000 for age, -\$2,500 for bathrooms, -\$161,000 for gross living area, \$30,000 for the finished basement, -\$5,000 for the additional fireplace and \$25,000 for the pool. The gross adjustments were 22.2%, and the net adjustments were 10.7% for an adjusted sales price of \$1,005,000.

Comparable Sale Six was located at 825 Stonewall Court and was a 3,879 square foot colonial-style home, located 3.25 miles from the subject property on a 1.12 square foot lot, built in 1983. It sold on July 7, 2011 for \$815,000. It contained nine rooms, five bedrooms and three and one-half baths, a full unfinished basement, two-car garage, two fireplaces and no pool. The expert made the following adjustments: -\$20,000 for its location on a cul-de-sac, -\$15,000 for lot size, \$1,000 for age, \$33,500 for gross living area, \$30,000 for the finished basement, \$10,000 for the garage, -\$5,000 for fireplaces and \$25,000 for the pool. The gross adjustments were 17.1% and the net adjustments were 7.3%, resulting in an adjusted sales price of \$874,350.

Plaintiff's expert concluded a fair market value of \$960,000 as of October 1, 2011.

#### Tax Year 2013

Plaintiff's expert identified five sales (shown as Comparable Sales Seven through Ten) that he reviewed for tax year 2013, as follows:

Comparable Sale Seven was located at 818 Sussex Road, .22 miles<sup>1</sup> from the subject property on a .9487 acre lot. It is a 3,551 square foot colonial-style residence built in 1984, containing eight rooms, four bedrooms, three baths, a full finished basement, a two-car garage and a pool. It sold on March 2, 2012 for \$850,000. The expert made the following adjustments: \$10,000 for location, \$2,000 for lot size, \$2,500 for bathroom count, \$72,500 for gross living area, \$10,000 for the garage and \$10,000 for the pool house. The gross and net adjustments were 12.6%, resulting in an adjusted sales price of \$957,000.

Comparable Sale Eight was located at 709 Somerset Street, 1.21 miles from the subject property, and was a 4,458 square foot colonial-style residence, built in 1984 on a .92 acre lot, which sold on August 27, 2012 for \$950,000. It contained ten rooms, four bedrooms, three and one-half baths, a full finished basement, three-car garage and a pool. The expert made the following adjustments: \$10,000 for location, \$5,000 for lot size, -\$35,500 for gross living area and \$5,000 for the pool house. The gross adjustments were 5.8% and the net adjustments were 1.6%, resulting in an adjusted sales price of \$934,500.

Comparable Sale Nine was located at 300 Locust Court, approximately 1.43 miles from the subject property, and was a colonial-style residence on .92 acres, built in 1980, containing 4,223 square feet, which sold on July 20, 2012 for \$1,000,000. It contains eleven rooms, five bedrooms and three and one-half baths, a three-car garage and a pool. The expert made the following adjustments: -\$20,000 for location (cul-de-sac), \$5,000 for lot size, \$4,000 for age, -\$7,500 for gross living area and \$5,000 for the pool house. The gross adjustments were 4.2% and the net adjustments were 1.4%, resulting in an adjusted sales price of \$986,500.

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<sup>1</sup> The adjustment grid indicates that Comparable Sale Seven is .93 miles from the subject, however, on the location map it is clear that this comparable is only several houses away and is actually located across the street from the subject on the other corner of the cul-de-sac.

Comparable Sale Ten, located at 937 Dogwood Trail, .93 miles from the subject property, is a 4,202 square foot colonial-style residence on a .75 acre lot, which sold on November 26, 2011 for \$999,000. It was built in 1996 and contains twelve rooms, four bedrooms, three and one half-baths and a full finished basement. It does not have a pool, but is lakeside. Plaintiff's expert made the following adjustments: \$22,000 for lot size, -\$10,000 for water view, -\$12,000 for age, \$2,500 for bathroom count, -\$5,000 for gross living area and \$5,000 for proximity to the lake. Gross adjustments were 5.7% and net adjustments were .3%, resulting in an adjusted sales price of \$1,001,500.

Plaintiff's expert concluded a fair market value as of October 1, 2012 of \$960,000.

Plaintiff's expert testified the his location adjustments were based on paired sales analysis concluding that property located on a busy street would require an adjustment of \$40,000 and that locations at the entry to a cul-de-sac versus the center of a cul-de-sac would be adjusted to a lesser extent. Those paired sales were not made part of the report, nor did the expert provide any further testimony to support that adjustment. The gross living area adjustment was made at \$119 per square foot, finished basement at \$30,000, a slab at \$10,000, full baths at \$5,000, fireplace at \$5,000, and garage at \$10,000, based on a Marshall & Swift replacement cost calculation provided in the report. The pool was adjusted at \$20,000 based on the expert's observation that Marshall & Swift replacement cost for a vinyl-lined pool was \$38,840, but that the subject's pool was not in good condition. The expert provided a paired sales analysis of vacant land in the Borough at \$515,000 per acre and adjusted the excess land at approximately 20% of this amount or \$100,000 per acre. No explanation was provided to support the adjustment for age, it appears that the adjustment was made at \$1,000 for each year between the dates the subject and the comparable sale property were built.

Cross-examination revealed that Comparable Sale Five was a short sale. The expert indicated that although it was a short sale, after speaking with the selling broker he did not think that the short sale affected the sales price. He also noted that it was not marked as a non-usable sale.

The multiple listing for Comparable Sale Seven indicated that it was a “possible” short sale, however, the expert indicated he spoke with the real estate agent who advised that the sales price was “fair market value.” It was on the market for 320 days, was originally listed for \$1,200,000, reduced to \$1,040,000 and ultimately sold for \$850,000.

The expert testified that when he originally reviewed Comparable Sale Ten it was not listed as a non-usable sale, but that it was subsequently listed as NU-26. He determined this designation was imposed because the sale was a relocation transaction. He testified that he did not believe that simply because the property was part of a relocation transaction that it was non-useable and that he spoke with the selling agent who advised him that it was an arms-length transaction. Further cross-examination revealed that the deed for this property referenced two separate lots totaling one acre of land. The MLS reviewed by the expert only referred to one lot of .75 acres and this was what was taken into account when he compared Comparable Sale Ten. On redirect he opined that the additional acreage would have resulted in an adjusted sales price of \$980,000.

## **II. Borough’s Valuation Evidence**

### **Tax Year 2012**

The Borough’s expert relied on the sale of three single-family colonial-style homes, all located in the Borough of Franklin Lakes, for tax year 2012. The expert testified that he utilized only colonial-style homes located in similar neighborhoods as comparable sales. He testified that



a buyer interested in purchasing the subject property would be less likely to consider homes of a different style and thus restricted the comparable sales accordingly.

Comparable Sale One, located at 275 Oldwoods Road, was a 4,369 square foot home located on a lot of .95 acres, which sold on June 24, 2011 for \$1,240,000. It was built in 1983, contained five and one-half baths, a three-car garage, a full finished basement, one fireplace, a deck and a pool. The Borough's expert made an adjustment of -\$24,200 for gross living area, \$900 for lot size, and -\$20,600 for the additional baths, resulting in a total of -3.54% in net adjustments. Gross adjustments were 3.7%. The adjusted sales price was \$1,196,100.

Comparable Sale Two was located at 784 Hemlock Court, and was a 5,018 square foot home on a .92 acre lot built in 1985, which sold on September 6, 2011 for \$1,150,000. It contained three and one-half baths, a three-car garage, a full unfinished basement, with no pool, three fireplaces and a deck. The Borough's expert made an adjustment of -\$99,500 for gross living area, \$2,100 for lot size, \$59,400 for the unfinished basement \$50,800 for the pool and -\$12,000 for the additional fireplaces. The gross adjustments were 19.4% and the net adjustments were .07%, resulting in an adjusted sales price of \$1,150,000.

Comparable Sale Three, located at 758 Michelle Court, was a 5,453 square foot home on a 1.24 acres lot, built in 1993, which sold on December 2, 2011 for \$1,285,000. It featured three full and two half-baths, a three-car garage, a full finished basement, three fireplaces, a patio/deck and a pool. The Borough's expert made a -\$150,000 adjustment for gross living area, -\$11,500 for lot size, -\$5,200 for bath count, -\$12,000 for additional fireplaces and -\$2,500 for the deck. Gross and net adjustments were -14.10%, resulting in an adjusted sales price of \$1,103,800.

The Borough's expert concluded a value of \$1,200,000 for tax year 2012 based on the foregoing comparable sales.

### Tax Year 2013

The Borough's expert utilized three comparable sales (referred to as Comparable Sales Four, Five and Six), all located in Franklin Lakes, to conclude a value for tax year 2013. As in the prior year's analysis, all of the comparable sales were of colonial-style homes that were located in neighborhoods similar to that of the subject property.

Comparable Sale Four, located at 966 Lily Pond Lane, was a 4,675 square foot home built in 1983, on a .92 acre lot that sold on June 29, 2012 for \$1,245,000. It had four full and two half-baths, a three-car garage, full finished basement, two fireplaces, a patio/deck and a pool. The Borough's expert made an adjustment of -\$59,700 for gross living area, \$2,100 for lot size, -\$15,500 for bath count, -\$6,000 for the additional fireplace and -\$2,500 for the deck, resulting in gross adjustments of 6.9%. The net adjustments of -6.55% resulted in an adjusted sales price of \$1,163,400.

Comparable Sale Five, located at 817 Winnebago Drive, was a 4,978 square foot home on a 1.14 acre lot, built in 1979, which sold on July 20, 2012 for \$1,130,000. The comparable had three full baths, a two-car garage, a full finished basement, no pool and a patio/porch. The expert made the following adjustments: -\$94,900 for gross living area, -\$7,200 for lot size, \$5,200 for bath count, \$7,100 for the garage, \$50,800 for the pool and -\$2,500 for the porch. Gross adjustments were 14.8% and net adjustments were -3.67%, resulting in an adjusted sales price of \$1,088,500.

Comparable Sale Six, located at 813 Sussex Road, was a 4,332 square foot home on a .92 acre lot, built in 1984 that sold on November 21, 2012 for \$1,368,000. This home featured three full and one half-baths, a three-car garage, a full finished basement, a pool, a fireplace and a patio/deck. The expert made adjustments of -\$20,000 for gross living area, \$2,100 for lot size and

-\$2,500 for the deck. Gross adjustments were 1.79% and net adjustments were -1.49%, resulting in an adjusted sales price of \$1,347,600.

The Borough's expert concluded a value of \$1,200,000 for the 2013 tax year.

The Borough's expert's adjustments, with the exception of lot size, were based on Marshall & Swift Cost Analysis projections for each of the years in question: \$10,000 for a full bath, \$5,200 for a half bath, gross living area of \$116 per square foot, finished basement at \$60,000, fireplace at \$6,000, a gunite pool at \$50,000, amenities (deck/porch/patio) at \$2,500 and garage at \$7,100. Lot size adjustments were based on vacant land sales showing an adjusted sales price per acre of \$861,000. The expert opined that the excess land would be valued at approximately 5% of this amount and adjusted at \$42,500 per acre.

The Borough's expert testified that no adjustment for condition was made as he believed all of the comparable sales were in similar condition to that of the subject property. On cross-examination, the Borough's expert was questioned on the features and possible upgrades made to Comparable Sale Six based on the MLS description of the comparable sale, which suggests that this comparable had been upgraded whereas the subject property had not. The listing also suggested features not present in the subject property. The expert testified that despite any upgrades to Comparable Sale Six he believed that the condition of the comparable and the subject were similar and made no adjustments.

## **II. Conclusions of Law**

### **a. Presumption of Validity**

The court's analysis begins with the well-established principle that "[o]riginal assessments and judgments of county boards of taxation are entitled to a presumption of validity." MSGW Real Estate Fund, LLC v. Borough of Mountain Lakes, 18 N.J. Tax 364, 373 (Tax 1998). The

appealing taxpayer has the burden of proving that the assessment is erroneous.” Pantasote Co. v. City of Passaic, 100 N.J. 408, 413 (1985) (citing Riverview Gardens v. North Arlington Borough, 9 N.J. 167, 174 (1952)). The evidence must be “definite, positive and certain in quality and quantity to overcome the presumption.” MSGW Real Estate Fund, L.L.C. v. Borough of Mountain Lakes, supra, 18 N.J. Tax at 373.

The court finds that plaintiff produced sufficient evidence to overcome the presumption of correctness attached to the assessment. If taken as true, plaintiff’s expert and the facts upon which he relied created a debatable question about the correctness of the assessment. Giving the plaintiff’s expert’s testimony every positive inference, the court concludes that the presumption of correctness has been overcome.

**b. Burden of Persuasion**

However, concluding the presumption of validity has been overcome does not equate to a finding by the court that the assessment is erroneous. Once the presumption is overcome, “the court must then turn to a consideration of the evidence adduced on behalf of both parties and conclude the matter based on a fair preponderance of the evidence.” Ford Motor Co. v. Township of Edison, 127 N.J. 290, 312 (1992). The taxpayer continues to bear the burden of persuading the court that the “judgment under review” is erroneous. Id. at 314—15.

Accordingly, the court will evaluate and weigh the evidence presented to determine if either party has met the requisite burden of persuading a change in the assessment.

For an expert’s testimony to be of any value to the trier of fact, it must have a proper foundation. See Peer v. City of Newark, 71 N.J. Super. 12, 21 (App. Div. 1961), certif. denied, 36 N.J. 300 (1962). When “an expert offers an opinion without providing specific underlying reasons . . . he ceases to be an aid to the trier of fact.” Jimenez v. GNOC, Corp., 286 N.J. Super. 533, 540

(App. Div. 1996). An expert witness is required to “give the why and wherefore of his expert opinion, not just a mere conclusion.” Ibid. The weight to be afforded an expert’s testimony relative to adjustments “depends upon the facts and reasoning which form the basis of the opinion. An expert’s conclusion can rise no higher than the data providing the foundation (citation omitted). If the bases for the adjustments are not made evident the court cannot extrapolate value.” Inmar Associates v. Edison Township, 2 N.J. Tax 59, 66 (Tax 1980). “Without explanation as to the basis, the opinion of the expert is entitled to little weight in this regard.” Dworman v. Tinton Falls, 1 N.J. Tax 445, 458 (Tax 1980) (citing to Passaic v. Gera Mills, 55 N.J. Super. 73 (App. Div. 1959), certif. denied, 30 N.J. 153 (1959)).

The court finds plaintiff’s expert’s adjustments for location and age lacking in credibility. Plaintiff’s expert provided no objective evidence to support either adjustment and they are therefore rejected. Similarly, while the plaintiff’s expert’s Marshall & Swift analysis reflects that the cost for a finished basement was \$82,272 (\$37,675 for the basement construction and \$44,597 for finishing), which the court finds reasonable, the expert utilized adjustments of \$10,000 for the construction of a basement in Comparable Sale One and \$30,000 for finishing in Comparable Sales One, Three, Five and Six. No explanation was provided as to how these reduced amounts were determined.<sup>2</sup>

Nor was the pool adjustment adequately explained. While plaintiff’s expert provided a cost estimate of \$38,840 for the vinyl-lined pool, he adjusted for the pool at \$20,000 explaining that the liner required replacement, however, there was no testimony or other explanation as to

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<sup>2</sup> Plaintiff’s expert’s report suggests a depreciation factor of 32%. Applying this against the Replacement Cost New of finishing a basement does not result in the numbers utilized by the expert. The manner in which these adjustments were determined is not discernible from the testimony or the report.

how plaintiff's expert arrived at the \$20,000 figure. Thus, the court finds plaintiff's expert's reduced adjustments for basement and pool not credible because they lack sufficient support.

With the exception of the adjustment for the pool and the basement, the court finds the Borough's expert's adjustments more credible. Plaintiff's analysis for the pool was based on a gunite pool and not a vinyl-lined pool. Although the Borough's expert testified that it would not make a difference if the pool was gunite or vinyl-lined, the court finds plaintiff's expert's proofs in this regard more credible. The court also accepts the plaintiff's expert's adjustments for the basement construction at \$37,700 and finishing at \$33 per square foot, or \$44,600.

Thus, the court finds the following adjustments to be credible: lot size—\$42,500 per acre; baths—\$10,000 for full bath, \$5,200 for a half-bath; gross living area—\$116 per square foot; basement—\$37,700; basement finishing—\$44,600; pool—\$39,000; fireplace—\$6,000; deck/patio/porch—\$2,500; and garage—\$7,100.

The court rejects plaintiff's expert's Comparable Sales Five, Seven and Ten. While plaintiff's expert testified that he believed Comparable Sales Five and Seven were representative of arms-length transactions despite being short sales, that decision was based solely on a statement made by one of the realtors involved to that effect. Comparable Sale Ten is rejected both because of its indication as a relocation sale and the fact that the expert failed to take into account the additional lot size in his analysis.

The court also rejects plaintiff's expert's Comparable Sale Three due to the significant adjustment plaintiff's expert found necessary for location. Without a basis to determine the location adjustment needed, the court finds that the comparability is questionable. The court also rejects Comparable Sale Two. This property was a contemporary-style home with tennis courts for which the expert made no adjustment. The court finds that Comparable Sale Two lacks

credibility as a comparable sale. Although the court considers the remaining comparable sales reviewed by plaintiff, the court finds them less reliable than the Borough's expert's comparable sales. Plaintiff's expert found it necessary to make location adjustments to each such comparable sale, which the court has determined were unreliable, whereas the Borough's expert used only comparable sales located in similar neighborhoods with similar styles. Thus the court places more reliance on the Borough's expert's comparable sales with the exception of Comparable Sale Six. Effective cross-examination revealed that Comparable Sale Six had features and upgrades not present in the subject property.

Applying the foregoing to plaintiff's expert's Comparable Sales One, Four, Six, Eight and Nine results in a range of values of \$917,100 to \$1,017,628. The Borough's expert's Comparable Sales One through Five, adjusted as above, results in a range of \$1,076,700 to \$1,196,100. Placing more reliance on the Borough's comparable sales, the court concludes that the subject property's market value for the tax years in question was \$1,100,000.

Having found true market value, the court must determine the correct assessment through the application of the Chapter 123 ratio to fair market value. See N.J.S.A. 54:1-35a. The formula for determining the subject property's ratio is  $\text{Assessment} \div \text{True Value} = \text{Ratio}$

Here, that equation is represented as follows:

Tax Year 2012:	$\$1,124,300 \div \$1,100,000 = 1.022$
Tax Year 2013:	$\$1,124,300 \div \$1,100,000 = 1.022$

Pursuant to N.J.S.A. 54:51A-6b, if the average ratio is below the county percentage level (100%) and the ratio of the assessed value of the subject property to its true value exceeds the county percentage level, judgment is to be entered by applying the average ratio to the true value of the property. For tax year 2012, the average ratio was 91.56% and therefore the assessment of

the subject property is  $\$1,100,000 \times .9156 = \$1,007,160$ . For tax year 2013, the average ratio was 94.25%, making the assessment  $\$1,100,000 \times .9425 = \$1,036,750$ .

**III. Conclusion**

Judgment for tax year 2012 is entered as follows:

Land	\$ 493,800
<u>Improvements</u>	<u>513,360</u>
Total	\$1,007,160

Judgment for tax year 2013 is entered as follows:

Land	\$ 493,800
<u>Improvements</u>	<u>542,950</u>
Total	\$1,036,750

Very truly yours,

/s/ Kathi.F. Fiamingo, J.T.C.