



properties remained the same. Further, taxpayers claim the real market value of their home is no more than \$155,000. They base their opinion on the advice of two real estate companies which, within the last two months, advised taxpayers that if they listed their home for sale, the top asking price should be \$155,000.

The county maintains the real market value of the property for the 1999-2000 tax year should remain at \$175,170. The county submitted an appraisal in support of its opinion of value.

### **COURT'S ANALYSIS**

#### Increase in Value

Taxpayers' initial concern pertains to the large increase in market value from the 1998-99 tax year to the 1999-2000 tax year. This increase is understandably confusing because they purchased their home in September 1998 and received a tax statement in November 1998 showing the value of their home to be \$132,370. The following year, the value increased to \$175,170. The assessment process makes this confusing because, although the 1998-99 tax year ran from July 1, 1998, through June 30, 1999, the **assessment date** for the property was January 1, 1998. When determining the value for the 1998-99 tax year, the county was required to look at the property as it existed on January 1, 1998, and value it accordingly. In this case, the home was only *partially completed* on January 1, 1998. As a result, the \$132,370 value placed on the roll represented the value of the home when it was only partially completed.

For the 1999-2000 tax year, which is the year under appeal, the assessment date was January 1, 1999. As of that date, construction on the home was 100 percent complete. As a result, the value naturally increased to reflect the completion of the home. The 1998-99 value represented the value of the home as only partially completed. The

1999-2000 value represents the value of the home as completed. The increase in value was not solely attributable to market increases but to the fact the home was not complete as of January 1, 1998, and was complete as of January 1, 1999.

### Market Value

With that explanation, taxpayers are still entitled to demonstrate the real market value of their home is less than that determined by the county. As stated above, taxpayers paid \$145,000 for the property in September 1998 and now believe the value of their home is \$155,000.

The county submitted as an exhibit an appraisal to support its opinion that the market value of the home as of January 1, 1999, was \$175,170. The appraisal fails to consider the purchase price paid by taxpayers for the property. When asked by the court why he failed to account for the purchase price, Mr. Young explained that, because taxpayers purchased the property directly from the contractor, they did not have the seven percent broker's fee normally attributable to a sales transaction. Adding seven percent to the purchase price, however, only increases the value to \$155,000. Mr. Young further explained he believes the contractor significantly reduced the price to sell it because the contractor's loans were coming due. He based this opinion on his prior experience with the practices of this particular contractor.

As part of its appraisal, the county included four comparable sales and a fifth comparable that is located across the street from the subject property, which is currently listed for sale. After adjustments, the properties indicate a value range for the subject property from \$165,200 to \$187,000. Taxpayers enlisted the aid of a real estate agent to review the appraisal and provide comments. She provided her comments in writing and the document was submitted as an exhibit. The court recognizes the comments are not

sworn testimony. Mr. Young did, however, address her concerns in his testimony.

One of the concerns expressed by the agent is that she believes most of the comparable homes are custom-built homes while the subject home is a spec-built home. Mr. Young testified that only one of the comparables is a custom-built home and, in his opinion, it does not impact the quality of the homes. The agent further questioned the county's adjustments for the size of the garages because the subject garage is larger than the comparable garages. She believes a \$15 per square foot adjustment does not adequately account for the "discounted contributory value" of the excess square footage. (Ptf's' Ex 1 at 2). Mr. Young testified that he believes the adjustment is a reflection of the decreased value contribution.

The real estate agent was also concerned that some of the comparables had air conditioning, sprinkler systems, porches, or decks that were not given credit in the analysis. However, she was not specific as to the comparables and Mr. Young had no knowledge of any item not given credit.

Finally, the agent expressed concern over the comparability of the location of three of the comparables. Comparables two, three, and four are located two miles from the subject property near a golf course in the Highland Crest area. She believes market evidence demonstrates a premium is paid for properties in the Highland Crest area. Mr. Young acknowledged that, in today's market, lots in the Highland Crest area sell for around \$37,000 while lots closer to the subject property sell for around \$27,000. He believes the difference is due to the fact that the subject neighborhood is being built by an out-of-town contractor who is not actively pushing sales of the lots. The Highland Crest area, however, is being built by a local contractor who is actively marketing and pushing sales of the lots.

Mr. Young presented a sound appraisal and testified with integrity as to the

various concerns raised by taxpayers' real estate agent. The court is persuaded by most of the explanations. However, given the disparity of prices between the lots located in the subject property's area and the lots located in the area of the three outlying comparables, the court finds that some adjustment is warranted. The court also finds it is important to consider the purchase price paid by taxpayers for the subject property. Additionally, the home was listed in February 1998 for \$169,900 and failed to sell. Comparable five, which is the home located by the subject property that is currently listed for \$139,500, has an adjusted price of \$165,200. Of further note, a home across the street from the subject property recently sold for \$140,000. It is 368 square feet smaller than the subject but has a garage 232 square feet larger than the subject. The court does recognize this sale occurred after the assessment date and provides it little weight. However, after considering and weighing all the evidence, the court is persuaded that the 1999-2000 real market value of the subject property was no more than \$160,000.

### **CONCLUSION**

The court concludes that the evidence and testimony presented demonstrates the value of the subject property as of January 1, 1999, was no more than \$160,000. Now, therefore;

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IT IS HEREBY ADJUDGED AND DECREED that the 1999-2000 real market value of the property identified as Account No. 16790 was \$160,000.

Dated this \_\_\_\_\_ day of October, 2000.

COYREEN R. WEIDNER  
MAGISTRATE

**THIS DOCUMENT WAS SIGNED BY MAGISTRATE COYREEN R. WEIDNER ON  
OCTOBER 5, 2000. THE COURT FILED THIS DOCUMENT ON OCTOBER 5, 2000.**