2019
Gunnison County Board of Equalization:
Hearing # 21

The Gunnison County Assessor's Office has been asked to communicate the assignment results for a single property that was appraised as part of our mass appraisal assignment.

The Uniform Standards of Professional Appraisal Practice (USPAP) defines mass appraisal as: the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing.

All of the sales used for Gunnison County's mass appraisal can be viewed on the Gunnison County web site (www.gunnisoncounty.org).

For the purposes of the mass appraisal, market value is defined as:

> "The most probable price, expressed in terms of money, that a property would bring if exposed for sale in the open market in an arm's-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used." – Property Assessment Valuation, 1996, IAAO

Commercial property is valued by considering the cost, market and income approaches.

For the 2019 property tax year, the effective **appraisal date is June 30, 2018**, as required by § 39-1-104(10.2)(a)(d), Colorado Revised Statutes.

The following page(s) characterize the petitioner's property and compare it to several examples selected from the "**Commercial Sales**" list.

The single property being characterized for this hearing is identified as:

Property Owner:	**EQUIRENT LLC**
Account Number:	**R001522**
Parcel Number:	**3701-362-06-024**
Legal Description:	**LOT C BLK 2 MOUNTAIN VIEW ADDN 1 (REPLAT)**
Value:	**$1,247,370**
Recommendation:	**$881,380**

2019
Gunnison County Board of Equalization:
Hearing # 21

Narrative

The Assessor's Office recommends adjusting the value of this property to $881,380, based on an income approach, using data derived from the sale of commercial condo units in Gunnison Mountain Meadows Mall.

The sale of units 1 through 6 in GMMM closed on 8/17/2018 at $1,210,000, but was contracted at essentially the same price on 6/13/2018, prior to the appraisal date for the 2019 reappraisal. The six units had very consistent NOIs averaging $11.90/sf, which yields a capitalization rate of 8.7%.

The subject property is of comparable total size to units 1 through 6 (7,200 sf for subject versus 8,848 sf for GMMM). Only 3,800 sf of the subject are leased out, the remaining square footage being used by the property owner to operate their own business. The portion that is rented indicates a total income of $13.10/sf, and total expenses of $1.45/sf. However, these expenses are untypically low because the owner is not reporting the full value of their own management and maintenance costs. Typical expenses, based on GMMM, would be $2.45/sf, yielding a NOI of $10.65/sf. Subject's NOI is reasonable relative to GMMM's because the subject has significantly less land per square foot of improvement (equating to less available parking and exterior storage space).

Applying the subject NOI of $10.65/sf to its entire square footage at a capitalization rate of 8.7% yields an indicated value of $881,380.