2019
Gunnison County Board of Equalization:
Hearing # 325

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 provides a narrative concerning the application of the income approach to value to the petitioner's property.

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

Property Owner: **MONTANO REVOCABLE TRUST**
Account Number: **R001442**
Parcel Number: **3701-362-35-046**
Legal Description: **PARCEL D GUNNISON BUSINESS PARK SEC 36 50N1W**
Current Value: **$2,180,340**
Recommended Value: **$1,450,600**

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Narrative

The Assessor's Office recommends adjusting the value of this property to $1,450,600, based on an income approach, using data derived from the sale of commercial condo units in Gunnison Mountain Meadows Mall, and typical income and expense information from similar commercial properties in the neighborhood.

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%.

Analysis of other commercial properties in the area for which sufficient itemized income and expense data are available indicates that a typical NOI for non-mall properties (with less access to parking and foot traffic than GMMM) is $10.65/sf.

Applying this adjusted NOI of $10.65/sf to the subject's 11,850 sqft. at a capitalization rate of 8.7% yields an indicated value of $1,450,600.