

MINUTES

Board of Equalization and Review
May 7, 2015

Board Members Present:

Chair: Jennifer Marsh
Barbara Levine
Patricia Roberts
Alternate: Blaine Schmidt

Staff Members Present: Roger Gunn, Chief Appraiser
Steve Hensley, Appraiser
Scherri McCray, Recording Secretary

The meeting was called to order at 2:00PM on Thursday, May 07, 2015 by Chair, Ms. Jennifer Marsh.

PARKER LOUIS LLC

Mr. Adam Zinn, a representative for Parker Louis, LLC, appeared before the Board to appeal the values of 54 properties located in the Claremont South subdivision in Carrboro. The appellant states that after looking over the Orange County assessed property values, he noted there were disparities in values. He informed the Board that the City of Carrboro mandated a size restriction on a certain number of homes that were being built. He reference 23 single family lots that had size limited restrictions placed on them by the City of Carrboro. The per size limit restriction indicate that 60% of these 23 lots can only have 1,350 square feet or less homes and the remaining 40% of the lots can only have homes of 1,100 square feet or less. The appellant claims that the County has these properties assessed at an average of \$98,900, but he feels these lots should be assessed at \$38,000. Furthermore, Mr. Zinn noted that there were no comparable sales for 3,000 square foot lots within city limits in 2009. The appellant stated he has these 23 lots under contract for approximately \$30,000 each.

The County wanted to confirm with the appellant that these are not affordable housing units, nor were they low income or rent restricted properties. The appellant concurred that these properties will be sold in the open market with no income restrictions.

The County inquired as to the price range for the size limited homes and the non-restricted homes to be sold. The appellant replied that the price range of the size restricted homes will be in the \$200,000s and the non-restricted homes would be approximately \$550,000 and up based on what the builders are posting on their website. The builders are Drees Homes and Saucy Burbank.

Mr. Zinn noted that all of the lots are under contract and that plus or minus 16 of these lots having already closed. The appellant revealed the contracted price for the following lots;
Lots 54 thru 70 are contracted for \$133,000. Lots 43 thru 49 are contracted for \$150,000. Lots 39, 40, 42 are contracted for \$70,000 and lots 50 thru 53 are contracted for \$75,000.

The Board inquired as to why certain lots were size restricted in certain areas. Mr. Zinn informed the Board that the City of Carrboro's guidelines stated that you must have 25% of the lots being built upon to be size restricted. So of the total of the 92 lots in this subdivision, 23 had to be size restricted to comply with the City's guidelines.

The appellant continued by stating that for lots 54 thru 70 and lots 43 thru 49, he reviewed some comparable sales from 2008 and 2009 in the Claremont area and the average sales for those similar properties was \$146,000.

The County inquired as to whom these properties were transfer to because the County was only able to find two qualified sales and that the majority were transferred to Providence, a related company, and some were transferred from Parker Louis to Zinn Properties. The County noted that according to deed stamps there were a couple of lots transferred to Bethany Homes for \$165,000.

Mr. Zinn disagreed with what the County presented stating that the average lot sale in 2009 was \$142,800 and \$148,500 in 2008, so when combined, the average price he got was \$146,000. When requested by the County to provide PINs so that the County could review these properties, the appellant was unable to do so. He was only able to provide the information on what he sold the properties for at that time.

The County stated 208 Lucas Lane sold in February 2008 for \$165,000 and 213 Lucas Lane sold in May 2008 for \$165,000. These properties were not size restricted lots. All of the other lots sales were disqualified by the County because they were sold between related parties.

The appellant feels that the values should be based on real current numbers and not numbers from 2009. When the County reviewed the above mention properties , it was determined that 208 Lucas Lane was a larger lot at 9,100 square feet as opposed to lots 43 through 49 which are 7,000 square foot lots.

The appellant noted the County's assessed values for lots 39, 40, 42, and 50 through 54 were so disproportionately valued with one other and these lots are all similar in size. The County stated that these lots were priced on a per acre basis.

The Board reviewed all the referenced lot sizes to determine why there were such variances in pricing but the Board was not able to discern any major discrepancies between these properties to warrant the significant differences in the price ranges.

The Board asked the County if they could explain why there were such discrepancies in the lot prices. The County replies that it was not aware that lots 41 and 71 through 92 were size limit restricted lots. The County explained that the appraiser priced the lots using consistent lot pricing but just adjusted the lots for varying sizes. An example of a value calculation was performed for lot 52 and the value came in at \$98,900. That lot is currently valued at \$113,200. The appellant suggested that the price of \$98,900 be applied to lots 39, 40, 42 & 50 through 54 based on the math calculation done by the County. The appellant states that the larger lots, lots 45 thru 47 and lot 57, should be approximately \$150,000.

The Board stated that it would review each of the property record cards to verify each parcel's correctness and the appellant will be able to appeal the Board's decision to the Property Tax Commission within 30 days of the notice of the Board's decision.

The following list of properties represents the Orange County current assessed property values and the appellant's requested adjustment:

PIN#	LOT	ADDRESS	ASSESSED VALUE	REQUESTED VALUE	ADJUSTED VALUE	REASON
9779-37-3367	39	105 LARKIN LANE	98,900	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-4304	40	109 LARKIN LANE	67,800	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-4320	41	115 LARKIN LANE	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-4256	42	119 LARKIN LANE	132,200	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-4270	43	123 LARKIN LANE	151,500	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-4182	44	127 LARKIN LANE	157,200	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-4084	45	131 LARKIN LANE	158,500	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-4976	46	135 LARKIN LANE	157,700	146,000	135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-4879	47	139 LARKIN LANE	158,600	146,000	135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-4871	48	143 LARKIN LANE	157,700	146,000	135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-4753	49	147 LARKIN LANE	158,600	146,000	135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-4627	50	151 LARKIN LANE	98,900	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3684	51	155 LARKIN LANE	98,900	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3652	52	159 LARKIN LANE	113,200	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3529	53	165 LARKIN LANE	67,800	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-2588	54	169 LARKIN LANE (505 CLAREMONT DR)	132,200	50,000	77,648	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3716	55	150 LARKIN LANE	151,500	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3844	56	142 LARKIN LANE	164,700	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-3933	57	138 LARKIN LANE	151,500	146,000	174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-3030	58	132 LARKIN LANE	151,500		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-3038	59	126 LARKIN LANE	151,500		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-3136	60	120 LARKIN LANE	155,000		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-3213	61	110 LARKIN LANE	157,200		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-2360	62	104 LARKIN LANE (305 CLAREMONT DR)	157,700		135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-2213	63	405 CLAREMONT DR	155,000		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-2125	64	415 CLAREMONT DR	155,300		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-2027	65	425 CLAREMONT DR	155,000		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-37-2030	66	435 CLAREMONT DR	151,500		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-2932	67	441 CLAREMONT DR	151,500		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-2835	68	447 CLAREMONT DR	158,500		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-2738	69	455 CLAREMONT DR	148,000		135,882	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-2740	70	465 CLAREMONT DR (160 LARKIN LANE)	157,200		174,706	ADJUSTMENT TO BRING PROPERTY VALUES IN LINE WITH PRICE PER SQUARE FOOTAGE
9779-36-1543	71	508 CLAREMONT DR	121,200	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-1526	72	504 CLAREMONT DR	133,600	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-1610	73	500 CLAREMONT DR	132,200	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-1604	74	468 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-1607	75	464 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-1701	76	460 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0795	77	456 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0798	78	452 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0892	79	448 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0886	80	444 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0980	81	440 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0983	82	436 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-36-0987	83	432 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0071	84	428 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0074	85	424 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0078	86	420 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0172	87	416 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-1065	88	412 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0169	89	408 CLAREMONT DR	98,900	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0263	90	404 CLAREMONT DR	132,200	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0267	91	400 CLAREMONT DR (101 BELLAMYLANE)	133,600	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION
9779-37-0341	92	105 BELLAMY LANE	132,200	38,000	50,000	ADJUSTMENT DUE TO SIZE RESTRICTION

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion to have the County adjust all of the assessed values for the following properties to make them consistent based on the price per acre:

For the size restricted lots 41 and 71 through 92, the value should be adjusted to \$ 50,000 per lot.

For lots 39, 40 and 42, values should be adjusted to \$ 77,648 per lot.

For lots 50 through 54, the values should be adjusted to \$ 77,648 per lot.

For lots 46 through 49, 62 and 69, the values should be adjusted to \$ 135,882 per lot.

For Lots 43 through 45, 55 through 61, 63 through 68, & 70, the values should be adjusted to \$ 174,706 per lot.

Ms. Roberts seconded the motion and the motion carried.

Yes: 3

Noes: 0

Mr. Michael Hannan appeared before the Board to appeal the value of his property located at 102 STONEY CREEK CT, CHAPEL HILL. The current assessed value by Orange County is \$763,900. The appellant is requesting that the property be reassessed at \$681,000 stating that during his review of all properties that were sold during the revaluation period of June 2008 to January 2009; he surmised that the average price per square foot sold during that time frame was \$189.76 per square foot. This was a range of \$182.20 to a max of \$200.00 per square foot. He stated that the square foot value that was assigned to his property during that time period was almost \$223.00 per square foot. He considers this price a premium over the max price for what a house sold during the 2008 time frame.

The Board inquired as to if the appellant was looking solely at the house value as opposed to the land value or the entire value of the property. The appellant responded by stating that it was based on the sales price of the property.

Mr. Hannan stated that the current valuation of his property is 17.5% higher than the average sale and 11.5% higher than the highest comparable sale. He reviewed the Zillow estimates and noted that historically, the houses that listed in January 2009 were priced at \$681,000, approximately \$83,000 less than the assessed value of his property.

County staff visited and re-measured the appellant's property. Mr. Gunn directed the Board and the appellant to a list of sales that took place in 2007 and 2008 that showed what the prices were for property that sold during that time frame. The properties were located in the same general area as the appellant's property. Mr. Hensley stated that he went out and reviewed the appellant's property and noted that the appellant's property was not sketched correctly. After correcting the sketch, the County's property record card is now only 22 square feet below the size represented on the MLS, well within the allowed area of variance. After reviewing the appellant's property, the County recommended making adjustments to the appellant's property record card by removing a construction modifier and changing depreciation from 13% to 20%. Furthermore, the County reviewed the appellant's purchase price of \$695,000 and noted that there were two recent building permits; one that looked to be for some minor updates and one for \$26,000 for a garage. The County has the garage valued at \$23,000 and after corrections, the county recommends the property be valued overall at \$721,700.

The appellant stated that it was his understanding that a detached garage is worth less than \$23,000. Mr. Hensley rebutted by stating that one would not be able to build that garage anywhere in Chapel Hill for less than \$23,000. Furthermore, he looked at the contributory value to the house and the garage would substantially add value to the property because it did not have a garage at the time of purchase.

The appellant indicated that he was basing this information on what he was told. Additionally, Mr. Hannan explained that all of his comps had garages so his value is actually higher than all of the comps that he provided. Mr. Hensley stated that some of the appellant's comps were for one story properties and were not relevant to the appellant's property.

Mr. Hannan noticed that from the list of comparable that the County provided, there was only one property that came close to the assessed value of his property but this property had three more acres and had 1,000 square foot more in living space than the appellant's property.

At this time, Barbara Levine recused herself due to prior interaction with the appellant with regard to the subject property.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion to accept the recommendations made by the County to remove the construction modifier, changing the depreciation from 13% to 20%, and correcting the property record card sketch and finished area, all of which will result in a new value of \$721,700. Ms. Roberts seconded the motion and the motion carried.

Yes: 2

Noes: 0

Having heard all of the appeals scheduled on this date, Ms. Marsh made a motion to adjourn this meeting. Ms. Levine seconded the motion and the meeting was adjourned at 3:31 PM.


Jennifer Marsh, Chair


Scherri McCray, Recording Secretary