

MINUTES

2014 Board of Equalization and Review
June 24th, 2014

Board Members Present: Jane Sparks, Chair
Bronwyn Merritt, Regular
Jennifer Marsh, Regular

Staff Members Present: Roger Gunn, Chief Appraiser/Recording Minutes
Steve Hensley, Appraiser

The meeting was called to order at 2:00PM on June 24th, 2014 by Ms. Sparks.

Sparks

PIN# 9872105031

Lindsey and Michael Sparks appeared before the Board to appeal the valuation of property located at 5331 FOXLAIR ROAD, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$345,781. The appellants are requesting that the Board lower the 2014 valuation to \$255,000 stating that they purchased this property in September 2013 for \$285,000 and the appraised value was \$300,000. The appellants stated that a Realtor helped find several homes that were within a two mile area that were similar in size, bedrooms and school district of the subject. Most of these homes' sales prices are in the \$250,000 range. The appellants wish to come to a compromise between the sales prices of the pre-revaluation comparable sales and their own recent purchase price. The Sparks noted that there were only seven homes in the subject neighborhood, none of which sold just prior to 2009 with the exception of a larger four or five bedroom home with more land across the street.

The County provided a CMA for properties that sold in the area in 2007 and 2008 that included three homes of similar age and size. These home values ranged from \$304,000 to \$374,000 with an average of \$329,333.

After review, the County recommended changing the structure from a 1 story to a 1 story with a 25% finished attic, changing the partially finished basement to a totally unfinished basement, removing the construction modifier and increasing the depreciation to 18%. These recommended adjustments will reduce the subject value to \$341,900.

Mrs. Marsh questioned if the construction grade for the property was accurate, Mr. Hensley responded that it was correct. He also commented that during the informal appeal, he visited the Hideaway neighborhood, where the Spark's comparable sales were located, and did not consider the neighborhood comparable to that of the appellants' neighborhood.

The Board reviewed all documentations presented by the appellants and the County. After review and deliberation, Ms. Merritt motioned to accept the changes recommended by the County and lower the value to \$341,900. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Meyer

PIN# 0801077858

Gale Meyer elected not to appear before the Board and requested that her documents serve as her appeal. She is appealing the valuation of property located at 5906 TEN SPRINGS LANE, DURHAM. The current tax value assigned to the property by Orange County is \$598,100. Ms. Meyer asserts that a sunroom displayed on the property record card was included as heated living area when there is no HVAC in that space.

Upon inspection by the County staff, it was recommended that an attached addition be changed to a glassed in porch. This correction would change the value of the property from \$598,100 to \$586,900.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Marsh motioned to accept the changes recommended by the County and lower the value to \$586,900. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

McKenzie

PIN# 9798661897

Alexander McKenzie appeared before the Board to appeal the valuation of property located at 410 SIMERVILLE STREET, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$1,174,500. The appellant is requesting that the Board lower the 2014 valuation to \$975,683 stating that he purchased this property in June 2012 for \$1,014,000 and that there were renovations done to the interior in 2012 and 2013. The appellant was surprised by the big change in value as most of the changes were not value changing in nature. He recognized that adding a finished attic and increasing the elevator access to the second floor would increase the value but felt most of the changes were cosmetic.

Mr. McKenzie provided a CMA of pre-revaluation comparable sales and he analyzed the homes on a sales price per square foot basis. He also provided exhibits of tax values of the subject pre renovation and post renovation, including an analysis of the subject's value compared with tax values of comparable homes in the CMA. The appellant concluded that the subject's value is significantly higher than the values of other homes and feels that the 2009 assessment should be around \$975,000.

Mrs. Sparks asked how many square feet is in the attic. The owner replied the attic was approximately 209 square feet but could be between 209 and 250 square feet. Mrs. Sparks inquired if the basement was finished and the appellant confirmed that it was finished. He added that the elevator ran from the basement to the second floor but not to the attic.

The County provided pre-revaluation sales from Meadowmont that showed the value of the subject was in range of the sale prices of these homes. The appellant argued that only one of the sales that were presented sold for more per square foot than his assessed value.

Upon inspection, the County staff recommended correcting the sketch of the subject, to add an elevator at \$20,000, remove a 15% negative depreciation that was used for the design, removal of the construction modifier and changing the depreciation to 8%. The recommended adjustments would decrease the value to \$1,064,300.

The Board questioned what the value would be if the depreciation was adjusted to 7%. Upon calculation it was discovered that 7% depreciation would lower the value to \$1,072,800.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Marsh motioned to accept the changes recommended by the County as well as decreasing depreciation to 7% depreciation and the resulting value to \$1,072,800. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Hsieh

PIN# 9778983983

Showchien Hsieh appeared before the Board to appeal the valuation of property located at 304 PLEASANT DRIVE, CARRBORO. The current tax value assigned to the property by Orange County is \$157,239. The appellant is requesting that the Board remove the 2014 building value contending that the value was too high due to the deteriorated condition of the building which has recently been demolished. Mrs. Marsh reminded the appellant that if the building was in existence on January 1, it cannot be removed for the 2014 tax year but would be removed for the 2015 tax year.

The County, upon inspection, recommended changing the depreciation of the building to 99% and removing the outbuilding from the record. The recommended changes would decrease the value of the building to \$400 and the overall value of the property to \$ 125,000.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned to accept the changes recommended by the County and the resulting value of \$125,000. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Williams

PIN# 9749998564

Danny Williams appeared before the Board to appeal the valuation of property located at 8712 DODSONS CROSSROADS, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$195,900. The appellant is requesting that the Board lower the 2014 valuation saying that the value is too high based on conversations that he has had with a Realtor who told him that they are selling properties for generally half of the appellant's property's tax value or less.

Upon conversation with the appellant, it was discovered that the appeal was made in error and the appeal was dropped mid-hearing by the appellant.

Billing

PIN#s 9749998564, 9759260937, & 9759083867

John Billing appeared before the Board to appeal the valuation of three properties situated at or near 8712 DODSONS CROSSROADS, CHAPEL HILL. The appellant stated that he purchased all three properties together in 2014 for \$ 650,000 and feels that there is a disconnection between the 2009 assessed valuation and the 2014 sales price.

Mr. Hensley informed Mr. Billing that the building located on PIN# 9749998654 had been reduced to \$27,000 and the overall value on the property was now \$195,900. Mr. Billing indicated that he agreed with this valuation and would no longer contest this property's valuation.

Mr. Hensley provided the Board with information about the two remaining PIN# 9759260937 and PIN # 9759083867, two vacant lots. Mr. Billing provided letters from a licensed soil scientist that indicated that the lots were unbuildable due to unsuitable soils. Furthermore, while there is no possibility for a septic system on PIN # 9759083867, there is a limited possibility a septic system on PIN # 9759260937. The appellant also noted that the odd configuration of the lots would prevent any future development of the properties.

The Board noted that there were many homes surrounding Mr. Billing's properties and questioned how any of the appellant's land could not be approved.

The County recommended decreasing the value of both vacant parcels by 50% to account for the unsuitable soils and odd configuration. This would result in a value change to \$293,800 for PIN# 9759083867 and \$134,700 for PIN# 9759260937.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Sparks motioned to accept the changes recommended by the County for the two vacant parcels, PIN# 9759083867 and PIN# 9759260937 but not change the value of the improved PIN # 9749998654. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Philpot

PIN# 9799618778

Edward Philpot appeared before the Board to appeal the valuation of property located at 856 PINEHURST DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$977,200. The appellant is requesting that the Board lower the 2014 valuation to \$900,000 citing when he received a notification from the County that his property value had increased, he obtained an independent appraisal in May 2013 for the January 1, 2009 valuation date that claims the property value should be \$ 900,000. Mr. Philpot mentioned that a number of improvements have been made to the property in 2013 but the value of \$977,200 is not justified based on a January 1, 2009 valuation date appraisal.

Mr. Hensley visited the property and recommended the following changes: correcting the two attached additions over the porches to attached additions on pier foundations, changing another attached addition to be included with the main area of the house, changing the 100% finished basement to a 75% finished basement, and correcting the area of the rear deck. The recommended changes will result in a new valuation of \$ 904,900.

The Board reviewed all documentation presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned to accept the changes recommended by the County and lower the value to \$904,900. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all of the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting at 4:08 PM.


Jane Sparks, Chair


Roger Gunn, Chief Appraiser
Acting as Recording Secretary