

Order of the Kittitas County
Board of Equalization

Property Owner: JWA Investments, LLC c/o Jeremie Dufault
Parcel Number(s): 434134
Assessment Year: 2017 Petition Number: BE-170016
Date(s) of Hearing: 4-10-18

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains overrules the determination of the assessor.

Assessor's True and Fair Value

<input type="checkbox"/> Land	\$	<u>206,500</u>
<input type="checkbox"/> Improvements	\$	<u>1,081,970</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>\$1,288,470</u>

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$	<u>206,500</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>1,081,970 866,755</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>\$1,073,255</u>

This decision is based on our finding that:

The issue before the Board is the assessed value of land/improvements.

A hearing was held on April 10, 2018. Those present: Board members Jennifer Hoyt, Reta Hutchinson, Clerk Debbie Myers, Appraiser Mark Peterson, and Appellant Jeremie Dufault.

Appellant Jeremie Dufault said he purchased this apartment complex in 2011; that they are older apartments located on Walnut Sreet. He said six months after he purchased the building he was deployed to Afganistan, so the property just sat until he returned in 2012. He and his wife were maried in 2013 so they have only fixed up approximately 25 percent of the units at this time. He stated it is a good location; they have no trouble renting the units; he discussed income and expenses, repairs and maintenance, and future renovation plans. He said he took the 2016 income statement and capitalization rate of 8% used by the Appraiser to come up with his requested value.

Appraiser Mark Peterson said his job is to give a well balanced, fair appraisal and this is an income generating property. He said all approaches are justified by the comparable sales. He discussed the income approach and the different cap rates used. He reviewed how they come up to the property valuation, and the information provided in the Assessor's Answer.

There was discussion on capital expenditures vs. maintenance; replacements and reserves; third party renovations; cap rates; age of properties; size of building; square footage; market; expenses; comparable sales; and factors used for valuation.

The Taxpayer calculated \$1,073,255 using the cap rate of 8.6% based on 40% expenses. The Appraiser stated that the change affects the entire data forecast and therefore the cap rate falls. The Board understands that the cap rate is dependent on the entire market, but has determined that this is the most accurate adjustment the Board can make given the materials and testimony provided. The Board of Equalization voted 2-0 to overrule the Assessor's valuation.

Dated this 17th day of April, (year) 2018

Chairperson's Signature



Clerk's Signature



NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at bta.state.wa.us/appeal/forms.htm within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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