

**Order of the Thurston County
Board of Equalization**

Property Owner: TROSPER ROAD LTD PARTNERSHIP DBA THE HAMPTON

Parcel Number(s): 09080078000

Assessment Year: 2016

Petition Number: 16-0554

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 Determination

<input checked="" type="checkbox"/> Land	\$ 1,526,700
<input checked="" type="checkbox"/> Improvements	\$ 3,408,600
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 4,935,300

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 1,526,700
<input checked="" type="checkbox"/> Improvements	\$ 2,928,300
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 4,455,000

This decision is based on our finding that: The Board overrules the Assessor's determination of value based on the testimony and evidence presented.

At the hearing, the Petitioner's Representative revised his requested value to \$1,526,700 for the land and \$2,219,700 for the improvements, for a total value of \$3,746,400. The Petitioner's Representative testified that many sales of senior living properties include the business as well as the real estate, so the income approach is not helpful. He contends that the real estate excise tax (REET) affidavits are not a reliable source of sales information, since many out of state buyers are not aware that the business value should be allocated separately from the real estate. The Petitioner's Representative stated that the Assessor's comparable sales are skilled nursing facilities, which is very different from the subject property. He contended that none of the Assessor's comparable sales support the current assessed value for the subject property. The Petitioner's Representative contends that the cost approach is the most relevant for the subject property. He reviewed his cost approach with the Board. He explained that the subject property consists of memory care units. The Petitioner's Representative clarified that Marshall Swift does not have a specific table for memory care units. He explained that he uses group home care costs for those units. He contends that there are significant cost variances between the different levels of care in the Marshall Swift valuation tables.

The Assessor provided a market-adjusted cost approach and comparable sales in support of the current assessed value. The Assessor's Representative agreed that the cost approach to value is the most relevant for these types of properties. The Assessor's Representative stated that the subject facility serves only memory care patients and differs significantly from group care homes. She contended that the subject property is most similar to a nursing home or convalescent hospital. She argues that the statements of the Petitioner's Representative regarding business value not being allocated on the real estate excise tax affidavits is unconvincing, since the buyers of these properties specialize in owning and operating these facilities.

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The Board finds that the subject property is a memory care/Alzheimer's specialty care facility, but not a nursing home/convalescent hospital. The Board finds that the costs for memory care units are greater than the costs for assisted living units, but less than the costs for units in nursing homes and convalescent hospitals. The Board finds that memory care facilities are mostly staffed by certified nursing assistants (CNAs) with a licensed practical nurse (LPN) on staff and on call, whereas nursing homes and convalescent hospitals always have a registered nurse (RN) on duty and a physician on call. The Board finds the Petitioner's cost approach using group home rates to be unconvincing. The Board finds that the Assessor's cost approach using the nursing home/convalescent home rate is overstated. The Board concludes that there is clear, cogent, and convincing evidence sufficient to overcome the Assessor's presumption of correctness and to warrant a reduction in the valuation.

Dated this 23RD day of October, 2017


James Harvison, Chairman


Ruth J. Elder, Clerk of the Board

NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a notice of 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 Notice of Appeal form is available from either your county assessor or the State Board.

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REV 64 0058 (6/9/14)

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