

Order of the Thurston County Board of Equalization

Property Owner: TJP OLY BUILDING LLC

Parcel Number(s): 78202900700

Assessment Year: 2017

Petition Number: 17-0528

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	\$ 321,700
<input checked="" type="checkbox"/> Improvements	\$ 613,100
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 934,800

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$ 321,700
<input checked="" type="checkbox"/> Improvements	\$ 511,300
<input type="checkbox"/> Minerals	\$
<input type="checkbox"/> Personal Property	\$
TOTAL:	\$ 833,000

This decision is based on our finding that: The Board overrules the Assessor's determination of value based on the testimony and evidence presented. The Petitioner was represented by Amy Hoppe of Hoppe and Associates. The Assessor was represented by Teresa Hoyer, Commercial Appraiser/General Licensed Appraiser.

The subject property is a single story multi-tenant building, with 64 percent leased by the State of Washington and the remaining 36 percent vacant until February 2017. The Petitioner's Representative testified that the Petitioners offered the subject property for sale or lease for a significant period of time without success. She indicated that the property was taken off the market on July 11, 2016, and the last listing price was \$850,000. The property was originally listed for \$921,000 with a different broker. The Petitioners purchased the subject property on June 26, 2013, for \$754,073. The Petitioner provided a sales comparison approach and an income approach in support of the requested value.

The Assessor provided a market-adjusted cost approach, a market approach, and an income approach in support of the current assessed value. The Assessor's Representative testified that: when the property sold in 2013, it was completely occupied with the previous owner, an attorney, occupying the smaller office space; the prior owner vacated after he sold the building; the Petitioner purchased the subject property at the bottom of the real estate market; and the Petitioner's purchase price in 2013 must have included consideration for the need to release 36 percent of the building that would be vacated by the prior owner and a lease up analysis. Ms. Hoyer testified that Petitioner's comparable sale 2 is located in an office park, where the property owners pay for maintenance of the 700 foot private access road, storm drainage facilities, and all common areas, similar to a condominium. She explained that the parcels are subject to a binding site plan and no expansion is permitted without board approval. She testified that Petitioner's comparable sale 3 is located in a professional plaza, with all common owners maintained by the owners of the complex. She explained that in each of these cases, the purchaser is not buying the full bundle of rights. Ms. Hoyer noted that the subject property has a basement storage space in addition to the rentable space. She explained that none of her comparable sales have significant basements.

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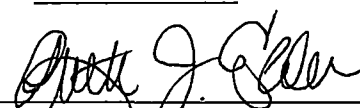
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The Board finds that the comparable sales offered by both of the parties are not similar to the subject property. The Board trends the purchase price of the subject property to the January 1, 2017, assessment date. The Board finds that the subject property was only 64% occupied as of January 1, 2017.

The Board concludes that the Petitioner's Representative provided clear, cogent, and convincing evidence sufficient to overcome the Assessor's presumption of correctness and to warrant a reduction in the valuation.

Dated this 14th day of December, 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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