

Francis S. Chase and Gloria E. Chase
v.
Town of Amherst

Docket No. 3627-87

DECISION

A hearing in this appeal was held, as scheduled, on May 9, 1989. The Taxpayers represented themselves. The Town was represented by Steve M. Allen, Appraiser, M.M.C., Inc.

The Taxpayers appeal, pursuant to RSA 76:16-a, the assessment of \$362,700 (land, \$23,400; building, \$339,300) placed on their real estate, located on Old Manchester Road, for the 1987 tax year. The subject property consists of an approximately 6,000 square-foot residence with enclosed pool and two-car garage under, on approximately 2.27 acres of land.

Neither party challenged the Department of Revenue Administration's assessment-sales ratio of 60 percent for the 1987 tax year for the Town of Amherst. Based on that ratio the Taxpayers' assessment equates to a market value of \$604,500.

The Taxpayers argued they paid \$250,000 for the subject property June 16, 1987. Mr. Chase pointed out the property was foreclosed and acquired by Indian Head Bank for \$285,000 the year before the Taxpayers purchased the home.

The Chases submitted four appraisals performed for various clients and

purposes in 1986, 1987, and 1988. The Taxpayers explained the appraisals were

performed for the bank and also for Mr. Chase's company for executive relocation.

Mr. Chase explained the house had been badly damaged and required extensive repair to make it livable. The Taxpayers testified they had spent \$100,000 in 1987 and presented a letter and receipts from a contractor indicating a total expenditure of \$130,000. Mr. Chase testified when they acquired the subject property there were no kitchen cabinets and that the previous owner, who had gone through bankruptcy, had removed and damaged the property.

The Chases testified that they had wanted Mr. Chase's company to buy the home and also testified they had been trying to sell the property through a Century 21 real estate brokerage. Mr. Chase stated an objection the real estate broker had was the high taxes.

Mr. Chase rendered an opinion that \$350,000 to \$375,000 was the current value and stated he felt the property was worth \$250,000 on April 1, 1987.

Mr. Allen stated he questioned the appraisal in February of 1986 for \$360,000 being greater than an appraisal submitted for December of 1987 for \$348,000 after work had been done on the subject property. Mr. Allen stated he didn't dispute there was damage to the subject property which had to be repaired and couldn't understand how an appraisal done after the work could have a conclusion of value less than an appraisal performed before the work was done.

Mr. Allen also noted he disputed the gross living area cited in several of the appraisals and stated the subject property has finished areas which were apparently overlooked.

Mr. Allen further stated he didn't feel a foreclosure sale was an arm's-length transaction and stated in his opinion the Taxpayers' purchase price of \$250,000 was a good deal even with the extent of damage to the subject property. Mr. Allen stated he felt the \$604,500 market value for the property as computed by using the assessment-sales ratio was reasonable. Mr. Allen noted that Amherst was a high-priced market and that the subject property was not overbuilt for that particular market place.

Mr. Chase rebutted by stating the subject property had been on the market for a year prior to their purchase and also noted the appraisers may not have felt the additional living area contributed significantly to the market value of the subject property.

The Board finds the Taxpayers presented evidence of four appraisals over a two-year period indicating an average estimate of value of \$335,000. The Board also finds the Taxpayers presented a statement from a contractor stating expenditures of \$130,000. The Board notes that the expenditure for repairs and renovations does not necessarily add to market value on a one-dollar-for-one-dollar ratio.

The Board finds the Town relied solely on its assessment and questions concerning the appraisals submitted by the Taxpayers. The Board finds the Town presented no evidence of the basis for its assessment other than the assessment record cards presented as part of the record. The Board finds the Town presented four comparables to the subject property, three of which had sales prices in 1988 and 1989 ranging from \$390,000 to \$475,000.

The Board finds the subject property was distressed at the time of acquisition by the Taxpayers and further finds the Taxpayers' acquisition price reflected distortion in the market value of the subject.

The Board rules the proper assessment for the subject property is \$237,000 for the 1987 tax year.

If the taxes have been paid, the amount paid on the value in excess of \$237,000 is to be refunded with interest at six percent per annum from date of payment to date of refund.

SO ORDERED.

BOARD OF TAX AND LAND APPEALS

April 27, 1990

Anne S. Richmond, Chairman

(Mr. Twigg did not sit)

George Twigg, III

Peter J. Donahue

Paul B. Franklin

I certify that copies of the within decision have been mailed this date, postage prepaid, to Francis S. and Gloria E. Chase, the Taxpayers, and to the Chairman, Board of Selectmen, Town of Amherst.

Michele E. LeBrun, Clerk

April 27, 1990