

INDIANA BOARD OF TAX REVIEW
Small Claims
Final Determination
Findings and Conclusions

Petition No.: 29-018-08-1-5-00297
Petitioner: Washington Property Investors LLC
Respondent: Hamilton County Assessor
Parcel No.: 1709240003029000
Assessment Year: 2008

The Indiana Board of Tax Review (the Board) issues this determination in the above matter, and finds and concludes as follows:

Procedural History

1. The Petitioner's representatives, Jeremy Miller and Marshall Welton of Appeal Taxes-NOW, initiated an assessment appeal with the Hamilton County Property Tax Assessment Board of Appeals (the PTABOA) by written document dated August 3, 2009.
2. The PTABOA issued notice of its decision on February 2, 2010.
3. Pursuant to Indiana Code § 6-1.1-15-1, the Petitioner's representatives filed a Form 131 petition with the Board on February 24, 2010. The Petitioner elected to have its case heard according to the Board's small claim procedures.
4. The Board issued a notice of hearing to the parties dated March 31, 2011.
5. The Board held an administrative hearing on June 2, 2011, before the duly appointed Administrative Law Judge (the ALJ) Dalene McMillen.
6. The following persons were present and sworn in at the hearing:
 - a. For Petitioner: Jeremy Miller, Tax Representative, Appeal Taxes-NOW
Marshall Welton, Tax Representative, Appeal Taxes-NOW
 - b. For Respondent:¹ Terry McAbee, Hamilton County Deputy Assessor
Chad Miller, Hamilton County Deputy Assessor

¹ Ms. Marilyn S. Meighen appeared as counsel for the Respondent. Mr. Miller was sworn as a witness but did not present any testimony at the hearing. Ms. Robin Ward, Hamilton County Assessor, was also in attendance but was not sworn in as a witness to give testimony.

Facts

7. The property under appeal is a residential condominium unit located at 623 Marana Drive, Carmel, Clay Township in Hamilton County.
8. The ALJ did not conduct an on-site inspection of the property under appeal.
9. For 2008, the PTABOA determined the assessed value of the property to be \$35,700 for the land and \$172,400 for the improvements, for a total assessed value of \$208,100.
10. For 2008, the Petitioner's representatives requested a total assessed value of \$160,005 for the property.

Issue

11. Summary of the Petitioner's contentions in support of an alleged error in its property's assessment:
 - a. The Petitioner's representative contends the property under appeal is a townhouse being used as a rental unit. *Welton testimony*. According to Mr. Welton, because the property is a rental it should be assessed based on the gross rent multiplier method of valuation.² *Id.* In support of his position, Mr. Welton submitted a copy of a memorandum entitled "Gross Rent Multiplier (GRM) Income Approach to Value on Single-family and Small Multi-family Properties" issued by the Department of Local Government Finance (DLGF) on November 20, 2003. *Id.*; *Petitioner Exhibit A-2*.
 - b. Mr. Miller argues that the Petitioner's property is over-assessed, based on the property's value applying the GRM. *Miller testimony*. According to Mr. Miller, a GRM is calculated by dividing a rental property's monthly rent into the property's sales price. *Miller testimony*. Mr. Miller testified that he used eight properties located within a half-mile of the property under appeal that were leased in 2006 and 2007. *Id.*; *Petitioner Exhibits A-3 and A-4*. Mr. Miller contends that the property located at 13707 Autumn Lake was leased on February 9, 2006, for \$3,200 per month and sold for \$352,500 on July 30, 2007, resulting in a GRM of 110. *Petitioner Exhibit A-3*. The property located at 431 Leafy Branch Trail was leased on February 8, 2006, for \$2,250 per month and sold for \$278,500 on May 21, 2007, resulting in a GRM of 124. *Id.* The property located at 14429 Howe Drive was leased on October 23, 2007, for \$2,195 per month and sold for \$236,000 on November 28, 2007, resulting in a GRM of 108. *Id.* The property

² Mr. Miller testified that the 2002 Real Property Assessment Manual states, in part, the true tax value of a property is "[t]he market value-in-use of a property for its current use, as reflected by the utility received by the owner or a similar user, from the property." *Miller testimony*. According to Mr. Miller, the property under appeal is currently used as a rental unit and therefore it should be valued as such. *Id.*

located at 430 Leafy Branch Trail was leased on July 20, 2006, for \$1,750 per month and sold for \$235,000 on February 6, 2007, resulting in a GRM of 134. *Id.* The property located at 13682 Seasons Bend was leased on September 2, 2007, for \$1,850 per month and sold for \$235,000 on August 29, 2007, resulting in a GRM of 127. *Id.* The property located at 13738 Roswell Drive was leased on February 9, 2006, for \$1,600 per month and sold for \$207,000 on November 12, 2007, resulting in a GRM of 129. *Id.* The property located at 922 Nevelle was leased on October 24, 2006, for \$1,395 per month and sold for \$200,000 on October 12, 2007, resulting in a GRM of 143. *Id.* Finally, the property located at 641 Marana Drive was leased on April 12, 2006, for \$1,700 per month and sold for \$192,000 on May 26, 2006, resulting in a GRM of 113. *Id.* Mr. Miller therefore concluded that the average GRM for the eight rental properties in the area was 124 during the relevant time period. *Miller testimony; Petitioner Exhibit A-3.* Mr. Miller then applied a GRM of 124 to the Petitioner's property's monthly gross rent of \$1,295 per month and estimated the value of the property to be \$160,005. *Id.* In response to cross examination, Mr. Miller admitted that seven of the eight rental properties are single-family homes. *Miller testimony.* The only exception is 641 Marana Drive which, Mr. Miller testified, is a townhouse located in the same neighborhood as the Petitioner's property. *Id.*

- c. Finally, in his rebuttal argument, Mr. Welton contends that the Board should disregard the Respondent's GRM analysis. *Welton testimony.* According to Mr. Welton, 641 Marana Drive sold in 2006 and the Respondent used the 2008 lease amount to determine its GRM. *Id.* Similarly, he argues, the remaining properties used in the Respondent's GRM calculation sold in 2005, which he contends is too far removed from the January 1, 2007, valuation date to be relevant. *Welton testimony.*
12. Summary of the Respondent's contentions in support of the assessment:
- a. The Respondent's witness contends that the assessed value of the property under appeal is accurate based on the Petitioner's purchase price. *McAbee testimony.* According to Mr. McAbee, the property was purchased on April 18, 2005, for \$208,716, but it is only assessed for \$208,100. *Id.; Respondent Exhibit A.* In addition, the Respondent's witness testified, the Petitioner listed the property under appeal for sale on July 30, 2009, for \$209,900. *McAbee testimony; Respondent Exhibit C.* According to Mr. McAbee, the "trending" process in the neighborhood has shown that property values in the Petitioner's subdivision have not substantially changed since trending began in 2006.³ *Id.* Thus, the

³ Indiana Code § 6-1.1-4-4.5 states in part: "(a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect. (b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment becomes effective."

Respondent's witness implies, both the 2005 sale and the 2009 listing are relevant to the property's January 1, 2007, value for the March 1, 2008, assessment. *Id.*

- b. The Respondent's witness also argues that the property's assessed value is corrected based on the sale of another property in the Petitioner's neighborhood. *McAbee testimony.* According to Mr. McAbee, the townhouse located at 617 Lockerbie Place is identical to the Petitioner's townhouse. *McAbee testimony; Respondent Exhibit C.* It sold on June 28, 2007, for \$227,100, but is only assessed for \$208,100 like the Petitioner's property. *Id.* Thus, the Respondent's witness concludes, the Petitioner's property is not over-assessed based on its sales comparable value. *McAbee testimony.*
- c. Similarly, the Respondent's witness contends the property's assessment is correct based on the ratio of assessed values to sales prices of comparable townhouses in the Petitioner's subdivision. *McAbee testimony.* In support of this position, Mr. McAbee submitted an aerial map, property record cards and sales disclosure forms showing assessment information and sales prices for four properties located in Hunters Creek. *Respondent Exhibits B and C.* According to Mr. McAbee, the comparable properties are all two-story townhouses in average condition, with similar sized living areas that were constructed in 2004 and 2005. *McAbee testimony; Respondent Exhibit C.* The sales prices of the four properties ranged from \$192,000 to \$227,000; whereas their assessed values ranged from \$178,100 to \$208,100, resulting in an assessment to sales ratio ranging from .90 to .98 for the Petitioner's subdivision, which is within the Indiana assessment guidelines.⁴ *McAbee testimony.* Thus, Mr. McAbee argues, the evidence shows that properties on average are not over-assessed in the Petitioner's neighborhood. *Id.* To the contrary, the sales ratio study shows that properties in the Petitioner's neighborhood are somewhat under-assessed compared to their market values. *Id.*
- d. Mr. McAbee also argues that the Petitioner's property is not over-assessed based on a GRM valuation. *McAbee testimony.* According to Mr. McAbee, he determined an average GRM by compiling rents, sales prices and gross rent multipliers on five townhouses located in the Petitioner's subdivision. *Id.; Respondent Exhibit D.* The analysis showed the average GRM for the subdivision was 161 and the average rent per square foot was 74 cents. *Id.* Mr. McAbee testified that he divided the Petitioner's property's 2005 sales price of \$208,716 by its monthly rent of \$1,295 in 2007, and the resulting GRM was 161 and the

⁴ Mr. McAbee appears to be referring to the Real Property Assessment Manual which states that "standards for evaluating the accuracy and uniformity of mass appraisal methods have been developed by the assessing community. These standards state the overall level of assessment, as determined by the median assessment ratio, should be within ten percent (10%) of the legal level. In Indiana, this means the median assessment ratio within a jurisdiction should fall between 0.90 (90%) and 1.10 (110%) in order to be considered accurate. This standard of ten percent (10%) on either side of the value provides a reasonable and constructive range for measuring mass appraisal methods." 2002 REAL PROPERTY ASSESSMENT MANUAL at 21.

rent per square foot was 72 cents. *Id.* Thus, Mr. McAbee concludes, the Petitioner's property is properly assessed for 2007 based on its GRM value. *McAbee testimony.*

- e. Finally, the Respondent's counsel argues that the Petitioner's GRM is flawed and not probative of the property's value. *Meighen argument.* According to the Respondent's witness, the Petitioner's representative erred in his calculation of the GRM on the townhouse located at 641 Marana Drive. *McAbee testimony.* Mr. McAbee testified that the property under appeal and four other townhouse units in Hunters Creek have 1,804 to 2,153 square feet of living area and are renting from \$1,295 to \$1,475, with results in GRM values ranging from 154 to 167. *Id.; Respondent Exhibit D.* Mr. McAbee argues that the county's information shows that 641 Marana Drive has only 1,512 square feet of living area and was renting for \$1,095 per month with a GRM of 175, which is consistent with the monthly rent other townhome owners were collecting in the neighborhood. *Id.* In contrast, the Petitioner's representative contends 641 Marana Drive was renting for \$1,700, with a GRM of 113. *McAbee testimony.* Because a GRM value generated from flawed data would also be inaccurate, Mr. McAbee argues, the Petitioner's evidence that its property should be valued using a GRM of 124 should be given little weight. *Id.*
- f. Further, the Respondent's counsel argues that the Petitioner's representatives failed to show the rental properties they used in their calculation are comparable to the property under appeal. *Meighen argument.* The Respondent's counsel argues that the Indiana Tax Court in *Long v. Wayne Township Assessor*, 821 N.E.2d 466 (Ind. Tax Ct. 2005), *Indianapolis Racquet Club, Inc. v. Washington Township Assessor*, 802 N.E.2d 1018, 1022 (Ind. Tax Ct. 2004), *Home Federal Savings Bank v. Madison Township Assessor*, 817 N.E.2d 332 (Ind. Tax Ct. 2004), *Blackbird Farms Apartment, LP v. Department of Local Government Finance*, 765 N.E.2d 711 (Ind. Tax Ct. 2002) and *Whitley Products, Inc. v. State Board of Tax Commissioners*, 704 N.E.2d 1113 (Ind. Tax Ct. 1998), clearly states that at the heart of any approach to value the person has to establish the comparability of the comparable properties and the property under appeal. *Id.* The Respondent's counsel argues that the Petitioner's representatives did not offer any evidence regarding the characteristics of the rental properties, such as the age, living area, or condition of the structures, that they used in their GRM calculation. *Id.* Moreover, the Petitioner's representatives failed to explain how the seven single family homes used in their calculation are comparable to the Petitioner's townhouse. *Id.; McAbee testimony.* Therefore, Ms. Meighen argues, the Petitioner's GRM calculation is inadequate to raise a prima facie case. *Meighen argument.*

Record

13. The official record for this matter is made up of the following:

- a. The Form 131 petition and related attachments.
- b. The digital recording of the hearing.
- c. Exhibits:⁵

Petitioner Exhibit A-1 – Excerpt of the 2002 Real Property Assessment Manual,

Petitioner Exhibit A-2 – “Gross Rent Multiplier (GRM) Income Approach to Value on Single-family and Small Multi-family Properties” directive issued by the Department of Local Government Finance, dated November 20, 2003,

Petitioner Exhibit A-3 – Petitioner’s GRM calculation,

Petitioner Exhibit A-4 – Map showing the Petitioner’s comparable properties,

Petitioner Exhibit C-1 – MIBOR property history report for 13707 Autumn Lake Overlook Drive, Carmel,

Petitioner Exhibit C-2 – MIBOR property history report for 431 Leafy Branch Trail,

Petitioner Exhibit C-3 – MIBOR property history report for 14429 Howe Drive,

Petitioner Exhibit C-4 – MIBOR property history report for 430 Leafy Branch Trail,

Petitioner Exhibit C-5 – MIBOR property history report for 13682 Seasons Bend,

Petitioner Exhibit C-6 – MIBOR property history report for 13738 Roswell Drive,

Petitioner Exhibit C-7 – Continued MIBOR property history report for 13738 Roswell Drive,

Petitioner Exhibit C-8 – MIBOR property history report for 922 Nevelle Lane,

Petitioner Exhibit C-9 – Continued MIBOR property history report for 922 Nevelle Lane,

Petitioner Exhibit C-10 – MIBOR property history report for 641 Marana Drive,

Petitioner Exhibit C-11 – Electronic mail messages between Curtis J. Washington, of Ohana Homes and Jeremy Miller, of Appeal Taxes-NOW,

⁵ The Petitioner did not submit a Petitioner Exhibit B.

Petitioner Exhibit C-12 – Lease agreement for 623 Marana Drive, dated September 17, 2008,

Respondent Exhibit A – Property record card and exterior photograph for 623 Marana Drive,

Respondent Exhibit B – Aerial map of Townhomes at Hunters Creek,

Respondent Exhibit C – Value Calibration Analysis by Neighborhood for Neighborhood No. 216336, multiple listing sheet for 623 Marana Drive, property record cards and sales disclosure forms for 617 Lockerbie Place, 658 Lockerbie Place, 656 Lockerbie Place, and 641 Marana Drive,

Respondent Exhibit D – Respondent’s GRM spreadsheet, property record cards and multiple listing sheets for 623 Marana Drive, 629 Lockerbie Place, 627 Marana Drive, 624 Lockerbie Place, 643 Marana Drive, and 641 Marana Drive,

Board Exhibit A – Form 131 petition with attachments,

Board Exhibit B – Notice of Hearing,

Board Exhibit C – Hearing sign-in sheet.

d. These Findings and Conclusions.

Analysis

14. The most applicable governing cases are:

- a. A Petitioner seeking review of a determination of an assessing official has the burden to establish a prima facie case proving that the current assessment is incorrect, and specifically what the correct assessment would be. *See Meridian Towers East & West v. Washington Township Assessor*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also, Clark v. State Bd. of Tax Comm’rs*, 694 N.E.2d 1230 (Ind. Tax Ct. 1998).
- b. In making its case, the taxpayer must explain how each piece of evidence is relevant to the requested assessment. *See Indianapolis Racquet Club, Inc. v. Washington Township Assessor*, 802 N.E.2d 1018, 1022 (Ind. Tax Ct. 2004) (“[I]t is the taxpayer’s duty to walk the Indiana Board . . . through every element of the analysis”).
- c. Once the Petitioner establishes a prima facie case, the burden shifts to the assessing official to rebut the Petitioner’s evidence. *See American United Life Ins. Co. v. Maley*, 803 N.E.2d 276 (Ind. Tax Ct. 2004). The assessing official

must offer evidence that impeaches or rebuts the Petitioner's case. *Id.*; *Meridian Towers*, 805 N.E.2d at 479.

15. The Petitioner failed to provide sufficient evidence to establish a prima facie case for a reduction in the assessed value of its property. The Board reached this decision for the following reasons:
- a. Indiana assesses real property based on its "true tax value," which the 2002 Real Property Assessment Manual defines as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or a similar user, for the property." 2002 REAL PROPERTY ASSESSMENT MANUAL (the MANUAL) (incorporated by reference at 50 IAC 2.3-1-2). The appraisal profession traditionally has used three methods to determine a property's market value: the cost approach, the sales comparison approach, and the income approach to value. *Id.* at 3, 13-15. In Indiana, assessing officials generally use a mass appraisal version of the cost approach, as set forth in the REAL PROPERTY ASSESSMENT GUIDELINES FOR 2002 – VERSION A (incorporated by reference at 50 IAC 2.3-1-2) (the GUIDELINES).
 - b. A property's market value-in-use, as determined using the Guidelines, is presumed to be accurate. *See* MANUAL at 5; *Kooshtard Property VI, LLC v. White River Township Assessor*, 836 N.E.2d 501, 505 (Ind. Tax Ct. 2005); *P/A Builders & Developers, LLC*, 842 N.E.2d 899 (Ind. Tax Ct. 2006). A taxpayer may rebut the presumption with evidence that is consistent with the Manual's definition of true tax value. MANUAL at 5. A market value-in-use appraisal prepared according to the Uniform Standards of Professional Appraisal Practice (USPAP) often will suffice. *Id.*; *Kooshtard Property VI*, 836 N.E.2d at 505, 506 n.1. A taxpayer may also offer actual construction costs, sales information for the subject property or comparable properties and any other information compiled according to generally accepted appraisal practices. MANUAL at 5.
 - c. Regardless of the method used to rebut an assessment's presumption of accuracy, a party must explain how its evidence relates to the subject property's market value-in-use as of the relevant valuation date. *O'Donnell v. Department of Local Government Finance*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006); *see also Long v. Wayne Township Assessor*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005). For the March 1, 2008, assessment date, the valuation date was January 1, 2007. 50 IAC 21-3-3.
 - d. However, for assessment dates after February 28, 2005, the legislature promulgated specific rules for the valuation of rental property and mobile homes. *See* Ind. Code § 6-1.1-4-39. Under Indiana Code § 6-1.1-4-39(a), a rental property with more than four units is to be assessed according to the lowest valuation determined from the three generally accepted approaches to value: the

cost approach, the sales comparison approach, or the income capitalization approach. Ind. Code § 6-1.1-4-39(a). For rental properties with one to four units, “the gross rent multiplier method is the preferred method” of valuation. Ind. Code § 6-1.1-4-39(b).

- e. Indiana has not defined the term gross rent multiplier by statute or regulation. Nevertheless, it is a commonly used appraisal term. A GRM “is a tool sometimes used by appraisers ... to compare the relationship between sale price and the gross income/rent of a property.” *In re Vanderveer Estates Holding, LLC*, 293 B.R. 560, 573 n.7 (Bankr. E.D.N.Y. 2003). “In calculating GRM, the appraiser divides the sale price of the comparable property by its gross rent/income. The appraiser will then estimate the subject property by multiplying the actual income of the property by the multiplier in an attempt to determine the estimated sales price that can be obtained for the subject property. ... Typically, an appraiser will assess the GRM of several comparable properties to the subject property in determining the value of the subject property....” *Id.*
- f. On November 20, 2003, the Department of Local Government Finance (DLGF) issued a memorandum setting forth the application of the “Income Approach to Value on Single-family and Small Multi-family Properties.” *Petitioner Exhibit A-2*. That memorandum states that the GRM “method can be applied to all types of small residential properties such as duplexes, triplexes, and quadplexes.” *Id.* However, it cautions that “each type of property must have a separate GRM developed. In other words, the GRM for single-family residential property in a neighborhood cannot be used to value duplexes within that neighborhood.” *Id.*
- g. Here the Petitioner’s representative contends that the Petitioner’s property is a rental property and therefore the townhouse must be valued using the gross rent multiplier method of valuation. *Miller testimony*. The Respondent did not dispute this evidence. Therefore, the Board finds that the gross rent multiplier is the “preferred” method of valuation for the Petitioner’s property.⁶
- h. In support of his contention that the Petitioner’s assessment is over-valued, Mr. Miller submitted a gross rent multiplier analysis of the subject property. *Petitioner Exhibit A-3*. In his gross rent multiplier analysis, the Petitioner’s representative identified seven single family residences and one townhouse located within a half-mile radius of the property under appeal that were sold and leased in 2006 and 2007. *Miller testimony; Petitioner Exhibits A-3 and A-4*. Based on this data, Mr. Miller determined the average GRM for the area to be 124. *Miller testimony; Petitioner Exhibit A-3*. Applying this GRM to the

⁶ Finding that the gross rent multiplier method of valuation is the “preferred” method of valuation, however, does not preclude the Board from considering other methods of valuation. It merely alters the weight the Board might give to the different valuation methods.

monthly gross rent for the Petitioner's property of \$1,295, Mr. Miller estimated the value of the Petitioner's property to be \$160,005. *Id.*

- i. In presenting their calculation, the Petitioner's representatives argued that the type of rental property examined is irrelevant when preparing a GRM. *Welton testimony*. According to Mr. Welton, because townhouses and single-family houses each house a single family, they are similar properties that may be compared when computing a GRM. *Id.* However, both the DLGF memorandum introduced by the Petitioner's representatives and the *Vanderveer* decision cited above emphasize the need to examine comparable properties in developing a multiplier. The burden was therefore on the Petitioner's representatives to establish their GRM calculation was based on the rents of comparable properties.

- j. In order to establish properties are comparable, the proponent must identify the characteristics of the subject property and explain how those characteristics compare to the characteristics of the purportedly comparable properties. *Long*, 821 N.E.2d at 471. Similarly, the proponent must explain how any differences between the properties affect their relative market values-in-use. *Id.* The Petitioner's representatives did not provide any such analysis. Mere proximity of properties is insufficient to prove the properties are comparable. The Petitioner's representatives failed to offer any probative evidence relating specific features and amenities of the seven single-family homes used in their GRM analysis or establish that the single-family homes and the subject townhouse attract or are part of the same market. Conclusory statements that a property is "similar" or "comparable" to another property do not constitute probative evidence of the comparability of the two properties.⁷ *Id.* at 470. While the Petitioner's representatives analyzed one townhome from the Petitioner's neighborhood, the Board finds that a GRM calculated with only one sale has little probative value. Moreover, the Petitioner's representatives' "Property History Report" shows that listing expired. *Petitioner Exhibit C-10*. Therefore, there is no evidence that the property was ever leased for \$1,700 per month.⁸ In fact, the only rate at which the property is identified as having been leased is the \$1,095 monthly rent that is cited by the Respondent in *Respondent's Exhibit D*. Therefore, the Board gives no weight to the Petitioner's evidence that 641 Marana was leased for \$1,700 resulting in a GRM of 113. Because the Petitioner failed to establish its proposed GRM calculation was prepared in accordance with generally accepted appraisal

⁷ A single-family home is designed for occupancy by one family with one living unit. GUIDELINES, Chap. 3 at 24. In contrast, townhouses are a series of single-family dwelling units separated by vertical common walls. *Id.* at 25. The Guidelines differentiate between these two types of residential properties, further contradicting the assertions of the Petitioner's representatives that these properties are comparable. *Id.* at 24 and 25.

⁸ Moreover, the rental listings for 13101 Autumn Lake Overlook for \$3,200; 431 Leafy Branch Trail for \$2,250; 13682 Seasons Bend for \$1,850; and 13738 Roswell Drive for \$1,600 are all identified as having expired. *Petitioner Exhibits C-1, C-2, C-5 and C-6*. Therefore there is no evidence that any of these properties were actually leased or the amount of rent the property owner received from any rental of the properties.

principles and was based on accurate and reliable data, the Board finds that the Petitioner failed to raise a prima facie case that its property was over-valued for the March 1, 2008, assessment.

- k. Even if the Petitioner's representatives' GRM was sufficient to raise a prima facie case, the Board finds that the Respondent sufficiently rebutted the Petitioner's case. Here, the Respondent's representative presented sales and income information from five townhomes in the Petitioner's neighborhood. While the purchases of the townhouses occurred in 2005 and 2006, the Respondent's witness testified that the county's trending data showed that there was little change in the market values of properties in the Petitioner's neighborhood during the relevant time period.⁹ *McAbee testimony*. The Respondent used lease rates reported by the Multiple Listing Service of townhomes that were leased from 2005 to 2009 which showed that the GRM for the Petitioner's neighborhood ranged from 154 to 175, with an average GRM of 161.¹⁰ *Respondent Exhibit D*. Applying a GRM of 161 to the Petitioner's monthly rent of \$1,295 results in a value of the property of \$208,495, sufficiently rebutting any showing that the subject property was over-valued for the March 1, 2008, assessment year.

Conclusion

16. The Petitioner failed to raise a prima facie case that its property was over-valued for the March 1, 2008, assessment. The Board finds in favor of the Respondent.

Final Determination

In accordance with the above findings of fact and conclusions of law, the Indiana Board of Tax Review now determines that the Petitioner's property's assessed value should not be changed.

ISSUED: _____

⁹ This is supported by the Petitioner's purchase of the subject property for \$208,716 in April of 2005 and its offering the property for sale in 2009 for \$209,900. *Respondent Exhibit C*.

¹⁰ If the Board excludes the Respondent's rental data that falls outside of the relevant 2006 to 2007 time frame, the evidence shows three sales with rental rates that result in a GRM that ranges from 156 to 175, or an average GRM of 166.

Chairman,
Indiana Board of Tax Review

Commissioner,
Indiana Board of Tax Review

Commissioner,
Indiana Board of Tax Review

IMPORTANT NOTICE

- Appeal Rights -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5, as amended effective July 1, 2007, by P.L. 219-2007, and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required within forty-five (45) days of the date of this notice. The Indiana Tax Court Rules are available on the Internet at <http://www.in.gov/judiciary/rules/tax/index.html>>. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. P.L. 219-2007 (SEA 287) is available on the Internet at <http://www.in.gov/legislative/bills/2007/SE/SE0287.1.html>.