

**VALUATION OF
OWNER-OCCUPIED/SINGLE USER PROPERTIES
IN CONNECTICUT**

CONNECTICUT CHAPTER OF THE APPRAISAL INSTITUTE

CONNECTICUT ASSOCIATION OF ASSESSING OFFICERS

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I. THE PROPERTIES

- Occupancy Type/Estate
 - Owner/User
 - Investor/Leased
- By Property Type
 - Corporate headquarters
 - Big box retail
 - Power plants
 - “Special Purpose”
 - Small Owner Occupied Buildings

II. THE ISSUES

- a. Definition of Market Value
- b. Property Interests
- c. Highest and Best Use
- d. Accounting and Federal Income Tax Concepts
- e. Income-Producing
- f. Meeting Credibility Standards for the Three Approaches

III. THE CASES

1. **UNIROYAL V. MIDDLEBURY BOARD OF TAX REVIEW**, 174 Conn. 380 (1978).

- “Economic Reality Rules.”

A. Facts:

1. Corporate headquarters; 1971 revaluation; appeal from 1973 and 1974 Grand Lists.
2. Sale-leaseback for construction and permanent financing (annual rent of 9.2 percent of project cost); 28 yr. lease; 2 ten-year options to renew.

B. Sales approach

1. Both appraisers agreed that lack of market sales rendered sales approach inappropriate.

C. Income approach

1. Taxpayer’s expert – derived market (“economic”) rent from other properties; trial court found these properties not comparable.
2. Town’s expert – utilized contract rent as equivalent of market rent. Taxpayer objected that this was not rent intended as payment for use of property, but was a financing agreement.

D. Held

Trial court properly considered contract rent in dismissing appeal:

“As a general principle, earning or income-producing capacity, as distinguished from actual earnings, is to be regarded as a factor in valuation for taxation purposes, but if the property is devoted to the use for which it is best adapted and is in a condition to produce or is producing its maximum income, the actual rental is a very important element in ascertaining its value.”

"...[I]t cannot be said, either in law or logic, that the actual income occurring to the [buyer] under the particular facts of this case is not a significant factor to be considered in determining what a third party would pay to acquire the property in question.

E. Appraisal Principles and Questions

- i. Analogously, as USPAP indicates, the Subject sale is probative, now the Subject lease is probative
- ii. Interpretation Concern: Subject leases are not always at market levels, and thus not indicative of fee simple market value/Subject leases should not always be used?
 1. Must appraise Fee Simple
 2. Must not have excluded any leases, including subject leases, if indicative of fee simple market value

2. **FIRST BETHEL ASSOCIATES v. TOWN OF BETHEL**, 231 Conn. 731 (1995)

-“Contract rent may be key.”

A. Facts

1. Appeal from 1988 revaluation.
2. 3.75 acre strip shopping center (built 1957-1958).
3. 28,000 SF rentable floor space (grocery store anchor lease of 19,884 SF dated back to 1957).
4. Contract rent substantially lower than market rent.
5. Taxpayers’ expert used only the income approach, relied only on actual rental income. Town’s appraiser relied only on market rental income.
6. Trial court considered actual rent and market rent in income approach pursuant to C.G.S. §12-63b; increased contract rent from \$3.46 to \$6.00 per square foot, decreased assessor’s market rent.

12-63b(b): “In determining market rent the assessor shall consider the actual rental income applicable with respect to such real property under the terms of an existing lease at the time of such determination.”

7. Held –

Trial court properly considered contract rent even though it differed substantially from market rent.

“This legislative approach makes sense because it reflects the reality that a willing seller and a willing buyer -- whose ultimate judgments are what we mean by ‘fair market value’ -- would themselves consider in arriving at a price for the property that is subject to leases that do not closely approximate current rentals for similar properties.”

TAKEAWAY – Contract rent must be considered in arriving at market rent – economic reality.

Leaves a question about whether court is appraising fee simple or leased fee. When $Ilf < Ifs$, the $Vfs \neq Vlf$ and appraising Ilf and Vlf will NOT yield Vfs

3. UNION CARBIDE v. CITY OF DANBURY, 1999 WL 956659 (1998), aff'd, 257 Conn. 865 (2001)

-*"Be careful what you call yourself."*

A. Facts

1. 1.3 million SF corporate headquarters built in 1982-84, on 99.5 acres.
 - a. Sale-leaseback on December 31, 1986, for adjusted price of \$290M.
 - b. Revaluation date of October 1, 1987.
 - c. City's revaluation representative valued property at \$304M.
 - d. Plaintiff's appraiser - \$169M.
 - e. City's appraiser - \$310M.
-- a \$160M valuation delta.
2. Revaluation representative testified – used all 3 approaches; placed primary reliance on sales approach, using sale of subject nine months prior to revaluation date as a comparable; time adjustment for rapidly increasing market between 12/86 and 10/87.
 - a. Also testified to agreement, reached at 10/87 meeting with Carbide representatives, to a value range of c. \$355M (including undeveloped acreage of \$40M).
 - b. Agreement was basis of City's special defense of estoppel (see below).
3. HABU – Court and experts agreed – single tenant owner/user.

B. Sales Approach

1. Carbide's positions:
 - a. "Distress" sale -- Carbide was forced to sell at higher than FMV in order to raise cash to deal with Bhopal disaster, stock decline, and GAF takeover bid.

Court rejected this position – relied on Carbide's 1986 annual reports to shareholders, prior affidavits (in unrelated litigation) by two corporate officers. ("different purpose, different story" theme)

- b. Financing – Carbide said sale was a financing, not a bona fide sale. City's accounting expert refuted this position -- testified that Carbide treated this as a sale on its records, did everything required by IRS/FASB rules in order to treat it as a sale – including making sure that sales price did not exceed market value, contract rent did not exceed market rent (that included two appraisals). ("different purpose, different story")
- c. Comparables - Carbide's appraiser used as comparables buildings of 100,000 square feet, designed for multi-tenant use. City's appraiser used sales of corporate headquarters, found that they "bracketed" the sale price PSF of the subject.

Court found Carbide's appraiser's sales not comparable, accepted City's appraiser's bracketing approach as reasonable.

C. Cost Approach

1. Carbide's appraiser found over \$70 million in "functional" obsolescence, based on criticism of pod structure, layout.
2. Trial Court:
 - Found no obsolescence, based in part on Carbide's own statements of functional utility, beauty, layout of building at the time of valuation date.
 - Found relevant Carbide's appraiser's admission had he had not contacted the project architect that featured HQ building in its brochure, never saw Carbide's marketing videotape extolling the layout and which called the building "one of the most successful office environments ever built in America," never read 1986 marketing brochure praising building.
 - As a result of Carbide's own documents, Carbide was "hoist on its own petard."

D. Income Approach

1. Carbide's appraiser refused to consider rental rates from leases of large corporate HQs, relied on far smaller buildings.

Court - conclusions of market rent, vacancy rates, cap rates were all contradicted by his "EARLIER APPRAISALS IN OTHER CASES".

2. Carbide's appraiser refused to place reliance on contract rent in the sale-leaseback. Trial court held this was "clearly repugnant" to Uniroyal and First Bethel. Court found credible the opinion of City's appraiser that property was devoted to its highest and best use, was generating its maximum income, and therefore contract rent was significant factor.

E. Practice Tips

1. Importance (when possible) of presenting assessor's and/or revaluation expert's reasoning.
2. Importance of discovery.
 - a. Don't rely on the standard interrogatories / RFPs.
 - b. Prior appraisals of the taxpayer's appraiser for the period in question.
 - c. Take depositions.
 - d. The "smoking gun" -- taxpayer's internal documents. Shareholder reports, 10Ks, leasing information, offering brochures, etc.
3. Choose your experts carefully.
 - a. Look at their prior work product.
 - b. Experience with this type of property in this market.
 - c. You may need more than just an appraiser. (e.g. importance of financial expert on sale-leaseback issue).
 - d. When and how to use a review appraiser. (Don't have him review value conclusions; dangerous to have him review drafts of primary appraisal; avoid subjective view of USPAP requirements).

- e. Your willingness to minimize trial preparation costs depends on your willingness to risk losing.
 4. Explore every possible defense. See Supreme Court's decision affirming trial court's decision in Carbide, 257 Conn. 865 (2001). Supreme Court affirmed solely on basis of City's defense of estoppel, based on Carbide's oral agreement with revaluation representative on range of value.
 5. Appraiser expert must have consistent track record
4. **AETNA LIFE INSURANCE CO. v. MIDDLETOWN**, 77 Conn. App. 21 (2003)

-*"Cost is king."*

A. Facts

1. 263 acres; 1.49 million SF corporate headquarters facility; 120,000 SF computer center; 215,000 SF parking structures.
2. Facility completed in 1984 on "fast track" basis at total cost of \$167 million.
3. Sale-leaseback in 1985; Aetna leased to Middletown Trust the 54.49 acres where improvements are located; sold improvements to trust for \$225 million; leased improvements back and subleased the land.
4. Revaluation date – October 1, 1987.
5. Assessor's FMV - \$250.6 million.
6. Aetna's appraiser - \$167.7 million (placed greatest weight on replacement cost approach).
7. City's appraiser -- \$260 million (placed greatest weight on income approach; capitalized excess contract rent separately from market rent.)

B. Trial court (Aronson)

1. City overvalued property by \$17 million.
2. Court found that comparable sales approach was of "little use" because subject "is an extremely large building that is not common to the real estate market"; rejected comparables of appraisers.
3. Court also rejected income approach because of dissimilarity of comparable rentals:

Held that capitalized value of excess contract rent cannot stand alone as separate value. This holding appears to conflict with Judge White's decision in Union Carbide Corp. v City of Danbury, 2001 WL 254321 (appropriate for City's appraiser to first determine fee simple value using market rent, and then add capitalized value of excess contract rent).

4. Court found Aetna's replacement cost approach not credible; rejected Aetna's appraiser's finding of significant functional obsolescence (not a typical office building); found that HABU was continued use as corporate HQ; accepted City's appraiser's use of reproduction cost new method because building was new and was "constructed to meet the needs of Aetna", not the needs of an investor. Appellate Court said the design features Aetna incorporated were "typical" for a corporate headquarters.

5. Court sustained Aetna's appeal even though it found City's appraiser's "method of determining FMV of the improvements using the [reproduction] cost approach to be the more credible course to use."
 - C. Appellate Court – affirmed,
 1. Rejected City's claim on appeal that Aetna failed to satisfy its burden of proving overvaluation because trial court rejected each of Aetna's appraiser's approaches to value. City, significantly, failed to seek dismissal at close of Aetna's case, and elected to present its own witnesses. Trial court properly considered all evidence, including City's appraiser's testimony, in determining overvaluation. (citing Sears)
 - D. Practice Tips
 1. Move for dismissal at close of plaintiff's case if you think plaintiff has not established its burden.
 2. Beware the "selective credibility" approach to value by trial court (court can adopt parts of each expert's opinion).
 3. Appraiser expert should defer to interpretations and instructions from council concerning applicable prior rulings.
5. **GENERAL ELECTRIC CO. V. TOWN OF FAIRFIELD**, 2005 WL 2081269, decision on motion to reargue, 2005 WL 2496535.

-“Cost is king.”

- A. GE corporate headquarters; 68.79 acres; 606,000 square feet; buildings erected in 1974 (plus “Guest House” erected in 1984; and used solely by GE, not as public hotel); 752 parking spaces.
- B. Valuation date: October 1, 2001.
- C. Values:
 1. Town's fair market value: \$96,971,800;
 2. Plaintiff's appraiser: \$68,500,000;
 3. Town's Appraiser: \$97,500,000.
- D. HABU: Continuation of use as single occupant office complex/corporate headquarters.
- E. Income Approach: Court rejected both appraisers' use of income approach; property had been GE's headquarters for 30 years; never used for income production.

“[T]he income approach to value is predicated on the principle that the HABU of the subject property is for income production.”
- F. HABU here – owner-occupied corporate headquarters (inappropriate to consider guest house as having different HABU as a hotel, given facts that the property “as a whole” was operated as a single unit (headquarters)); also zoning regulations did not permit hotels in the zone.
- G. Court also rejected both appraisers' rental comparables as too small in size; the closest in size (PepsiCo property in Somers) was a sale leaseback with a less than five-year lease: “A sale leaseback for a term of less than five years casts doubt upon whether it was an arm's length transaction.”

H. Sales approach:

1. Town's appraiser did not use it – "fraught with error."
2. Plaintiff's appraiser used 4 sales – none of them "engender[ed] any great confidence that they are comparable", even though similar in size and use to subject:
 - a. multi-tenant use;
 - b. large vacancies;
 - c. sale leasebacks;
 - d. below market rentals.

I. Cost approach – "the most credible approach."

GE occupied the property for 3 decades, made substantial upgrades that reduced obsolescence. Court credited Town's appraiser's findings that subject was "in the best condition of all headquarters" he had seen.

1. Land Value:

Court rejected both appraiser's comparable land sales (one was an allocated price between land and building; one required demolition of a building with cost not then "quantified"; one had approvals in place[?].)

Held: Plaintiff had not sustained its burden of proof; town's land value upheld.

2. Improvements:

Court accepted both appraisers' use of replacement cost new; found town's appraiser's 25 percent depreciation more credible than plaintiff's depreciation of 51.7 percent.

Final holding: Property overvalued (using cost approach) by \$1,340,900; judgment for plaintiff.

J. Practice Tips - Judges rule out various approaches and use parts of others, in their reconciliation process. Without knowing the course of the final ruling, appraisers may wish to include all appropriate approaches, even if in the reconciliation, an appraiser expects to fully discount an approach.

6. **BURLINGTON COAT REALTY OF EAST WINDSOR, INC. V. TOWN OF EAST WINDSOR**, 2008 WL 224286.

"Does HABU as Owner-Occupied Control Validity of Use of Income Approach?"

A. Facts:

1. 10.10 acres
2. 71,971 square foot building; mezzanine of 15,220 square feet; built 1987; owner-occupied "big box" retail

B. HABU:

1. Big box retail (both appraisers agreed)

C. Cost Approach:

1. Inapplicable (both appraisers; building too old)

D. Income Approach:

1. Court held that town's appraiser's use of income approach "disregards the fact that the subject building, as an owner/occupied big box, was a special purpose

building, not the multi-tenanted shopping centers” used by appraiser to determine market rental value.”

Court cited to one South Carolina case referring to a 171,000 square foot K-Mart (leased) building as “special purpose.”

Court defined “special purpose:”

“A special purpose property is defined as real estate appropriate for only one use or a limited number of uses, whose highest and best use is probably a continuation of its present use. A limited use property or special purpose property has relatively few potential buyers or has a limited demonstrable market.” (Citations omitted.) Sun Valley Camping Cooperative, Inc. v. Stafford, 94 Conn. App. 696, 713, 894 A.2d 349 (2006).

2. The court apparently (but not expressly) found HABU to be owner-occupied big box.

E. Sales Approach:

1. Court chose 4 multi-tenant shopping centers used by appraisers (2 by plaintiff, 2 by town)
2. Held:

“Recognizing the diversity of shopping center sales selected by each appraiser, which, in a sense, reflects beneficially on their clients, it is appropriate to take these four sales in order to give the Court a good spread of value from which to determine the fair market value of the subject.”

3. Appeal Dismissed:

Adjusted sales prices PSF of the 4 comparables (divided by 4) were higher than assessor’s PSF valuation.

- No appeal
- No citations
 - a. - But – what if big box is owner-occupied, but its HABU is just big-box (i.e. not owner-occupied)?
 - b. - is the Income Approach valid in that case?
 - c. - See Appraisal of Real Estate, 12th ed., p. 500: to value the fee simple interest in “owner-occupied properties, market rent estimates are used in the income capitalization approach.”
 - d. - A case now before Judge Aronson may provide some answers:
 1. See Home Depot USA, Inc. v. City of Danbury HHB-CV-08-4021519S (RTX)
 2. Owner-occupied big box retail, but HABU was just big box; evidence showed potential buyers included REITS, other income investors.
 3. Both appraisers used income approach.
 4. Post-trial briefs due November 18, 2011.

7. **DOMINION V. TOWN OF WATERFORD,**

DKT. No. CV03-0566126-S (Connecticut Superior Ct., Judicial District of New Britain).

"BEV ≠ FMV"

- A. The Taxable Asset – Millstone Nuclear Power Station
 - 1. 2,024 MW (2,024,000 KW) capacity
 - 2. Largest electricity generating plant in New England
 - 3. 526 Acres
 - 4. 2.5 miles of waterfront on Long Island Sound
- B. The Issue
 - 1. The Fair Market Value of the Tangible, Taxable Personal and Real Property at Millstone as of October 1, 2002
- C. Three Reactor Units
 - 1. Unit 1 permanently shut down in 1995; Units 2 and 3 had 40 year licenses from NRC (1975 and 1986).
- D. Operating History
 - 1. 1996 – Units 2 & 3 shut down
 - 2. 1999 – Units 2 & 3 were restarted with current Property Owner's assistance
- E. Regulated to Deregulated
 - 1. Regulation of Public Utilities - Connecticut DPUC regulated Millstone's annual revenues – percentage on original cost less depreciation ("OCLD")
 - 2. Valuation in a Regulated Environment
 - a. Cost approach ruled
 - b. Revenues (and value) pegged to OCLD
 - c. Revenues (prices) not subject to market forces
- F. Deregulation - CT
 - 1. 1998 – Connecticut enacts deregulation
 - a. Equal access for all generators to transmission companies
 - b. To comply, most utilities divested themselves of generating assets
 - c. Generator revenues no longer regulated
 - d. Revenue is now market driven
- G. Deregulation – CT
 - 1. Value (to buyers and sellers anyway) now hinges on revenue (derived from market) less costs
 - 2. Cost=Value legal connection broken
- H. Valuation after Deregulation
 - 1. All Trial Experts Agreed;
 - a. The income approach is the approach used by buyers and sellers of nuclear power plants in a deregulated environment.
 - 2. All Appraisers used a DCF (income) approach.
- I. The Sale
 - 1. August 2000 – Dominion Resources, Inc. agrees to buy Millstone from Northeast Utilities.
 - 2. DPUC bid process – resulted in arm's-length transaction (undisputed).

3. Purchase Price (Unit 1, Unit 2 and 93.47% of Unit 3)
\$ 1,287,768,000
- 104,000,000 (nuclear fuel – not taxable)
\$ 1,184,000,000
4. \$1,238,000,000 (grossed up)
5. Transaction closes on March 31, 2001
6. 18 months before valuation date
- J. Town's Assessment
 1. Assessment Date - October 1, 2002
 2. The Taxable Assets
 - a. Millstone Real and Personal Property
 - b. Intangible Assets not taxed (undisputed)
 - i. Nuclear fuel
 - ii. Workforce in place
 - iii. Computer software
 - iv. Operating manuals
 3. Town's revaluation expert (assessment appraiser):
 - a. Sales approach – inconclusive
 - b. Income approach - sensitive to changes in price forecast
 - c. Cost approach (using gas turbine plant as replacement) – most reliable
 4. Total value:
 - a. \$1.214 billion (October 1, 2002)
- K. The Appeal - Owner's Position
 1. Valuation
 - a. FMV is \$1 billion
 - b. Town overvalued property by \$214 million
- L. Preparation – Discovery
 1. Property Owner produced over 70,000 pages of documents, but vigorously objected to producing internal valuations, projections, bid documentation, citing proprietary nature of information; argued that confidentiality order was not enough protection.
 2. Court's Ruling – Confidentiality order adequately protected Property Owner, production ordered. (February 2, 2005) (Quinn, J.)
 3. The Results:
 - a. Board of Directors' minutes (July 2000) authorizing acquisition team to bid up to \$■■ [under seal] to acquire Millstone (substantially higher than Town's 10/1/02 valuation, even after excluding intangibles).
 - b. Acquisition team utilized DCF approach to value Millstone for bidding purposes – corroborated many of Town's expert's assumptions and his reliance on DCF approach.
 - c. Decision levels the playing field for municipalities in exchange of information in tax appeals
- M. Strategy Issues
 1. Town's Strategy -

- a. Focus on purported inconsistencies in Property Owner's expert's 2000 Report and 2002 Report
 - i. 2000 Report = \$1 billion value conclusion
 - ii. 2002 Report = \$1 billion value conclusion
 - b. Use government/industry publications (including ones from expert's own file) to show improving market conditions for nuclear plants from 2000 through 2002
 - c. Purpose – to show lack of logic/credibility in refusal to increase value conclusion
 - d. Property Owner's Expert Agreed in Cross-Examination:
 - a. NRC license renewal prospects improved significantly
 - b. Capacity factors increasing
 - c. Outage times decreasing
 - d. NRC uprate approvals increasing
 - e. Market was improving
BUT – nuclear plant sales prices/values were not improving.
2. Property Owner's Strategy, Part 1 -
 - a. Town's alleged efforts to "inflate" Millstone value:
 - i. Theory: Town's revaluation consultant's number was too low, so Town hired another expert to come in with a higher value
 3. Property Owner's Strategy, Part 2 -
 - a. "Two Against One"
 - i. Inconsistencies Between Town's Expert's Report and Revaluation Expert's Report
 - ii. Consistencies in Some Conclusions of Town's Revaluation Expert and Property Owner's expert
 4. Town's Theme -
 - a. The income approach is the only approach used by buyers and sellers of nuclear power plants in the deregulated marketplace.
 - b. The income approach is therefore the most reliable indicator of the fair market value of Millstone.
 - c. Town used the taxpayer's own words to support its theme:
 - Statement: "Previous Sales Prices Irrelevant."
 - Source: Property Owner's V.P. at a Public Conference
 - Statement: "I don't know what a cost approach is."
 - Source: Head of Property Owner's Team that Recommended Purchase in 2001 (deposition testimony)
- N. The Decision
1. Fair Market Value = \$1,122,000,000
 2. \$122 million higher than Property Owner's value.
 3. \$92 million lower than Town's value
- O. The Not So Good News:
1. Court rejects credibility of Property Owner's expert, but goes on to reject income approach outright (BEV ≠ value of taxable property).

2. Court arrives at its own value by taking 2001 sales price, deducting value of intangible assets.
3. Little guidance to the parties going forward; settled on appeal.

8. THE MAY DEPARTMENT STORES CO. V. MERIDEN, 2011 WL 2739442 (June 15, 2011).

-“One Good Sale’s Better than None.”

A. Facts

1. Macy’s and Sears department stores in Meriden Mall challenged 2006 valuation.
2. 2-story owner-occupied anchor department stores in a “Super-Regional” shopping center (500,000 to 1,500,000 square feet or more).

B. Equalization Issue

1. Assessor had entered into stipulated judgment on value of J.C.Penney store in the same mall for the same reval year.
2. Held – Stipulated judgment did not bind assessor to equalize the assessments for Sears and Macy’s; stipulation is not a judicial determination on merits.

C. HABU

Continued use as owner-occupied retail stores.

D. Income approach

1. Used by both appraisers.
2. Rejected by Court as unreliable; properties were not income-producing, citing:
 - a. C.G.S. § 12-63b(1): “The assessor ... in any town, at any time, when determining the present true and actual value of real property as provided in section 12-63, *which property is used primarily for the purpose of producing rental income* ... shall determine such value on the basis of an appraisal which shall include to the extent applicable with respect to such property, consideration of each of the following methods of appraisal: ... (2) capitalization of net income based on market rent for similar property ...” (Emphasis added.)
 - b. C.G.S. § 12-63b(b): “the term ‘market rent’ means the rental income that such property would most probably command on the open market as indicated by present rentals being paid for comparable space. *In determining market rent the assessor shall consider the actual rental income applicable with respect to such real property under the terms of an existing contract of lease at the time of such determination.*” (Emphasis added.)
 - c. None of plaintiff’s appraiser’s comparables were owner-occupied; all were leased. Subject property had no rent.
3. Constructive rent analysis of plaintiff’s appraiser held unreliable.
 - a. Appraiser arrived at rent by determining gross sales of Macy’s/Sears, and then using national studies to arrive at a percentage of gross sales to be allocated to rent.
 - b. Held – In determining the fair market value of real estate, using the income approach, it is the income generated by the real estate, not the

gross sales generated by the retail store unrelated to the property, that is of key importance. See §12-63b. The selection of national studies of department store sales, from which an appraiser may take a percentage as an allocation of rent, fails to conform to the statutory requirement of relating income generated by the real estate rather than income generated by a retail business.

- c. Substantial delta between town's and plaintiff's appraisers' value indications (\$5 million difference) "highlights the problem with using the income approach as applied to property that is owner-occupied and produces no income by itself."

E. Cost Approach

1. Not used by either appraiser (buildings erected in 1971 and 1993).

F. Sales Approach

1. Used by both appraisers.
 - a. Court rejected town's appraiser's use of an "Overall Market Comparison" approach (comparing characteristics of subject to those of multiple other "potential sales").
 - i. No showing that this approach is generally accepted method of valuing real estate.
 - b. Other comparable sales of both appraisers rejected:
 - i. Multi-tenant strip malls;
 - ii. Bank sale;
 - iii. Tear-down sale.
 - c. Held –
Sales approach is only credible approach; court relied on only one comparable sale (Filene's (vacant) in Danbury Fair Mall in 2006).
 - i. The premise that one sale represents the market is "difficult", but Filene's was the only "credible" sale.

IV. THE FINAL SCORECARD

<u>Case</u>	<u>Estate</u>	<u>Property Type</u>	<u>H&BU</u>	<u>Approaches Ruled</u>
<u>Uniroyal</u> (1978)	Investor owned, Leased Fee	Single Occupant/ HQ Office	Office	Income based on contract
First Bethel (1995)	Investor owned, Leased Fee	Mall, multi tenants		Income based on contract and market
<u>Union Carbide</u> (2001)	Investor owned, Leased Fee	Single Occupant/ HQ Office	Office	Cost
Aetna (2003)	Investor owned, Leased Fee	Single Occupant/ HQ Office	Office	Cost
General Electric (2005)	Investor owned, Leased Fee	Single Occupant/ HQ Office	Office	Cost
Burlington Coat (2008)	Owner Occupied	Big Box Retail	Single Occupant Retail	Sales
Dominion (2008)	Owner Occupied	Special Purpose	Owner User	Sales History, with B-Val adjustments
May Store (2011)	Owner Occupied	Department Store, Retail	Single Occupant Retail	Sale of one comparable