



April 2021

When Colorado Commercial or Multifamily Property Owners Should Consider Protesting Their Property's Value

There are several situations where a property owner should consider filing a property tax protest.

1. Assessor's Value Is Higher Than Market Value

Assessors generally use three approaches to determine market value – market, income, and cost, as described in our March 2021 GT Alert, [What Colorado Commercial Property Owners Should Know About Property Valuation Approaches](#). If the assessor's value is higher than the market value, Colorado property owners should consider filing a property tax protest.

2. Classification Is Incorrect

It is possible that an assessor uses an incorrect property classification. For instance, an assessor could classify a flex/warehouse space as office, or a residential nursing home as commercial; such incorrect classification could have significant effects on the property's value and resulting taxes. Commercial and multifamily property owners should check that a property's classification is correct.

3. Assessor Using Incorrect Data

Property owners should check that the information the assessor is using is correct, such as lot size, building square footage, and year built. Property owners, or their attorneys or tax agents, can also request additional information from the assessor to determine what numbers the assessor is using to estimate income, expenses, and vacancy. For instance, if a property was 50% vacant during the base period, but an assessor is estimating 5% vacancy, a property tax protest may be appropriate. Similarly, an assessor may use an estimated rent per square foot that is higher than what the property owner is charging its tenants.

4. Unusual Property Conditions

An irregularly shaped property may not be suitable for traditional development, and that should factor into its value. Similarly, lack of access or impaired access, and obsolete improvements and substantial deferred maintenance also affect a property's value. Additionally, any negative environmental conditions and casualties that have occurred on the property should be taken into consideration and shared with an assessor, because assessors are unable to visit every single property to see its actual condition. Owners should share these factors, as applicable, with the assessor when protesting the property.

5. Property Is Not Valued Uniformly

Colorado requires assessors to value property uniformly. A property tax protest based on the argument that the property is not valued uniformly is most common with vacant land. If a neighboring property is valued significantly lower per square foot, it might make sense to protest the subject property's valuation if there are no other factors that justify a larger per square foot value, such as zoning, location, and lot size.

Authors

This GT Alert was prepared by:

- [Neil Oberfeld](#) | +1 303.685.7414 | oberfeldn@gtlaw.com
- [Laurinda Frederick](#) | +1 303.685.7422 | frederickl@gtlaw.com

Albany. Amsterdam. Atlanta. Austin. Boston. Chicago. Dallas. Delaware. Denver. Fort Lauderdale. Germany.~ Houston. Las Vegas. London.* Los Angeles. Mexico City.+ Miami. Milan.* Minneapolis. New Jersey. New York. Northern Virginia. Orange County. Orlando. Philadelphia. Phoenix. Sacramento. Salt Lake City. San Francisco. Seoul.∞ Shanghai. Silicon Valley. Tallahassee. Tampa. Tel Aviv.^ Tokyo.* Warsaw.~ Washington, D.C.. West Palm Beach. Westchester County.

*This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ~Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. *Operates as a separate UK registered legal entity. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. »Greenberg Traurig's Milan office is operated by Greenberg Traurig Santa Maria, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ¶Greenberg Traurig's Tokyo Office is operated by GT Tokyo Horitsu Jimusho and Greenberg Traurig Gaikokuhojimbengoshi Jimusho, affiliates of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ~Greenberg Traurig's Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2021 Greenberg Traurig, LLP. All rights reserved.*