

# RESIDENTIAL LITIGATION CASE STUDIES

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APPRAISAL INSTITUTE - SOUTHERN CALIFORNIA CHAPTER  
51<sup>ST</sup> ANNUAL LITIGATION SEMINAR

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APPRAISALPROS.COM, INC.



# CASE SUMMARY

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- Tow vs Huang / Diamond Bar, CA
- Starz vs Dunlap / Malibu, CA
- Ocean Tower Housing Corp vs NCB / Santa Monica, CA
- In RE: Hollister / Los Angeles, CA

# TOW VS. HUANG

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- SFR, The Country / Diamond Bar
- Arbitration matter / unpermitted deck / duty to disclose
- Causes of action: fraud, negligence, false advertising
- Expert testimony: functional obsolescence, cost to cure, data integrity

☐ **2153 Rocky View Rd, Diamond Bar 91765**

STATUS: Closed

LIST/CLOSE: \$1,150,000/\$1,080,000



Cross Streets: Ridgeline



CRMLS

1 / 22



BED / BATH: 6/3,0,0,0

SQFT(src): 3,966 (A)

PRICE PER SQFT: \$272.31

LOT(src): 1.13/49,225 (A)

LEVELS: Two

GARAGE: 3

YEAR BUILT(src): 1977

(ASR)

PROP SUB TYPE: SFR (D)

DOM / CDOM: 78/78

SLC: Standard

PARCEL #: 8713030008

LISTING ID: TR12144738

**DESCRIPTION**

Huge and usable backyard home, located in " The Country " a 24 hours guarded gate community, with panoramic view of the green belt mountain, 6 bedrooms ( one being use as office ) main floor had double door entry in to the greating area, four bedroom including master suite, a spacious kitchen with built in stove on the island, tile floors. Bedroom used as an office includes built in shelves/cabinet. Downstairs includes 2 bedroom + a huge bonus room with bar. **New large deck** perfect for entertaining, deep balconies to relax and enjoy the breathtaking view. newer paint and new carpet, hard to find flat and usable backyard with room to built tennis court or swimming pool, lots of of potential.

EXCLUSIONS:

INCLUSIONS:



























# STARZ VS DUNLAP

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- SFR plus two lots, Broad Beach, Malibu
- Retrospective valuation to 2009
- Causes of action: injunctive relief, to set aside fraudulent instrument, etc.
- Underlying case: \$3,054,000 judgment in favor of plaintiff

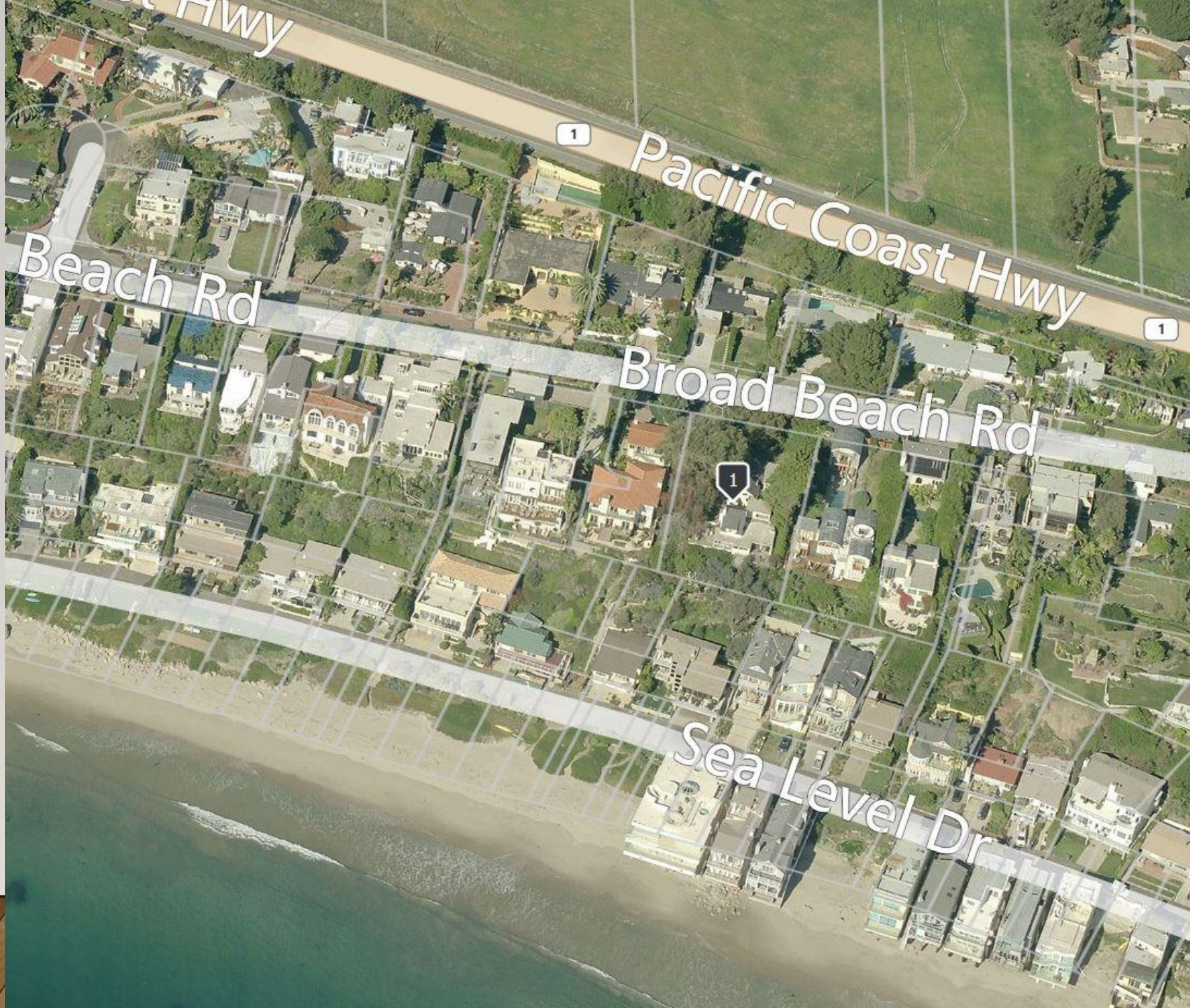
















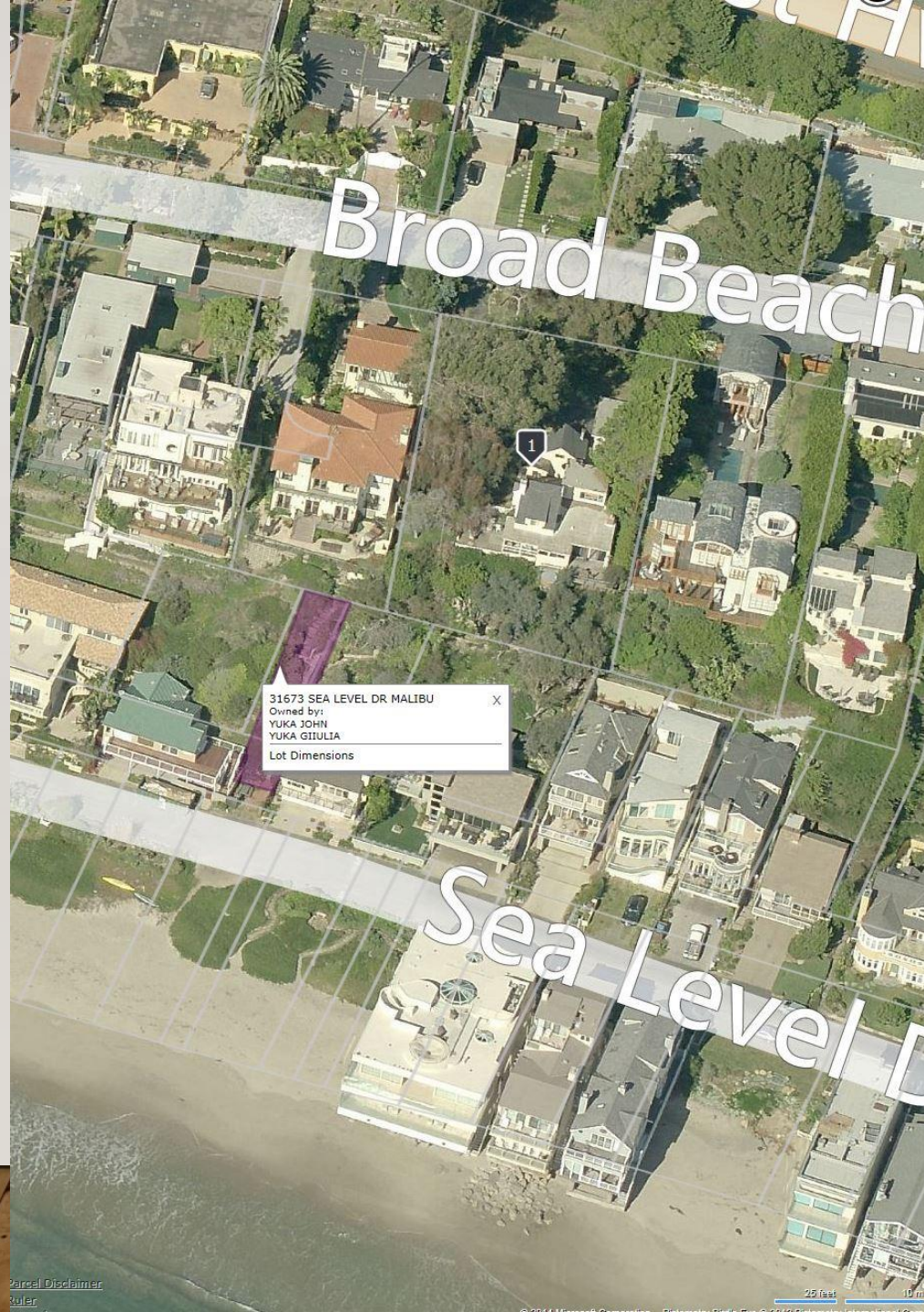












Broad Beach

31673 SEA LEVEL DR MALIBU  
Owned by:  
YUKA JOHN  
YUKA GIULIA  
Lot Dimensions

Sea Level Dr



SCALE 1" = 60'

PARCEL 5  
EASEMENT

2011

BROAD BEACH

RD.

24

SEA LEVEL

CODE  
10853

TRACT NO. 10630  
M. B. 181-6-11

FOR PREV. ASSM'T. SEE: 4470-23

REVISE  
9-23-58  
3-18-59  
9-21-59  
8-5-64  
690228105  
690218  
720112  
761015  
770127108  
850726808-84  
8708310800200  
910606  
2010092802003001-L

ASSESSOR'S MAP  
COUNTY OF LOS ANGELES CALIF







Comments (favorable or unfavorable including any deferred maintenance) renovation.

The subject property is suffering from deferred maintenance and needs total renovation.

### SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	31620 Broad Beach Road Malibu, Ca. 90265	31522 Broad Beach Road Malibu, Ca. 90265	31604 Victoria Point Rd. Malibu, Ca. 90265	31529 Victoria Point Malibu, Ca. 90265
Proximity to Subject		1/8th mile east	1/4 mile east	1/4 mile east
Days on Market	N/A	320	198	74
Sales Price	\$ N/A	\$ 3,200,000	\$ 3,200,000	\$ 2,675,000
Sales Price/Sq. Ft.	\$ N/A /Sq. Ft.	\$ 962.12 /Sq. Ft.	\$ 934.58 /Sq. Ft.	\$ 1,719.15 /Sq. Ft.
Data/Verit. Source(s)	Inspection/Title Co.	MLS/Brokers/Inspection, Title Co.	MLS/Brokers/Inspection, Title Co.	MLS/Brokers/Inspection, Title Co.
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.
Date of Sale/Time	7/28/09	11/19/09	11/19/09	3/5/09
Location	Broad Beach	Broad Beach	Broad Beach	Broad Beach
Site Size	47 Acres	12 Acres +87,500	21 Acres +65,000	18 Acres +72,500
Site View	Ocean	Ocean	Ocean	Ocean
Age	1935/1946	1972/remodel	1976/remodel	1977/remodel
Condition	Average	Superior -250,000	Superior -250,000	Superior -250,000
Above Grade	Total : Bdrms : Baths	Total : Bdrms : Baths	Total : Bdrms : Baths	Total : Bdrms : Baths
Room Count	6 : 3 : 3	3 : 3.5	5 : 4	3 : 2
Gross Living Area	2,186 Sq. Ft.	3,326 Sq. Ft. -171,000	3,424 Sq. Ft. -185,700	1,556 Sq. Ft. +94,500
Heating/Cooling	Central/average	Central/good -5,000	Central/good -5,000	Central/good -5,000
Garage/Carport	2 car detached	2 car garage	2 car garage	2 car garage
Porches, Patio, Pools, etc.	Typical No pool	Typical No pool	Typical No pool	Typical No pool
Special Energy Efficient Items	None	None	None	Title 24 -25,000
Other Feature	Beach Lot	None +50,000	None +50,000	None +50,000
Other Feature	None	None	Direct beach access 0	None 0
Net Adj. (total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - : \$ -288,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> - : \$ -325,700	<input type="checkbox"/> + <input checked="" type="checkbox"/> - : \$ -63,000
Indicated Value of Subject		Net: 9.0 % Gross: 17.6 % \$ 2,911,500	Net: 10.2 % Gross: 17.4 % \$ 2,874,300	Net: 2.4 % Gross: 18.8 % \$ 2,612,000

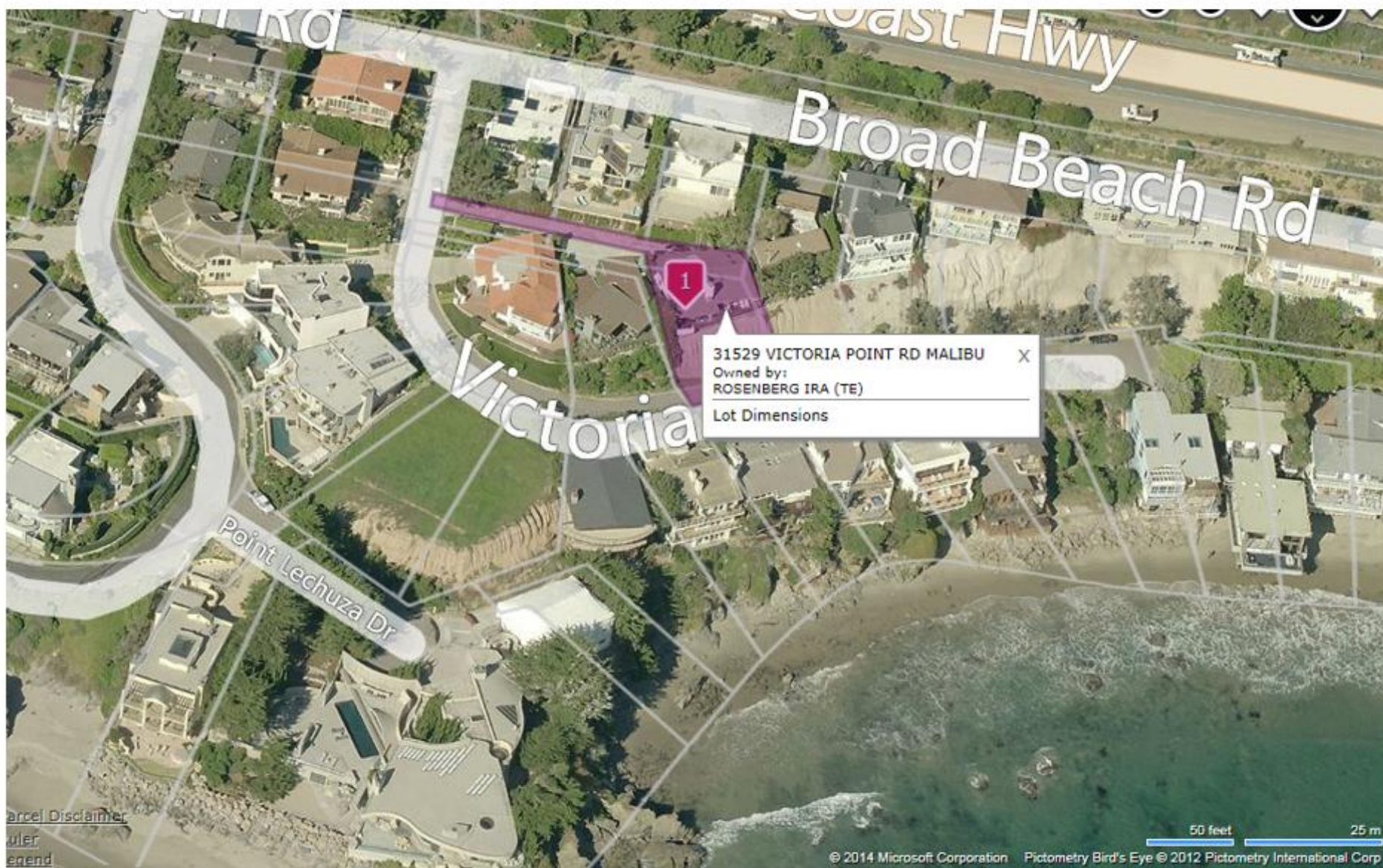
General Comments The three sales bracket and support the final opinion of value. The average, median and weighted average of the three sales are: \$2,799,266, \$2,874,300 and \$2,799,286 respectively. The weighted average square footage is 2,809 verses the subjects 2,186 square feet. The appraiser is of the opinion that given the subjects condition as of the effective date of value, its "as is" market value would be within the mid range.



A close-up, horizontal view of a wooden floor. The floor is composed of numerous vertical wooden planks, likely pine or a similar softwood, showing a light tan color with prominent vertical grain patterns and some darker knots. The planks are separated by thin, dark lines, creating a rhythmic pattern across the frame. The lighting is even, highlighting the natural texture of the wood.



Comparable #1 – Aerial view





Comparable #2 – Aerial view



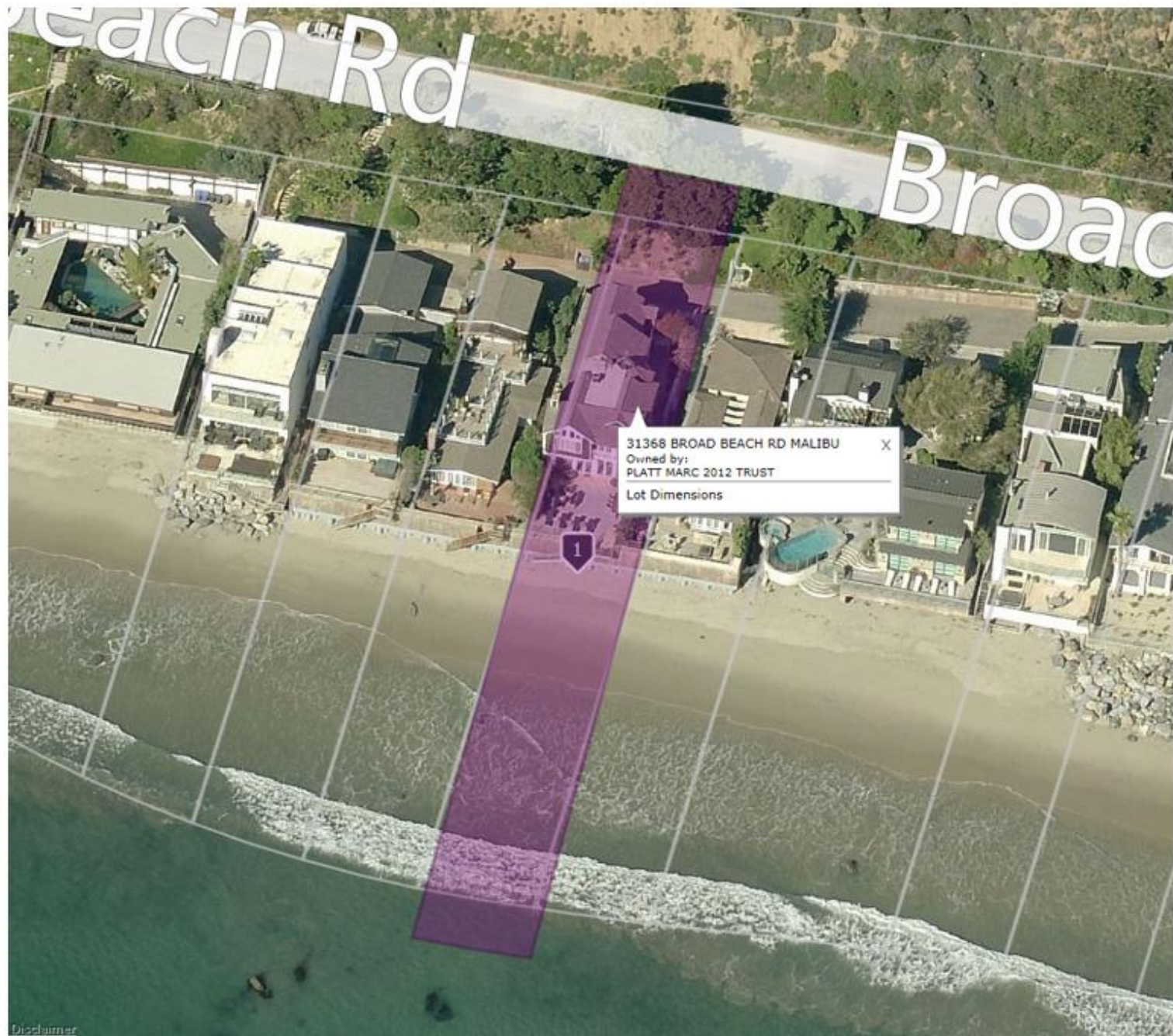


Comparable #3 – Aerial view





Comparable #4 – Aerial view





Comparable #5 – Aerial view





Coast Hwy 1 Pacific Coast Hwy



32628 PACIFIC COAST HWY MALIBU X  
Owned by:  
DIAMANTIDIS THOMAS G  
Lot Dimensions

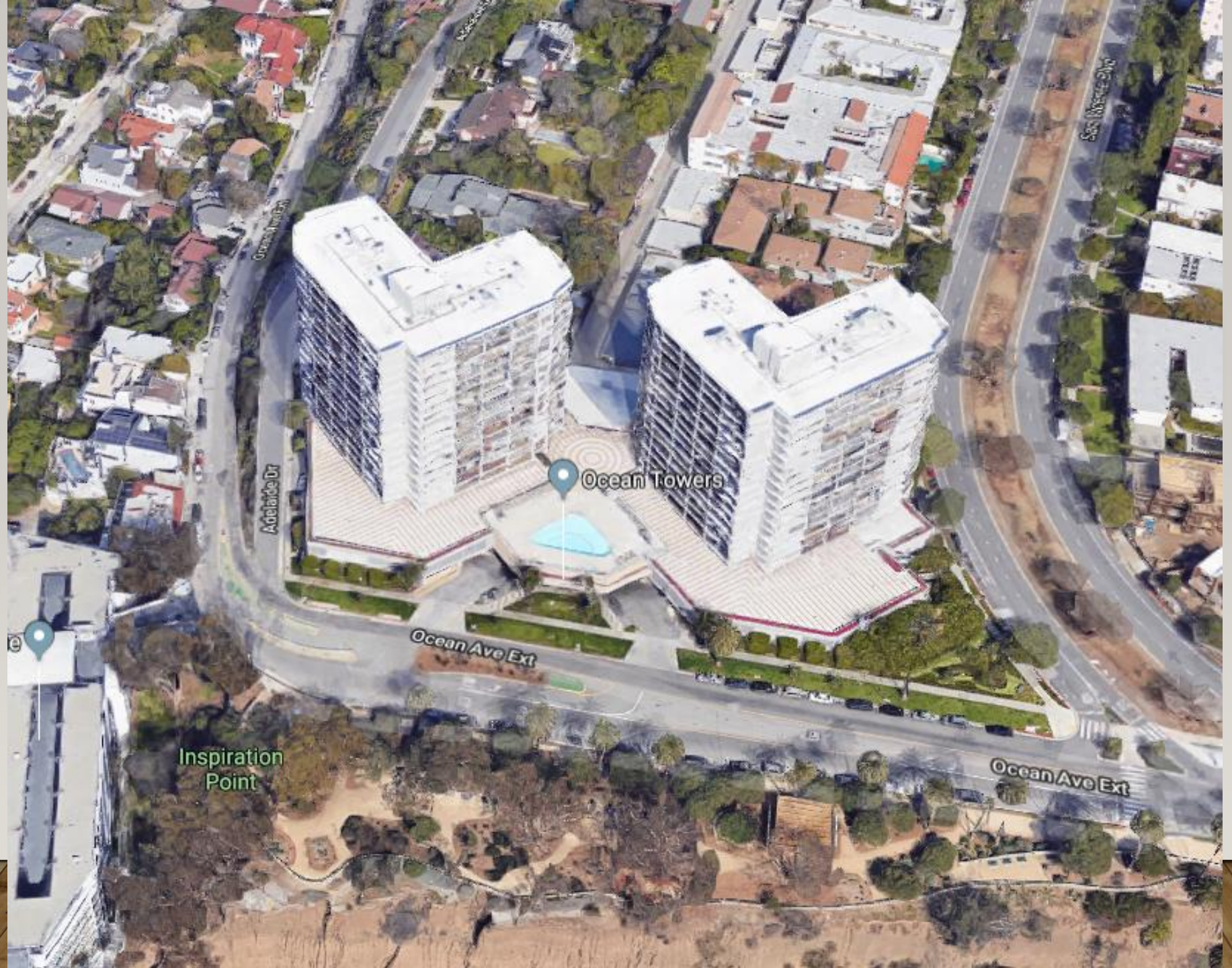


# OCEAN TOWERS HOUSING VS NCB

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- Valuation of three cooperative units in the Ocean Towers complex, Ocean Ave, Santa Monica
- Retrospective / three dates of value
- Cause of action: declaratory relief, breach of contract, intentional interference with contract, conversion





Ocean Towers

Inspiration  
Point

Adelaide Dr

Ocean Ave Ext

Ocean Ave Ext

San Vicente Ave











# UNIT #904P

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- 3<sup>rd</sup> party valuations:
  - 04/12/10      \$1,350,000 (very good)
  - 01/23/10      \$1,400,000 (very good)
  - 08/19/10      \$1,350,000 (very good)
  - 10/30/10      \$1,700,000 (full remodel)
- Baker valuations:
  - 05/01/11      \$1,210,000 (gutted)
  - 05/01/13      \$1,676,000 (remodeled)
  - 11/13/14      \$1,875,000 (remodeled)



# UNIT I705P

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- 3<sup>rd</sup> party valuations:
  - 02/22/10 \$585,000 (good)
  - 04/12/10 \$625,000 (average)
  - 08/19/10 \$660,000 (good / remodel)
  - 10/31/10 \$700,000 (good / remodel)
  - 12/13/12 \$425,000 (average)
- Baker valuations:
  - 10/01/10 \$460,000 (guttled)
  - 05/01/13 \$740,000 (remodeled)
  - 11/13/14 \$843,000 (remodeled)



# UNIT 1809P

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- 3<sup>rd</sup> party valuations:
  - 06/18/09 \$1,360,000 (excellent)
  - 12/12/09 \$2,200,000 (excellent)
  - 02/22/10 \$1,450,000 (good)
  - 04/14/10 \$1,500,000 (good)
  - 08/19/10 \$1,900,000 (excellent – “designer grade”)
  - 10/31/10 \$2,400,000 (excellent)
  - 12/18/11 \$1,500,000 (guttled / fixer)
  - 12/31/12 \$1,600,000 (guttled / fixer)
- Baker valuations:
  - 10/01/10 \$1,530,000 (guttled)
  - 05/01/13 \$2,036,000 (remodeled)
  - 11/13/14 \$2,195,000 (remodeled)



# MARKET VALUE

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- Regression analysis – 111 observations
- Independent variables – square footage, condition, floor number, view dispersion and object of view, ownership type & days since sale.



Value by Multi-linear Regression:	<u>\$1,798,739</u>
R <sup>2</sup> & Adjusted R <sup>2</sup> :	<u>87.9% / 87.2%</u>
Average Absolute Residuals & CV:	<u>19.3% / 23.9%</u>
Standard Error of Regression:	<u>\$394,274</u>
Over-all Confidence Rating:	<u>Good</u>

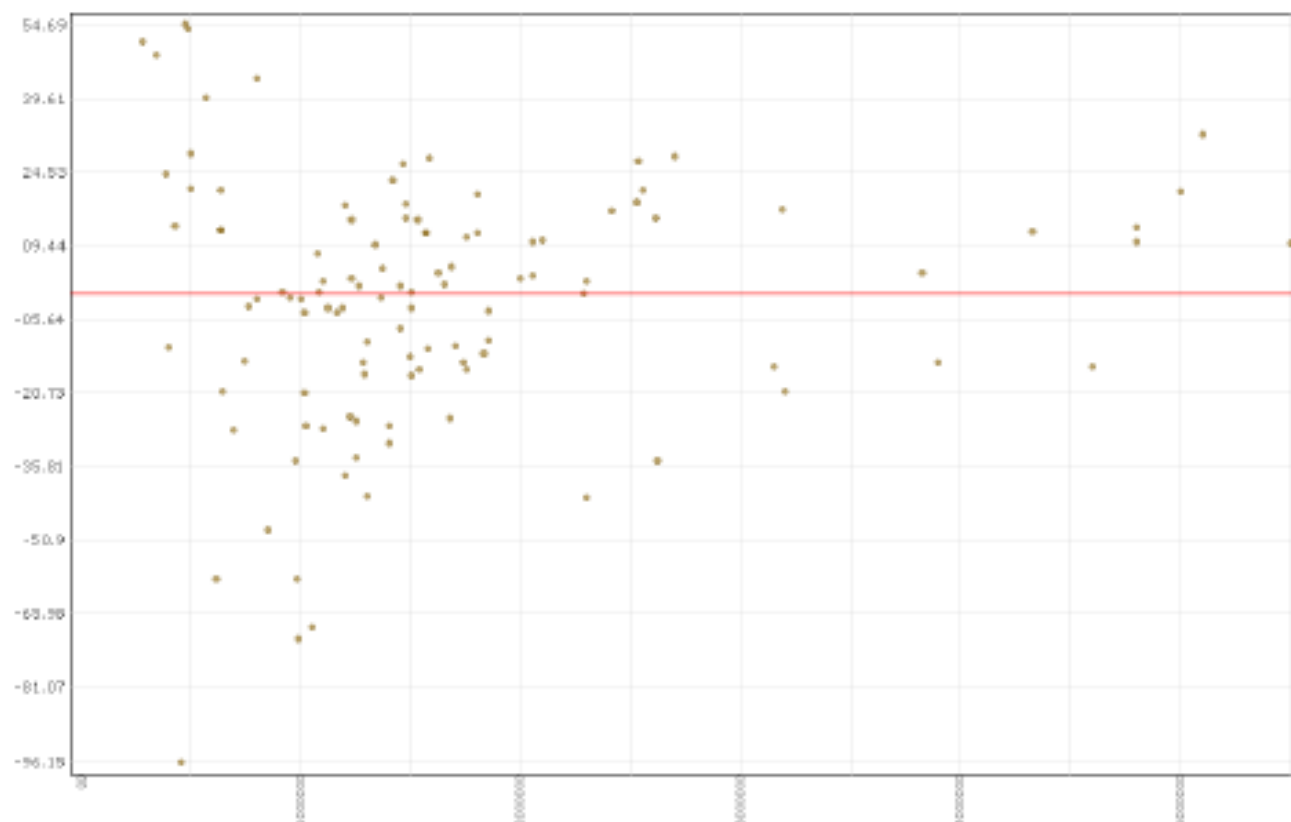
Total Indicated Value by the Direct Comparison Approach: \$1,798,739

Final Opinion of Value (Rounded) \$1,799,000

The effective date of this value is 11/13/2014.

### Qualification of the Market Model

**Residual Scatter Plot**





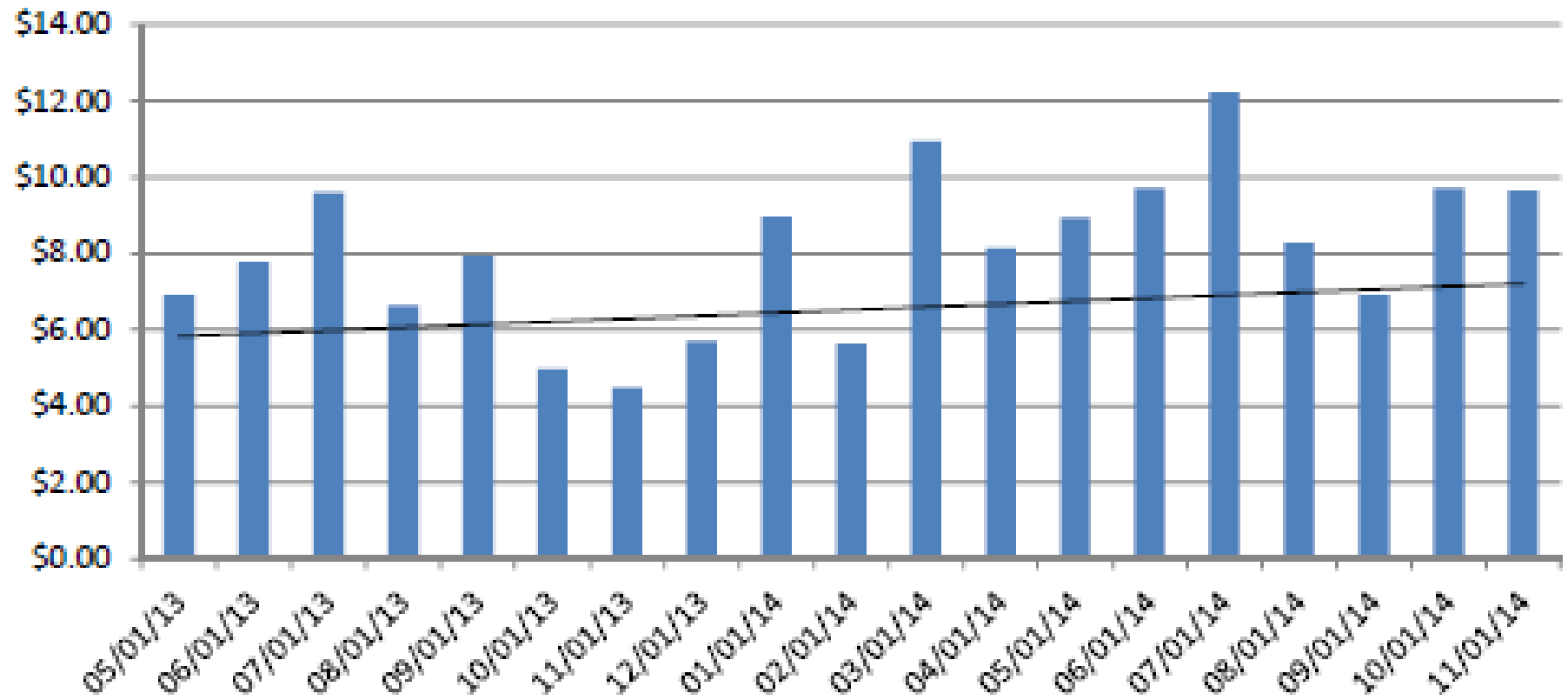
# RENTAL VALUE

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- Rental data frame = 96 records in Ocean Towers
- Furnished vs unfurnished  $\Delta$  \$1.60 to \$2.00 per SF over the survey period

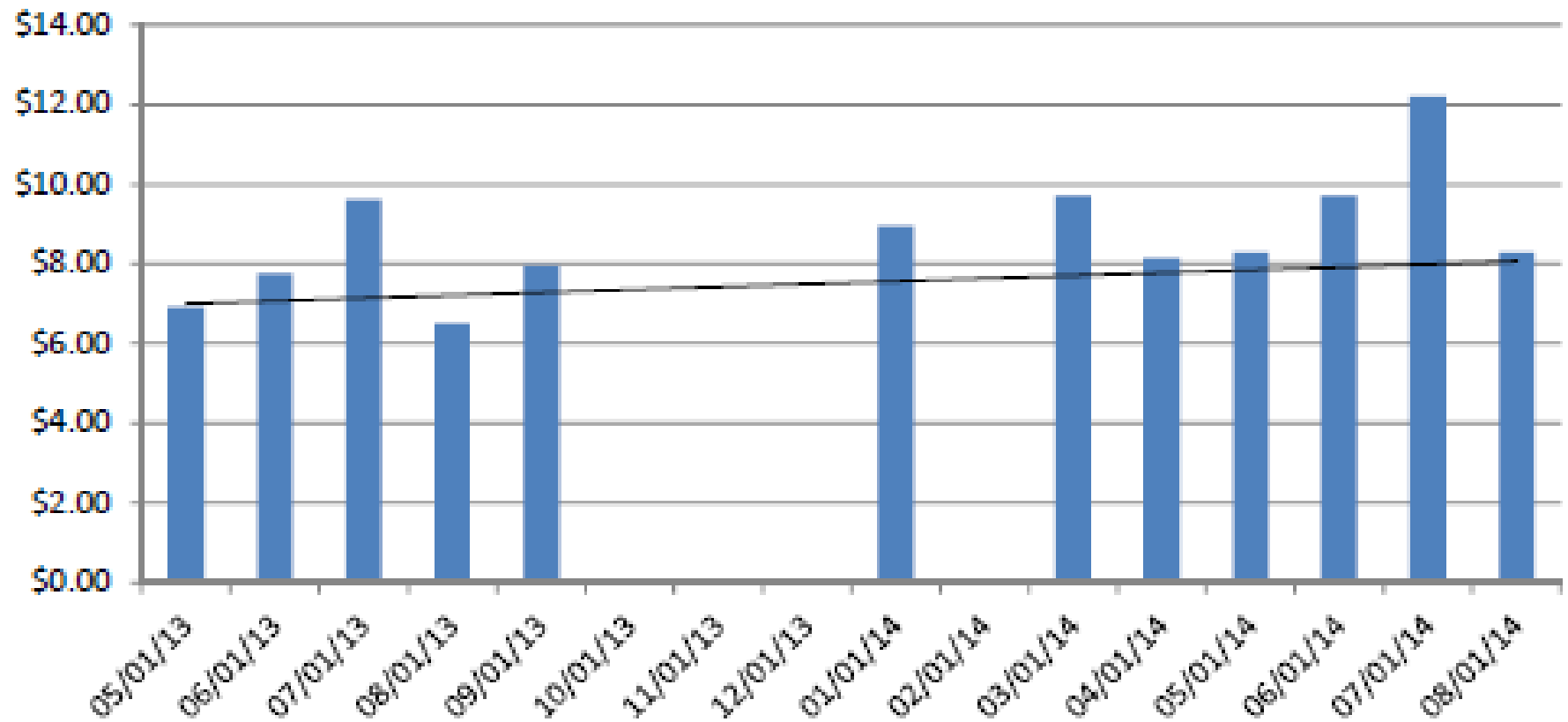


## Price / SF - All units





## Price / SF - Furnished units





## Price / SF - Unfurnished units

