2020 State Board of Equalization

August 11, 2020
File No.: 2020-CASS-NYMARK
County or City: Fargo
Appellant: Richard Nymark-RNymarkLLC
Issue: City of Fargo proposed assessed valuation of 1115 2nd Ave. S. Fargo and 1121 2nd Ave. S. Fargo

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Summary: Richard Nymark is protesting the market value of two of his rental properties in the City of Fargo.

Notes:

Appellant Information – State Board of Equalization

Please complete this form in its entirety. The information provided will be taken into consideration when investigating and reaching a conclusion in regard to the appeal presented. To provide ample time for investigation, all information to support the appeal (property information, pictures, income information, etc.) must be received by August 3, 2020. Please email or mail any supporting documentation to:

propertytax@nd.gov or Office of State Tax Commissioner
Attn: Property Tax
600 E. Boulevard Ave.
Bismarck, ND 58505-0599

Appellant Contact Information

Name (Richard Nymark) Sole member RNymark LLC

Address 1329 1st Av S City Fargo State ND Zip 58103

Phone number 701 371 9189 Email address Rknymark@gmail.com

Information for Property Under Appeal 2 properties

Address 1121 2nd Av S. and 1115 2nd Ave S City Fargo State ND Zip 58103

Township **(If applicable)** County Cass

Parcel ID 01-2240-01930-000 and 01-2240-01940-000 Legal Description

Answer the questions below that apply to the appeal:

Did you receive a notice of increase letter prior to or after the township equalization meeting?

○ Prior to ● After ● N/A

Did you appeal at the township level?

● Yes ● No

Did you receive a notice of increase letter prior to or after the city equalization meeting?

○ Prior to ● After ● N/A

Did you appeal at the city level?

● Yes ● No

Did you receive a notice of increase letter prior to or after the county equalization meeting?

○ Prior to ● After ● N/A

Did you appeal at the county level?

● Yes ● No

In order for the Office of State Tax Commissioner to discuss income information with a representative, please provide a release of information on letterhead to the Property Tax Division. The release can be emailed to propertytax@nd.gov.

State Board of Equalization

Fargo has shown a strong growth in city budget expenditures over the past decade with a doubling in spending during that time frame. In my opinion this rate of spending will likely continue to outpace inflation in conjunction with a slowing rate of population growth. I believe the city will see significant increased need for emergency personal and the school district and park district in growth needs will push up payroll costs substantially beyond the inflation rate. Added to the mix is the COVID crisis that could put a chill on Fargo's economy. An economic slowdown would likely press hard on the city's budget with the loss of sales tax revenue. With all this and the constraints of a mill levy cap of sorts at the State level, it will be crucial to have an aggressive approach to keep current on property valuations. I just hope that the valuations don't overshoot FMV in a systemic nature.

ENOUGH SAID! COMMENTARY IS DONE! ON TO THE REASON FOR THIS COMMUNICATION!

My wife and I own 5 residential rental properties in Fargo. These properties saw an overall aggregate increase in proposed valuation by the Fargo City Assessor's Office of $141,600. Two of the 5 properties are for sale and have been in the MLS for approximately 80 days. Upon appeal at the city and county level there has been a proposed decrease of $136,400 for a net increase of $5,200 in valuation.

Only the 2 properties listed in the MLS are under appeal at this current State level.

This situation with a large uptick in valuation and then a large adjustment upon review gives me pause as to a possible systemic issue. Perhaps the valuation process does not adequately discern the difference in "ready to sell" .vs. "as is" properties. Comparable Sales for the majority of properties are likely of the "ready to sell" type. My understanding is the assessor's office uses comparable sales as a major determinant in assessing similar property's valuations. This could lead to a systemic overvaluation of many "as is" properties that may require dollar expenditures into the tens of thousands for cleaning, repair, and upgrades to bring them up to the "ready to sell" status.

"Ready to Sell" properties would likely qualify for long term financing. Most real property sales would need to be in this condition for a good chance of sale since most real estate involves long term financing. Properties that are in reasonable living condition but needing work or updating may fall below the standard for long term financing and will struggle to sell at appraised valuations that were based on "comparable sales/ready to sell" pricing.

Recently in the news was a vacant home in need of demolition. My understanding -- this home was assessed over $150,000. Something seems to have gone wrong with the assessment process if this is an accurate report. Also included in my attached "Rental Property Analysis 2020" is a foreclosure sale that would indicate a significant overvaluation.

The properties related to this appeal are certainly not ready for demolition but are in "as is" condition. In my opinion they would require real dollar investment to achieve the "ready to sell" status allowing for ease of financing and a sale price at the proposed city valuation level.

I currently have an asking price of $375,000 for the combined properties. My hopeful expectation is to get an offer and sale around $360,000. I was very optimistic after talking to Wayne Ham that I could get higher pricing than the appraisal value of 2019. Wayne indicated the prices of similar types were selling well and at good prices. With more than a dozen showings and still no offers and no second looks, I have tried to make sense of why I am not getting offers of any sort. Perhaps most of the comparable multi-unit rental properties are on the north side of town. The advantages to the north side would include closer proximity to the core strip of downtown bars and restaurants. As a potential buyer/investor the north side locations would be closer to a major employer in Sanford as a prime source of tenants. The north side would also have a much better location for tenants with the students and employees of NDSU. But, WHO KNOWS!!

All I know is FMV can't get any more real than listing a property and wait for a willing buyer and a willing seller to negotiate and transact a sale. Maybe in a couple months we will know what that negotiated price will be.

Wayne indicated he would forward some of the comments from realtors who were involved in showings of the properties. Comments of concern -- an undesirable neighborhood, a need for new shingles, and foundation concerns were all expressed. Another concern was of inadequate cash flow in relation to the asking price.

Included in addition to this document is the appeal at the county level and several arguments for a lower valuation are within that communication and not repeated here. Also there is documentation of several rentals that show some examples of overvalued properties in relation to their selling price.

Thank You for your consideration in this matter

Richard Nymark – sole member of LLC

RNymark LLC

Dated August 7th, 2020

Cass County Appeal

Appeal: City of Fargo proposed assessed valuation of 1115 2nd Ave. S. Fargo and

1121 2nd Ave. S. Fargo

Current Date: June 9th, 2020

The properties are currently for sale. I hope to have both sold within a 12 month timeframe. I hope the assessed valuations by the city are accurate; however I do have my doubts.

The Fargo City Assessor's office has done a physical inspection of these properties and has adjusted valuations downward. However, I do wish to keep my option available to appeal the proposed valuations at the state level since I feel the adjusted valuations are likely still beyond FMV.

The properties are in decent condition for "working class" apartments. The buildings are old and the conversion of these two properties from homes to apartments is also quite aged. My financing was limited to a series of 5 year balloons (my credit score is 834). This reflects the risk associated with buildings of this age and within a region in Fargo that has more than its fair share of "people with problems" and the resulting law enforcement issues. (The higher the risk the higher the expectation for rate of return.)

I did communicate with my nephew in 2019 about selling the properties. He is a realtor and handled the original purchase of these properties in 2012. I told him of the Cass County valuations at that time (prior to the elevated valuations recently). He said the prior valuations would be very close to what I should expect ($159,200 & $189,300). With that said, I hope he is wrong and that the city valuations are closer to FMV. In addition, he put together some recent sales over the last couple years that would represent overvaluations of some similar apartments. Location is likely key to the discrepancy in valuations .vs. selling price. As mentioned, this area has its sharp edges and could depress values.

One example of a recent situation a few months ago:

I rented an apartment to a person who recently arrived from another state with a nursing degree and set up with a job at the downtown Sanford. About a week after settling into the apartment, she came to me and asked if Fargo was a safe place because she had been out for a walk in the neighborhood and was aggressively panhandled by two rough looking males. So, I gave her a bit of advice to be aware of certain areas where she may encounter uncomfortable situations. Unfortunately one situation that is not avoidable is the apartment directly across the street. It is specifically set up to take in Sex Offenders. But, other advice given was the overall nature of the downtown area (as well as along the close proximity Main Avenue corridor) regarding drunkenness and panhandling. I told her of the city owned and operated Wet House and the normal flight path of their clients to and from the downtown.

Other concerns not mentioned to her were law enforcement issues with 5 buildings and recently one of my buildings all within 500 feet of one another (kind of a hot spot of trouble).

On another note, because of COVID, I had to spend $4,000 in legal fees to evict a problem tenant and her “guest” from one of these apartment buildings. The damage was extensive. The entry door and 2 interior doors were severely damaged. 9 out of the 14 windows were destroyed for approximately $6000 in total damages. I fully expect to have a negative cash flow from these two apartments in the 2020 calendar year.

Anecdotally I am having a much harder time filling vacancies with good quality tenants over the last 3-5 years. Attempts to raise rental rates to keep pace with increasing expenses have also been very difficult in recent years. The timing of increased assessment valuations seems counter to these experiences. I would have expected the fair market valuations to remain flat or decline. Perhaps my experiences are just an anomaly and most other landlords are riding on easy street. As I see things presently, my choices are to lower my application standards and take the associated risk of damage, noise complaints, police calls, and delinquent rent payments - OR - I can add to the Fargo vacancy rate and have empty units - OR - lower rents or other promotional efforts that reduce the rate of return on investment. This is the current status and part of the reason I have doubts about the raised valuations by the city (and also why I am looking to sell).

Other considerations that could dampen apartment valuations of similar location and type:

Declining population growth rate in the City of Fargo

Declining enrollment at the colleges in the metro area

Increased vacancy rates for apartments in the metro

New construction of properties allowing for income based housing with government subsidy support. This situation absorbs the best potential tenant applicants and takes its toll on apartments like mine.

Thank you for your consideration

RNymark LLC

Foreclosure Property

Rental Property Price VS City Assessed Value

2822 8th Street N, Fargo ND 58103

SOLD Price: $129,400

Sold 04/20/2020

City Assessed Value $212,000

The 2020 Assessed Value by the City of Fargo is $82,600 higher than the foreclosure selling price

Rental Property Prices VS City Assessed Value's

357 7 Avenue S, Fargo, ND 58103

Rental Units: 5

List Price: $135,000

Year Built: 1890

City Assessed Value (2019) $156,700

City Assessed Value (2020 Proposed) $194,000

***The 2020 Proposed Assessed Value by City of Fargo is $59,000 higher than the current list price of $135,000 as of March 29th, 2020.**

916 7 Street N, Fargo, ND 58102

Rental Units: 4

SOLD Price: $124,000

Sold 4/27/2018

Year Built: 1880

City Assessed Value (2019) $174,000

City Assessed Value (2020 Proposed) $153,000

***The 2019 Assessed Value by City of Fargo was $50,000 higher than the actual sold price, the price a buyer was willing to pay. The assessed value should not be significantly higher than the paid price. Purchase Price/Sold Price is public information so is the significant inflation in value from the City of Fargo negligence and/or malice since they would have knowledge of the paid price but came up with a much higher value, significantly impacting the amount of property taxes the seller pays? Due to the change in value for 2020 proposed to $153,000 it appears as though the owners of the property may have disputed the value.**

2818 8TH Street N, Fargo, ND 58102

Rental Units: 4

SOLD Price: $155,000

Sold Date: 9/18/18

City Assessed Value (2019) $213,000

City Assessed Value (2020 Proposed) $213,000

***The 2019 City Assessed Value & 2020 Proposed Assessed Value by City of Fargo is $58,000 higher than the price the buyer paid for the property.**

1526 1ST Avenue S, Fargo, ND 58103 (BY THE WET HOUSE)

Rental Units: 4

Year Built: 1900

SOLD Price: $153,000

Sold Date: 12/15/17

City Assessed Value (2019) $142,900

City Assessed Value (2020 Proposed) $199,000

The 2020 Proposed Assessed Value by City of Fargo is $46,000 higher than the Sold Price at 12/15/17. Huge surge in City of Fargo assessed value in just a little over 2 years.

715 3 Street N, Fargo, ND 58102

Rental Units: 2

Year Built: 1902

Currently FOR SALE for $89,900

The 2019 Assessed Value by City of Fargo is $158,400 & is also down as the same value for the 2020 Proposed Value. The Assessed Value by the City of Fargo is $68,500 higher than the current Asking Price/Sale Price.

111 7 Avenue N, Fargo, ND 58102

Rental Units: 2

Year Built: 1915

Current for Sale at $89,500

The 2019 Assessed Value by City of Fargo is $131,000 & is also down as the same value for the 2020 Proposed Value. The Assessed Value by the City of Fargo is $41,500 higher than the current Asking Price/For Sale Price.

613 2 Street N, Fargo, ND 58102

Rental Units: 2

Year Built: 1914

Currently For Sale for $94,950

The 2019 Assessed Value by City of Fargo is $126,900 and 2020 Proposed is $117,700. The 2019 City Assessed Value compared to the Current Asking Price/For Sale Price has a difference of $31,950 and for the 2020 Proposed it's a difference of $22,750.

SCHEDULE E
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest Information.

OMB No. 1545-0074

2019

Attachment Sequence No. 13

Name(s) shown on return: FRED D & SUSAN F NYMARK

Your social security number: [redacted]

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** If you are in the business of renting personal property, use **Schedule C** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1 Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) . . . . . ☐ Yes ☐ No

2 If "Yes," did you or will you file required Forms 1099? . . . . . ☐ Yes ☐ No

A Physical address of each property (street, city, state, ZIP code)

[redacted]

B 1115-1117 S 2ND AVE FARGO ND 58103

Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days	Personal Use Days	QJV
A		A	365	0	☐
B		B	365	0	☐
C		C	365	0	☐

Type of Property:

1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental

2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Properties:		A	B	C
Rents received	3	[redacted]	[redacted]	27,785.
Royalties received	4	[redacted]	[redacted]	
Expenses:				
Advertising	5	[redacted]	[redacted]	
Auto and travel (see instructions)	6	[redacted]	[redacted]	
Cleaning and maintenance	7	[redacted]	[redacted]	6,515.
Commissions	8	[redacted]	[redacted]	
Insurance	9	[redacted]	[redacted]	1,137.
Legal and other professional fees	10	[redacted]	[redacted]	
Management fees	11	[redacted]	[redacted]	
Mortgage interest paid to banks, etc. (see instructions)	12	[redacted]	[redacted]	5,392.
Other interest	13	[redacted]	[redacted]	
Repairs	14	[redacted]	[redacted]	2,460.
Supplies	15	[redacted]	[redacted]	
Taxes	16	[redacted]	[redacted]	2,953.
Utilities	17	[redacted]	[redacted]	1,976.
Depreciation expense or depletion	18	[redacted]	[redacted]	4,414.
Other (list) ▶ See Line 19 Other Expenses	19	[redacted]	[redacted]	840.
Total expenses. Add lines 5 through 19	20	[redacted]	[redacted]	25,687.
Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	[redacted]	[redacted]	2,098.
Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	([redacted])	([redacted])	( )

Total of all amounts reported on line 3 for all rental properties	23a		[redacted]
Total of all amounts reported on line 4 for all royalty properties	23b		
Total of all amounts reported on line 12 for all properties	23c		
Total of all amounts reported on line 18 for all properties	23d		
Total of all amounts reported on line 20 for all properties	23e		
Income. Add positive amounts shown on line 21. **Do not** include any losses	24		
Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	( )	
Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26		

Name(s) shown on return: RICHARD D & SUSAN F NYMARK

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Attachment Sequence No. 13

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No

B If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A [redacted]

B [redacted]

C 1115-1117 S 2ND AVE FARGO ND 58103

1b	Type of Property (from list below)
A	4
B	1
C	1

2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.

	Fair Rental Days	Personal Use Days	QJV
A	365	0	☐
B	365	0	☐
C	365	0	☐

Type of Property:

1 Single Family Residence
2 Multi-Family Residence
3 Vacation/Short-Term Rental
4 Commercial
5 Land
6 Royalties
7 Self-Rental
8 Other (describe)

Income:	Properties: A	B	C
3 Rents received	[redacted]	[redacted]	25,571.
4 Royalties received			
Expenses:			
5 Advertising	[redacted]		4,173.
6 Auto and travel (see instructions)			885.
7 Cleaning and maintenance			
8 Commissions	[redacted]	[redacted]	5,585.
9 Insurance			4,297.
10 Legal and other professional fees			2,671.
11 Management fees			1,874.
12 Mortgage interest paid to banks, etc. (see instructions)			4,417.
13 Other interest			339.
14 Repairs			24,241.
15 Supplies			
16 Taxes			1,330.
17 Utilities			
18 Depreciation expense or depletion			
19 Other (list) ▶ See Line 19 Other Expenses			
20 Total expenses. Add lines 5 through 19			
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198			
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	( )	( )	( )
23a Total of all amounts reported on line 3 for all rental properties		23a	
b Total of all amounts reported on line 4 for all royalty properties		23b	
c Total of all amounts reported on line 12 for all properties		23c	
d Total of all amounts reported on line 18 for all properties		23d	
e Total of all amounts reported on line 20 for all properties		23e	
24 **Income.** Add positive amounts shown on line 21. **Do not** include any losses		24	
25 **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here		25	( )
26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2		26	

For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 03/05/19 PRO

Schedule E (Form 1040) 2018

SCHEDULE E (Form 1040 or 1040-SR)

Department of the Treasury Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2019

Attachment Sequence No. 13

Name(s) shown on return: [redacted] D & SUSAN F NYMARK

Your social security number: [redacted]

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) . . . . . ☐ Yes ☐ No

2 If "Yes," did you or will you file required Forms 1099? . . . . . ☐ Yes ☐ No

3a Physical address of each property (street, city, state, ZIP code)

1121 2ND AVE S FARGO ND 58102

[redacted]

	Type of Property (from list below)	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days	Personal Use Days	QJV
3a	2		A	365	0	☐
3b	1		B	365	0	☐
3c	1		C	365	0	☐

Type of Property:

1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental

2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:		Properties: A	B	C
Rents received	3	23,076.	[redacted]	[redacted]
Royalties received	4		[redacted]	[redacted]
Expenses:				
Advertising	5		[redacted]	[redacted]
Auto and travel (see instructions)	6		[redacted]	[redacted]
Cleaning and maintenance	7	10,857.	[redacted]	[redacted]
Commissions	8		[redacted]	[redacted]
Insurance	9	684.	[redacted]	[redacted]
Legal and other professional fees	10		[redacted]	[redacted]
Management fees	11		[redacted]	[redacted]
Mortgage interest paid to banks, etc. (see instructions)	12	5,392.	[redacted]	[redacted]
Other interest	13		[redacted]	[redacted]
Repairs	14	2,169.	[redacted]	[redacted]
Supplies	15		[redacted]	[redacted]
Taxes	16	2,524.	[redacted]	[redacted]
Utilities	17	4,291.	[redacted]	[redacted]
Depreciation expense or depletion	18	3,553.	[redacted]	[redacted]
Other (list) ▶ See Line 19 Other Expenses	19	306.	[redacted]	[redacted]
Total expenses. Add lines 5 through 19	20	29,776.	[redacted]	[redacted]
Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-6,700.	[redacted]	[redacted]
Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	(-6,700.)	([redacted])	[redacted]

23a	Total of all amounts reported on line 3 for all rental properties	23a	[redacted]
b	Total of all amounts reported on line 4 for all royalty properties	23b	[redacted]
c	Total of all amounts reported on line 12 for all properties	23c	[redacted]
d	Total of all amounts reported on line 18 for all properties	23d	[redacted]
e	Total of all amounts reported on line 20 for all properties	23e	[redacted]
24	**Income.** Add positive amounts shown on line 21. **Do not** include any losses	24	
25	**Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	( )
26	**Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26	

For Paperwork Reduction Act Notice, see the separate instructions.

BAA REV 03/29/20 PRO

Schedule E (Form 1040 or 1040-SR) 2019

Department of the Treasury
Internal Revenue Service (99)

Rental Real Estate, Royalties, Partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment Sequence No. 13

Name(s) shown on return: RICHARD D & SUSAN F NYMARK

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No

B If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a	Physical address of each property (street, city, state, ZIP code)
A	1121 2ND AVE S FARGO ND 58102
B	[redacted]
C	[redacted]

1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days	Personal Use Days	QJV
A	2		A	365	0	☐
B	4		B	365	0	☐
C	1		C	365	0	☐

Type of Property:
1 Single Family Residence
2 Multi-Family Residence
3 Vacation/Short-Term Rental
4 Commercial
5 Land
6 Royalties
7 Self-Rental
8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	23,790.	[redacted]	[redacted]
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7	4,960.		
8 Commissions	8			
9 Insurance	9	368.		
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12	5,585.		
13 Other interest	13			
14 Repairs	14	313.		
15 Supplies	15			
16 Taxes	16	2,629.		
17 Utilities	17	4,985.		
18 Depreciation expense or depletion	18	3,553.		
19 Other (list) ▶ SPECIALS INTEREST	19	289.		
20 Total expenses. Add lines 5 through 19	20	22,682.		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	1,108.		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	( )	( )	
23a Total of all amounts reported on line 3 for all rental properties	23a			
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e			
24 **Income.** Add positive amounts shown on line 21. **Do not** include any losses	24			
25 **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	( )		
26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			

For Paperwork Reduction Act Notice, see the separate instructions.

BAA REV 03/05/19 PRO

south fargo multi family properties sold 2020	city appraised valuation 2020	sold price	percent sold/appraised aggregate
1136 5th ave s fargo	$247,000.00	$269,000.00	
1421 16 1/2 st s fargo	$189,000.00	$222,000.00	
709 10th st s fargo	$179,000.00	$150,000.00	
Total values South Fargo properties	$615,000.00	$641,000.00	104.23%

north fargo multi family properties sold 2020			
2710 9th st n fargo (not near the newman project)	$171,000.00	$207,500.00	
1005 12th st n fargo	$81,100.00	$105,000.00	
1226 10th st n fargo	$238,000.00	$284,000.00	
1111 7th st n fargo	$124,900.00	$140,000.00	
1109 10th st n fargo	$126,400.00	$159,000.00	
Total values North Fargo properties	$741,400.00	$895,500.00	120.79%

in aggregate North Fargo properties sold for over 120% of appraised valuation while South Fargo properties sold for just over 104% of appraised valuation

I asked my realtor nephew to look up all multi family listed sales in fargo for the 2020 year to test my thought that north fargo properties of multi family are selling at hotter prices than similar south fargo properties.

Other reasoning for better prices on the north side of fargo would include close proximity to a major multi million dollar Newman Center project that may appeal to investors for added value

I realize this is a small sampling with very few properties sold of this type - so conclusions drawn are not rock solid