

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFF DECKER,)	
)	
Appellant,)	APPEAL NO. 19-A-1083
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. R1719480130. The appeal concerns the 2019 tax year.

This matter came on for hearing October 11, 2019 in Boise, Idaho before Board Member Leland Heinrich. Appellant Jeff Decker was self-represented. Chief Deputy Assessor Brad Smith represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn join in issuing this decision.

The issue on appeal concerns the market value of an improved residential property.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$110,700, and the improvements' value is \$397,200, totaling \$507,900. Appellant contends the correct market value is \$474,500.

The subject property is a .17 acre parcel located in Dallas Harris Estates subdivision in Boise, Idaho. The parcel is improved with a 2-story residence consisting of 2,353 square feet constructed in 2013. The property is further improved with a 928 square foot garage.

Appellant purchased subject in April 2018 for \$460,000. Included in the purchase price were personal property items; a refrigerator, washing machine, dryer, and “hot tub.” The estimated price attributable to personal property was \$7,400. Further, upon inspection of the subject property, deferred maintenance issues were noted. These items were detailed in the purchase closing document. Appellant was credited \$2,000 from the buyer to offset needed repairs. Appellant reported a majority of the repairs have been made since the time of purchase. Appellant noted, if removing the personal property and repair credits, the purchase price was about \$450,600.

Appellant provided two (2) “Comparative Market Analyses” developed by a local real estate agent. The first report was provided to establish subject’s market value as of January 1, 2018. The analysis concluded a market value of \$419,000.

The second analysis provided six (6) 2018 sales to compare to subject. The sale properties were generally similar to subject. All were built within five (5) years of subject’s age, were two (2) story residences with similar appeal and finish quality, and had lot sizes similar to subject’s. The sale properties were also located in the proximity of subject. The sale residences ranged in size from 2,312 to 2,577 square feet, and in lot size from .07 to .20 acres. Sale prices ranged from \$455,000 to \$490,000, or indicated price rates from \$185 per square foot to \$207 per square foot. The market analysis made adjustments for variances in lot size, gross living area and number of garage spaces. The adjusted sale prices ranged from \$455,000 to \$485,040. The analysis concluded subject’s value, as of January 1, 2019, of \$474,500.

Lastly, Appellant argued if the 2018 assessment had been more accurate, then the

trended (assessed) value for 2019 would have been correct. In rebuttal, Respondent explained subject's assessment was reduced by the Board of Equalization, which decision aligned with the purchase price of \$460,000, factoring in a time adjustment of 1.5% per month from date of sale.

In terms of value evidence, Respondent offered information concerning five (5) 2018 sales and one (1) 2019 sale which went under contract in 2018. The sales were located in close proximity to subject. Sale No. 1 was the above referenced subject sale. The sale properties were generally similar to subject in terms of design, bedroom and bathroom count, lot size, and location. Size of the sale residences ranged from 2,209 to 2,525 square feet. Respondent made adjustments for property differences including square footage, bathroom count, garage size and location. An upward time adjustment of 1.5% per month was applied to reflect the market conditions on January 1, 2019, the relevant valuation date in this appeal. Adjusted sale prices ranged from \$494,624 to \$522,425, or from \$210.21 to \$218.88 per square foot. In considering the subject sale, the only adjustment made was for time of sale. Using 1.5% per month, subject's adjusted sale price was \$507,865.

In similar fashion, Respondent prepared its own analysis of the sale properties included in Appellant's Comparative Market Analysis. The sale residences, with sizes ranging from 2,312 to 2,577 square feet, bracketed subject's residence size of 2,353 square feet. Respondent made adjustments for differences in gross living area and garage square footage. Next, Respondent noted the biggest difference between the parties' analyses was the realtor's comparative analysis made no location adjustments or time of sale adjustments. Respondent made adjustments to Appellant's sales for these key factors applying a 1.5%

per month time adjustment. After the adjustments, the new value indications for subject ranged from \$494,624 to \$522,425, or from about \$210 to \$219 per square foot. Subject's current assessed market value is \$507,900 indicating a value rate of \$216 per square foot.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value in fee simple interest, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2019 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. Residential property like the subject is commonly valued with reference to the recent sales of similar property. A recent sale, listing, or offer involving the subject property can provide evidence of market value.

Subject was purchased in April 2018 for \$460,000, which amount reflected personal property valued by Appellant at \$7,400, together with a credit of \$2,000 for repairs. Thus in Appellant's opinion, this indicated a subject value of about \$450,000. We found the value

assigned to the personal property was somewhat subjective and thinly supported in the record. However, we found the timely sale of subject to otherwise be good evidence of subject's market value and will afford the sale substantial weight in this decision. Looking at both parties' appraisal like analysis, neither were found to make adjustments for such personal property included in a sale. In this instance, there was no evidence in record that negotiating took place regarding the value contributions of the washer, dryer, or hot tub.

Appellant provided two (2) market analyses. One (1) looked to subject's market value as of January 1, 2018, and the other January 1, 2019. Both analyses looked to sales of like property to determine subject's market value. The value determination as of January 1, 2019 was reported to be \$474,500. Most notable was that no time adjustments were considered during a period where the overall market data clearly indicated subject's area was seeing appreciating sale prices. Respondent provided an analysis of Appellant's sales adding a time adjustment. This analysis found subject was assessed in line with the sales information.

On appeal, Respondent prepared an opinion of subject's market value relying on the sales comparison approach to value. Information was shared regarding five (5) comparable sales, including the subject sale itself. Adjustments were made for time of sale and for differences between the subject and sold properties. The adjusted prices ranged from \$494,624 to \$522,425. A value of \$507,865 was concluded for subject by taking the April purchase price and applying a time adjustment factor. Respondent also reanalyzed Appellant's sales, adding an adjustment for date of sale, to arrive at an indicated value range between \$494,624 and \$522,425. The Board found this was sound analysis which

produced a relatively tight range of value indications for subject. In all, the totality of the sales in record were found to offer support for subject's 2019 assessed market value.

Idaho Code § 63-511 places the burden on Appellant to establish subject's market value assessment is erroneous by a preponderance of the evidence. We find the burden of proof not satisfied in this instance. Appellant's value evidence did not account for increasing prices in the immediate marketplace. Respondent presented a well supported valuation. For these reasons we will affirm the decision of the Ada County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 14th day of January, 2020.

IDAHO BOARD OF TAX APPEALS