

BEFORE THE IDAHO BOARD OF TAX APPEALS

WILLIAM BOGGAN,)	
)	
Appellant,)	APPEAL NO. 20-A-1013
)	
v.)	FINAL DECISION
)	AND ORDER
KOOTENAI COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Kootenai County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. C1820007710A. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing October 1, 2020, before Hearing Officer Travis VanLith. Appellant William Boggan was self-represented. Assessor Bela Kovacs 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 Kootenai County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$1,000, and the improvements' value is \$486,951, totaling \$487,951. Appellant agrees with the land value, however, contends the improvements' value is \$448,000, totaling \$449,000.

The subject property is a residential condominium unit situated on the 7th floor of the Coeur d'Alene North Condominiums development located in Coeur d'Alene, Idaho. The subject unit includes two (2) bedrooms and two (2) bathrooms. The condominium development, which

consists of nine (9) floors, was constructed in 1984.

Appellant contested subject's current assessed value on two (2) bases: 1) the square footage figure reflected in Respondent's records is incorrect, and 2) subject's view amenity has been greatly diminished by the construction of a nearby condominium tower. Concerning subject's square footage, Appellant contended the square foot figure reported by Respondent was incorrect. According to the recorded plat provided by Appellant, the measurements of the subject unit are 51' x 30', or a total of 1,530 square feet. Respondent explained that all size figures for the condominium development were taken from another document recorded by the developer of the project, which listed the respective sizes of each unit. This document indicated the size of subject's unit is 1,621 square feet.

Turning to subject's recent loss of view, Appellant explained a nearby fifteen (15) story condominium building was nearing completion and this new building obstructed views for the subject unit, as well as other units in subject's development. In Appellant's estimate, roughly 45 degrees of subject's view is now obstructed by the new tower. Appellant noted some units in subject's building received an adjustment to their assessed value as much as 15% for the loss of view, and argued subject should receive a similar adjustment. Respondent explained the views from units located on the eastern side of subject's building were more severely impacted than more-westerly units. According to Respondent, view loss adjustments on subject's floor ranged from 5% to 15%, moving from west to east in the building. Subject, which is centrally located on the 7th floor, received a 5% downward adjustment for lost view. This adjustment, however, was offset by a 7% increase in market appreciation which occurred during 2019. The net result of these adjustments was an increase of less than 1% in subject's

assessed value for the current assessment year.

In support of subject's current valuation, Respondent offered information concerning a total of ten (10) sales from subject's building. Though included in the data, Respondent did not rely on the six (6) sales from 2018, because the nearby condominium tower had not yet reached a height that would obstruct views from the subject development's upper floors. Respondent also did not include the July 2020 sale of a unit located two (2) doors east of subject in its analysis. The 2020 sale was offered simply as a reference, and an indication of where prices in the building may be headed in the near future.

Turning to the three (3) sales from 2019, Respondent arrayed the pertinent physical details of each sale unit in a table. The sale units were located on the 7th, 3rd, and 4th floors, and sold for \$395,000, \$425,000, and \$415,115, respectively. Each sale property was compared to the subject unit, and adjustments were made to the sale prices for differences in square footage and view. An annual time adjustment of 10% was also applied to the sale prices to reflect pricing levels on the January 1, 2020, assessment date. Adjusted sale prices were \$450,900, \$502,000, and \$467,015 for the respective three (3) sales. Subject's assessed value is \$487,951, which Respondent maintained was reasonable given the range of value indicated by the adjusted sale prices.

Appellant contended Sale No. 1 included in Respondent's analysis was the most comparable sale property in the data set. The sale unit shared subject's 7th floor location and, at 1,460 square feet, was similar in size to the subject unit. This unit sold for \$395,000, or \$309 per square foot, which price rate Appellant argued should be used to value subject. Respondent countered that Sale No. 1 (Unit #702) was the most easterly situated unit on the

7th floor and suffered more view loss from the nearby condominium tower. From the photographs provided, the other tower obstructs the middle portion of the view from Unit 702, leaving only restricted views to the east and west of the tower. Respondent noted Unit 702 received a 15% view loss adjustment in its current assessment because its view was impacted to a higher degree.

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, 2020, in this case. Market value is always estimated as of a precise point in time. 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. The three (3) recognized approaches to value include the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is often valued using the sales comparison approach, which in general terms examines recent sales of similar property and considers appraisal adjustments for differences in physical characteristics between the subject property and the

sale properties.

Appellant did not develop a sales comparison approach model, but instead argued subject's assessed value was overstated due to an error in the square footage and inadequate consideration of the view lost by the construction of a nearby fifteen (15) story condominium tower. Each concern will be addressed in turn.

Regarding Appellant's claim of a square footage error, the Board found good cause to adjust subject's size figure. In both the recorded plat and Respondent's diagram of the subject unit, the dimensions are 51' x 30', which calculates to 1,530 square feet. The 1,631 square foot figure reported by Respondent was taken from a different document filed by the developer, only a portion of which was entered into the evidentiary record. The concern from the Board's viewpoint is that the document relied on by Respondent clearly states the size figures reflected for the 7th floor units are "approximate" area measurements. Subject's actual plat, however, reflects the true measurements of the unit, which match precisely with Respondent's diagram of the unit. Respondent's own diagram includes the following special qualifying language, "1621 sf per Plat," which suggests Respondent is aware the measurements in its diagram do not match the size figure actually being used to assess the subject unit. The reason for the discrepancy between subject's recorded plat and the other summary document recorded by the developer was not apparent in the record; however, the Board found subject's recorded plat to represent the more reliable evidence of subject's true size. As such, the Board will reduce subject's size to 1,530 square feet to match the measurements reflected in the recorded plat and Respondent's diagram.

Turning to Appellant's claim that subject's value should be reduced on account of the

lost view due to the construction of a nearby condominium tower, the Board did not find sufficient support for a further adjustment. Undoubtedly, subject's view has been diminished as a result of the new condominium tower. Respondent acknowledged the impact of the nearby tower on views in subject's building by applying different view loss adjustments according to the extent of the lost view for each unit. Because of the configuration of subject's building, units in the eastern side of the building suffered more severe view loss than units situated more westerly in the building. The view losses were depicted in photographs from various units. Respondent testified the eastern-most units received 15% view loss adjustments, with lesser adjustments applied to western units. Subject, which is centrally located on the 7th floor, received a 5% adjustment for lost view.

While the Board understands Appellant's concerns with the lost view, there were no recent sales or other market data in the record to support a higher adjustment. In the Board's view, Respondent made a good faith attempt to estimate the impact on values caused by the nearby tower. This was evident in Respondent's application of different view adjustments depending on the severity of the view loss for each individual unit in the building. Without evidence to support a higher view loss adjustment for subject, the Board is disinclined to further adjust subject's value.

Turning to the sales data and accompanying analysis offered by Respondent, the Board found Respondent's valuation model representative of sound appraisal practice. Respondent relied on three (3) recent sales from subject's development, with minor adjustments for differences in square footage and view. Overall, the analysis was well-received and was found to be supportive of subject's current valuation. The only issue was the size figure Respondent

used for the subject property. As found above, the subject unit totals 1,530 square feet in size, not 1,631 square feet. Making this change in Respondent's model would likely alter the size adjustments made in the analysis, as well as the adjusted price conclusions.

In accordance with Idaho Code § 63-511, the Appellant bears the burden of establishing error in subject's valuation by a preponderance of the evidence. Given the record in this matter, the Board found the burden of proof satisfied, though did not find adequate support for the value petitioned by Appellant. Specifically, the Board found an adjustment warranted for the incorrect size figure used to calculate subject's assessed value, but did not find support for a further view loss adjustment.

Based on the above, the decision of the Kootenai County Board of Equalization is modified to reflect a decrease in subject's total assessed value to \$461,530.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease in subject's total assessed value to \$461,530, with \$1,000 attributable to the land and \$460,530 attributable to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 2nd day of December, 2020.