

BEFORE THE IDAHO BOARD OF TAX APPEALS

ARMSTRONG POINT, LLC,	)	
	)	
Appellant,	)	APPEAL NO. 21-A-1065
	)	
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 denying an appeal of the valuation for taxing purposes on property described by Parcel No S0919325712. The appeal concerns the 2021 tax year.

This matter came on for telephonic hearing September 29, 2021, before Board Member Leland Heinrich. Sima Muroff appeared at hearing for Appellant. Deputy Assessor Brad Smith represented Respondent.

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

**The issue on appeal concerns the market value of a rural residential property.**

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

FINDINGS OF FACT

The assessed land value of this vacant parcel is \$504,000. Appellant contends the correct land value is \$394,000.

The subject property is a twelve (12) acre unimproved residential parcel located in East Boise. The property enjoys elevated, unobstructed views of the city, the Boise River,

and the Greenbelt. Though utilities are available at the street, they have not been extended to the subject property.

Appellant's primary argument was insufficient consideration was given to the lack of utilities at the subject parcel. In this regard, Appellant submitted a bid totaling roughly \$110,000 from a local firm to extend the sewer line to the subject lot. In Appellant's view, the cost to extend the sewer line should be deducted from the current assessed value to reflect the accurate market value for the property. It was further noted, according to a letter from the City of Boise dated September 1, 2016, much of the subject property is situated in an active landslide area. As such, development options for the subject property are likely limited, which Appellant argued should also factor into the current valuation.

Respondent was aware the subject property lacks utilities and affirmed the property was assessed accordingly. In terms of market support for subject's current assessed value, Respondent offered information concerning five (5) recent vacant lot sales. Sale No. 1 was a 5.20 acre parcel in northeast Boise. Respondent described the lot as having good views of the foothills, but noted it lacked utilities. This property sold for \$770,000 in December 2020. Sale No. 2 concerned a 1.03 acre lot located in northwest Boise which went under contract in December 2020 for \$750,000 and closed in January 2021. This property was described as the most comparable to subject in terms of view quality, and it likewise did not have utilities extended to the lot. Sale No. 3 was a .612 acre vacant lot situated in northeast Boise less than one (1) mile from the subject property. This lot, with no utilities, sold in August 2020 for \$581,000. Finally, Sale Nos. 4 and 5 were both one (1) acre lots situated on either side of the subject property. These sale lots, once owned by Appellant, were described as inferior in terms of view quality. Sale No. 4

closed in July 2019 for \$330,000, and Sale No. 5 transpired in November 2020 for \$329,900. Pointing to these sales of notably smaller lots, Respondent argued subject's current assessed value of \$504,000 was reasonable.

Appellant contended Sale Nos. 4 and 5 were the most appropriate comparable sales because they were located adjacent to the subject property. While Respondent agreed those sales were the most comparable in terms of location, Respondent stressed they had inferior views and were only a fraction of the size of the subject lot. Respondent maintained subject's current valuation was accurate given the available sales data.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest, or as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, 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. Idaho Code § 63-201 provides the following definition,

“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) primary methods for determining market 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). The sales comparison approach is commonly used in the valuation of a residential property. In general terms, this approach analyzes recent sales of similar property and considers differences in property characteristics compared to the subject property.

Instead of deriving a value opinion from the sales comparison approach, Appellant argued the cost to extend the sewer line to the subject property, estimated at approximately \$110,000, should be reduced from subject's current valuation.

Respondent developed a sales comparison approach model which considered five (5) recent sales of unimproved view lots. With sizes ranging from .612 to 5.20 acres in size, none of the sale lots approximated subject's twelve (12) acre size. And, just like subject, none of the sale lots had utilities at the time of sale. Sale prices ranged from \$329,900 to \$770,000. Subject's current assessed value is \$504,000, which is reasonable in the Board's view given the sales information in the record.

While Appellant's concerns regarding the cost to extend the sewer line to the subject parcel are understandable, it is a well-established principle that cost does not necessarily equate to market value. So, while it may cost roughly \$110,000 to extend the sewer line, there was insufficient data to correlate that cost to the likely impact on subject's market value. And where the sale lots provided by Respondent also had no utilities at the time of sale, there is no need to speculate on the potential value impact of extending the sewer line to the subject lot. With none of the sales having utilities, subject's lack of utilities is not an issue. Lastly, it was not lost on the Board subject's current valuation at \$0.96 per square foot is markedly lower than the price rates indicated by sales, which ranged

from \$3.40 to \$21.79 per square foot. With no competing market data from Appellant, the Board was strained to find support to disturb subject's current valuation.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. The sales information provided by Respondent was found to be reasonably supportive of subject's current assessed value. As such, the decision of the Ada County Board of Equalization is affirmed.

#### 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 29<sup>th</sup> day of November, 2021.