

BEFORE THE IDAHO BOARD OF TAX APPEALS

SOLON CARLSON,)	
)	
Appellant,)	APPEAL NO. 21-A-1057
)	
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. R1955020231. The appeal concerns the 2021 tax year.

This matter came on for telephonic hearing Monday, November 29, 2021, before Board Member Leland Heinrich. Appellant Solon Carlson was self-represented. Ada County Chief 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 an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$167,000, and the improvements' value is \$404,900, totaling \$571,900. Appellant contends the correct land value is \$150,000, and the improvements' value is \$313,264, totaling \$463,264.

The subject property is a .26 acre residential parcel located in southeast Boise, Idaho. The property is improved with a 2,858 square foot residence constructed in 1995.

There are 1,657 square feet on the main floor and 1,201 square feet in the basement. The residence also has an attached 550 square foot garage.

Appellant reported subject's 2021 assessment reflected a 53% increase from the 2020 assessed value. Appellant shared that Respondent reported a median increase in the market of 25% in 2020. Appellant additionally shared that Respondent reported a 2.25% monthly appreciation during 2020, equaling 27% over the year.

Appellant provided information on seven (7) sales which occurred in 2020, including mostly single-level residences around the same age as subject and located within one (1) mile of subject. Appellant obtained the sales information from an appraiser familiar with the neighborhood who believed they were more comparable than the sales provided by Respondent. Three (3) sale residences did not include basements, and one (1) of the sales was two (2) stories. Appellant used the same 2.25% monthly appreciation rate reported by Respondent to adjust sale prices for time. Sale properties ranged in size from .14 to .44 acres and were improved with residences ranging from 2,353 to 3,140 square feet. Appellant reported time-adjusted sale prices between \$451,963 and \$539,125. Appellant reported an average time-adjusted sale price of \$498,467 and argued this demonstrated subject's assessed value of \$571,900 was too high.

Appellant shared Sale No. 1, which was three (3) blocks distant from subject, had one of the highest time-adjusted prices, at \$522,000. Appellant next compared subject's assessed value to other assessed values on the block, stating subject was non-extraordinary yet was singled out with the highest assessed value. Overall, Appellant felt unfairly assessed.

Respondent shared subject's value increased 53.8% from the 2020 assessment, and stated subject was re-appraised, not trended, to reach the 2021 value. The property was inspected in 2018, and Respondent stated adjustments were made to the subject record due to current market conditions of this property type. Respondent testified many more sales which were comparable to subject occurred in 2020 than in past years, so Respondent was better able to analyze these sales to determine subject's assessment.

Respondent supplied information on six (6) sales which transpired during 2020. The sale properties included two-story dwellings with garages. None of the sales included basements. Sale properties ranged in size from .12 to .21 acres and were improved with residences ranging from 2,281 to 2,991 square feet. Respondent adjusted for differences between subject and the sale properties and reported adjusted sale prices from \$547,500 to \$733,000, or roughly \$191 to \$256 per square foot. In comparison, subject is valued at \$571,900, or roughly \$200 per square foot.

Respondent noted its comparable sales were all within 1.5 driving miles of subject and were within the same school district(s) as subject. Respondent stated the sales were closer in proximity to subject than Appellant's, and location is key in real estate. Respondent adjusted each comparable sale price for time, size and age of the residence, bathroom count, garage size, and land size. Respondent found subject's assessment well within the range of values concluded in its sales comparison analysis.

Appellant was concerned Respondent's comparable sales included residences which were much newer than subject. All Respondent's sales had effective ages of two (2) to eight (8) years old, while subject's effective age is twenty-six (26). Appellant described Respondent's comparable sale residences as newer-built with modern,

updated floorplans. Appellant claimed his comparable sales were within one (1) mile of subject and better reflected subject's market value.

Respondent rebuffed the claim Appellant's comparable sales were closer in proximity to subject than Respondent's. Respondent shared Appellant's Sale No. 1 was .4 miles away, and the other six (6) were over one (1) mile away, the furthest being Sale No. 4 at approximately five (5) miles away. Appellant rebutted this, stating the sale property was three and one-half (3½) miles away, and all the other sales were under two (2) miles away.

Respondent also commented on the sales provided by Appellant. Respondent stated the sale closest to subject, Appellant's Sale No. 1, had been inspected by the assessor in the past, and was noted to have poorly constructed additions. There was central heating in the main house, but three (3) different wood-burning fireplaces were used to heat the rest of the house. Because of these features, Respondent did not consider this residence comparable to subject.

Respondent additionally created a sales comparison grid using five (5) of Appellant's other six (6) sales, as done with Respondent's own comparable sales. While Appellant only adjusted for time, Respondent adjusted for size of the residence, acreage, and the age of the residence. Respondent pointed out Appellant chose mostly older residences. Respondent reported adjusted sale prices ranging from \$512,000 to \$643,000. With this analysis, Respondent claimed even the sales Appellant selected show the current assessment is fair and equitable.

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, 2021, 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. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. The sales comparison approach is commonly used in the valuation of a residential property. In general terms, the approach examines recent sales of similar property and considers differences in the property characteristics between subject and the sale properties.

Both parties supplied sales information for the Board's consideration. Appellant shared information regarding seven (7) 2020 sales. Appellant adjusted for time using the same 2.25% per month adjustment reported by Respondent; however, Appellant did not adjust for other differences in property characteristics. Appellant's analysis yielded time-adjusted sale prices from \$451,963 to \$539,125.

Respondent supplied information on six (6) sales occurring in 2020. As well as adjusting for time, Respondent adjusted for differences between subject and the sale properties for size and age of the residence, bathroom count, garage size, and acreage. Respondent reported adjusted sale prices between \$547,500 and \$733,000, or roughly \$191 to \$256 per square foot. Subject is assessed at \$571,900, or roughly \$200 per square foot.

Respondent conducted a similar analysis on Appellant's comparable sales. The grid was not shared; however, Respondent reported its analysis used five (5) of Appellant's sales and adjusted the prices for time, size and age of the residence, and lot size. Using this analysis, Respondent reported adjusted sale prices from \$512,000 to \$643,000. Respondent argued this demonstrates even Appellant's sales information supports subject's current assessed value.

Both parties shared concerns about the ages of the other party's comparable properties. Appellant was concerned Respondent's sale residences were too new compared to subject. Respondent was concerned Appellant's sale residences were too old compared to subject. While both parties used sales which varied greatly in effective age and from subject's effective age, the Board noticed Appellant did not adjust for this or other characteristics of the respective comparable sales. While the Board prefers sales which are more similar in age and other features, this is not always possible. In this case, Respondent provided a more sound appraisal because of the adjustments included in the analysis.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. In this instance, the

Board does not find the burden of proof satisfied. While both parties provided relevant sales information, Respondent's analysis was more thorough and included adjustments for more than simply the date of sale. The Board finds no good cause to adjust subject's assessment. Therefore, 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 17th day of February, 2022.