

BEFORE THE IDAHO BOARD OF TAX APPEALS

CANDACE LOESBY,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1037
	)	
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. R1333240550. The appeal concerns the 2022 tax year.

This matter came on for hearing September 26, 2022, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Candace Loesby was self-represented. Ada County Appraiser Erin Brady represented Respondent.

Board Members 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 \$183,900, and the improvements' value is \$416,100, totaling \$600,000. Appellant contends the correct total value is \$494,000, with no allocation specified between land and improvements.

The subject property is a .23 acre parcel located in the Cedar Springs subdivision in Meridian, Idaho. The back of the parcel neighbors a large common, green area. The

subject is improved with a 2,035 square foot residence built in 2008 which contains four (4) bedrooms, three (3) bathrooms, and an attached three (3) car garage. Appellant purchased the property in 2019 for \$347,000.

Appellant provided a comparative market analysis (CMA) prepared by a local real estate broker. The CMA included details on nine (9) properties which sold between March and June 2022, spaced throughout Meridian. Two (2) were four (4) bedroom, three (3) bathroom residences like subject, and the remaining had variances of three (3) to four (4) bedrooms and two (2) to two and one-half (2½) bathrooms. The sale residences ranged in size from 1,794 to 2,143 square feet and in price from \$499,900 to \$580,000, or roughly \$246 to \$294 per square foot. The CMA calculated an average sale price of \$538,416 and an average price per square foot of \$272. Subject is currently assessed at \$600,000, which is roughly \$295 per square foot. The analysis concluded if subject were listed on the market, it should be listed at \$535,000 to \$545,000 as of June 2022.

Appellant additionally shared information regarding the recent Ada County housing market. In January 2022, the median selling price of residences in Ada County was approximately \$540,000. The median price increased to \$580,000 by June 2022, which Appellant calculated as a 9.4% increase. Because the CMA analysis was calculated as of June, Appellant argued the value reached should be discounted by 9.4%, which would set subject's market value at \$494,000 as of the January 1, 2022, date of assessment.

Respondent described subject as having a little larger lot than typical for the area, and also characterized the large green space behind subject as atypical, as most other properties in the area are surrounded by neighbors on three (3) sides. Subject's current

assessment, Respondent explained, demonstrated a 35% increase year-over-year, where the average for the subdivision was closer to 40%.

Respondent shared a sales analysis including five (5) sales comparable to subject. Sale Nos. 1, 2, and 3 were in the same neighborhood as subject, and Sale Nos. 4 and 5 were in a neighboring subdivision considered directly competitive with subject's in terms of market activity and appeal. Respondent adjusted all sales for time as well as characteristics such as square footage, effective age, and location.

Sale No. 1 was located just south of subject and included a 2,077 square foot residence on a .19 acre lot. The residence had the same bedroom and bathroom count as subject, with the same or a very similar floor plan. The property sold in September 2021 for \$549,900. The adjusted sale price was \$606,871, or roughly \$298 per square foot. Sale No. 2 was located on the same street as Sale No. 1 and included a 1,865 square foot residence on a .19 acre lot. The residence had three (3) bedrooms and two and one-half (2½) bathrooms. The property sold in August 2021 for \$505,000. The adjusted sale price was \$576,100, or roughly \$271 per square foot. Respondent pointed out this sale may have been atypically motivated, as it sold 10% less than at the asking price, which was not usual in the market at that time. It was also the only comparable Cedar Springs sale which had an adjusted sale price of less than \$600,000. Sale No. 3 was across the street from Sale No. 2 and included a 2,105 square foot residence on a .19 acre lot. The residence had the same number of bedrooms as subject, but only two and one-half (2½) bathrooms. The property sold in March 2021 for \$503,000. The adjusted sale price was \$600,500, or roughly \$295 per square foot.

The remaining two sales Respondent shared were located in Baldwin Park, a competing adjacent neighborhood to Cedar Springs. Sale No. 4 was located about one-half ( $\frac{1}{2}$ ) mile west of subject and included a 2,120 square foot residence on a .15 acre lot. The residence had the same number of bedrooms as subject, but only two and one-half ( $2\frac{1}{2}$ ) bathrooms. The property sold in January 2022 for \$580,000. The adjusted sale price was \$605,800, or roughly \$298 per square foot. Sale No. 5 was located a few blocks west of subject and included a 2,147 square foot residence on a .17 acre lot. The residence had the same bedroom and bathroom count as subject. The property sold in February 2022 for \$600,000. The adjusted sale price was \$608,800, or roughly \$299 per square foot. Subject is currently assessed at \$600,000, or roughly \$295 per square foot. As these Baldwin Park properties sold after the January 1 date of valuation, Respondent shared them for discussion purposes and to test the appropriateness of their time adjustment. Overall, Respondent calculated a range of adjusted sale prices from approximately \$576,000 to \$609,000.

Respondent next commented on Appellant's CMA. Respondent first pointed out all nine (9) sales occurred after the January 1 date of valuation. Respondent similarly pointed out various differences between the properties and subject that were not adjusted for such as lot size, square footage, and location. Only one sale in the CMA was in subject's immediate area, which was also Sale No. 4 in Respondent's analysis. Overall, Respondent felt its analysis was stronger because all the sales were from the immediate neighborhood and had tighter ranges in age, residence square footage, and lot size compared to the CMA. Respondent lastly noted a CMA merely provides data points as it

makes no adjustments and does not otherwise account for differences in property characteristics.

### 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, 2022, 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 provided sales for the Board's consideration. Appellant provided a CMA, which provided sales information for nine (9) 2022 sales and a suggested listing price if subject were to be listed on the market as of June 2022. However, the CMA is not a market value appraisal; if it were, it would include adjustments to make the sales more

comparable to subject. Additionally, all of Appellant's sales occurred after the assessment date of January 1. Against the other value evidence in the record, the Board does not view the CMA as sufficient evidence to determine an accurate market value estimate for assessment purposes.

Respondent on the other hand provided a traditional sales comparison analysis which included many different adjustments on three (3) sales in subject's same neighborhood. Respondent also demonstrated its sales were closer in proximity, size, and other key characteristics to subject. While Respondent's other two (2) sales occurred after January 1, they were mainly used to test Respondent's time adjustment factor. More weight in the analysis was placed on the 2021 Cedar Park sales.

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. The burden of proof was not met in this instance. While the Board appreciated Appellant's sales information, there were no time adjustments made to show how the properties would have sold on January 1, nor other adjustments for differences compared to subject. Respondent's analysis more closely aligned with sound appraisal practice and, in the Board's view, therefore portrayed a more accurate market value conclusion. The Board 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 22<sup>nd</sup> day of December, 2022.