

BEFORE THE IDAHO BOARD OF TAX APPEALS

BRYAN NYHOF,)	
)	
Appellant,)	APPEAL NO. 22-A-1055
)	
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. R0768300600. The appeal concerns the 2022 tax year.

This matter came on for hearing September 27, 2022, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Bryan Nyhof was self-represented. Ada County Chief Deputy Assessor Brad Smith 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 modified.

FINDINGS OF FACT

The assessed land value is \$209,000, and the improvements' value is \$646,000, totaling \$855,000. Appellant contends the correct land value is \$182,000, and the improvements' value is \$630,050, totaling \$752,050.

The subject property is a .22 acre lot located in the Bainbridge Connection Subdivision in Meridian, Idaho. The property is improved with a 2,539 square foot ranch-

style dwelling constructed in 2019. The subject is further improved with a three-car attached garage.

Appellant questioned the recent increase in assessed value, challenging Respondent's utilization of mass appraisal and use of comparable sales argued to not truly compare with subject's residence. Appellant cited concerns that Respondent's mass appraisal technique does not take into account specific property attributes. Specifically cited were concerns regarding the west-facing orientation of the lot and the shared driveway. Appellant believes these attributes are why the lot was listed and purchased for less than other lots in the Bainbridge development. Appellant asserted the property directly adjacent to subject was currently listed for \$80,000 less than the current 2022 assessment of \$624,900 and not receiving any offers. Appellant offered this as further evidence subject's current assessment is in excess of market value.

Appellant presented four (4) sales in support of their requested value reduction. Appellant attempted to find sales close in proximity to subject property as well as similar in square footage, age and quality of finishing. Sale A was a .21 acre lot located .80 miles from subject which sold January 27, 2022, for \$829,000. The property was improved with a 2,700 square foot dwelling constructed in 2019. Sale B was a .21 acre lot located 1.7 miles from subject which sold November 8, 2021, for \$770,000. The property was improved with a 3,077 square foot residence constructed in 2018. Sale C was a .20 acre lot located 1.3 miles from subject which sold January 15, 2022, for \$795,000. The property was improved with a 2,562 square foot dwelling constructed in 2018. Sale D was listed on Appellant's spreadsheet, but no MLS data was provided. According to Appellant, this comparable was a property which sold December 27, 2021, for \$750,000. The property

was improved with a 2,350 square foot residence constructed between one (1) and five (5) years ago. Appellant determined the average dollar per square foot of these sale properties to be approximately \$295 per square foot and noted this to be much lower than the subject's current assessed value of approximately \$349 per square foot. Appellant contended that, based on this average price per square foot, subject is over-assessed by as much as \$135,639.

Respondent provided information for five (5) residential sales which occurred in 2021 in support of subject's assessment. Sale No. 1 was the subject property which sold March 8, 2021, for \$630,000. Sale No. 2 was a .24 acre lot located .60 miles from subject which sold December 17, 2021, for \$850,000. The property was improved with a 2,542 square foot residence constructed in 2018. Sale No. 3 was a .17 acre lot located 1.0 miles from subject which sold December 2, 2021, for \$825,000. The property was improved with a 2,575 square foot dwelling constructed in 2019. Sale No. 4 was a .25 acre lot located .60 miles from subject which sold October 20, 2021, for \$859,900. The property was improved with a 2,589 square foot dwelling constructed in 2017. Sale No. 5 was a .21 acre lot located .70 miles from subject which sold January 10, 2022, for \$885,000. The property was improved with a 2,598 square foot dwelling constructed in 2019. Respondent adjusted each sale price for time of sale, then directly compared each property to subject and made adjustments for differences in property characteristics. Respondent calculated adjusted sale prices ranging from \$784,800 to \$861,300, or roughly \$309 to \$339 per square foot. Subject is assessed at \$855,000, or roughly \$337 per square foot.

Respondent provided an additional ten (10) sales which occurred in 2021 in the Bainbridge development, including subject's own sale. These sales, though not directly compared to the subject, were submitted to represent market trends in subject's same development. Sale parcels were located between .60 to 1.3 miles from subject and ranged in lot size from .17 to .32 acres. The sale dwellings ranged in effective age from three (3) to six (6) years and had square footages from 2,445 to 2,670 square feet. Sale prices for these properties ranged from \$630,000 to \$1,008,000.

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 developed an opinion of value utilizing the sales comparison approach. Efforts to provide timely sales were well received by the Board. Appellant provided sales information on four (4) properties. As no MLS information was provided on Sale D, the Board was unable to utilize that sale in its analysis. Sales A, B, and C were similar to subject in size, location, and quality, and sold between \$770,000 and \$829,000. These sales were factored into the Board's consideration of subject's current value.

Appellant described for the record a number of locational detriments that were not reflected in subject's most recent assessment, nor in the comparable sales provided by either party. The shared driveway and lack of street frontage is reflected in Appellant's lower purchase price as well as the current asking price of subject's adjacent neighbor which shares the same negative influence.

In terms of support for subject's current assessed value, Respondent provided information on ten (10) sales. Five (5) sales, including subject's own sale, were directly compared to subject, resulting in net adjusted sale values of \$784,800 to \$861,300. While Respondent's comparable properties were closer in proximity to subject and were adjusted for variances in property characteristics, none of the sale properties shared the same negative attributes (shared driveway, lack of direct street access, western orientation) as subject does. Respondent's own analysis calculated subject's time-adjusted sale price at \$784,800, over \$70,000 less than subject's 2022 assessed value of \$855,000.

While the Board understands one (1) sale does not make a market, subject's time-adjusted sale price of \$784,800 falls well within the range of the other sale prices provided by both parties. This adjusted value also inherently reflects the negative influence of a shared driveway and lack of street frontage because it is based on subject's actual arm's-length purchase price.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Based on the record before us, Appellant provided four (4) sales of comparable properties which all sold for less than subject's current assessed value. And Respondent's own sales analysis reflects a time-adjusted sale price of \$784,800 for subject.

Based on sales data from both parties, the Board finds the burden of proof satisfied. However, we did not find sufficient evidence to support the valuation requested by Appellant. The decision of the Ada County Board of Equalization is modified, setting the assessed value to \$784,800.

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, MODIFIED, setting the assessed value at \$784,800, with \$185,400 attributable to the land and \$599,400 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 13th day of February, 2023.