

BEFORE THE IDAHO BOARD OF TAX APPEALS

DANIEL ARMAGOST,)	
)	
Appellant,)	APPEAL NO. 22-A-1011
)	
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. R6925700307. The appeal concerns the 2022 tax year.

This matter came on for telephonic hearing on November 1, 2022, before Hearing Officer Travis VanLith. Appellant Daniel Armagost was self-represented. Ada County Chief Deputy Assessor Brad Smith represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis 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 value of the improvements is \$551,100. Appellant contends the correct value is \$412,866.

The subject property is a 1,180 square foot condominium unit constructed in 1973. The unit is located on the third floor of the Park View East Condominiums Complex in Boise, Idaho.

Appellant questioned the increase in subject's most recent assessment and contended the value was not supported by current market sales. Both parties analyzed the same six (6) sales in support of their respective valuations. Sale No. 1 was a 975 square foot condominium constructed in 1964 which sold in September 2021 for \$498,000. Sale No. 2 was a 1,629 square foot condominium constructed in 1973 which sold in May 2021 for \$650,000. This condominium was located in the same complex as subject. Sale No. 3 was a 1,144 square foot condominium constructed in 1929 which sold in October 2020 for \$525,000. Sale No. 4 was a 973 square foot condominium constructed in 1964 which sold in May 2021 for \$369,900. Sale No. 5 was a 926 square foot condominium constructed in 1964 which sold in December 2021 for \$292,500. Sale No. 6 was a 926 square foot condominium constructed in 1964 which sold in December 2021 for \$310,000.

Appellant challenged the compatibility of several of the sale properties. Sale Nos. 1, 3, and 4 were all located in downtown Boise, where subject is located in a more residential area. Appellant asserted these downtown units sold approximately 20% higher per square foot than the three (3) sales located in more residential areas, stating an average of roughly \$489 per square foot downtown compared to an average of roughly \$408 per square foot in residential areas. Appellant maintained the location was not properly accounted for in Respondent's analysis. Appellant further contended Sale No. 3, constructed in 1929, should be excluded because there were newer sale properties to choose from.

Appellant's value conclusion derived primarily from Sale Nos. 2, 5, and 6, which were all located in the Crescent Rim residential area outside downtown Boise. In

Appellant's opinion, these three (3) sales were most comparable to subject by location, utility, and buyer group. These three (3) units sold for between \$292,000 and \$650,000. According to Appellant, the sales had an average adjusted selling price of roughly \$408 per square foot, compared to subject's valuation at roughly \$467 per square foot. Respondent remarked Sale No. 2 was in subject's same complex and sold for the highest adjusted price and the second highest adjusted price per square foot at \$621,800, or roughly \$527 per square foot. Respondent further remarked Sale Nos. 5 and 6 were in an inferior complex with no garage parking, no pets allowed, and no washer/dryer hookups in the individual units. Additionally, these two (2) sales had very few updates, whereas subject, according to the most recent MLS listing, had a full remodel in 2014.

In Respondent's analysis of the same six (6) sales, each sale was adjusted for time of sale then directly compared to subject with adjustments made for differences in property characteristics. After all adjustments, Respondent concluded adjusted sale prices from \$401,400 to \$654,000, or roughly \$340 to \$554 per square foot. Respondent asserted subject was assessed well within the indicated range at \$551,100, or roughly \$467 per square foot. Respondent explained each condominium complex had unique CCRs and attributes so there were no "perfect" comparable sales. Condominium sales are somewhat limited, so Respondent chose these particular sales to bracket subject, some superior and some inferior. Sale Nos. 1, 2, and 3 were all remodeled like subject, and Sale Nos. 2, 5, and 6 were closest in proximity.

In further support of a lowered assessment, Appellant described a sale which occurred in February 2022. This condominium unit was located in subject's same complex and sold for roughly \$292 per square foot. Respondent attributed the lower price rate to

the size of the unit, noting the sale unit was 2,800 square feet compared to subject's 1,100 square feet. Respondent explained economies of scale dictate as the size increases, the value per square foot decreases.

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 property characteristics between subject and the sale properties.

Both parties analyzed the same sales information and developed an opinion of value utilizing the sales comparison approach. Appellant focused primarily on Sale Nos. 2, 4, and 5. Sale Nos. 5 and 6 had gross adjustments of 37% to 39%, which suggest a

high level of dissimilarity to subject and that those sales should not be given as much weight. Sale No. 2, located in subject's same complex, was most similar in physical attributes and geo-economic influence to subject and also sold for the highest price, at \$650,000. The Board failed to see how this sale supports a decrease in subject's valuation.

The Board found Respondent's analysis to be a better representation of subject's value. The Board recognizes that, as no perfect comparable properties were available, Respondent bracketed subject with sale properties that were both superior and inferior in location and property characteristics in order to highlight subject was well within the presented range of values and was neither over- or under-assessed in comparison.

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 satisfied in this instance. The Board did not find sufficient evidence to disturb subject's assessed value. 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 19th day of April, 2023.