

BEFORE THE IDAHO BOARD OF TAX APPEALS

ROBERT DEELY,)	
)	
Appellant,)	APPEAL NO. 22-A-1018
)	
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. R3616300012. The appeal concerns the 2022 tax year.

This matter came on for hearing October 25, 2022, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Robert Deely 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 land value is \$625,400, and the improvements' value is \$1,146,200, totaling \$1,771,600. Appellant contends the correct total value is \$1,239,084.

The subject property is a 10.04 acre parcel located in the Highlander Estates subdivision in the foothills of Eagle, Idaho. The property is improved with a 2,682 square foot single-story residence with three (3) bedrooms and two (2) bathrooms, a 700 square

foot “pool house” with one (1) bathroom, a 1,116 square foot detached garage which includes a one-half (½) bathroom, plus a 592 square general purpose building/pavilion which has a roof but is not enclosed.

Appellant purchased the subject property as a vacant parcel in 2017 for \$250,000, then built the residence and other improvements in 2018 for \$500,000. The property sits on two (2) adjacent hillsides which slope into a valley. The property had to be partially excavated to create a site for the improvements. Appellant clarified the “pool house” is currently used as a recreation room because a pool was never installed. Appellant described the residence as custom built with economy and minimal maintenance in mind. The roof and siding are metal, the land is dry scape with natural vegetation and almost no landscaping, there is no fencing, and the entire residence is floored with recycled barn wood. Appellant stated there were very little high-quality materials used in building the improvements. Appellant stated there is a fireplace on the pavilion, which Respondent noted is not on the property record and will need to be added.

Appellant next stated the “whole” crawl space has mold, rendering the residence unsellable. Appellant provided a letter from a local building maintenance company dated October 18, 2018, stating mold was present but not actively growing. Appellant testified the mold is still an issue as of 2022. No specific remedial costs were provided in the letter, but Appellant opined the problem would cost \$20,000 to remedy.

Appellant offered information on five (5) sales Respondent presented to the county board of equalization which Appellant argued demonstrate subject is overvalued. Appellant testified all the sale properties were within view of subject. Two (2) of the sales occurred in subject's neighborhood, one (1) of which was on subject's street. The

remaining three (3) were in the neighboring Stillwell subdivision. The five (5) sales regarded properties between 5.15 and 10.02 acres with residences from 2,860 to 4,836 square feet which were built from 1981 to 2018. All residences had more bedrooms and bathrooms than subject. Sale prices ranged from \$1,422,000 to \$2,000,000, or roughly \$310 to \$577 per square foot. Appellant also noted the sale properties included additional features subject did not enjoy such as barns, corrals, RV parking, and fencing. Appellant expressed concern subject's neighbors were assessed at lesser per-square-foot rates, but no specific information was provided regarding this claim.

Appellant maintained, contrary to Respondent's property record, the residence has only two (2) bedrooms. Appellant provided a statement from a realtor describing how the market prefers residences with three (3) or more bedrooms. The realtor cited a 2022 market study which demonstrated 93% to 97% of home buyers prefer three (3) bedrooms or more.

Respondent spoke to Appellant's claims regarding subject's bedroom count. Respondent provided the residence's floor plan and explained a bedroom is defined as an enclosed space with a door, closet, and window. The "Guest/Office" room, and of course the two (2) labeled bedrooms, satisfy all three (3) of these requirements and is therefore considered a bedroom both in the market and for assessment purposes. Respondent also clarified the three and one-half (3½) bathrooms reflected on the property record includes all bathrooms on the property: two (2) in the residence, one (1) in the "pool house," and one-half (½) in the garage. Respondent additionally clarified the solitary toilet in the garage is considered a one-half (½) bathroom because there is no designation

smaller in its appraisal software. Even though there is no sink, it is considered a bathroom because there is a toilet.

Regarding Appellant's concerns with the assessment rate, Respondent explained residences are not assessed on a per-square-foot basis because there are too many factors which affect value such as quality, size, and location. Respondent also shared that larger homes usually have a lower value per square foot. Respondent explained per-square-foot valuation rates may be utilized as a comparison tool, but only to measure reasonability, not to value a residence.

Respondent described subject as a "view lot property" and stated the rate of value increase in the subdivision from 2021 to 2022 ranged from approximately 42% to 77%. Subject's value increased 44.5%, which Respondent noted is on the low end of that range.

Respondent provided information on three (3) sales to support subject's assessed value. Sale No. 1 was a 10.23 acre property approximately 650 feet from subject with the same desirable view. The property sold for \$2,000,000 in October 2021. It was improved with a 3,601 square foot residence with five (5) bedrooms, four (4) bathrooms, and a 1,025 square foot attached garage built in 2005. Respondent reported an adjusted sale price of \$2,014,418, or roughly \$596 per square foot. Sale No. 2 was a 5.0 acre property which sold for \$1,525,000 in July 2021. The property was improved with a 2,688 square foot residence with four (4) bedrooms, four (4) bathrooms, and a 936 square foot garage built in 1986. The adjusted sale price was \$2,017,729, or roughly \$597 per square foot. Sale No. 3 regarded two parcels totaling 5.50 acres which sold in September 2021 for \$1,650,000. The property was improved with a 2,860 square foot residence with four (4) bedrooms, three (3) bathrooms, and a 936 square foot garage built in 1998. The adjusted

sale price was \$2,075,795, or roughly \$614 per square foot. Subject is currently assessed at \$1,771,600, or roughly \$524 per square foot, which Respondent noted is below all the adjusted sale prices.

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.

Appellant offered five (5) sales to compare with subject's current assessment. However, Appellant provided no direct comparison and did not apply adjustments to the

sale prices to make the properties more comparable to subject, so the Board unfortunately could not easily correlate subject's value to the provided sale prices.

The Board was likewise not persuaded a reduction in value should be made regarding the mold issue. The only information provided was a statement from 2018 and Appellant's own estimated cost to cure of \$20,000. With nothing to substantiate this amount, such as a bid from a contractor, there was insufficient evidence to support a value reduction.

Respondent provided information on three (3) sales and adjusted them for various differences compared to subject. The Board was curious as to why no actual or effective age adjustments were made, as the sale residences had actual ages between seventeen (17) and thirty-six (36) years, and effective ages from one (1) to seventeen (17) years. Subject's actual and effective age is four (4) years. However, where Respondent made adjustments for other key differences and Appellant provided no competing analysis, there is no information in the record to suggest subject is not assessed at market value.

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 Board did not find the burden of proof satisfied in this instance. Appellant provided no direct sales analysis or other information to support a reduction in subject's value, and the market evidence submitted by Respondent demonstrated subject's value is fair and equitable. 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 13th day of March, 2023.

IDAHO BOARD OF TAX APPEALS