

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOLAN AND ELISABETH KEENEY,	)	
	)	
Appellants,	)	APPEAL NO. 24-A-1006
	)	
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. R9374000087. The appeal concerns the 2024 tax year.

This matter came on for hearing October 15, 2024, in Boise, Idaho, before Board Member Leland Heinrich. Appellants Dolan and Elisabeth Keeney were 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 \$153,000, and the improvements' value is \$494,900, totaling \$647,900. Appellants contend the correct total value is \$590,000.

The subject property is a .22 acre parcel located in the Whitehead subdivision in Boise, Idaho. The property is improved with a 2,480 square foot two (2) story triplex built

in 2004. The triplex has a total of six (6) bedrooms and three and one-half (3½) bathrooms.

Appellants' primary concern was subject's assessment increase compared to other triplexes in Ada County. Where subject's value increased by around 9.5%, Appellants shared other triplexes in the county saw assessment decreases of roughly 10%. Appellants stated they want subject's 2024 assessment to be the same as the 2023 assessment.

In support of a reduction in subject's assessment, Appellants shared information on four (4) 2023 triplex sales. Sale No. 1 was a .14 acre lot improved with a 2,455 square foot triplex with five (5) bedrooms and four (4) bathrooms built in 1955. The property sold in July 2023 for \$650,000. Appellants additionally shared this property's assessment decreased by \$59,200 from 2023 to 2024.

Sale No. 2 was a .13 acre lot improved with a 2,316 square foot triplex with four (4) bedrooms and three (3) bathrooms built in 1910. The property sold in June 2023 for \$692,500. The property's assessment decreased by \$64,400 between 2023 and 2024.

Sale No. 3 was a .08 acre lot improved with a 2,244 square foot triplex with three (3) bedrooms and three (3) bathrooms built in 1895. The property sold in August 2023 for \$695,000. From 2023 to 2024, this property's assessment decreased by \$61,200.

Sale No. 4 was a .15 acre lot improved with a 2,624 square foot triplex with five (5) bedrooms, three (3) full bathrooms, and two (2) one-half (½) bathrooms built in 1971. The property sold in August 2023 for an effective sale price of \$565,000 after deducting a \$10,000 sales concession. This property's assessed value decreased by \$59,700.

Appellants also shared monthly rental rates for each sale property: \$4,295, \$3,700, \$3,315, and \$3,345 respectively. Subject's rents total \$3,450.

Appellants additionally shared information on two (2) duplexes which sold in subject's Central Bench area. Sale No. 5 was a .19 acre lot improved with a 2,340 square foot duplex with six (6) bedrooms and four (4) bathrooms built in 2001. The property sold in September 2023 for \$685,000, which Appellants noted was \$25,000 over its 2023 assessment. Appellants also shared the assessed value decreased by \$128,300 for 2024. Rental rates totaled \$4,250.

Lastly, Sale No. 6 was a .23 acre lot improved with a 1,920 square foot duplex with five (5) bedrooms and three (3) bathrooms built in 1978. The property sold in October 2023 for an effective sale price of \$499,000. Its 2023 assessment was \$587,500, which was reduced by \$105,000 for 2024. Rental rates for this duplex were not shared. Overall, Appellants argued the multi-family market sales in Ada County demonstrate subject was overvalued for 2023 and is still overvalued for 2024.

Respondent shared subject's valuation was trended for 2024 and increased by 9.81% from 2023, which was consistent with other newer triplexes in the area. Respondent noted finding newer triplexes in Boise was difficult, as most were built between the early 1900s and the 1970s. Specifically, Respondent stated there were no recent sales of triplexes built after 1978, twenty-six (26) years before subject was built.

To support subject's current valuation, Respondent conducted multiple analyses. First, Respondent provided information on four (4) triplex sales. Respondent adjusted sale prices to account for differences between subject and the sale properties including gross living area, bedroom and bathroom count, and age. Sale No. 1 was the same

property as Appellants' Sale No. 1. The sale regarded a .14 acre lot roughly one (1) mile from subject improved with a 2,455 square foot triplex with five (5) bedrooms and three (3) bathrooms was built in 1955, as well as two (2) carports. The property sold in July 2023 for \$650,000. After adjusting for differences, Respondent reported an indicated value of \$674,900, or roughly \$272 per square foot. Respondent was unable to determine rental rates.

Sale No. 2 regarded the same property as Appellants' Sale No. 4. The property was a .15 acre lot 2.4 miles from subject improved with a 2,560 square foot triplex with five (5) bedrooms and four (4) bathrooms built in 1971. The square footage included 1,728 square feet on the main level and 832 square feet in the basement. The property sold in August 2023 for \$575,000, which Respondent noted was \$75,000 below the asking price. The adjusted sale price was \$616,100, or roughly \$248 per square foot. Respondent noted rents totaled \$3,345 and calculated a gross rent multiplier (GRM) of 172.

Sale No. 3 was a .29 acre lot 5.8 miles from subject improved with a 3,360 square foot triplex with six (6) bedrooms and four and one-half (4½) bathrooms built in 1978. Each of the three (3) units had its own 264 square foot attached garage. The property sold in October 2023 for an effective sale price of \$709,900. The adjusted sale price was \$638,700, or roughly \$258 per square foot. Rents totaled \$4,290, and the GRM was 165.

Sale No. 4 was a .24 acre lot 4.7 miles from subject improved with a 2,225 square foot single-level triplex with six (6) bedrooms and three (3) bathrooms built in 1962. The property sold in August 2023 for \$785,000. The adjusted sale price was \$654,700, or roughly \$264 per square foot. Rents totaled \$3,100, and the GRM was 253.

Overall, the sales analysis yielded a range of values between \$616,100 and \$674,900, or roughly \$248 to \$272 per square foot and GRMs from 165 to 253. Subject's current assessment is \$647,900, or roughly \$261 per square foot. Subject's GRM is 187.

Respondent's next analysis focused on 2023 sales of duplexes, and its purpose was to determine the typical GRM for income-producing properties similar in age to subject in the Central Boise Bench area. Property No. 1 was built in 2009 and rents totaled \$2,800. The property sold for \$548,000, resulting in a GRM of 196. Property No. 2 was also built in 2009, with rents totaling \$2,049. The property sold for \$559,000, and the GRM was 273. Property No. 3, built in 2007, had rents totaling \$3,000, a sale price of \$615,000, and a GRM of 205. Lastly, Property No. 4, which was Appellants' Sale No. 5, was built in 2001, with rents totaling \$4,250. The property sold for \$685,000, resulting in a GRM of 161.

Utilizing the GRM data from both above analyses, Respondent completed two (2) studies determining the typical GRM for subject's property type and location. For the triplex sales, GRMs ranged between 165 and 253. Respondent calculated the average and median GRM, 197 and 172, respectively, then applied subject's actual rent to these figures. Respondent explained subject's actual rent was used because it is considered to be at market rate. This resulted in an estimated market value of \$593,000 to \$679,200. In the duplex analysis, GRMs ranged between 161 to 273, with an average of 209 and a median of 200. Applied to subject's rent, these suggested a market value of \$691,200 to \$719,900 for subject. Finally, utilizing data from both analyses, Respondent calculated an overall average GRM of 204 and a median of 196. Respondent reported value indications

of \$675,200 to \$702,500 for this final GRM analysis. Subject is currently assessed at \$647,900.

Respondent's fourth and final analysis regarded sixty-eight (68) duplex, triplex, and fourplex properties which sold in 2023. Respondent stated the analysis included all such properties with available rental information, excluding those which were pre-sold at auction then listed again, had questionable sale terms, or other abnormal sale conditions. Respondent displayed the data on three (3) scatter plot graphs which included sale price and monthly income, along with subject's income and assessed value. The first scatter plot include all sixty-eight (68) sales, the second considered only the ten (10) within ten (10) years of subject's age, and the third only included the eight (8) triplex sales. On all scatter plots, subject fell somewhat in the middle. Overall, Respondent opined the scatter plots and analysis demonstrated subject's rent and market value assessment are in-line with the typical Boise market for similar properties.

Respondent also addressed Appellants' concern with subject's assessment increase. It was noted that, while the properties in Appellants' sales analysis did decrease in assessed value from 2023, they are all still assessed higher than subject. Respondent argued this suggests that differences in assessment changes were warranted to make assessed values more uniform.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having

considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2024, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“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. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). 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 the differences in property characteristics between subject and the sale properties.

Appellants provided information on four (4) triplex sales and two (2) duplex sales in Boise. The triplexes ranged in size from 2,244 to 2,624 square feet and sold in 2023 with sale prices between \$565,000 and \$695,000. Appellants shared the assessments of these sale properties decreased \$59,200 to \$64,400 from 2023. The duplexes were 2,340 and 1,920 square feet and sold in 2023 for \$685,000 and \$499,000. Appellants shared the assessments decreased by \$128,300 and \$105,000 from 2023. Subject is 2,480 square feet, assessed at \$647,900, and its assessment increased by \$57,900 from 2023.

While the Board was appreciative of Appellants' sales information, there were some concerns with the lack of a traditional sales comparison analysis. Primarily, Appellants did not adjust for differences between subject and the sale properties to make them comparable. Additionally, Appellants' analysis was more concerned with assessment information than the sale prices themselves, as Appellants' main concern was with other triplex and duplex properties decreasing in assessed value while subject saw an increase. A comparison of assessed values is not a recognized appraisal approach which would lead to an accurate estimate of market value, but it can demonstrate assessment inequity. However, the Board sees no evidence of inequity here, especially where the compared triplex properties were 33 to 109 years older than subject. Additionally, as Respondent pointed out, all the properties in Appellants' analysis are assessed higher than subject.

Respondent provided multiple comparable sales and analyses in support of subject's current valuation. Respondent's sales analysis included adjustments for differences between subject and the sale properties and resulted in value conclusions between \$616,100 and \$674,900, which bracket subject's current valuation of \$647,900.

Respondent also provided rent information and calculated GRMs which supported its claim subject is fairly and equitably assessed. GRMs ranged between 161 and 273, resulting in value indications from \$675,200 to \$702,500. Subject's GRM of 187 is also bracketed by actual market GRMs, which indicates subject's rent and assessment are fair approximations of its value in the market.

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



was not met in this instance. Appellants relied mainly on a comparison of assessed values, which did not demonstrate inequitable assessment in this case. Respondent supplied a considerable amount of comparable sales, with adjustments made for differences, and GRMs which closely approximated subject's current assessment. Overall, nothing in the record indicates subject is overvalued. As such, 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 11<sup>th</sup> day of December, 2024.