

BEFORE THE IDAHO BOARD OF TAX APPEALS

SALWASSER-TRAMMELL TRUST,)
)
Appellant,) APPEAL NOS. 25-A-1053,
) 25-A-1054, and 25-A-1055
v.)
) FINAL DECISION AND ORDER
ADA COUNTY,)
)
Respondent.)
)
)
_____)

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Ada County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by Parcel Nos. R1756000340, R1756000345, and R1756000350. The appeals concern the 2025 tax year.

These matters came on for hearing October 23, 2025, in Boise, Idaho, before Hearing Officer Travis VanLith. Trustee Kim Salwasser appeared at hearing for Appellant. Ada County Appraisal Manager Erin Brady represented Respondent.

Board Members Kenneth Nuhn and Doug Wallis join in issuing this decision.

The issues on appeal concern the market value of three (3) improved residential properties.

The decisions of the Ada County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. R1756000340 (Appeal No. 25-A-1053)

The assessed land value is \$279,300, and the improvements' value is \$425,600, totaling \$704,900. Appellant contends the correct land value is \$244,200, and the improvements' value is \$405,800, totaling \$650,000.

Parcel No. R1756000345 (Appeal No. 25-A-1054)

The assessed land value is \$279,300, and the improvements' value is \$425,600, totaling \$704,900. Appellant contends the correct land value is \$244,200, and the improvements' value is \$405,800, totaling \$650,000.

Parcel No. R1756000350 (Appeal No. 25-A-1055)

The assessed land value is \$279,300, and the improvements' value is \$405,800, totaling \$685,100. Appellant contends the correct land value is \$244,200, and the improvements' value is \$405,800, totaling \$650,000.

The subject properties are three (3) adjacent two-story fourplex buildings on .18 acre lots located a couple miles west of downtown Boise, Idaho. The subject buildings, constructed in 1971, are each comprised of four (4) 840 square foot, two (2) bedroom, one (1) bathroom units. The units do not have a central HVAC system, relying instead on wall-mounted air conditioners and baseboard heaters. The units do not have washer and dryer hookups, though each building includes a laundry facility for tenants. It was noted the units each have a modest patio and porch, as well as a small storage area. There is no covered parking, but each unit has assigned parking.

Appellant was concerned with subjects' current assessed values and questioned whether they were consistent with values of other properties in the area. Appellant first focused on subjects' land value compared to assessed land values of three (3) sale properties shared by Respondent and three (3) other properties in subjects' neighborhood. The sale parcels ranged in size from .13 to .30 acres, with assessed land values from \$898,366 to \$2,215,385 per acre, and the referenced parcels from subjects' neighborhood varied from .21 to .33 acres in size, with land values from \$1,018,563 to

\$1,405,238 per acre. The subject parcels, each .18 acres in size, are assessed at \$279,300, or \$1,509,730 per acre, which Appellant viewed as excessive.

Appellant also shared some general county trend data regarding land values over the prior year. According to Appellant, vacant residential land values in Ada County increased an average of 1.6%, with a median increase of 6.7%. And land values for improved residential properties increased 5.1% on average, with a median of 5.4%. By contrast, subjects' land values increased 14.6% over the prior year's assessments, which again was characterized as excessive by Appellant.

Another concern expressed by Appellant was that the 2025 assessed values of the three (3) above-referenced sale properties were less than their respective sale prices. Appellant reported the assessed values of the sale properties were 2.4% to 9.7% below their respective sale prices. Respondent explained assessed values are determined through studies of all market activity, not simply the sale price of a particular property. So, while a property's sale price is considered in the context of the broader market, the sale price alone does not determine that property's assessed value.

In an alternative analysis, Appellant offered historical value estimates from Zillow concerning the subject properties and the three (3) sale properties from above. Zillow estimated subjects' values at roughly \$750,000 in January 2024 and nearly \$730,000 in January 2025, indicating a downward market trend. By contrast, Zillow estimated higher January 2025 values for the three (3) sale properties than the respective 2024 sale prices. Based on this, Appellant contended subjects' values should have decreased for 2025, not increased.

Lastly, Appellant developed value estimates using the Gross Rent Multiplier (GRM) valuation method. Appellant contended the GRM method was most appropriate for valuing subjects because they are income-producing properties. Appellant referred to an internet source which reported a GRM of 12.14 for apartment buildings in the Boise Metropolitan Statistical Area (MSA) constructed between 1950 and 1979. Applying a 12.14 GRM to subjects' actual rents, Appellant calculated values from \$522,846 to \$590,004 for the subject properties, with an average of \$554,264. Appellant claimed a GRM factor of 15 or 16 would be needed to reach subjects' assessed values. In all, Appellant regarded subjects' assessed values as above-market and petitioned the values be reduced to \$650,000 for each subject property.

Respondent first explained the reason two (2) of the subject properties were assessed at \$704,900 and one (1) at \$685,100 was due to an administrative error while inputting values into the computerized assessment system. The subject properties are identical, so Respondent intended all three (3) to be assessed at \$704,900. Respondent stated the error would be corrected for next year's assessment.

In support of subjects' valuations, Respondent offered an analysis of nine (9) recent fourplex sales. There was some variance in unit type, but the bulk of sale fourplexes were comprised of two (2) bedroom, one (1) bathroom units. The sale buildings, constructed from 1924 to 1978, ranged in size from 2,304 to 3,700 square feet. Sale prices varied from \$756,000 to \$900,000. In addition to a .35% per month time adjustment to reflect pricing levels on January 1, 2025, Respondent also made adjustments for differences in gross living area and garage size. The result was adjusted sale prices from \$757,900 to \$955,200. According to Respondent, subjects' lower

assessed values of \$704,900 and \$685,100 reflect the condition of the roofs¹, as well as the lack of amenities, like central HVAC and washer/dryer hookups in the units.

Though Respondent regarded all the sales as reasonably comparable to the subject properties, Sale Nos. 1 and 2 were characterized as the most similar. These were adjacent .21 acre parcels improved with identical fourplex buildings comprised of 925 square foot two (2) bedroom, one (1) bathroom units constructed in 1971. Respondent noted the units did not have central HVAC, like subjects. However, unlike subjects which have designated parking for tenants, only street parking is available for tenants at the two (2) sale properties. Sale Nos. 1 and 2 each sold for \$900,000 in February 2023.

Regarding the GRM method advocated by Appellant, Respondent explained the sales comparison approach is the assessor's office's preferred methodology for assessing fourplex properties like subjects. That being said, Respondent calculated GRM factors for the nine (9) sales above using both market and contract rents to demonstrate subjects' assessed values are reasonable. Using market rental rates, Respondent reported GRM factors ranging from 11.08 to 14.08. With the exception of Sale Nos. 3 and 4, for which rental information was unavailable, Respondent calculated GRM factors from 12.2 to 15.9 using actual contract rents. By comparison, subjects' GRM, using market rental rates, is 13.33.

Lastly, Respondent shared some broad assessment information concerning fourplex properties in Boise. Looking at all fourplexes with no covered parking, Respondent reported an average 2025 assessed value of \$784,401 and a median value of \$783,700, which represented increases of 4.99% and 5.37%, respectively, over the

¹ Appellant did replace subjects' roofs in late 2025, but as of the January 1, 2025, date of assessment, the roofs were twenty-two (22) years old and in need of replacement.

2024 valuations. Narrowing the data set to only fourplex properties featuring two (2) bedroom, one (1) bathroom units, Respondent reported an average assessed value of \$798,225 and a median of \$823,800, or respective increases of 4.05% and 5.37% over the prior year. In all, Respondent maintained subjects' assessed values were reasonable and well supported by the available market data.

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, 2025, 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). Residential property is commonly valued using the sales comparison approach; however, residential property with an income component, such as a fourplex property, can also be evaluated using an income approach.

Appellant's primary focus centered on whether the subject properties were assessed equitably with other multi-family properties in the neighborhood, as well as several of Respondent's sale properties. Of particular concern was the land value component of the respective assessments. Appellant reported land values from \$898,366 to \$2,215,385 per acre for the referenced properties and stressed five (5) of the six (6) properties in the group had lower land value rates than the subject lots, at \$1,509,730 per acre. While the Board understands Appellant's concerns with the different assessment rates, a comparison of assessed values is not a recognized valuation approach and not regarded as the best evidence of current market value. Further, Respondent explained residential land in subjects' area is not assessed on a per-square-foot or per-acre basis, but rather as a component of an improved property's total value. According to Respondent, per-unit valuations are reserved for commercial land or development ground, as that is how such properties are often evaluated by market participants.

That being said, even if a per-unit valuation methodology was used to determine land values in the area, Appellant's comparative analysis failed to account for differences in lot size. With the exception of a .13 acre sale property located near downtown with a land value of roughly \$2,200,000 per acre, all the other parcels in the group were larger than the .18 acre subject lots, with sizes varying from .21 to .33 acres. Economies of scale naturally suggest that as the size of a parcel increases, the value per square foot, or per acre, decreases. The subject lots are the smallest, so it is not surprising they were assessed at a higher rate. And though subjects' land value rates were higher, they did not appear out of line or otherwise unreasonable. For example, the smallest property referenced by Appellant was a .21 acre lot assessed at \$1,405,238 per acre, which is

only marginally higher than the valuation rates of subjects' smaller lots. More importantly, despite the higher per-acre rates, subjects' overall land values are lower than all except one (1) of the properties in the group, which again is unsurprising given subjects' smaller lot sizes.

More generally, with respect to inequitable assessment, the Idaho Supreme Court has opined, “[w]hile the courts will not attempt to correct mere mistakes or errors of judgment on the part of the assessor or board of equalization, where intentional, systematic discrimination occurs, either through undervaluation or through overvaluation of one property or class of property as compared to other property in the county, the courts will grant relief.” *Anderson's Red & White Store v. Kootenai Cnty.*, 70 Idaho 260, 264, 215 P.2d 815, 817 (1950). The record here revealed no such discriminatory action. Rather, it was apparent to the Board the methodology used to determine subjects' land values was consistently applied.

Appellant acknowledged residential property is typically valued using the sales comparison approach; however, because subjects generate income, Appellant contended the Gross Rent Multiplier (GRM) income method was the more appropriate methodology. While the GRM method is a recognized approach, there were some concerns with Appellant's analysis. First, Appellant's GRM factor was applied to subjects' actual rents. This methodology, however, conflicts with Idaho Code § 63-208(3), which provides, “[w]hen establishing the real property market value for assessment purposes of income-producing property, the assessor may use one (1) or more market valuation methods, provided that the market value *shall not include contract rent* related to the

real estate only” (emphasis added). Instead of subjects’ actual rental income, market rents should have been used in the model.

It was also not clear how the 12.14 GRM factor used in Appellant’s analysis was determined. The source of the GRM factor was a website that reported a 12.14 GRM for apartment buildings in the Boise MSA constructed between 1950 and 1979. Presumably, the factor was developed using all multi-family property types in the Boise area. It did not appear to be specific to fourplex properties, which represent a distinct type of property not particularly comparable to other multi-family property types, such as a large apartment complex or a small duplex. Though Respondent did not utilize the GRM method, Respondent did calculate GRM factors for the sale properties used in its sales comparison approach. Using market rents, Respondent calculated GRM factors ranging from 11.08 to 14.08 for the sales and a GRM factor of 13.33 for subjects, which Respondent noted was near the middle of the indicated range.

In more direct support of subjects’ current valuations, Respondent offered an analysis of nine (9) recent sales. Each sale property was compared to subjects, and appraisal adjustments were made for key differences in property characteristics. Unadjusted sale prices ranged from \$756,000 to \$900,000, and adjusted prices varied from \$757,900 to \$955,200. Two (2) of the subject properties are assessed at \$704,900 and one (1) is valued at \$685,100, which values are notably lower than any sale price in the record, both adjusted and unadjusted. Given this, the Board was strained to find support for the lower valuations petitioned by Appellant.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subjects’ valuations are erroneous by a preponderance of the evidence. The Board did

not find the burden of proof satisfied in this instance. Appellant relied primarily on comparisons of assessed values, whereas Respondent developed a comparative sales model using recognized appraisal techniques. In all, the Board found subjects' assessed values reasonable against the available sales data and accompanying analysis.

The decisions of the Ada County Board of Equalization are affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Ada County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

DATED this 5th day of January, 2026.