

BEFORE THE IDAHO BOARD OF TAX APPEALS

|                |   |                          |
|----------------|---|--------------------------|
| DEBRA RUDOLPH, | ) |                          |
|                | ) |                          |
| Appellant,     | ) | APPEAL NO. 25-A-1004     |
|                | ) |                          |
| 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. R5125500040. The appeal concerns the 2025 tax year.

This matter came on for hearing October 14, 2025, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Debra Rudolph was self-represented. Ada County Assessor Appraisal Division Manager Erin Brady 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 parcel.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$294,200, and the improvements' value is \$248,600, totaling \$542,800. Appellant contends the correct total value is \$500,000.

The subject property is a .23 acre lot in the Lakewood Subdivision in Boise, Idaho. Subject is improved with a 1,698 square foot single-story, 1974-built residence with three

(3) bedrooms and two (2) bathrooms. The property also includes a 482 square foot attached garage.

Appellant purchased the subject property in 2021 for \$515,000. After purchase, the exterior was painted, the vinyl flooring in the laundry room and the appliances in the kitchen were replaced, some roof repair was done, a cracked window was replaced, and “very minor” plumbing and electrical work was completed. The property is currently occupied by a tenant, and rent was stated to be \$2,400 per month.

Appellant provided a summary of the 2024 local market to support a lower valuation for subject. According to Appellant, there has been elevated market activity in subject’s area since the onset of the Covid pandemic due to a high number of people moving into the state. What was then a seller’s market has since transitioned to a buyer’s market due to high interest rates and a robust local labor market which drives demand and elevated prices. Due to higher mortgage rates, Appellant noted there is a reluctance to sell. Appellant stated residences 31 to 50 years old like subject sold roughly \$17,000 below listing prices in December 2024, and most listed properties were newer. In Appellant’s opinion, subject’s assessed value does not reflect the current market which appears to prefer newer, or updated, residences.

Appellant also shared information regarding five (5) sales and estimated the cost to bring subject to a similar condition as the sale properties. Estimates and invoices for jobs done on other properties Appellant remodeled or “flipped” in 2024 were used as proof of costs, except for the laminate flooring estimate for subject. Appellant stated these were used because subject is tenant-occupied and it would not be feasible to get quotes specifically for the subject property. Costs included sub-contractor fees and materials.

Appellant assumed electrical and plumbing updates were made to any residences with updated kitchens, as they usually go hand-in-hand. Though subject has been occupied by the same tenants since soon after Appellant's purchase of the property, Appellant stated updates would be required if the tenants ever left to make the property rentable to new tenants.

Sale No. 1 was a .18 acre lot improved with a 1,631 square foot residence with three (3) bedrooms and two (2) bathrooms built in 1976. The property had updated vinyl plank flooring, granite countertops, a gas fireplace insert, RV parking, a shed, walk-in closet, oversized brick patio, and an open concept living space. The property sold in May 2024 for \$542,000, or roughly \$332 per square foot. Appellant estimated it would cost roughly \$37,000 to upgrade the subject property to a similar condition as the sale property. Appellant opined this sale was the most similar to subject due to lot and residence size, age, and less updated bathrooms.

Sale No. 2 was a .22 acre corner lot improved with a 1,896 square foot residence with three (3) bedrooms and two (2) bathrooms built in 1987. The property had a remodeled en-suite bathroom, tiled shower, wood windows, hardwood floors, granite countertops, updated cabinets, an extended garage, and garden space. The property sold in June 2024 for \$615,000, or roughly \$324 per square foot. Excluding the price of extending the garage and adding wood windows, Appellant estimated it would cost roughly \$47,000 to upgrade subject to a similar condition as this sale property.

Sale No. 3 was a .21 acre lot improved with a 2,291 square foot two (2) story residence with three (3) bedrooms and two and one-half (2½) bathrooms built in 1981. The property had new carpet, granite countertops, painted cabinets, a gas fireplace, dual

vanities, and a separate dressing area. The property sold in November 2024 for \$649,900, or roughly \$284 per square foot. Appellant estimated it would cost roughly \$18,000 to upgrade subject to a similar condition.

Sale No. 4 was a .18 acre lot improved with a 2,039 square foot two (2) story residence with three (3) bedrooms and two and one-half (2½) bathrooms built in 1980. The property had a new roof installed in 2024, an HVAC and water heater installed in 2021, granite countertops, and updated vinyl flooring. The property sold in May 2024 for \$621,500, or roughly \$305 per square foot. Appellant estimated it would cost roughly \$13,000 to upgrade subject to a similar condition as this sale property.

Sale No. 5 was a .06 acre lot improved with a 1,717 square foot two (2) story residence with three (3) bedrooms and two and one-half (2½) bathrooms which was built in 2012. The residence had granite countertops and luxury vinyl plank flooring. The property sold in July 2024 for \$549,000, or roughly \$320 per square foot. Appellant shared this property was not located in subject's Lakewood subdivision, so had less access to parks, but was governed by a homeowner's association like subject.

Appellant also shared data on another sale, but it occurred after the January 1, 2025, effective assessment date. The property was located in subject's subdivision on a .21 acre corner lot. The property was improved with a 1,652 square foot 1973 residence with three (3) bedrooms and two (2) bathrooms. The property sold in March 2025 for \$628,000, or roughly \$380 per square foot. Appellant stated the property was fully remodeled, with granite countertops, an open layout, luxury vinyl plank flooring, a stone fireplace, updated bathrooms with tile and glass doors, an additional versatile living room space, and a new 2025 roof.

In comparison, subject is a .23 acre lot improved with a 1,698 square foot residence built in 1974. The cabinets are original and the countertops are laminate. The residence is assessed at \$542,800, or roughly \$320 per square foot. Appellant claimed the assessment should be \$500,000, or roughly \$294 per square foot.

Respondent questioned Appellant's use of cost adjustments instead of value, but Appellant opined costs equate to market value, "especially in a buyer's market." Respondent did not agree, stating contributory value varies depending on the particular update, but it generally does not equate dollar-to-dollar. Respondent shared value is calculated using paired sales analyses, as well as recalculating effective age and depreciation to account for updates. The parties agreed kitchen and bathroom remodels are closest when it comes to cost and value matching, but updates like RV parking, for example, likely will not get the return in value for the cost. All factors considered, Respondent opined it is best to rely on value rather than cost when adjusting for differences.

Respondent shared a market analysis which demonstrated there is a premium for properties located in Lakewood compared to like properties in different subdivisions. The analysis included three (3) paired sales analyses indicating a median \$60,000 locational influence on market value.

Respondent stated subject is of typical construction for the area and is a routinely updated residence with no major upgrades or remodeling. The value was trended upward 3.75% for 2025, which Respondent shared was consistent within the neighborhood, which saw assessment changes between -1.74% and 5.67%.

Respondent next shared information on three (3) sales, all of which were located in the Lakewood subdivision and improved with three (3) bedroom, two (2) bathroom residences like subject. Sale No. 1 was the same property as Appellant's Sale No. 1. It was located .3 miles from subject, and Respondent stated it had new flooring, a new fireplace insert, and newer kitchen countertops. It was observed to be well maintained with some signs of age. After adjusting for differences between subject and the sale property, Respondent concluded an adjusted value of approximately \$563,400, or roughly \$332 per square foot, utilizing subject's square footage.

Both parties agreed this sale was the most comparable to subject. Where subject is assessed at \$542,800, Respondent stated the \$20,000 difference adequately accounts for any condition differences which Appellant was concerned were not being considered in its assessment.

Sale No. 2 was a .23 acre cul-de-sac lot improved with a 1,921 square foot 1988 residence and a 709 square foot attached three (3) car garage. Respondent stated there have been no remodels to this property, noting it has the "original aesthetic" with routine updates such as flooring, paint, and modernized windows. The property sold in November 2024 for \$625,000. The adjusted sale price was approximately \$565,200, or roughly \$333 per square foot.

Sale No. 3 was a .10 acre cul-de-sac lot .5 miles from subject improved with a 1,926 square foot two (2) story 1977 residence and a 477 square foot attached garage. Respondent stated there have been no remodels, but the cabinetry and countertops were newer. The data sheet from the listing, however, indicated a "renovated" kitchen. The property sold in October 2023 for \$510,000, and the adjusted sale price was

approximately \$564,200, or roughly \$332 per square foot. Appellant expressed some concern with a 2023 sale being included, but Respondent stated the sale addressed Appellant's concern regarding condition's effect on value. According to Respondent, the interior condition was comparable to subject's, the residence was similar in age, and the property backed to a busy street like subject. Respondent stated the data was still relevant to the market as of January 1, 2025.

Overall, the adjusted sale prices ranged from \$563,400 to \$565,200. Reconciling the sales data and giving most weight to Sale No. 1 due to size, age, condition, and proximity, Respondent concluded a value of \$564,262 for subject, or roughly \$332 per square foot. Subject is currently assessed at \$542,800, or roughly \$320 per square foot.

To address Appellant's concern with subject's valuation increase and Lakewood property values in general increasing since subject's 2021 purchase, Respondent provided a scatterplot analysis of sales of single-level, single-family dwellings in Lakewood subdivision from two (2) time periods, October 2020 to March 2022 and October 2023 to April 2025, suggesting an appreciating market since subject's purchase. Subject's value has increased just 5.4% since its 2021 purchase, which Respondent stated was reasonable given the higher rate of market appreciation indicated by Respondent's Lakewood sales data. Overall, Respondent stated the 2025 assessed value of \$542,800 is fair and reasonable based on all market evidence.

#### 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). 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.

Both parties provided sales for the Board’s consideration but employed different techniques for comparison to subject. Appellant shared estimated costs to bring subject to a similar condition as the sale properties. This, however, is not consistent with accepted appraisal practice. First, most of the quotes and invoices provided were for other properties, whose comparability to subject was unclear. Second, and most importantly, cost and value do not necessarily align. The relevant inquiry is not how much a certain improvement costs, but rather how much the improvement adds to the overall value in the eyes of potential buyers. As Respondent pointed out, a paired sales analysis is

typically used to demonstrate contributory value, but nothing like this was offered by Appellant. Finally, in a proper sales analysis, adjustments are made to the comparable sales for differences in characteristics compared to the subject property.

Lack of traditional adjustments aside, the sale properties were generally similar to subject. However, the Board was not convinced they demonstrated subject was overvalued. The properties sold between \$542,000 and \$649,000, or roughly \$284 to \$332 per square foot. Notably, the large, two (2) story residences had the lowest per-square-foot sale prices, which follows economies of scale, dictating that larger residences typically sell less per-unit than smaller residences, and vice versa. Appellant's single-story comparable properties sold for \$332 and \$324 per square foot. Subject's assessment closely approximates these, at \$542,800, or roughly \$320 per square foot.

Respondent's sales analyses similarly demonstrated subject's assessment is reasonable. Respondent's comparable sales were all located in subject's subdivision and ranged in adjusted price from \$563,400 to \$565,200, or roughly \$332 to \$333 per square foot. Respondent put most weight on Sale No. 1, which both parties agreed was the most similar to subject, to reach a value conclusion of \$564,262 for subject. Where subject is currently assessed at \$542,800, the Board finds this value reasonable and considerate of subject's less renovated status.

Though from roughly four (4) years prior to the valuation date, the Board also found subject's 2021 sale price noteworthy. Appellant purchased the subject property for \$515,000, only roughly 5% lower than its 2025 valuation. And where Respondent shared multiple data sets demonstrating a higher rate of appreciation in subject's market, the Board found it difficult to accept subject's value should be lowered below its 2021

purchase price. Lastly, where subject's assessment is roughly \$20,000 below the market value indicated by Respondent's detailed sales analysis, the Board finds Respondent has adequately addressed any condition concerns.

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 met in this instance. Appellant offered comparable sales but did not adjust for differences in a manner aligning with accepted appraisal practice. The Board finds Respondent adequately accounted for Appellant's concerns, particularly regarding condition, and 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 8<sup>th</sup> day of December, 2025.