

BEFORE THE IDAHO BOARD OF TAX APPEALS

RENNISON HOMES, INC.,	)	
	)	
Appellant,	)	APPEAL NO. 23-A-1144
	)	
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. R8535530080. The appeal concerns the 2023 tax year.

This matter came on for hearing November 14, 2023, in Boise, Idaho, before Board Member Leland Heinrich. Property Manager Joshua Elliott appeared at hearing for Appellant. 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 \$500,000, and the improvements' value is \$369,000, totaling \$869,000. Appellant contends the correct total value is \$375,000.

The subject property is a .07 acre parcel located in the Truman Cove subdivision of Eagle, Idaho. The property is improved with a 2020-built 2,232 square foot two (2) story

townhome with three (3) bedrooms, two and one-half (2½) bathrooms, and a 513 square foot garage. The property backs to the subdivision's private lake.

At hearing, Appellant clarified the value of the improvements is not in dispute, but argued the land value should be lowered to around \$150,000 to \$165,000, which would decrease subject's total valuation to between \$519,000 and \$534,000.

Appellant provided information on one (1) sale from subject's neighborhood. The sale involved two (2) townhome lots from subject's subdivision purchased for \$310,000 in March 2023. Lot sizes were not clear. Appellant also provided some assessment information regarding vacant lots similar in size to subject located within a mile. All ten (10) lots were roughly .06 acres and had assessments of \$150,000 each. Subject is .07 acres with a land value of \$500,000.

Respondent disputed the comparability of Appellant's provided lots. Respondent described subject's neighborhood as superior to the Lakemore subdivision wherein Appellant's comparable properties were located, explaining subject's neighborhood is a gated community with superior amenities such as a private twenty-six (26) acre lake, community beaches, a pool, and a maintenance-free lifestyle. Both subdivisions have ponds, but Respondent argued subject's location and amenities are the biggest draw to the neighborhood, the value of which should be reflected in the land assessment. To further demonstrate the dissimilarity between the neighborhoods, Respondent shared the average sale price in 2022 for a property in subjects' neighborhood was \$1,044,000, where the average in the Lakemore subdivision was \$772,000. Respondent also noted the properties in Lakemore are roughly twelve (12) years older than Truman Cove.

Respondent offered information on three (3) sales to support subject's assessed value. Sale No. 1 was located on subject's street and sold for \$1,093,000 in September 2022. The property was .07 acres like subject and was improved with a 2021-built 2,247 square foot two (2) story townhome with three (3) bedrooms, two and one-half (2½) bathrooms, and a 509 square foot garage. Respondent time-adjusted the sale price and made additional adjustments for differences in property characteristics. The adjusted sale price was \$1,002,746, or roughly \$449 per square foot utilizing subject's square footage. This property backed to the neighborhood lake like subject.

Sale No. 2 was a .07 acre property located in subject's neighborhood which sold for \$995,000 in November 2022. The property was improved with a 2020-built 2,227 square foot two (2) story townhome with three (3) bedrooms, two and one-half (2½) bathrooms, and a 518 square foot garage. After adjustments, the value indication was \$954,608, or roughly \$428 per square foot using subject's square footage. This property also backed to the lake.

Sale No. 3 was a .13 acre property located in the adjacent subdivision which sold for \$820,000 in November 2022. The property was improved with a 2017-built 1,989 square foot single-level residence with three (3) bedrooms, two (2) bathrooms, and a 609 square foot garage. After adjustments, the value indication was \$1,026,020, or roughly \$460 per square foot using subject's square footage.

In comparison, subject is .07 acres and improved with a 2020-built 2,232 square foot two (2) story townhome with an assessed value of \$869,000, or roughly \$389 per square foot. Respondent argued its sales analysis indicates subject is undervalued.

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, 2023, 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.

Appellant provided information on one (1) sale to support a reduction in subject's assessed land value. The sale included two (2) townhome lots in subject's subdivision for \$310,000 in March 2023. The Board appreciates the sales information from subject's neighborhood, but a single sale is insufficient to demonstrate value. Additionally, the sale occurred approximately two (2) months after the lien date of January 1, 2023, so was

untimely. The Board did not give the sale much weight in its consideration of subject's market value.

Appellant also shared assessment information for ten (10) parcels in a nearby neighborhood. The Board did not consider this information as evidence of subject's value, as Respondent explained property characteristics and amenities varied drastically between the neighborhoods. Most telling was the \$272,000 difference in average sale prices between the subdivisions for 2022. Additionally, a comparison of assessed values is not a recognized appraisal approach which would result in an accurate estimation of market value.

Respondent provided three (3) sales in support of subject's current valuation. Most relevant were the two (2) which occurred in subject's own subdivision. The sale lots were the same size as subject and were improved with similarly sized townhomes. Sale No. 1 occurred in September 2022 for \$1,093,000 and had an adjusted sale price of \$1,002,746. Sale No. 2 occurred in November 2022 for \$995,000 and had an adjusted sale price of \$954,608. Sale Nos. 1 and 2 had net adjustments totaling .2% and .1% respectively, demonstrating a high degree of similarity to subject. Where the value indications were roughly \$134,000 and \$86,000 higher than subject's current valuation, and where the sales were timely and within subject's own neighborhood, the Board must conclude subject is not overvalued.

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. Appellant offered information on one (1) untimely sale and assessment information from a subdivision determined to be incomparable to subject's. Where

Respondent's sales information included two (2) improved sales from subject's neighborhood which demonstrated subject's value is not overstated, the Board will uphold 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 25th day of March, 2024.