

BEFORE THE IDAHO BOARD OF TAX APPEALS

STONERIDGE RECREATIONAL CLUB	)	
CONDOMINIUM OWNERS ASSOCIATION,	)	
INC.,	)	APPEAL NOS. 25-A-1132
	)	through 25-A-1144
Appellant,	)	
	)	FINAL DECISION AND ORDER
v.	)	
	)	
BONNER COUNTY,	)	
	)	
Respondent.	)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Bonner County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by parcel number on Attachment A. These appeals concern the 2025 tax year.

These matters came on for hearing September 29, 2025, in Sandpoint, Idaho, before Board Member Kenneth Nuhn. Attorney Marcus Johnsen appeared at hearing for Appellant. Bonner County Assessor Dennis Engelhardt represented Respondent.

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

The issue on appeal concerns the market values of thirteen (13) condominium units.

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

FINDINGS OF FACT

The respective assessed values of the subject properties, as well as Appellant's requested values, are detailed in Attachment A.

The subject properties are individual condominium units situated in the Stoneridge Recreational Club Condominium development in Blanchard, Idaho. The development, constructed in 1980, is comprised of 150 condominium units of varying size and type nestled into the golf course of the Stoneridge Golf Club. Subject's condominium development was developed as a timeshare project, whereby each condominium in the development, with the exception of three (3) wholly owned units, is divided into fifty (50) one-week ownership interests which can individually be bought and sold. In other words, there are as many as fifty (50) individual owners of each condominium unit in the development, each entitled to possession and use of the unit for the specific week purchased and owned. The following table provides a breakdown of the different condominium units in the development, as well as the specific subject property representing the respective unit types.

Unit Type	Square Feet	Unit Count	Appeal No.	Parcel No.
Studio	362	19	25-A-1132	RP0025C0090280
Studio	367	55	25-A-1133	RP0025C0090350
Studio	372	30	25-A-1134	RP0025C0090320
1-Bedroom	512	12	25-A-1135	RP0025C0060310
1-Bedroom	520	14	25-A-1136	RP0025C0060320
1-Bedroom	572	1	25-A-1137	RP0025C0090390
1-Bedroom	650	12	25-A-1140	RP0025C00000D0
1-Bedroom	742	1	25-A-1138	RP0025C0060390
2-Bedroom	784	2	25-A-1139	RP0025C0060210
2-Bedroom	800	1	25-A-1142	RP0025C00000B0
2-Bedroom	880	1	25-A-1141	RP0025C0060370
2-Bedroom	913	1	25-A-1143	RP0025C0060380
2-Bedroom	957	1	25-A-1144	RP0025C0060360

Appellant was alarmed with the increases in subjects' assessed values, which were as much as 350% over the 2024 valuations. Of particular concern to Appellant was

Respondent's use of fee simple condominium sales to determine subjects' current values. Appellant characterized timeshare properties like subjects as a unique property type that requires special consideration in developing an opinion of value. Specifically, Appellant contended it was inappropriate to use non-timeshare condominium sales to estimate the market value of condominiums encumbered with timeshare regulations. In Appellant's opinion, the proper methodology is to value the weeks of the timeshare unit, not the unit itself. For this reason, Appellant argued it is critical to use only timeshare sales to value the subject condominium units.

In support of lower valuations, Appellant referenced a number of sales from subjects' development. Details concerning the sold units were restricted to unit number, unit type, and the sale price for the specific week purchased. Sale dates were unclear for many of the referenced sales, but from the limited information provided, it appeared the sales occurred between January 2024 and August 2025. Sale prices varied widely, with studio prices ranging from a low of \$100 for Week 35 for Unit 826 to a high of \$3,500 for Week 27 for Unit 603. One (1) bedroom sale prices ranged from \$500 for Week 13 for Unit 611 to \$2,000 for Week 26 for Unit 706. Appellant also referenced prices from "this past month" of \$100 and \$1,200 for two (2) bedroom units, though unit numbers and the weeks purchased were not shared.

According to Appellant, the timeshare sales suggested a value from \$250 to \$500 per week for studio units, \$500 to \$1,000 for one (1) bedroom units, and \$1,200 to \$2,000 for two (2) bedroom units. Multiplying the weekly sale rates by fifty (50) weeks indicated value ranges of \$12,500 to \$25,000 for studio units, \$25,000 to \$50,000 for one (1) bedroom units, and \$60,000 to \$100,000 for two (2) bedroom units. Though the sales

indicated somewhat lower values for most of the subject units, Appellant offered to accept the respective 2024 assessed values as reasonable estimates of current market value.

Respondent disagreed with Appellant's reliance on timeshare sales to estimate the values of the subject units. Noting timeshare sales represent fractional ownership interests, not fee simple ownership, Respondent explained timeshare sale prices are often inflated because they include non-real estate components, such as marketing costs, promotional incentives, vacation exchange rights, and usage restrictions. Respondent pointed to guidance published by the International Association of Assessing Officers (IAAO) directing assessors to appraise the unencumbered fee simple interest for purposes of assessment. Respondent further cited the Appraisal Journal (2019), which noted developer sale prices are often inflated due to marketing and sales overhead and therefore cautioned against using shortcuts like multiplying "retail week pricing x 50," as such methodology is likely to produce speculative and unreliable market value estimates disconnected from the fee simple value.

Respondent further referenced the *Lennen v. Marriott Ownership Resorts, Inc.*, 996 F.3d 1061, decision issued by the Eleventh Circuit Court in 2021, which held that, despite usage restrictions, timeshare estates remain parcels of real property. The court reasoned the valuation must reflect the price the underlying real estate would command in an open market transaction, not what is paid under a timeshare marketing model. Based on this guidance, Respondent contended Appellant's valuation methodology was inappropriate for valuing the subject properties.

Instead of timeshare sales, Respondent utilized a number of fee simple condominium sales from several different developments which transpired during 2024.

Respondent developed individual sales analyses for each unit type in subjects' development using a variety of condominium sales. Broadly speaking, the sale condominiums bracketed the subject units in size and effective age, and most of the sale units shared the same "average" construction quality and condition ratings, though a couple units had superior quality ratings and a couple had inferior quality ratings. The following table summarizes Respondent's analyses.

Unit Type	Square Feet	Sale Prices	Price per Square Foot	Median Price Rate	Subject Parcel No.	Subject Assessed Value	Subject Value Rate per Square Foot
Studio	362	\$156,000 - \$417,500	\$429 - \$1,044	\$986	RP0025C0090280	\$96,292	\$266
Studio	367	\$156,000 - \$417,500	\$429 - \$1,044	\$986	RP0025C0090350	\$97,622	\$266
Studio	372	\$156,000 - \$417,500	\$429 - \$1,044	\$986	RP0025C0090320	\$98,952	\$266
1-Bdrm	512	\$295,000 - \$530,000	\$519 - \$936	\$890	RP0025C0060310	\$134,656	\$263
1-Bdrm	520	\$243,000 - \$500,000	\$234 - \$890	\$628	RP0025C0060320	\$136,760	\$263
1-Bdrm	572	\$156,000 - \$365,000	\$304 - \$429	\$349	RP0025C0090390	\$166,400	\$291
1-Bdrm	650	\$210,000 - \$655,000	\$304 - \$868	\$837	RP0025C00000D0	\$145,860	\$224
1-Bdrm	742	\$210,000 - \$655,000	\$304 - \$868	\$837	RP0025C0060390	\$184,758	\$249
2-Bdrm	784	\$210,000 - \$655,000	\$304 - \$868	\$837	RP0025C0060210	\$192,080	\$245
2-Bdrm	800	\$290,000 - \$1,186,950	\$349 - \$1,290	\$778	RP0025C00000B0	\$266,400	\$333
2-Bdrm	880	\$290,000 - \$1,186,950	\$349 - \$1,290	\$778	RP0025C0060370	\$209,440	\$238
2-Bdrm	913	\$635,000 - \$1,004,400	\$729 - \$1,091	\$841	RP0025C0060380	\$217,294	\$238
2-Bdrm	957	\$635,000 - \$1,004,400	\$729 - \$1,091	\$841	RP0025C0060360	\$224,895	\$235

Emphasizing the subject properties are assessed considerably less per square foot than the median price rate for each unit type, Respondent maintained subjects' respective values are reasonable. Appellant argued Respondent's methodology failed to recognize the unique nature of the subject condominiums, as timeshare properties with fractional ownership. In Appellant's view, Respondent's analysis of fee simple sales effectively ignored the character of the subject properties and was therefore violative of the requirement in Idaho to assess property according to its actual and functional use.

Respondent maintained its methodology conformed to the requirements of Idaho Code and was otherwise proper for valuing the subject properties.

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. The three (3) primary approaches to value include 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. In basic terms, the approach compares recent sales of similar properties to the subject property, with appraisal adjustments made for differences in property characteristics.

Neither party developed a traditional sales comparison model, but both offered information on recent sales in support of their respective value positions. Appellant's sales

data was comprised of a number of timeshare sales from subjects' development. Though details concerning the sale properties were mostly absent, Appellant referenced sixteen (16) sales of studio units, six (6) sales of one (1) bedroom units, and two (2) sales of two (2) bedroom units. Using this sales data, Appellant concluded a weekly studio rate between \$250 and \$500 per week, which, after multiplied by fifty (50) weeks, indicated a market value ranging from \$12,500 to \$25,000 for a studio unit. The weekly rates for one (1) bedroom units varied from \$500 to \$1,000, and the rates for two (2) bedroom units ranged from \$1,200 to \$2,000 per week.

While Appellant's efforts to share recent sales data was appreciated, there were some concerns from the Board's perspective. First, approximately one-half ($\frac{1}{2}$) of the sales referenced by Appellant occurred in 2025 and were therefore untimely. Estimating a property's market value as of a particular date is necessarily dependent on sales and market data from prior to such date, as information beyond the date of valuation is unknowable to market participants. This left no timely two (2) bedroom sales and only one (1) timely sale of a one (1) bedroom unit, which, in the Board's view, is an insufficient amount of data from which to draw any reasonable value conclusions for those unit types.

Even if timeliness was not an issue, it was not apparent to the Board how the reported sale prices correlated to Appellant's value conclusions for the different unit types. For instance, Appellant concluded a weekly value rate between \$250 and \$500 for studio units; however, ten (10) of the sixteen (16) total studio sales in the data set sold for at least \$1,000, and the median price rate of the group was \$1,294. It was also unclear how Appellant determined the value range of \$1,200 to \$2,000 for two (2) bedroom units, as the only two (2) bedroom sales referenced by Appellant had price rates of \$100 and \$1,200.

More concerning than the above was that Appellant's valuation model was entirely dependent on timeshare sales. Appellant contended to value the subject properties according to their actual and functional use as required, it is necessary to rely on timeshare sales because they share similar use restrictions. Appellant argued it is important to value the weeks of a timeshare unit, not the unit itself, because the unit is more desirable during certain portions of the year, such as golf season. This position is problematic for a couple reasons. Most importantly, Rule 217 of Idaho's Property Tax Administrative Rules states, "The assessor *will value the entire fee simple interest* of property." IDAPA 35.01.03.217.01.a. (emphasis added). Appellant's methodology aimed to value the fractional ownerships of the subject units, which is improper for purposes of assessment in Idaho.

Appellant's proposed methodology not only conflicts with the mandate of Rule 217 to determine the market value of the fee simple interest, but it also deviates from standard appraisal practice. The proper starting point is to estimate the market value of the fee simple interest and then make adjustments for encumbrances, such as rights-of-way or usage restrictions, to the extent such encumbrances are demonstrated to have an effect on value. Here, the subject properties are undoubtedly encumbered with use restrictions by virtue of the timeshare regime under which they were created, but nothing in the record suggested a negative impact on value. Quite the contrary, timeshare sale prices were noted by Respondent to often be inflated due to the inclusion of non-real estate components in the price. In all, the Board was not persuaded Appellant's methodology was proper or that it produced reliable estimates of subjects' respective market values.

Respondent's sales analyses were better received by the Board, particularly where they were based on timely sales of condominium units held in fee simple interest. There were some differences in characteristics, but the sale units bracketed the subject units in size and age, so provided a reasonable basis for comparison. Though the Board would have preferred more explanation concerning why subjects' assessed values are lower than indicated by the respective sales analyses, it is apparent the subject properties are not overvalued.

Idaho Code § 63-511 places the burden on Appellant to establish error in subjects' valuations by a preponderance of the evidence. The Board did not find the burden of proof satisfied. Appellant's proposed valuation methodology was incompatible with Rule 217 which requires the assessor to appraise the fee simple interest. As such, the Board found no good cause to disturb subjects' current valuations.

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

FINAL ORDER

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

DATED this 5th day of January, 2026.