

BEFORE THE IDAHO BOARD OF TAX APPEALS

KATHLEEN CLANCY AND UARDA COOMBS,)	
)	
Appellants,)	APPEAL NO. 14-A-1168
)	
v.)	FINAL DECISION
)	AND ORDER
BOISE COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Boise County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP072130000010. The appeal concerns the 2014 tax year.

This matter came on for hearing November 6, 2014 in Idaho City, Idaho before Board Member Leland Heinrich. Appellants Kathleen Clancy and Uarda Coombs were self-represented. Assessor Brent Adamson represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved residential property.

The decision of the Boise County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$65,850, and the improvements' valuation is \$206,446, totaling \$272,296. Appellants contend the correct total value is \$245,000.

The subject property is located near Garden Valley, Idaho, in the Terrace Lakes subdivision, adjacent to the golf course. The subject residence, situated on a .78 acre lot,

is a two-story design with a total of 2,708 square feet. Constructed in 2001, the residence includes two (2) bedrooms and two (2) bathrooms, however, the basement remains unfinished. The parcel is further improved with a two-car detached garage.

Appellants explained subject was listed for sale during parts of 2012 and 2013 with an asking price of \$249,900. No purchase offers were received. With this in mind, Appellants questioned how subject's assessed value could be nearly \$25,000 higher than the recent asking price.

In Appellants' estimation subject's assessed value is 10% too high, which opinion was developed through a consideration of recent listing activity in the subdivision. It was noted the adjacent property has recently been on the market with an asking price of \$249,900, but has not sold. Appellants noted the asking price was roughly 10% below the property's current total assessed value. Appellants additionally referred to another nearby property which had a July 2014 asking price of \$212,500. The property sold in September 2014 for \$189,000, or about 10% below its current assessed value.

Appellants also provided information on some sales and two (2) active listings from subject's subdivision obtained from a local realtor. Sale prices ranged from \$145,000 to \$189,000, and asking prices were \$249,900 and \$212,500. The sale residences varied widely in terms of age, square footage, and lot size. Only one (1) of the sales was believed to have transpired during 2013, with the remainder taking place during 2014.

Lastly, Appellants detailed subject's assessment history stretching back to 2005. Appellants highlighted subject's current value is nearly the same as it was in 2009, which

was near the height of the recent real estate market. In Appellants' view, the market had not yet recovered to those prior levels. Overall, Appellants contended support for subject's current value lacking.

Contrary to Appellants' assertion regarding a slow real estate market in Terrace Lakes, Respondent described a relatively vibrant market over the past year. Respondent reported fourteen (14) residential sales from subject's subdivision during 2013. Sale prices ranged from \$92,500 to \$210,000. Respondent acknowledged most of the sale properties were not directly comparable to subject, but explained the sales information was used to estimate the general price trend in the area. Comparing the sale prices to corresponding 2013 assessed values, Respondent calculated an average "under-assessment" rate of 21.29%. As a result, values in Terrace Lakes were trended upward for the current 2014 tax year. Subject's total value was trended about 17% higher than the 2013 value.

Respondent additionally provided six (6) sales from 2013 for comparison with subject. Two (2) of the sale properties were located in subject's development. The first was a 1,500 square foot residence constructed in 1999, which sold for \$189,000. The other involved a 2004 residence with 1,544 total square feet which sold for \$195,000. In an attempt to find sales more similar to subject's size and construction quality, Respondent widened the geographic search area to the broader Garden Valley area. Four (4) such sales were identified. The residences varied in size from 1,816 to 2,436 square feet, and sale prices were between \$232,000 and \$460,000. To isolate the value attributable to the sale residences, Respondent removed the assessed values of the land and other

improvements from the sale prices. The result was residual residence values between \$97,162 and \$208,357, or from \$51 to \$107 per square foot. Subject's residence was assessed at \$170,897, or \$63 per square foot.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2014 in this case. Market value is defined in Idaho Code § 63-201, as,

“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 County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using a sales comparison approach.

Both parties submitted sales information for the Board's consideration. Appellants'

sales, with the exception of one (1), occurred during 2014. As noted above, the relevant valuation date in this appeal is January 1, 2014. It is important to remember a value estimate represents a point-in-time snapshot of a property's value on the effective date of valuation. As such, typically only market data from prior to the valuation date is used because future information would not be known and thus could not be factored into the analysis. For this reason the Board's review in this decision is restricted to value evidence from prior to January 1, 2014.

On a similar basis, Appellants' comparison of recent listings in subject's neighborhood to current assessed values was minimally weighed by the Board. The listing information was from mid-2014, which was untimely for consideration here. Further, while the Board understands the point of view, a comparison of assessed values is not a recognized appraisal approach.

What remains then are the sales offered by Respondent. Particularly relevant were the fourteen (14) 2013 sales from subject's subdivision. These sales were used to estimate the local market trend during 2013. In this case, an under-assessment rate of about 21% was determined, which formed the basis for Respondent trending values upward for 2014. Subject's total value increased roughly 17% from 2013.

Respondent also provided information on six (6) sales involving residences regarded as generally similar to subject in terms of size and construction quality. The Board appreciated Respondent's efforts in this regard, however, there were some concerns. Most importantly were the lack of details regarding the physical characteristics of the sale

properties. Indeed, the only information shared was square footage and age of the sale residences. Lot sizes were not provided, nor were details about the other improvement values removed from the sale prices. This limited the Board's consideration of adjustments. Further, no direct comparisons between subject and any of the sale properties were attempted.

In appeals to this Board, the burden is with Appellants to establish subject's assessed value is erroneous by a preponderance of the evidence. Idaho Code § 63-511. Given the evidence presented here, the burden of proof was not satisfied. Despite concerns with aspects of Respondent's analysis, the sales information represented the best market value evidence in the record. The sales from Terrace Lakes were found to be reasonably supportive of subject's 2014 assessed value. In all, the Board did not find sufficient evidence to disrupt the value determined by Respondent. Therefore, the decision of the Boise County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Boise County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 11th day of March, 2015.