

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| KAI ELGETHUN, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 15-A-1008 |
| |) | |
| 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 the protest of valuation for taxing purposes of property described by Parcel No. R9227500345. The appeal concerns the 2015 tax year.

This matter came on for hearing September 23, 2015 in Boise, Idaho before Board Member Leland Heinrich. Appellant Kai Elgethun was self-represented. Pam Kerr 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 Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$100,000, and the improvements' value is \$213,100, totaling \$313,100. Appellant contends the correct land value is \$100,000, and the improvements' value is \$193,164, totaling \$293,164.

Subject property is a .205 acre lot improved with a 1,942 square foot two-story residence built in 1995. The property is located in the Warm Springs Park Subdivision in

Boise, Idaho. The residence includes four (4) bedrooms, three (3) bathrooms, and a 418 square foot attached garage.

Appellant purchased subject in 2013 for \$259,400. Appellant stated subject has not been updated since being built in 1995. According to Appellant, subject has a lower quality of amenities than other properties within subject's subdivision. It was explained subject's assessed value saw a 17.2% increase in the last year. Appellant stated in the past year there have only been seven (7) sales in subject's subdivision, however, none of the properties sold were considered comparable to subject. Appellant provided a value conclusion from an Existing Home Statistics report prepared by a realtor dated May, 2015. The report depicts sales data from northeast Boise. For homes with square footage similar to subject, the report indicates there were 40 sales between the dates of June 1, 2014 and May 31, 2015, with an indicated average price per square foot of \$151. Appellant used the average price per square foot from this report to calculate a \$293,164 value for subject.

Respondent indicated the subdivision's 2014 assessments were trended to arrive at the 2015 assessments. Properties were trended up by an average of 13.35%, and 19.2% for homes built after 1995. Respondent provided an assessment history for subject which showed a 2015 increase of 17.2%.

In support of subject's assessed value, Respondent referenced six (6) 2014 improved residential sales located in proximity to subject. Three (3) of the sales were located within subject's subdivision while three (3) were within a nearby development. The sale properties were described as being generally similar to subject. Two (2) appraisal

worksheets were provided for each group of sales. After adjustments for time of sale, square footage, bathroom count, deck and patio area, garage size, location, and condition, the indicated subject values ranged from \$301,835 to \$329,940, or between \$155 and \$170 per square foot. Subject is assessed at \$161.23 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, 2015 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. In a unique way, each approach considers the available information on recent comparable sales.

Appellant's value evidence centered on a realtor prepared Existing Home Statistics

report. The report showed broad average price rates based on properties sold between June 1, 2014 and May 31, 2015, however, vital comparison details were largely lacking. The specific sale dates, sale prices, and comparability details were not provided.

Pursuant to Idaho Code § 63-205, in determining value on January 1, 2015, the valuation date in this appeal, the Board's review is generally restricted to market value evidence existing prior to January 1st. The Existing Home Statistics report included sales both before and after the January 1st appraisal date. Because little-to-no supporting details were provided in connection with the report and its findings, it is impossible for the Board to distinguish which sales fell before January 1st. For this reason, The Existing Home Statistics report was not relied on by the Board.

Respondent, on the other hand, presented analyses using a sales comparison approach. In total, information on six (6) improved residential sales was provided and the physical characteristics of each selling property were detailed. Value adjustments were made for physical differences between the sale properties and subject. The indicated values from the sales ranged from \$301,835 to \$329,940, or between \$155 and \$170 per square foot. Subject was assessed at \$313,100, or about \$161 per square foot. The assessment rate falls within the lower half of the rate range indicated by the comparable sales. The Board found Respondent's valuation of subject was supported by the sales comparison analysis.

In appeals to this Board, and pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the

evidence. It is the Boards opinion Appellant failed to provide sufficient evidence to overturn the value 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 29th day of December, 2015.