

BEFORE THE IDAHO BOARD OF TAX APPEALS

D. GEORGE HOBSON,)	
)	
Appellant,)	APPEAL NO. 15-A-1094
)	
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. R6905510420. The appeal concerns the 2015 tax year.

This matter came on for hearing October 6, 2015 in Boise, Idaho before Board Member Linda Pike. Appellant D. George Hobson was self-represented. Shelby Ugarriza and Dan Curtis 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 modified.

FINDINGS OF FACT

The assessed land value is \$91,700, and the improvements' value is \$278,100, totaling \$369,800. Appellant contends the correct total assessed value is \$290,000.

The subject property is a 4,776 square foot residence with below-grade living area constructed in 1986. It is situated on a .73 acre lot in the Paradise North Subdivision No. 2, located in Boise, Idaho. The residence includes six (6) bedrooms, three and one-half

(3.5) bathrooms, and an 896 square foot 3-car attached garage.

Appellant explained the assessed value of subject increased 27% between 2013 and 2015, in what Appellant considered a flat market. Appellant listed subject for sale on the open market between April 2014 and January 2015. The original asking price was \$369,000, and then lowered to \$359,900. Subsequently, it was listed as a short sale. Only one (1) offer of \$329,000 was received. It was thought the buyer backed out after learning the cost to cure some deferred maintenance. Appellant suggested even at the lower asking price no additional offers were received. Respondent noted subject was on the market and was a distressed listing and thus was not used in valuing subject.

Appellant maintained subject contains deferred maintenance issues, such as, the roof needing to be replaced, and many broken windows (seals, mechanisms, etc.) Subject also suffered landscaping damage. Many trees bordering the road have died and the perimeter cedar fence needs to be replaced. Total estimated exterior repair costs were \$8,500. Appellant's realtor suggested the total deferred maintenance costs would be between \$25,000 to \$35,000.

Appellant noted due to the close proximity of Five Mile Road and the freeway, the noise pollution and heavy traffic also impacts subject's value. Appellant maintained no sales are comparable to subject with the conditions and noise factors subject faces.

Respondent explained subject's area was last reappraised in 2013 and trended to the current market value as of January 1, 2015. Respondent reported the market value adjustments for subject's subdivision from 2014 to 2015 ranged between 10.18% and

15.83%, with subject's assessed value increasing 14.24%.

Respondent stated while inspecting the subject property in September 2015 deferred maintenance issues were noted. Mainly the roof and windows were in need or replacement or repair. Overall, subject was said to be in "average" condition for its age.

Respondent provided information regarding three (3) 2014 sales. The sales were located in close proximity to subject. Sale prices ranged from \$275,000 to \$385,000. Respondent adjusted the sales for differences compared to subject. A time adjustment of +.30% per month was also applied to the sales to account for appreciation in subjects' market area. Gross adjustments for differences between the sales and subject were between 26% and 41.2%. Adjusted sale prices were between \$332,828 and \$363,968, or between \$70 and \$76 per square foot. Subject's assessed value is \$369,800, or \$77.43 per square foot.

After reviewing its sales analysis, Respondent recommended the Board lower the total assessed value of subject to the average of the three (3) sales. A total assessed value of \$350,000 was indicated, with \$258,300 being attributable to the improvements, and \$91,700 to the land. Appellant suggested not enough adjustment was provided for the location and conditions surrounding subject.

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.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish the county valuation is erroneous by a preponderance of the evidence. Appellant provided information related to subject’s listing and deferred maintenance issues. Some estimate of costs to cure deferred maintenance was provided in record. Appellant suggested there are no comparable sales facing the same issues as subject and as such none were provided.

Subject was last listed on the open market for \$359,900, however, we note it was a distressed listing and therefore put minimal weight on this information. Appellant did not provide reliable support for the requested value of \$290,000.

Respondent submitted information concerning three (3) recent and proximate sales. Respondent noted differences between the subject and the sales and made adjustments accordingly to make the sale properties more comparable to subject. The sales also faced some noise and traffic factors like subject, as they were located in subject's immediate area.

After analyzing the sales, Respondent recommended the Board lower subject's total assessed value to \$350,000, which was an average of the sales analysis. The Board found the proposed value reduction was well supported by Respondent's thorough analysis and will adopt the recommended value change. The decision of the Ada County Board of Equalization is modified.

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 modified to reflect a reduction in the total value of the improvements to \$258,300, with no change in the assessed land value of \$91,700, resulting in a total valuation of \$350,000.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 23rd day of December, 2015.