

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEVE KRAMER,)	
)	
Appellant,)	APPEAL NO. 15-A-1038
)	
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. R5207001215. 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 Steve Kramer was self-represented. Tim Tallman 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 \$110,700, and the improvements' value is \$343,200, totaling \$453,900. Appellant contends the correct improvements' value is \$259,300, with no change to the land value of \$110,700, for a total value of \$370,000.

The subject property is a .14 acre lot improved with a 2,024 square foot residence built in 1910, and remodeled in 2005. The property is located in Boise, Idaho. The

residence includes three (3) bedrooms and two (2) bathrooms, and there is a 780 square foot detached garage.

Appellant described subject as a two-story Victorian style home. The overall quality and finish after the 2005 remodel was said to be “good” but not completed with high-end custom finishes. Appellant explained the garage would only accommodate parking for a small car and currently can only be used for storage due to a poor design. Photographs of the garage configuration were provided.

Appellant sought 2014 sales with the same features as subject, such as age, bedroom/bathroom count, design and location. Appellant contended that in Boise’s North End, the subject property needed to be bracketed with homes having similar features in order to find market value. Appellant bracketed several groups of sales to compare with subject. The addresses, sales date, days on market, price per square foot, approximate square footage, year built, and bedroom and bathroom count were provided for each transaction.

From the bracketed groups described above, and looking to the most similar properties to compare with subject, Appellant pointed to seventeen (17) 2014 sales of 3-bedroom, 2-2.5 bath, and 2-story configuration. The prices ranged from \$126,000 to \$410,000, with an average price of \$309,900. Photographs and descriptions of the comparable sales were provided to the record.

Appellant also referenced some deferred maintenance with regard to subject’s exterior paint and hardwood floors. Photographs of the peeling paint and scratched

hardwood floors were provided. A cost to cure estimate from a local painter of \$5,437 was provided along with a general estimate to cure the hardwood flooring of \$1,775.

Respondent explained subject's current assessed value increased 20% from the prior assessment year. Respondent addressed subject's garage configuration and noted the garage does exist and could be redesigned. It was explained garages are a desirable commodity in subject's area. Also addressed was bedroom count in subject's area, where the value influence of bedroom count could not be quantified. Therefore square footage was relied on as the more accurate basis for comparing properties in the North End area.

In support of the current assessed value, Respondent presented information on six (6) improved residential sales from subject's North End location. The sales involved older residences like subject. All the sales involved four (4) or five (5) bedroom residences. The sale residences ranged in size from 2,128 to 2,998 square feet. Sale prices were between \$400,000 and \$487,000. After applying an upward time adjustment of 0.40% per month, and making value adjustments for differences in physical characteristics compared to subject, the adjusted sale prices ranged from \$435,887 to \$483,555, or from \$215 to \$239 per square foot. On a like basis, subject's assessed value equates is \$224.26 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. In the valuation of residential property like subject, use of a sales comparison approach is common.

Both parties provided timely sales information for the Board’s consideration. As for similarity, both parties’ sale properties were comparable to subject in terms of location and general design. Appellant’s primary value evidence was in the form of sales consisting of 3-bedroom, 2-bath residences similar to subject. Respondent’s market sampling focused on sale properties close to subject in total living area or square footage. We note all but two (2) of Respondent’s comparable sales sold for less than subject’s assessed value.

Appellant provided detailed information on a large number of sales in support of a lower assessed value. We found these sales were generally more in line with subject’s

configuration and design. In this instance, the information in record demonstrated a proper market valuation of subject should include bracketing the home with homes of similar room count and design, versus only considering homes that had higher bedroom and bathroom counts. Further, Appellant demonstrated the contributory value of subject's garage is likely impacted by a poor design, a factor the Board found was not adequately considered in Respondent's appraisal. Subject was also demonstrated to have some deferred maintenance issues which were not evidently present in most of the sale properties.

In accordance with Idaho Code § 63-511, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. In this case, the Board finds the burden of proof satisfied. Appellant's sales information and subject's deferred maintenance point toward a lower assessed value for subject. Therefore, the Board will reduce the value of subject's improvements to \$289,000, with no change to the \$110,700 land value. The decision of the Ada County Board of Equalization will be modified accordingly.

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 decrease in total value to \$399,700.

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.