

BEFORE THE IDAHO BOARD OF TAX APPEALS

TAHOE HOMES, LLC,)	
)	
Appellant,)	APPEAL NO. 14-A-1051
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
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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. R8584590270. The appeal concerns the 2014 tax year.

This matter came on for hearing October 2, 2014 in Boise, Idaho before Hearing Officer Travis VanLith. Jake Centers appeared at hearing for Appellant. Chief Deputy Assessor Tim Tallman appeared for Respondent.

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

The issue on appeal concerns the market value of a vacant residential parcel.

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

FINDINGS OF FACT

The assessed land value is \$420,000. Appellant contends the correct land value is \$370,000.

The subject property is an unimproved 1.70 acre residential lot located in the Two Rivers subdivision in Eagle, Idaho.

Appellant contended subject's assessed value was too high considering the local real

estate market during 2013. Appellant purchased subject in February 2013 for \$370,000.

Appellant provided a fee appraisal on subject dated January 30, 2014. The appraisal reported six (6) vacant land, and three (3) listings located in Eagle, with sale dates between August 2011 and November 2013. The sale prices were between \$287,500 and \$430,000. Land sizes ranged between 1.48 and 3.5 acres. The appraisal made adjustments for differences in view and size. Adjustments were \$30,000 for view and \$50,000 for size. The adjusted sale prices ranged from \$337,500 to \$394,000. Regarding the listings, asking prices were between \$350,000 and \$399,000. A value of \$370,000 was concluded.

Respondent noted the purpose of the appraisal was "asset verification" and therefore may have been aimed more at justifying the purchase price, rather than determining current market value. Respondent argued the adjustments made for differences in the sale properties were inconsistent for size and utility. Further noted by Respondent was the appraisal addendum stated the market had been appreciating over the year, yet no time adjustments were made.

Respondent explained subject is 1.7 acres in size, however, approximately .50 acres is located in a pond. Therefore, only 1.2 acres of subject are usable as a building pad or for landscaping. Respondent described subject as being the "nicest" lot in the subdivision for many reasons such as; size, privacy, and having a view of two (2) ponds.

Respondent offered five (5) sales for comparison to subject, most of which also included some area in a pond. Sale No. 1 was a 2.76 acre lot, of which approximately 1.3 acres were usable because a portion of the lot had pond and/or driveway hindrances. This property sold in August 2011 for \$500,000. Sale No. 2 was a 1.49 acre lot, with .92 usable acres. The remaining acreage was described as hillside. This property sold for \$424,000 in November

2013. Sale No. 3 was 3.5 acres in size with 1.4 acres being usable. The remaining portion of the lot was located in a pond. This property sold in July 2012 for \$430,000. Sale No. 4 was 2.0 acres in size, with 1.15 acres being usable due to a portion being in a pond. This property sold in August 2011 for \$387,500 and is located in the same subdivision as subject. Sale No. 5 was a 10.14 acre lot with 2.3 acres being usable. A majority of the acreage was in a pond. This property sold in August 2013 for \$1,215,000.

Respondent also provided a list of mostly “water feature” lots which sold during 2013. Using the sales information, Respondent determined an appreciating market for 2013 at the rate of approximately 15% for the year.

Respondent acknowledged subject’s purchase price of \$370,000 in February 2013. However, it was explained using a 15% annual time adjustment would put subject’s value at \$423,300.

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). In a unique way, each approach considers the available information on recent comparable sales.

Appellant's value evidence centered on subject's 2013 purchase price of \$370,000 and a bank fee appraisal for the same figure. The appraisal chiefly considered six (6) vacant land sales which took place between August 2011 and November 2013, with sale prices between \$287,500 and \$430,000. Adjustments were made for view and size of acreage, however the adjustments were inconsistently applied. For example, the \$50,000 size adjustment was applied to some sale properties but not others. Also, no time adjustments were made to any of the sale prices even though the appraisal reported an appreciating market during 2013.

Respondent offered information on five (5) sales for comparison to subject. The sale properties were between 1.49 and 10.14 acres in size. Portions of each sale property were deemed unusable, resulting in usable acreage between .92 and 2.3 acres. The sale prices were between \$424,000 and \$1,215,000. Subject is 1.7 acres total, with 1.2 usable acres.

Compelling evidence in record was Respondent's list of "water feature" lots which sold during 2013. These sales demonstrated prices were appreciating in 2013 at a rate of approximately 15% for the year. Accordingly, Respondent time-adjusted older sale prices.

We found Respondent provided a superior valuation to that offered by Appellant. Further, pursuant to Idaho Code § 63-511, the burden is on Appellant to prove error in subject's assessed value by a preponderance of the evidence. In this instance, that burden was not met. Appellant did purchase subject in early 2013 for \$370,000, however, sales data indicated prices

had increased over the course of the year. As one current value indicator, Appellant's purchase price with an adjustment for time puts us back at subject's 2014 assessed value. For the reasons expressed, the Board will affirm the 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 2nd day of January, 2015.