

BEFORE THE IDAHO BOARD OF TAX APPEALS

M & K GRANT TRUST,)	
)	
Appellant,)	APPEAL NO. 16-A-1055
)	
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. R5125310510. The appeal concerns the 2016 tax year.

This matter came on for hearing October 18, 2016 in Boise, Idaho before Hearing Officer Travis Vanlith. Mackenzie Grant appeared at hearing for Appellant. Chief Deputy Assessor 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 affirmed.

FINDINGS OF FACT

The assessed land value is \$70,000, and the improvements' value is \$303,200 totaling \$373,200. Appellant agrees with the \$70,000 land value, however, contends the value of the improvements should be reduced to \$265,000, for a total value of \$335,000.

The subject property is a .19 acre lot located in Lakemoor Subdivision in Eagle, Idaho. The lot is improved with a 1,860 square foot residence constructed in 2014. The residence includes two (2) bedrooms and two (2) bathrooms. The property is further improved with a 484

square foot garage.

Appellant described subject as being one of the smallest homes in its subdivision, and only containing two (2) bedrooms, which in Appellant's opinion was a negative when compared to other homes with more bedrooms. Further, Appellant suggested subject did not contain substantial upgrades compared to the sales provided below.

Appellant provided information regarding four (4) properties built between 2012 and 2014. Two (2) sold in 2014, two (2) sold in 2016. Sale No. 1 involved a 2,463 square foot residence. The residence contained three (3) bedrooms and two and one-half (2.5) baths. The property sold in July, 2016 for \$370,000. Sale No. 2 sold in September 2016 and concerned a 2,452 square foot residence. The residence contained three (3) bedrooms and two and one-half (2.5) baths. This sale included indoor and outdoor furniture and sold for \$380,000. The two (2) 2014 sales involved 2-bedroom, 2-bathroom residences which contained 2,209 and 1,860 square feet. Sale prices were \$328,900 and \$314,500, respectively.

Appellant further offered two (2) listings in subject's general area. The first was located in Two Rivers subdivision. This property was a three (3) bedroom, two and one-half (2.5) bathroom residence, which included a tandem three-car garage, and a stone waterfall. The asking price was \$359,900, however, the date of the listing was not indicated on the listing sheet. The second listing concerned a 1,874 square foot residence which contained three (3) bedrooms and three (3) bathrooms. The listing advertisement indicated an asking price of \$334,900.

Respondent described subject as the "flagship" of the builder and was featured in the 2014 Parade of Homes. Subject was described as containing extra finishes, such as, extensive paneling, crown molding, built-ins, and upgraded lighting. Photographs depicting the finishes

were provided.

Respondent provided information concerning three (3) residential sales located in subject's immediate area which occurred between December 2014 and December 2015. Sale prices ranged from \$360,363 to \$375,000. Respondent explained one sale was built by the same builder as subject, and contained approximately the same square footage as subject. The property sold for \$375,000, or \$199 per square foot. Respondent made appraisal adjustments to each of the sale properties to account for differences compared to subject for location and quality of construction. The adjusted price per square foot values ranged between \$194 and \$202 per square foot. Respondent noted very few adjustments were needed to the sale properties as they were very similar to subject. The primary difference was the quality of construction with subject being superior.

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, 2016 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. Both parties' provided sales and other information for the Board's review.

A key element in appraisal is the effective date of valuation. Typically, a value estimate is derived using information which is knowable as of the valuation date. As indicated above, the assessment and appraisal date in this appeal is January 1, 2016. Therefore, the Board's review will be restricted to market data existing prior to January 1st.

Appellant's primary value evidence included sales which took place in 2016 and current listings. As this information was beyond the assessment date, no weight was afforded to the 2016 sales or listings.

Appellant's remaining evidence was two (2) sales which took place in 2014. Both sale residences contained two (2) bedrooms, and two (2) bathrooms. One (1) sale contained 2,209 square feet and sold in April 2014 for \$328,900. The second sale contained 1,860 square feet and sold for \$314,500 in August 2014. While the Board appreciates the sales information, we are strained to find in record how these properties are similar in design or finish to subject, as such details were not provided. Likewise, adjustments for differences between the sales and subject were lacking.

Respondent, on the other hand, submitted information concerning three (3) recent sales. The sale residences were similar to subject in terms of design, location, and general amenities. There were some differences compared to subject, however, Respondent accounted for these using appraisal adjustments to make the sale properties more comparable to subject. The adjustments were well-detailed and appeared reasonable. Adjusted sale prices were between

\$360,363 and \$375,000, or from \$194 to \$202 per square foot. Subject was assessed for \$373,200, or \$201 per square foot, which is in line with Respondent's sales information.

Per Idaho Code § 63-511, in appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Based on the record in this matter, such burden was not satisfied. Respondent's analysis was detailed and well-supported. The information provided by Appellant was insufficient to overcome Respondent's value conclusion. Accordingly, the decision of the Ada County Board of Equalization is affirmed.

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 6th day of March, 2017.