

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| MICHAEL MEURET, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 16-A-1087 |
| |) | |
| 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. R1317640090. The appeal concerns the 2016 tax year.

This matter came on for hearing December 6, 2016 in Boise, Idaho before Board Member Leland Heinrich. Appellant Michael Meuret was self-represented. 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 \$180,000, and the improvements' value is \$543,300, totaling \$723,300. Appellant contends the correct total value is no more than \$592,000.

The subject property is a .849 acre residential lot situated in Phase 3 of the Castlebury West subdivision in Eagle, Idaho. The parcel is improved with a two-story, four (4) bedroom, and three and one-half (3½) bathroom residence constructed in 2013. Other

improvements include an attached 1,311 square foot garage, a 660 square foot covered patio, and an 800 square foot outdoor swimming pool. The subdivision was noted to be mostly comprised of roughly one (1) acre lots improved with large custom residences.

Appellant purchased subject in February 2014 for \$574,337. In Appellant's view, subject's purchase was the best evidence of current market value because the transaction was arm's-length in nature.

Appellant additionally provided information concerning two (2) sales and a couple assessed values of nearby properties. The first sale property was a 1.01 acre parcel improved with a single level 3,561 square foot residence constructed in 2005. The property sold in July 2015 for \$560,000, or an overall rate of approximately \$157 per square foot. The second sale involved a 2005 residence situated on a one (1) acre lot. The residence totaled 5,707 square feet in size spread over two (2) above-grade floors and a basement level. The property was pending in November 2015 and sold in early January 2016 for \$699,900, or \$122.64 per square foot.

The assessments referenced by Appellant concerned two (2) properties located in subject's subdivision. The first was a 3,485 square foot residence constructed in 2014 and attached to a .849 acre parcel. For 2016, the total assessed value was \$651,300, or \$187 per square foot. The other assessment concerned a .958 acre parcel improved with a residence constructed in 2014. The residence totaled 5,361 square feet in size, with 1,851 square feet in the basement, 2,740 square feet on the main floor, and 770 square feet on the upper level. The total assessed value for 2016 was \$659,100, or roughly \$122 per

square foot on an overall basis.

Respondent explained subject's area was reappraised for the 2016 as part of the county's regular revaluation program. Focusing on subject, Respondent offered information concerning five (5) recent sales; four (4) from subject's subdivision and one (1) from an adjacent development. The sale residences were generally similar to subject in bedroom and bathroom count, age, quality, and basic design style. Respondent made adjustments to the sales for differences compared to subject, such as, fireplace count, residence and garage size, outbuildings, and whether the property had a swimming pool. Unadjusted sale prices ranged from \$700,000 to \$961,610, or between roughly \$159 and \$225 per square foot. Adjusted prices varied from \$680,890 to \$995,075, or from \$184 to \$269 per square foot. Subject's current assessed value equates to \$195 per square foot.

Respondent also offered nine (9) vacant land sales in support of subject's \$180,000 land value. Three (3) of the sale lots were located in subject's development and the other six (6) were situated in a nearby development to the west. Lot sizes were roughly one (1) acre and sale prices ranged from \$180,000 to \$225,000.

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. The sales comparison approach, the income approach, and the cost approach represent the three (3) primary methods for determining market value. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, commonly used in the market valuation of residential property, relies on a consideration of multiple recent sales of similar property.

Appellant provided a couple sources of information for the Board’s consideration. The first was assessment data concerning two (2) nearby properties. Appellant questioned why subject was valued higher than the referenced assessments. The Board understands Appellant’s concerns, however, comparing assessed values is not a recognized appraisal approach. Further, one (1) of the properties referenced was notably larger than subject and included a sizeable basement, both of which would cause the value per square foot to be lower. Appellant made no adjustments for these key differences.

The Board had similar concerns with Appellant’s sales information. One (1) of the sale residences included a large basement, and both sale residences were constructed

more than ten (10) years ago. To validly compare these properties to subject, adjustments are necessary, however, no adjustments were made in Appellant's analysis. As such, the Board did not heavily weigh Appellant's sales information.

Appellant's primary value evidence was subject's purchase in early 2014 for roughly \$575,000. In Appellant's view, the transaction satisfied the hallmarks of an arm's-length sale and was thus the best evidence of subject's current value. While we agree the recent purchase of the very property being valued is important value evidence, the sales comparison approach, for a common property type, calls for the consideration of multiple sales. "[M]arket value' can not be established by a single arm's length transaction in which a unique property . . . is sold for cash . . . 'market value' becomes an important standard of measurement in the valuation of property only after there have been numerous sales or exchanges of similar property." *Janss Corp. v. Board of Equalization of Blaine County*, 93 Idaho 928, 931, 478 P.2d 878, 881 (1970). For this reason, the Board was reluctant to rely solely on subject's purchase price.

Respondent's sales comparison approach analysis was well received by the Board. The sale properties were located in subject's immediate neighborhood and shared many key similarities with subject. Respondent adjusted the sales to account for differences between the sale properties and subject. Adjusted prices ranged from roughly \$680,000 to \$995,000, or from \$184 to \$269 per square foot. On a like basis, subject was assessed at about \$195 per square foot, which is well within the range indicated by the sales data.

The Board also favorably viewed Respondent's land value analysis. Nine (9) nearby

sales from 2015 with similar lot sizes were considered. Sale prices were between \$180,000 and \$225,000. Subject's assessed land value is \$180,000, which is the lowest value indicated by the lot sales.

In appeals to this Board, pursuant to Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Given the evidence presented in this matter, we did not find the burden of proof satisfied. Respondent's value conclusion was more thorough and better supported. Subject's current assessed value is reasonable given the available sales data.

Based on the above, 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 19th day of April, 2017.