

BEFORE THE IDAHO BOARD OF TAX APPEALS

ALFRED GNADINGER,	)	
	)	
Appellant,	)	APPEAL NO. 17-A-1008
	)	
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. R6641120150. The appeal concerns the 2017 tax year.

This matter came on for hearing September 6, 2017 in Boise, Idaho before Board Member Leland Heinrich. Appellant Alfred Gnadinger was self-represented. Chief Deputy Tim Tallman represented Respondent.

Board Members David Kinghorn and Leland Heinrich join in issuing 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 \$290,000, and the improvements' value is \$341,300, totaling \$631,300. Appellant contends the correct land value is \$271,600, and the improvements' value is \$336,200, totaling \$607,800.

The subject property is a .208 acre lot located in the Orida Ridge Subdivision in the Boise foothills. The property is improved with a single-level residence of 2,771 square feet

containing three (3) bedrooms and three (3) bathrooms. The residence was constructed in 1994 and includes a 673 square foot attached garage.

Subject was last purchased in October 2015 for \$595,000. Appellant acknowledged subject enjoys a mountain view, however, reported a nearby developer is dumping dirt directly in line with this view, and also that new homes were being built on the ridge further impacting the view. Appellant believes these factors diminish the view and significantly reduce the value of subject's land.

Appellant used one (1) of Respondent's comparable sales and applied adjustments to compare it with the subject. This sale took place in January 2017 for a price of \$700,000. Appellant made an adjustment for square footage difference in the amount of \$44,358. A 5% reduction was made for the one-half ( $\frac{1}{2}$ ) bath difference, and lastly Appellant applied an 8.5% adjustment for the lot size, resulting in an adjusted sale price of \$607,479.

Respondent explained the 2016 assessments in subject's area were trended up for the 2017 tax year. Focusing specifically on subject, Respondent offered information on three (3) recent sales; one (1) being subject's last sale, with the remaining two (2) also being from subject's subdivision. The sale properties were similar to subject in many key areas. An upward time adjustment was applied to the sale prices to reflect the market conditions as of the January 1, 2017 assessment date. The adjusted prices ranged from \$632,000 to \$655,000, or from \$228 to \$236 per square foot. Subject's assessment for 2017 indicated an average rate of \$234 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, 2017 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). Residential property like the subject is typically valued using the sales comparison approach.

Appellant referenced one (1) sale that was also considered by Respondent and made adjustments to the sale price to account for some of the physical differences between the selling property and the subject. A problem, however, is there were no details in the record of how the percentage adjustments were derived or supported by market

data.

Appellant's main point of contention was the changing view. It was claimed due to loads of dirt being dumped in subject's view line, along with other new residential construction, that subject's land value had suffered. Respondent explained subject was being valued as of January 1, 2017, at which time the construction on the ridge had not started, and therefore its presence was not taken into consideration for the current tax year. Respondent explained further if sales data showed a notable drop in value due to the nearby construction, or view obstructions, the values in the area would be re-analyzed.

The Board found while construction is taking place and might be further contemplated, no market evidence was in record to substantiate a detrimental effect on value. Further where the construction cited had not begun by January 1, 2017, the 2017 assessment date, an adjustment for this factor would be inappropriate.

Respondent provided information on multiple sales from subject's immediate area, which included subject's own purchase in October 2015 for \$595,000. Respondent time-adjusted the price information and determined adjusted sale prices ranging from \$632,300 to \$655,000. Subject's total assessed value is \$631,300, which appears reasonable given the value range indicated in Respondent's sales comparison approach to value.

Idaho Code § 63-511 places the burden on Appellant to demonstrate error in subject's assessed value by a preponderance of the evidence. Given the record in this case, we did not find the burden of proof satisfied. Appellant's claim was not well supported by detailed sales information or other market data, while Respondent's value

was supported by multiple recent sales of similar property from subject's immediate neighborhood. Overall, Respondent's value position was better supported.

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 1<sup>st</sup> day of November, 2017.