

BEFORE THE IDAHO BOARD OF TAX APPEALS

SANDCASTLE PROPERTIES, LLC,)	
)	
Appellant,)	APPEAL NO. 18-A-1004
)	
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. R5439210680. The appeal concerns the 2018 tax year.

This matter came on for hearing September 13, 2018 in Boise, Idaho before Board Member Leland Heinrich. Kevin McIntyre appeared at hearing for Appellant. Chief Deputy Assessor Brad Smith represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn 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 \$70,600, and the improvements' value is \$150,500, totaling \$221,100. Appellant contends the correct total value is \$184,192.

The subject property is a .17 acre parcel situated in the Mahogany Park Subdivision, in Boise, Idaho. The property is improved with a single-level 1,439 square foot residence constructed in 1997. The residence consists of three (3) bedrooms, two (2) bathrooms, and an attached three (3) car garage.

It was explained, in addition to the subject property, Appellant owned two (2) additional residential properties in the subdivision. These other properties were described as similar to subject in terms of size, condition, and location. Despite these similarities, Appellant highlighted each were assessed different rates per square foot. Focusing on the larger property which was valued the least per square foot, Appellant argued subject should be valued at the same or similar square foot rate.

Appellant further provided three (3) sales from subject's subdivision which closed during 2017. The sale residences were generally similar to subject in terms of square footage, bedroom count, bathroom count, and age. Though total sale prices were not apparent from the Multiple Listing Service data sheets, sale price-per-square-foot indications ranging from about \$130 to \$158 per square foot were noted. Appellant highlighted the \$130 per square foot sale price of the larger 1,688 square foot residence as the best indication of subject's value.

Respondent noted there were thirteen (13) non-distressed sales from subject's subdivision during 2017 with a median sale price of \$210,300. Based on the overall sales activity in the neighborhood, Respondent increased assessed values in the subdivision by roughly 12%. Subject's assessed value increased 11.78% from last year.

Focusing more specifically on the subject property, Respondent offered sales information concerning three (3) 2017 sales from subject's subdivision. The sale properties were generally similar to subject in terms of age, design, square footage, bedroom count, bathroom count, and lot size. The primary difference appeared to be in the sizes of the sale garages, which were all smaller than subject's garage. Sale prices ranged from \$137 to \$161 per square foot. Respondent adjusted the sale prices to account for differences between the sale properties and

subject. A 1% per month upward time adjustment was also applied in an attempt to better reflect price levels on the January 1, 2018 assessment date. Adjusted sale prices ranged from \$216,600 to \$224,300. Subject's total assessed value is \$221,100.

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, 2018 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 three (3) approaches for estimating market value include 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). The parties relied primarily on the sales comparison approach and offered relevant information in this regard.

Appellant first compared subject's assessed value to the values of two (2) other properties Appellant also owns in the subdivision. The compared properties were characterized as mostly similar to subject, which in Appellant's view should have resulted in nearly identical assessed values for each property, whereas the actual assessed values were somewhat varied. While we

understand Appellant's concern, a comparison of assessed values is not a recognized appraisal approach. Further, because no two (2) properties are identical it is not surprising to see some variation in assessed values. A value estimate is derived based on the specific features and amenities of a particular property, not on general similarity to another property.

Turning to the sales information provided by the parties, the Board had some concerns. While the sale properties themselves were generally representative of subject, the accompanying analyses by the parties was found to be lacking. Appellant did not make any adjustments for differences between the sale properties and subject, choosing instead to focus on lowest sale price per square foot as the best indicator of subject's value. One problem with relying too heavily on price per square foot rates is any variation in size between the properties being compared can greatly impact the price per square foot calculation. This concept is well-illustrated here with Appellant's reliance on the property which sold for the lowest price rate of roughly \$129 per square foot. The sale residence is approximately 250 square feet larger than subject. Applying subject's square footage to the sale price yields a price rate of roughly \$152 per square foot, which is notably different than the \$129 per square foot rate Appellant petitioned for subject's valuation.

Though Respondent did make adjustments to its comparable sales, it is unclear what specific adjustments were made, other than applying an upward 1% per month time adjustment. Adjusted sale prices were provided, however, they were not accompanied by any details concerning individual adjustments. The Board prefers a more thorough accounting of adjustments made to comparable sale prices. That being said, it is apparent Respondent did analyze the sale properties and did make some adjustments for purposes of comparison with

subject. In appeals to this Board, the burden lies with Appellant to prove error in subject's assessed valuation by a preponderance of the evidence. See Idaho Code § 63-511. The Board appreciated the information offered by Appellant, but in the final analysis it fell short of demonstrating error in subject's valuation. The sales information furnished by Respondent provided a rather narrow range of value, with subject's assessed value representing nearly the mid-point of the value indications. Also, the other two (2) sales provided by Appellant, which were close in size to subject's residence, pointed to a per-square-foot valuation even higher than subject's current assessed value. Overall, Respondent's information and analysis was better received by the Board, which was also mostly reaffirmed by Appellant's own sales information.

Based on the above, the Board does not find sufficient cause to disturb subject's current assessed value. 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 31st day of October, 2018.