

BEFORE THE IDAHO BOARD OF TAX APPEALS

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|-------------------------|---|----------------------|
| WICKSTRUM FAMILY TRUST, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 18-A-1016 |
| |) | |
| 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 modifying an appeal of the valuation for taxing purposes of property described by Parcel No. R3626150200. The appeal concerns the 2018 tax year.

This matter came on for hearing September 12, 2018 in Boise, Idaho before Board Member Leland Heinrich. Rodney Wickstrum 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 modified.

FINDINGS OF FACT

The assessed value for the subject property is \$676,000. Appellant contends the correct value is \$600,000.

The subject residence is located in the Hillsdale Estates Subdivision, in the countryside north of Star, Idaho. The lot size is 1.01 acres. The three-level custom residence has 6,157 square feet and was built in 2005. The above grade living area has 3,484 square feet. The improvements include a walkout basement, a two-car attached garage, and a three-car

detached garage that was recently constructed.

Appellant reviewed 2015 sales in subject's subdivision, including a related review of subject's last sale in April 2015. From this, it was argued the living area, beyond a base amount of about 4,500 square feet, was not a significant value factor. It was also argued subject was inferior to other property in the subdivision. Appellant developed a value opinion for subject using the sales comparison approach which primarily considered five (5) comparable sales from 2017. Adjustments were made to the comparable sale prices for time of sale, bedroom and bath count, garage / parking, year built, lot size, location, and an amenities/other category. Before adjustments the sale prices ranged from \$499,000 to \$595,000. After adjustments, the indicated value range was \$589,000 to \$611,000. Most weight was given to Comp 1 as it was deemed most similar to the subject. After gross adjustments of \$64,700, the adjusted price for this sale was \$598,300. Time adjustments for the 2017 sales was 0.7% per month. Noting there were no 2017 sale prices falling in the range between \$595,000 and \$715,000, Appellant chose not to consider four (4) higher-priced sales, finding they were too dissimilar to be good comparable sales.

Respondent also presented a sales comparison approach to value. It considered six (6) 2017 sales from subject's subdivision. Four (4) of the sales overlapped with those considered by Appellant. However, Respondent additionally considered two (2) superior sales from among the higher-priced selling residences. Including for time of sale, Respondent made adjustments for eleven (11) different property characteristics. The time adjustment used was 0.85% per month. Before adjustments, Respondent's comparable sale prices ranged from \$535,000 to \$785,000. After adjustments the indicated price range for subject was between

\$621,000 and \$779,000. Respondent found its Comp #1 was the most similar to subject. This \$715,000 sale, after adjustments, indicated a subject market value of \$712,324. The median for the adjusted sales indicated a subject value of \$694,700. Four (4) of the adjusted sale prices indicated a value higher than subject's 2018 assessed value.

Appellant reported ongoing trouble with a furnace. Respondent reported requesting an estimate or bid to determine the issue and a cost to cure. On appeal, and in this regard, Appellant provided a copy of an \$8,675 quote for a new 48,000 BTU furnace. The quote was from a local heating and air company.

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. Residential property is commonly appraised with reference to the sales comparison approach

to value. In this instance, both parties presented appraisals of subject using this approach. In some instances, the parties considered the same recent sales of comparable property. However in other instances the parties chose to analyze different sales. The parties are also noted to have pursued the matter of appraisal adjustments somewhat differently.

Subject is a custom residence of large size. With one exception, the Board found Respondent's valuation of the subject to be credible and reasonable. The exception involved the consideration given to a furnace related issue. The Board found Appellant to have presented a supported appraisal of subject's current market value, however, this appraisal was not found to be superior to that of Respondent's, except perhaps on its better informed consideration of the furnace issue. On the furnace issue, Appellant provided a cost to cure figure of \$8,675. The Board was guided by this estimate in making an adjustment for the drain issue, which detriment was not found to be present or adjusted for in the comparable sales considered by Respondent.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. Though Appellant provided relevant market information and an appraisal of the subject, Respondent's value evidence was judged to be more thorough and better supported. The appraisal indicated a value somewhat higher than subject's assessed value, nonetheless, the Board found sufficient cause to adjust the assessment. The adjustment is for the above referenced furnace issue and is based largely on the recent quote for a new furnace. It was not clear in the record that the original assessment or the later Board of Equalization adjustment gave due consideration to this factor.

For the reasons expressed, the value decision of the Ada County Board of Equalization is modified to reflect a reduction to \$667,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the market value decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$667,000. An allocation of this market value follows.

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| Land | \$142,800 |
| Improvements | <u>\$524,200</u> |
| Total | \$667,000 |

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 27th day of November, 2018.