

BEFORE THE IDAHO BOARD OF TAX APPEALS

ALFRED GNADINGER,)	
)	
Appellant,)	APPEAL NO. 18-A-1009
)	
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 2018 tax year.

This matter came on for hearing October 10, 2018 in Boise, Idaho before Board Member Leland Heinrich. Appellant Alfred Gnadinger was self-represented. 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 \$295,800, and the improvements' value is \$357,300, totaling \$653,100. Appellant contends the correct improvements' value is \$333,056, with no change to the assessed land value, for a total of \$628,856.

The subject property is a .21 acre parcel located in Boise, Idaho. The parcel is improved with a residence consisting of 2,711 square feet. The residence was constructed in 1994 and includes four (4) bedrooms and three and one-half (3.5) bathrooms. The

property is further improved with a 673 square foot garage. Subject enjoys a mountain view.

Appellant agreed with subject's assessed land value. In addressing the improvements, however, it was argued the construction is substandard compared to other properties. It was explained subject residence suffers from deferred maintenance, and is in need of new windows and a roof replacement. Appellant obtained two (2) roof replacement estimates, one for \$30,000 and the other for \$60,000. The windows replacement was estimated at \$16,000. The actual bids themselves were not provided to the record.

Appellant looked to three (3) of Respondent's comparable sales and made adjustments for date of sale, as well as for some other minor differences. The precise adjustments were not provided. The average of Appellant's adjusted price figures was \$628,856. Subject was assessed at \$653,100. Appellant subtracted the average from the assessed value and noted \$24,244 difference, and so reduced subject's improvements' value by this amount. Adding the land back in, Appellant derived the total value of \$626,856. Appellant noted this was slightly lower than the 2017 assessment, so therefore requested this Board to reinstate subject's 2017 assessed value of \$631,300.

Respondent provided information from three (3) 2017 sales to compare to the subject property. Two (2) sales were in subject's immediate area, with the third sale located more distant from subject. The sale residences ranged in size from 2,678 to 3,205 square feet and all were older construction than subject's residence. The sales' lot sizes were approximately the same as subject's. Sale prices ranged from \$630,000 to \$760,000.

Respondent adjusted the sale prices to account for differences compared to subject. The adjustment factors included square footage, bathroom count, and overall superior conditions. An upward time adjustment was also applied to the sale prices. In the end, the adjusted sale prices ranged from \$686,000 to \$747,000. Subject was assessed at \$653,100.

Lastly, Respondent noted Appellant had purchased subject in 2015 for \$595,000. Since the purchase, Appellant has remodeled portions of subject, including kitchen work and replacing some flooring. Respondent reported subject's assessed value has increased by 10% since the 2015 purchase, which Respondent believed was consistent with the market changes in subject's area.

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. 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 is commonly valued with reference to the sales comparison approach.

Both parties offered appraisal information for the Board's review. Many of the details concerning Appellant's sales information and analysis, however, were not clear in the record. Appellant reported making adjustments to Respondent's sale information for time, as well as some other minor factors, though the actual adjustments were not presented in the record. Appellant then used the average of the adjusted sale prices from subject's assessed value to calculate a difference, and reduced subject's improvement value by the calculated difference. Lastly, Appellant added the assessed land value to arrive at a subject value indication of \$626,856. In considering this evidence, the Board was strained to find good support for an adjustment to Respondent's valuation. Respondent provided timely market data for the Board's review which included three (3) sales involving residences roughly similar to subject in terms of living area size, location, and age. Adjustments were made to the sale prices for differences between the subject and the compared properties. Similar to Appellant, Respondent also neglected to provide and specify the actual adjustment percentages or amounts. The adjusted sale prices ranged from \$686,000 to \$747,000.

The Board understands subject's market value may suffer from the presence of some deferred maintenance, as the residence is approximately 25 years old. The evidence

in record shows subject is assessed lower than Respondent's adjusted sale prices. In all, we find this to show Respondent has taken subject's condition into consideration.

In appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. In this case, the Board does not find Appellant to have met the requisite burden of proof. Respondent's value evidence supported subject's current assessed value and Appellant did not provide a superior valuation or otherwise prove error. Therefore, 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 value decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED

DATED this 13th day of November, 2018.

IDAHO BOARD OF TAX APPEALS