

BEFORE THE IDAHO BOARD OF TAX APPEALS

MICHAEL WHYTE,)	
)	
Appellant,)	APPEAL NO. 18-A-1072
)	
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 on property described by Parcel No. R8079560410. The appeal concerns the 2018 tax year.

This matter came on for hearing November 29, 2018 in Boise, Idaho before Hearing Officer Travis VanLith. Appellant Michael Whyte was self-represented. Deputy Assessor Tina Winchester 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 \$400,000, and the improvements' value is \$285,300, totaling \$685,300. Appellant contends the correct land value is \$325,000, and the improvements' value is \$268,975, totaling \$593,975.

The subject property is located in the Spring Meadows subdivision near the Bown Crossing area in southeastern Boise, Idaho. The property includes a 3,083 square foot

residence constructed in 1992 situated on a .25 acre lot. The residence is further improved with a 784 square foot attached garage. Subject's neighborhood was described as desirable in the current marketplace due to its proximity to the greenbelt and the Boise River. Respondent further noted the subject property enjoys increased privacy because the lot backs up to Loggers Creek, which runs adjacent to the greenbelt and the Boise River. There are no neighbors between subject's rear property line and the river.

Appellant highlighted the amount of increase in subject's assessed value, particularly the land value, and questioned whether recent market data supported the increase. In support of reducing subject's land value, Appellant offered information concerning three (3) active vacant residential lot listings. The lots were located in the Harris Ranch area, roughly one-half (1/2) mile from subject. The lots ranged in size from .25 to .39 acres, with asking prices ranging from \$265,000 to \$310,000. Appellant calculated an average asking price of \$291,000 for the lots, to which Appellant suggested adding a location premium to account for subject's superior location. A value of \$325,000 for the subject lot was concluded.

Respondent contended lot listings should not be considered in developing a value opinion for subject. Respondent highlighted lots in the Harris Ranch area do not enjoy any water amenities and the lots were located farther from the Bown Crossing area and other amenities popular in subject's immediate neighborhood. Lastly, Respondent argued the information should not be used because it concerns active listings, not closed sales.

Turning to the value of subject's improvements, Appellant provided information

related to four (4) improved residential sales which occurred during 2017. Physical details concerning the sale properties were somewhat limited, however, the sale residences ranged in size from 1,834 to 3,214 per square foot. Sale prices were between roughly \$375,000 and \$585,000. Appellant calculated an average sale price rate of \$191.33 per square foot, which when applied to subject's 3,083 square feet, indicated a total value of \$589,874. To this, Appellant added roughly \$35,000 as a location adjustment, which yielded a value of \$625,000. Appellant further adjusted this figure downward by \$31,025 to account for some noted deferred maintenance items, resulting in a value conclusion of \$593,975 for subject.

Respondent explained subject's area was physically reappraised for the 2018 tax year, which caused values to generally increase throughout the neighborhood. Respondent commented subject's increase of 18.16% was typical in the area for 2018. It was further explained, subject's original 2018 assessed value was \$698,800, however, after discovering the deferred maintenance issues referenced above, Respondent recommended the value be reduced to \$685,300. The Ada County Board of Equalization accepted the proposed reduction and ordered subject's assessed value to be changed accordingly.

Turning to its valuation evidence, Respondent offered four (4) sales which occurred during 2017. The sale properties were generally similar to subject in terms of square footage, age, and bedroom and bathroom count. The primary differences between subject and the sale properties were lot size and location. Sale No. 1 was a .18 acre lot located in a nearby subdivision which sold for \$600,000. Though located near Bagley Park, the

sale property did not have any water amenities. Sale No. 2 concerned a .61 acre parcel located off Parkcenter Boulevard near subject. This property was noted to be situated adjacent to Loggers Creek like subject, however, there is a neighbor to the rear of the property between the creek and the Boise River, so the sale property does not enjoy the same level of privacy as subject. This property sold for \$640,303. Sale No. 3 was a .309 acre lot with no park or water amenities. The property sold for \$675,000. Lastly, Respondent offered Sale No. 4, a .26 acre parcel which sold for \$680,000. This sale property was also located along Loggers Creek, however similar to Sale No. 2 above, it too is separated from the river by a neighbor. Respondent directly compared each sale property to subject and adjusted the respective sale prices to account for physical differences. The sale prices were also adjusted upward at a rate of 1% per month to account for time of sale. Adjusted sale prices ranged from \$675,687 to \$905,440. Subject's assessed value is \$685,300.

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 the testimony and documentary evidence, 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 determining market value include the sales comparison approach, the income approach, and the cost approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which generally considers recent sales of similar and proximate property, is the approach commonly employed to estimate the value of residential property.

Appellant’s value evidence consisted of three (3) active vacant lot listings and four (4) recent improved residential sales. Though the information was appreciated, there were some concerns from the Board’s point of view. To begin, recent sales are necessary to develop a reliable estimate of market value. In this case, Appellant’s position regarding subject’s land value was based entirely on three (3) active listings. It is true listings can be helpful in identifying the potential upper range of value, however, listings alone are insufficient to determine market value. As no sales supporting Appellant’s petitioned land value were provided, the Board did not find sufficient cause to adjust subject’s land value.

The Board was also hesitant to rely heavily on the improved sales information offered by Appellant. First, with only square footage, and bedroom and bathroom counts indicated on the sale data sheets, physical details concerning the sale properties were notably scant in the record. Without more information about the sale properties it is difficult

to make any meaningful comparisons with subject. As for the known physical attributes, two (2) of the sale residences varied more than 1,000 square feet from the size of subject's residence, and none of the sale properties were located near water amenities. In the Board's experience, these are just a couple key value-contributing attributes of a property which must be accounted for when comparing these sale properties to subject. It was not clear how Appellant considered these, and other, differences between subject and the sale properties. We recognize Appellant attempted to adjust for subject's superior location by adding a \$35,000 location premium, however, there was no support for this figure. And it lies in stark contrast to the respective \$100,000 and \$200,000 location adjustments Respondent made in its analysis to both sale properties located away from the water. In all, the Board was unpersuaded Appellant's analysis represented the best evidence of subject's current market value in this particular instance.

Respondent's value evidence was generally better received by the Board. Though not all the sale properties shared subject's water proximity, they were all located in the neighborhood, and adjustments were made to account for location differences. The sale residences were also noted to be generally representative of subject in terms of physical attributes, though Respondent did make adjustments for noted differences compared to subject. In short, Respondent's analysis was judged to be more thorough and supportive of subject's assessed value.

In appeals to this Board, the burden is Appellant's to establish subject's valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. While we

understand Appellant's concern with the seemingly large increase in subject's assessed value compared to last year, the evidence provided did not support a lower value. As such, 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 8th day of February, 2019.

IDAHO BOARD OF TAX APPEALS