

BEFORE THE IDAHO BOARD OF TAX APPEALS

LINDA ANOOSHIAN,)	
)	
Appellant,)	APPEAL NO. 19-A-1002
)	
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 an appeal of the valuation for taxing purposes on property described by Parcel No. R0169000083. The appeal concerns the 2019 tax year.

This matter came on for hearing September 5, 2019 in Boise, Idaho before Board Member Leland Heinrich. Appellant Linda Anooshian 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 modified.

FINDINGS OF FACT

The assessed land value is \$192,000, and the improvements' value is \$361,300, totaling \$533,300. Appellant contends the correct market value is \$450,000.

The subject property is located in north Boise, Idaho in the Aftons 1st subdivision. The three (3) bedroom, two (2) bathroom, 1,782 square foot single-level residence was constructed in 2005 and is situated on a .13 acre lot. The property is further improved with a 656 square foot garage.

Appellant explained subject is an anomaly as it is the smallest residence in the area, and the only single-story in the subdivision which consists of seventeen (17) parcels on a single street.

Appellant looked to a local realtor to help provide an analysis of subject's valuation. In support of reducing subject's assessed value, the realtor provided an analysis of three (3) sales within subject's neighborhood. All three (3) sale properties were two-story residences with four (4) bedrooms. Two (2) of the sale properties contained three and one-half (3.5) baths, with the remaining having four (4) bathrooms. Further, all the sale properties were situated on .13 acre lots and were between 11 and 20 years old. Appellant's comparable sales were therefore in the same subdivision as subject, all on the same size lot as subject, and each was located on the same street as subject.

Sale No. 1 was a 2,821 square foot residence which sold in March 2018, for \$578,400, or \$209 per square foot. This sale property had an elevator, so would need to be adjusted downward when comparing to subject.

Sale No. 2 had a 2,442 square foot residence, and a small detached residence. The property sold in August 2018 for \$656,000. Appellant noted the realtor involved in the sale explained a premium on the sale price was derived from the detached dwelling. Appellant explained subject was not in the same class as this multi-dwelling property. In Appellant's opinion, the sale sold for a higher price per square foot of \$269 due to being a multi-dwelling property.

Sale No. 3 took place in mid-2019. This property sold for \$619,000, or \$217 per square foot. Although this sale did not exist on the January 1 lien date, Appellant used it to bracket the

subject property to demonstrate subject's assessed value per square foot should be somewhere in line with the three (3) sales. Because subject's size and design is unique to the area, Appellant concluded a value of \$252 per square foot for subject is a better representation of value.

Respondent explained subject's area was last reappraised in 2016 and was merely trended for 2019. Subject's particular subdivision saw value increases ranging from 20% to 22% in value. Subject's value increased by 20.78%.

To support subject's assessment, Respondent offered information on the three (3) 2018 sales. Adjustments were made to the sale prices for purposes of comparison with subject. Sale No. 1 was regarded as most similar to subject, however, Respondent highlighted the square footage was larger than subject, and the location was superior. Respondent adjusted the \$560,000 sale price to \$562,733, or \$315.79 per square foot based on a date of sale adjustment, as well as for physical differences.

Respondent also adjusted Sale Nos. 2 and 3 to account for date of sale, as well as differences compared to subject. The adjustments made to Sale No. 2 included an adjustment for square footage, bathroom count, and a time adjustment. In all, the \$660,000 sale price was adjusted upward to \$711,068. Sale No. 3 was adjusted primarily for garage size, general purpose buildings, and date of sale. The February 2018 sale price of \$595,000 was adjusted to \$616,437. With primary emphasis on Sale No. 1, the concluded value for subject was \$563,000. Appellant provided some analysis of Respondent's sales noting all were located outside subject's immediate area and subdivision.

Respondent pointed to a local study which reflected single-story residences sell for approximately 13% more than two-story residences of similar size. Also reflected in the study

was smaller homes (1,134 to 2,172 square feet) sell for an average of \$252 per square foot, whereas larger homes average \$202 per square foot. Smaller homes were selling for approximately 25% more per square foot than large homes. Lastly, it was noted sales from subject's subdivision indicated an average price rate of \$250.76 per square foot. Applying the 25% factor for smaller homes, Respondent suggested a smaller home in subject's subdivision should sell on average for \$313 per square foot. Subject was assessed at \$310 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 in fee simple interest, 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, 2019 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 sales comparison approach, the income approach, and the cost approach comprise the three (3) primary methods for estimating market value. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is often valued using the sales comparison approach, which approach considers recent sales of nearby similar property.

The parties agreed subject's residence is the smallest and the only single-story home in

the subdivision. In looking at the sales in record, the primary difference between the parties' was Appellant's sale properties were located in subject's immediate neighborhood, whereas Respondent's sales were located farther away. Location is a known influence on value, and it did not appear this key value component was adequately factored into Respondent's analysis.

Respondent provided information concerning three (3) sales regarded as generally similar to subject's residence in size, as well as single-story design. Respondent reported adjustments were made for factors likely to impact value. The adjusted sale prices ranged from \$562,733 to \$711,068.

Appellant provided information on three (3) sales located in subject's immediate area. Two (2) sales took place in 2018, with the remaining sale closing in mid-2019. As emphasized above, the controlling date of valuation in this appeal is January 1, 2019. The question before us concerns the market value of the subject property as of that date. This necessarily requires a consideration of market data from prior to January 1st. Appellant's information regarding the 2019 sale was from well after the effective date of valuation so will be given no consideration. The remaining two (2) sales indicated an average sale price per square foot of \$239. Some characteristics of the sale properties were described and they generally appeared superior to subject's characteristics. In looking at all the sales in record, we ultimately find subject's assessed value at \$310 per square foot to be somewhat high, especially in light of the sales information from subject's immediate area.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board found in this instance, sales in subject's area were deemed important indicators of market value. We find the burden of proof

satisfied in this case, though we did not find sufficient support to reduce subject's value to that petitioned by Appellant. Although good evidence was offered in support of Appellant's position, we also found Respondent's analysis of single-level residences versus two-story residences should be factored in.

For the reasons expressed, the decision of the Ada County Board of Equalization will be modified to reflect a final subject value of \$485,000.

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, MODIFIED to reflect a decrease to \$485,000 (land allocation \$192,000, improvements allocation \$293,000).

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 under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 17th day of October, 2019.