

current assessment year. They described efforts to sell the property over several years with asking prices around the \$580,000 level, however received no offers. The property is not currently listed for sale. Subject's subdivision was described as diverse in terms of the quality and design of the residences in the development, with sale prices reportedly ranging from \$400,000 to more than \$1,000,000.

In support of reducing subject's assessment, Appellants offered a "Comparative Market Analysis" developed by a local real estate agent. The one (1) page report, prepared in September 2018, listed five (5) sale properties from subject's subdivision. No physical details concerning the five (5) properties were provided, though asking prices and sale prices were indicated. Sale prices ranged from about \$544,000 to \$800,000, with an average price of \$615,000, or \$170 per square foot. Applying this price rate to subject's square footage suggested a price level of about \$593,000.

In addition to the sales information above, Appellants pointed to four (4) current listings from the subdivision to indicate subject's assessed value is overstated. The first property referenced was that of Appellants' neighbor, which had reportedly been on the market for 151 days with an asking price of \$714,900, or \$161.27 per square foot. A listing sheet was submitted which described some features of the 4,433 square foot multi-level residence. As for the remaining three (3) listings, Appellants provided a one-page summary sheet which showed an average pricing of \$771,633, or \$171 per square foot. Property characteristic details for these listings were not shared.

Lastly, Appellants offered a statistical report authored by Boise Regional Realtors concerning single-family home prices in Ada and Canyon counties sorted by city. The report

indicated the median sale price in Eagle between March 2018 and March 2019 increased 3.2%, which Appellants emphasized was notably lower than the increase in subject's assessments. Respondent pointed out the report did not reflect a true representation of year-over-year pricing levels because it only compared sales from March 2018 with sales from March 2019, and did not include a consideration of sales from other months during 2018. By contrast, Respondent offered a report of plotted median sale prices for each month, which indicated an increase of 11.47% for Eagle during 2018.

Respondent provided information on four (4) sales from subject's subdivision which occurred during 2018. The sale properties were generally similar to subject in terms of design, bedroom and bathroom count, lot size, and location. Sizes of the sale residences ranged from 2,683 to 3,801 square feet. The more notable physical differences when compared to subject were with respect to Sale Nos. 2 and 3. Sale No. 2 was noted to include a pool, which amenity subject does not enjoy. And Sale No. 3 was not located next to a pond, whereas subject and the other sale properties in the analysis were situated near the water. Respondent made adjustments for these differences, as well as for other differences including square footage, garage size, and fireplace count. Respondent also applied an upward time adjustment of .96% per month to reflect market conditions (pricing levels) on January 1, 2019, the relevant valuation date in this appeal. Adjusted sale prices ranged from \$647,001 to \$797,910, or from \$185.55 to \$228.82 per square foot.

In similar fashion, Respondent prepared an analysis using the sale properties included in the Comparative Market Analysis prepared by Appellants' realtor. The sale residences, with sizes ranging from 3,186 to 3,835 square feet, bracketed subject's residence at 3,487 square

feet. The sale residences shared the same number of bathrooms as subject, however, each included more bedrooms than subject. The biggest difference between subject and the sale properties was location, with four (4) of the five (5) chosen sale properties not located next to a pond. Respondent made adjustments for this key difference. Again, a .96% time adjustment was applied. After all adjustments were made, Respondent determined adjusted prices ranging from \$640,968 to \$808,090, or from about \$184 to \$232 per square foot. Subject's current assessed market value is \$645,000, or very near \$185 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 three (3) primary methods for determining market value are 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). Residential property is commonly valued using the sales

comparison approach, which approach in general terms considers recent sales of similar property, typically including adjustments made for physical differences, time of sale, and location.

Appellants did not offer an analysis using a traditional appraisal approach. Instead, Appellants submitted a brief report from a local realtor, as well as information on several active listings from the area. While the information was appreciated and germane, the Board was ultimately unpersuaded subject's assessed value should be reduced as a result of these data points. Starting first with the active listings, it is important to remember the relevant date of valuation in this appeal is January 1, 2019. As such, a typical appraisal analysis focuses on the market data from prior to the valuation date because, in part, information occurring beyond such date would be unknown to market participants at the time. From the limited information provided, it was not evident whether the properties were listed for sale prior to the date of valuation. Further, and more importantly, listings are not generally considered the best indicators of current market value. This is especially true when recent comparable sales are available.

Turning to the sales information furnished by Appellants, the Board likewise had some reservations. Of primary concern was the absence of a reasonably complete consideration of the property characteristics for the five (5) sales properties. The only information shared by Appellants was address, asking price, sale price, percentage of asking price, days on market, and price per square foot. While certainly relevant information, without the physical property details identified, it seems impossible to make meaningful comparisons between the sales and the subject property. In all, the Board was strained to find how a consideration of the

unadjusted sales here supported a reduction in subject's assessment.

Respondent's data and analysis, on the other hand, was relatively better received by the Board. In addition to the analysis performed on four (4) of its own 2018 sales, Respondent similarly analyzed Appellants' sales. Each sale property was individually compared to the subject property and appraisal adjustments were made to account for physical differences and time of sale. Respondent's sales indicated a range of value between \$647,001 and \$797,910, or from about \$186 to \$229 per square foot, which was similar to the adjusted range suggested by Appellants' sales from \$640,968 to \$808,090, or from about \$184 to \$232 per square foot. Based on the adjusted sales information, the Board did not find support for subject's value at \$170 per square foot, as petitioned by Appellants.

Pursuant to Idaho Code § 63-511, Appellants bear the burden of proving error in subject's assessed value by a preponderance of the evidence. Given the evidence presented in this matter, the Board did not find the burden of proof satisfied. Respondent's more complete and appraisal like analysis of all the sales data was found to support subject's current valuation. 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 19th day of November, 2019.