

Appellant presented a fee appraisal which opined a market value for subject in the amount of \$2,200,000. The effective date of valuation was January 1, 2019. Four (4) comparable sales were analyzed in the appraisal and a brief cost approach was also presented. Three (3) of the comparable sales were located in Eagle like the subject, with one (1) sale property being located about eight (8) miles away in Star, Idaho. Appellant emphasized the characterization that subject was not located on or adjacent to the Boise River.

Comparable Sale No. 1 in Appellant's appraisal sold in May of 2018 for \$2,000,000. The 2.13 acre lot was improved with 6,329 square feet of living area. The residence age was listed as six (6) years old. After adjustments, this sale indicated a subject value of \$2,221,100. The appraisal found this comparable to be an excellent overall indicator of value.

Comparable Sale No. 2 sold in October of 2018 for \$1,795,000. The days on market for this sale were reportedly ten (10) days. The 5,028 square foot residence was listed as six (6) years old. After adjustments, the appraiser found the sale to indicate a subject value of \$2,161,200. The reported site size was 2.13 acres along the Boise River with pond frontage along another side. The appraiser found this lot to be the most similar to subject's in terms of location, but noted the architectural style of the residence was different.

Comparable Sale No. 3 sold in December 2018 for \$2,900,000. The 11.6 acre site was improved with a 5,662 square foot residence. The residence's age was listed as eighteen (18) years old. After adjustments, the sale indicated a subject value of \$2,442,800. The fee appraiser gave this equestrian property sale the least weight. The sale's consideration was due to the property's river proximity. About one-half of a mile of frontage runs along the Boise

River. The appraiser's "approximate" site value for this property was \$1,000,000 and was associated with a negative \$500,000 adjustment to compare the comparable sale property with subject's home site. This comparable sale was more heavily adjusted for other differences as well in comparing it to the subject property.

The last comparable sale sold in October of 2018 for \$1,702,000. The property was listed for sale for four (4) days. The .993 acre site was improved with a 5,708 square foot residence with a reported age of three (3) years. After adjustments, the sale indicated a subject value of \$2,140,200. The appraiser found this comparable sale to be a very good indicator of value due to its relative similarities with the subject property.

In the sales comparison approach, which approach was the main basis for the fee appraisal value estimate, the concluded subject value was \$2,200,000. In testimony, the fee appraiser characterized three (3) of the four (4) sale properties as very good comparable sales. The appraiser expressed a preference for considering what he called the resales of custom homes, as opposed to the consideration of an aggregate price derived from a lot's separate purchase price added to that of a residence's cost or purchase price. Respondent noted it also used resale or repeat sales in its appraisal of subject.

The fee appraiser's cost approach to value indicated \$2,769,879 for subject, but was given relatively minor weight in the final analysis. The cost approach's site value was \$700,000. Appellant testified he did not know the actual total cost for subject's improvements.

On appeal, Respondent also relied chiefly on a sales comparison approach to value. Information from four (4) comparable sales was emphasized. Information on a fifth comparable sale from 2019 was also included in a market data grid analysis. The county

appraiser noted she was denied access to the subject residence at the foundation stage of construction and so mainly relied on building plans submitted to the City to complete assessments during and after construction.

Respondent's Comparable Sale No. 1 was an October 2018 transaction for \$1,795,000. This was the same property sale as Appellant's Comparable Sale No. 2. After adjustments, the sale indicated a subject value of \$2,192,255. Respondent's second comparable sale sold in June of 2017 for \$3,000,000. This residence had 11,904 square feet and was built in 2006 on a 3.821 acre site in Two Rivers Subdivision. This property had a water feature. After appraisal adjustments, the Eagle, Idaho sale indicated a subject value of \$2,539,290.

Comparable Sale No. 3 sold in January 2018 for \$3,350,000. The 2002 residence was located off Warm Springs Avenue in Boise, Idaho and included 5,993 square feet. This 5.62 acre site fronted for most of its length along the Boise River, but also along a traffic corridor. After adjustments, the sale indicated a value for subject of \$3,608,460.

Respondent's fourth comparable sold in July 2015 for \$3,500,000. The residence was remodeled in 2006 and included 8,836 square feet. The site size was 4.095 acres which nearly fronted along a channel of the Boise River. After adjustments, this sale indicated a subject value of \$3,583,755. The fifth sale was a 2019 transaction which was a relocation resale of the property which was Respondent's fourth comparable sale. The 2019 price was less at \$3,221,226 versus \$3,500,000. It was noted this residence was the most similar to subject's in terms of square feet. The 2019 sale was not offered as a direct comparison, but considered as a validation or check on the timely value evidence from the earlier sale.

Although selecting comparable sales partly on the basis of residence size, Respondent

also looked to subject's waterfront characteristics. These were deemed to be more like river frontage than that of a lot which shared a community pond feature. Respondent noted the subject lot was twice advertised for sale as a river front property on a private island. In all but one instance, Respondent made negative adjustments in comparing the comparable sales' home sites to subject's location and lot. The lot without an adjustment was located in subject's subdivision and did not have river frontage. Appellant generally characterized Respondent's sale properties as Boise River frontage.

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. This is done 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. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. Both parties emphasized the consideration of the sales comparison approach which is a recognized practice in appraising the market value of residential property.

The Board generally preferred Respondent's selection and analysis of comparable sales. The Board agreed with the relative importance Respondent gave to the consideration of subject's waterfront aspect. Subject's location included notable privacy and the presence of extensive ponds, including private ponds, and the near proximity of the Boise River. Subject was demonstrated to have one of the more private and exclusive home sites in the immediate subdivision. Though both parties were found to present a reasonably sound consideration of subject's residence which was certainly a key value factor, Respondent's appraisal was found to give the better and more thorough consideration to subject's site and its overall characteristics. In this regard, Respondent's overall appraisal was found to be somewhat superior to Appellant's.

For this new property, the Board also found the replacement cost estimates from both parties offered further support to the reasonableness and likely accuracy of the property's 2019 assessed market value. The Board drew an adverse inference from the fact that Appellant was mostly unprepared with any evidence of the newer improvements' recent cost. The Board did not find good evidence in record to show the improvements suffered from a material amount of obsolescence. Barring the assessor's office an inspection of the finished residence and other improvements also mitigated against a special reduction. The mere fact that subject's large residence was associated with a larger garage than was present in the comparable sales did not in itself show subject's garage was a super adequacy. Most of the comparable sale properties in record had one or more special or unique feature. In summary, the Board did not find the record to show a preponderance of value evidence supported a reduction in subject's current assessed value.

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. That burden not having been met, the Board will affirm the decision of the Ada County Board of Equalization.

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 November, 2019.