

residence constructed in 2015. The residence is comprised of four (4) bedrooms and four and one-half (4 ½) bathrooms. The residence further includes a 1,317 square foot attached garage with 673 square feet of unfinished attic space.

Appellant provided an overview of value-diminishing characteristics associated with subject. Specifically, it was noted subject does not have the coveted views of downtown Boise, which the parties agreed are the most sought after views in the neighborhood. It was further explained subject's view of the Treasure Valley is blocked by a ridge line to the west, and the view to the east is "somewhat obstructed" by another ridge. Appellant further pointed out subject does not enjoy the privacy a buyer might expect in a higher end subdivision due to the adjacent property owner building a residence near subject's property line. Lastly, it was contended subject's large acreage presents problems. It was noted homeowner's association restrictions prevent any subdividing of the lot or construction of outbuildings on the parcel. Further, the expense and effort needed to maintain the 25,000 square foot lawn was argued to be a prohibitive to potential buyers.

As for subject's residence, Appellant also detailed perceived deficiencies. For instance, subject is not fitted with high-end kitchen appliances, nor is it adorned with any custom millwork or ironwork. In all, the interior finish was described as average and probably below the quality level expected in a higher-end custom residence. Respondent agreed with Appellant's characterization of subject's interior finish and affirmed subject's property records reflect such. It was noted Respondent physically inspected subject in mid-2017 following an appeal being filed with the Board of Tax Appeals. During this inspection Respondent discovered some errors in subject's property records and corrections were made which caused a reduction in the value

of the residence. The parties agreed to settle on the reduced value, which value remained in place for the 2018 assessment year pursuant to Idaho Code § 63-3813.

In terms of a specific value, Appellant offered a couple different analyses. First, was compiled assessment information for the twelve (12) properties situated along Silver Crest Drive, which included eight (8) improved properties and four (4) unimproved lots. Focusing on assessed land values, Appellant calculated an average percentage increase in 2019 of 5.5%. This calculation excluded three (3) properties which saw large land value increases and three (3) vacant lots which realized large percentage decreases. In an alternative analysis, Appellant calculated an overall average increase in land value of 3.44% for all twelve (12) properties. It was noted subject's land assessment increased 12% for the current tax year, which in Appellant's view was excessive compared to the average percentage increases based on the two (2) models.

In similar fashion, Appellant examined the value of the improvements for seven (7) of the same properties above. An average increase of .42% was calculated. Subject's improvements increased in value by 7.3% for 2019, which again was argued to be excessive.

Appellant also referenced five (5) sales on Silver Crest Drive which occurred in 2017 and 2018. Sale Nos. 1, 2, and 3 were all unimproved lots which sold during 2018 for \$312,000, \$375,000, and \$355,000, respectively. The remaining two (2) improved properties sold for \$1,065,000 and \$1,468,000. Property characteristics concerning the sale properties were not shared, however, Appellant highlighted that each sale price was below the assessed value at the time of sale. This was argued to be evidence of over-assessment in the neighborhood.

Lastly, Appellant submitted an estimate of subject's value provided by an insurance

company. Details concerning the underlying analysis were not available. The report indicated a value of \$873,000. Respondent contended this value did not include subject's land.

Respondent explained subject's neighborhood was reappraised for 2019. The forty-one (41) properties located within subject's subdivision saw different changes in value ranging from -3.11% to +23.31%, with an average overall increase of 10.47%. By comparison, subject's overall value increased 9.05%. It was additionally noted the subdivision has seen an average assessment increase of 25.67% over the prior three (3) years, whereas subject's value increased 9.26% over the same period.

For specific value evidence, Respondent offered information on three (3) improved and three (3) unimproved sales. The improved sales were somewhat varied in terms of lot size, living area, location, and view. Lot sizes ranged from .408 to 1.939 acres and the residences ranged from 4,270 to 5,407 square feet in size. Sale No. 1 was regarded as most comparable to subject in terms of location and lot characteristics. This property was 1.939 acres in size and also enjoys nearly the same 270 degree views as subject, though the property is located at a lower elevation. Sale Nos. 2 and 3 were noted to be more similar to subject in terms of residence size, quality, and bedroom and bathroom count, though both were notably smaller in lot size, at .416 and .408 acres respectively. All three (3) improved sales were regarded by Respondent as inferior to subject in terms of view quality and lot utility. The sale prices ranged from \$977,500 to \$1,060,000. Respondent compared each sale property to subject and made adjustments to sale price for physical differences, resulting in adjusted sale prices ranging from \$1,051,873 to \$1,187,431.

The three (3) vacant lot sales were located in subject's immediate neighborhood and

all were situated at lower elevations than subject. Sale No. 1 was a 1.233 acre lot with an approximately 90 degree view of the foothills. This lot sold in August 2018 for \$375,000. Sale No. 2 concerned a 1.371 acre lot with 115 degree views, including a view of downtown Boise, which sold in April 2017 for \$436,500. Lastly, Sale No. 3 was a .403 acre lot with 40 degree views of the foothills, which sold in October 2018 for \$355,000. Based on these sales Respondent opined subject's assessed land value was likely low and should be increased to \$425,000.

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, the income, and the cost approaches represent the three (3) primary methods for estimating market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which generally considers recent sales of proximate

and similar property, is the approach commonly used to value residential property.

Appellant did not offer a traditional sales comparison approach to value, but instead focused on the percentage increase in assessed values between subject and other properties on the same street. In the analyses of land and improvement components, subject was demonstrated to have realized higher increases than the referenced properties. While Appellant's analytical efforts were appreciated, a comparison of assessed values is not a recognized appraisal approach to value. There are many factors which might contribute to a change in assessed value and it is common to see a variance in the range of value change within a neighborhood, particularly during a reappraisal year in which each property is physically inspected and individual property records are updated. In all, the Board was unconvinced subject was assessed and valued inequitably.

Appellant also described perceived negative attributes of the subject property and contended more consideration should be given to these factors. Of most concern was the lack of a downtown view from subject. Respondent acknowledged subject does not have a downtown view, however, highlighted subject does enjoy a 270 degree view of the foothills, Bogus Basin, and the golf course. It was noted, subject's assessed land value was lower than other lots in the neighborhood which do have views of the downtown skyline. In other words, Respondent acknowledged the additional value attributable to a downtown view, and that such is reflected in the assessments of those view properties.

Appellant also characterized subject's relative lack of privacy and larger lot size as detriments to potential buyers. It was explained a neighbor constructed a residence near subject's property line which provides a full overview of the property. As for the lot size,

Appellant detailed the high monetary and labor costs associated with maintaining a large lawn with no irrigation rights. Though such factors could potentially impact a property's market value, it was not clear in this instance an adjustment was warranted. As Respondent pointed out, subject's privacy is only infringed upon by one (1) neighbor, whereas many properties in the subdivision lack privacy from multiple neighbors. Also, subject is one (1) of four (4) properties located off a private access road. In all, the Board found there was no direct market evidence to support an adjustment for subject's perceived privacy and size issues.

Respondent offered into evidence a more traditional sales comparison approach in support of subject's current assessment. Three (3) improved sales were compared to subject and appraisal adjustments were made for noted differences such as date of sale, residence and garage size, fireplace count, lot size, and covered patio area. After adjustments, the indicated values for subject ranged from \$1,051,873 to \$ 1,187,431. The Board notes the adjusted prices are all higher than subject's current assessed value of \$967,500.

Respondent also provided information on three (3) recent unimproved lot sales in the immediate neighborhood. Though similar in general location, the sale lots were regarded as inferior to subject in terms of view, size, and utility. Despite these inferior qualities, the lots sold for \$355,000, \$375,000, and \$436,500, which again suggests subject's land assessment of \$350,000 is reasonable and not over-assessed.

Idaho Code § 63-511, places the burden on Appellant to demonstrated error in subject's valuation by a preponderance of the evidence. In this instance, we did not find the burden of proof satisfied. Appellant's value position was based on a limited analysis of assessed values, whereas Respondent supported its market value through recent arm's-length sales. In all,

Respondent's analysis was judged to be the better indicator of current market value in this case.

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 12th day of December, 2019.

IDAHO BOARD OF TAX APPEALS