



Appellant detailed several issues regarding subject's location and deferred maintenance. It was explained the property is located right across from the lumber mill which creates a large amount of noise and dust nuisances. Appellant next detailed subject is in need of major repairs or remediation, such as; roof replacement, moisture in the crawl space, HVAC repairs, exterior paint, deck replacement, and some electrical issues. Appellant provided a total cost-to-cure estimate of approximately \$26,000.

Appellant purchased subject in a bank sale in 2012 for \$220,000. In mid-2019 Appellant listed subject on the open market with an asking price of \$460,000. Appellant declared the asking price was firm.

Appellant presented an independent fee appraisal prepared by a local appraisal firm. The appraisal estimated subject's market value as of February 25, 2019. In developing the value opinion, the appraiser considered information from seven (7) comparable sales and two (2) listings. Two (2) sales took place in 2017, three (3) sold in 2018, with the remaining two (2) selling in 2019. The sales were located between .50 miles and 16.62 miles from subject. The fee appraisal explained due to subject's location near a sawmill, which is noise afflicted, it would be comparable to properties located near a railroad, railroad crossing, or high speed highways. The appraisal noted subject appeared to be in average condition.

The above sale residences ranged in size from 1,549 to 3,133 square feet. Sale prices ranged from \$305,000 to \$376,000. Each sale property was directly compared to subject and specific appraisal adjustments were made for property differences. The larger adjustments were for gross living area, garage size, effective age, outbuildings and location. The appraisal determined adjusted sale prices ranging from \$311,000 to \$392,400. In the final analysis, the

appraisal concluded a market value for subject of \$340,000 as of February 25, 2019.

Respondent noted it was closely watching the real estate market in subject's area to determine any potential negative influence due to the lumber mill noise and dust levels. To date, Respondent had not seen any negative influence in the sales data.

In considering subject's valuation, Respondent valued the residence and land individually. Respondent offered information on three (3) recent sales. The sale residences were constructed in 2005 and 2006. They ranged in size from 2,720 to 4,150 square feet. Sale prices ranged from \$335,000 to \$455,000. From the sale prices, Respondent removed assessed values of the land and other improvements. Adjustments were then made for differences in construction quality, gross living area, and garage size between subject and the sale properties. This resulted in adjusted sale prices ranging from \$276,411 to \$285,385.

Respondent provided information on one (1) vacant land sale. This 2.21 acre parcel sold in December 2018 for \$43,500, The site was graded as good. Subject's land grade was average, therefore Respondent made a -\$8,137 adjustment for the difference to arrive at a subject land value indication of \$33,754. Subject's assessed land value, minus the site improvements, is \$32,331. Respondent maintained subject is accurately and fairly assessed.

#### 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. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. Market value is estimated according to recognized appraisal methods and techniques. Residential property like the subject is commonly valued with reference to the recent sales of similar property. A recent sale, listing, or offer involving the subject property can also provide good evidence of market value.

A key element in appraisal is the effective or specific date of the valuation. Typically, a value estimate is derived using information which is knowable as of the valuation date. As indicated above, the assessment date in this appeal is January 1, 2019. Some of Appellant’s market data was from points in time after the assessment date. Therefore, the Board’s review here will be restricted to market data existing prior to January 1<sup>st</sup>. Subject was listed for sale in mid-2019 with an asking price of \$460,000. Again, the information connected with this listing was largely beyond the January 1 assessment date and was afforded minimal weight.

What is left in Appellant’s evidence are sales used in the fee appraisal which took place before the January 1 valuation date. We note the two (2) 2017 sales were not time adjusted to reflect the current market and therefore we find they were not reflective of current sale prices. That leaves three (3) remaining 2018 sales for the Board’s review. The three (3)

properties sold with sale prices of \$307,000 \$347,500 and \$376,000. After adjustments for property differences, the adjusted prices were \$346,700, \$370,400 and \$392,400. The lowest priced sale was for a property noted to be 26 years older than subject. Subject's assessed market value is \$364,761.

Respondent's value evidence included three (3) recent improved sales. The respective sale prices were adjusted to account for property differences between subject and the sale properties. The adjustments appeared reasonable and the adjusted price range, between roughly \$276,411 and \$285,385, offered support for subject's assessed value.

Similarly, for the land value, Respondent sought to find a vacant land sale to compare with subject. This sale was a 2.21 acre vacant parcel which sold in late 2018 for \$43,500. After an adjustment for the difference in the two (2) site's quality grade, Respondent derived a subject land value of \$33,754.

In the case before the Board, we ultimately find all the relevant sale evidence supports subject's assessed market value. Pursuant to Idaho Code § 63-511, the burden is with the Appellant to prove error in the assessment. Given the evidence provided in this matter, we did not find the burden of proof satisfied. Much of Appellant's sales data was from 2019 and deemed untimely for the retrospective value question presented here. The remaining timely sales support the accuracy of subject's assessment. In all, the Board did not find sufficient cause to grant the relief petitioned by Appellant.

Based on the above, the decision of the Bonner County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 21<sup>st</sup> day of January, 2020.