

2023 Micro Study

Bannock County

Thunder Mountain Ranch

Lava Hot Springs

Synopsis

During our attendance at the Thunder Mountain Ranch HOA meeting on 06/10/23, we offered to conduct a small targeted study of the whole subdivision. Our goal was to determine where 2023 assessed values compared within the range of sales we have seen in the Thunder Mountain area and beyond.

Identifying trends in sales data

We analyzed sales data from Thunder Mountain and the surrounding areas to look for any trends that stood out. We looked at overall grade (slope), useable square footage, lot size, and a per-acre sales rates. In the topics below, we have included the trends we typically expect to find, and what we found in Thunder Mountain. Overall, we found a healthy mix of sales covering different levels of slope and amount of useable area.

Topography

A question that came up during the HOA meeting was if consideration is given to parcels with steep terrain.

Expectation: A flat bare lot will sell at a higher rate per acre compared to a steep lot.

Finding: This was only partially true in Thunder Mountain. The median grade of parcels was a 20% slope. A parcel with a steep grade of a 31% slope sold at \$19,400 per acre, while a parcel with slope of 14% sold at \$17,400 per acre.

Useable Area

A question that came up during the HOA meeting was if consideration is given to parcels with little to no useable area.

Expectation: A bare lot with no immediately-useable area will sell at a lesser rate per acre, compared to a bare lot with useable space to park an RV or place a small shed or cabin.

Finding: Sales data indicated this is not the case in Thunder Mountain. Approximately ½ of the sales were parcels with no immediate use. A parcel with zero useable square footage sold for \$28,200 per acre, while a parcel 2,500 square feet of useable square footage sold for \$17,300.

Lot Size

Expectation: Land sales will follow an economy of scale. As the lot size increases, the overall rate per acre will decrease.

Finding: This was found to be accurate overall. The smallest parcel sold for \$28,200 per acre, while the largest parcel sold for \$13,300 per acre.

Influences from the surrounding area

With mass appraisal, it is reasonable and customary to conduct our assessments and make changes using information from a large area. We look for ways to identify smaller areas within the county, such as recreational land outside of Lava Hot Springs. Our continued focus will be to give the strongest consideration to the sales nearest to the parcel being valued.

Even with stronger consideration being given to sales from within Thunder Mountain, it is clear that sales from surrounding areas are having an impact. While this is something we expect to see in mass appraisal, it has understandably caused concern among many residents. As supply & demand continue to cause fluctuations in the market, we will continue to do our best to follow the market and stay within guidelines.

We will continue to work with property owners to better understand each area, including any advantages or disadvantages in regards to land, improvements, and subdivisions. It is primarily through the productive conversations we have with property owners that we are better able to identify challenges you face, and to understand when that has an impact on the market.

For any questions, any time:
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