ASSESSOR BRIEF

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STATE OF NEVADA
DEPARTMENT OF TAXATION

STATE

BOARD OF EQUALIZATION

Case # 26-124

Assessor Pre-Hearing Brief

SBOE Case Number: 26-124
Taxpayer Name: Fort Apache Townhomes LLC
Parcel Number: 176-19-714-001 thru -079
Assessment Year: 2026–2027

Introduction

The subject property consists of 79 individually parceled attached townhomes located within the Serenity Townhomes subdivision in the southwest Las Vegas market area near Blue Diamond Road and Fort Apache Road. These one- and two-story units, built in 2024, range from 1,051 to 1,645 square feet and contain two to three bedrooms with one- or two-car garages. The taxable values of the individual parcels range from $300,611 to $374,106, for a total taxable value of $27,632,462.

This is a value appeal, and the CBOE upheld the Assessor's valuation, with our office recommending no change.

Clark County Valuation

Clark County valued the parcels individually using the cost approach, resulting in parcel values between $300,611 and $374,106 depending on size. Market evidence shows that townhome valuation is best supported by recent, arms-length comparable sales. Sales comparison analysis with adjustments indicates market values ranging from $372,990 to $418,864.

Because the properties are operated as rentals, the County also analyzed the income approach using a gross rent multiplier (GRM) between 15 and 17, derived from sales of similar rental townhome properties. Applying these GRMs to the subject's market rents produces value indications between $413,100 and $479,400 per unit.

All valuation methods demonstrate that the Assessor's cost-based valuations do not exceed market value, satisfying statutory requirements.

Taxpayer Issues and County Responses

The taxpayer raised several concerns, which are summarized below in narrative form.

The taxpayer first argued that the parcels should be valued as one economic unit, asserting that the project was originally intended to be built on a single parcel and that zoning changes now allow townhomes on a single parcel. The County responded that Highest and Best Use supports valuation as individual parcels, each with its own APN, legal description, and full "bundle of rights." Under NRS 361.227(2), the fundamental unit of assessment is the individual parcel. What may have been allowed at the time of construction does not override the physical reality as of the lien date, and subsequent zoning changes well after construction are not relevant. The Nevada Supreme Court in *Montage Marketing vs. Washoe County* (2018) found "no clear legislative intent for parcels in a fully developed subdivision to be appraised collectively as a single unit or to be discounted in their entirety." The brief further states that "legislative history suggests that the discounted cash flow method is intended to apply only in the valuation of non-subdivided vacant parcels." The conclusion in *Mingo Creek Investment LLC vs. North Carolina State BOE* (2022)—also contends "separate appraisal of the individual parcels… is not only a sound appraisal practice, but also required by statute."

The taxpayer next cited a Broker's Price Opinion (BPO) estimating the project's market valuation at $24 million, which is below the total assessed value. The County noted that a BPO is not an appraisal, and this particular BPO incorrectly compared the subdivision to apartment complexes. NAC 361.128 requires the use of specific cost tables, and townhomes, per Marshall & Swift, are built to higher structural standards than apartments, so the townhome cost tables must be used.

The taxpayer also argued that because the properties operate as rentals, they should be valued like multi-family apartments. The County explained that valuing them as a bulk apartment-style entity ignores their Highest and Best Use, their physical characteristics as attached townhomes, and the statutory requirement for uniform and equitable valuation. Assessment is based on physical reality, not ownership structure or management style. To be fair and equitable these individually parceled townhomes must be valued like other, similar townhomes.

The taxpayer further objected to the 1.93% increase in assessed value for 2026–2027, citing a reported 5.2% decline in condominium and townhome market values in 2025. The County clarified that assessments are based on land value and replacement cost new less depreciation, not year-to-year market fluctuations. Marshall & Swift cost tables often increase annually, and land scarcity frequently drives land values upward. There is no statutory limit on how much an assessment may increase or decrease; the limit is that assessed value may not exceed market value.

Finally, the taxpayer argued that selling the parcels individually would require expenses such as establishing an HOA, creating CC&Rs, and paying off loans, and therefore the project should receive a "bulk discount." The County responded that no deed restrictions or zoning requirements mandate bulk sale. Nearly all real estate transactions involve expenses, and such costs do not justify a valuation discount. Moreover, the County's income-based market analysis already shows the assessments are $45,000 to over $110,000 below market value per unit, more than offsetting any hypothetical transaction costs.

Conclusion

The County's position is grounded in statutory requirements and supported by market evidence. NRS 361.227(2) requires valuation of each individual parcel**,** each representing a distinct vertical slice of real estate with its own APN, legal description, and bundle of rights. Valuing the parcels collectively based on ownership or rental use would ignore their Highest and Best Use and violate principles of uniformity and equity. These are individually parceled townhome residences, and the sales comparison approach is both statutorily required and sound appraisal practice. Case law—including *Montage Marketing vs. Washoe County* (2018) and *Mingo Creek Investment LLC vs. North Carolina State BOE* (2022)—reinforces that individually titled parcels must be valued individually. The only statute that allows for a "bulk discount" based on ownership is NAC 361.1295 which provides for a specific Subdivision Discount for developers. That discount is strictly temporary and does not apply in this case because said discount expires once a property is sold, rented, or occupied.

Statutes and Marshall & Swift cost tables require the use of townhome construction costs, not apartment costs, because the subject properties are physically attached townhomes. Nevada law also mandates that like properties be valued using uniform methods, regardless of whether they are owner-occupied or investor-owned.

Finally, the Assessor's cost-based valuations do not exceed market value, as confirmed by both the sales comparison and income approaches.

The CBOE affirmed the Assessor's valuation on February 23, 2026, and we agree with that decision, recommending no change to the total valuation of $27,632,462.