

## He had to put his McCall cabin up for auction, but no one bid on it. Now what?

Opinion By Scott McIntosh

December 12, 2024 4:00 AM

Steve Humphreys has fond memories of spending summers at his family's cabin in McCall. It's a small cabin that his dad built nearly 50 years ago and added onto over the years. "I used to spend every July there all through growing up at our cabin in McCall," Humphreys told me by phone. "I grew up there. It's my favorite place. It was what I got when my dad died."

Now, though, his kids, 10 and 8, won't be able to have the same experience. Humphreys, who lives in Nevada, was forced to put his cabin, on a half-acre of state leased land at 2060 N. Warren Wagon Road, up for auction this summer. That's because his lease with the state went from \$4,200 a year, which his family could afford, to \$17,520 a year, which his family couldn't afford. So even though it's called a "voluntary auction for ownership," Humphreys had little choice but to sell because of the new lease amount. That's been a common story since 2010, when the Idaho Department of Lands decided to get out of the landlord business by selling off hundreds of cottage and cabin lease sites, primarily around Payette and Priest lakes. At the time, 523 sites fell into the category in which lessees had built a cottage or cabin on the leased state land. Since 2011, 481 sites have been sold to private owners. Of those, 156 are on Payette Lake, and 325 on Priest Lake. Sales of those sites have brought in \$254 million so far. But Humphreys' story is a little different — a little more painful and a little more infuriating. Sometimes, lessees will be able to buy at auction the site they have a cabin on. Sometimes, a lessee will get outbid and lose out to a competing bidder. That's a sad situation, and Humphreys was sad to have to put his property up for auction. He thought he might try to buy it himself — until he saw the appraisal. His property was appraised at \$617,000, which Humphreys thought was exorbitant when he first heard it. The half-acre of land was appraised at \$438,000, which Humphreys thought was way too high, and the one-bedroom, one-bath, 792-square-foot cabin was appraised at \$179,000.

He said his family couldn't afford that and were prepared to say goodbye to the cabin when it went up for auction in August. But Humphreys wasn't the only one who thought the price was too high. Of the six sites that went up for auction in August, five were sold. One property — Humphreys' — did not receive a bid at all. "They priced me out of my land lease and completely overshot the market," Humphreys said. "And not one person acquired the land, and not one person thought that was a fair price."

### Cabin sites usually sell

A cabin site not selling at auction is a rare occurrence. There has been only one other leased lot that did not receive a bid on the first auction, according to Sharla Arledge, public information officer for the Idaho Department of Lands. That was in 2015. In that situation, the lessee voluntarily entered the auction in 2015, and when no one bid, the lessee continued to lease the cottage site and re-

entered the auction in 2016, at which time he was able to purchase the property. In Humphreys' case, though, paying the \$17,520 annual lease is not an option. It's too expensive.

#### Appraisal fee

To add insult to injury, even though there was no successful bidder, Humphreys is still on the hook for the cost of taking the property to auction: \$6,180. Had the property sold, Humphreys would have recouped that amount. Without a buyer, though, he has to pay it. "I had to pay for the entire process to go to the auction, even though they knew I couldn't afford to bid on the cabin," Humphreys said. "So nobody bid on it. So basically, \$6,200 disappeared that I don't get back." In response to my request for an interview to ask questions about the situation, the Idaho Department of Lands sent me back an email with their side of the story. Arledge wrote that several people at the auction expressed to the Bottles Real Estate Auction representatives that they were not interested in the cabin on this property at the appraised price of \$179,000. But Humphreys said the cabin could easily sell for \$179,000; that's not the problem. The problem, he said, is that it's a package deal that requires the purchaser to pay the additional \$438,000 for the land. Arledge also wrote that before auctions, the participating cottage sites at both McCall and Priest Lake are appraised by a third-party appraiser, Hall-Widdoss & Company, P.C., and the appraisals are then reviewed by an in-house appraiser. The same process was followed for the Humphreys property as all other properties. Further, she wrote, the agreements signed by lessees make it clear that they agree to pay the cost to bring a property to auction, and that the fees are nonrefundable. But for Humphreys, it was under the assumption that the property would sell and he would recoup the fee.

#### Property comparables

Comparables can be tricky in this area. Humphreys said his lot is less desirable than others because it's about three blocks from the water and is right on busy Warren Wagon Road. It does have common area lake access, which the appraiser said added value to the property, according to the appraisal document that was shared with me by the Idaho Department of Lands. As a comparable, the appraisal cites a similar property, not on the water but with lake access and dedicated boat slip, with a 1.5-story, 880-square-foot cabin on a quarter-acre that sold for \$620,000 in September 2021. The appraiser appraised the land at \$455,000. One of the properties that was part of the August auction was similar to Humphreys, not on the waterfront on 0.65 acres and was appraised at \$473,000 for the land and \$186,000 for the cabin, for a total of \$659,000, which the lessee was able to purchase at auction. All of that is cold comfort to Humphreys, who points to the simple fact that no one bid on his property as proof that the appraisal was too high.

#### Few options left

He's left with few options: He has until Dec. 31 to sign a new lease for next year and pay \$17,520, which he can't afford, or he can turn the lot back over to the state, in which case, the Department would require Humphreys to remove all personal property from the land and return it to its original state. Meaning: Get rid of the cabin. "What's it going to cost?" Humphreys asked rhetorically. "I couldn't imagine bringing in bulldozers and dumpsters and ripping up electrical and concrete, ripping out a well. I mean, what's that going to cost?" Roger Hall, real estate bureau chief for the Idaho Department of Lands, wrote an email to Humphreys on Dec. 5, letting him know that one option is to pay half the lease amount in January and make another payment in June, with a 3%

deferral fee. Breaking the payment up doesn't make it any more affordable. An alternative, which Humphreys is desperately pursuing, is trying to sell the cabin himself for \$239,000, hoping that someone would be willing to buy the cabin and then continue paying the \$17,520 annual lease for the land. But the cabin has been on the market for three months, and he has had no takers. At the very least, it's a sad tale of the little guy getting chewed up in the gears of government bureaucracy, falling victim to the system set up by the state to divest itself of these cabin sites. "It totally ruined our family, it totally ruined our love for McCall," Humphreys said. "It was the one thing I got from my dad as an inheritance, was the cabin. And now we're, we — they just totally priced us out."

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