

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Peter and Sarma Alle
DOCKET NO.: 05-01003.001-R-1
PARCEL NO.: 14-01-203-015

The parties of record before the Property Tax Appeal Board are Peter and Sarma Alle, the appellants, and the Lake County Board of Review.

The subject property consists of a 40,500 square foot lot improved with a two-story cedar and brick residence constructed in 1994 containing 2,900 square feet of living area. Features of the home include two full baths with one half bath, a full finished basement, central air conditioning, a fireplace and an attached three-car garage.

The appellant, Peter Sarma, appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2005. The appraiser used the cost and sales comparison approaches in estimating a value for the subject of \$456,000.

In the cost approach, the appraiser determined a land value of \$150,000 using land values from within the subject's marketing area. The appraiser consulted the Marshall & Swift Cost Manual in estimating a reproduction cost new of the improvements of \$335,560. The appraiser used the age/life method to calculate depreciation of \$26,845 which was subtracted from the replacement cost new, leaving a depreciated value of the improvements of \$308,715, to which site improvements of \$18,000 were added. Incorporating the land value resulted in an indicated value by the cost approach of \$476,700.

In the sales comparison approach, the appraiser examined three comparable properties. The comparables are situated on lots ranging in size from 41,491 to 46,959 square feet and are improved with one, two-story, and two, part one-story and part two-story style frame or brick and frame dwellings that were built between 1978 and 1990 and range in size from 2,899 to 3,194 square feet of living area. Features of the comparables include

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the Lake County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$	34,954
IMPR.:	\$	139,695
TOTAL:	\$	174,649

Subject only to the State multiplier as applicable.

central air-conditioning, at least one fireplace, three-car garages and full basements, two of which have some finished area. The comparables sold from April to December 2004 for prices ranging from \$432,500 to \$467,000 or from \$137.91 to \$161.09 per square foot of living area including land. The appraiser adjusted the comparables for differences when compared to the subject for such items as site size, age, room count, living area, basement finish, heating and cooling and fireplaces. After making these adjustments, the comparables had adjusted sales prices ranging from \$433,500 to \$482,000 or from \$138.23 to \$166.26 per square foot of living area including land. Based on this analysis, the appraiser concluded a value for the subject by the sales comparison approach of \$456,000.

In his final reconciliation, the appraiser justified the estimated market value based on the data researched and his experience and knowledge. The appraiser was not present to provide direct testimony or subject to cross examination. The board of review disputed the adjustments and opinions of value offered in the appellant's appraisal report.

The appellant submitted an additional appraisal (Exhibit C) dated October 31, 2002 which depicted an estimated value for the subject of \$400,000. This appraisal was not offered to show the subject's market value in 2005, however, it was introduced to demonstrate the trending of assessed values and appraised values. The appellant submitted a graphical analysis (Exhibit D) indicating that assessed values increased at a rate higher than appraised values from 2004 through 2005. The appellant argued that assessed values remained constant with appraised values from 2003 to 2004, however, in 2005 assessed values substantially increased and differed from appraised values.

The appellant further argued that the subject's square footage as listed by the Ela Township Assessor's office was incorrect. In support of this argument the appellant referred to the photographs of the subject which depict the 2nd Floor overhanging the 1st floor by approximately two feet, which is not accounted for in the Township's records and further fails to account for the open 2-story foyer area. In addition, the appellant explained that the measurements used by his appraiser were correct based on actual measurements and plans. Based on this evidence, the appellant requested a reduction in the subject's assessment.

During cross examination the appellant was unsure of the methodology used by the appraiser to make adjustments in the appraisal report. In addition, the appellant lacked information regarding calculation of the subject's site value determination or depreciation, other than what was depicted in the appraisal. He did testify that all of the comparables used in the appraisal were interior lots, similar to the subject.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$174,649 was

disclosed. The subject has an estimated market value of approximately \$525,576 or \$198.46 per square foot of living area, including land, as reflected by its assessment and Lake County's 2005 three-year median level of assessments of 33.23%.

In support of the assessment, the board of review submitted an appraisal of the subject property with an effective date of January 1, 2005. The appraiser, Larry Wicketts, who was present at the hearing, a State Certified Associate Appraiser, used the cost and sales comparison approaches in estimating a value for the subject of \$535,000.

In the cost approach, Wicketts determined a land value of \$150,000 using vacant land sales in close proximity to the subject. Wicketts consulted the ProVal Mass Appraisal System in estimating a reproduction cost new of the improvements of \$394,120. Wicketts used the age/life method to calculate depreciation of \$11,824 which was subtracted from the replacement cost new, leaving a depreciated value of the improvements of \$382,296, to which site improvements of \$10,000 were added. Incorporating the land value resulted in an indicated value by the cost approach of \$542,300.

In the sales comparison approach, Wicketts examined three comparable properties. The comparables are situated on lots ranging in size from 33,106 to 42,008 square feet and are improved with two-story frame and brick dwellings that were built in either 1994 or 1995 and range in size from 2,649 to 3,834 square feet of living area. Features of the comparables include central air-conditioning, at least one fireplace and a three-car attached garage. One of the comparables has a partial basement with some finished area and two of the comparables have a full basement with one being fully finished. The comparables sold from April 2004 to June 2006 for prices ranging from \$530,000 to \$655,000 or from \$170.84 to \$200.08 per square foot of living area including land. The appraiser adjusted the comparables for differences when compared to the subject for such items as date of sale, size, basement finish, fireplaces and additional amenities. After making these adjustments, the comparables had adjusted sales prices ranging from \$496,650 to \$585,300 or from \$129.54 to \$206.08 per square foot of living area including land. Based on this analysis, the appraiser concluded a value for the subject by the sales comparison approach of \$535,000.

In his final reconciliation, the appraiser stated the cost approach was utilized to support the sales comparison approach which was weighted the heaviest in arriving at the final opinion of value.

During cross-examination Wicketts testified that the size of subject's site was taken from the assessor's records. He was not sure how the measurements were collected or calculated. For the time-of-sale adjustment he used 5% for every month calculated from January 1, 2005, probably using sales data from 2003 through 2005. Wicketts testified that he probably used the Marshall

Swift Cost Manual for the finished basement adjustments. He could not remember if his comparable #3 backed up to a pond. If it did, he would have adjusted for it. Wicketts did not measure the subject, instead, he used ProVal using the assessor's measurements. He further testified that it was possible that the subject's cathedral ceilings were not properly calculated into the assessor's records. Normally, a two-story foyer area would be equal to a one-story area when calculating living area. The board of review's representative did not dispute the appellant's rebuttal evidence that one of the appellant's comparables backed up to a pond area. During calculation of the subject's site value, Wicketts testified that he used sales of vacant land within the township within a couple miles of the subject, in addition to looking at the appellant's appraisal. For depreciation Wicketts used the Marshall Swift tables. Based on this evidence the board of review requested the subject's total assessment be confirmed.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds a reduction in the subject property's assessment is not warranted. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2nd 1256 (2nd Dist. 2000). The Board finds the appellant has not overcome this burden.

The Board gave little merit to the market and assessment statistical analyses submitted by the appellant. The appellant attempted to demonstrate the subject's assessment was excessive because the subject's assessment did not track the market value of the subject as depicted by a previous appraisal. The Board finds this type of analysis is not an accurate measurement or a persuasive indicator to demonstrate overvaluation without corroborating testimony and evidence to show the previous market value appraisal is true and correct. Actual assessments and sale prices of properties together with their salient characteristics must be compared and analyzed to determine whether a particular property is overvalued. The Board finds assessors and boards of review are required by the Property Tax Code to revise and correct real property assessments, annually if necessary, that reflect fair market value, maintain uniformity of assessments, and are fair and just.

The Board initially finds the appellant submitted the best evidence of the subject's actual living square footage. The appellant testified that the subject contained 2,900 square feet of living area, which was calculated using actual measurements and building plans. The township assessor was not present to provide testimony or subject to cross-examination regarding the field measurements taken of the subject. The photographs clearly depict that the 2nd floor over-hangs the 1st floor living area, which is not depicted in the board of review's drawings. In addition, Wicketts testified that it was possible the assessor's

records were incorrect regarding the two-story foyer which would skew the subject's living area measurements.

The board further finds the appraisal submitted by the board of review was not sufficiently supported by credible testimony. Wicketts testified that he used the appellant's appraisal data to calculate the subject's site value along with vacant land sales within the subject's market area, however, he could not state with specificity the location of the vacant land sales or actual sale amounts. In addition, many of the responses by the appraiser were prefaced with "probably." Further, Wicketts relied on township records, which he admitted may have been inaccurate, and the ProVal Mass Appraisal System to prepare his appraisal. However, he admitted, ProVal is only as good as the data input into it. The Township Assessor was not present to verify or support the data used to calculate the subject's measurements or used in the ProVal Mass Appraisal calculations. Wicketts offered no supporting market data or analysis to justify the substantial adjustments for time-of-sale.

The appellant's appraiser was not present to provide direct testimony or subject to cross-examination regarding his adjustments or opinion of value, which was disputed by the board of review. Therefore, for purposes of this decision, the Board will extract the raw sales data from both appraisals in determining if the subject is overvalued as reflected in its proposed assessment.

The parties submitted a total of six comparable properties for consideration. The Board finds both parties' comparable #2 to be dissimilar to the subject in size and/or age, and therefore were given less weight in the Board's analysis. Nothing in the record supports the appellant's contention that the board of review's comparable #3 backs to a pond area, dissimilar to the subject's location. The address of the comparable that backs to a pond (submitted in the appellant's rebuttal evidence) was not used by Wicketts in his appraisal report. Thus, the Board finds the appellant's comparables #1 and #3 and the board of review's comparables #1 and #3 to be more similar to the subject in design, size, features and/or age. These comparables, in close proximity to the subject, sold from April 2004 to December 2006 for prices ranging from \$462,000 to \$560,000 or from \$144.65 to \$200.08 per square foot of living area, including land. The Board placed considerable weight in its analysis on the appellant's comparable #1, and the board of review's comparable #3, which the Board finds are most similar to the subject. These two properties respectively sold in April 2004 and August 2004 for \$467,000 and \$560,000 or \$166.26 and \$195.26 per square foot of living area, including land. These two comparables are substantially similar to the subject in most features and amenities. The subject's estimated market value of approximately \$525,576 or \$198.46 per square foot of living area, including land, as reflected by its assessment and Lake County's 2005 three-year median level of assessments of 33.23% is slightly above the range of these two most similar comparables, however,

the subject's market value as reflected by its 2005 assessment is within the range established by the remaining similar comparables contained in this record, as discussed above.

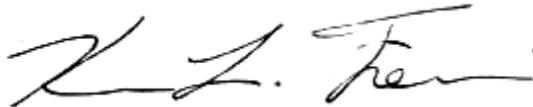
After considering adjustments and the differences in both parties' suggested comparables when compared to the subject property, the Board finds the subject's per square foot market value of \$198.46 as reflected by its improvement assessment, is supported by the most comparable properties contained in the record and a reduction in the subject's assessment is not warranted.

In conclusion, the Board finds the appellant has not demonstrated the subject property was overvalued by a preponderance of the evidence. Therefore, the Board finds the subject property's assessment as established by the board of review is correct and a reduction is not warranted.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member



Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: December 5, 2008



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the

subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.