



**FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Ronald & Joyce Stallings
DOCKET NO.: 05-01481.001-R-1
PARCEL NO.: 19-27-427-012

The parties of record before the Property Tax Appeal Board are Ronald & Joyce Stallings, the appellants, and the DeKalb County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the DeKalb County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 24,689
IMPR.: \$ 79,640
TOTAL: \$104,329

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 0.80-acres has been improved with a one-story single-family dwelling of frame and masonry exterior construction built in 2003 that contains 1,810 square feet of living area. Features include a full, unfinished walkout basement, central air conditioning, a fireplace, and an attached two-car garage of 805 square feet of building area which can be heated from a separately operated ceiling unit. Additional features include a 193 square foot deck, a 283 square foot porch, and an unheated three-season room of 225 square feet. There is also a 192 square foot¹ garden/utility shed with electrical service. The property is located in Sandwich, DeKalb County, Illinois.

The appellant Joyce Stallings appeared before the Property Tax Appeal Board on behalf of the appellants arguing both unequal treatment in the assessment process and overvaluation. In support of these arguments, the appellants submitted a grid analysis of three suggested equity comparables and an appraisal

¹ Sworn testimony by appellant Stallings as to the size of the shed established this fact.

of the subject property along with supporting documentation, a market analysis by a realtor and a plat.

In support of the inequity argument, the appellants submitted information on three comparable properties² located 1.5 or 3.63-miles from the subject and described as one-story frame and masonry dwellings that range in age from new to 3 years old. Features include full unfinished basements, central air conditioning, a fireplace and a two or three-car garage ranging in size from 637 to 867 square feet of building area. One comparable has a 192 square foot sunroom, a 140 square foot shed, a 224 square foot patio, and a 288 square foot deck. Each comparable has a porch ranging in size from 75 to 173 square feet. The comparable dwellings range in size from 2,269 to 2,751 square feet of living area. These three comparables have improvement assessments ranging from \$82,012 to \$88,044 or from \$32.00 to \$37.04 per square foot of living area. The subject's improvement assessment is \$91,978 or \$50.82 per square foot of living area. Appellants also reported these three comparables sold between July 2004 and May 2005 for prices ranging from \$285,000 to \$408,000 or from \$125.61 to \$148.31 per square foot of living area, including land.

Documentation submitted by the appellants included a letter from Sheila Johnson, Sandwich Township Assessor, dated October 29, 2005 advising appellants to expect contact from Stephanie Englehart, a certified real estate appraiser, to make an appointment to appraise the subject property.

Next and in further support of the overvaluation argument, the appellants submitted an appraisal performed by Stephanie Englehart wherein the appellants were named as the clients for whom the appraisal was performed. The appellants did not have the appraiser present for testimony at the hearing. Utilizing the cost and sales comparison approaches to value, the appraiser estimated the subject property to have a value of \$336,000 or \$185.64 per square foot of living area, including land, as of November 10, 2005.

Under the cost approach, the appraiser estimated the land value to be \$100,000. Cost of the dwelling (above ground) was estimated to be \$190,050, the basement cost was said to be \$13,752, the fireplace, balcony, sunroom, deck, patio and shed were said to be \$55,000, and the garage was said to be \$12,075, all based on data from Marshall & Swift for a total replacement cost new of \$270,877. For depreciation, the appraiser commented that the subject dwelling has only two bedrooms whereas in the market there are typically three or four bedrooms so functional obsolescence was calculated as \$54,175 from Marshall & Swift. To the depreciated replacement cost of the improvements was added an "as-is" value of the site improvements of \$20,000 for a total

² Appellants' comparable #2 is also comparable #4 in the market analysis submitted by the appellants; appellants' comparable #3 is also sales comparable #1 in the appraisal filed in this matter by the appellants.

estimated value of the subject under the cost approach of \$336,702.

Under the sales comparison approach, the appraiser set forth three suggested sales comparables located from 2 to 3.63-miles from the subject. Each comparable was a one-story dwelling of masonry or frame and masonry construction ranging in age from new to 1 year old. Features include full or partial unfinished basements, central air conditioning, a fireplace, attached three-car garages, and a deck. The comparables range in size from 2,000 to 2,600 square feet of living area. In the notes, the appraiser reported an inability to find suitable comparables with walkout style basements. The comparables sold from May 2005 to October 2005 for purchase prices ranging from \$304,900 to \$408,000 or from \$152.45 to \$158.48 per square foot of living area including land. The appraiser made adjustments to the comparable sales for differences in land size, quality of construction, age, condition, room count, living area square footage, basement size, functional utility, garage size, sunroom/balcony features, and a shed. After adjustments, the appraiser concluded adjusted sale prices for the comparables ranging from \$330,750 to \$340,850 or from \$131.10 to \$165.38 per square foot of living area, including land. The appraiser then concluded an estimated fair market value of the subject of \$336,000 under the sales comparison approach. In reconciling the two approaches to value, the appraiser wrote that most weight was given to the sales comparison approach which was well supported by the cost approach.

Appellants also presented a multi-page market analysis prepared by a realtor of Coldwell Banker Primus Realty concluding the subject property should have a listing price of \$272,800 or \$124.00 per square foot, including land, based on a total of 2,200 square feet, which perhaps includes the basement area. The analysis includes five suggested comparable sales and five suggested comparable listings. The comparable parcels ranged in size from .25 to 1.99-acres and each comparable was described as a one-story frame or frame and masonry exterior constructed dwelling ranging in age from new to 50 years old. Features included full basements, two of which included finished area, and two to three-car garages. The dwellings ranged in size from 1,900 to 2,600 square feet of living area. The five sales occurred between June 2003 and October 2005 and ranged from \$237,000 to \$355,000 or from \$95.00 to \$158.48 per square foot of living area, including land. The five listings ranged from \$289,900 to \$359,900 or from \$138.59 to \$176.05 per square foot of living area, including land.

Based on this evidence, appellants requested a total assessment for the subject property of \$102,039, which reflects an estimated market value of \$306,056 or \$169.09 per square foot of living area, including land, utilizing the three-year median level of assessments for DeKalb County of 33.34%.

On cross-examination, appellant Joyce Stallings was asked to opine why the appraiser graded the subject property as only "average/good." Appellant testified the grading reflected the fact that the subject property would be hard to sell, it faces an older dwelling in the neighborhood, there are older rental duplexes in the area with significant tenant turnover, and the entire area is not particularly "nice." When the question was re-phrased to focus on the quality of construction, appellant testified the kitchen does feature granite countertops, hickory raised-panel cabinetry with exposed hinges, hardwood flooring in the entry and kitchen, ceramic tile flooring in the bathrooms, one whirlpool bath and a double sink vanity in the master bathroom. Appellant was asked about the palladium windows in the front of the residence and whether the dwelling therefore had taller ceiling heights; appellant testified there is a taller (cathedral) ceiling in the great room on the backside of the residence in an area over the walkout basement entrance. On examination, appellant also confirmed there were three sealed skylights in the residence. Between the main road and the rear of the residence, there is a retention area for drainage.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$116,667 was disclosed. The subject's assessment reflects an estimated market value of \$349,931 or \$193.33 per square foot of living area, including land, utilizing the three-year median level of assessments for DeKalb County of 33.34%.

In response to the appeal, the board of review presented a grid and property record cards for the three comparables set forth in the appellants' equity and sales comparison grid analysis. The grid from the board of review added a description for "condition" which indicated that the subject and each of the comparables was "excellent." The board's data indicated the comparable properties were from 1.5 to 3.33 miles from the subject property and that appellants' comparable #3 in 2005 was given a partial assessment of \$88,044 which would convert to a full assessment of \$103,733 or \$37.71 per square foot of living area. Lastly, the board of review's data reported the subject had a grade of B-5 as did two of the comparables and one comparable had a grade of C. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At the hearing, members of the board of review indicated that they closely considered the appraisal which the appellants had submitted to the DeKalb County Board of Review when appealing the 2005 assessment at their level. Based upon concerns with the adjustments made in the appraisal, the board of review indicated during this hearing that they arrived at a value conclusion for the subject of \$350,000 by adjusting the appraisal's opinion of value upward. In the course of presenting the board of review's case-in-chief, the board members specifically stated some concerns about the appraisal in the adjustments made and the grading of the subject property by the appraiser.

In particular, as to the adjustments taken in the appraisal, the board of review disagreed with the \$10,000 deduction for quality of construction on sales comparables #1 and #3 in the appraisal; the board believed that there perhaps should have been an upward adjustment in light of the quality of the subject property as compared to the comparables. Likewise, for the design and appeal of the subject "ranch" dwelling as compared to the three comparables, the board again felt an upward adjustment to the comparables would have been warranted in light of the design of the subject property. The board of review noted further that the appraiser did not account in any manner for the subject's walkout basement feature which was not present on the comparable properties. Also, the board of review questioned the appraiser's \$500 upward adjustment for the high quality custom-made shed of the subject property which was not present for the three sales comparables.

On cross-examination and in light of the foregoing remarks, the board of review refused to characterize the appraiser's report performance as "not a good job." One board member responded it was a matter of perception in the eyes of the beholder; another board member said he thought the appraiser did a "fine" job, but he was not on the same level of opinion with the appraiser.

In rebuttal, appellant Joyce Stallings asserted her belief that even as of January 1, 2005, the subject property would not have sold for \$350,000 because of various factors including a short 30 foot lot line in the front and facing an older farmhouse.

After considering the testimony and reviewing the record, 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's assessment is warranted.

The appellants first contend unequal treatment in the subject's improvement assessment as the basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill. 2d 1 (1989). After an analysis of the assessment data, the Board finds the appellants have met this burden.

Appellants submitted a total of three equity comparables for consideration by the Property Tax Appeal. The board of review reiterated those three comparables with notations, including that appellants' comparable #3 had received only a partial assessment in 2005. In examining the data, the Board has given less weight to appellants' comparable #3 due to its larger living area square footage as compared to the subject. The Property Tax Appeal Board finds appellants' comparables #1 and #2 were most similar to the subject in size, style, exterior construction, features and/or age. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis. These comparables had improvement assessments of \$82,012 and

\$84,087, respectively, or \$36.14 and \$37.04 per square foot of living area. The subject's improvement assessment of \$91,978 or \$50.82 per square foot of living area is above this range. The subject property has additional features not shared by the two most similar comparables on this record such as a walkout basement and high quality shed which does justify a somewhat higher assessment for the subject dwelling as compared to these properties. After considering adjustments and the differences in both parties' comparables when compared to the subject, the Board finds the subject's improvement assessment is not equitable and a reduction in the subject's assessment is warranted.

The appellants also contended the assessment of the subject property is excessive and not reflective of its market value. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). The Board finds the evidence in the record which supported a reduction in the subject's assessment on grounds of lack of uniformity does not support any further reduction in the subject's assessment on grounds of overvaluation.

In the absence of the appraiser for the hearing to address questions as to the selection of the comparables and/or the adjustments made to the comparables in order to arrive at the value conclusion set forth in the appraisal, the Board will consider only the appraisal's raw sales data in its analysis and give no weight to the final value conclusion made by the appraiser. The Board finds the appraisal report is tantamount to hearsay. Illinois courts have held that where hearsay evidence appears in the record, a factual determination based on such evidence and unsupported by other sufficient evidence in the record must be reversed. LaGrange Bank #1713 v. DuPage County Board of Review, 79 Ill. App. 3d 474 (1979); Russell v. License Appeal Comm., 133 Ill. App. 2d 594 (1971). In the absence of an appraiser being available and subject to cross-examination regarding methods used and conclusions drawn, the Board finds that the weight and credibility of the evidence and opinion of value has been significantly diminished and cannot be deemed conclusive as to value of the subject property.

Thus, as to the overvaluation claim, in light of the absence of the appraisal's opinion of value, in terms of raw sales data once duplicate presentations are eliminated the appellants presented a total of nine comparable sales and five comparable listings which reflected sales occurring between June 2003 and October 2005 for prices ranging from \$237,000 to \$408,000 or from \$95.00 to \$158.48 per square foot of living area, including land, and a listing price as high as \$176.05 per square foot of living area, including land. After reducing the subject's total assessment on equity grounds to \$104,329, this new total assessment reflects an estimated market value of \$312,924 or \$172.89 per square foot of living area, including land, utilizing the 2005 three-year median level of assessments of DeKalb County of 33.34%, which is

slightly above the range of the comparable sales presented, but which slightly higher value is justified by the subject's walkout basement feature and high quality shed which were not present on the comparables submitted. Thus, the Board finds that the subject's assessment has been appropriately reduced on grounds of lack of uniformity and no further reduction on the basis of overvaluation is warranted on this record.

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.



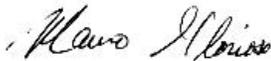
Chairman



Member



Member



Member

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: September 28, 2009



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.