FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Mary Carney
DOCKET NO.: 07-00268.001-R-2
PARCEL NO.: 14-23-376-001

The parties of record before the Property Tax Appeal Board are Mary Carney, the appellant, by attorney Thomas E. Davies, of Thomas E. Davies, P.C. of Morton; and the Peoria County Board of Review, by Assistant State's Attorney William Atkins.

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 **Peoria** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$53,540
IMPR.:	$74,060
TOTAL:	$127,600

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 2.10-acre parcel improved with a 92 year-old, part one-story and part two-story masonry dwelling that contains approximately 9,457 square feet of living area. Features of the home include a partial unfinished basement, two fireplaces, a 1,050 square foot garage and an indoor pool.

Through counsel, the appellant 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 prepared by James W. Klopfenstein, MAI, SRA, who is a licensed real estate appraiser. The appraiser was present at the hearing to provide testimony and be cross examined regarding his preparation of the report. The appraiser, using only the sales comparison approach, estimated the subject's market value as of January 1, 2007 to be $400,000. His report explained that he did not use the cost approach because "there would be a substantial depreciation/obsolescence adjustment necessary which would tend

to negate the validity of this approach." Regarding the subject's condition, the appraiser cited numerous deficiencies that include:

> Foundation wall cracks, substantial rust on steel beams in the basement, crumbling footings, moisture in four basement rooms, original outdated and inefficient heating system, asbestos on majority of heat distribution pipes and boiler, evidence of water damage and mold in basement and first floor, original kitchen which is considered outdated, small bedrooms by today's standards, enclosed pool which is considered a super-adequacy, numerous light switches on floor rather than wall and stucco siding.

The appraiser also noted items of deferred maintenance, such as cracked and bowed French doors, indicating settling, roof replacement, including sheeting and cracks and settling in the drive and parking area. The appraiser also did not prepare an income approach because "the majority of properties similar to the subject are typically owner-occupied and used, and seldom, if ever, rented in this market,"

In the sales comparison approach, the appraiser considered four comparable sales located in Peoria Heights, Illinois that have views of the Illinois River. The comparables consist of one-story, one and one-half-story, or two-story frame dwellings that range in age from 54 to 78 years and range in size from 2,544 to 3,375 square feet of living area. Features of the comparables include central air conditioning, one or two fireplaces, two-car or three-car attached garages and full or partial basements, two of which have some finished areas. The comparables sold between September 2005 and September 2006 for prices ranging from $345,000 to $510,000 or from $124.28 to $162.30 per square foot of living area including land. The appraisal report stated comparable 1 is considered similar to the subject, comparables 2 and 3 are superior to the subject and comparable 4 is inferior to the subject. The appraiser also acknowledged all the comparables are smaller in living area when compared to the subject, but "the majority of the square footage of the subject property consists of entry, foyer, hallways and landing areas which have limited utility." He also stated "each of the comparables cited herein is considered to be in superior condition when compared to the subject." Through this analysis, the appraiser estimated the subject's market value by the sales comparison approach at $400,000.

The appellant's evidence also included a copy of a prior decision by the Property Tax Appeal Board under Docket No. 03-00277.001-R-1, in which the parties agreed to an assessment for the subject of $133,360, indicating a market value of approximately $400,080. Based on this evidence, the appellant requested a reduction in the subject's assessment.

During the hearing, the appellant's appraiser testified the subject's age, condition and obsolescence indicate it lacks features typically desired in today's market. He also testified regarding the comparable sales submitted by the board of review in support of the subject's assessment. For example, he testified the board of review's comparables 2 and 3 had effective ages of 1980 and 1990 due to good maintenance and upkeep, which the subject has not had. The board of review's comparable 4, 5 and 6 needed large adjustments, one as much as $871,000, to make them appear similar to the subject. Klopfenstein opined that when significant adjustments are necessary, such comparables are not really similar to the subject, according to acceptable appraisal methodology. The appellant also argued through counsel that there is no evidence of any changes in the subject's condition since 2003 that justifies an increase in the subject's assessment to $900,000 for 2007.

In cross examination, the board of review questioned Klopfenstein regarding the subject's location and his adjustment process. The witness acknowledged location is an important factor in determining value, among other factors, and that his report did not quantify adjustments he made to the comparables he used. The witness replied "There's no requirement that a form be used in any appraisal. It is recommended for certain appraisal assignments. I opted to do it narratively (sic) as opposed to using a form." The witness was asked why he did not utilize a sale next door to the subject that was built in 1930 which has a similar river view. Klopfenstein replied that it was not comparable to the subject.

The board of review submitted its "Board of Review Notes on Appeal", wherein the subject property's total assessment of $300,000 was disclosed. The subject has an estimated market value of $940,439 or $99.44 per square foot of living area including land, as reflected by its assessment and Peoria County's 2007 three-year median level of assessments of 31.90%.

In support of the subject's assessment, the board of review submitted a letter, property record cards and two grid analyses of a total of six comparable properties, five of which are located in the subject's neighborhood and one of which is located 5.59 miles from the subject. The comparables were reported to consist of two-story style homes of brick, masonry, brick and frame, or stucco exterior construction that range in age from 12 to 85 years and range in size from 3,504 to 8,357 square feet of living area. Features of the comparables include central air conditioning, one to six fireplaces and full or partial basements, four of which have finished areas. Five comparables have garages that were described as three-car or four-car, or which had 480 or 576 square feet of building area. The comparables were described as being in good, superior or excellent condition, while the subject is in fair condition. As noted by the appellant's appraiser, the board of review's

comparables 2 and 3 have effective ages of 1980 and 1990, while the subject's effective age equals its actual age of 91 years. The board of review's comparables sold between October 2005 and June 2006 for prices ranging from $510,000 to $2,700,000 or from $129.05 to $323.08 per square foot of living area including land. Comparables 4, 5 and 6 were adjusted to account for various differences when compared to the subject, such as site, view, condition, quality, age, living area and features. After adjustments, the board of review's comparables 4, 5 and 6 had adjusted sales prices ranging from $926,515 to $1,829,000 or from $132.67 to $218.86 per square foot of living area including land. No adjustments were made to the sales prices of the board of review's comparables 1, 2 and 3.

The board of review's letter claimed the board had been denied access to the subject's interior and so could not confirm the home's obsolete design and condition. Based on this evidence, the board of review requested the subject's assessment be confirmed.

During the hearing, the board of review called Al Campbell, a consultant to the board of review, as a witness. Campbell testified he is a member of the Appraisal Institute, has been appraising property for approximately 35 years, and is a member of the Peoria board of Realtors. The witness testified the board of review's first three comparables have similar river views as the subject, that "location is the key for appraisals," and that these comparables are more similar to the subject than are the comparables used by the appellant's appraiser.

Under cross examination, Campbell acknowledged the grid depicting the board of review's comparables 1, 2 and 3 indicated no adjustments had been made to the properties. When asked if he thought these properties were comparable to the subject, the witness replied "No, I'm not saying they're comparable. I'm saying the location is the same. They both have river views." Campbell also acknowledged that, had he done an appraisal, he "would have made dollar adjustments on them."

After hearing the testimony 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 warranted. The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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 appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the appellant submitted an appraisal of the subject property wherein the appraiser estimated the subject's market value at $400,000. The appraiser was present at the hearing to provide testimony and be cross examined. The appraisal report noted numerous aspects of the subject dwelling that render it functionally obsolete and in only fair condition. Among these many factors, the appraiser found the subject has foundation cracks, crumbling footings, moisture, rusted steel beams, an original and outdated heating system with asbestos, water damage and mold, no central air conditioning, small bedrooms, original kitchen, indoor pool, etc. He also claimed "the majority of the square footage of the subject property consists of entry, foyer, hallways and landing areas which have limited utility." The appraiser also noted several items of deferred maintenance, such as complete roof replacement, which would likely have a negative impact on the subject's marketability.

The Board finds the appraiser did not utilize a standard grid type comparable sales analysis, nor did he indicate the dollar value of adjustments that are needed to make his four comparables appear more similar to the subject. However, he did testify that appraisers can utilize different methods depending on the appraisal assignment. Notwithstanding some questionable responses, the Board finds the appraiser's report and testimony are generally supportive of his value conclusion.

The Board finds the board of review submitted six comparable sales in support of the subject's assessment. However, the first three comparables were significantly smaller than the subject (as were the appellant's appraiser's comparables) and two of them had effective ages, specifically 1980 and 1990, that render them much newer than the subject. The comparables were described as being in excellent condition, whereas the subject was described as being in only fair condition. The Board finds no adjustments were made to the sales prices of these comparables to compensate for their differences when compared to the subject. The Board finds the board of review's comparables 4, 5 and 6, while having had their sales prices adjusted as in a more typical residential appraisal, nevertheless were newer than the subject - two comparables had effective ages of 1980 and 1990. Also, the comparables required very significant adjustments, one as much as $871,000, to make them appear similar to the subject. The Board finds the appellant's appraiser opined that when significant adjustments are necessary, such comparables are not really similar to the subject, according to acceptable appraisal methodology. The Board finds this point is relevant and tends to diminish the reliability of the board of review's comparables in supporting the subject's assessment. The Board further finds that when the board of review's witness, Al Campbell, was cross examined by the appellant's counsel, he stated "No, I'm not saying they're (the board of review's comparables) comparable. I'm saying that the location is the same." The Board finds this

testimony further undermines the reliability of the board of review's comparables in supporting the subject's assessment.

The Board takes notice of its earlier decision regarding the subject property under Docket No. 03-00277.001-R-1, in which the parties agreed to an assessment for the subject of $133,360, indicating a market value of approximately $400,080. The Board finds the appellant also argued through counsel that there is no evidence of any changes in the subject's condition since 2003 that justifies an increase in the subject's assessment to $900,000, an increase of over 100%, for 2007. The Board finds the evidence submitted by the board of review does not support an increase in the subject's assessment commensurate with the 2007 assessment. Based on the analysis above, the Board finds the appellant has met her burden of proving overvaluation by a preponderance of the evidence.

In summary, the Property Tax Appeal Board finds the best evidence of the subject's market value in the record is found in the appellant's appraisal. Therefore, the subject's market value in the instant appeal is $400,000. Since market value has been established, the 2007 Peoria County three year level of assessments of 31.90% shall apply.

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: October 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.