



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

APPELLANT: John L. Lyons
DOCKET NO.: 07-00723.001-R-1
PARCEL NO.: 16-05-25-201-006-0000

The parties of record before the Property Tax Appeal Board are John L. Lyons, the appellant; and the Will County Board of Review.

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

LAND: \$55,000
IMPR.: \$55,125
TOTAL: \$110,125

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a parcel of approximately two acres that is improved with a one and one-half-story, brick and stone dwelling that was constructed in 2007 and contains 3,350 square feet of living area. The subject is located in Homer Glen, Homer Township, Will County.

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 a sworn statement listing contractor and subcontractor costs to construct the subject dwelling that total \$424,339.32. The appellant also acknowledged additional costs of \$10,050 for permits, architectural fee, engineering, tree removal and lawn seeding and indicated that he acted as his own general contractor, estimating the value of this service at \$50,000. The appellant also claimed the subject lot was purchased in 2007 for \$169,000. The appellant did not submit any evidence to support his claim that the general contractor's fee of \$50,000 or the other \$10,050 in fees were representative of market value for these items. Finally, the appellant

submitted a certificate of occupancy for the subject dwelling dated August 9, 2007. While the appellant did not request a reduced land assessment on his petition, his claimed basis for the appeal of "Recent construction" constitutes an overvaluation argument. Based on this evidence the appellant requested the subject's improvement assessment be reduced to \$48,222 and its total assessment to \$103,222, reflecting a market value of approximately \$309,666.

During cross-examination, the appellant acknowledged the subject lot was part of a larger parcel of approximately five acres from which the subject was split off. When questioned as to the amount of the architect's fee he claimed, the appellant answered \$1,200. He acknowledged that architect fees can range from as little as \$0.50 per square foot for a given home to upwards of \$30,000. He submitted no evidence to support this claim.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$110,125 was disclosed. The subject has an estimated market value of approximately \$329,716, as reflected by its assessment and the Will County 2007 three-year median level of assessments of 33.40%.

In support of the subject's assessment, the board of review submitted a letter prepared by the township assessor, several exhibits, property record cards and a grid analysis of four comparable properties. The assessor's letter stated the appellant purchased the subject land in 2005 for \$495,000 "and in 2006 had the property split roughly in half to form Carrie Oaks subdivision. Since smaller lots are generally worth more per acre than larger lots the value of each lot should be at least \$247,000." The assessor claimed the subject lot (approximately ½ of the original five-acre parcel) sold again in August 2007 for \$198,000, but the sale was from the appellant's corporation to an individual member of the corporation (the appellant). The board of review contends this sale was not an arm's-length transaction because of the relationship of buyer to seller. Based on this assertion, the board of review contends the subject's land had a market value of \$247,500 (one-half of the original 5.0±-acre parcel sale price of \$495,000 in 2005), and even if the appellant's construction costs of approximately \$434,339 are acknowledged as representative of market value, the subject property would have an approximate market value of about \$681,839 for 2007. This would indicate a total assessment of about \$227,000. However, since the subject dwelling was built in 2007, it was given a pro-rated assessment. The assessor's letter indicated the subject's 2007 full value assessment prior to board of review action of \$220,045 actually suggests a full market value of just \$660,135, including a land assessment of \$55,000 and a building assessment of \$165,045. If this improvement assessment is prorated from September 1, 2007 through December 31, 2007, the assessment of the subject dwelling equals \$55,125.

The equity comparables submitted by the board of review are located in the nearby subdivision of Windsor Court and consist of two-story style homes of brick and stone, or brick, stone and stucco exterior construction that were built between 2004 and 2006 and range in size from 3,951 to 4,728 square feet of living area. Features of the comparables include central air conditioning, one double two-story or three-story fireplace, garages that contain from 855 to 1,055 square foot of building area and full basements. The comparables also feature various porches and railed balconies and have improvement assessments ranging from \$181,241 to \$262,657 or from \$42.35 to \$55.55 per square foot of living area. If converted to a full-year assessment the subject's improvement assessment would be \$165,045 or \$48.26 per square foot of living area. Based on this evidence, the board of review requested the subject's assessment be confirmed.

During the hearing, the board of review's representative called Homer Township deputy assessor Dale Butala as a witness. Butala reiterated points made in the assessor's letter and claimed the subject dwelling's roof was more elaborate and expensive to construct than comparable homes in the area.

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 Property Tax Appeal Board further finds no reduction in the subject property's assessment is warranted.

The appellant contends overvaluation as the basis of the appeal. When market value is the basis of the appeal, the value 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). After analyzing the market evidence submitted, the Board finds the appellant has failed to meet this burden.

The Board finds the appellant submitted a sworn listing of contractor and subcontractor costs documenting the subject dwelling's construction in August 2007 for \$434,389, including additional costs of \$10,050, and indicating the subject lot sold for \$169,000. The appellant indicated he acted as general contractor and estimated the value of this service at \$50,000 but submitted no evidence that the additional costs and contractor's fee were reflective of the market for these items. The board of review submitted four assessment equity comparables that were similar to the subject in most respects and were located in a nearby subdivision. These comparables have improvement assessments ranging from \$42.35 to \$55.55 per square foot of living area.

While the appellant did not request a reduction in the subject's land assessment, but only its improvement assessment, the Board finds he indicated recent construction as the basis of his appeal. The Board finds this constitutes an overvaluation or

market value argument for the parcel as improved, of which the land value is a component, and which is a factor in the subject's total assessment. The Board first finds the subject lot was one of two that were originally part of a 5.0±-acre parcel that sold in 2005 for \$495,000. Testimony revealed the two lots are approximately the same size. The appellant relied on a subsequent sale of the subject lot in August 2007 for \$198,000, but this later sale was from the appellant's corporation to the appellant. The board of review argued the original 2005 sale suggests a market value for the subject lot of approximately \$247,500 and contends the 2007 sale was not an arm's-length transaction because it was between related parties. For this reason, the Property Tax Appeal Board finds the August 2007 sale of the subject lot for \$198,000 cannot be relied on as a valid indicator of market value as claimed by the appellant. Therefore, the Board finds the subject's land assessment of \$55,000 as determined by the board of review is correct.

Regarding the subject's improvement assessment, the Board initially finds the board of review's equity comparables in and of themselves, do not address the appellant's market value argument for the improved subject parcel. However, they can be used to demonstrate the subject's improvements were determined using a uniform method. The Board finds the assessor's letter acknowledged the appellant's claimed construction costs of \$434,339 for the subject dwelling. This figure of \$434,339 does not include the appellant's estimated value of the claimed general contractor's fee of \$50,000. The Board finds that adding the basic construction costs of \$424,339 as claimed by the appellant, plus his claimed additional costs of \$10,050, plus his claimed general contractor's fee of \$50,000, results in a total cost to construct the subject dwelling of \$484,389. While this cost estimate is questionable, given the appellant's lack of supporting evidence to demonstrate the additional costs and contractor's fee were representative of the market value of these items, the Board finds a proration of this total cost of \$484,389 for four months of 2007 and multiplied by .3333 to indicate an improvement assessment, equals approximately \$54,000, which is very close to the subject's improvement assessment of \$55,125 as determined by the board of review.

The Board finds that when the subject dwelling's assessment, prorated at \$55,125 for the last four months of 2007 is added to the land assessment of \$55,000, the 2007 total assessment of \$110,125 is justified. The Board finds that if the subject's improvement assessment of \$55,125 for the last four months of 2007 is converted to a full-year assessment of \$165,045, the improvement assessment would be \$48.26 per square foot of living area, which falls within the range of the board of review's equity comparables that range from \$42.35 to \$55.55 per square foot of living area. Based on this analysis, the Property Tax Appeal Board finds the subject's improvement assessment is uniform with similar properties in the subject's neighborhood. Therefore, the Board finds the evidence in the record supports the subject's assessment.

In summary, the Property Tax Appeal Board finds the appellant has failed to prove overvaluation by a preponderance of the evidence and the subject's assessment as determined by the board of review is correct.

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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario M. Louie

Member

Shawn R. Lerbis

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: March 18, 2011

Allen Castrovillari

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.