



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

APPELLANT: Robert & Sonia Beranich
DOCKET NO.: 07-00952.001-R-1 through 07-00952.004-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Robert & Sonia Beranich, the appellants; and the Lake 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 Lake County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-00952.001-R-1	13-23-211-001	29,242	0	\$29,242
07-00952.002-R-1	13-23-211-002	11,884	89,561	\$101,445
07-00952.003-R-1	13-23-211-003	2,982	0	\$2,982
07-00952.004-R-1	13-23-211-004	2,984	0	\$2,984

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of four parcels totaling 1.2 acres, one of which is improved with a 28 year-old, one-story style frame dwelling that contains 2,256 square feet of living area. Features of the home include central air conditioning, a fireplace, a 513 square foot garage and a full basement with 1,056 square feet of finished area. The subject is located in North Barrington, Cuba Township, Lake County.

The appellants appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of this argument, the appellants submitted an appraisal of the subject property. The appraiser, who was not present at the hearing to provide testimony regarding the report's preparation or be cross-examined, used the cost and sales comparison approaches in estimating the subject's market value at \$385,000

as of the appraisal's effective date of January 1, 2007. In the cost approach comments section, the appraiser estimated the subject's site value at \$115,000 based on "limited MLS data." The appraiser noted the subject has a drainage issue that would cost between \$25,000 and \$40,000 to correct, using a "drainage swale to redirect water flows, ditching, culvert and grading . . ." In his site comments section, the appraiser noted that, "according to the homeowner, during heavy rains the water from Sioux Drive and adjacent properties to the east and north runs down the driveway directly to the house, causing flooding problems."

Regarding the subject's improvements, the appraiser used cost data from Marshall & Swift to estimate a reproduction cost new of the improvements at \$359,880. After deducting \$136,563 for depreciation and adding \$20,000 for site improvements along with the site value, the appraiser estimated the subject's value by the cost approach at \$358,300. In the appraisal, the appraiser indicated the subject contains 2,342 square feet of living area.

In the sales comparison approach, the appraiser examined three comparable properties located in the subject's neighborhood. The comparables consist of parcels ranging in size from 8,402 to 35,924 square feet of land area that are improved with two, one-story style frame dwellings and one, two-story brick and frame dwelling. These properties range in age from 46 to 58 years and range in size from 1,466 to 2,352 square feet of living area. Features of the comparables include central air conditioning, one or two fireplaces, garages that contain from 420 to 600 square feet of building area and partial basements that contain from 200 to 540 square feet of finished area. The comparables sold between June and December 2006 for prices ranging from \$183.67 to \$246.93 per square foot of living area including land. The appraiser adjusted the comparables for such items as design, condition, room count, living area, utility and remodeling. After adjustments, the comparables had adjusted sales prices ranging from \$372,000 to \$412,500 or from \$162.41 to \$253.75 per square foot of living area including land. Based on this analysis, the appraiser estimated the subject's market value by the sales comparison approach at \$385,000. In his reconciliation, the appraiser relied most on the sales comparison approach because it is "more responsive to changes in recent market conditions than the cost approach."

The appellants also submitted a letter regarding the subject's drainage problem from the Village of North Barrington dated September 12, 1980. The letter made a recommendation to "Cut road surface near driveway with slight swale to intercept and direct water." The letter gave no indication of any loss in value suffered by the subject as a result of the drainage issue. Finally, the appellants submitted a copy of an article from AARP magazine that refers to drainage ditches or low-lying properties.

Based on this evidence, the appellant requested the subject's total assessment be reduced to \$110,000.

During the hearing, appellant Robert Beranich claimed the subject's proximity to a bird sanctuary diminished its value. He also asserted that a reduction in the subject's assessment was warranted, as noted by the appraiser, to reflect the \$25,000 to \$40,000 estimated cost to cure the drainage problem.

The board of review submitted its Board of Review Notes on Appeal wherein the subject's total assessment of \$136,653 was disclosed. The subject has an estimated market value of \$411,978 or \$182.61 per square foot of living area including land, as reflected by its assessment and Lake County's 2007 three-year median level of assessments of 33.17%.

In support of the subject's assessment, the board of review submitted a letter, property record cards and a grid analysis of six comparable properties. Three of these comparables include assessment data and three include sales data. Per its property record card, also submitted by the board of review, the subject dwelling contains 2,256 square feet of living area. Regarding the appellants' claimed loss of value for the subject due to the water runoff issue, the board of review's letter states "The submitted evidence does not clearly demonstrate any damage attributed to the water issue or any significant loss in value. . . ." The letter also observed that the appellants' appraisal estimated the subject's market value at \$385,000 and "does not support the appellant's (sic) requested reduction to \$330,000." "The appraisal includes several unsupported adjustments and lacks adjustments for other significant differences in the properties."

The six board of review comparables consist of one-story style frame or brick and frame dwellings that range in age from 22 to 52 years and range in size from 1,932 to 2,759 square feet of living area. Features of the comparables include central air conditioning, garages that contain from 440 to 864 square feet of building area and full or partial basements, four of which have finished areas ranging from 1,100 to 2,200 square feet. Five comparables have two or three fireplaces. The equity comparables have improvement assessments ranging from \$78,988 to \$126,454 or from \$31.12 to \$57.37 per square foot of living area. The three comparable sales occurred between September 2006 and March 2007 for prices ranging from \$425,000 to \$690,000 or from \$167.45 to \$277.44 per square foot of living area including land. Based on this evidence, the board of review requested the subject's assessment be confirmed.

During the hearing, the board of review's representative objected to the appellants' appraiser not being present at the hearing to explain his report and be cross-examined. The representative questioned several aspects of the appraisal. For example, the appraiser made no adjustments for site or age differences between

the subject and the comparables. The representative also observed the appraiser submitted no explanation of how he derived his estimate of \$25,000 to \$40,000 to resolve the drainage issue. The representative further observed that the appellants' appraisal comparable 3 was a two-story home, dissimilar to the subject's one-story design. The appraiser adjusted this comparable by \$20,000, but gave no source for this adjustment. The board of review's representative then called Cuba Township deputy assessor Dinah Binder as a witness. Binder testified the appellants had never submitted documentation to support their contention that the subject's value had been diminished due to the drainage problem. The witness testified further regarding the different land assessments of the four subject parcels. She explained that several break points were used to value improved lots in the subject's neighborhood. Lots up to 15,000 square feet were assigned a market value of \$5.22 per square foot, land areas between 15,001 and 22,500 square feet were valued at \$2.61 per square foot, and finally, land areas from 22,501 to 186,000 square feet were valued at \$1.31 per square foot. Lastly, the witness testified all lots in the subject's subdivision were valued according to this same formula.

In rebuttal, the appellants submitted information on four additional comparables. The Board finds that Section 1910.66(c) of the Official Rules of the Property Tax Appeal Board states in part:

Rebuttal evidence shall not consist of new evidence such as an appraisal or newly discovered comparable properties. A party to the appeal shall be precluded from submitting its own case in the guise of rebuttal evidence. 86 Ill.Adm.Code 1910.66(c).

Therefore, the Board finds the additional comparables are inadmissible and will not be considered in its analysis.

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 appellants argued 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 appellants have failed to overcome this burden.

The Board finds the appellants submitted an appraisal of the subject property wherein the appraiser estimated the subject's market value at \$385,000 as of January 1, 2007. Since the appraiser was not present at the hearing to explain his report and be cross-examined by the board of review regarding various

items for which he did or did not make adjustments, the Board gave no weight to the value conclusion in the appraisal. However, the Board will consider the raw sales data in the appraisal, along with the three comparable sales submitted by the board of review. The Board gave less weight to the appellants' appraisal comparables 2 and 3 because the former is significantly smaller in living area when compared to the subject and the latter's two-story design differs from the subject's one-story style. The Board gave less weight to the appellants' comparable 1 and the board of review's comparables 1 and 2 because these homes were 22 or more years older than the subject. The remaining comparable, board of review #3, is similar to the subject in terms of design, exterior construction, size, age and features and sold for \$277.44 per square foot of living area including land. The subject's estimated market value as reflected by its assessment of \$182.61 per square foot of living area including land is well below this most similar comparable. The Board gave little weight to the board of review's three equity comparables because they do not address the appellants' overvaluation argument.

The appellants also claimed the subject had suffered a loss in value due to water running down the subject's driveway from the road. They submitted a 1980 letter from the Village of North Barrington Road Department that acknowledged the existence of the drainage problem and recommended a remedy. In the 27 intervening years until the assessment date at issue, the appellants, as testified to by Binder, failed to submit any documented cost to cure or value loss associated with the issue. The appellants' appraiser estimated the cost to rectify the drainage problem at \$25,000 to \$40,000, but this record is devoid of any credible market evidence to support this estimate.

In conclusion, the Property Tax Appeal Board finds the appellants have failed to prove overvaluation by a preponderance of the evidence and the subject's assessment as determined by the board of review is correct and no reduction is 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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

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: February 23, 2010

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.