



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

APPELLANT: Tom & Michele Olsen
DOCKET NO.: 07-02086.001-R-2
PARCEL NO.: 13-15-404-010

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

LAND: \$62,713
IMPR: \$212,598
TOTAL: \$275,311

Subject only to the State multiplier as applicable.

ANALYSIS

For purposes of this appeal and pursuant to Property Tax Appeal Board rule 1910.78, Docket No. 07-02086.001-R-2 was consolidated with Docket No. 08-01748.001-R-2 for purposes of oral hearing.

The subject property consists of a 44,370 square foot parcel improved with a two-story single family residence constructed with wood siding and stone exterior in 1988. Features of the home include 5,661 square feet of living area, a partial walk-out unfinished basement containing 2,047 square feet, central air-conditioning, a fireplace and an attached 755 square foot garage. The subject is located in 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 with an effective date of July 1, 2007. The appraiser used the cost and sales comparison approaches in estimating a value for the subject of \$560,000.

In the cost approach, the appraiser determined a land value of \$150,000 based on a land residual method. The appraiser estimated a reproduction cost new of the improvements of \$792,850 based on the subject containing 5,239 square feet of living area. Depreciation of \$408,283 was subtracted from this figure, leaving a depreciated value of the improvements of \$384,567, to which site improvements of \$15,000 were added. Incorporating the land value resulted in an indicated value by the cost approach of \$549,600.

In the sales comparison approach, the appraiser examined three comparable properties. The comparables consist of one-story or two-story style dwellings. The exterior construction and detailed age of each comparable was not disclosed. The comparables were described as having a similar effective age to the subject. One comparable was described as having a similar quality of construction to the subject with the other two comparables having a superior quality of construction. The comparables were described as having a similar irregular lot like the subject or being located on a waterfront lot. The comparables ranged in size from 2,087 to 3,136 square feet of living area and each had a full finished basement, central air-conditioning, one or two fireplaces and a three car attached garage. The comparables sold from June 2006 to December 2006 for prices ranging from \$557,500 to \$625,000 or from \$184.95 to \$299.47 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, design, construction quality, living area, basement finish and number of fireplaces. After making these adjustments, the comparables had adjusted sales prices ranging from \$544,500 to \$574,600 or from \$182.75 to \$262.39 per square foot of living area, including land. The appraiser concluded a value for the subject by the sales comparison approach of \$560,000.

In his final reconciliation, the appraiser placed most weight on the sales comparison approach with support from the cost approach. The appraiser was not present to provide direct testimony or subject to cross examination.

Appellant, Thomas Olsen, testified that the appellants purchased the subject in 1997 for \$375,000 and has seen an increase in its value as reflected in its assessment to \$860,631 or a 129% increase through 2008. The appellant further testified that average increases from 3 to 5% occurred prior to 2007. In addition, the appellants argued that the subject has an undesirable layout, vertical siding, a small exterior front entry and needs the windows replaced. The appellants argued that a 5% appreciation should be applied to the subject's market value from its original purchase date of 1997. Joan Dailey, a real estate broker with Remax Advisors was questioned by the board of review.

Dailey testified that she has been with Remax since 1983 and has a broker's license from December 1973. Dailey testified that based on her many years of experience, a 4% per year appreciation

is accurate. Dailey acknowledged that there was no supporting documentation in the file for this assertion. Based on this evidence, the appellants requested a reduction in the subject's assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$286,877 was disclosed. The subject has an estimated market value of \$864,869 or \$152.78 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%.¹

In support of the subject's estimated market value, the board of review submitted a summary argument letter, an appraisal and property record cards. The appraisal, prepared by Robert Erikson, a licensed real estate appraiser, estimated a market value for the subject property with an effective date of July 1, 2007. The appraiser used the sales comparison approach in estimating a value for the subject of \$830,000².

The first witness called by the board of review was Dinah Binder, Chief Deputy Assessor of Cuba Township. Binder testified that 2007 was the beginning of the quadrennial reassessment wherein all neighborhoods, including the subject's, were revalued. Binder testified that the appellants' comparable sale #1 was located in the same neighborhood as the subject. However, Binder testified that appellants' comparable #2 was located in a different neighborhood and comparable #3 was located in a different township than the subject. Binder testified that the market area for comparable #3 was not similar to the subject's market area.

The next witness called by the board of review was Robert Erickson, the appraiser. Erickson testified that he did not prepare a cost approach to value because the subject was 19 years old and the calculation of depreciation becomes less reliable. Erickson examined three comparable properties located in Lake Barrington. Erickson testified that the comparables consist of two-story style dwellings. The exterior construction of each comparable was not disclosed. The comparables ranged from 4 to 16 years old. The comparables ranged in size from 4,207 to 5,267 square feet of living area and each had a full basement, two of which were finished. The comparables also contained central air-conditioning, one or two fireplaces and a four-car garage. The comparables sold from July 2006 to March 2007 for prices ranging from \$795,000 to \$912,500 or from \$170.88 to \$188.97 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, age, size, number of bathrooms, garage area, decks, fireplaces and basement area. After making these adjustments, the comparables had adjusted sales prices ranging

¹ Based on the subject containing 5,661 square feet of living area.

² The board of review requested the subject's assessment be reduced to reflect a market value for the subject in the amount of \$830,000.

from \$818,500 to \$840,000 or from \$158.02 to \$199.20 per square foot of living area, including land. The appraiser concluded a value for the subject by the sales comparison approach of \$830,000.

Erickson testified that also he performed a paired sales analysis regarding the difference in market value between contemporary styled homes and traditional colonial style homes. Erickson testified that he could not differentiate a market value difference between the two homes. Based on this evidence, the board of review requested the subject's assessment be reduced to reflect a market value of \$830,000.

During cross-examination, Erickson testified that he used the subject's property record card to determine the subject's size. Erickson admitted that he did not measure the subject; however, during his physical inspection of the subject's exterior and his examination of the records, he did not find that the reported 5,661 square feet was incorrect. Erickson further testified that he verified his sales comparables with Multiple Listing Sheets and tax records. Erickson testified that all of his sale comparables appeared to be arm's length transactions.

During rebuttal, Joan Dailey was called as a witness. Dailey testified that the subject is considered a contemporary home because it has vertical siding, stone work, contemporary windows, contemporary railings on the interior and three columns in the front. Dailey disputed that the value of contemporary homes was equal to traditional styled homes.

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.

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 evidence in this record depicts a reduction in the subject's assessment is warranted.

The Board initially finds the best evidence in this record of the subject's size is the property record presented by the board of review. Erickson testified in support of the information contained on the property record card and the appellants did not refute this information with substantive documentary evidence as being in error. The Board gave little weight to the appellants' depiction that the subject contained 5,239 square feet of living area because the appraiser was not present to provide supporting testimony of the measurement methods or calculations used. Therefore, for purposes of this appeal, the Board finds the subject contains 5,661 square feet of living area.

The Board further finds the appellants submitted an appraisal of the subject property in which the subject's market value was estimated to be \$560,000 as of January 1, 2007. The appraiser was not present at the hearing to provide direct testimony or subject to cross examination regarding her methodology or final value conclusions, therefore, the Board will only consider the raw sales data contained within the appraisal report. The Board gave little weight to the sale comparables submitted by the appellants because they were dissimilar to the subject in size, basement finish and/or location. In addition, no information was provided for the age and exterior construction which would allow the Property Tax Appeal Board the opportunity to compare each comparable to the subject.

The board of review also submitted an appraisal utilizing three comparable sales that sold for adjusted prices ranging from \$158.02 to \$199.20 per square foot of living area, including land. The Board finds Erickson presented clear, concise and credible testimony regarding his appraisal methodology and final conclusion of value. The Board finds Erickson made proper adjustments to account for the differences between the comparables and the subject. Therefore, the Board finds the appraisal, as submitted by the board of review to be the best evidence of the subject's estimated market value. The comparables sold for prices ranging from \$795,000 to \$912,500. The subject has an estimated market value of \$864,869 as reflected by its assessment. The subject's estimated market value as reflected in its 2007 assessment is within the range established by the most similar comparables contained in this record. However, based on the testimony of the appraiser and on the appraisal report presented the board of review; the subject had an estimated market value of \$830,000 on January 1, 2007.

The Board gave little merit to the market analysis submitted by the appellants. The appellants attempted to demonstrate the subject's assessment was not reflective of market value because of the percentage increases in its assessment from year to year. The Board finds this type of analysis is not an accurate measurement or a persuasive indicator to demonstrate overvaluation by a preponderance of the evidence. Foremost, the Board finds this type of analysis uses median sale prices and percentage increases from year to year. There was no credible evidence showing the market activity described by the appellants is indicative of the subject's fair market value. The Board finds rising or falling assessments or sale prices from year to year on a percentage basis do not indicate whether a particular property is overvalued. 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. This may result in many properties having increased or decreased assessments from year to year of varying amounts and

percentage rates depending on prevailing market conditions and prior assessments.

In conclusion, the Board finds the evidence depicts 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 incorrect and a reduction is warranted. Since fair market value has been established, the 2007 three-year weighted average median level of assessments for Lake County of 33.17% 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.

Donald 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: April 22, 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.