



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

APPELLANT: D. Bruce Geary
DOCKET NO.: 07-05438.001-C-1
PARCEL NO.: 15-14-14-100-011

The parties of record before the Property Tax Appeal Board are D. Bruce Geary, the appellant, and the Clinton 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 Clinton County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$35,020
IMPR.: \$66,670
TOTAL: \$101,690

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of mobile home park with approximately 37 acres of land improved with 99 concrete pads. The property is known as the Deerwood Park Trailer Court and is located in Centralia, Brookside Township, Clinton 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 an appraisal prepared by W. Gregory Kleeman of Kleeman Auction and Appraisal Company located in Centralia. The report indicated that Kleeman was an Illinois Certified General Appraiser. The appraiser was not present at the hearing.

The appraisal described the subject as being in an average state of repair at the time of appraisal. The appraiser further stated the highest and best use of the subject as improved was its current use.

Under the cost approach the appraiser estimated the subject site had a unit value of \$3,000 per acre for a total site value of \$111,000. In estimating the value of the improvements the appraiser stated in the report he used the Marshall & Swift Cost

Guide to value the 99 concrete pads at \$5,000 per pad for a total replacement cost new of \$495,000. The appraiser further stated in the report that physical depreciation was calculated using the age-life method with the subject having an effective age of 30 years and a total life of 45 years resulting in 67% or \$331,650 in physical deterioration. Economic obsolescence of 15% or \$74,250 was deducted due to the appraiser's assertion that single wide mobile home parks are not being built today. Deducting depreciation and adding the site value resulted in an estimated value under the cost approach of \$200,000.

Under the income approach the appraiser stated that the fair market rent for the subject would be \$125 per month per pad, including water, sewer and trash pickup. The appellant testified this is the actual rent per month at the subject property. The appraiser calculated the potential gross income to be \$148,500 for the subject property. The appraiser deducted 25% for vacancy to arrive at an effective gross income of \$111,375. The appraiser estimated expenses to be \$83,034 or approximately 74.6% of effective gross income to arrive at a net operating income of \$28,341. The appraiser then used a capitalization rate of 14.14%, which included an effective tax rate of 3.47%, to arrive at an indicated value under the income approach of \$200,431. The appraiser also estimated a value by deducting the real estate taxes as an expense and using a 10.67% capitalization rate to arrive at a value of approximately \$191,195. Attached to the appraisal were various federal income tax statements outlining income and expenses of the subject. Using these two calculations the appraiser estimated the subject had an estimated market value under the income approach of \$195,000, rounded.

The appraisal also had one comparable sale consisting of a 1.95 acre parcel improved with 17 mobile home pads. The property was located approximately 2.77 miles from the subject and sold in March 2004 for a price of \$27,500 or \$1,617 per pad. The appraiser indicated this comparable was 30% inferior to the subject and made a positive adjustment to the sales price to arrive at a unit value of \$2,102 per pad. Applying this unit value to the subject resulted in an estimated value of \$209,000 under the sales comparison approach.

In reconciling the three approaches, the appraiser gave most credence to the cost and income approaches and concluded the subject had a market value of \$200,000 as of June 2, 2008.

The appellant testified the appraisal was used in 2008 to buy out 62% of the partnership. The appellant testified that he provided the appraiser 5 years of tax records and operating statements. The appellant further indicated the primary emphasis was on the income approach to value.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$101,690 was disclosed. The subject's assessment reflects a market value of approximately \$301,036 or \$3,040 per pad using

the 2007 three year median level of assessments for Clinton County of 33.78%.

The board of review developed an income approach also using a market rent of \$125 per month per pad to arrive at a potential gross income of \$148,500. The board of review deducted 15% for a vacancy loss to arrive at an effective gross income of \$126,225. The board of review calculated expenses to be \$79,077, using the documentation provided by the appellant, to arrive at a net income of \$47,148. The board of review used a loaded capitalization rate of 14.24% to capitalize the net income into an estimated value of \$331,096 or \$3,344 per pad under the income approach.

The board of review also provided information on six comparable sales to support its assessment of the subject property. The comparables consisted of mobile home parks located from 2.77 to approximately 30 miles from the subject in Clinton, Marion and Washington Counties. Comparable #1 was the same as the comparable sale used in the appellant's appraiser's report. The five remaining comparables ranged in size from 2.78 to 19.50 acres and had from 35 to 128 pads. At the time of sale the comparables had vacancy rates ranging from 5.7% to 58.8% with five of the six having vacancy rates ranging from 5.7% to 25.8%. Excluding comparable #1, the remaining comparables sold from December 2003 to December 2008 for prices ranging from \$175,000 to \$1,125,000 or from \$5,000 to \$8,821 per pad. The board of review's evidence included photographs of the comparables 1 through 5 depicting mobile home parks with single-wide mobile homes. The board of review further noted that comparable #1 did not appear to be in operation and was inferior condition compared to the subject. The Chief County Assessment Officer testified that on physical inspection of comparable sale #1 there were only three mobile homes present.

The board of review also submitted a copy of the subject's property record card containing an estimated value for the subject property of \$305,060 or \$3,081 per pad.

The board of review argued the best evidence of value is the comparable sales, which demonstrated the subject was not being overvalued.

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 the appeal. The Board further finds the evidence in the record does not support a reduction in the subject's assessment.

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 sales

data in the record does not support a reduction in the subject's assessment.

The Board finds the best evidence of value in the record are comparable sales #2 through #6 submitted by the board of review. The comparables consisted of mobile home parks located from approximately 3 miles to 30 miles from the subject in Clinton, Marion and Washington Counties. These five comparables ranged in size from 2.78 to 19.50 acres and had from 35 to 128 pads. At the time of sale these comparables had vacancy rates ranging from 5.7% to 25.8%. These five comparables sold from December 2003 to December 2008 for prices ranging from \$175,000 to \$1,125,000 or from \$5,000 to \$8,821 per pad. The three comparables that sold most proximate in time to the assessment date at issue and were similar in number of pads were comparables #2, #3 and #4. These properties sold from January 2005 to March 2005 for prices ranging from \$617,500 to \$1,125,000 or from \$8,333 to \$8,821 per pad. Little weight was given comparable sale number 1 due to its size and condition at time of sale. Testimony presented by the board of review indicated that comparable #1 did not appear to be in operation and was in inferior condition as compared to the subject. The Chief County Assessment Officer testified that on physical inspection of comparable sale #1 there were only three mobile homes present. Additionally, the appellant's appraiser indicated in his report this comparable was inferior to the subject. As a final point, the board of review's evidence included photographs of comparables 1 through 5 depicting mobile home parks with single-wide mobile homes, similar to the subject's single-wide mobile home configuration. The subject's total assessment of \$101,690 reflects a market value of approximately \$301,036 or \$3,040 per pad using the 2007 three year median level of assessments for Clinton County of 33.78%. The subject's assessment reflects a market value significantly below that of the best comparable sales in the record, demonstrating the subject is not overvalued.

Less weight was given the appellant's appraisal due to the fact that the appraiser was not present to provide testimony and be cross-examined with respect to the methodology, assumptions and ultimate conclusion of value.

In conclusion, the Property Tax Appeal Board finds the assessment of the subject property as established by the board of review is correct and a reduction is not 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

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: August 20, 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.