FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: David Field
DOCKET NO.: 08-03119.001-R-1
PARCEL NO.: 08-17-208-018

The parties of record before the Property Tax Appeal Board are David Field, the appellant, and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$64,410
IMPR.:	$77,170
TOTAL:	$141,580

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 19,125 square feet of land area is improved with a two-story frame and brick exterior constructed single-family dwelling which is 42 years old. The dwelling contains approximately 2,808 square feet of living area[1] with a full basement which is partially finished, central air conditioning, two fireplaces, and a two-car garage. The subject property is located in Naperville, Lisle Township, DuPage County.

The appellant's appeal contends the market value of the subject property is not accurately reflected in its assessed valuation. In support of this market value argument, the appellant presented an appraisal of the subject property, but also reported a recent purchase price of the subject property.

[1] The appellant's appraiser reported a dwelling size of 2,808 square feet of living area supported by a schematic drawing. The board of review presented the subject's property record card with a schematic drawing and a dwelling size of 2,826 square feet of living area. Since the minor difference appears to be a rounding error, the Board has accepted the appraiser's dwelling size determination for purposes of this appeal.

As to the appraisal, the client for purposes of the appraisal was Wintrust Mortgage and the appraisal was prepared for a refinance transaction appraising the fee simple rights. The report was prepared by Jamie Hanson of Mountain Residential Appraisal in Elmhurst, a State Certified Associate Real Estate Appraiser. In the report, the appraiser indicated the subject property was purchased by the current owners for $425,544 on September 19, 2008. The appraiser noted that market area conditions were declining and attached a Market Conditions Addendum to the Appraisal Report further outlining that opinion. For this report, Hanson used two of the three traditional approaches to value in concluding an opinion of market value of $422,000 for the subject property as of April 14, 2009.

Under the cost approach, the appraiser estimated the subject's land value at $150,000 based on abstraction. Using data from local builders and contractors, the appraiser determined a replacement cost new for the subject dwelling, basement and garage of $327,640. Physical depreciation of $40,955 was calculated using the age/life method resulting in a depreciated value of improvements of $286,685. Next, a value for site improvements of $5,000 was added. Thus, under the cost approach, the appraiser determined an indicated market value of $441,685 for the subject.

Under the sales comparison approach, the appraiser used three sales of comparable homes located between 0.2 and 0.8 of a mile from the subject property. The comparables consist of two-story frame exterior constructed dwellings which were 31 to 35 years old. The comparables range in size from 2,129 to 2,484 square feet of living area. Each of the comparables has a finished basement, central air conditioning, a fireplace, and a two-car garage. The appraiser reported the sales were on the market from 21 to 79 days; no sales or transfers of these comparables were found by the appraiser within the prior year. The comparables sold between May and September 2008 for prices ranging from $422,000 to $450,000 or from $175.93 to $198.22 per square foot of living area including land.

The appraiser found no financing adjustments were necessary, but the sales were adjusted downward for date of sale. In comparing the comparable properties to the subject, besides the afore-mentioned, the appraiser made adjustments for dwelling size and number of fireplaces. This analysis by the appraiser resulted in adjusted sales prices for the comparables ranging from $419,065 to $444,700 or from $168.71 to $198.31 per square foot of living area including land. From this process, the appraiser estimated a value for the subject by the sales comparison approach of $422,000 or $150.28 per square foot of living area including land based on 2,808 square feet.

In the final reconciliation, the appraiser did not articulate which approach was given most weight, but concluded a value for the subject of $422,000 as of April 14, 2009 consist with the sales comparison approach to value determination.

As to the recent sale data in Section IV of the Residential Appeal form which was also acknowledged in the appraisal, the appellant purchased the subject property in September 2008 for $425,544 from the Calon family. The appellant also reported the parties to the transaction were unrelated and the property was sold through use of a Realtor with Coldwell Banker. The property was advertised for a period of 9 to 12 months in the Multiple Listing Service and the seller's mortgage was not assumed.

Based on the foregoing, the appellant requested that the subject's total assessment be reduced to $140,686 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $163,590 was disclosed. The final assessment of the subject property reflects a market value of $491,704 or $175.11 per square foot including land using the 2,808 square foot size determination made for this appeal and the 2008 three-year median level of assessments for DuPage County of 33.27%.

In support of the subject's assessment, the board of review submitted an Addendum to Board of Review Notes on Appeal along with data prepared by the Lisle Township Assessor's Office including a document labeled Exhibit 1. In the addendum, the board of review noted the appraisal was prepared "for a mortgage finance transaction," the appraisal "is not an opinion of the Ad Valorem Assessment value," and the effective date of the appraisal is one year and three and a half months after the assessment date of January 1, 2008.

In the data, the township assessor contends the sale of the subject property in 2008 was the result of a "short sale" and submitted documentation from circuit court to support that contention. However, in the grid analysis, the sale of the subject in August 2008 for $425,544 is also reported by the township assessor.

In support of the subject's estimated market value based on its assessment, the township assessor prepared a spreadsheet of seven suggested comparables, five of which include recent sales data. Since equity evidence is not responsive to the appellant's overvaluation argument, only the five recent sales will be analyzed in this decision. The comparables are located in the same neighborhood code assigned by the assessor as the subject property. The comparables consist of two-story frame dwellings that range in age from 34 to 42 years old. The homes range in size from 2,287 to 2,826 square feet of living area and feature basements, two of which include full or partial finish. Four of the comparables have central air conditioning and each has one or two fireplaces and an attached garage ranging in size from 440 to 528 square feet of building area. The sales occurred between July 2006 and May 2008 for prices ranging from $470,000 to

$500,000 or from $171.62 to $216.88 per square foot of living area including land.

Based on the foregoing evidence, the board of review requested confirmation of the subject's estimated market value as reflected by its assessment.

After reviewing the record 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 that a reduction in the subject's assessment is warranted.

The appellant argued that the subject's assessment was not reflective of market value. 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). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds this burden of proof has been met and a reduction in the subject's assessment is warranted on this record.

The appellant submitted an appraisal estimating the subject property had a market value of $422,000 as of April 14, 2009, which is a date approximately 15 months after the assessment date at issue in this appeal. Both parties presented evidence that the subject property was purchased in August/September 2008 for $425,544, which is a date approximately 8 or 9 months after the assessment date at issue of January 1, 2008. The information provided by the appellant indicated the sale had the elements of an arm's length transaction. The board of review's responsive evidence asserted the sale was the result of a "short sale."

Except in counties with more than 200,000 inhabitants which classify property, property is to be valued at 33 1/3% of fair cash value. (35 ILCS 200/9-145(a)). Fair cash value (also referred to as fair market value) "meaning the amount the property would bring at a voluntary sale where the owner is ready, willing, and able to sell; the buyer is ready, willing, and able to buy; and neither is under a compulsion to do so." Illini Country Club, 263 Ill. App. 3d at 418, 635 N.E.2d at 1353; see also 35 ILCS 200/9-145(a). The Illinois Supreme Court has held that a contemporaneous sale of the subject property between parties dealing at arm's length is relevant to the question of fair market value. People ex rel. Korzen v. Belt Ry. Co. of Chicago, 37 Ill. 2d 158, 161, 226 N.E.2d 265, 267 (1967). A contemporaneous sale of property between parties dealing at arm's-length is a relevant factor in determining the correctness of an assessment and may be practically conclusive on the issue of whether an assessment is reflective of market value. Rosewell v. 2626 Lakeview Limited Partnership, 120 Ill. App. 3d 369 (1st Dist. 1983), People ex rel. Munson v. Morningside Heights, Inc., 45 Ill. 2d 338 (1970), People ex rel. Korzen v. Belt Railway Co.

of Chicago, 37 Ill. 2d 158 (1967); and People ex rel. Rhodes v. Turk, 391 Ill. 424 (1945).

In light of this holding, the comparable sales in the appellant's appraisal and those sales presented by the board of review were given less weight. The Board finds the best evidence of the subject's fair market value in the record is the August/September 2008 purchase price of $425,544. The Property Tax Appeal Board finds the sale was not a transfer between family or related parties; the property was advertised for sale. Furthermore, the Board finds there is no evidence in the record that the sale price was not reflective of the subject's market value. Based on the foregoing facts, the Property Tax Appeal Board finds the subject's August/September 2008 sale price of $425,544 was arm's-length in nature.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of $425,544 on January 1, 2008. The subject's assessment reflects an estimated market value of approximately $491,704, which is higher than its arm's-length sale price. Therefore a reduction is warranted. Since the fair market value of the subject has been established, the Board finds that the 2008 three-year median level of assessment for DuPage County of 33.27% 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: June 22, 2012

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.