



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

APPELLANT: James L. & Sandra L. Bailey
DOCKET NO.: 08-03121.001-R-1
PARCEL NO.: 09-11-419-027

The parties of record before the Property Tax Appeal Board are James L. & Sandra L. Bailey, the appellants, 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: \$88,690
IMPR: \$150,850
TOTAL: \$239,540

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel is improved with a part one-story and part two-story frame and brick exterior constructed dwelling built in 1974. The dwelling contains approximately 2,700 square feet of living area¹ with a full partially finished basement.² Additional features of the dwelling are central air conditioning, a fireplace, a two-car garage, and an enclosed porch. The subject property is located in Hinsdale, Downers Grove Township, DuPage County.

¹ The appellants' appraiser reported a dwelling size of 2,635 square feet which was supported by a detailed schematic drawing. The board of review contends the subject dwelling contains 2,775 square feet of living area and supplied a property record card with a somewhat similar schematic drawing of the subject dwelling. Given the evidence in the record, the Property Tax Appeal Board finds the slight variance in dwelling size is not relevant to a determination of the correct assessment of the subject property.

² The assessing officials report the subject has an unfinished basement in their records. One basement photograph in the appellants' appraisal depicts some cabinetry with exposed floor joists and ductwork for the ceiling while another depicts storage area with a portion of acoustic tile ceiling with a dropped shop light from the ceiling.

The appellants' 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 appellants presented an appraisal of the subject property.

The appraisal report was prepared by William Lesniak of Northern Illinois Real Estate Appraisers in Oak Brook, a State Certified Real Estate Appraiser. The appraiser noted the subject market area was stable. For this report, Lesniak used two of the three traditional approaches to value in concluding an opinion of market value of \$720,000 for the subject property as of December 31, 2007.

Under the cost approach, the appraiser estimated the subject's land value at \$400,000 based on use of the abstraction method. Using data from the Marshall & Swift Residential Cost Handbook, the appraiser determined a replacement cost new for the subject dwelling, basement and garage of \$356,700. Physical depreciation of \$29,713 was calculated from "Boeckh's Residential Building Cost Guide" resulting in a depreciated value of improvements of \$326,987. Thus, under the cost approach, the appraiser determined an indicated market value of \$726,987 for the subject.

Under the sales comparison approach, the appraiser used five sales of comparable homes located between 0.06 and 0.15 of a mile from the subject property. The comparables consist of two-story frame, masonry or frame and masonry exterior constructed dwellings which were 14 to 52 years old. The comparables range in size from 2,644 to 2,710 square feet of living area. Each of the comparables has a full basement, four of which are finished, central air conditioning, and a two-car garage. Three of the comparables have a fireplace and four have a patio/balcony. The comparables sold between January 2005 and March 2007 for prices ranging from \$679,000 to \$810,000 or from \$252.23 to \$303.71 per square foot of living area including land.

In comparing the comparable properties to the subject, the appraiser made adjustments for exterior construction, age, room count, basement finish or lack thereof, and lack of a fireplace. This analysis by the appraiser resulted in adjusted sales prices for the comparables ranging from \$699,000 to \$805,000 or from \$259.66 to \$301.84 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 \$720,000 or approximately \$266.67 per square foot of living area including land based on 2,700 square feet.

In the final reconciliation, the appraiser in an addendum articulated that most weight was given to the sales comparison approach reflecting the attitudes of the typical buyer for a market value conclusion for the subject of \$720,000 as of December 31, 2007.

Based on this evidence, the appellants requested a reduction in the subject's total assessment to \$242,329 which would reflect a

market value of approximately \$726,987 as shown in the cost approach to value in the appraisal.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$279,010 was disclosed. The final assessment of the subject property reflects a market value of \$838,623 or approximately \$310.60 per square foot of living area including land using 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 a three-page memorandum from the Downer's Grove Township Assessor's Office analyzing the appellants' appraisal and addressing the assessor's evidence in support of the subject's assessment.³

In response to the appellants' appraisal, the assessor noted that two of the sales were located in neighborhood codes different than that assigned to the subject by the assessor. The assessor also questioned the appraisal's discussion of the amount of basement finish in the subject dwelling as compared to the comparables and the related adjustments which were made in the sales comparison approach. The assessor also questioned dwelling size for comparable #4 and exterior construction for comparable #2 as reported by the appraiser. Lastly, the assessor questioned the age adjustments made by the appraiser.

In support of the subject's estimated market value as reflected by its assessment, the assessor presented two "additional" comparables one of which was located in the subject's assigned neighborhood code. The comparables were described as one, part one-story and part two-story and one, part one-story and a part-one-and-one-half-story dwelling, one of which was frame and one of which was brick. These properties were 37 and 46 years old, respectively. The homes contain 2,375 and 2,536 square feet of living area and feature full or partial unfinished basements, a fireplace and a garage. One comparable has central air conditioning. These properties sold in May 2005 and June 2006 for prices of \$737,500 and \$928,000 or \$310.53 and \$365.93 per square foot of living area including land.

Based on the foregoing evidence and based on the assertion that the appellants' appraisal is flawed, the board of review requested confirmation of the subject's 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.

³ The submission by the board of review of equity comparables in response to the appellants' market value evidence was nonresponsive and will not be further addressed on this record.

The appellants 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.

The Board finds the appellants submitted an appraisal of the subject property with a final value conclusion of \$720,000 as of December 31, 2007 which is close in time to the valuation date of January 1, 2008 at issue. The board of review submitted no appraisal and presented some criticisms of the appraisal along with two suggested comparable sales. The additional comparable sales were smaller dwellings than the subject and smaller in dwelling size than any of the sales comparables in the appellants' appraisal. The most similar comparable set forth by the board of review sold in June 2006 for \$928,000 or \$365.93 per square foot of living area including land which is a sale price that is substantially higher than the subject's estimated market value of \$838,623 or approximately \$310.60 per square foot of living area including land based on its assessment.

Perhaps the most valid criticism made by the township assessor on behalf of the board of review concerns the basement finish of the subject dwelling as set forth in the appellants' appraisal. However, the Board finds there are several factors that support consideration of the appraiser's opinion of value on this record despite the lack of clarity in this one feature. The photographs of the subject's basement in the appraisal report do not depict a high level of finish. The Board finds that the appraiser primarily relied upon sales in the sales comparison approach to value and the value conclusion is well supported by these sales.

While the appraisal may lack some details as to the manner in which various conclusions were reached and questions can be raised as to adjustments made by the appraiser, in the end the Property Tax Appeal Board finds that, despite the assessor's criticisms, the appraisal submitted by the appellant estimating the subject's market value of \$720,000 or approximately \$266.67 per square foot of living area including land is still the best evidence of the subject's market value in the record and is further supported by the most similar sales comparables in the record before adjustment and giving due consideration to the subject's slightly larger dwelling size than these comparables. Accepted real estate valuation theory provides that all factors being equal, as the size of the property increases, the per unit value decreases. In contrast, as the size of a property decreases, the per unit value increases.

Based upon the market value as stated above, the Property Tax Appeal Board finds that a reduction is warranted. Since market

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value has been established, the three-year median level of assessments for DuPage County for 2008 of 33.27% shall be applied.

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 Morris

Member

J. R.

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

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.