FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Robert Edwards
DOCKET NO.: 08-04044.001-R-1
PARCEL NO.: 18-02-256-006

The parties of record before the Property Tax Appeal Board are Robert Edwards, the appellant; and the McHenry 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 **McHenry** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$22,395
IMPR.:	$79,468
TOTAL:	$101,863*

Subject only to the State multiplier as applicable.

***** This is a prorated assessment for tax year 2008.

ANALYSIS

The subject property consists of a 1.1-acre site improved with a two-story frame residential dwelling built in 2007 that contained 2,446 square feet of living area. The subject features a full unfinished basement, central air-conditioning, a fireplace and a garage containing 676 square feet of building area.

The appellant appeared before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of the overvaluation argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2008 along with a listing of construction costs. The appraiser used the cost and sales comparison approaches in estimating a value for the subject of $325,000.

In the cost approach, the appraiser determined a land value of $50,000 based on 22 vacant land sales and numerous multi-parcel lot sales. The appraiser used in-house contractor statements to estimate a reproduction cost new of the improvements of $291,925. Depreciation of $30,000 was subtracted from this

figure, leaving a depreciated value of the improvements of $261,925, to which site improvements of $15,000 were added. Incorporating the land value resulted in an indicated value by the cost approach of $326,925.

In the sales comparison approach, the appraiser examined three comparable properties. The comparables are situated on lots ranging in size from 0.23 to 0.98 acres and are improved with one-story or two-story style frame or brick and frame dwellings that ranged in age from new to 30 years old and ranged in size from 1,802 to 2,882 square feet of living area. The comparables were located from 0.2 to 1.0 mile from the subject. Each comparable has central air-conditioning and a 2-car or 3-car garage; one has a partial finished basement, one has a crawl space foundation and one has a full unfinished basement. The comparables sold in April or August 2007 for prices ranging from $275,000 to $301,500 or from $100.62 to $162.97 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 size, view, age, condition, room count, living area, basement finish, room count, functional utility, garage size and decks, porches, or patios. After making these adjustments, the comparables had adjusted sales prices ranging from $306,400 to $339,300 or from $106.32 to $183.68 per square foot of living area, including land. Based on this analysis, the appraiser concluded a value for the subject by the sales comparison approach of $325,000.

The appraiser, Robert Jewel, testified that the purpose of the appraisal was for tax purposes. Jewel further testified that his appraisal was for a completed home as of January 1, 2008. Jewel stated the subject was over-built for the area which was reflected in the appraisal utilizing a lower price per square foot adjustment. Jewel depreciated the subject 30% for functional obsolescence. Jewel defined functional obsolescence as the cost to build being more than the market contribution.

The appellant, in contradiction to his appraiser, testified that as of January 1, 2008, the subject was not completely finished and was not occupied until February 15, 2008. The appellant testified that the Contractor's Statement submitted into evidence in the amount of $254,051.20 did not include all labor costs, as the appellant owns a construction company. The appellant testified that approximately $20,000 should be added for additional labor costs. The appellant further testified that he paid $35,000 for the land in December 2004. Based on this evidence, the appellant 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 prorated assessment of $101,863 was disclosed.[1] The subject has an estimated full

[1] The total assessment as depicted on the "Board of Review Notes on Appeal" is a prorated assessment as of the occupancy date of February 15, 2008.

market value of approximately $349,541 or $142.90 per square foot of living area, including land, as reflected by its prorated assessment using McHenry County's 2008 three-year average median level of assessments of 33.24%.[2]

In support of the subject's estimated market value, the board of review submitted evidence provided by the appellant at the local board of review hearing, property record cards and a grid analysis of four comparable sales. The comparables consist of frame or frame and masonry dwellings that were built between 1955 and 2007 and range in size from 1,820 to 2,458 square feet of living area. The comparables were located from 0.5 to 2 miles from the subject. Features of the comparables include central air-conditioning, garages ranging in size from 437 to 678 square feet of building area and full or partial basements, one of which has a walk-out basement. The comparables sold between April and November 2007 for prices ranging from $244,000 to $495,000 or from $134.07 to $201.38 per square foot of living area, including land. The board of review also submitted a letter from the Grafton Township Assessor's office depicting appraisal comparable #1 was sold "as is" with water damage and comparables #2 and #3 as being of different design when compared to the subject. The letter further depicts the appellant paid $35,000 for the subject's original lot and then acquired part of a vacated street to the west of the property, which value was not included in the cost of construction. Based on this evidence the board of review requested the subject's total assessment be confirmed.

In rebuttal, the appellant submitted a letter from appraiser Jewel in which he explains his comparable #1 did not have water damage and the reasons for including comparable sales #2 and #3 even though they were different in design when compared to the subject.

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 not warranted. 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). The Board finds the appellant has not overcome this burden.

The Board finds the appellant submitted an appraisal of the subject property in which the subject's market value was estimated to be $325,000 as of January 1, 2008. The board of review submitted four comparable sales. The Board finds the appraiser used two comparables which differed from the subject's design without making adjustments for these design differences. In addition, two of the comparables were much older than the subject. The Board finds it problematic that the retroactive

[2] The prorated assessment was utilized to compute a full assessment value of $116,187 in order to depict a full year market value.

appraisal depicts the subject in "as is" condition with testimony from Jewel that the subject was finished on January 1, 2008 while the appellant testified that on January 1, 2008 the subject was not complete or habitable. For these reasons, the Board finds the appraisal submitted by the appellant is not credible or a reliable indicator of the subject's estimated market value, and therefore, only the raw sales data will be used with less weight given to the adjustments and final value conclusion contained within the appraisal.

Utilizing the raw sales data, the Board gave less weight to the appellant's comparable sales because of their dissimilar design and/or age when compared to the subject. In addition, the Board gave less weight to the board of review's comparables #1 and #2 because of their dissimilar age and/or size when compared to the subject. The Board finds the board of review's comparables #3 and #4 were most similar to the subject in age, size and most features. These two most similar comparables sold in April and November 2007 for prices of $360,000 and $495,000, or for $151.20 and $201.38 per square foot of living area, including land, respectively. The subject's prorated assessment reflects a full market value of approximately $349,541 or $142.90 per square foot of living area, including land, which is less than the two most similar comparable sales contained in this record.[3] After considering adjustments and the differences in both parties' suggested comparables when compared to the subject property, the Board finds the subject's assessment is supported by the most comparable properties contained in the record and a reduction in the subject's prorated assessment is not warranted.

The appellant also argued the subject was overvalued based on cost of construction. During his testimony, the appellant acknowledged that his construction costs did not include all labor costs as the appellant performed his own work. The Board finds local labor costs were not submitted into the record whereby the Board is unable to estimate the full cost of construction. In addition, the board of review raised the issue that additional land may have been acquired which was not accounted for in the construction cost data. The appellant did not refute this claim. For these reasons, the Board finds this argument presented by the appellant was not sufficiently supported and therefore no reduction is warranted on this basis.

In conclusion, the Board finds the appellant has not demonstrated the subject property was overvalued by a preponderance of the evidence. Therefore, the Board finds the subject property's prorated assessment as established by the board of review is correct and a reduction is not warranted.

[3] The board of review's prorated assessment of $101,863 reflects a prorated market value for the subject of $306,447 as of January 1, 2008, which is less than the $325,000 opinion of value depicted in the January 1, 2008 valuation date contained within the appraisal.

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: August 28, 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.