



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

APPELLANT: James Andrew
DOCKET NO.: 08-04548.001-R-2
PARCEL NO.: 05-12-300-014

The parties of record before the Property Tax Appeal Board are James Andrew, the appellant, by attorney Dennis M. Nolan of the Law Office of Dennis M. Nolan, P.C., in Bartlett, and the DuPage 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 DuPage County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$44,700
IMPR: \$555,200
TOTAL: \$599,900

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 17,172 square feet of land area is improved with a 2-story brick exterior constructed single family dwelling built in 2006. The dwelling contains 5,902 square feet of living area with 6.5 bathrooms in total with a full basement which is partially finished with a recreation room, wet bar, exercise room, full bathroom and a theater. The home also has central air conditioning, two fireplaces, and a three-car garage of 740 square feet. The subject property is located in Glen Ellyn, Milton Township, DuPage County.

The parties presented no objection to a decision in this matter being rendered on the evidence submitted in the record. Therefore, the decision of the Property Tax Appeal Board contained herein shall be based upon the evidence contained in and made a part of this record.

The appellant's appeal contends the market value of the subject property is not accurately reflected in its assessed valuation. In support of this argument, the appellant submitted an appraisal prepared by real estate appraiser Michel Ribet of IL Appraisal,

Inc. estimating the subject property had a market value of \$1,380,000 as of January 1, 2008. The purpose of the appraisal was for "tax purposes only."

In discussing the property, the appraiser noted the property was sold by Vintage Estates to the appellant on July 13, 2007 for \$1,900,000. The appraiser further stated "this appears to be an arms [sic] length transaction." In addition, "the subject property also backs to a pond which has a positive effect on value and marketability." On page 12 in reporting offering information, the appraiser found that Northern Illinois Multiple Listing revealed the subject property was offered for sale in the past 3 years for \$2,300,000 and the "offering information was considered in the final reconciliation of value."

In terms of a market area analysis, the appellant's appraiser reported that supply and demand were in balance, the value trend was stable, and the typical marketing time was three to six months in length. Based on data gathered, the appraiser reported there was a narrow list price-to-sale price ratio of 90+%. "With a relatively strong market, sellers are not typically required to offer sales or financing concessions to realize a bonafide offer to purchase."

Under the cost approach, the appraiser estimated the subject's land value at \$350,000 based on a site valuation analysis of three land sales located from 0.19 to 0.85 of a mile from the subject. Using information from building-cost.net valuation system, the appraiser determined a replacement cost new for the subject dwelling including the basement and garage of \$1,709,960. Physical depreciation of \$52,667 was calculated based on remaining economic life of 55 years using the age/life method resulting in a depreciated value of improvements of \$1,657,293. Next, a value for site improvements of \$10,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$2,017,293 for the subject.

Under the sales comparison approach, the appraiser used sales of three suggested comparable homes which were located between 0.29 and 1 mile from the subject property. The comparables consist of 2-story frame or brick dwellings which were 2 or 3 years old. The comparables ranged in size from 4,458 to 5,500 square feet of living area. Each of the comparable dwellings had a full basement with finished area, one of which included a bathroom. The homes also featured central air conditioning, two to five fireplaces and a three-car garage.

The comparables sold between April and December 2007 for prices ranging from \$1,325,000 to \$1,350,000 or from \$245.45 to \$297.22 per square foot of living area including land. In comparing the comparable properties to the subject, the appraiser made adjustments for exterior construction, room count, bath count, dwelling size, basement finish and number of fireplaces. The appraiser reported gross living area adjustments were made at \$30 per square foot on homes varying more than 500 square feet from

the subject's size. The analysis resulted in adjusted sales prices for the comparables ranging from \$1,376,000 to \$1,390,320 or from \$250.18 to \$311.87 per square foot of living area land included. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$1,380,000 or \$233.82 per square foot of living area including land.

In his final reconciliation, the appraiser concluded an estimate of value of \$1,380,000 and stated "[t]he majority of emphasis is given to the sales comparison approach as it best displays typical buyer/seller attitudes in the marketplace."

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$459,954 which would reflect a market value of approximately \$1,380,000 at the 33.33% level of assessments.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final assessment of \$599,900 was disclosed. The final assessment of the subject property reflects a market value of \$1,803,126 or \$305.51 per square foot including land using the 2008 three-year median level of assessments for DuPage County of 33.27%.

In support of the subject's estimated market value based on its assessment, the board of review submitted an addendum with Exhibit #1, a comprehensive report prepared by the Milton Township Assessor's Office.

As to the appellant's appraisal evidence, the township assessor noted that "we" do not recognize building-cost.net for the cost approach. The assessor questioned what items were considered in arriving at the cost estimate. In this regard, the assessor provided documentation that the construction loan for the subject property by the builder was \$1,700,000 at the time the home was built in 2004. The assessor also criticized the appraiser's land value conclusion for the subject noting that in 2002 the subject's lot was purchase for \$476,000 and the location of the land sales was "on the opposite sides of the railroad tracks" or along the tracks with no adjustments for being located in an unincorporated area. Similarly the assessor criticizes the failure of the appraiser to adjust for the land size of the comparables in the sales comparison approach. The assessor also questioned the sale amount for comparable #3 based on "the amount of the (2) mortgages taken out [on] the day of closing were the same as the purchase price."

To address the subject's estimated land value, the township assessor presented ten land sales with lots ranging in size from 7,300 to 21,450 square feet of land area. The properties sold between February 2004 and December 2007 for prices ranging from \$230,000 to \$1,000,000 or from \$28.22 to \$55.77 per square foot of land area.

To support the subject's estimated market value based on its total assessment, the assessor prepared a grid analysis of ten suggested comparable sales. The assessor also pointed out that the subject's 2008 assessment was "already 5.3% below their purchase price." The comparables were described as seven 2-story and three 2.5-story frame, brick or "split" dwellings ranging in size from 4,328 to 6,699 square feet of living area. The dwellings were built between 2003 and 2008. Features included from 3.5 to 6.5 baths, full basements of which three were partially finished, central air conditioning, one or four fireplaces, and a garage ranging in size from 529 to 974 square feet of building area. These properties sold between June 2003 and April 2010 for prices ranging from \$1,485,000 to \$2,671,072 or from \$314.14 to \$417.05 per square foot of living area including land.

While the assessor prepared a grid analysis of six comparables to establish that the subject's improvement assessment was uniform with similar properties, the Board will not further discuss that presentation since the appellant did not allege lack of assessment uniformity in this appeal.

Based on the foregoing evidence, 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 not 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). The Board finds this burden of proof has not been met and a reduction in the subject's assessment is not warranted.

The evidence revealed that the subject was purchased in July 2007 for \$1,900,000, which was a date six months prior to the assessment date of January 1, 2008 which is at issue in this appeal. Ordinarily, property is valued based on its 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).

The appellant's appraiser acknowledged in his report that the subject's purchase appeared to be an arm's length transaction. Moreover, the appraiser did not directly address why the subject's purchase price would not be reflective of its value a mere six months later. Moreover, the Board finds the appraiser's value conclusion for the subject property in light of the subject's recent purchase price is not supported by the appraiser's analysis of the market area and it's relatively strong list price-to-sale price ratio of 90+%. In light of the foregoing analysis, the Board finds the appraiser's value conclusion is not credible or reliable.

Turning to the raw sales data both from the appellant in the appraisal and the board of review, the Property Tax Appeal Board finds that the parties presented a total of 13 sales to support their respective positions. The Board finds appraisal sales #2 and #3 and board of review comparables H and J were most proximate in time to the assessment date of January 1, 2008 and most similar to the subject in size, style, features and/or age. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis. These comparables sold between September 2005 and March 2007 for prices ranging from \$1,345,900 to \$2,671,072 or from \$245.45 to \$398.73 per square foot of living area including land. The subject's estimated market value of \$1,803,126 or \$305.51 per square foot including land using the 2008 three-year median level of assessments for DuPage County of 33.27% is within the range of these most similar comparable sales on a per-square-foot basis and appear to support the subject's estimated market value.

Furthermore, giving most weight to the subject's purchase price in July 2007, the Property Tax Appeal Board finds that the subject property's estimated market value as of January 1, 2008 of \$1,803,126 is less than its recent purchase price and does not warranted a reduction in the assessment.

In conclusion, based upon the evidence in this record, the Property Tax Appeal Board finds no reduction in the subject's assessment is 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.

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: March 23, 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.