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

APPELLANT: Charles Nicholson
DOCKET NO.: 08-04894.001-R-1
PARCEL NO.: 03-34-208-037

The parties of record before the Property Tax Appeal Board are Charles Nicholson, 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:

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|---|---|
| **LAND:** | $56,230 |
| **IMPR.:** | $207,600 |
| **TOTAL:** | $263,830 |

Subject only to the State multiplier as applicable.

## ANALYSIS

The subject parcel of 9,450 square feet of land area is improved with a two-story single family dwelling of brick exterior construction that contains 4,333 square feet of living area. The dwelling was built in 2004 with an occupancy permit issued in 2005. Features include a full unfinished basement, central air conditioning, two fireplaces and a three-car attached garage of 784 square feet of building area. The property is located in Elmhurst, Addison Township, DuPage County.

The appellant submitted a Residential Appeal petition contending overvaluation. The bases for appeal in Section 2d of the petition were "recent sale" of the subject property and "comparable sales."

In support of the recent sale argument, the appellant completed both Section IV and Section VI of the petition. In Section IV, the appellant indicated the subject was purchased in March 2004 for a price of $270,500. The appellant indicated the subject property was sold by the owner, the property was advertised on the open market through the Multiple Listing Service for a period of two weeks and the parties to the transaction were not related.

In Section VI on "recent construction," the appellant indicated the land was purchased in March 2004 for $270,500 and the building(s) were erected for a cost of $360,000 for a total investment of $630,500. Additionally, the appellant asserted that he did not act as the general contractor and no non-compensated labor was performed. The appellant also submitted a printout from IndyMac Bank Home Construction Lending which identified the "owner builder" as "Nicholson" which is the appellant's last name. The appellant asserted this document reflects a building cost of $350,000, a land cost of $273,640 and the remainder was "interest prepay." The printout reflects a loan amount of $616,000. Also attached were a City of Elmhurst building permit with an application valuation of $350,000, a copy of the August 2005 occupancy permit issued by the City of Elmhurst, and a copy of a Settlement Statement dated August 9, 2004 disclosing a loan amount with IndyMac Bank of $616,000.

The appellant also submitted information in Section V on four comparable sales of properties in a grid analysis. Comparable #1 has the same assigned neighborhood code by the assessor as the subject property; the remaining comparables each have different assigned neighborhood codes. The comparable parcels range in size from 6,930 to 9,000 square feet of land area and are improved with two-story brick dwellings that range in age from 3 to 6 years old. The comparables contain from 2,992 to 3,804 square feet of living area and feature full basements, one of which is fully finished. Each home has central air conditioning, a fireplace and a garage of either 450 or 630 square feet of building area according to the appellant's data. These properties sold from January to June 2008 for prices ranging from $440,000 to $595,000 or from $137.07 to $170.45 per square foot of above-grade living area including land.[1]

Based on this evidence the appellant requested the subject's total assessment be reduced to $188,565 or a market value of approximately $565,695 or $130.56 per square foot of living area including land.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling $285,820 was disclosed. The subject's assessment reflects a market value of approximately $859,092 or $198.27 per square foot of living area including land when applying the 2008 three year median level of assessments as determined by the Illinois Department of Revenue in DuPage County of 33.27%. (86 Ill.Admin.Code §1910.50(c)(1)). In support of the subject's assessment, the board of review submitted an Addendum to Board of Review Notes on Appeal along with Exhibit 1.

[1] In the appellant's grid analysis, for comparable #3 the appellant included the finished basement area in determining the sale price per square foot calculation.

As to the appellant's comparables, Exhibit 1 includes a grid analysis of the appellant's suggested comparables[2] with various notations. For comparables #1, #2 and #4, the notation by the sale data was "bank owned." No documentation was presented to support an assertion that these were not arm's-length sales transactions. The remaining notations simply circled various descriptions of the comparables. Based on this data, the board of review contended that the appellant's sales indicated prices ranging from $137.07 to $187.52 per square foot of living area including land.

In support of the subject's estimated market value based on its assessment, the board of review presented a grid analysis of three comparables located in the same neighborhood code assigned by the assessor as the subject. The comparable parcels range in size from 8,350 to 12,060 square feet of land area and are improved with two-story brick or frame and brick dwellings that range in age from 1 to 2 years old. The comparables contain from 3,678 to 4,261 square feet of living area and feature full unfinished basements, central air conditioning, a fireplace and a garage ranging in size from 450 to 857 square feet of building area. These properties sold from August to December 2007 for prices ranging from $699,000 of $810,000 or from $188.46 to $210.17 per square foot of living area including land.

Among the attachments to Exhibit 1, the subject's sale in March 2004 for $270,500 was reported along with an August 2004 "Demo. House" permit and subsequent building permits in 2004 and 2005. Based on this record, 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 the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

The appellant contends the assessment of the subject property is excessive and not reflective of its 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 the evidence in the record does support a reduction in the subject's assessment.

[2] The grid analysis has added two sales presented by the appellant only as copies of Multiple Listing Service sheets with limited descriptive data and sale prices in October and December 2008 for prices of $603,825 and $643,000, respectively.

The parties submitted a total of seven comparable sales with detailed descriptive information for the Board's consideration. The Board has given less weight to appellant's comparables #3 and #4 due to differences in dwelling size as these homes are significantly smaller than the subject dwelling. The Board finds the remaining five comparables submitted by both parties were most similar to the subject in size, design, exterior construction, location 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 August 2007 and June 2008 for prices ranging from $565,000 to $810,000 or from $156.41 to $210.17 per square foot of living area, including land.

The subject's assessment reflects a market value of approximately $859,092 or $198.27 per square foot of living area, including land, which is not justified given that the subject dwelling of 4,333 square feet of living area is larger than any of the comparables presented. 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. Despite being new construction in 2007, board of review comparable #1 which contains 4,261 square feet of living area sold in December 2007, a month prior to the assessment date at issue, for $810,000 or $190.10 per square foot of living area including land, a value less than the subject's estimated market value on a per-square-foot basis. The reduction in subject's assessment is also supported by the data relating to the recent construction of the subject dwelling. In conclusion, the Board finds the subject's assessment reflects a market value that is excessive when compared to the most similar sales comparables on this record on a per-square-foot basis. Thus, the Board finds the appellant did demonstrate the subject property's assessment to be excessive in relation to its market value and a 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.

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.