



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

APPELLANT: Mohammed Khan
DOCKET NO.: 08-26136.001-R-1
PARCEL NO.: 01-28-416-002-0000

The parties of record before the Property Tax Appeal Board are Mohammed Khan, the appellant, and the Cook 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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$8,412
IMPR.: \$78,351
TOTAL: \$86,763

Subject only to the State multiplier as applicable.

ANALYSIS

The subject 17,527 square foot parcel of land is improved with a one-year-old, two-story frame and masonry single family dwelling. The home contains 3,444 square feet of living area and features a full unfinished basement, central air conditioning, a fireplace and a three-car garage. The property is located in South Barrington, Barrington Township, Cook County. Furthermore, the property is classified as a Class 2-78 two or more story residence, up to 62 years of age, 2,001 to 3,800 square feet, under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. As part of this appeal, the appellant reported that the subject property was purchased as new construction in June 2007, a mere seven months prior to the assessment date of January 1, 2008, for \$905,500 or \$262.92 per square foot of living area including land. In a cover letter, the appellant also asserted that data from the MLS listings and from the Chicago Tribune show that housing prices have declined approximately 10 - 15% thus far from

their peak in 2007. No data was included with the appeal to support either of these assertions.

In support of the overvaluation argument, the appellant submitted an appraisal prepared by real estate appraiser Dave Reardon of Reardon Appraisals estimating the subject property had a market value of \$795,000 as of July 1, 2009 or 19 months after the assessment date at issue of January 1, 2008. The purpose of the appraisal was for "homeowner market value inquiry for possible property tax appeal." On page 2 of the appraisal, the appraiser reported research "did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal" which means the appraiser did not address the appellant's purchase of the subject property in June 2007. This was also reiterated on a page entitled "Property History of the Subject Property" reporting there had been no change of ownership of the subject in the past three years "per MLS/County Records."

In discussing housing trends, the appraiser reported that property values were declining, there was an oversupply of properties in the subject's neighborhood, and typical marketing times were over six months in length.¹

Under the cost approach, the appraiser estimated the subject's land value at \$250,000 based on "market abstraction or sales date where available." Using the public services and builders cost estimates, the appraiser determined a replacement cost new for the subject dwelling of \$555,880. Physical depreciation of \$7,949 was calculated using the age/life method based on a total economic life of 70 years resulting in a depreciated value of improvements of \$547,931. There was no value estimated for site improvements although the photograph of the subject dwelling in the report depicts that the subject has landscaping. Adding the land value conclusion, under the cost approach the appraiser estimated a market value of \$797,931 for the subject.

Under the sales comparison approach, the appraiser used three sales of suggested comparable properties which were located between less than 0.01 and 0.45 of a mile from the subject. The comparable parcels range in size from 16,090 to 28,891 square feet of land area. Each of the comparables has a view similar to that of the subject. The parcels are improved with two-story dwellings of brick or frame and stucco exterior construction. The dwellings are each 1 year old whereas the appraiser describes the subject as 2 years old. The dwellings range in size from 3,625 to 3,898 square feet of living area. Features include full unfinished basements, central air conditioning, and 3-car garages. The report was silent as to any fireplaces or other amenities of the comparables.

¹ Despite this contention of lengthy marketing times, it is noteworthy that the three sales presented in the appraisal report were on the market for 132, 17 and 79 days, respectively.

The comparables sold between September 2008 and May 2009 for prices ranging from \$755,000 to \$895,000 or from \$196.31 to \$243.86 per square foot of living area including land. In comparing the properties to the subject, the appraiser made adjustments for financing concessions, date of sale, exterior construction, above-grade area, and dwelling size. The appraiser wrote that all the comparables "sold in the last seven months" and a "date of sale adjustment of 1% per month was applied due to declining market conditions." This analysis resulted in adjusted sales prices for the comparables ranging from \$685,266 to \$836,210 or from \$186.73 to \$214.52 per square foot of living area land included. From this process along with the determination of a declining market, the appraiser estimated a value for the subject by the sales comparison approach of \$795,000 or \$230.84 per square foot of living area including land.

In reconciling the two approaches to value, the appraiser opined that the sales comparison approach most accurately reflects the actions of independent buyers and sellers in the market place and was the most reliable indicator of value in this instance.

Based on this evidence, the appellant requested a reduction in the assessment of the subject property to reflect 10% of the appraised value or \$79,500.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final assessment of the subject property totaling \$86,763 was disclosed. The final assessment of the subject property reflects a market value of approximately \$903,781 including land, using the 2008 three-year median level of assessments for Class 2 property in Cook County of 9.60% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a grid analysis of four comparable properties to establish that the subject was equitably assessed. This data was not responsive to the appellant's overvaluation argument and will not be further analyzed.

In support of the subject's estimated market value based on its assessment, the board of review also submitted a printout of 11 sales which occurred between January 2008 and August 2008 for prices ranging from \$730,000 to \$875,000. Besides being entitled "class 78 2+ story modern size residences within neighborhood 10024 of Township Barrington," no other substantive details of these properties such as type, design, size and/or features was included in the data. Based on this 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 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 on this record.

The appellant noted the subject was purchased in June 2007 for \$905,500, which was a date seven 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).

In this appeal to challenge the subject's estimated market value, the appellant submitted an appraisal of the subject property with a final value conclusion of \$795,000 as of July 2009, a date which is 19 months after the assessment date at issue. The Board finds the appraisal is severely lacking in credibility and reliability for multiple reasons, including the failure to address the subject's recent purchase price and the submission of three sales which were on the market for less than 180 days despite the appraiser's assertion that marketing times were exceeding six months in length.

The Property Tax Appeal Board finds the appraiser's market value conclusion that is 19 months after the date of assessment is less credible and reliable to establish the subject property's estimated market value than its purchase price seven months prior to the assessment date of January 1, 2008. Giving most weight to the subject's purchase price in June 2007, the Property Tax Appeal Board finds that the subject property's estimated market value as of January 1, 2008 of \$903,781 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 in light of the subject's recent purchase price.

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.