



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

APPELLANT: Srin Reddy  
DOCKET NO.: 09-00143.001-R-1  
PARCEL NO.: 21-14-21-405-033-0000

The parties of record before the Property Tax Appeal Board are Srin Reddy, the appellant, by attorney Mitchell L. Klein of Schiller Klein, PC, in Chicago, and the Will 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 Will County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$21,000  
**IMPR.:** \$38,999  
**TOTAL:** \$59,999

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject parcel of approximately 11,000 square feet of land area is improved with a two-story frame and masonry exterior constructed single family dwelling that is 3 years old. The dwelling contains 3,140 square feet of living area with a full unfinished basement, central air conditioning, a fireplace and an attached two-car garage of 530 square foot. The subject property is located in Monee, Monee Township, Will County.

The appellant's appeal contends the market value of the subject property is not accurately reflected in its assessed valuation based on both a recent sale and an appraisal. In Section IV of the Residential Appeal form, the appellant reported the subject property was purchased on February 12, 2009, slightly more than a month after the valuation date at issue in this appeal of January 1, 2009, for a price of \$180,000. The appellant indicated the subject property was sold by the owner through the use of Remax, the property was advertised on the open market with the Multiple Listing Service and the parties to the transaction were not related. The appellant also submitted a copy of the Settlement

Statement dated February 12, 2009 disclosing a sales price of \$180,000.

Also in support of the overvaluation argument, the appellant submitted an appraisal prepared by real estate appraiser Michael Frazier estimating the subject property had a market value of \$200,000 as of January 27, 2009.<sup>1</sup> The stated purpose of the appraisal was for a "purchase transaction" and the appraisal was performed for a lender, HomeQuest Mortgage Corp. in Lombard.

The appraiser reported the subject's contract purchase price of \$180,000 with financial assistance of a credit of \$5,400 from the seller for closing costs. The seller is the owner of public record. As to the history of sales of the subject, the appraiser acknowledged in March 2007 the subject sold for \$415,000. In a Supplemental Addendum, it was reported that the average home price of the previous six months was \$234,000 based on 31 sales with an average marketing time of 195 days which was down from \$276,000 in the previous six-twelve months. "Buydowns, discounts and concessions are typical of the area."

The appraiser also included a "Supplemental Real Estate Owned Appraisal Addendum" in which three competing listings were identified in close proximity to the subject and revealing the subject's current listing price as \$199,500. Based on the data gathered, the appraiser reported the subject was similar in financing, location, appeal, condition, deferred maintenance, utility and days on the market to the comparable listings. For economic trends, it was noted that home values appear to be declining similar to the surrounding Chicago area. For repairs it was noted carpet cleaning was the only item along with a recommendation for a home inspection.

In the cost approach to value, the appraiser estimated the subject's land value at \$30,000 using the extraction method. Using Marshall & Swift, the appraiser determined a replacement cost new for the subject dwelling including the basement and garage of \$175,040. Physical depreciation of \$8,752 was calculated resulting in a depreciated value of improvements of \$166,288. Next, a value for site improvements of \$5,000 was added. Thus, under the cost approach, the appraiser estimated a market value for the subject of \$201,288.

Under the sales comparison approach, the appraiser used sales of three comparable homes and two listings that were on the market for 64 and 364 days, respectively. Each of the homes was 3 years old and a two-story brick or brick and frame dwelling. The sale properties had been on the market for 14 to 99 days prior to sale. The comparables were located between 0.01 and 0.21 of a mile from the subject property and one was located on the same street as the subject property. The parcels range in size from

---

<sup>1</sup> The final estimate of value on page 2 of the report has been blacked out, but the remainder of the report reveals the value conclusion and date (see page 6).

10,000 to 13,680 square feet of land area. The homes range in size from 2,710 to 3,034 square feet of living area and feature basements, one of which is fully finished, central air conditioning and a two-car or three-car garage. All of the comparables were "REO Short Sale" like the subject. The sales occurred between September and November 2008 for prices ranging from \$199,000 to \$230,900 or from \$73.43 to \$84.31 per square foot of living area including land. Comparable listings #4 and #5 had asking prices of \$200,000 and \$220,000, respectively, or \$68.49 and \$72.51 per square foot of living area including land.

In comparing the comparable properties to the subject, the appraiser made adjustments for sales/financing concessions of \$5,400 to reflect the subject's credit, date of sale, exterior construction, dwelling size, basement finish and garage size. This analysis resulted in adjusted sales prices for the comparables ranging from \$179,300 to \$230,800 or from \$61.40 to \$84.60 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 \$200,000 or \$63.69 per square foot of living area including land.

Based on the evidence, the appellant requested a reduction in the subject's total assessment to approximately \$60,000 to reflect the estimated market value of the purchase price.

The board of review submitted its "Board of Review - Notes on Appeal" wherein the subject's final assessment of \$120,054 was disclosed. The final assessment of the subject property reflects a market value of \$361,935 or \$115.27 per square foot of living area including land using the 2009 three-year median level of assessments for Will County of 33.17%.

As to the appraisal report, the Monee Township Assessor wrote a letter criticizing the sales used in the appraisal because they were each smaller than the subject, they were foreclosed in 2008 and "the median sales price was \$220,000." "Even this median sales price amount cannot be used to establish the fair market value of this property because these properties were sold under adverse conditions."

In support of the subject's estimated market value based on its assessment, the assessor presented a two-page grid analysis of four suggested comparable sale properties. They were located in the subject's subdivision and have similar sized parcels to the subject. The dwellings are two-story frame and masonry structures built in 2006 or 2007. The homes range in size from 2,958 to 3,241 square feet of living area and feature full basements, one of which is partially finished, central air conditioning, one or two fireplaces and garages ranging in size from 560 to 757 square feet of building area. The properties sold between December 2007 and March 2010 for prices ranging from \$230,000 to \$417,000 or from \$72.58 to \$131.80 per square foot of living area including land. The grid analysis also reported the subject's February 2009 purchase price as \$180,000. The assessor

recognized that the median sales price of the comparables was \$230,000, but argued that "comp3 [which sold in December 2007 for \$417,000] more closely represents the market value of the subject property in 2009."

Next, the Property Tax Appeal Board finds that submission of equity comparables by the assessor in response to the appellant's overvaluation argument is not responsive and the board of review's additional equity data and argument will not be further addressed herein.

Based on the foregoing evidence, the board of review requested confirmation of the subject's 2009 estimated market value as reflected by its assessment.

In written rebuttal, the appellant reiterated that the subject's recent purchase price reflects its market value and disputed the assessor's assertion that the sales in the appellant's appraisal were sold "under adverse condition" since each was sold in the open market place "for the highest amount possible."

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.

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). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. *Official Rules of the Property Tax Appeal Board*, 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 appellant submitted the February 2009 purchase price of the subject property for \$180,000 and an appraisal of the subject property with a final value conclusion of \$200,000. The board of review presented four sales of properties in the subject's subdivision from December 2007 to March 2010 ranging in sale price from \$230,000 to \$417,000, with only comparable #1 from February 2009 which sold for \$230,000, being most proximate in time to the assessment date of January 1, 2009.

The appellant contends the subject's assessment should be reduced based on the sale of the subject. The evidence disclosed that the subject sold in February 2009 for a price of \$180,000 including a \$5,400 credit for closing costs. Despite the fact that the subject was sold due to foreclosure, the information provided by the appellant indicated the sale had the elements of an arm's length transaction in that it was advertised on the open

market and that the parties to the transaction were not related. Moreover, the sale occurred only weeks after the assessment date at issue of January 1, 2009.

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 (1<sup>st</sup> 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 light of this holding, the comparable sales submitted by the board of review, regardless of date of sale, were given less weight in the Board's analysis.

The Board finds the best evidence of the subject's fair market value as of January 1, 2009 in the record is the February 1, 2009 sale for \$180,000. The Property Tax Appeal Board finds the sale was not a transfer between family or related parties; the property was advertised for sale in the Multiple Listing Service and involved a realty company. Furthermore, the Board finds there is no evidence in the record that the sale price was not reflective of the subject's market value at that time. Moreover, the board of review did not adequately contest the arm's-length nature of the subject's sale or the sales of the appraisal comparables which were "REO Short Sale" transactions by stating "these properties were sold under adverse conditions." Thus, based on the foregoing facts and analysis, the Property Tax Appeal Board finds the subject's February 2009 sale price of \$180,000 was arm's-length in nature.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$180,000 on January 1, 2009. The subject's assessment reflects an estimated market value of approximately \$361,935, which is substantially higher than its arm's-length sale price. Therefore a reduction is warranted in accordance with the appellant's request.

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

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: July 20, 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.