



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

APPELLANT: Richard Koros
DOCKET NO.: 09-03423.001-R-1
PARCEL NO.: 18-13-103-104

The parties of record before the Property Tax Appeal Board are Richard Koros, 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: \$13,970
IMPR.: \$64,969
TOTAL: \$78,939

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel is improved with a part two-story frame and brick exterior constructed single family townhouse built in 2005. The townhome contains approximately 2,338 square feet of living area¹ with a full English style unfinished basement, central air conditioning, a fireplace, and a two-car garage. The subject property which also has a deck is located in Village of Lakewood, Grafton Township, McHenry County.

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 Marilyn M. Durante of Durante Residential Valuation estimating the subject property had a market value of \$214,000 as of November 10, 2009. The purpose of the appraisal was for a "refinance transaction" and the rights appraised were fee simple. The appraiser also acknowledged that

¹ The parties differ in their dwelling size determinations for the subject. Each has included a schematic drawing to support their respective contentions. The appellant's appraiser estimated a dwelling size of 2,036 square feet of living area whereas the property record card submitted by the assessing officials estimated a dwelling size of 2,338 square feet of living area.

the subject property was purchased in October 2007 from the builder for \$269,990 and stated that the "current appraised value is below the 2007 prior price due to changes in market conditions since that time." To further support this contention, the appraiser included a Market Conditions Addendum to Appraisal Report noting a 3% decline in price over the past year.

In discussing the property, the appraiser noted the subject had been heavily upgraded "with hardwood flooring, ceramic baths, granite counters and custom trim and millwork."

Under the cost approach, the appraiser estimated the subject's land value at \$32,000 based on the extraction method. Using Building-Cost.net and local builder information, the appraiser determined a replacement cost new for the subject dwelling including the basement, deck and garage of \$191,416. Physical depreciation of \$10,420 was calculated using the age/life method resulting in a depreciated value of improvements of \$180,996. Next, a value for site improvements of \$4,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$217,000 for the subject.

Under the sales comparison approach, the appraiser used sales of three comparable townhomes and two listings which were located within .12 of a mile from the subject. In the Addendum, the appraiser discussed the location and differences, if any, between the subject and the comparables presented with most weight being accorded to sale #3 "which was most recent and similar in bedroom count." The comparables consist of two-story townhomes which were from 4 to 9 years old. The comparables range in size from 1,774 to 2,230 square feet of living area. Each of the comparable properties has a full English style basement, two of which included finished area. The homes have central air conditioning and a two-car garage. Three of the comparables also have a fireplace.

Three comparables sold between April and July 2009 for prices ranging from \$212,500 to \$220,000 or from \$98.65 to \$112.20 per square foot of living area including land. The listings had asking prices of \$248,500 and \$264,900 or \$135.50 and \$140.08 per square foot of living area including land. In comparing the comparable properties to the subject, the appraiser made adjustments for date/time of sale, view, dwelling size, basement finish and fireplace amenity. The analysis resulted in adjusted sales prices for the comparables ranging from \$207,300 to \$229,000 or from \$95.25 to \$129.09 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 \$214,000 or \$105.11 per square foot of living area including land based on the appraiser's size determination of 2,036 square feet of living area.

In her final reconciliation, the appraiser concluded an estimate of value of \$214,000.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$66,618 which would reflect a market value of approximately \$199,854.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$78,939 was disclosed. The final assessment of the subject property reflects a market value of \$237,268 or \$101.48 per square foot including land based on 2,338 square feet of living area and using the 2009 three-year median level of assessments for McHenry County of 33.27%.

In support of the subject's estimated market value based on its assessment, the board of review submitted a letter and grid analysis of four suggested comparable properties prepared by the Grafton Township Assessor. In the letter, the assessor noted the appraisal was not prepared as of the assessment date of January 1, 2009 and considered sales which occurred in 2009. As a result, the assessor requested that no weight be given to the appraisal and to sustain the assessment based on the assessor's sales.

The four sales comparables presented by the assessor were located in the same subdivision as the subject. The comparables were two-story frame or frame and masonry townhouses that were each 7 years old. The townhomes range in size from 1,423 to 1,774 square feet of living area. The homes feature basements, one of which is English style and one of which is walkout style. Each comparable has central air conditioning, a two-car garage and one has a fireplace. The properties sold between September and October 2008 for prices ranging from \$182,500 to \$226,000 or from \$122.81 to \$154.60 per square foot of living area including land.

Based on this 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 been met and a reduction in the subject's assessment is not warranted.

The Board finds that the best evidence of the subject's living area square footage was presented by a schematic drawing presented by the board of review and thus the Board concludes the

subject dwelling contains approximately 2,338 square feet of living area.

The appellant submitted an appraisal of the subject property with a final value conclusion of \$214,000, while the board of review submitted four sales to support the subject's estimated market value. Two of the comparables presented by the board of review were significantly smaller than the subject in dwelling size. The two most similar comparables presented by the board of review sold in September and October 2008 for \$210,000 and \$223,000 or for \$122.81 and \$127.40 per square foot of living area including land. 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. The final assessment of the subject property reflects an estimated market value of \$237,268 or \$101.48 per square foot including land which is less on a per-square-foot basis than the most similar comparable sales presented by the board of review.

In contrast, the appraisal submitted by the appellant estimating the subject's market value as \$214,000 or \$91.53 per square foot of living area including land based on 2,338 square feet of living area, is not well supported by the sales in the record. Adjusting the sales for time was appropriate for the appraiser's assignment, but would not be identical as of the assessment date of January 1, 2009 which is at issue. Thus, the Board will afford less weight to the value conclusion of the appraiser due to the valuation date of November 10, 2009 which is 11 months after the assessment date at issue and will instead examine the raw sales in the appraisal.

The most similar comparable presented in the appraisal and which was most proximate in time to the assessment date was sale #1 that occurred in April 2009 for \$220,000 or \$98.65 per square foot of living area, including land. Based on the dwelling size determination made in this matter, this comparable was 5% smaller than the subject and lacked a fireplace enjoyed by the subject. As to this comparable, the subject's slightly higher per-square-foot estimated market value appears to be justified.

In conclusion, after considering the most comparable sales on this record presented by both parties, the Board finds the appellant did not demonstrate by a preponderance of the evidence that the subject property's assessment is excessive in relation to its market value and a reduction in the subject's assessment is not 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 M. Louie

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: January 31, 2013

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.