FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Nancy Jo Michaelis
DOCKET NO.: 09-03559.001-R-1
PARCEL NO.: 18-15-429-024

The parties of record before the Property Tax Appeal Board are Nancy Jo Michaelis, the appellant, and the McHenry 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 **McHenry** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$27,873
IMPR.:	$85,245
TOTAL:	$113,118

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel is improved with a two-story frame and brick exterior constructed single-family dwelling built in 2006. The dwelling contains approximately 3,139 square feet of living area[1] with a full unfinished basement, central air conditioning, a fireplace, and a three-car garage of 734 square feet of building area. The subject property is located in Lake in the Hills, Grafton Township, McHenry County.

The appellant filed this appeal contending overvaluation of the subject property. In support of this market value argument, the appellant presented a recent purchase price of the subject property along with a recent appraisal.

As to the recent sale data in Section IV of the Residential Appeal form, the appellant reported the subject property was purchased in March 2009 for $305,000 from Castle Bank. The

[1] The appellant's appraiser reported a dwelling size of 3,204 square feet of living area supported by a Dimension List Addendum, but no schematic drawing. The board of review presented the subject's property record card with a schematic drawing and a dwelling size of 3,139 square feet of living area.

appellant also reported the parties to the transaction were unrelated and the property was sold through ReMax and Agent Tony Relino. The property was advertised for sale for an unknown period of time in the Multiple Listing Service. A copy of the listing sheet was included depicting an original asking price of $325,000. The appellant also submitted a copy of the Closing Statement which included two broker's commissions for both ReMax and Prudential Starck. Lastly, the appellant reported expending $10,000 in renovations prior to occupying the property in March 2009.

As to the appraisal, the client for purposes of the appraisal was Fagstar Bank and the appraisal was prepared for a purchase transaction appraising the fee simple rights. The report was prepared by John A. Andejeski, a State Certified Residential Real Estate Appraiser. In the report, he indicated that the subject property was listed for sale for 15 days at $325,000; the subject was also listed at $400,000 and $375,000 for 147 days. The appraiser further acknowledged that the contract sales price for this property was $305,000 and the property was currently vacant and being purchased as a bank foreclosure.

For this report, Andejeski used two of the three traditional approaches to value in concluding an opinion of market value of $340,000 for the subject property as of February 19, 2009.

Under the cost approach, the appraiser estimated the subject's land value at $40,000 based on market analysis of land sales data. Using Marshall Swift, the appraiser determined a replacement cost new for the subject dwelling, basement, garage and additional features of $379,890. Physical depreciation of $37,989 was calculated using the age/life method resulting in a depreciated value of improvements of $341,901. Next, a value for site improvements of $5,000 was added. Thus, under the cost approach, the appraiser determined an indicated market value of $386,900 for the subject.

Under the sales comparison approach, the appraiser used seven sales of comparable homes located between 0.14 and 2.93-miles from the subject property. The comparables consist of two-story frame or brick and frame exterior constructed dwellings which were 1 to 15 years old. The comparables range in size from 2,480 to 3,860 square feet of living area. Each of the comparables has a full basement, two of which have finish or a bath. The homes have central air conditioning, a fireplace, and a two-car or three-car garage. The appraiser reported the sales were on the market from 21 to 201 days; no sales or transfers of the comparables were found by the appraiser within the prior year. The comparables sold between March and October 2008 for prices ranging from $284,500 to $424,000 or from $97.15 to $130.69 per square foot of living area including land.

The appraiser adjusted for financing concessions in two of the sales. The other adjustments were for date of sale/time, number of bathrooms, dwelling size and/or garage stalls. This analysis

by the appraiser resulted in adjusted sales prices for the comparables ranging from $299,000 to $380,800. From this process, the appraiser estimated a value for the subject by the sales comparison approach of $340,000 or $108.31 per square foot of living area including land based on 3,139 square feet of living area.

In his final reconciliation, the appraiser concluded an estimate of value of $340,000 relying upon the sales comparison approach with supportive from the cost approach.

Based on the purchase price, the appellant requested a assessment of $101,666.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $131,898 was disclosed. The final assessment of the subject property reflects a market value of $396,447 or $126.30 per square foot of living area including land based on the 2009 three-year median level of assessments for McHenry County of 33.27%.

In support of the subject's assessment, the board of review submitted a two-page analysis of three sales, one in Lake in the Hills and two from Algonquin.[2] The comparables are described as two-story frame and brick dwellings that range in age from 2 to 5 years old. The homes range in size from 2,776 to 3,133 square feet of living area and feature unfinished basements, one of which is English style and one of which is a walkout style. Each has central air conditioning, a fireplace and a garage ranging in size from 678 to 783 square feet of building area. The sales occurred between December 2008 and July 2009 for prices ranging from $437,793 to $460,000 or from $142.04 to $157.71 per square foot of living area including land.

Based on the foregoing 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 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 of the subject property, a recent sale,

[2] There is also a document entitled Taxpayer Sales Comparables Report with three properties located in Lake in the Hills. Only sale #3 is reflected in the appellant's appraisal report (Sale #5) and the board of review's description of this property is "new house."

comparable sales or construction costs. (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 on this record.

As an initial argument, the appellant contends the subject's assessment should be reduced based on the sale of the subject as set forth in the record. The evidence disclosed that the subject sold in March 2009 for a price of $305,000 having been sold by Castle Bank after having been advertised for 15 days (although the property had also been on the market previously) and the parties to the transaction were not related. The Property Tax Appeal Board finds the facts on this record are insufficient to determine if the recent sale of the subject was an arm's length transaction and thus supportive of the appellant's overvaluation argument particularly where an appraisal of the property at the same time period reflects a different value.

The Board also finds the appellant submitted an appraisal of the subject property with an opinion of value of $340,000 as of February 19, 2009, while the board of review submitted no appraisal, but provided three sales, only one of which was in the subject's community of Lake in the Hills. Based on this record, the Property Tax Appeal Board finds that the appraisal submitted by the appellant estimating the subject's market value as $340,000 is the best evidence of the subject's market value in the record. The sales considered in the appraisal were within relatively close proximity of the subject and were relatively proximate in time to the assessment date of January 1, 2009.

Based upon the market value as stated above, the Property Tax Appeal Board finds that a reduction is warranted. Since market value has been established, the three-year median level of assessments for McHenry County for 2009 of 33.27% shall be applied.

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: January 31, 2013

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.