



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

APPELLANT: Kourosh Youshaei
DOCKET NO.: 09-03610.001-R-2
PARCEL NO.: 16-05-301-032

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

LAND: \$238,329
IMPR: \$353,279
TOTAL: \$591,608

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of 1.58-acres is improved with a two-story brick exterior constructed dwelling built in 1990. The dwelling has a full basement that is approximately 95% finished, central air conditioning, four fireplaces, an attached garage of 1,150 square feet of building area and a screened gazebo.¹ The subject property is located in Lake Forest, West Deerfield Township, Lake County.

There is an initial issue with regard to the subject's living area square footage. The appellant's appraiser reported that the subject contains 7,741 square feet of living area and supported this with a schematic drawing. In an addendum further describing the above-grade interior features of the home, the appellant's appraiser noted a two-story foyer and "the bedroom above the garage has staircase access to the third floor attic. The attic is floored, and could be finished for additional gross living area, but is currently unfinished." The detailed drawing by the appraiser did not indicate that this third floor area was included in his size calculation.

¹ The assessing officials report no basement finish and only two fireplaces.

In the appeal, however, the appellant disputed the dwelling size and included six color photographs of what appears to be unfinished attic area with carpet remnants for floor covering, exposed insulation and rafters with no wall finish. The appellant contends this area is "being assessed as a living area" and the appellant disputes its inclusion in any living area calculation. Additionally, the subject reportedly has an open foyer area to the second floor that should not be deemed to be living area. To further support this contention, the appellant utilized the appraiser's schematic of the dwelling and denoted area above the garage (attic) and second floor foyer area as improperly included in the living area calculation. The 'attic' area is depicted as containing 759 square feet and the foyer area is depicted as containing 403 square feet for a total of 1,162 square feet. Therefore, based on these assertions, the appellant contends that the subject dwelling contains approximately 6,579 square feet of living area.

The board of review submitted a copy of the subject's property record card and contended the dwelling contains 7,747 square feet of living area, or a six square foot difference from the appraiser's calculation. Additionally, the board of review reported that the assessing officials offered to remeasure the area in question after receiving the appellant's appeal, "but were unable to do this as the appellant did not respond to the offers of a property inspection."

Based on the evidence in the record and in particular the detailed description of a 'third' floor unfinished attic area above the garage by the appraiser, the Property Tax Appeal Board finds the best evidence of the subject's dwelling size was presented by the appraiser with a dwelling size of 7,741 square feet of living area for the subject. There is insufficient evidence to conclude that the foyer area has been improperly included in the subject's dwelling size for assessment purposes and, moreover, as will be discussed further herein, the dwelling size is not solely determinative of the subject's estimated market value given the entire record and data on comparable sales which all vary in size from the subject regardless of the subject's size determination.

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. In addition in Section IV of the appeal form regarding "Recent Sale Data" the appellant reported that the subject property was purchased in January 2007 for \$2,300,000 from the prior owners through use of a Realtor. The subject property was reportedly advertised for sale through the Multiple Listing Service for a period of 2.5 years and the parties to the transaction were not related. No monies were expended for renovation prior to occupancy of the property in the same month as the purchase.

As to the appraisal, the appraiser, Lance Kirshner and Tom Witt, as supervisor, both of Mountain Residential Appraisal in Elmhurst, used two of the three traditional approaches to value in arriving at an opinion of value. The appraisers are both State certified real estate appraisers and they estimated a market value for the subject of \$1,775,000 as of January 1, 2009. The purpose of the appraisal was for "assessment valuation."

The appraisers reported the subject's recent sale history as: listed in June 2006 for \$2,895,000; price reduced to \$2,725,000; and sale was closed in January 2007 for \$2,300,000.

As to the subject, the appraisers asserted that the subject parcel is of above average size for the area, however the site has "inferior site utility" as much of the parcel is wooded and "unusable due to a lack of drainage." In an addendum, the appraisers also reported the subject is serviced by a home security system, several water heaters, several furnaces and air conditioning condensers and a central vacuum system. Moreover, the basement includes an exercise/home gym, full bathroom, guest bedroom and large recreation room with a wet bar and billiards area.

Under the cost approach, the appraisers estimated the subject's land value at \$600,000 based on vacant lot sales and/or the allocation method. Using Marshall Swift, local developer data and Building-Cost.net, the appraisers determined a replacement cost new for the subject dwelling including the basement and garage of \$1,319,335. Physical depreciation of \$141,169 was calculated using the age/life method resulting in a depreciated value of improvements of \$1,178,166. Next, a value for site improvements of \$25,000 was added. Thus, under the cost approach, the appraisers estimated a market value of \$1,803,166 for the subject.

Under the sales comparison approach, the appraisers used sales of four comparable homes located between 0.75 and 1-mile from the subject property. The comparables consist of parcels ranging in size from 1.24 to 1.46-acres of land area improved with two-story Dryvit, stucco or brick exterior constructed dwellings which were from 8 to 21 years old. The comparables range in size from 6,175e to 7,500e square feet of living area.² Each of the comparables has a full basement, three of which are fully or partially finished. Additional features include central air conditioning, three or four fireplaces and a three-car garage. Each property also has a deck/patio which for comparable #4 was noted as "expansive deck." The comparables sold between April and August 2008 for prices ranging from \$1,500,000 to \$1,975,000 or from approximately \$211 to \$306 per square foot of living area including land.

² In the addendum, the appraiser wrote: The square footage estimates for the comparables was obtained from the Lake County Assessor Records. The GLA was confirmed via exterior observations, and the appraiser's experience in the market with similar type properties.

In comparing the comparable properties to the subject, the appraisers made adjustments for date of sale/time, land area, view, exterior construction, age, bathroom count, size, basement finish, functional utility, garage stalls, kitchen/bath quality and/or other amenities. The appraisers analyzed area market conditions and determined in the past year the market declined 12.5% so a downward time adjustment was applied to all comparables.³ Adjustments were also specifically made for an unfinished basement and a smaller lot size for comparable #4. In the addendum, the appraisers further discussed the specific considerations applied in adjusting for bedroom count, bathroom count and site adjustments, such as for comparable #3 for backing to train tracks resulting in excessive noise pollution. This analysis resulted in adjusted sales prices for the comparables ranging from \$1,589,266 to \$1,949,433 or from \$211.90 to \$314.42 per square foot of living area including land. From this process, the appraisers estimated a value for the subject by the sales comparison approach of \$1,775,000 or \$229.30 per square foot of living area including land.

In the final reconciliation, the appraisers concluded an estimate of value of \$1,775,000 since there were sufficient sales to develop a good indication of value from the sales comparison approach which is a reflection of buyers and sellers.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$591,608 which would reflect a market value of approximately \$1,775,000 at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$723,261 was disclosed. The final assessment of the subject property reflects a market value of \$2,201,038 or \$284.34 per square foot of living area including land using the 2009 three-year median level of assessments for Lake County of 32.86%. (86 Ill.Admin.Code §1910.50(c)(1)).

In response to the appeal, the board of review submitted a two-page letter along with supporting documents. As to the appraisal the board of review disagrees with the value conclusion due to the time adjustments and the dwelling sizes of comparables #1 through #3 which then result in "flawed adjustments" related to dwelling size.

The board of review presented five comparable sales, four of which were presented in the appellant's appraisal; these sales were presented to support the subject's current assessment. The properties are said to be within the same market area as the subject and from 0.37 to 1.09 miles in proximity. Board of review comparable #4 is a newly presented property, but since the

³ See also the addendum discussing in greater detail area market conditions, median sales prices and conclusions drawn from this data.

board of review has reported substantially different dwelling sizes for the properties previously set forth by the appraiser, all five comparables will be described herein.

The comparable parcels range in size from 1.2 to 1.46-acres of land area and are improved with two-story frame, brick or frame brick exterior constructed dwellings which were from 8 to 21 years old. The comparables range in size from 4,872 to 7,108 square feet of living area which figures are reflected on attached property record cards for these properties. The comparables have basements, three of which are finished, central air conditioning, one to four fireplaces and a garage ranging in size from 792 to 1,168 square feet of building area. Four properties also have deck/patio/porch features. These comparables sold between October 2007 and June 2009 for prices ranging from \$1,500,000 to \$2,000,000 or from \$263.82 to \$307.88 per square foot of living area including land.

In the letter, the board of review contended that the subject's site is considered superior to comparables #1, #3 and #4 which have negative influences from either traffic or Metra commuter rail lines as shown in aerial photographs that were submitted.

Based on the foregoing evidence and based on the assertion that the appellant's appraisal is flawed, 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 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. (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 Board finds the appellant submitted an appraisal of the subject property with a final value conclusion of \$1,775,000, while the board of review submitted no appraisal, but reiterated the same sales from the appraisal with different dwelling sizes, no adjustments for differences and one additional comparable sale from June 2009 which is about 1,000 square feet smaller than the subject's dwelling.

The Board finds the best evidence of market value in the record is the appraisal of the subject property submitted by the

appellant. The appellant's appraisers estimated the subject property had a market value of \$1,775,000 as of January 1, 2009. In estimating the market value of the subject property the appellant's appraisers utilized primarily the sales comparison approach. The appraisers made adjustments to the comparables to account for differences from the subject property. Additionally, the appraisers also considered the area market conditions at the time and its impact on the opinion of market value. The Board finds the appraisers' conclusion of value appears credible, logical and reasonable in light of the sales within the report and discussion of market conditions. The board of review did not dispute the market conditions with any market data and simply reported differing dwelling sizes for the comparables used in the appraisal, but provided no basis to adjust the comparables when compared to the subject.

The Board also finds the two most similarly sized dwellings to the subject, board of review comparables #2 and #4, sold in July 2008 and June 2009 for \$277.86 and \$330.30 per square foot of living area, including land. However, the board of review made no adjustments to these comparables for market conditions or any differences whatsoever. Giving due consideration to the entire record, the Property Tax Appeal Board finds the appraisers' estimate of value of \$1,775,000 is well-supported on this record.

Based on this record the Board finds a reduction to the subject's assessment commensurate with the appellant's request is justified.

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: October 19, 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.