



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

APPELLANT: Hans Liu
DOCKET NO.: 09-03686.001-R-1
PARCEL NO.: 15-18-103-022

The parties of record before the Property Tax Appeal Board are Hans Liu, the appellant, by attorney Frederick R. Dempsey of the Law Office of Frederick R. Dempsey, in Chicago, and the Lake 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 Lake County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$89,191
IMPR.: \$223,735
TOTAL: \$312,926

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of approximately 37,462 square feet of land area (.86 of an acre) is improved with a two-story frame and brick exterior constructed dwelling built in 2001. The dwelling contains approximately 4,677 square feet of living area¹ with a full unfinished basement, central air conditioning, a fireplace and an attached three-car garage of 713 square feet of building area. The subject property is located in Long Grove, Vernon Township, Lake County.

The appellant's appeal is based on overvaluation of the subject property. In support of this market value argument, the appellant through legal counsel submitted an appraisal prepared

¹ The appraiser reported the subject dwelling contained 4,364 square feet of living area supported by a detailed schematic drawing that included detailed measurements. The board of review reported a dwelling size of 4,677 square feet supported by a property record card with a schematic drawing that included primarily rounded measurements of the dwelling. Given the record evidence and differences in sizes of the comparables, the Board finds this difference in measurement/dwelling size does not substantially impact the determination of the correct assessment of the property.

by Robert VerVynck of Real Estate Services in Crystal Lake. The appraiser, who is a State certified appraiser, used two of the three traditional approaches to value in concluding an estimated market value of \$800,000 for the subject property as of January 9, 2009.

Neighborhood market conditions indicated extended marketing times, price reductions and a trend toward declining prices according to the appraiser.

Under the cost approach, the appraiser estimated the subject's land value at \$250,000 based on vacant land sales. Using the Marshall & Swift Valuation Services and data from local builders, the appraiser determined a replacement cost new for the subject dwelling including the basement, garage and fireplace of \$620,565. The appraiser noted that although the dwelling's actual age was 8 years old, he opined it had an effective age of 3-4 years thus physical depreciation of \$20,770 was calculated using the age/life method for 71 years of remaining life resulting in a depreciated value of improvements of \$599,795. Next, a value for site improvements of \$10,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$859,800 for the subject.

Under the sales comparison approach, the appraiser used seven sales and two listings of comparable homes located from "across the street" to 10-miles from the subject property. The parcels range in size from 0.29 to 1.66-acres of land area. They are improved with two-story brick, frame and stone, frame and brick or brick and stone exterior constructed dwellings which were from new to 23 years old. The comparables range in size from 3,068 to 5,502 square feet of living area. Each of the comparables has a basement, five of which include finished area and four of which are walkout style. The homes also feature central air conditioning, one to three fireplaces and from a two-car to a four-car garage. Seven of the properties sold between May and December 2008 for prices ranging from \$755,000 to \$975,000 or from \$177.21 to \$259.69 per square foot of living area including land. The two listings had asking prices of \$814,000 and \$898,000 or \$208.40 and \$292.70 per square foot of living area including land.

In comparing the nine comparable properties to the subject, the appraiser made adjustments for date of sale/time, lot size, view, exterior construction, age, above grade area, bathroom count, dwelling size, walkout basement and basement finish and/or other amenities and any "superior finishes." In the addendum, the appraiser wrote that sales #2, #3 and #4 were more than a mile from the subject, "they were all located within the same high school district and still considered to be reliable indicators of value." The appraiser further discussed adjustments made for time, lot sizes, view amenities to open areas, the walkout basement feature and comparables with "the highest level of upgraded finishes." The appraiser reported that the greatest weight was given to comparable #5 "because it was the most recent

sale and required the smallest gross adjustments although additional consideration was given to the current active market."

This analysis resulted in adjusted sales prices for the comparables ranging from \$694,520 to \$904,840 or from \$146.40 to \$294.93 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 \$800,000 or \$171.05 per square foot of living area including land.

In his final reconciliation, the appraiser concluded an estimate of value of \$800,000 since the sales comparison approach best reflects the market.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$266,640 which would reflect a market value of approximately \$800,000 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 \$312,926 was disclosed. The final assessment of the subject property reflects a market value of approximately \$952,300 or \$203.61 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)).

As to the appellant's appraisal, the board of review stated that it did not agree with the value conclusion. The board of review contended that of the nine comparable sales, only two were in the subject's neighborhood with seven "being 2-3 miles distant from the subject's neighborhood." Additional criticisms by the board of review were that substantial adjustments were made for dates of sale, list to sales price ratios, age, and basement finish, but "modest (low)" adjustments for site size and dwelling size.

In support of the subject's estimated market value based on its assessment, the board of review presented a grid analysis of three sales said to be from 0.19 to 0.84 of a mile from the subject. The parcels range in size from 23,087 to 40,034 square feet of land area and are improved with two-story brick or frame and brick dwellings that were 4 or 8 years old. The dwellings range in size from 4,237 to 5,320 square feet of living area. Features include basements, two of which include finished area, central air conditioning, one to three fireplaces and a garage. These properties sold between January 2008 and February 2009 for prices ranging from \$965,000 to \$1,265,000 or from \$201.13 to \$253.20 per square foot of living area including land.

Based on the foregoing evidence and its assertion that the board of review's comparables "provide a better reflection of the [subject's] January 1, 2009 market value than the comparables included in the appraisal," 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.

Upon examining the appraisal report, the Board finds that several of the comparables differed from the subject in so many features such as lot size, age, dwelling size, walkout basement and other items that substantial adjustments were made by the appraiser to find commonality with the subject. Due to the number and character of these adjustments to several of these comparables, the Board finds that the final value conclusion presented by the appraiser based on those numerous and substantial adjustments makes the appraiser's final conclusion less credible. More importantly, the report contains no corroborating evidence to support such large adjustment amounts. The Board finds that the appraised value is not a reliable indicator of the subject's estimated market value as of the assessment date. As a consequence of this finding, the most similar raw sales presented in the appraisal will be compared along with the raw sales presented by the board of review.

The Property Tax Appeal Board finds that appraisal comparables #1, #5, #6 and #8 along with the board of review's comparables were most similar to the subject property in dwelling size, design, exterior construction, location and/or age. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis. These comparables sold or were listed for sale between January 2008 and February 2009 for prices ranging from \$755,000 to \$1,265,000 or from \$178.66 to \$253.20 per square foot of living area including land. The subject's assessment reflects a market value of approximately \$952,300 or \$203.61 per square foot of living area including land, which falls within the range established by the most similar comparables both on total sale price and also on a per square foot basis. After considering these most comparable sales on this record, the Board finds the appellant did not demonstrate that the subject property's assessment was excessive in relation to its market value and a reduction in the subject's assessment is not warranted on this record.

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.