



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

APPELLANT: Scott & Deborah Peterson  
DOCKET NO.: 09-03852.001-R-1  
PARCEL NO.: 19-26-432-011

The parties of record before the Property Tax Appeal Board are Scott & Deborah Peterson, the appellants, and the DeKalb 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 DeKalb County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$17,430  
**IMPR.:** \$29,176  
**TOTAL:** \$46,606

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject parcel of 11,166 square feet of land area is improved with a two-story frame exterior constructed multi-family (three-flat) dwelling built in 1905 with reported effective age of 30 years. The dwelling consists of approximately 2,239 square feet of living area with a full unfinished basement. The subject property is located in Sandwich, Sandwich Township, DeKalb County.

The appellants' appeal is based on overvaluation of the subject property. In support of this market value argument, the appellants filed an appraisal prepared by Patrick Smith of PS Appraisal of Aurora, Inc. in Batavia, a State Certified Residential Real Estate Appraiser.

The appellants also submitted a brief discussing the deficiencies in the subject property including the lack of a garage and/or driveway, a neighboring sump pump that drains onto the property, and the leaking of water in the basement. The appellants report having spent hundreds of hours cleaning and repairing the property after purchase to make it livable. While the 2008 assessment was reduced, in 2009 the township assessor increased

the assessment of the subject. The appellants contend that the cleaning did not raise the value of the subject dwelling above the finding for the 2008 assessment of \$40,000.

The purpose of the appraisal was for a purchase transaction and the client was Old Second National Bank of Aurora. The reported purchase transaction was a contract price of \$116,000 dated June 24, 2008. The property was on the market for 368 days as stated in the appraisal. Also attached to the appeal was a copy of the Settlement Statement reflecting a closing date of August 6, 2008 for a purchase price of \$116,000.

In discussing the subject dwelling, the appraiser reported that the home was "in average overall condition both inside and out with no major differed maintenance items observed." The appraiser used the three traditional approaches to value in concluding an estimated market value of \$140,000 for the subject property as of July 15, 2008.

Under the cost approach, the appraiser estimated the subject's land value at \$50,000. Using the Marshall & Swift Cost Manual and Illinois Department of Revenue Guidelines, the appraiser determined a replacement cost new for the subject dwelling including the basement of \$186,920. Physical depreciation of \$86,264 was calculated resulting in a depreciated value of improvements of \$100,656. Next, a value for site improvements of \$5,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$155,656 for the subject.

Under the sales comparison approach, the appraiser used three sales of comparable homes located within .45-miles from the subject property. The comparables consist of two-flat or four-flat frame constructed dwellings which were from 38 to 103 years old. The comparables range in size from 1,870 to 2,100 square feet of living area. Two of the comparables have a full unfinished basement. Two of the comparables have garages. The sales occurred between May 2007 and February 2008 for prices ranging from \$101,711 to \$172,500 or from \$53.25 to \$92.25 per square foot of living area including land, or from \$25,428 to \$86,250 per unit including land.

In comparing the comparable properties to the subject, the appraiser made adjustments for financing concession, condition, dwelling size, basement, garage, and other amenities. The analysis resulted in adjusted sales prices for the comparables ranging from \$114,111 to \$158,000 or from \$28,528 to \$79,000 per unit including land. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$360,000 or \$129.22 per square foot of living area including land.

As a rental property, the appraisal also used the income approach to value. The appraiser reported three rental comparables that ranged in age from 38 to 103 years old. The comparables range in size from 1,870 to 2,100 square feet of living area. The monthly

rentals ranged from \$1,325 to \$1,425. Based on this data, the appraiser calculated a gross monthly rental of \$1,515 and applied a gross rent multiplier of \$110.00 which was obtained from the overall market to arrive at an estimated market value under the income approach of \$166,650.

In his final reconciliation, the appraiser concluded an estimate of value of \$140,000 giving the sales comparison approach and the income approach the greatest weight.

Based on this evidence, the appellants requested a reduction in the subject's total assessment to \$40,000 which would reflect a market value of approximately \$120,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's assessment of \$55,000 was disclosed. The final assessment of the subject property reflects a market value of \$165,215 or \$73.79 per square foot of living area including land or \$55,072 per unit including land using the 2009 three-year median level of assessments for DeKalb County of 33.29%.

In response to the appellants' evidence, the DeKalb County Board of Review presented a letter acknowledging the August 2008 purchase of \$116,000; presented Exhibit 1, the appellants' appraisal with a value conclusion of \$140,000; and contended that the property needed "many repairs" at the time of purchase and thus the 2008 assessment was reduced to \$40,000. The appellants provided Exhibit 2, a copy of the repair/maintenance expenses performed on the property in 2008. Exhibit 2 has a total income figure of \$4,725 for the period September 2008 through December 2008 and total expenses of \$53,268.59. The expenses were itemized in detail on Exhibit 2 and included building maintenance, cleaning, insurance, loan interest, mortgage, and repairs. In the letter, the board of review stated it "felt that the appraisal plus part of the repair costs to improve the structure should be taken into account for the value of the property." The board of review contends that the improvements made to the dwelling in 2008 added value and the assessment should be confirmed.

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 appellants 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. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill. App. 3d 179, 728 N.E.2d 1256 (2nd Dist. 2000); 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 Sec. 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 appellants submitted an appraisal of the subject property with a final value conclusion of \$140,000 as of July 15, 2008, while the board of review submitted the same appraisal and argued that various expenses incurred by the appellants to upgrade the subject property "should be taken into account for the value of the property." The Property Tax Appeal Board finds the argument to add value to the dwelling through unspecified repairs is not sufficiently supported to overcome the facts presented in the appraisal.

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). Fair cash value is defined in the Property Tax Code as "[t]he amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller." (35 ILCS 200/1-50). The Illinois Supreme Court has defined fair cash value as what the property would bring at a voluntary sale where the owner is ready, willing, and able to sell but not compelled to do so, and the buyer is ready, willing and able to buy but not forced to do so. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill. 2d 428 (1970). In this appeal, the board of review provided no substantive market data to support their conclusion that \$165,000 was an appropriate market value estimate for the subject property. Therefore, on this record, the Property Tax Appeal Board finds that the board of review has failed to support its value conclusion with substantive market value evidence.

While the board of review argued that repairs/improvements made to the subject property in 2008 should be "taken into account," in the end the Property Tax Appeal Board finds that as outlined above and despite those arguments, the appraisal submitted by the appellant estimating the subject's market value of \$140,000 is still the best evidence of the subject's market value in the record. Moreover, the appraisal's opinion of value was not substantively challenged with any market value evidence presented by the board of review.

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 DeKalb County for 2009 of 33.29% shall be applied. (86 Ill.Admin.Code Sec. 1910.50(c)(1)).

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.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J.R.*

Acting 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: December 23, 2011

*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.