



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

APPELLANT: William & Geraldine Reichert
DOCKET NO.: 10-00202.001-R-1
PARCEL NO.: 23-15-03-404-013-0000

The parties of record before the Property Tax Appeal Board are William & Geraldine Reichert, the appellants, and the Will 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 Will County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$19,095
IMPR: \$147,105
TOTAL: \$166,200

Subject only to the State multiplier as applicable.

ANALYSIS

The subject corner parcel with views of Lincoln Oaks Golf course is improved with a two-story single family dwelling of stucco exterior construction. The home was built in 1939 and contains approximately 3,860 square feet of above-grade living area.¹ The dwelling features a partial basement with some finished area, central air conditioning, three fireplaces and a two-car garage. The property is located in Crete, Crete Township, Will County.

In support of this overvaluation complaint, the appellants filed a summary appraisal report with the Property Tax Appeal Board prepared by Curtis D. Newsom, a Certified Residential Real Estate Appraiser. The appraisal states that it was intended for a property tax assessment appeal. The property rights appraised were fee simple. The appraisal provides an estimated market

¹ The appellant's appraiser reported a dwelling size of 4,638 square feet of living area which appears to include open foyer areas. The appraiser included a schematic drawing that depicted identical measurements for main and upper level areas. In contrast, the board of review provided a detailed schematic which set forth differing measurements for first floor and second floor living areas. Based on this evidence, the Property Tax Appeal Board finds the board of review submitted the best evidence of the subject's dwelling size.

value for the subject of \$410,000 or \$106.22 per square foot of living area including land as of December 31, 2009.

As part of the subject's description, the appraiser noted the home underwent a total renovation in 1992 including additions, built-in garage, plumbing and electrical systems along with complete renovation of the interior and exterior. Based on these facts, the appraiser asserted the dwelling has an effective age of 5 to 10 years old.

As to the subject, the appraiser reported the subject was "most recently listed for \$529,500" as of February 26, 2010 which expired on January 2, 2011. The appraiser further wrote that the subject has been "on and off the market since August 15, 2006."

Using the cost approach to value, the appraiser first estimated the subject property had a land value of \$50,000.² Newsom used a cost schedule and local builder input to estimate the subject improvement had a replacement cost new of \$515,544. The appraiser estimated physical depreciation to be \$51,554 using the age-life method. He determined the subject dwelling suffered from no functional or external obsolescence. Deducting depreciation resulted in a depreciated cost of the improvements of \$463,990. To this the appraiser added \$25,000 for the site improvements and the site value to arrive at an estimated value under the cost approach of \$538,990.

In the sales comparison approach to value, Newsom utilized six suggested sales comparables located in Crete which were from .16 to 4.56-miles from the subject. The comparables consist of a 1-story, a 1.5-story, a quad-level and three, two-story frame, brick or brick and frame dwellings that were from 7 to 16 years old with effective ages of 5 years for comparables #1 through #4. The comparables range in size from 2,800 to 3,833 square feet of living area. The homes have basements, two of which have finished area. Each comparable has central air conditioning, one to four fireplaces and a two-car or a three-car garage. One comparable also has an in-ground pool. The properties sold from June 2007 to December 2009 for prices ranging from \$299,500 to \$500,000 or from \$83.49 to \$160.62 per square foot of living area including land.

The appraiser made adjustments to the comparables for date of sale/time and for differences from the subject in lot size, quality of construction, age, room count, living area square footage, basement size and/or finish, number of garage stalls, number of fireplaces and/or other amenities. Newsom reported that there were an extremely limited number of sales in the subject's immediate neighborhood resulting in the use of sales #3 through #6 that were more than two years old. However, each comparable enjoys a golf course location/view. The appraiser asserted that dwellings of a similar size to the subject do exist

² In support for the opinion of site value the appraiser reported one May 2009 vacant land sale of a slightly larger parcel adjacent to the forest preserve.

in the marketplace, but he found no sales in the prior 36 month period that also had a golf course view. Given a declining market, Newsom also opined sales older than one year required a time adjustment. After this analysis, the appraiser concluded adjusted sale prices for the comparables ranging from \$337,000 to \$538,500 or from \$87.92 to \$172.98 per square foot of living area including land. The appraiser then concluded an estimated fair market value of the subject under the sales comparison approach of \$410,000 or \$106.22 per square foot of living area, including land, based on the subject's dwelling size of 3,860 square feet.

In reconciliation of the two approaches to value, the appraiser gave most weight to the sales comparison approach as it reflects the attitudes of buyers and sellers. Newsom also asserted that the cost approach tends to support the upper end of value.

Based on this evidence, the appellants requested a reduction in the assessment of the subject property so as to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$177,095 was disclosed. The final assessment of the subject property reflects a market value of approximately \$532,777 or \$138.03 per square foot of living area including land using the 2010 three-year median level of assessments for Will County of 33.24% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code §1910.50(c)(1)).

The board of review submitted a memorandum prepared by the Crete Township Assessor along with a grid analysis of four comparable sales. In the memorandum, the assessor asserted that the subject property was listed for sale in May 2007 for \$698,900 and submitted a printout from the internet website Homes.Realtor.com. There was no indication in the document that the property sold as a consequence of that listing.

The assessor also wrote that the appellants' appeal is based upon "comparable sales" with the appellant having submitted three sales that occurred in 2008 ranging from \$455,730 to \$600,000 with a median sales price of \$460,000 [*sic*]. The assessor did not address the appraisal prepared by Newsom which is the sole market value evidence presented by the appellants before the Property Tax Appeal Board.

In support of the subject's estimated market value based on its assessment, the assessor presented four comparable sales where comparables #3 and #4 were presented as sales #3 and #4 in the Newsom appraisal. The two newly suggested comparable properties consist of a 1-story brick dwelling and a 1.5-story log-constructed dwelling which were built in 1995 and 1969, respectively. The homes contain 1,633 and 4,015 square feet of living area with finished basements. One comparable has central air conditioning and each has a fireplace and a garage. Comparable #2 also has a pool. These properties sold in February

2007 and October 2007 for prices of \$455,000 and \$530,000 or for \$113.33 and \$324.56 per square foot of living area, including land, respectively.

Based on this evidence, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence submitted by the parties, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

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. 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 on this evidence.

The subject's total assessment of \$177,095 reflects a market value of \$532,777 or \$138.03 per square foot of living area, including land, when applying the 2010 three year average median level of assessments for Will County of 33.24%. The Property Tax Appeal Board finds the appellants submitted an appraisal of the subject property with a final value conclusion of \$410,000 as of December 31, 2009.

To arrive at the value conclusion, the appraiser analyzed and primarily relied upon sales that occurred in 2007 or 2009. Appraiser Newsom made downward time adjustments to each of the sales that occurred 2007 due to declining area market conditions and made other adjustments to each of the properties for differences from the subject. As a consequence of his analysis in the sales comparison approach, Newsom opined a market value for the subject of \$410,000 as of December 31, 2009. Furthermore, utilizing the cost approach to value, the appraiser estimated a value for the subject of \$538,990. He reconciled these two value conclusions and gave most weight to the sales comparison value conclusion of \$410,000, or more than \$100,000 less than the cost approach conclusion without further explanation.

On this record, the Property Tax Appeal Board also finds it very significant that the appraiser reported the subject property was listed for sale as recently as February 26, 2010. This reported listing date is just two months after the assessment date at issue with an asking price of \$529,500. Since a listing price arguably reflects the upper limit of value, the Board finds this asking price is a significant factor in determining the best

evidence of the subject's estimated market value as of January 1, 2010.

The Property Tax Appeal Board also finds the board of review presented data regarding four sales that occurred in 2007. These properties had varying degrees of similarity to the subject. Moreover, two of the board of review's sales were reported in the appellants' appraisal as sales #3 and #4. In analyzing the board of review's submission, the Property Tax Appeal Board has given less weight to board of review comparable #1 due to three factors: its newer age, substantially smaller dwelling size of 1,633 square feet when compared to the subject of 3,860 square feet and its log exterior construction which differs from the subject's stucco construction. Additionally, the Board has given reduced weight to board of review comparable #2 as it differs from the subject in design being a one-story dwelling as compared to the subject's two-story design.

In summary, the Property Tax Appeal Board finds that on this record there are three divergent value conclusions that must be reconciled. First is the subject's most recent listing price of \$529,500. Second is the sales comparison value conclusion by Newsom of \$410,000. Third is the cost approach value conclusion by Newsom of \$538,990. Giving each of these value conclusions their appropriate weight considering the evidence used to arrive at the estimates, the Board finds the subject dwelling is somewhat overvalued in light of its assessment that reflects an estimated market value of \$532,777. In conclusion, after reviewing the evidence and weighing the respective value conclusions in the record, the Property Tax Appeal Board finds the subject's assessment is not reflective of the property's market value as of January 1, 2010 and a reduction in the subject's assessment is 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.

Ronald R. Cuit

Chairman

Frank J. Huff

Member

Member

Mario Morris

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: March 22, 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.