



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

APPELLANT: Frank Reinhardt
DOCKET NO.: 10-00468.001-R-1
PARCEL NO.: 16-05-16-304-012-0000

The parties of record before the Property Tax Appeal Board are Frank Reinhardt, the appellant, by attorney Brian S. Maher of Weis, DuBrock, Doody & Maher, in Chicago, 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: \$36,396
IMPR: \$80,259
TOTAL: \$116,655

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel with a wooded view is improved with a one-story ("three-step ranch") single-family dwelling of brick and cedar exterior construction that is 23 years old. The home contains approximately 2,591 square feet of above-grade living area.¹ The dwelling features a finished walkout-style basement, central air conditioning, a fireplace and both an attached three-car garage and a detached two-car garage. The property is located in Homer Glen, Homer Township, Will County.

In support of this overvaluation complaint, the appellant filed a summary appraisal report with the Property Tax Appeal Board prepared by Brian Dressler, a Certified Residential Real Estate Appraiser. The appraisal states the purpose was to provide an opinion of market value; the report was intended for a refinance

¹ The appellant's appraiser reported a dwelling size of 2,616 square feet of living area with a schematic drawing that lacks detailed exterior measurements on the drawing. The board of review submitted a copy of the subject's property record card with a detailed schematic drawing to support the size conclusion of 2,591 square feet. Based on the best evidence, the Property Tax Appeal Board finds the subject dwelling contains 2,591 square feet.

transaction and prepared for client Fifth Third Bank. The rights appraised were fee simple. The appraisal provides an estimated market value of \$350,000 or \$135.08 per square foot of living area including land for the subject as of August 24, 2010.

Using the cost approach to value, the appraiser first estimated the subject property had a land value of \$75,000 which was derived from the allocation method. Dressler used Marshall & Swift along with 'local builders' to estimate the subject improvement had a replacement cost new of \$327,225. The appraiser estimated physical depreciation to be \$43,635 using the age-life method. Deducting depreciation resulted in a depreciated cost of the improvements of \$283,590. To this the appraiser added \$10,000 for the site improvements and the site value to arrive at an estimated value under the cost approach of \$368,600.

Utilizing the sales comparison approach to value, the appraiser set forth three sales and two active listings located from 1.15 to 1.70-miles from the subject. The appraiser reported he selected the best comparable sales available at the time of the appraisal from the market research including pending and active properties. More specifically, he stated, "[t]here were only 7 sales in the past 6 months within a 2 mile radius of the subject property. 2 were used in the report." Another three recent sales were not similar to the subject and thus excluded. The comparables set forth in the appraisal consist of a ranch, a "3-step ranch," a split-level and two, two-story dwellings that were from 8 to 33 years old. The comparables range in size from 2,651 to 3,451 square feet of living area. The comparables have basements, four of which have finished area. Each comparable has central air conditioning, one or two fireplaces and a two-car or three-car garage. Three comparables sold from January 2010 to March 2010 for prices ranging from \$293,000 to \$399,900 or from \$110.52 to \$117.90 per square foot of living area including land. The listings had asking prices of \$384,000 and \$395,000 or \$130.88 and \$114.46 per square foot of living area, including land, respectively.

Dressler made adjustments to the comparables for financing concessions as to sale #3, for date of sale/time for the active listings along with adjustments for differences in the comparables in site size, age, room count, living area square footage, basement finish, number of garage stalls and/or other amenities when compared to the subject. In the report, Dressler wrote that comparables #1, #2 and #5 were over 20% larger in living area than the subject; comparables from over 1 mile from the subject were used due to their similar site sizes. Since no comparable had a 5-car garage like the subject, the appraiser made across the board upward adjustments as extracted from the secondary market data. Age adjustments were extracted from matched pairs. After this analysis, Dressler concluded adjusted sale prices for the comparables ranging from \$332,740 to \$381,860 or from \$102.75 to \$125.51 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 \$350,000 or \$135.08 per square foot of living area, including land.

In reconciliation, the sales comparison approach was given most weight with only supporting weight given to the cost approach.

Based on this evidence, the appellant requested a reduction in the assessment of the subject property so as to reflect the appraised value 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 \$129,672 was disclosed. The final assessment of the subject property reflects a market value of approximately \$390,108 or \$150.56 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 two-page letter prepared by Karen Szykowski, Homer Township Assessor, along with a grid analysis of five comparable sales, an Exterior-Only Inspection Residential Appraisal Report of those five comparables with applicable property record cards and photographs and other supporting documentation. In arguing that little weight should be given to the appellant's appraisal, the assessor contends the appellant's appraisal was intended for a refinance transaction not for 'tax appeal' purposes in addition to the date of value being August 24, 2010. She further contended that the three sales occurred in 2010 and the other comparables were active listings noting these "are not considered for 'Assessment Appeal' purposes. They should be all Sold and Closed." The only ranch comparable #1 in the report was a short sale and not considered "good" as it is not an arm's length transaction. No documentation as to why this was not a valid sale was included. Szykowski noted the differences in design of comparables #2 and #3 when compared to the subject and she further contended the site value in the cost approach "was low."

In support of the subject's estimated market value based on its assessment, the assessor noted that due to a lack of ranch sales in the subject's subdivision, comparable properties from similar neighborhoods are presented in Exhibit B. The most recent ranch sale in the subject's subdivision occurred in August 2007 as shown as board of review comparable #1.

Exhibit B consists of an Exterior-Only Inspection Residential Appraisal Report consisting of three pages with both sales comparison and cost approach analyses, no signature, no market conditions analysis, but does depict a value conclusion of \$420,000 for the subject as of January 1, 2010. For the cost approach to value, the document depicts an estimated land value of \$100,000 which was derived from "Sold/Closed, Active listings, Assessors files/Appraisers files or Developers files." Using the

Marshall & Swift Valuation Service and local contractor estimates, the document depicts an estimated replacement cost new of \$406,665. Estimated physical depreciation was \$60,999 using the age-life method. Deducting depreciation resulted in a depreciated cost of the improvements of \$345,666. To this was added \$15,000 for the site improvements and the site value to arrive at an estimated value under the cost approach of \$460,700.

In a sales comparison approach to value, this report presented five sales of comparables located from .09 to 2.9-miles from the subject. Each comparable is a one-story dwelling of brick, brick and cedar or brick and frame exterior construction that is 19 to 34 years old. The homes range in size from 1,988 to 2,532 square feet of living area. Each comparable has a full or partial basement, two of which have finished area. The homes feature central air conditioning, a fireplace and a two-car or three-car garage. Comparable #1 also has an in-ground pool.² The comparables sold between August 2007 and May 2010 for prices ranging from \$300,000 to \$405,000 or from \$150.53 to \$159.95 per square foot of living area including land.

The preparer of this document then reported adjustments to the comparables for site size, view, exterior construction, age, room count, dwelling size, basement size, basement finish and/or other amenities. The document then depicts adjusted sales prices for these five comparables ranging from \$376,075 to \$424,275 or from \$167.15 to \$190.64 per square foot of living area, including land. The document depicts a value conclusion under the sales comparison approach of \$420,000 or \$162.10 per square foot of living area, including land.

Based on this evidence, the assessor contended that "[a]fter making the property adjustments to the sales the sales support the current assessment on the subject property. Therefore, 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 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

² Based upon the underlying documentation, it also appears that comparable #5 enjoys an in-ground swimming pool which was not included in the report, which if it were afforded a \$10,000 downward adjustment for the pool amenity this comparable's adjusted sale price would be reduced to \$369,950 or \$185.62 per square foot of living area, including land.

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 \$350,000 which was supported by sales that occurred in 2010 and active listings. The appraiser made adjustments for various differences between the subject and comparables to arrive at a well-reasoned value conclusion. The board of review presented five sales of dwellings, one of which occurred in May 2010 despite the assessor's assertion that 2010 sales should not be considered for this appeal. The Board has afforded no weight to the unsigned Exterior-Only appraisal report presented by the board of review as this value conclusion has no substantive support as to the adjustments made or market conditions considered. The Property Tax Appeal Board further finds little merit in the assessor's criticisms of the appraiser's comparable sales where there is no substantive evidence to support the assertions and implications made.

Having examined the submissions of the parties, the Property Tax Appeal Board finds the best evidence of the subject's estimated market value on this record is the appraisal conclusion of \$350,000 which appears to be supported by appraisal sales #1 and listing #4 with further support from board of review's sale #2 which is a slightly smaller dwelling than the subject. The Board finds that giving due consideration to appropriate adjustments to these three most similar sales/listings for differences from the subject, this data supports the appraiser's value conclusion for the subject dwelling.

Based upon the best market value evidence in the record, the Property Tax Appeal Board finds that a reduction in the subject's assessment is warranted and a reduction commensurate with the appellant's request is appropriate.

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

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: April 19, 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.