



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

APPELLANT: Alexander & Holly Rakos
DOCKET NO.: 10-01069.001-R-1
PARCEL NO.: 03-32-252-007

The parties of record before the Property Tax Appeal Board are Alexander & Holly Rakos, the appellants, by attorney James E. Tuneberg of Guyer & Enichen, in Rockford, and the Boone 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 Boone County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$38,333
IMPR: \$187,117
TOTAL: \$225,450

Subject only to the State multiplier as applicable.

ANALYSIS

The subject parcel of approximately 2.69-acres is improved with a two-story frame and brick exterior constructed dwelling built in 2004. The dwelling contains approximately 4,726 square feet of living area with a partially finished walkout-style basement, central air conditioning, two fireplaces, an attached four-car garage of 1,512 square feet of building area and other patio and deck amenities. Additional features include a sprinkler system, a security system, central vacuum and the lower level finished area include a theater room, bedroom, bath and half-bath. The subject property is located in Caledonia, Caledonia Township, Boone County.

The appellants' appeal contends the market value of the subject property is not accurately reflected in its assessed valuation. In support of this argument, the appellants through legal counsel submitted an appraisal prepared by real estate appraiser Brad Fidler of Advantage Appraisal estimating the subject property had a market value of \$675,000 as of January 1, 2010. The purpose of the appraisal was for evaluation of a tax protest. The appraiser

appraised the subject's fee simple rights using the sales comparison approach to value.

The appraiser alternately reported the subject dwelling size as 5,778 square feet of living area supported by a schematic drawing and 5,178 square feet of living area in the sales grid analysis section of the report.

Using the sales comparison approach, the appraiser analyzed six sales of comparable homes which were located between 0.09 and 0.50 miles from the subject property. The comparables consist of a one-story and five two-story brick or brick and frame dwellings which were from 1 to 7 years old. The comparables range in size from 2,994 to 5,065 square feet of living area. Each of the comparable properties has a full basement, four of which include finished area. Each comparable has central air conditioning, one to three fireplaces and three-car to six-car garages. One comparable also has a pool. The comparables sold between February 2008 and June 2010 for prices ranging from \$565,000 to \$735,000 or from \$111.55 to \$222.11 per square foot of living area including land.

In comparing the comparable properties to the subject, the appraiser made adjustments for land area, design, exterior construction, room count, dwelling size, basement finish/size, garage size and other amenities. The adjustments were briefly discussed in an addendum noting the comparables were in same competing market area and adjustments based on assessment and/or market data and appraiser experience. The analysis resulted in adjusted sales prices for the comparables ranging from \$583,400 to \$813,800 or from \$115.18 to \$246.49 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 \$675,000 or \$142.83 per square foot of living area including land based on the assessing official's size determination of 4,726 square feet of living area. Using the appraiser's schematic size determination, the estimated value would be \$116.82 per square foot of living area including land.

In his reconciliation, the appraiser noted that the cost approach to value was not appropriate due to the nature of the assignment and the income approach was not applicable due to the lack of rentals.

Based on this evidence, the appellants requested a reduction in the subject's total assessment to \$225,000 which would reflect a market value of approximately \$675,000.

The board of review submitted its "Board of Review Notes on Appeal." Pursuant to the Notice of Final Decision for 2010 issued by the Boone County Board of Review, the subject's final assessment was \$244,556.¹ The final assessment of the subject

¹ There is a mathematical error on the "Board of Review Notes on Appeal" as to the final assessment of the subject property.

property reflects a market value of \$732,204 or \$154.93 per square foot of living area including land using the 2010 three-year median level of assessments for Boone County of 33.40%.

In support of the subject's assessment, the board of review submitted a two-page letter along with supporting Exhibits #1 through #4. As to the subject's dwelling size, the board of review reported that a re-measure occurred with the owner's permission in November 2011 as shown in Exhibit #1 resulting in the determination of 4,726 square feet of living area for the home. The adjustment was made to the second floor area due to cathedral ceilings.

In response to the appellants' appraisal evidence, the board of review noted the comparable sales were from within the subject's market and would be competing homes where the differences occur in dwelling size, land size and amenities. However, the board of review contends there are a number of inconsistencies in the appraisal report such as reporting a declining market in one place and reporting a stable market or stable to declining market in other places (Exhibit 2). The subject dwelling size reported by the appraiser is the "most troublesome issue" as in one place it is reported as 5,778 square feet and in another place it is reported as 5,178 square feet. Given these discrepancies, the board of review contends that the appraiser's adjustments are questionable. Similarly, land sizes were adjusted but in the discussion the appraiser stated no site, size or location adjustments were warranted. Lastly as to the appellants' evidence, the board of review contends that the purportedly "exposed ranch" home presented by the appraiser as comparable #3 is in fact a two-story dwelling. In light of these inconsistencies and problems, the board of review contends the appraisal should be given little weight in determining the estimated market value of the subject property.

Within its Exhibit #3, the board of review reiterated the six sales presented by the appraiser and presented a spreadsheet of two additional sales in the area. These two sales are 1.07-acre parcels improved with a two-story dwelling and a part one-story and part two-story dwelling each of brick and frame exterior construction which were 7 and 8 years old. The dwellings contain 3,432 and 2,507 square feet of living area and feature unfinished basements, central air conditioning, one and two fireplaces respectively and attached garages of 704 and 748 square feet of building area, respectively. One comparable also has a pool. The properties sold in July 2008 and August 2009 for prices of \$435,000 and \$365,000 or \$126.75 and \$145.59 per square foot of living area.

In its letter, the board of review contends that these eight properties presented by both parties "do provide a basis for valuation of the subject property." The board of review contends that the eight sales present a median sales price of \$590,000 with dwelling sizes ranging from 2,507 to 5,065 square feet of

living area with a median sales price of \$139.50 per square foot of living area.

As its Exhibit #4, the board of review presented a 2011 real estate listing of the subject property for \$738,999 to demonstrate an additional perspective of the appellants' opinion of the subject's market value "in a declining market."

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 estimated market value as reflected by its assessment.

In written rebuttal, the appellants through legal counsel presented the appraisal of the subject property with "the appraiser's technical clarifications in response to criticisms raised by the Board of Review." A review of the document fails to clearly identify the "clarifications" purportedly made, but the Addendum includes a section entitled "Extra Comments."

The dwelling size on the schematic drawing remains 5,778 square feet whereas in the text of the report, the subject has a dwelling size of 5,178 square feet as 600 square feet is open space between the 1st and 2nd floors. Furthermore, the appraiser noted the sketch of the subject in public records still shows the home as 5,706 square feet and the appraiser contends that if the size is reduced to 4,726 as asserted by the board of review, then the appraised value in the report would be lower than what is already stated. The appraiser also clarified the market and growth discussions of the report and asserted that the information as presented was correct in both the check boxes and the discussion. Comparable #3 is now described as a two-story home and site adjustments were made and justified in the addendum. The appraiser concluded that any corrections made to the report did not materially affect the value of the subject property.

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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill. App. 3d 1038 (3rd Dist. 2002). 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 \$675,000 as of January 1, 2010, while the board of review submitted no appraisal and, with the exception of two additional properties, the board

of review relied on a total of eight unadjusted sales from the subject's market area to support the subject's estimated market value of approximately \$732,204 or \$154.93 per square foot of living area including land. Both of the additional comparable sales presented by the board of review were significantly smaller than the subject dwelling and had unfinished basements dissimilar to the subject. Additionally, one of the board of review's suggested comparables included a pool that is not enjoyed by the subject. The Property Tax Appeal Board finds based on these differences that the suggested comparables are dissimilar to the subject dwelling and must be given reduced weight. Moreover, accepted real estate valuation theory provides that all factors being equal, as the size of the property increases, the per unit value decreases. In contrast, as the size of a property decreases, the per unit value increases. The two comparables presented by the board of review sold for prices of \$126.75 and \$145.59 per square foot of living area including land, both of which are values that are lower than the subject's estimated market value of \$154.93 per square foot of living area including land and thus do not support the subject's estimated market value based on its assessment for a substantially larger dwelling. Thus, the unadjusted sales cited by the board of review do not support the subject's estimated market value.

Furthermore, the Property Tax Appeal Board does not find the criticisms of the appraisal to be meritorious on this record. The size of the subject dwelling that is in dispute between the parties is approximately 450 square feet of living area after consideration of the rebuttal evidence. The Board finds on this record that this size difference is not significant for purposes of estimating the subject's market value.

The Property Tax Appeal Board finds that, despite the board of review's criticisms, the appraisal submitted by the appellants estimating the subject's market value of \$675,000 is the best evidence of the subject's market value in the record. Based upon the market value as stated herein, 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 Boone County for 2010 of 33.40% shall be applied.

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.



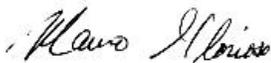
Chairman



Member



Member



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: August 28, 2012



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.