



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

APPELLANT: Kenneth Flaxman
DOCKET NO.: 10-01658.001-R-1
PARCEL NO.: 16-28-115-009

The parties of record before the Property Tax Appeal Board are Kenneth Flaxman, the appellant, and the Lake 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 Lake County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$57,848
IMPR: \$187,252
TOTAL: \$245,100

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a two-story single family dwelling of brick exterior construction built in 2003. The home contains approximately 4,183 square feet of above-grade living area.¹ The dwelling features a basement of which 75% is finished, central air conditioning, a fireplace and an attached three-car garage. The property is located in Deerfield, West Deerfield Township, Lake County.

In support of this overvaluation complaint, the appellant filed an appraisal with the Property Tax Appeal Board and in particular argued that sale #1 in the appraisal is "virtually identical" to the subject, but for a larger lot and closed very close in time to the assessment date at issue.

¹ The appellant's appraiser reported a dwelling size that is 195 square feet smaller. As shown in the appraiser's schematic, an open foyer of 144 square feet has been deducted. The schematic presented by the assessing officials is similar to the appraiser's but does not account for an open foyer. For purposes of this decision the size as determined by the assessing officials has been accepted.

The appraisal was prepared by Kenneth W. Hite, a State Certified Residential Appraiser. The rights appraised were fee simple and the appraiser prepared a retrospective report using the sales comparison approach.² The appraiser estimated a market value of \$750,000 or \$179.30 per square foot of living area including land as of January 1, 2010 given a dwelling size of 4,183 square feet for the subject property as determined in footnote 1 above.

The appraiser set forth five suggested comparables located from two blocks to one mile from the subject. The comparables were two-story brick, brick and stone, or brick and frame dwellings that were from 3 to 16 years old. The comparables range in size from 3,002 to 4,022 square feet of living area. The comparables have full basements, three of which have finished area. Features include central air conditioning, a fireplace and a two-car or three-car garage. The comparables sold from May to September 2009 for purchase prices ranging from \$680,000 to \$836,000 or from \$181.50 to \$253.16 per square foot of living area including land.

The appraiser made adjustments to the comparables for date of sale/time as supported by the Market Conditions discussed in the Addendum. From analysis of sales in the greater Deerfield market area for the prior twelve months, the appraiser found there was an oversupply of properties for sale as of January 1, 2010 with a 13% decline in value over the past two years along with marketing times exceeding six months, but typically less than one year. The appraiser also made adjustments for differences in exterior construction, age, room count, living area square footage, lack of basement finish and number of garage stalls from the subject property. After this analysis, the appraiser concluded adjusted sale prices for the comparables ranging from \$720,000 to \$831,000 or from \$186.47 to \$271.15 per square foot of living area including land. Considering this data "with emphasis toward the middle of the indicated value range based upon Sale 1 that is a recent indicator of value," the appraiser concluded an estimated fair market value of the subject of \$750,000 or \$188.06 per square foot of living area, including land, based on the appraiser's size determination of 3,988 square feet.

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

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$281,305 was disclosed. The subject's assessment reflects an estimated market value of \$860,786 or \$205.78 per square foot of living area, including land, using the 2010 three-year median level of

² In an Addendum, the appraiser acknowledged having inspected the subject property in October 2009 and finding it in the same or similar condition upon inspection in October 2010, although the effective date of this appraisal report for real estate tax purposes is January 1, 2010.

assessments for Lake County of 32.68%. (86 Ill.Admin.Code §1910.50(c)(1)).

As its initial response to the appellant's appeal, the board of review proposed to reduce the subject's assessment to \$274,973 which would reflect a market value of approximately \$825,000, although the board of review reserved the right to seek an extension of time to submit additional evidence if the appellant rejected this proposed assessment.

The appellant was notified of the proposed assessment reduction and responded by letter dated May 4, 2012 indicating that the proposed assessment reduction was not acceptable.

In further response to the appeal, the board of review submitted a letter outlining the evidence along with a grid analysis of three suggested comparables to support the subject's estimated market value based on its assessment. As to the appellant's appraisal evidence, the board of review noted the difference in dwelling size as identified in footnote 1, four of the five comparables in the appraisal are 19% to 28% smaller than the subject but were "only nominally adjusted for this difference," and the board of review contends the date of sale/time adjustment applied is excessive. As a final point, the board of review contends the appraisal sale comparables as *unadjusted* support the subject's per-square-foot estimated market value of \$205.78 and the appraiser's value conclusion of \$179.30 per square foot, based on a dwelling size of 4,183 square feet, falls below the range of the adjusted sales prices the appraiser developed.

To support the subject's assessment, the board of review presented three comparable sales with applicable property record cards, photographs and a map. Each of the comparables is located in the same neighborhood code assigned by the assessor as the subject and from .15 to .34 of a mile from the subject. Each comparable is a two-story frame, brick or brick and frame dwelling that is either 2 or 6 years old. The dwellings range in size from 3,963 to 4,068 square feet of living area. Each has a basement, two of which are partially finished. The homes feature central air conditioning, one or two fireplaces and a garage ranging in size from 667 to 801 square feet of building area. The comparables sold between December 2009 and December 2010 for purchase prices ranging from \$1,040,000 to \$1,050,000 or from \$256.29 to \$263.95 per square foot of living area including land.

Based on this evidence where the subject's estimated market value per-square-foot is significantly below the range of these comparable sales, the board of review requested confirmation of the subject's assessment.

As written rebuttal, the appellant presented a nine-page brief summarizing the appellant's submission and then addressing the board of review's submission, including an argument that the board of review's subsequent request for confirmation of the

assessment is "not credible" given its original position and willingness to agree to a reduced assessment.

As to the dwelling size dispute, the appellant contends that the open foyer should not be considered "living area" and, in any event, the board of review failed to identify how this size differential impacts the subject's market value. As to dwelling size adjustments made by the appellant's appraiser, the appellant notes the appraiser's adjustments ranged from \$30,000 to \$49,000 of added value to the comparables with no adjustment warranted for comparable #1. The appellant contends the board of review did not provide evidence as to what the appropriate adjustment(s) should have been or why the appraiser's adjustments were incorrect. Similarly, the criticism of the time adjustment for the sales was not further supported in the board of review's submission whereas the appraiser described the relevant market conditions that led to the adjustment(s). The appellant also contends that the board of review's observations regarding raw sales prices is not relevant in light of the appraiser's report and logical adjustment process. Moreover, the unadjusted price per square foot of comparable #1 which the appellant and appraiser found to be most relevant would result in a lower value conclusion for the subject than as presented by the appraisal report.

As to the sales presented by the board of review, the appellant contends that comparables #1 and #3 each occurred six or twelve months after the assessment date of January 1, 2010 and should be given no weight. Citing to the MLS sheets, the appellant also contends that these properties were significantly superior dwellings whereas the "subject was a spec home built by a local carpenter." Comparable #2 is reportedly a "distressed" sale according to the MLS sheet and should be given little weight, but additionally the home is superior to the subject, noting it is new construction with a "gourmet kitchen" and other features. Furthermore, the appellant contends that comparable #2 had a long listing history of more than 2 years and finally sold for nearly \$500,000 less than its original asking price.

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 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 \$750,000 which was supported by sales that precede the assessment date of January 1, 2010 and were adjusted downward based on market conditions as reported by the appraiser. The appraiser also made adjustments for various differences between the subject and comparables to arrive at a well-reasoned value conclusion. Based on the appraiser's dwelling size determination of the subject as 3,988 square feet, the Board notes that the appraiser's value conclusion of \$188.06 per square foot of living area, including land, falls at the lower end of the range of the adjusted comparable sales prices but still within the range.

The board of review presented three sales of dwellings that bracket the assessment date although one sold in December 2010. In addition, the Property Tax Appeal Board finds that each of these comparables sold for prices in excess of \$1,000,000 whereas the subject's assessment reflects an estimated market value of approximate \$860,000 which suggests that the board of review's comparables are substantively different from the subject dwelling in that they each carry higher market values as compared to those sales examined by the appellant's appraiser which ranged from \$680,000 to \$836,000 in sales price.

Furthermore, the board of review's first criticism of the appellant's appraisal concerns the dwelling size, however, as noted in footnote 1 the difference appears to be primarily attributable to the open foyer area. The Property Tax Appeal Board finds this size dispute is not pivotal to determining the correct assessment of the subject property given the size differences among the comparables presented by each of the parties to this proceeding. Similarly, the appraiser's adjustment process both for dwelling size and for date of sale were criticized by the board of review, but there is insufficient evidence presented by the board of review to undermine the conclusions set forth and supported in the appraisal report.

In conclusion, the Property Tax Appeal Board finds that the best evidence of the subject's market value on this record is the appraisal with a conclusion of \$750,000. 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. Since market value has been established, the three-year median level of assessments for Lake County for 2010 of 32.68% 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.

Donald R. Cuit

Chairman

[Signature]

Member

[Signature]

Member

[Signature]

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.