



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

APPELLANT: Walter Vital
DOCKET NO.: 10-01758.001-R-1
PARCEL NO.: 11-17-407-003

The parties of record before the Property Tax Appeal Board are Walter Vital, 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: \$61,612
IMPR: \$123,688
TOTAL: \$185,300**

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a 2.5-story single family dwelling of frame exterior construction built in 1977. The home contains approximately 4,096 square feet of above-grade living area. The dwelling features a full basement with finished area, central air conditioning, a fireplace and an attached three-car garage. The property is located in Libertyville Township, Lake County.

There is an initial dispute between the parties concerning the dwelling size of the home. The appellant's appraiser reported a dwelling size of 3,598 square feet of living area which was supported with the appraiser's schematic drawing in the report. The board of review included a property record card with a schematic drawing depicting 4,096 square feet and contended that the appraiser failed to include living area above the garage in the dwelling size determination. As further support for the dwelling size, the board of review included a copy of a recent Multiple Listing Service sheet on the subject describing the dwelling as having "4,000+ sq. ft." The appellant did not respond to this contention and thus, based on the best evidence in the record, the Property Tax Appeal Board has accepted the dwelling size as determined by the assessing officials.

In support of this overvaluation complaint, the appellant filed an appraisal with the Property Tax Appeal Board. The appraisal was prepared for Quicken Loans in Michigan and states that it was intended for a refinance transaction. The rights appraised were fee simple. Using both the cost and sales comparison approaches, the appraisal provides an estimated market value of \$480,000 or \$133.41 per square foot of living area including land as of October 21, 2010 given the appraiser's dwelling size of 3,598 square feet for the subject property or \$117.19 per square foot of living area based upon the dwelling size as determined above.

The appraiser reported the prior three year history of the listings/rental offerings of the subject property. In May 2008, the asking price was \$650,000 which was lowered to \$610,000 in July 2008, lowered to \$585,000 in September 2008, lowered to \$584,000 in February 2009, lowered to \$574,000 in May 2009 and then cancelled the listing in August 2009. The home was relisted in April 2010 for \$559,900 which was lowered to \$539,900 in May 2010, lowered to \$524,900 in August 2010 and then cancelled in September 2010. Thus, the property was listed for a total of 602 days. In August 2010 the property was listed for rent for \$2,500 per month and shown as rented in September 2010 for \$2,300 per month with the lease expiring in October 2012.

Under the cost approach which was required by the client, the appraiser estimated the subject's land value at \$150,000 based on the extraction method within the subject's market area which is developed and lacks vacant land sales. The appraiser determined a replacement cost new for the subject dwelling including the basement, fireplace, deck and garage of \$438,580. Physical depreciation of \$121,452 was calculated under the age/life method with a life of 65 years resulting in a depreciated value of improvements of \$317,128. Next, a value for site improvements of \$25,000 was added. Thus, under the cost approach, the appraiser estimated a market value of \$492,100 for the subject, but noted that no weight was given to this approach to value "due to the age of the subject."

Utilizing the sales comparison approach to value, the appraiser set forth three sales and two listings of comparables located from .38 to 1.3-miles from the subject. The comparables were improved with 2-story or 2.5-story brick and frame dwellings that were from 12 to 42 years old. The comparables range in size from 2,446 to 3,606 square feet of living area. The comparables have basements, four of which include finished area. Features include central air conditioning, one or two fireplaces and a two-car garage. Three comparables sold between February to August 2010 for prices ranging from \$485,000 to \$525,000 or from \$145.59 to \$198.28 per square foot of living area including land. The listings had asking prices of \$515,000 and \$589,900 or \$159.54 and \$164.36 per square foot of living area including land, respectively.

The appraiser made adjustments to the comparables for view, age, condition, room count, living area square footage, basement finish, garage size and number of fireplaces when compared to the subject. After this analysis, the appraiser concluded adjusted sale prices for the comparables ranging from \$478,300 to \$566,900 or from \$139.35 to \$203.03 per square foot of living area, including land. The appraiser then concluded an estimated fair market value of the subject of \$480,000 under the sales comparison approach.

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

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$191,314 was disclosed. The final assessment of the subject property reflects a market value of approximately \$585,416 or \$142.92 per square foot of living area including land using the 2010 three-year median level of assessments for Lake County of 32.68% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code §1910.50(c)(1)).

The board of review submitted a cover letter along with a grid analysis and related supporting documents. As to the subject, the board of review contends the home is a "semi-custom built" dwelling on a "premium 12,889 square foot lot backing to Butler Lake."

As to the appellant's appraisal, the board of review notes the report was prepared for a financing transaction and has an effective date nearly 11 months after the relevant assessment date of January 1, 2010. Besides the dwelling size issue addressed previously, the board of review contends the appraiser has made substantial adjustments to the comparable sales for condition "without adequate explanation or support in the appraisal."

In support of the subject's estimated market value based on its assessment, the board of review presented a grid analysis of three comparables located from .14 to 2.18-miles from the subject and in three different subdivisions within Libertyville. Each comparable is a two-story frame or brick and frame dwelling that ranges in age from 12 to 34 years old. The dwellings range in size from 3,552 to 3,956 square feet of living area. Each comparable has a full or partial basement, central air conditioning, one or two fireplaces and a garage. The comparables sold between July 2009 and June 2010 for prices ranging from \$572,500 to \$712,500 or from \$155.49 to \$180.11 per square foot of living area including land.

In addition, the board of review submitted a two-page listing entitled "Sales by Subdivision" which depicts parcel numbers, addresses with associated subdivisions of two-story properties in Libertyville. The only descriptive data provided for these 26 additional properties was the sale amount, date, dwelling size,

and year of construction with a handwritten notation of price per square foot. The dwellings range in size from 3,505 to 4,319 square feet of living area and the dwellings were built between 1950 and 2007. The sales occurred between January 2009 and June 2010 for prices ranging from \$450,000 to \$1,100,000 or from \$122.55 to \$278.12 per square foot of living area, including land. The board of review asserts the median sales price is \$199.57 per square foot whereas the subject has an estimated value below all of but one these additional properties on a per-square-foot basis.

The listing history of the subject was presented by the board of review along with the contention that the "late 2009 list price of \$574,000 provided the basis for the reduction" that was issued by the board of review. The attached document depicts an August 2009 listing of \$574,000 and thereafter the next listing was in April 2010 for \$559,900.

Based on the foregoing, 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 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 \$480,000 which was derived from analyzing sales of three properties along with two listings. The sales occurred from February to August 2010 and the appraiser's value conclusion was effective October 21, 2010 with no adjustments made to the comparables for date of sale or time. The Board further finds that for four of the comparables where the condition was noted as "good," the appraiser made a \$35,000 downward adjustment. The subject's condition was listed as "average," but the appraiser did not describe in the report either why the subject was average or why the various comparables were in good condition and warranted the downward adjustment. After analyzing the appraisal report, the Board finds that it is not well-supported as to the condition adjustments made and in this case, the date of value is distant from the assessment date which is further made less reliable by

the use of data solely from after the assessment date. Based on all of these factors, the Board finds the value conclusion in the report cannot be deemed to be a reliable indicator of the subject's estimated market value as of the assessment date at issue of January 1, 2010.

The Board also finds the record reveals listings of the subject property which bracket the assessment date of January 1, 2010. The subject was listed both in August 2009 for \$574,000 and then again in April 2010 for \$559,900. These dates approximately equally bracket the assessment date at issue. In real estate valuation theory, a listing or asking price is typically deemed to reflect the upper end of value of a property.

The board of review presented detailed data on three sales of properties that are not within the subject's subdivision along with minimal data on 26 additional sales that vary widely in sales price. Upon examining the data, the Property Tax Appeal Board has given no weight to the 26 sales which were listed as the descriptions lack sufficient detail for a reasoned analysis of the comparables beyond merely size, age and sale price. As to the three more-detailed sales, the Board has afforded these properties less weight due to their location outside the subject's subdivision. Comparable #3 was closest in proximity to the subject and sold six months after the assessment date of January 1, 2010 for a price of \$712,500, which is substantially higher than the subject's estimated market value based on its assessment and therefore suggests that these properties are not comparable to one another.

The Property Tax Appeal Board finds that the best evidence of the subject's estimated market value on this record is derived from the two listings of the subject property which bracket the assessment date of \$574,000 and \$559,900, respectively. The subject property's 2010 assessment reflects a market value of approximately \$585,416 which is greater than either of these asking prices. 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.

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

Mark Morris

Member

JR

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.