



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

APPELLANT: Louis Upchurch
DOCKET NO.: 11-00095.001-R-1
PARCEL NO.: 21-14-21-412-044-0000

The parties of record before the Property Tax Appeal Board are Louis Upchurch, the appellant, by attorney Mitchell L. Klein of Schiller Klein, PC, 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: \$18,904
IMPR.: \$43,596
TOTAL: \$62,500

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a two-story single-family dwelling of frame and masonry construction containing 3,276 square feet of living area. The dwelling was constructed in 2007. Features of the home include a full unfinished basement, central air conditioning, a fireplace and a two-car garage of 564 square feet of building area. The property has a 13,832 square foot site and is located in Monee, Monee Township, Will County.

The appellant's appeal is based on overvaluation. In support of this argument, the appellant submitted an appraisal estimating the subject property had a market value of \$187,500 as of January 1, 2011. The appraisal was prepared by Charles Schwarz, a State of Illinois certified real estate appraiser. In estimating the market value of the subject property, the appraiser developed both the cost and the sales comparison approaches to value.

As to the history of sales of the subject property, the appraiser reported the last transfer of the subject occurred in March 2009 for \$200,000. The appraiser also stated that the transaction appeared to be arm's length.

As to market area conditions, the appraiser stated that in the last three years the housing market has been weak with very little market demand. In addition, he noted that properties that are exposed to the market "have highly motivated sellers many of which are institutions."

Under the cost approach, the appraiser estimated the subject had a site value of \$30,000. The appraiser estimated the reproduction cost new of the improvements to be \$273,360. The appraiser estimated physical depreciation to be \$8,201 based on the age/life method and external depreciation to be \$41,004 "due to current market conditions" resulting in a depreciated improvement value of \$221,155. The appraiser also estimated the site improvements had a value of \$1,500. Adding the various components, the appraiser estimated the subject property had an estimated market value of \$255,655 under the cost approach to value.

Using the sales comparison approach, the appraiser provided information on four comparable sales located from the same block to ½-mile from the subject property. The comparables are described as two-story dwellings of brick or frame construction that range in size from 2,506 to 2,898 square feet of living area. The dwellings were new to 7 years old. Features of the comparables include a full basement, one of which is partially finished as a recreation room. Each home has central air conditioning and three have a fireplace. The properties also have a two-car or a three-car garage. The comparables sold from August 2010 to September 2011 for prices ranging from \$155,000 to \$212,500 or from \$54.14 to \$73.33 per square foot of living area, including land. The properties were on the market from 8 to 226 days; the appraiser also reported that comparable #1 which sold in August 2010 for \$155,000 was "currently" back on the market as of March 2011 with an asking price of \$259,000 with no record of showings according to the broker. The appraiser also reported that comparable #1 was a conventional sale, comparables #2 and #4 were bank-owned properties and comparable #3 was a short sale.

After making adjustments to the comparables for differences from the subject in dwelling size, age, garage size, basement finish and/or fireplace amenity, the appraiser estimated the

comparables had adjusted prices ranging from \$164,400 to \$213,800 or from \$57.42 to \$78.42 per square foot of living area, including land. Based on this data the appraiser estimated the subject had an estimated value under the sales comparison approach of \$187,500 or \$57.23 per square foot of living area, including land.

In reconciling the two approaches to value the appraiser gave most weight to the sales comparison approach to value as it reflects current market conditions and estimated the subject property had a market value of \$187,500 as of January 1, 2011.

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

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$90,275 was disclosed. The subject's assessment reflects a market value of \$271,831 or \$82.98 per square foot of living area, including land, when applying the 2011 three year average median level of assessment for Will County of 33.21% as determined by the Illinois Department of Revenue.

The board of review submitted a letter from the Monee Township Assessor who outlined criticisms of the appellant's appraisal report noting in particular that comparables #1, #3 and #4 were "foreclosures sales prices are low due to the nature of these sales." The township assessor also stated that comparable #2 sold for \$212,500 in August 2011, "which is more than the subject property that sold for \$200,000 in 2009." The assessor also noted that comparable #4 "previously sold (January 2008) for \$415,000."

On behalf of the board of review and in support of the subject's assessment, the Monee Township Assessor submitted information on three comparable sales located in the subject's subdivision of Eagle Fair. Comparable #3 was the same property presented in the appraisal report as comparable #2. These three comparables are improved with two-story or part one-story and part two-story dwellings of frame and masonry construction that range in size from 2,898 to 3,241 square feet of living area. The dwellings were constructed in 2006 or 2007. Features of the comparables include a full basement, one of which has finished area, central air conditioning, a fireplace and an attached garage ranging in size from 504 to 730 square feet of building area. The comparables sold from March 2010 to August 2011 for prices ranging from \$212,500 to \$254,000 or from \$72.58 to \$78.37 per

square foot of living area, including land. The assessor noted these three sales present a median sales price of \$230,000.

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

In written rebuttal, counsel for the appellant pointed out that the assessor reported a median sale price of \$230,000 based on the three comparable sales she presented, but yet the subject has an estimated market value in excess of \$270,000. Moreover, the subject property was purchased in 2009 for \$200,000.

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 a reduction in the subject's assessment is warranted.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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); 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value to be the appraisal of the subject property submitted by the appellant. The appellant's appraiser developed both the cost and sales comparison approaches to value and gave most weight to the sales comparison approach. The appraiser also acknowledged the market conditions that involve sales of bank-owned properties and short sales.

As of July 16, 2010, the Property Tax Code mandates that the Property Tax Appeal Board shall consider compulsory sales of comparable properties for the purpose of revising and correcting assessments, including those compulsory sales of comparable properties submitted by the taxpayer. (35 ILCS 200/16-183) The Property Tax Code defines a compulsory sale as "(i) the sale of real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale

of real estate owned by a financial institution as a result of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment, occurring after the foreclosure proceeding is complete " (35 ILCS 200/1-23) In light of this mandate within the Property Tax Code, the Property Tax Appeal Board has given little weight to the assessor's argument criticizing consideration of foreclosure sales in the appraisal report.

Moreover, the sales utilized by the appraiser were similar to the subject in location, size, style, exterior construction, features and/or age. These properties also sold proximate in time to the assessment date at issue. The appraised value of \$187,500 is below the market value reflected by the assessment of \$271,831 or \$82.98 per square foot of living area, including land.

The Board finds that the three sales presented by the assessor range in price from \$212,500 to \$254,000 or from \$72.58 to \$78.37 per square foot of living area, including land, and thus fail to support the subject's estimated market value based upon its assessment of \$271,831 or \$82.98 per square foot of living area, including land. 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. As noted by the township assessor, the subject dwelling at 3,276 square feet of living area is larger than each of the assessor's comparable sales presented on this record and yet, the subject carries a higher price per square-foot based on its assessment.

Based on this record, the Board finds the subject property is overvalued and a reduction in the subject's assessment commensurate with the appellant's request 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

K. L. Fen

Member

Tracy 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: January 24, 2014

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.