



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

APPELLANT: Frank Scarpelli Jr.
DOCKET NO.: 11-01930.001-R-1
PARCEL NO.: 03-14-227-014

The parties of record before the Property Tax Appeal Board are Frank Scarpelli Jr., the appellant, and the Kane 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 Kane County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND: \$15,120
IMPR.: \$5,380
TOTAL: \$20,500**

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a one-story single family dwelling of frame construction containing 975 square feet of living area. The dwelling has a crawl space foundation and was constructed in 1957. The property has a 9,583 square foot site and is located at 1606 Sacramento Drive, Carpentersville, Dundee Township, Kane County.

The appellant's appeal is based on overvaluation. In support of this argument the appellant submitted an appraisal of another property identified by property index number 03-11-226-048 and located at 120 Adobe Circle, Carpentersville, Illinois.¹ The appraisal was prepared by Dorothy Lundeen Coleman and C. Peter Soderquist, State of Illinois certified real estate appraisers. In estimating the market value of the property the appraisers developed the cost and the sales comparison approaches to value. The appraisers estimate the property had a market value of \$40,000 as of February 23, 2011.

The appellant submitted a document stating both the subject property and the property appraised were managed by the appellant and are identical. He asserted neither property had a garage,

¹ This property was the subject matter of an appeal before the Property Tax Appeal Board under Docket No. 11-01932.001-R-1. In that appeal the Property Tax Appeal Board reduced the assessment of the property to \$19,500.

there is no central air conditioning and that the subject has the original press-board siding. The appellant also asserted that the condition of both properties as being poor.²

The appraisal contained both the cost approach and the sales comparison approach. The Board will not discuss the cost approach due to the fact this approach did not value the subject property.

The Board will discuss the sales contained in the sales comparison approach but will not give any consideration to the adjustments to the sales due to the fact the appraisers were not comparing these sales to subject property. The appraisers provided information on six comparable sales described as ranch style, one-story dwellings with cedar shakes, aluminum siding, vinyl siding or brick and vinyl exterior construction that ranged in size from 768 to 975 square feet of living area. The dwellings were constructed from 1955 to 1961. Three of the comparables had crawl space foundations and three had full basements, one of which was finished with a recreation room. Five of the comparables had central air conditioning and each had a one-car or two-car detached garage. The comparables have sites ranging in size from 6,098 to 9,593 square feet of land area and were located in Carpentersville. The comparables sold from July 2010 to August 2011 for prices ranging from \$44,000 to \$67,000 or from \$45.13 to \$76.17 per square foot of living area, including land.

The appellant also indicated the subject property is an investment property that was leased. Accordingly the appellant submitted an income approach in which the subject was reported to have a rental income of \$10,500. Expenses, including real estate taxes, were reported to be \$7,635 resulting in a net income of \$2,865. A capitalization rate of 7.5% was used to capitalize the net income into an estimated value of \$38,200.

Based on this evidence, the appellant requested a reduction in the subject's assessment to \$13,334.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$23,331 was disclosed. The subject's assessment reflects a market value of \$70,211 or \$72.01 per square foot of living area, including land, when applying the 2011 three year average median level of assessment for Kane County of 33.23% as determined by the Illinois Department of Revenue.

In support of the subject's assessment the board of review submitted information on six comparable sales identified by the township assessor improved with one-story dwellings of frame

² The appraisal disclosed the property appraised differed from the subject in age being constructed in 1961 and had a smaller lot with 8,631 square feet of land area. The property appraised was also described as being in fair condition.

construction that ranged in size from 960 to 1,160 square feet of living area. The dwellings were constructed from 1956 to 1969. The comparables had no basements, five comparables had central air conditioning and three comparables have a garage with 320 or 440 square feet of building area. The comparables have sites ranging in size from 6,120 to 8,712 square feet of land area. The comparables were located in Carpentersville from .80 to 2.5 miles from the subject property. The assessor included copies of photographs for the subject property and the comparables. The assessor also submitted a listing sheet for comparable sale #1 stating this property was totally rehabbed. The assessor noted that comparables #4, #5 and #6 have no garages and sale #4 has no central air conditioning. The comparables sold from April 2010 to July 2011 for prices ranging from \$81,500 to \$144,000 or from \$83.59 to \$141.18 per square foot of living area, including land.

The assessor also submitted a grid analysis of the sales contained in the appellant's appraisal. The analysis indicated the comparables were located from .31 to 1.57 miles from the subject property.

In rebuttal the assessor noted the appellant's appraisal was for a different address than 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 the evidence in the record supports a reduction in the subject's assessment.

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 best sales in this record demonstrate the subject is overvalued.

The Board finds the best evidence of market value in this record to be sales #2, #4 and #6 contained in the appellant's appraisal and comparable sale #1 submitted by the board of review. These comparables were relatively similar to the subject in location and age. The comparables were constructed from 1955 to 1960 and ranged in size from 768 to 975 square feet of living area. These sales were located from .31 to .96 miles from the subject property. Each comparable was superior to the subject in that each had central conditioning, each comparable had a garage and one comparable was also superior to the subject in that had a basement. Additionally, the board of review submitted a copy of a listing disclosing that comparable sale #1 had been rehabbed. These attributes would require downward adjustments to the

comparables. The record also indicated that appraisal comparable sale #2 was in poor condition. The comparables sold from July 2010 to August 2011 for prices ranging from \$44,000 to \$81,500 or from \$45.13 to \$83.59 per square foot of living area, including land. Of these four comparables, the comparable with the highest value was that submitted by the board of review which was reported to have been rehabbed. The rehabilitation would make this property superior to the subject property in condition based on the appellant's assertion that the subject property was in poor condition, requiring a downward adjustment. The comparable with the lowest price was described as being in poor condition. The subject's assessment reflects a market value of \$70,211 or \$72.01 per square foot of living area, including land. The subject's assessment reflects a market value above three of the four best comparable sales in the record. After considering the condition of the comparables and the differences in features the Board finds the subject's assessment should reflect a market value at the low end of the range established by these comparables.

Less weight was given the remaining sales in the record based on location, age and/or size.

The Board finds the appellant's income approach developed using the subject's actual income and expenses is to be given no weight. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net

income into an estimate of market value. The appellant did not provide such evidence; therefore, the Property Tax Appeal Board gives this evidence no weight.

In conclusion, the Board finds the evidence demonstrated that the subject property was overvalued and a reduction in the subject's assessment is justified.

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

J. R.

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: November 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.