



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

APPELLANT: Frank Scarpelli Jr./Pamela J. Poincelet Trust #1  
DOCKET NO.: 11-01935.001-R-1  
PARCEL NO.: 03-13-327-034

The parties of record before the Property Tax Appeal Board are Frank Scarpelli Jr./Pamela J. Poincelet Trust #1, 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.: \$5,880  
TOTAL: \$21,000**

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property is improved with a one-story dwelling of frame construction with an aluminum siding exterior containing 975 square feet of living area. The dwelling was constructed in 1960. Features of the home include a crawl space foundation. The property has a 7,178 square foot site and is located in Carpentersville, Dundee Township, Kane 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 \$40,000 as of February 23, 2011. The appraisal was prepared by Dorothy Lundeen Coleman, a State of Illinois Certified Residential Real Estate Appraiser, and C. Peter Soderquist, a State of Illinois Certified General Real Estate Appraiser. In estimating the market value of the subject property the appraisers developed the cost and the sales comparison approaches to value.

The appraisers indicated within the report the property was inspected on February 23, 2011. The appraisers were of the opinion the subject dwelling was in fair condition. The purpose of the appraisal was to estimate the market value of the real property and the property rights appraised were the fee simple interest. In describing the subject property the appraisers indicated the home had no central air conditioning. However, the

appellant described the property on the appeal form as having central air conditioning and the evidence provided by the board of review indicated the subject property had central air conditioning.

Under the cost approach the appraisers estimated the subject had a site value of \$25,000. The appraisers estimated the replacement cost new of the improvements to be \$68,250 based on Marshall and Swift Valuation Calculations and input from builders. Using the age-life method, the appraisers estimated depreciation to be \$48,456 resulting in a depreciated improvement value of \$19,794. The appraisers also estimated the site improvements had an "as is" value of \$500. Adding the various components, the appraisers estimated the subject property had an indicated value under the cost approach of \$45,300.

Using the sales comparison approach the appraisers provided information on six comparable sales described as ranch style, one-story dwellings with cedar shakes, aluminum siding or brick and vinyl siding 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 9,583 square feet of land area and were located in Carpentersville from .27 to 1.60 miles from the subject property. The appraisers described two comparables as being in poor condition, one comparable as being in fair condition, two comparables as being in average condition and one comparables as being in average/good condition. The appraisal also had photographs of the subject property and the comparable sales. 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. After making adjustments to the comparables for differences from the subject the appraisers estimated the comparables had adjusted prices ranging from \$38,150 to \$44,650. Based on this data the appraisers estimated the subject had an indicated value under the sales comparison approach of \$40,000.

In reconciling the two approaches to value the appraisers estimated the subject property had a market value of \$40,000 as of February 23, 2011.

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, which reflects the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$23,998 was disclosed. The subject's assessment reflects a market value of \$72,218 or \$74.07 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 construction that had either 960 or 975 square feet of living area. The dwellings were constructed from 1956 to 1961. The comparables had no basements, four comparables had central air conditioning and each had a garage ranging in size from 220 to 528 square feet of building area. The comparables have sites ranging in size from 6,000 to 6,970 square feet of land area. The comparables were located in Carpentersville from .10 to 1.45 miles from the subject property. The assessor included copies of photographs for the subject property and the comparables. The comparables sold from January 2011 to June 2012 for prices ranging from \$79,500 to \$120,900 or from \$81.54 to \$125.94 per square foot of living area, including land.

In rebuttal the assessor also indicated that appellant's sales #3 and #5 were bank sales.

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

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 (3<sup>rd</sup> 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 demonstrated the subject is overvalued.

The Board finds the best evidence of market value in this record to be sales #1 and #4 contained in the appellant's appraisal and comparable sales #1 and #2 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 1961 and ranged in size from 768 to 975 square feet of living area. Importantly, these sales were located from .10 to .57 miles from the subject property. Each comparable was superior to the subject in that each had a garage and one comparable was also superior to the subject in that had a basement. The appraisers also described comparables #1 and #4 as being in average or average/good condition compared to the subject's fair condition. These attributes would require downward adjustments to the comparables. The board of review did not indicate the condition of the comparables and made no adjustments to the comparables for differences from the subject property. The comparables sold from January 2011 to August 2011 for prices ranging from \$58,500 to \$92,000 or from \$68.72 to \$94.36 per square foot of living area, including land. The subject's assessment reflects a market value of \$72,218 or \$74.07 per square foot of living area, including land, which is within the range established by the best sales in the record. However, after considering the subject's condition and 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 appraisal due to their reported condition of two comparables as being poor and location differences from the subject. Less weight was given the remaining sales submitted by the board of review due to fact that comparables #3, #5 and #6 did not sell as close to the assessment date at issue as the best sales described herein and comparables #3 and #4 were not located as near to the subject as the best sales identified by the Board.

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.

*Donald 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.