



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

APPELLANT: Linda Frauendorfer
DOCKET NO.: 11-02265.001-R-1
PARCEL NO.: 07-06-100-046

The parties of record before the Property Tax Appeal Board are Linda Frauendorfer, the appellant, and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$53,070
IMPR.: \$120,970
TOTAL: \$174,040

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 that contains approximately 3,672 square feet of living area. The dwelling is 10 years old. Features of the home include a full finished basement, central air conditioning, a fireplace,¹ and an attached three-car garage of 746 square feet of building area. The property has a .4-acre site and is located in Aurora, Naperville Township, DuPage County.

The appellant's appeal is based on both unequal treatment in the assessment process and overvaluation. In support of these claims, the appellant submitted two appraisals of the subject property, a grid analysis of five comparable sales along with

¹ Appraiser Trent Hinshaw reported the subject dwelling has two fireplaces.

assessment data and a brief. The appellant contends that the recent sales data indicates a downward trend in values. She further asserted that all homes in the Ginger Woods subdivision were built by the same two builders and are of the same quality. To the extent that land values vary, the appellant contends those differences are reflected by lot premiums and the land assessment which the appellant does not dispute for the subject property. The appellant contends that the most similar comparable to the subject is her comparable #1 that is 400 square feet larger and sold in October 2009 for \$527,500.

The first appraisal was prepared by appraiser, Roy Brostrom, a State certified real estate appraiser, employed by Appraisal Tech. The appraiser used both the cost and sales comparison approaches to value in concluding an estimated market value for the subject property of \$540,000 as of July 29, 2010. The purpose of the appraisal report was to estimate the market value of the subject property in fee simple interest for a refinance transaction.

The appraiser claimed the subject dwelling contains 3,503 square feet of living area which was supported by a schematic drawing. However, the appellant accepted the dwelling size reported by the assessing officials of 3,672 square feet and thus, this figure has been used in the Board's analysis.

As part of the report, the appraiser prepared a Market Conditions Addendum and summarized the findings that the area "has begun to stabilize and shows a 3% decrease in median value over the past year." The appraiser also acknowledged that the subject is a larger and newer home in an area of older and smaller homes and therefore, the subject's value was higher than the predominant values in the area which has no negative effect on marketability.

Under the cost approach the appraiser estimated the subject had a site value of \$162,000. The appraiser estimated the replacement cost new of the improvements to be \$423,435. The appraiser estimated physical depreciation to be \$54,441 based on the age/life method resulting in a depreciated improvement value of \$368,994. The appraiser also estimated the site improvements had a value of \$10,000. Adding the various components, the appraiser estimated the subject property had an estimated market value of \$541,000, rounded, under the cost approach to value.

In the sales comparison approach, Brostrom analyzed three sales and two active listings of comparable properties located within

3 blocks from the subject property. The comparables consist of two-story frame and masonry dwellings which were from new to 11 years old. The comparables range in size from 3,107 to 3,865 square feet of living area. Each of the comparables has a basement, four of which have finished area. Additional features include central air conditioning, a fireplace and a three-car garage. Three of the comparables sold between February and July 2010 for prices ranging from \$455,000 to \$555,000 or from \$139.72 to \$157.63 per square foot of living area, including land. The two listings had asking prices of \$575,000 and \$597,000, respectively, or \$152.93 and \$169.51 per square foot of living area, including land.

In comparing the comparable properties to the subject, Brostrom made adjustments for date of sale/time, age, room count, size and/or basement finish. The analysis resulted in adjusted sales prices for the comparables ranging from \$476,000 to \$584,000 or from \$139.72 to \$165.81 per square foot of living area, including land. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$540,000.

In reconciling the two approaches to value, Brostrom gave most weight to the sales comparison approach asserting that it best displays typical buyer/seller attitudes in the marketplace.

The second appraisal was prepared by appraiser, Trent R. Hinshaw, a State certified real estate appraiser, employed by Rayburn Appraisals. The appraiser used the sales comparison approach to value in concluding an estimated market value for the subject property of \$510,000 as of August 15, 2011. The purpose of the appraisal report was to estimate the market value of the subject property in fee simple interest for a refinance transaction.

The appraiser claimed the subject dwelling contains 3,653 square feet of living area which was supported by a schematic drawing. As noted previously, the appellant accepted the dwelling size reported by the assessing officials of 3,672 square feet and thus, this latter figure has been used in the Board's analysis.

As part of the report, Hinshaw prepared a Market Conditions Addendum and summarized his findings that the area reflects an oversupply of homes and a positive 2.4% price increase in the past six months although there had been "record drops in values over the last couple of years." Given the supply and price factors, Hinshaw concluded that the market was stable. Hinshaw

also acknowledged that the subject backs to a wooded area and has a park across the street which view "has a positive effect on the value and marketability." He further noted that properties in the subdivision are associated with one of two school districts and stated "there is no discernable difference in property values" and therefore no adjustment was warranted. One of the comparables presented by Hinshaw was located in a different school district than the subject and remaining comparables.

In the sales comparison approach, Hinshaw analyzed four sales and two active listings of comparable properties located within .21 of a mile of the subject property. The comparables consist of Georgian-style frame and masonry dwellings which were 10 to 12 years old. The comparables range in size from 2,889 to 3,988 square feet of living area. Each of the comparables has a basement. One is a walkout style and one is an English style. Five have finished basement areas. Additional features include central air conditioning, one or two fireplaces and a three-car garage. Four of the comparables sold between March and June 2011 for prices ranging from \$455,000 to \$550,000 or from \$127.74 to \$162.76 per square foot of living area, including land. The two listings had asking prices of \$489,900 and \$500,000, respectively, or \$169.57 and \$142.17 per square foot of living area, including land.

In comparing the comparable properties to the subject, Hinshaw made adjustments for date of sale/time, site, view, room count, size, basement finish and/or style, along with amenities such as decks and fireplaces. The analysis resulted in adjusted sales prices for the comparables ranging from \$506,000 to \$562,500 or from \$130.77 to \$189.65 per square foot of living area, including land. From this process, the appraiser estimated a value for the subject by the sales comparison approach of \$510,000 or \$138.89 per square foot of living area, including land, based upon a dwelling size of 3,672 square feet.

In further support of the overvaluation and inequity arguments, the appellant submitted a grid analysis of five comparables located one or two blocks from the subject property. The comparables consist of two-story frame and masonry dwellings that were 9 to 12 years old. The dwellings range in size from 3,089 to 4,070 square feet of living area. Features of the comparables include finished basements, central air-conditioning, fireplace(s) and 600 square foot garages. These comparables sold between October 2009 and August 2010 for prices ranging from \$410,000 to \$550,000 or from \$120.59 to \$145.68 per

square foot of living area, including land. These properties also have improvement assessments ranging from \$110,870 to \$146,290 or from \$35.73 to \$38.43 per square foot of living area. The subject has an improvement assessment of \$136,460 or \$37.16 per square foot of living area.

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$173,412 which would reflect a market value of approximately \$520,236 or \$141.68 per square foot of living area, including land. The improvement assessment request of \$120,342 would reflect an assessment of \$32.77 per square foot of living area.

The board of review submitted its "Board of Review Notes on Appeals" wherein the subject's final assessment of \$189,530 was disclosed. The subject's assessment reflects an estimated market value of \$571,735 or \$155.70 per square foot of living area, land included, using the 2011 three-year median level of assessments for DuPage County of 33.15%.

In response to the appellant's data, the board of review submitted its Addendum to Board of Review Notes on Appeal acknowledging that it was submitting no additional market value evidence in response to the appeal and submitted data establishing assessment equity. The board of review also submitted Exhibit #1 consisting of a two-page memorandum outlining the attached data in response to the appeal.

The memorandum notes the subject property was purchased in July 2007 for \$682,000. The author of the memorandum contends that the subject development is located in both Kane and DuPage Counties, but that Kane County homes have historically sold for a lower price per square foot than those in DuPage County. Next, the memorandum asserts that the subject and three other homes within the cul-de-sac were the last dwellings that were built in the DuPage County portion of the development with the location being considered premium due to the cul-de-sac and being across from park district property with a playground (see page 7 photograph).

On page 8, the board of review outlined data concerning properties that sold from 2000 to 2002 "at the high end of the range" with the subject's sale price being even higher.

On pages 9 and 10, the board of review outlined the appellant's five comparables presented in the Section V grid analysis of the Residential Appeal petition. The memorandum pointed out

differences in date of sale, size, number of bathrooms and basement finish as compared to the subject in addition to contending that the subject has a superior view and location. Additionally, comparable #5 was said to have been a short sale advertised on the market through the Multiple Listing Service and a property with an inferior location on a busy ingress/egress street to the subdivision. Also provided were the 1999 to 2002 sale prices of these five comparables with the argument that the properties sold as new dwellings "for considerably lower sales prices than the subject sold as a new home."

As to the Brostrom appraisal, the board of review contended that no adjustments were made for differences in lot sizes, the subject's superior location and/or view and the value conclusion is at the low end of the range of adjusted sales prices. Next, the memorandum contends that the subject's estimated market value based on its assessment falls within the range of the unadjusted sale prices in the appraisal on a per-square-foot basis. (See page 11 of submission).

As to the Hinshaw appraisal, the memorandum first notes it presents a value conclusion after the assessment date of January 1, 2011 and next addressed the differences in basement finish, view and location of these comparables when compared to the subject. (See pages 12 and 13 of the submission). Similar, the author of the memorandum argued that the subject's estimated market value based on its assessment falls within the range of the unadjusted sale prices in the appraisal on a per-square-foot basis.

The memorandum concludes that the sales submitted by the appellant are the most recent sales available for 2009 through 2010. "Again, it is the Assessor's Office's position that, as new homes, homes on the subject's street sold at a premium price than other homes due to being highly custom in nature as well as being the last lots developed in the Naperville Township portion of the development." In summary, as the subject sold at the top end of the premium homes on the street at that time, the comparable sales presented are on average 68% of the subject's new sale price [in 2007]. The memorandum asserts it is reasonable to assume that the subject would continue to have a higher price per square foot in market value than the comparable sales presented.

Page 13 of the submission is an assessment equity grid of "similar homes in the development" depicting uniformity in

improvement assessments. The analysis consists of assessment information on three comparable properties described as two-story frame and masonry dwellings that were built in 2000 or 2001. The dwellings range in size from 3,127 to 4,215 square feet of living area and feature a basement, two of which include finished area, central air conditioning, a fireplace and a three-car garage. These properties have improvement assessments ranging from \$122,840 to \$155,180 or from \$36.03 to \$39.28 per square foot of living area.

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

In written rebuttal, the appellant noted that the board of review failed to submit any market value evidence to dispute the sales data which the appellant presented. Instead, the board of review acknowledged that the appellant had provided the most recent sales evidence in the immediate vicinity of the subject property. The appellant further argued that the reliance of the assessing officials upon historical sales prices was misplaced given the declining values of properties in 2010.

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 in part contends the assessment of the subject property is excessive and not reflective of its 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). The Board finds the evidence in the record does supports a reduction in the subject's assessment.

The only relevant market value evidence in the record was submitted by the appellant consisting of two appraisals of the subject property and five suggested comparable sales all of which were in close proximity to the subject property. The board of review raised criticisms of the appraisals for various reasons including failure to adjust for differences in lot sizes, location and/or view, but provided no other sales data to support the subject's estimated market value of \$571,735 or \$155.70 per square foot of living area, land included, as reflected by its assessment. The appellant's sales occurred

between October 2009 and June 2011 for prices ranging from \$410,000 to \$555,000 or from \$120.59 to \$162.76 per square foot of living area, including land. The subject's overall estimated market value is substantially higher than the only comparable sales presented in the record. As a consequence, the Board finds that the appellant has established that the subject property is overvalued based on its assessment and a reduction is warranted.

The appellant also contended unequal treatment in the subject's assessment as a basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). After an analysis of the assessment data and considering the reduction in assessment for overvaluation, the Board finds that the subject property is equitably assessed and no further 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

K. L. Fern

Member

Tracy 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: February 21, 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.