



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

APPELLANT: John Marolda
DOCKET NO.: 12-03391.001-R-1
PARCEL NO.: 10-17-302-030

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

LAND: \$73,996
IMPR.: \$80,569
TOTAL: \$154,565

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the McHenry County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2012 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property consists of a two-story single-family dwelling of brick construction with approximately 3,080 square feet of living area. The dwelling was constructed in 1935. Features of the home include a full walkout-style basement with finished area, central air conditioning, a fireplace, an enclosed porch, detached three-car 744 square foot garage and a

one-car 320 square foot garage. The property also has a shed. The property has a 25,265 square foot site on Pistakee Bay and is located in McHenry Township, McHenry County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating the subject property had a market value of \$475,000 as of January 1, 2012. The appraisal was prepared to estimate the subject's market value in fee simple rights for a property tax appeal by Lucas Denoma, a Certified General Real Estate Appraiser licensed by the State of Illinois.

As part of the appraisal report, Denoma reported the subject dwelling has been periodically updated and remodeled "but still features many older, outdate and vintage items and lacks many modern updates, upgrades and finishing features/materials of other waterfront homes in the local market area." As examples, the appraiser reported outdated green carpeting in the dining/living room area, older bathrooms and kitchen and dark trim throughout.

Also as part of the appraisal report in an addendum, Denoma explained neighborhood market conditions by reporting on the 2009, 2010 and 2011 trends in sales and time on the market. From the data, the appraiser opined that there was an over-supply of inventory, property values have been significantly declining and marketing times are six months or more. Also, of 331 residential sales through the Multiple Listing Service in 2011, the appraiser reported that 196 were distressed sales (short sale, foreclosure or court-ordered).

Under the sales comparison approach, the appraiser analyzed five sales located from .41 of a mile to 4.2-miles from the subject property. Two of the comparables are located on a "lake" and three are located on a river. The parcels range in size from 8,712 to 33,106 square feet of land area and are improved with two-story dwellings that are 6 to 90 years old. The dwellings range in size from 3,370 to 4,535 square feet of living area. Four of the comparables have crawl-space foundations and one has a partial basement with finished area. Each dwelling has central air conditioning, one to three fireplaces and a two-car to a four-car garage. Two comparables have in-ground pools and one also has a boathouse. These properties sold between January 2010 and July 2011 for prices ranging from \$300,000 to \$625,000 or from \$76.22 to \$150.49 per square foot of living area, including land.

The appraiser then adjusted the comparables for differences from the subject in land area, location, age, condition, room count, dwelling size, basement, basement finish, fireplaces, garage size and/or other amenities. In the addendum, the appraiser further explained that comparables #1 and #2 were superior in quality to the subject in upgrades, updates, finishing features, materials and modern interiors which then sold in "superior condition." The appraiser also acknowledged that comparable sale #4 sold in inferior condition with a remark in the listing "needs some TLC being sold as-is." This adjustment process resulted in adjusted sale prices for the comparables ranging from \$377,800 to \$493,800, including land. From this analysis, the appraiser estimated the subject's market value to be \$475,000 or \$154.22 per square foot of living area, including land.

Based on this evidence, the appellant requested an assessment reflective of the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$177,831. The subject's assessment reflects a market value of \$546,500 or \$177.44 per square foot of living area, land included, when using the 2012 three year average median level of assessment for McHenry County of 32.54% as determined by the Illinois Department of Revenue.

As to the appellant's appraisal report, McHenry Township Deputy Assessor Jessica Rogers presented a letter with various criticisms of the appraisal. She contended that the comparables in the appraisal report have significantly less water frontage than the subject with inconsistent adjustments in the appraisal for this difference. Moreover, no adjustment was made for the frame exterior construction of the comparable properties as compared to the brick exterior construction of the subject. Questions were posed regarding the downward adjustments for condition and construction of four of the comparable properties. The assessor contends that comparable sale #5 in the appraisal is located in Nunda Township and a different school district making it an inappropriate comparable property. Comparable sale #2 is located on a river, not on a bay like the subject. In addition, it was noted that comparable sales #2 and #3 in the appraisal sold in 2010 and comparable sale #4 was advertised as needing work/having condition issues making it an inappropriate comparable. The assessor asserted that all of the comparables in the appraisal were "significantly larger" by more than 700 to

1,500 square feet than the subject dwelling making these inappropriate comparables.

In support of its contention of the correct assessment the board of review through the McHenry Township Assessor's Office submitted information on three comparable sales located on Pistakee Bay. The comparable parcels range in size from 30,928 to 44,867 square feet of land area which are improved by a one-story, a 1.5-story and a two-story dwelling of frame or frame and masonry exterior construction. The dwellings were built between 1900 and 1982 and range in size from 2,624 to 3,416 square feet of living area. Features include full or partial basements, two of which have finished areas. Each comparable has central air conditioning, one or two fireplaces and garages.¹ Comparable #1 also has a 224 square foot shed. The comparables sold between July 2011 and May 2012 for prices ranging from \$459,000 to \$600,000 or from \$134.37 to \$209.60 per square foot of living area, including land.

As part of the grid analysis, Rogers also reported having "used the same adjustments by the appraiser, with the exception for land" for which she did not make an adjustment. This process resulted in reported adjusted sale prices ranging from \$471,200 to \$602,500. The assessing officials also included a chart depicting the locations of the appraisal comparables as Pistakee Lake, Pistakee Bay or "river" with commentary asserting the bay was "most prestigious" with lake and river being inferior.

In written rebuttal, appellant contended that board of review comparable #1 is a one-story dwelling which differs in design from the two-story subject dwelling making it an inappropriate comparable. Board of review comparable #2 also differs in design, but this home was "entirely renovated" making it a modern dwelling with more market appeal. As to board of review comparable #3, this was a foreclosure sale that was recently upgraded, updated and remodeled with superior market appeal.

While the assessor placed great weight on the amount of the subject's water frontage, the appellant contends that the subject's total lot size is significantly smaller than the comparables presented by the board of review. The appellant also asserted that board of review comparable #1 is in an area

¹ The grid depicts comparable #1 as having a 576 square foot garage; comparable #2 having a 736 square foot integral garage; and comparable #3 having both a 780 square foot attached garage and a 352 square foot integral garage.

of newer and more valuable homes with a quieter body of water more conducive to swimming and watersports.

Conclusion of Law

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. 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 submitted by the appellant with an estimated market value of \$475,000 as of January 1, 2012. The appellant's appraiser developed the sales comparison approach to value and made adjustments to the comparables for differences from the subject property. The sales utilized by the appraiser were similar to the subject in waterfront location and had varying degrees of similarity in dwelling size, foundation and/or exterior construction. These properties also sold between January 2010 and July 2011 which is proximate in time to the assessment date at issue of January 1, 2012. The appraised value for the subject property of \$475,000 is below the market value reflected by the assessment of \$546,500.

In summary, less weight was given to the comparable sales presented by the board of review. The Board finds board of review comparable #1 to be a dissimilar dwelling of one-story design as compared to the subject's two-story design. In addition this comparable has a basement that is twice the size of the subject's basement which makes it dissimilar along with having three times as much finished basement area when compared to the subject. The appellant also reported that comparables #2 and #3 presented by the board of review were superior in market appeal to the subject and the board of review did not refute the appellant's appraiser's opinion that the subject dwelling was in need of additional updating and modernization to be more in line with area homes.

Furthermore, after having disputed the appraisal adjustment process, the assessing officials adopted the same adjustment methodology that was criticized to their three sales. By using this adjustment process for each of the three comparable sales,

the assessing officials arrived at higher values than the recent sale prices which would indicate that each of the comparables was inferior to the subject, but there was no adjustment made for the much larger land sizes of these comparables. The Property Tax Appeal Board finds the adjustment methodology and process applied by the assessing officials to be contradictory and inaccurate.

Based on this record and the determination that the appraisal represents the best evidence of the subject's estimated market value, the Board finds the subject property had a market value of \$475,000 as of January 1, 2012. Since market value has been determined the 2012 three year average median level of assessment for McHenry County of 32.54% shall apply. (86 Ill.Admin.Code §1910.50(c)(1)).

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.

Chairman

K. L. Fan

Mario Alvarez

Member

Member

JR

Jerry White

Member

Acting Member

Robert Steffen

Acting 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 20, 2015

A. Proctor

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.