



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

APPELLANT: Vickey Leadingham  
DOCKET NO.: 12-04039.001-R-1  
PARCEL NO.: 09-14-200-014

The parties of record before the Property Tax Appeal Board are Vickey Leadingham, the appellant, and the LaSalle 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 LaSalle County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$13,981  
**IMPR.:** \$28,630  
**TOTAL:** \$42,611

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the LaSalle 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 one-story single-family dwelling with a loft area. The home has frame exterior construction with 1,686 square feet of living area. The dwelling was constructed in 2005. Features of the home include a full unfinished basement, central air conditioning, a fireplace and an attached two-car garage. The property has a

1.29-acre site and is located in Serena, Serena Township, LaSalle County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant reported the February 7, 2012 purchase of the subject property for \$126,000 and also submitted an appraisal estimating the subject property had a market value of \$128,000 as of January 5, 2012.

As to the recent sale, the appellant reported the subject property was purchased on February 7, 2012 for \$126,000 from the Federal Home Loan Corporation. The parties to the transaction were not related, the property was sold using a Realtor and the property was advertised for sale in the local newspaper and with the Multiple Listing Service [MLS] since August 2, 2011. The property was sold in settlement of a foreclosure, but the seller's mortgage was not assumed and no monies were expended on renovations prior to occupying the property.

The appraisal report was prepared in connection with a purchase transaction and was prepared for PNC Mortgage with the borrower being the appellant. The appraiser reported the subject property was on the market for 156 days with an original listing in August 2011 of \$173,500 with a subsequent asking price reduction to \$124,900 until the contract was executed on December 27, 2011 for \$126,000. The subject property was sold as an REO in "as-is" condition, "however, significant repairs have been performed."

As part of the report, the appraiser noted there was evidence of water in the basement, although the basement was dry on the day of inspection; according to the Realtor, the basement flooded when the power was off. As of the date of inspection both sump pumps were operational. In the Addendum, the appraiser also reported that the front door was damaged and did not work properly it being a safety issue with a photograph depicting a damaged door and jam. In addition, the appraiser noted exposed wood on the door frame of the man-door to the garage and a missing strip of siding on the side of the garage under the overhang.

The appraiser performed both the cost and sales comparison approaches to value. In the cost approach, the appraiser opined an estimated market value of \$161,400. In the sales comparison approach, the appraiser analyzed four comparable sales and two active listings. The sales and asking prices ranged from \$87,500 to \$208,999 or from \$60.76 to \$135.07 per square foot of

living area, including land. The four sales occurred in January and August 2011. Adjustments were made to the active listings for date of sale and to each of the comparables for differences in lot size, quality of construction, condition, room count, dwelling size, basement, basement finish, garage size and/or fireplace amenity. The adjusted sale prices ranged from \$117,000 to \$176,999.

In reconciliation, the appraiser gave most weight to sales #1 through #3 with sale #4 given next consideration along with support from the two active listings #5 and #6.

The appellant's appraiser stated in pertinent part:

The subject sold and appraised for a significantly lower value than the median sale for the area. This is because the subject is in inferior condition than the median sale and because the subject is a repossession. There is a risk associated with buying REO's and as a result they sell and appraise for less. This does not mean the subject is an under-impovement [sic], the appraised and sales prices have been determined by the market.

As part of the appraisal report, the appellant's appraiser also performed a Market Conditions Addendum wherein he reported that of thirteen closed sales, four were foreclosure and four were short sales. The appraiser further noted that both foreclosures and short sales were among the active listings. He also found that foreclosures were affecting the market.

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 \$52,971. The subject's assessment reflects a market value of \$159,120 or \$94.38 per square foot of living area, land included, when using the 2012 three year average median level of assessment for LaSalle County of 33.29% as determined by the Illinois Department of Revenue.

The board of review submitted a memorandum from Benjamin L. Dolder, Chairman of the LaSalle County Board of Review, along with additional data. In the memorandum, Dolder outlined adjustments the board of review felt were necessary to the appellant's appraisal report as set forth in red pen "to show a

more accurate market value." Although appellant's appraisal sales #2 and #3 were REO properties, the board of review disputed the lack of an adjustment for this fact "in spite of historical evidence that REO's consistently sell for discounts which can vary between 10%-50%." The board of review also adjusted land size differences based on \$12,000 per acre "which is supported by local sales data." Furthermore, the memorandum set forth a dispute with the half-bath adjustment making it \$2,000, dwelling size adjustments making them at \$40 per square foot and lack of a basement adjustment at \$15,000. After these modifications to the adjustments of appellant's sales #1 through #3, the board of review set forth adjusted sales prices ranging from \$134,290 to \$153,530 in the appellant's appraisal report.

In support of its contention of the correct assessment the board of review submitted an appraisal for taxing purposes using sales from 2011, 2010 and 2009 estimating the subject property had a market value of \$160,000 as of January 1, 2012. The appraiser only performed an exterior inspection of the subject property.

Despite the subject property record card reporting a dwelling size of 1,679 square feet of living area,<sup>1</sup> the board of review's appraiser reported a dwelling size of 1,700 square feet for the subject and the appraiser failed to include a schematic or any other evidence to support his stated dwelling size.

The appraiser utilized the sales comparison approach to value and analyzed six comparable sales that occurred between August 2009 and September 2011 for prices ranging from \$160,000 to \$239,000 or from \$81.48 to \$150.00 per square foot of living area, including land. The comparables consist of a "custom,"<sup>2</sup> a split-level and four one-story dwellings that were 4 to 11 years old. The comparable dwellings range in size from 1,200 to 2,700 square feet of living area and feature full or partial basements, two of which have finished areas. The appraiser made adjustments for location, lot size at \$2,500 per acre, exterior construction, condition, bathroom count at \$1,500 per half-bath, dwelling size at \$18 per square foot, basement finish, porch/patio and/or fireplace amenity differences. The appraiser set forth adjusted sales prices ranging from \$153,400 to \$203,350.

As part of the summary of the sales comparison approach, the appraiser reported "While it is accepted practice to use

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<sup>1</sup> On page 2 of the appraisal report, the appraiser asserted that "assessor records" present a gross living area for the subject of 1,737 square feet.

<sup>2</sup> The photograph of this dwelling a 1.5 or 2-story dwelling.

distressed properties for a distressed sale, for tax purposes only 'arms length' sales are used for valuation purposes in this appraisal." He further reported that two foreclosures, sales #2 and #3, were added, but were not considered in determining his opinion of value.

In searching for comparable newer, smaller dwellings in unincorporated areas within a ten mile radius from the subject, the appraiser found sixteen sales ranging from \$160,000 to \$265,000, where eight sales were foreclosures and one was a short sale.

Based on the foregoing evidence and argument, the board of review requested confirmation of the subject's assessment.

### 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 Property Tax Appeal Board has given no consideration to the adjustments to the appellant's appraisal report made by the board of review. First, there was no indication who made the adjustments and whether or not the individual who made the adjustments had any qualifications such as a licensed appraiser. Second, the Board takes note that the adjustments made by the board of review are contrary to the adjustments made by the board of review's own appraiser in his appraisal report which further detracts from the credence of the board of review's adjustment process. Lastly, the board of review made assertions about the historical sales of REO properties being discounted and acreage price adjustments with no substantive evidence to support either of those assertions. Moreover, the range of adjusted sales prices in the appellant's appraisal report of \$134,290 to \$153,530 does not support the subject's estimated market value as reflected by its assessment of \$159,120.

Additionally, the Board has given little weight to the value conclusion of the board of review's appraisal report as the appraiser analyzed four sales that occurred in 2009 and 2010

which dates are remote in time to the valuation date of January 1, 2012 and thus less likely to be indicative of the subject's estimated market value, particularly where there are no time adjustments made to the sale prices. Furthermore, the appraiser only included two sales, #3 and #4 which occurred in 2011, but the appraiser reported giving no weight to sale #3 as it was a foreclosure which leaves one recent sale for consideration.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant with an estimated market value of \$128,000. The appraiser performed both an interior and exterior inspection of the subject property and documented the condition issues. The appraiser also did not utilize any split-level dwellings as comparables to the subject one-story home. Additionally, the appellant's appraiser selected comparable sales that occurred more proximate in time to the valuation date at issue of January 1, 2012. Finally, the appraisal value conclusion is further supported by the actual sale of the subject property in February 2012 for \$126,000 after the property had been advertised for sale since August 2, 2011. This is further supported by the submission by the board of review of the subject's MLS data sheet depicting the property was on the market for 148 days.

The Board also takes notice of Public Act 96-1083 which amended the Property Tax Code adding sections 1-23 and 16-183 (35 ILCS 200/1-23 & 16-183), effective July 16, 2010.

Section 1-23 of the Property Tax Code provides:

Compulsory sale. "Compulsory sale" means (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. [Emphasis added]

Section 16-183 provides:

Compulsory sales. 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.

The Board finds the effective date of these statutes is applicable to the assessment date at issue, January 1, 2012. Moreover, the Board finds these statutes are instructive as to the appellant's 2012 purchase price of the subject property as an REO property.

The subject's assessment reflects a market value of \$159,120, which is above the best evidence of market value in the record. The Board finds the subject property had a market value of \$128,000 as of the assessment date at issue. Since market value has been established the 2012 three year average median level of assessments for LaSalle County of 33.29% as determined by the Illinois Department of Revenue 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.

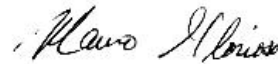
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Chairman



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Member



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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: August 21, 2015



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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.