



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

APPELLANT: Thomas E. & Mary J. Carney
DOCKET NO.: 15-00714.001-R-1
PARCEL NO.: 14-23-376-001

The parties of record before the Property Tax Appeal Board are Thomas E. & Mary J. Carney, the appellants, by attorney Thomas E. Davies of Thomas E. Davies, P.C. in Morton; and the Peoria County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **No Change** in the assessment of the property as established by the **Peoria** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$108,500
IMPR.: \$45,820
TOTAL: \$154,320

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Peoria County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2015 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 is improved with a two-story dwelling of masonry construction with 10,933 square feet of living area. The dwelling was constructed in 1916. Features of the home include a partial basement, two fireplaces and an attached garage with 1,050 square feet of building area. The property has a 2.27 acre or 98,881 square foot site and is located in Peoria Heights, Richwoods Township, Peoria County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument the appellants submitted an appraisal estimating the subject property had an "as is" market value of \$395,000 as of January 1, 2015. The appraisal was prepared by Brad Glassey, a certified general real estate appraiser.

The appraiser described the subject property as a large lot improved with an owner-occupied residence. The purpose of the appraisal was to arrive at an opinion of fair market value as of January 1, 2015, assuming the property is owned in fee simple. The appraiser described the subject property as being located in Peoria Heights on Grandview Drive with an Illinois River view and frontage on the Peoria Country Club Golf Course.

The appellants' appraiser described the subject as being improved with a very large older residence that is approximately 100 years old and, for the most part, has not been significantly updated. The appraiser further stated that that dwelling suffers from significant physical and functional obsolescence, including the following:

The heating system is a larger older gas conversion boiler that is antiquated and inefficient.

There are a large amount of asbestos pipes in the basement.

The subject lacks air conditioning.

Due to the construction of the subject, upgrading the heating and cooling would be very costly.

The windows are antiquated, inefficient, and extensive.

The large amount of windows, and the large windows in the front room would be very costly to replace.

Portions of the basement show damage and wear, including some crumbling concrete and significant rust on steel structural beams.

The electrical system is older and inadequate by modern standards.

The kitchen and bathrooms are extremely dated, as are all the fixtures.

The indoor pool, while it appears to be functional, is older (over 40 years old) and is a super-adequacy.

The room sizes and layout are unusual and not up to modern standards for the kitchen, bathrooms, bedroom size, and master suite.

The overall layout is unusual and not in line with modern expectations.

The appraiser stated:

The extent of the physical and functional obsolescence results in improvements that have exceeded their useful economic life. Given the expected cost to cure for the curable items, and the extensive remaining obsolescence due to the incurable items, the improvements are overall a detriment to the subject. It is the appraiser's

opinion that the subject's highest and best use is for redevelopment, and that demolition rather than renovation of the subject property will produce the highest net return. (Appraisal, p. 22.)

The appraiser was of the opinion that the highest and best use of the subject property is as-if vacant and ready for development. He contends that the improvements do not have a positive contributory value to the site and were a detriment. The appraiser asserted this opinion was based upon the four criteria of highest and best use of the land as vacant and ready for development and as improved. He went on to state in the report that the property value as improved, is less than the value of the site as if vacant, and thus demolition of the improvements to render the site vacant and ready for development is consider to be the highest and best use of the property. (Appraisal, p. 23.)

In estimating the market value of the subject property the appraiser developed the sales comparison approach to value using three vacant land sales that ranged in size from 17,772 to 43,560 square feet of building area. The comparables sold from June 2013 to September 2013 for prices ranging from \$108,900 to \$250,000 or from \$5.02 to \$6.13 per square foot of land area. The appraiser made adjustments to the comparables for size and view to arrive at adjusted prices ranging from \$5.27 to \$6.24 per square foot of land area. The appraiser estimated the subject site had an estimated value of \$5.50 per square foot of land area or \$545,000, rounded.

The appraiser then stated in the report that the mostly likely demolition costs associated with removing the improvements would be from \$110,000 to \$140,000. He further stated that considering both the estimated demolition costs as well as time lost and additional risk, the effect on the market value would be somewhat larger, from \$120,000 to \$150,000. (Appraisal, p. 28.) The appraiser deducted \$150,000 for the value of the improvements from the value of the site as if vacant to arrive at an estimated as-is market value of \$395,000. Based on this evidence the appellant requested the subject's assessment be reduced to \$131,666.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$154,320. The subject's assessment reflects a market value of \$462,960 or \$42.35 per square foot of living area, land included, when using the statutory level of assessment.

In support of its contention of the correct assessment the board of review submitted information on two comparable sales located in the subject's neighborhood improved with two-story dwellings that had 5,525 and 5,585 square feet of living area. The dwellings were constructed in 1927 and 1936. Each comparable has a basement, central air conditioning and one fireplace. The sales occurred in November 2013 and May 2015 for prices of \$535,000 and \$448,000 or for \$95.79 and \$81.09 per square foot of living area, respectively.

Conclusion of Law

The appellants contend 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 appellants did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellants submitted an appraisal estimating the subject property had a market value "as-is" of \$395,000. In estimating the market value of the subject the appellant's appraiser determined that the highest and best use of the subject was not as currently improved but as-if vacant and ready for development. The Board finds, however, the appraiser's highest and best use analysis within the report to support this conclusion is lacking. The highest and best use analysis section of the appraisal is contained on one page (page 23), which included the definition of highest and best use and the list of the four stages of analysis. The appraiser's conclusion of highest and best use is one conclusory paragraph with no analysis of the four stages. Although the appraiser listed the four tests to develop adequate support for the highest and best use opinion, there was no analysis or discussion within the report of each of these elements as they relate to an opinion of highest and best use of the subject as vacant and an opinion of highest and best use of the subject as improved. To justify the conclusion that the highest and best use of the subject property was as-if vacant and ready for development the appraiser should have made a showing that the value of the subject as vacant less the demolition costs of the residential improvements was greater than the value of the property as currently improved with the residence. The appraiser simply made a conclusory statement that the improvements do not have a positive contributory value to the site. The appraiser's conclusion of highest and best use is particularly troubling given that the dwelling is owner occupied as stated in his report. Based on this lack of analysis, the Board finds the appraiser's conclusion of highest and best use and, ultimately, the conclusion of value based on his conclusion of highest and best use is not credible.

The Property Tax Appeal Board finds the board of review did submit information on two comparable sales improved with two-story dwellings that had 5,585 and 5,525 square feet of living area. The dwellings were slightly newer than the subject dwelling being constructed in 1927 and 1936. These dwellings were also described as being in excellent condition while the subject property was described as being in average condition. These properties sold for prices of \$535,000 and \$448,000 or for \$95.79 and \$81.09 per square foot of living area, including land, respectively. The subject's assessment reflects a market value of \$462,960 or \$42.35 per square foot of living area, land included, which is within the overall price range but below the range on a square foot of living area basis. The subject's assessment appears appropriate when considering the dwellings size and condition as described in the appellant's appraisal. Furthermore, due to the fact the improvements do not appear to contribute significantly to the overall value of the subject property, the subject's assessment reflects a market value of \$4.68 per square foot of land area including the improvements. This value seems justified when reviewing the vacant land sales in the appellant's appraisal that ranged from \$5.02 to \$6.13 per square foot of land area.

In conclusion, the Property Tax Appeal Board finds that a reduction in the subject's assessment is not 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.



Chairman



Member



Member



Member



Acting Member

DISSENTING: _____

CERTIFICATION

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 24, 2017



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.