



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

APPELLANT: Farhan & Nida Khan
DOCKET NO.: 15-01193.001-R-1
PARCEL NO.: 08-12-179-005

The parties of record before the Property Tax Appeal Board are Farhan & Nida Khan, the appellants, by attorney William I. Sandrick, of Sandrick Law Firm LLC, in South Holland, and the Kane County Board of Review.

Based on the facts and exhibits presented in this matter, 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: \$82,767
IMPR.: \$508,841
TOTAL: \$591,608

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Kane 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 consists of a custom built two-story single-family dwelling of brick and stone exterior construction with approximately 10,383 square feet of living area.¹ The dwelling was constructed in approximately 2007.² Features of the home include a full basement with finished area, central air conditioning and garage(s) with total storage for six cars. The property

¹ The appellants' appraiser reported a dwelling size of 10,383 square feet and included schematic drawings of the subject. The assessing officials reported a dwelling size of 9,383 square feet in the grid analyses, but failed to provide a copy of the subject's property record card or any other support for the stated dwelling size. Based on the lack of supporting evidence, the Board has accepted the appraiser's stated dwelling size.

² The appellants' appraiser reported the subject dwelling was 13 years old, but provided a copy of the previous listing of the subject indicating a construction date of 2008.

also features an in-ground swimming pool, a pond and a patio. The property has a 68,589 square foot site³ and is located in St. Charles, Campton Township, Kane County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument, the appellants submitted a Restricted Appraisal Report prepared by Michael J. DeSuno. The appraiser reported that the most recent sale of the subject property occurred in January 2013 for a purchase price of \$1,775,000. For this report, the appraiser estimated the subject property had a market value of \$1,775,000 as of January 1, 2015. The appraisal specifies at the top of page 1:

This report is limited to the sole and exclusive use of the client. The rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile. The purpose of this appraisal is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

The appraisal's intended use was "valuation for property tax purposes." As to the comments on the subject improvement, the appraisal states, "See Attached Addendum," but there is no such document included with the report. Additionally, in the reconciliation portion of the report, the appraiser again refers to an attached addendum which is not part of the report. Also in the reconciliation portion of the report, the appraiser noted that both the sales comparison and cost approaches were "employed," but the report in this record fails to depict a cost approach to value.

In the sales comparison portion of the report, the appraiser noted that the subject is larger than typical for the area. The appraiser outlined data on six comparable sales located in St. Charles and within 5.37-miles of the subject property. The comparable parcels range in size from .71 to 5.64-acres of land area which are improved with two-story dwellings that were 7 to 11 years old. The homes range in size from 7,280 to 10,526 square feet of living area and feature full basements with finished area, central air conditioning and four-car or five-car garages. Four of the comparables have pools. Comparables #1 and #6 each also have a pond. The comparables sold between May 2014 and August 2015 for prices ranging from \$1,260,000 to \$1,905,000 or from \$137.75 to \$233.52 per square foot of living area, including land.

The appraiser made upward and downward adjustments to the comparables for differences from the subject in site size at \$100 per acre; number of bedrooms at \$10,000 per room; in bathroom count; living area square footage; garage size at \$10,000 per car space; and for differences in porch/patio/deck that included pool and pond differences also. From this analysis, the appraiser arrived at adjusted sales prices ranging from \$1,366,500 to \$1,994,600.

In reconciliation, the appraiser wrote that most weight was given to the sales comparison approach and "secondary influence was given to the cost approach, but data was limited for the subject market area." Finally, the appraiser noted that comparables #1 and #5 were given the

³ The appellants' appraiser reported a site size of 1.7-acre which would be approximately 74,052 square feet of land area. In the brief prepared by appellants' counsel and the grid analysis presented by the board of review, each of these documents refers to a land area of 68,589 square feet. The Board has accepted the assertions of counsel and the assessing officials as to lot size.

greatest weight due to being closest in proximity to the subject, although comparable #6 is similarly distant from the subject as comparable #5 according to the report.

Based on this evidence, the appellants requested an assessment reflective of the appraised value at the statutory level of assessment.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$637,266. The subject's assessment reflects a market value of \$1,913,137 or \$184.26 per square foot of living area, land included, when using the 2015 three year average median level of assessment for Kane County of 33.31% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a memorandum and data gathered by the township assessor. In the memorandum, the assessor noted that the subject was purchased in December 2012 for \$1,774,000 as a special warranty and a bank REO transfer. As to the appellants' appraisal report, the assessor noted the value conclusion "is totally unreasonable for this building in this area and contrary to a recent Appraisal." The assessor provided portions of two appraisals prepared concerning the subject property; one has reflects an estimated market value as of October 28, 2011 of \$1,900,000 and the other reflects an estimated market value as of December 17, 2012 of \$1,800,000. In further support of rising property values since the subject's purchase date, the assessor included a Case-Schiller Home Price Index chart for the Chicago area dated May 2015.

As to the appraisal's comparable sales, the assessor remarked that only comparable #6 is located in Campton Township.

In support of its contention of the correct assessment the board of review through the township assessor submitted information on five comparable sales located from .60 to 3.08-miles from the subject property. Board of review comparable #5 is the same property as appraisal sale #6 with differences in dwelling size reported by the respective parties. The five comparable parcels range in size from .47 to 1.6-acres of land area which are improved with two-story dwellings that were 9 or 10 years old. The homes range in size from 4,705 to 6,062 square feet of living area and feature basements with finished area, central air conditioning and garages ranging in size from 942 to 1,141 square feet of building area. The assessing officials reported the subject has a look-out style basement and each of the comparables have a walkout style basement. The assessing officials also did not note the subject's pool or pond in the grid analysis; similarly there is no data whether the comparable properties have a pool and/or a pond. The board of review's comparables sold between June 2012 and August 2015 for prices ranging from \$1,015,000 to \$1,300,000 or from \$198.79 to \$220.28 per square foot of living area, including land.

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

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 met this burden of proof and a reduction in the subject's assessment is warranted.

As an initial matter, the Property Tax Appeal Board recognizes that as provided in the Uniform Standards of Professional Appraisal Practice, a Restricted Appraisal Report is for client use only. (See Advisory Opinion 11 (AO-11), *Uniform Standards of Professional Appraisal Practice, 2002 Edition*, The Appraisal Foundation, p. 146; *Uniform Standards of Professional Appraisal Practice and Advisory Opinions, 2006 Edition*, The Appraisal Foundation, p. 137. See also Standard Rule 2-2(c), *Uniform Standards of Professional Appraisal Practice, 2002 Edition*, The Appraisal Foundation, p. 27; and *Uniform Standards of Professional Appraisal Practice and Advisory Opinions, 2006 Edition*, The Appraisal Foundation, p. 28, explaining that a Restricted Use Appraisal is for client use only.) This type of report is not intended to be used by parties other than the client. In this instance the client was identified as Dr. Farhan A. Khan, one of the appellants. Second, the Board finds the appraisal discussed the existence of a cost approach, but no cost approach was present in the report that was filed. Third, the report referenced on two occasions an addendum which was not present in the report that was filed.

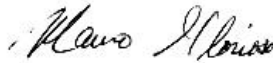
However, in examining the entire record, the Board finds that this potentially flawed appraisal report is actually the best evidence of market value in the record when considering the data provided by the assessing officials. The Board has given little weight to the board of review comparable sales which either were dated (having sold in 2012) or are significantly smaller than the subject dwelling ranging in size from 4,705 to 5,817 square feet of living area when the subject has a reported dwelling size of 9,383 square feet of living area.

The Board further recognizes that the parties had a common comparable property which sold in August 2015 for \$1,260,000, however, the parties disagreed on the dwelling size of this home. The appellants' appraiser reported a dwelling size of 8,680 square feet of living area with support from a Multiple Listing Service data sheet with the source identified as the builder; the appraiser reflected a sale price of \$145.16 per square foot of living area, including land. The assessing officials reported a dwelling size for this property of 5,720 square feet of living area along with a finished basement area of 2,851 square feet,⁴ but there was no property record card or other supporting documentation for the assessor's stated dwelling size; the assessor reflected a sale price of \$220.28 per square foot of living area, including land. The Board finds that it is undisputed that the subject dwelling is larger than either of these reported dwelling sizes for the common comparable property.

The subject's assessment reflects a market value of \$1,913,137 or \$184.26 per square foot of living area, including land, which is above the appraised value of \$1,775,000 or \$170.95 per square foot of living area, including land. On this limited record, the Board finds the subject property had a market value of \$1,775,000 as of the assessment date at issue. Based on this evidence the Board finds a reduction in the subject's assessment commensurate with the appellants' request is warranted.

⁴ Combining these two finished areas results in a total of 8,571 square feet.

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



Acting 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: June 23, 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.