



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

APPELLANT: Michael & Noreen Potempa  
DOCKET NO.: 16-04114.001-R-1  
PARCEL NO.: 07-34-301-037

The parties of record before the Property Tax Appeal Board are Michael & Noreen Potempa, the appellants, by attorney Michael Elliott, of Elliott & Associates, P.C. in Des Plaines, and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$ 51,215  
**IMPR.:** \$163,763  
**TOTAL:** \$214,978

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellants timely filed the appeal from a decision of the Lake County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2016 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 exterior construction with 4,256 square feet of living area. The dwelling was constructed in 2000. Features of the home include a full unfinished basement, central air conditioning, three fireplaces<sup>1</sup> and a 748 square foot garage. The property has a 58,413 square foot or a 1.34-acre site and is located in Libertyville, Warren Township, Lake County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument the appellants submitted an appraisal prepared by Kenneth W. Sorensen as supervised by Michael J. Sullivan, SRA, estimating the subject property had a market value of \$645,000 or \$151.55 per

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<sup>1</sup> The appellants' appraiser reported two fireplaces and the board of review reported three fireplaces. The Property Tax Appeal Board finds this discrepancy in amenities does not prevent a determination of the correct assessment on this record.

square foot of living area, including land, as of January 1, 2016. To arrive at this conclusion, Sorensen utilized both the cost and the comparable sales approaches to value.

As to the subject's neighborhood, the appraiser reported the subject is in a subdivision of 54 one or two-acre sites on rolling wooded terrain; the subdivision was developed by independent builders with typical homes ranging in size from 3,200 to 5,000+ square feet of living area. The subdivision has a main entry gate with jogging paths, tennis courts and common pond areas. The appraiser reported that market appeal "stems from the good accessibility to highways with sewer and water utilities." As to market conditions, Sorensen opined this was a slow market and reported there were nine listings ranging from \$479,000 to \$738,000 with a median list price of \$575,000. He reported the average days on the market for these listings was 538 days. Sorensen also wrote, "The median list price is below the typical predominant value of the sales price range listed above \$625,000, which reflects all sales since 1/1/2013. Brokers are reporting strong market resistance to homes priced over \$600,000+ due to the rising real estate tax bills."

Under the cost approach the appraiser estimated the subject had a site value of \$125,000. The appraiser estimated the reproduction cost new of the improvements to be \$612,130. The appraiser estimated depreciation to be \$87,447 resulting in a depreciated improvement value of \$524,683. The appraiser also estimated the site improvements had a value of \$40,000. Adding the various components, the appraiser estimated the subject property had an estimated market value of \$689,700 under the cost approach to value.

As to sales in the subject's subdivision, Sorensen reported that since January 1, 2014, there have only been four sales within the subdivision, two of which were REO properties. He reported the two non-REO sales were considered in the sales comparison approach as sales #1 and #2. Comparable sale #1 was the most recent sale and similar to the subject in age. Comparable #2 was similar to the subject in dwelling size and basement with adjustments for the bonus room. Comparable sale #4 was located in nearby River Bend Subdivision which had three sales in 2016 of \$660,000, \$780,000 and \$787,000. In contrast, the subject subdivision's median list price is \$550,000 according to Sorensen and comparable #4 was adjusted for size, location and differences in basement when compared to the subject.

Using the sales comparison approach, Sorensen analyzed three sales and one active listing of properties located within a mile from the subject property. The comparable parcels range in size from .66 of an acre to 1.27-acres of land area. Each parcel has been improved with a brick or cedar constructed dwelling that was built between 1994 and 1999. The homes range in size from 2,879 to 4,854 square feet of living area. Features include basements, two of which have finished areas with bathrooms. Each home has central air conditioning, two or three fireplaces and a three-car garage. Comparables #1 and #4 each have in-ground swimming pools. The three comparables sold between February 2015 and March 2016 for prices ranging from \$457,500 to \$780,000 or from \$158.91 to \$163.85 per square foot of living area, including land. Comparable #3 was a listing with an asking price of \$699,900 or \$176.39 per square foot of living area, including land.

Sorensen adjusted the comparable listing by 5% based upon the ratio of listing price to sales price. As part of the report, the appraiser contended a \$100,000 adjustment would be justified for comparable #4 for location and the differences in median sales prices between the subject's

subdivision and that for comparable #4. He also made adjustments to comparable #1 for financing concessions and adjusted the comparables for site size, dwelling size, bathroom count, basement size, basement finish, walkout-style basement, fireplace, bonus room and/or pool amenity. From this process, the appraiser estimated adjusted prices ranging from \$535,000 to \$680,500. Based upon the foregoing data and adjustment process, Sorensen opined a market value for the subject property under the sales comparison approach of \$645,000.

In reconciliation, the appraiser gave most weight to the sales comparison approach with support from the cost approach. Based upon the appraisal, the appellants requested an assessment reflective of the appraised value conclusion.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$222,708. The subject's assessment reflects a market value of \$671,616 or \$157.80 per square foot of living area, land included, when using the 2016 three year average median level of assessment for Lake County of 33.16% as determined by the Illinois Department of Revenue.

As to the appellants' appraisal evidence, the board of review reiterated the three sales and one listing in a grid analysis with commentary. The board of review noted that the value opinion was at the low end of the range of comparable sales on a per-square-foot basis. Appraisal sale #1 was also noted to be 32% smaller than the subject dwelling along with having a smaller basement than the subject. Appraisal sale #2 was noted to have a significant smaller basement than the subject dwelling. Appraisal sale #4 was noted as being outside the subject's subdivision and in neighboring Libertyville Township along with having a much smaller lot than the subject property.

In support of its contention of the correct assessment the board of review submitted information on four comparable sales located within a half-mile from the subject property. The comparable parcels range in size from 40,019 to 57,474 square feet of land area. Each parcel is improved with either a 1.5-story or a two-story brick dwelling that was built between 1990 and 2006. The homes range in size from 3,490 to 4,476 square feet of living area. Each home has a basement with finished area, central air conditioning, one to four fireplaces and a garage ranging in size from 783 to 972 square feet of building area. The comparables sold between April 2014 and July 2016 for prices ranging from \$685,000 to \$980,000 or from \$161.39 to \$220.08 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.

In written rebuttal, counsel for the appellants argued the board of review submitted "raw/unconfirmed sales data" without documentary support such as the transfer declarations to establish that the sales were arm's-length transactions. Furthermore, it was argued that the board of review's submission lacks adjustments for differences when compared to the subject property. Finally, counsel addressed each board of review comparable asserting each property was superior to the subject property citing dwelling size, basement size, basement finish, garage size and/or age with only one comparable being inferior in dwelling size to the subject.

### **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.

The parties submitted an appraisal of the subject property as retained by the appellants and four comparable sales as presented by the board of review to support their respective positions before the Property Tax Appeal Board. The Board gives reduced weight to board of review comparables #1, #2 and #3 as these sales occurred in April and June 2014 which are remote in time to the valuation date at issue of January 1, 2016 and particularly in light of the more recent sales in the record.

The Board finds the best evidence of market value to be the appraisal submitted by the appellants along with board of review comparable sale #4 which sold in July 2016 for \$725,000 or \$161.97 per square foot of living area, including land. The Board finds this board of review comparable sale is a newer property than the subject and has a substantial area of finished basement as compared to the subject's unfinished basement which indicates that this comparable is superior in age and basement finish when compared to the subject. Additionally, the board of review had no criticisms of appraisal sale #3 which sold in October 2016 for \$600,000 or \$151.21 per square foot of living area, including land.

The appellants' appraiser opined a market value of \$645,000 or \$151.55 per square foot of living area, including land, which appears justified when considering the adjustments made for differences along with consideration of adjustments to board of review comparable #4 and the unrefuted sale price of appraisal sale #3. The subject's assessment reflects a market value of \$671,616 or \$157.80 per square foot of living area, including land, which is above the appraised value and not supported by superior board of review comparable #4. The Board finds the subject property is overvalued and a reduction in the subject's assessment commensurate with the appellant's request 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.

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Chairman



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Member

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Member



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Member

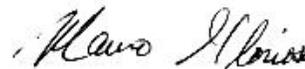
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Member

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: December 23, 2019



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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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

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