



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

APPELLANT: Gerald R. Teegen
DOCKET NO.: 18-00768.001-R-1
PARCEL NO.: 10-36-100-003

The parties of record before the Property Tax Appeal Board are Gerald R Teegen, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, P.C. in Chicago, and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$25,476
IMPR.: \$51,594
TOTAL: \$77,070

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant 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 2018 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 dwelling of wood siding exterior construction with 1,476 square feet of living area. The dwelling was constructed in 1957. Features of the home include a crawl-space foundation, a fireplace and a 364 square foot attached garage. In 2016, both a 588 square foot detached garage and a 900 square foot steel utility shed were constructed. The property has a 1.27-acre or 55,335 square foot site and is located in Mundelein, Fremont Township, Lake County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Gregory Nold, a Certified General Real Estate Appraiser with the MAI designation. The appraisal was prepared for an *ad valorem* assessment appeal using the comparable sales approach to value wherein the appraiser estimated the subject property had a market value of \$150,000 as of January 1, 2017.

The report indicates the parcel number being appraised is 10-36-100-003. However, in the subject's transfer history section, Nold recognized the last sale in August 2015 was non-arm's length between related parties and "included additional real estate (PIN 10-36-100-003) that is not part of this appraisal analysis." There is no explanation for this factual conflict.¹ Nold reported having performed an interior and exterior inspection of the subject property on October 29, 2018. However, nothing in the appraisal report describes either of the two detached structures (garage and shed) located on the parcel which were each built in 2016. There is no schematic drawing of the subject property in the report and the photographs in the appraisal do not depict either of these detached buildings. The appraiser reported the subject dwelling to be adequately maintained and in somewhat average condition for the area. He noted the dwelling was typical for a local 60-year-old home with original windows, kitchen and full bathroom.

The appraiser asserted the subject's location, with respect to a residential use, was negatively impacted by its unincorporated status and its position along a busy commercial road with elevated traffic levels and congestion. Development across from the subject on Mundelein Road includes a one-story commercial, a two-story office and a very large cell tower. For these reasons, Nold factored in significant external obsolescence. He further noted the subject's site was of an inefficient shape limiting overall development potential on a per square foot basis.

The appraiser analyzed five comparable sales in Mundelein that were located from .33 to 1.80-miles from the subject. The comparables have sites that range in size from 7,285 to 21,875 square feet of land area and were improved with a one-story, a raised ranch and three, split-level dwellings that were 39 to 59 years old. Comparable #2 has a residential/average view as compared to the subject and remaining comparables with busy views of commercial, high school or fire department. The parcels in comparables #1 and #2 each have lake rights included. The dwellings range in size from 893 to 1,384 square feet of living area. Four of the comparables have full or partial basements, three of which have finished areas. Each dwelling has central air conditioning and a one-car or a two-car garage. Two comparables each have a fireplace. Two of the comparable sales have "good/average" kitchen/bath finishes as compared to the subject and remaining properties with "average/average" kitchen/bath finishes. The comparables sold from September 2014 to July 2016 for prices ranging from \$134,500 to \$185,000 or from \$108.38 to \$165.73 per square foot of living area, land included.

Nold applied adjustments to the comparables for differences in rights appraised for the "lake rights" properties, location when incorporated and/or residential as opposed to unincorporated/commercial. Adjustments were also applied for differences in lot size, age, number of bathrooms, dwelling size, foundation and/or finished basement, central air conditioning feature, garage size, number of fireplaces and/or porch/patio amenities. Through this process, the appraiser opined adjusted sales prices ranging from \$140,500 to \$159,400 or from \$105.27 to \$169.43 per square foot of living area, including land. As a result, Nold arrived at an estimated market value for the subject of \$150,000 or \$101.63 per square foot of living area, including land, as of January 1, 2017. Based on this evidence, the appellant requested an assessment reflective of the appraised value.

¹ A copy of the subject property record card supplied by the board of review includes a memorandum that in August 2015, the parcel sold with 10-36-100-019.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$77,070. The subject's assessment reflects a market value of \$232,981 or \$157.85 per square foot of living area, land included, when using the 2018 three year average median level of assessment for Lake County of 33.08% as determined by the Illinois Department of Revenue.

In response to the appellant's appraisal evidence, the board of review presented two pages of critiques, including that the appraisal presents an effective valuation date one year prior to the assessment date at issue of January 1, 2018, along with supporting documentation. As argued by the board of review, the appraisal relies upon comparable sales that closed 17 to 37 months prior to January 1, 2018. The three of the five comparable sales in the appraisal are split-level designed dwellings as compared to the subject's one-story design and each of the comparables are located in subdivisions whereas the subject is not in a subdivision. As to the subject's location, the board of review also argued that being bordered on two sides by commercial development makes the subject "extremely attractive for annexation and commercial development." The appraiser's site area adjustments were asserted by the board of review to be unreasonable. The most recent listing indicated the subject had public water and sewer available at the site and the appraisal indicates only private well and septic service for the subject. The board of review also noted that the appraisal report submitted by the appellant fails to include both a 30' by 30' and a 20' by 20' building located on the subject parcel. Lastly as to the appellant's evidence, the board of review reports that both the subject and adjacent parcel number 10-36-100-019² were sold in July 2019 for \$350,000 or \$237.13 per square foot of gross building area and transferred via Warranty Deed, copy submitted and a copy of the MLS listing depicts that the property was on the market for 18 days.

In support of its contention of the correct assessment, the board of review submitted information on four comparable sales with supporting documentation of listing sheets and property record cards. The comparables are located in Mundelein and from .278 of a mile to 1.694-miles from the subject. Comparable #1 sold in "as-is" condition and comparable #2 was sold by a "motivated seller." The comparables have sites that range in size from 21,875 to 70,131 square feet of land area and were each improved with a one-story dwelling of frame or brick exterior construction. The homes were built from 1954 to 1980 and range in size from 1,176 to 2,279 square feet of living area. Three of the comparables have full or partial basements, two of which have finished areas. Three of the dwellings have central air conditioning and one or two fireplaces. Each comparable has a garage or garages ranging in total size from 483 to 1,296 square feet of building area. The comparables sold in August 2017 or June 2018 for prices ranging from \$150,000 to \$370,000 or from \$127.55 to \$186.10 per square foot of living area, land included. Based on this evidence and argument, the board of review requested confirmation of the subject's assessment.

In rebuttal, counsel for the appellant submitted a three-page letter addressing the board of review's critiques, the board of review comparables with supporting photographic and listing

² As part of its submission, the board of review supplied a copy of the property record card for this parcel depicting a lot size of 65,340 square feet of land area and a total land assessment of \$11,112 which would indicate a market value of approximately \$33,336.

documentation and a two-page supplemental letter written by Nold, in which he acknowledged that the subject site is improved with two outbuildings in the rear of the site. The appraiser further stated:

It is the appraiser's experience in dealing with non-essential, depreciated site improvements, like outbuildings, that they do not factor significantly in the typical buyer's decision-making process for single-family residential uses. Moreover, the presence of undesired structures can diminish overall marketability as it pertains to assorted risks and demolition costs.

Next in the letter, Nold remarked that were market supported adjustments necessary, they "would not significantly alter the appraiser's adjusted value range, or final reconciliation, within the original analysis."

As to the board of review's rebuttal to the appellant's evidence, the appellant argued that speculation regarding commercial development of the subject property was not appropriate given its residential zoning in a residential development and the July 2019 sale of the subject parcel along with an adjacent parcel occurred more than 1 ½ years after the lien date at issue.

As to the comparable properties presented by the board of review, counsel for the appellant, argued variously differences in age, dwelling size, foundation and/or finished basement areas and updates as described in MLS listings dissimilar to the subject's 60 year age, crawl-space foundation and condition. Furthermore, it was argued less weight should be afforded to the unadjusted raw sales presented by the board of review than to the appraisal prepared by a licensed professional appraiser.

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, based upon the entirety of this record, no reduction in the subject's assessment is warranted.

The appellant submitted an appraisal of the subject property and the board of review submitted four suggested comparable sales along with evidence that the subject property sold in July 2019 for \$350,000 as support for their respective positions before the Property Tax Appeal Board.

The Property Tax Appeal Board has thoroughly examined the appellant's appraisal and finds it extremely troubling that the appraiser failed to identify two additional substantial buildings that were located on the subject parcel. Furthermore, the Board finds it disturbing that Nold in rebuttal essentially shrugged off the significance of these factual oversights of significant structural improvements to the parcel as unimportant aspects to the properties' "marketability." The Board finds that the obvious question should actually be whether these oversights impact the conclusion of value in the Nold appraisal report, not the question of marketability. In addition, the Board finds Nold's explanation extraordinarily unsatisfying. Nold essentially stated, if

adjustments were necessary, they "would not significantly alter the appraiser's adjusted value range." The Board finds the only "range" in Nold's appraisal report is in the summary of the sales comparison approach where he referred to the adjusted sales price range, the average adjusted sale price and the median sale price. The Board finds Nold never opined a "value range" for the subject property.

Under the principle that adjustments are made to the comparables to make them each more similar to the subject, the Property Tax Appeal Board finds the appraiser's conclusion of value is not credible given the acknowledgement that the report is missing two substantial structures that are located on the subject parcel. The Board further finds this omission is significant since there is no indication that any of the comparable sales in the appraisal report had such outbuildings meaning that necessary upward adjustments to the comparables were not made by Nold. The Board finds it is logical that the final opinion of value would be impacted by two additional detached buildings on the subject property. Furthermore, the Board finds that three of the five sales utilized in the appraisal report were dated sales from 2014 with no time adjustment discussed or analyzed which becomes more relevant when considering a valuation date of January 1, 2018, four years after the sales. Additionally, each of the comparable dwellings in the sales comparison approach to value consist of smaller lots with smaller dwellings than the subject property. In summary, having examined the appraisal report in light of the record as outlined herein, the Board finds the appraiser's final value conclusion is not a credible or a reliable indicator of the subject's estimated market value as of January 1, 2018. Therefore, the Board will examine the raw sales data contained in the record.

The Board has given reduced weight to appraisal sales #3, #4 and #5 due to these being dated sales from 2014 for a valuation date of January 1, 2018. The Board has given reduced weight to board of review comparables #1 and #4 due to their distant locations of over one mile from the subject property.

The Board finds that while none of the remaining comparables are particularly similar to the subject property, on this record the best evidence of market value consists of appraisal sales #1 and #2 submitted by the appellant along with the board of review comparable sales #2 and #3. The comparables have varying degrees of similarity to the subject property in age, size, foundation and/or features but are relatively similar in location. These comparables sold from November 2015 to June 2018 for prices ranging from \$150,000 to \$340,000 or from \$109.01 to \$186.10 per square foot of living area, including land. The subject's assessment reflects a market value of \$232,981 or \$157.85 per square foot of living area, including land, which is within the range established by the best comparable sales in the record although the subject does have additional detached structures that are not present on the comparable properties and although the subject is known to have sold a year and a half later, in July 2019, along with adjacent vacant parcel, for \$350,000. After considering all of the data in this record along with necessary adjustments for differences when compared to the subject property, the Board finds a reduction in the subject's assessment is not 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.



Chairman



Member



Member



Member



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 16, 2021



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

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