

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Stewart Enterprises, Inc.
DOCKET NO.: 04-25711.001-R-1 through 04-25711.008-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Stewart Enterprises, Inc., the appellant, by attorney John P. Fitzgerald of John P. Fitzgerald, Ltd., Chicago; and the Cook County Board of Review.

The subject property consists of a class 2-97, one and part two-story, masonry constructed funeral home building that contains 10,596 square feet of building area. The building is part 21 and part 44 years old and has no basement. The improvements are located on a 23,275 square foot tract in Orland Park, Orland Township, Cook County.

The appellant contends overvaluation as the basis of its appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$495,000 as of January 1, 2002. To estimate the market value of the subject property the appraiser developed the three approaches to value.

Under the cost approach the appraiser estimated the value of the land using five comparable land sales that ranged in size from 28,600 to 77,219 square feet and sold from November 1998 to October 2000 for prices ranging from \$1.94 to \$3.50 per square foot. The appraiser estimated the subject had a land value of \$2.50 per square foot for a total land value of \$60,000. The appraiser estimated the replacement cost new of the building improvements using the Marshall Valuation Service to be \$870,000. Site improvements of \$30,000 were added to arrive at a total estimated cost new of \$900,000. The appraiser estimated total depreciation to be 50% or \$450,000 using the age-life method and the breakdown method resulting in a depreciated value of the improvements of \$450,000. Adding the land value of \$60,000

(Continued on Next Page)

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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

Table with 5 columns: Docket No., Parcel No., Land, Impr., Total. It lists 8 rows of property data with corresponding assessed values for land, improvements, and total.

Subject only to the State multiplier as applicable.

resulted in an estimated value under the cost approach of \$510,000.

The next approach developed by the appraiser was the income approach to value. The appraiser estimated market rent using five comparable rentals that ranged in size from 1,500 to 18,963 square feet. These properties had rents ranging from \$5.50 to \$7.25 per square foot on a net lease basis. The appraiser estimated the subject had a market rent of \$6.50 per square foot, net, for a potential gross income of \$63,576. The appraiser estimated the subject would suffer from a 7% vacancy rate resulting in an effective net income of \$59,126. Total expenses were estimated to be \$11,602 resulting in a net operating income of \$47,524. The appraiser estimated the subject would have a capitalization rate of 9.75% using the band of investment technique and published sources. Capitalizing the net income resulted in an estimated value under the income approach of \$485,000.

The final approach to value developed by the appraiser was the sales comparison approach. The appraiser used five sales of funeral homes that ranged in size from 3,746 to 30,000 square feet. The comparables were constructed from 1924 to the 1960s. The sales occurred from February 1999 to February 2002 for prices ranging from \$121,000 to \$1,500,000 or from \$32.30 to \$59.00 per square foot of building area, land included. In the analysis, the appraiser deducted the purported land value from each of the comparables to arrive at residual building values ranging from \$77,250 to \$1,160,000 or from \$13.55 to \$43.41 per square foot of building area. The appraiser estimated the subject had a building value of \$41.00 per square foot for a total value of \$434,436. The appraiser then added \$60,000 for the subject's land value to arrive at an indicated value under the sales comparison approach of \$495,000 or \$46.71 per square foot of building, land included.

In reconciling the three approaches, the appraiser gave most weight to the sales comparison approach and arrived at an estimate of value of \$495,000. Based on this evidence the appellant requested the subject's assessment be reduced to \$79,200 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$146,963 was disclosed. The subject's assessment reflects a market value of \$918,519 or \$86.69 per square foot of building area, land included, when applying the Cook County Real Property Classification Ordinance level for class 2-97 property of 16%.

The board of review submitted a memorandum and information on four comparable sales to support its assessment of the subject property. The comparable buildings ranged in size from 6,000 to 10,000 square feet and were constructed from 1950 to 1988. These properties sold from July 2002 to May 2005 for prices ranging from \$775,000 to \$2,000,000 or from \$91.18 to \$291.67 per square foot of building area. A review of the sales data provided by

the board of review indicated that: sale number 1 was used as a Goodyear Tire Store; sale number 2 was a lease option and the sale price was established 8 years ago (1994); sale three was used at a restaurant and located near the Orland Square Shopping Center and Orland Park Place; and the building associated with sale 4 was torn down subsequent to the transaction.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of value in the record is the appraisal of the subject property submitted by the appellant estimating the subject had a market value of \$495,000 as of January 1, 2002. The appraiser developed the three traditional approaches to value and gave most credence to the sales comparison approach. The Board reviewed the appraisal and the various approaches to value and finds the methodology comports with standard appraisal practice. The Board gave little weight to the board of review's sales data. The Board finds the sales used by the board of review were not as representative of the subject property as were the sales contained in the appellant's appraisal. Additionally, the data indicated that there were conditions associated with sales number 2 and 4 which called into question the arm's length nature of the sales and whether the purchase prices were reflective of the values of the properties as improved.

Based on this evidence the Property Tax Appeal Board finds the subject property had a market value of \$495,000 as of the assessment date at issue. The Board finds a reduction to the subject's assessment commensurate with the appellant's request is appropriate.<sup>1</sup>

---

<sup>1</sup> Pursuant to 86 Ill.Admin.Code 1910.90(i), the Property Tax Appeal Board takes notice that the property in this appeal was the subject matter of appeals before the Property Tax Appeal Board for the subsequent years under Docket No. 05-25931.001-R-1 through 05-25931.008-R-1 and Docket No. 06-24570.001-R-1 through 06-24570.008-R-1. In those appeals, the Property Tax Appeal Board issued decisions reducing the total assessment of the subject property to \$102,500 based upon an agreement of the parties. These agreements corroborate the conclusion that the total assessment for the subject for 2004 of \$146,963 is excessive.

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.

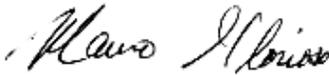
\_\_\_\_\_  
Chairman



\_\_\_\_\_  
Member



\_\_\_\_\_  
Member



\_\_\_\_\_  
Member



\_\_\_\_\_  
Member

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: April 24, 2009



\_\_\_\_\_  
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

DOCKET NO.: 04-25711.001-R-1 through 04-25711.008-R-1

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.