



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

APPELLANT: John Buenz  
DOCKET NO.: 05-24518.001-I-1 through 05-24518.004-I-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are John Buenz, the appellant(s), by attorney Jack E. Boehm, Jr., of Fisk Kart Katz and Regan, Ltd. of Chicago; and the Cook County Board of Review.

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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
05-24518.001-I-1	15-18-231-019-0000	11,628	618	\$12,248
05-24518.002-I-1	15-18-231-020-0000	23,256	17,442	\$40,698
05-24518.003-I-1	15-18-231-021-0000	11,628	17,982	\$29,610
05-24518.004-I-1	15-18-231-022-0000	11,628	24,617	\$36,245

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of four parcels of land totaling 34,000 square foot parcel and is improved with two industrial buildings. The improvements are one to two- story, concrete block and steel frame construction totaling 18,300 square feet of building area. The appellant argued that the fair market value of the subject is not accurately reflected in its assessed value.

In support of this market value argument, the appellant submitted a complete, summary appraisal of the subject with an effective date of January 1, 2005 and an estimated market value of \$330,000.

At hearing, the appellant's witness was the appraiser, John O'Dwyer. Mr. O'Dwyer testified that he is president of JSO

Valuation Group, Ltd. He testified he has been working there for 16 years. Prior to that, he worked as an appraiser for 10 years at First Nationwide Bank. He indicated that he is a state-certified appraiser in Illinois, Michigan and Wisconsin and holds the designation of a MAI from the Appraisal Institute. Mr. O'Dwyer testified he also is a member of the Royal Institute of Chartered Surveyors which is the equivalent of an MAI designation in Great Britain. O'Dwyer was admitted as an expert in the field of property valuation without objection of the remaining parties.

The appellant's appraisal gave an estimate of market value as of the effective date of January 1, 2005 of \$330,000. O'Dwyer testified he conducted a complete interior and exterior inspection of the property. He explained the process of an inspection. The appraisal identifies and fully describes the subject property's improvements. He testified that the subject property is average condition and in need of repairs. He testified at length to the physical layout of the building and its lack of functionality for full use.

O'Dwyer testified that the subject property is located across the street and adjacent to a cemetery and a school. He opined that this was detrimental to the functioning of the building as a business because of the ordinances associated with both a school and a cemetery.

O'Dwyer opined that the highest and best use of the subject as vacant was a multi-family residential building and that the current improvement does not conform to the zoning that is now in place. As to improved, O'Dwyer testified the highest and best use would be its current use.

The appellant's appraiser developed the three traditional approaches to value in estimating the subject's market value. The cost approach indicated a value of \$340,000, rounded, while the income approach indicated a value of \$340,000, rounded. The sales comparison approach indicated a value of \$330,000, rounded. The appraiser concluded a market value of \$330,000 for the subject property as of January 1, 2005.

O'Dwyer testified that at the time of the appraisal he was not aware of the sale of the subject property for \$600,000 in November 2004. He testified that after the conclusion of the appraisal he discovered the sale and based on the condition of the building and his discussions of the sale with the owner that the sale was not at market level. He opined that the purchase price was inflated. He testified that his opinion of value for the subject would not change if he had known of the sale at the time of the appraisal.

The initial step under the cost approach was to estimate the value of the site at \$170,000, or \$5.00 per square foot. In doing so, the appraiser analyzed five land sales that ranged in

sale prices from \$4.13 to \$6.70 per square foot. The appraisal noted the physical characteristics of these comparables compared to the subject and adjustments were made to arrive at an estimated land value for the subject.

Using the Marshall Valuation Service Manual, O'Dwyer estimated the replacement cost new to be \$841,000 and site improvement to be \$7,586. In establishing a rate of depreciation, the appraiser allocated 20% to curable physical deterioration of the improvement and site improvements; 50% is allocated to both the improvement and site improvements from the age-life method for incurable physical deterioration; 30% is allocated to the improvement for incurable functional obsolescence; and 30% is allocated to the improvement for external obsolescence to arrive at a final cost for the improvement and site improvements of \$166,960. Adding the land value resulted in a final value estimate of value under the cost approach of \$340,000, rounded.

Under the income approach, the appraiser reviewed the leases of five properties from the surrounding area. The rent ranged from \$2.25 to \$4.50 per square foot of buildable area on a triple net basis. In addition, the appraisal lists the 2005 rent roll for the subject. Adjustments were made for the differences between the characteristic of these properties and the subject to arrive at an estimated rent for the subject of \$3.50 per square foot of building area. Vacancy and collection was estimated at 15% for an effective gross income of \$53,505.

Expenses were estimated at \$17,034 to arrive at a net operating income of \$36,472. O'Dwyer testified that he utilized market data and reviewed the condition of the building to arrive at his estimates under the income approach. This amount was capitalized using a capitalization rate of 11%. This figure was arrived at through the band of investment method as well as a review of the Korpacz Real Estate Investor Survey. Applying the capitalization rate yields an estimate of the market value for the subject under this approach at \$330,000, rounded.

The final method developed was the sales comparison approach. O'Dwyer examined four industrial buildings. The properties range: in age from 30 to 50 years; in building size from 22,000 to 39,014 square feet of buildable area; and in land to building ratio from .93:1 to 1.91:1. These properties sold from October 2002 to January 2005 for prices ranging from \$400,000 to \$700,000, or from \$17.64 to \$19.31 per square foot of buildable area, including land. Adjustments were made for the differences in characteristics and the appraisal estimated the value of the subject at \$18.00 per square foot of buildable area, including land. This yields a value for the subject property under the sales comparison approach at \$330,000, rounded.

In reconciling the various approaches, the appraisal indicated the cost and income approaches to value should not be relied on

solely as an indicator of value and that the opinion of value in the sales comparison approach does reflect the market for the subject. O'Dwyer testified he gave primary weight to the sales comparison approach to value and did not rely on the cost approach. After reconciliation, the appraisal estimated the value for the subject property as of January 1, 2005 to be \$330,000.

The board of review submitted "Board of Review-Notes on Appeal" that reflect the subject's total assessment of \$200,793 yielding a market value of \$557,758 or \$30.48 per square foot of rentable area, including land, using the Cook County Real Property Classification Ordinance for Class 5B property of 36%. The board also submitted descriptions and assessment information on a total of 15 comparables that range in sale price from \$30.00 to \$130.00 per square foot of building area. As a result of its analysis, the board requested confirmation of the subject's assessment. At the hearing, the board of review did not call any witnesses and rested its case upon its written evidence submissions.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. *Property Tax Appeal Board Rule 1910.63(e)*. Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. *Property Tax Appeal Board Rule 1910.65(c)*.

Having considered the evidence presented, the PTAB concludes that the appellant has satisfied this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal and the appraiser's testimony. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property; gave full explanation as to why the sale of the subject was not at market value; utilized appropriate market data in undertaking the approaches to value; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary. The PTAB gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data without any testimony as to the properties' characteristics.

Therefore, the PTAB finds that the subject property contained a market value of \$330,000 for the 2005 assessment year. Since the market value of the subject has been established, the Cook County Ordinance for Class 5B property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$118,800 while the subject's current total assessed value is above this amount. Therefore, the PTAB finds that a reduction 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.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

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: February 23, 2010

*Allen Castrovillari*

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.