



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

APPELLANT: Irena & Stanislaw Cebula  
DOCKET NO.: 06-20967.001-R-1  
PARCEL NO.: 16-19-312-015-0000

The parties of record before the Property Tax Appeal Board are Irena & Stanislaw Cebula, the appellants, by attorney Lisa A. Marino of Marino & Assoc., PC in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change 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:

**LAND:** \$ 4,569  
**IMPR.:** \$ 28,052  
**TOTAL:** \$ 32,621

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property is improved with a two-story multi-family building of masonry construction containing 2,586 square feet of building area. The building is 69 years old, and it has three apartment units, a full basement finished with a recreation room, and a two-car detached garage. The subject has a classification code of 2-11 under the Cook County Real Property Assessment Classified Ordinance, Apartment or mixed use commercial/residential building, two to six units, 20,000 square feet or less, over 62 years of age. The subject is located in Berwyn, Berwyn Township, Cook County.

The appellants contend both assessment inequity and overvaluation as the bases of the appeal. When the appellants completed section IV of the residential appeal form, they disclosed that they purchased the subject property in December 2004 for a price of \$345,000. In support of the assessment inequity argument, the appellants submitted information on four comparable properties described as two-story masonry multi-family buildings. The comparables have the same classification code as the subject, and they are located within several blocks of the subject. The buildings range in age from 51 to 78 years old, and they contain from 2,846 to 3,033 square feet of building area. Each comparable has a full finished basement, three of which have a

basement apartment, and a two-car detached garage. The appellants did not disclose the number of apartment units in each building. The comparables have improvement assessments ranging from \$24,480 to \$26,855 or from \$8.07 to \$9.00 per square foot of building area. The subject's improvement assessment is \$28,052 or \$10.85 per square foot of building area. In her brief, the appellants' counsel argued the average improvement assessment for the comparables was \$8.71 per square foot, which should be applied to the subject's improvement resulting in a revised improvement assessment of \$22,524 and a total revised assessment of \$27,093.

The appellants' attorney also argued the subject's income and expenses indicate the subject should have a market value of \$61,697. In support of this argument, the appellants' attorney presented the subject's income and expenses for 2005 and 2006, with the figures for 2006 being prorated for an entire year. According to the appellants' attorney, the subject had gross income of \$13,129 and \$20,700 and allowable expenses of \$11,937 and \$4,612. Counsel determined the subject's stabilized net operating income was \$8,940. The attorney used a 14.004% capitalization rate, which included an effective tax rate of 4.004% to arrive at an indicated market value of \$61,697. In the brief, the appellants' attorney stated that, "In determining the base capitalization rate, we considered the Subject's age, location, condition, risk of collection loss/vacancy loss and likelihood of a breakdown in a major mechanical system or structural component." (Appellants' brief, p. 4.) Based on this estimate of value the attorney requested the subject's assessment be reduced to \$9,872 after applying the 16% level of assessment for class 2 property as provided by the Cook County Real Property Assessment Classification Ordinance.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$32,621 was disclosed. The subject's assessment reflects a market value of approximately \$322,342 or \$124.65 per square foot of building area, land included, when applying the 2006 three year median level of assessment for Cook County class 2 property of 10.12%. (See 86 Ill.Admin.Code 1910.59(c)(2)). The subject has an improvement assessment of \$28,052 or \$10.85 per square foot of building area. As part of its evidence, the board of review disclosed that the subject property sold in December 2004 for a price of \$359,000 or for \$138.82 per square foot of building area, land included.

To demonstrate the subject is correctly assessed, the board of review presented descriptions and assessment information on three comparable properties consisting of two-story masonry multi-family buildings. The comparables have the same neighborhood and classification codes as the subject. The comparables range in age from 50 to 59 years old, and they range in size from 2,285 to 2,577 square feet of living area. Each comparable has two or three apartment units, a two-car detached garage, and a full finished basement, with two having a recreation room and one

having an apartment. These properties have improvement assessments ranging from \$25,180 to \$28,473 or from \$11.02 to \$12.04 per square foot of building area. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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 does not support a reduction in the subject's assessment.

The appellants argued in part assessment inequity as the basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessments by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data the Board finds the appellants did not demonstrate unequal treatment by clear and convincing evidence.

The record contains descriptions and assessment information on seven comparables submitted by the parties. All of the comparables submitted by both parties were two-story masonry apartment buildings like the subject. The comparable numbered one by the board of review was the most similar to the subject in size, and the appellants' comparable numbered two was the most similar in age. However, the Board notes that all of the comparables were generally similar to the subject in age and size. These comparables had improvement assessments ranging from \$24,480 to \$28,161 or from \$8.07 to \$12.04 per square foot of building area. The subject has an improvement assessment of \$28,052 or \$10.85 per square foot of building area, which falls within the range of assessments established by these comparables. Based on this record the Board finds a reduction in the subject's assessment based on assessment inequity is not justified.

The appellants also argued overvaluation as an alternative basis of the appeal. 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 (3rd Dist. 2002). The Board finds the appellants did not meet this burden of proof and a reduction in the subject's assessment is not warranted on this basis.

The Board finds the subject's total assessment of \$32,621 reflects a market value of approximately \$322,342 or \$124.65 per square foot of building area, land included, when applying the 2006 three year median level of assessment for Cook County class 2 property of 10.12%. (See 86 Ill.Admin.Code 1910.59(c)(2)). The Board notes that the market value of \$322,342 is less than the December 2004 sale price of the subject property.

The appellants' counsel formulated an overvaluation argument using the subject's actual income and expenses for 2005 and 2006. The Board finds the appellants' argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses unconvincing and not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellants did not demonstrate through any documentation or an expert appraisal witness that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellants attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellants must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellants did not provide such evidence; therefore, the Property Tax Appeal Board gives this argument no weight.

The Board further finds problematical the fact that appellants' counsel developed the "income approach" rather than an expert in the field of real estate valuation. The Board finds that an attorney cannot act as both an advocate for a client and also provide unbiased, objective opinion testimony of value for that client's property. (See 86 Ill.Admin.Code 1910.70(f)).

Based on this record, the Board finds a reduction to the subject's assessment based on overvaluation is not justified.

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

*Mario Morris*

Member

*Shawn R. Lerbis*

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 22, 2011

*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.