

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Visual 1352
DOCKET NO.: 06-22584.001-C-1
PARCEL NO.: 14-05-308-024

The parties of record before the Property Tax Appeal Board (hereinafter PTAB) are Visual 1352, the appellant, by Attorney Aron Bornstein in Chicago and the Cook County Board of Review.

The subject property consists of an 8,532 square foot land parcel improved with an 83-year old, three-story, masonry constructed, commercial building used as an apartment building. The improvement contains 13,476 square feet of building area as well as 19 units.

At hearing, the appellant, via counsel, argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant submitted a multi-page document entitled "Economic Analysis of Rental Operation". This analysis of the subject property contained an effective date of January 1, 2006 and opined an evaluation of \$465,000 for the subject. The appraisers, one of which carries the MAI designation, used an applied income analysis relying upon the subject's current scheduled income stream and actual and/or projected market level expenses to arrive at an economic evaluation of the apartment rental operation. In addition, the appraisers inspected the interior and exterior of the subject site. The purpose of the report was to provide a consulting service and prepare an economic evaluation of the subject's rental operation. Further, the appraisers indicated that the capitalization rate utilized in the report was based solely on the band of investment technique and that the rate was not

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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:	\$	36,858
IMPR.:	\$	129,906
TOTAL:	\$	166,764

Subject only to the State multiplier as applicable.

PTAB/KPP

derived from the market, but developed based upon the client's request. Lastly, the report stated that the indicated evaluation may not be market value.

The pro forma income and expense statement reflected a potential annual rent at \$133,380 with a 7% vacancy and collection loss of \$9,337 indicating an effective gross income of \$124,043. Deducting expenses of \$64,452, indicated a projected net operating income of \$59,591. Using an adjusted capitalization rate of 12.88%, an indicated evaluation of \$465,000 was opined.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$166,764. The subject's assessment reflects a market value of \$694,850, or \$39,130 per unit and/or \$55.17 per square foot, using the level of assessment of 24% for Class 3, rental property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted raw sales data on a total of 13 suggested comparables that reflect an unadjusted range from \$60,000 to \$138,889 per unit. No adjustments were made for locations, size, age or amenities. At hearing, the board's representative rested on the written evidence submissions. As a result of its analysis, the board requested confirmation of the subject's assessment.

After considering the testimony and reviewing the record, 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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). 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. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the PTAB concludes that the appellant has not met its burden and that the evidence indicates a reduction is not warranted.

In determining the fair market value of the subject property, the PTAB finds the appellant's evidence clearly and repeatedly indicated that it was not a market value appraisal, but an economic evaluation. The document also reflected that the appellant's appraisers utilized actual income and expense data at the client's request.

Further, the PTAB finds the appellant's 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:

it is the value of the "tract or lot of real property" 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, which 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. Id.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate that the subject's actual income and expenses were reflective of the market. To demonstrate or estimate the subject's market value using an income approach, the appellant must establish through the use of market data the following: market rent, vacancy and collection losses, and expenses in order to arrive at a net operating income. In addition, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not follow this procedure in developing the income approach to value; therefore, the PTAB gives this argument no weight.

Moreover, the PTAB gives little weight to the board of review's suggested comparables as the information provided was raw sales data with no adjustments made, thereto.

On the basis of the evidence submitted, the PTAB finds that the evidence has not demonstrated that the subject's improvement is overvalued. Therefore, the PTAB finds that a reduction in the subject's assessment is not warranted.

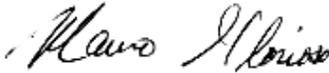
This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



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 20, 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 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.