



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

APPELLANT: John Grafft
DOCKET NO.: 06-23100.001-R-1
PARCEL NO.: 14-29-124-036-0000

The parties of record before the Property Tax Appeal Board are John Grafft, the appellant, by attorney Mitchell L. Klein of Schiller Klein 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: \$ 14,404
IMPR.: \$ 98,891
TOTAL: \$ 113,295

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a three-story, multi-family dwelling with masonry exterior construction. The subject has 4,720 square feet of living area with two apartment units, a full finished basement, and central air conditioning. The building is seven years old and is located in Chicago, Lake View Township, Cook County. The property is classified as a class 2-11 residential property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation based on a recent sale of the subject property. In support of this argument, the appellant completed section IV of the residential appeal form indicating the subject property was purchased in September 2003 for a price of \$530,000. In the brief the appellant's counsel also asserted the subject was purchased for a price of \$530,000 in September 2003. To further document the sale, the appellant submitted a copy of the escrow trust disbursement statement dated September 9, 2003. The purchase price of \$530,000 appears on this document. The appellant's attorney also provided a signed statement from the appellant dated January 26, 2007, indicating that the subject property had been 100% vacant in 2006. In the brief the appellant's counsel argued the subject had a market value of \$530,000. Counsel requested a one-year reduction in the

subject's assessment to \$22,123, which, according to counsel, was based on a "20% conditional factor [being] applied to the 2003 purchase price of \$530,000".

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$113,295 was disclosed. The subject's assessment reflects a market value of \$1,119,516 or \$237.19 per square foot of building area, land included, using the 2006 three year average median level of assessments for class 2 property of 10.12% as determined by the Illinois Department of Revenue. In support of the assessment, the board of review provided information on two comparable properties to demonstrate the subject was being equitably assessed. The comparables are three-story masonry multi-family dwellings that are located one-quarter mile from the subject property. Both buildings are seven years old. Comparable #1 has 4,613 square feet of building area with two apartment units, a full basement finished with an apartment, central air conditioning, and two fireplaces. Comparable #2 has 4,963 square feet of building area with three apartment units, a full basement finished with an apartment, and central air conditioning. The buildings have improvement assessments of \$20.37 and \$19.19 per square foot of living area, respectively. The subject also has an improvement assessment of \$20.95 per square foot of living area. As part of its evidence, the board of review also indicated that comparable #1 sold in August 2006 for \$1,400,000 or for \$303.49 per square foot of building area, land included. The board of review also presented a list of sales prices and sales dates for twenty properties in the subject's neighborhood that sold from February 9, 1990 to June 1, 2007. Based on information contained in this list, the subject property sold on August 1, 1999 for a price of \$345,000 (warranty deed #99822474). Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant's attorney argued that the subject's market value is \$530,000 based on its purchase price.

After reviewing the record and considering the evidence, the Board finds 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 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 (3rd Dist. 2002). Proof of market value may consist of an appraisal of the subject property, a recent sale of the subject property or comparable sales. (86 Ill.Admin.Code 1910.65(c)). A contemporaneous sale between two parties dealing at arm's length is not only relevant to the question of fair cash value but practically conclusive on the issue on whether the

assessment is reflective of market value. Korzen v. Belt Railway Co. of Chicago, 37 Ill.2d 158 (1967). After an analysis of the evidence in the record, the Board finds the appellant has not met this burden of proof and a reduction in the subject's assessment is not warranted.

In this case, the appellant's counsel formulated two overvaluation arguments. The appellant's attorney argued that a recent sale of the subject property indicates the subject is overvalued. The subject property was purchased for \$530,000 in September 2003, more than two years prior to the assessment date at issue. The Board finds the best evidence of market value in the record is the board of review's comparable #1. This dwelling was very similar to the subject in all respects, and it sold in August 2006 for \$1,400,000 or for \$303.49 per square foot of building area. This property sold more proximate in time to the assessment date at issue than the subject's September 2003 sale. The subject has a total assessment of \$113,295, which reflects a market value of \$1,119,516 when using the 2006 three year average median level of for class 2 property of 10.12% as determined by the Illinois Department of Revenue. The subject's assessment reflects a market value below the best sale in the record, and no change in the assessment is justified on this basis.

The appellant's attorney also stated that the subject was 100% vacant in 2006, and counsel requested a one-year reduction in the subject's assessment to \$22,123, which was based on a "20% conditional factor [being] applied to the 2003 purchase price of \$530,000". The Board finds the vacancy argument unconvincing and not supported by the 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. Based on this record, the Board finds no change in the assessment is justified on the basis of the subject's vacancy rate.

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: May 20, 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.