



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

APPELLANT: Hugo Brandsetter  
DOCKET NO.: 06-25050.001-R-1  
PARCEL NO.: 14-29-306-019-0000

The parties of record before the Property Tax Appeal Board are Hugo Brandsetter, the appellant, by attorney David R. Bass, of Thompson Coburn LLP in 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:

**LAND:** \$ 30,910  
**IMPR:** \$ 51,062  
**TOTAL:** \$ 81,972

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 6,200 square feet of land improved with three buildings. The first building is a one and one-half story, 112-year old, frame, multi-family dwelling. The second building is a two-story, 112-year old, frame, multi-family dwelling. The third building is a one and one-half story, 112-year old, frame, multi-family dwelling.

The appellant raised two arguments: first, that the subject's three buildings were accorded incorrect living areas; and second, that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases of this appeal.

In support of the size argument, the appellant submitted an appraisal report wherein the appraisers inspected the property on June 21, 2006, while submitting interior and exterior photographs. The appraisal indicated that the subject's three buildings comprise a total of eight apartments with 7,399 square feet of living area. In contrast, the board of review submitted three sets of property characteristic printouts identifying three

multi-family buildings on the subject property totaling 11 apartments and 9,344 square feet of living area.

In support of the market value argument, the appellant submitted a complete, self-contained appraisal report of the subject property with an effective date of January 1, 2006 undertaken by Gary T. Peterson, who holds the designations of Certified Residential Real Estate Appraiser and Member of the Appraisal Institute as well as Matthew T. Kang, who holds the designation of Certified General Real Estate Appraiser. The appraisers estimated a market value for the subject of \$810,000, while developing the cost, income, and sales comparison approaches to value.

The appraisal stated that the subject's three buildings were of average condition and an appearance consistent with other buildings in the area. However, they noted that the subject is an older stock rental property that lacks modern amenities for its multi-story configuration and on-site parking. They observed some levels of functional obsolescence. The appraisal opined that the subject's highest and best use as vacant was for similar residential development, while as improved, the highest and best use was the subject's current usage.

As to the cost approach, the appraisers estimated the site value at \$620,000, while analyzing four suggested land comparables. In estimating a replacement cost new, the appraisers referred to the Marshall Valuation Service and the category of average class C multiple residences to determine a cost of \$543,068 with minor site improvements valued at \$60,500 resulting in a total replacement cost new of \$603,568. The appraisers estimated total depreciation of 65% or \$392,319 resulting in a depreciated value for the buildings of \$211,249. Adding the land value of \$620,000 resulted in a total depreciated value of the improvements and land at \$831,249, which was rounded to \$830,000 by the appraisers.

Under the income approach, the appraisers reviewed seven rental comparables which contained rental rates from \$1,000 to \$1,500 per unit. The appraisal noted that the subject's actual rents supported by a copy of the rent roll ranged from \$1,020 to \$1,400 per unit. Therefore, the appraisers estimated the subject's gross potential income at \$1,256.25 per month or \$120,600. Vacancy and collection loss was estimated at 3% or \$3,618, which resulted in an effective gross income of \$116,982. Deducting total operating expenses of \$31,238 resulted in a net operating income before taxes of \$85,744. In developing a capitalization rate, the appraisers referred to market surveys such as the Korpacz Real Estate Investor Survey, Vol.19, No.1, First Quarter, 2006 published by PriceWaterhouseCoopers LLP as well as the RERC Real Estate Report, Winter, 2006 published by Real Estate Research Corporation. These investor surveys reflect a capitalization rate ranging from 6.0% to 9.0%, while the Chicago Metro average capitalization rate was 7.0%. The appraisers estimated a loaded overall capitalization rate of 10.59% for the

subject property indicating a value under the income approach of \$810,000.

Under the sales comparison approach to value, the appraisers identified four sale comparables located within the subject's immediate neighborhood of Chicago. The properties sold from March, 2004, through August, 2005, for prices that ranged from \$77,000 to \$105,000 per apartment unit. The properties were improved with a multi-story, masonry, multi-family dwelling. The properties ranged in units from five to seven apartments. After making adjustments to the suggested comparables, the appraisers estimated the subject's market value was \$100,000 per unit or \$800,000. Based upon this data, the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$129,598. The subject's assessment reflects a market value of \$1,280,613 using the Illinois Department of Revenue median level of assessment for class 2, residential property of 10.12% for tax year 2006.

In addition the board of review submitted three grid analyses of descriptive and assessment data on suggested equity comparables for each of the subject's three buildings.

The first grid identified the subject's 112-year old, one and one-half story building with 4,157 square feet of living area. The grid reflected four properties improved with a two-story or three-story, masonry, single-family dwelling. They range: in age from seven to 120 years; in size from 4,188 to 8,483 square feet of living area; and in improvement assessments from \$17.12 to \$19.52 per square foot. This first building contained an improvement assessment of \$13.69 per square foot of living area.

The second grid identified the subject's 112-year old, two-story building with 2,065 square feet of living area. The grid reflected three properties improved with a two-story, masonry or frame and masonry, multi-family dwelling. They range: in age from 117 to 118 years; in size from 2,350 to 2,530 square feet of living area; and in improvement assessments from \$24.01 to \$27.93 per square foot. This second building contained an improvement assessment of \$10.28 per square foot of living area.

The third grid identified the subject's 112-year old, one and one-half story building with 3,122 square feet of living area. The grid reflected four properties improved with a two-story or three-story, masonry or frame and masonry, multi-family dwelling. They range: in age from 89 to 118 years, in size from 3,585 to 3,954 square feet of living area; and in improvement assessments from \$19.16 to \$20.07 per square foot. This building contained an improvement assessment of \$6.58 per square foot of living area. As a result of its analysis, the board requested confirmation of the subject's assessment.

After considering the arguments and reviewing 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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> 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 Board concludes that the appellant has met this burden and that a reduction is warranted.

Initially, the Board finds the best evidence of the subject's improvement sizes and number of units was submitted by the appellant. Therefore, the Board finds that the subject's three buildings comprise eight apartments with a total of 7,399 square feet of living area.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal. The Board finds this appraisal to be persuasive for the appraisers personally inspected the subject property and developed all three of the traditional approaches to value in estimating the subject's market value. Moreover, market data was used to obtain land, rental and improved sale comparables while providing sufficient detail regarding each sale as well as appropriate adjustments, where necessary.

Further, the Board finds that the board of review failed to proffer market value evidence in support of the subject's accorded valuation.

Therefore, the Board finds that the subject property contained a market value of \$810,000 for tax year 2006. Since the market value of the subject has been established, the median level of assessment as determined by the Illinois Department of Revenue for class 2, residential property of 10.12% will apply. Therefore, the Board 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.

*Donald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J. R.*

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: September 21, 2012

*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.