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

APPELLANT: Visual Illusions
DOCKET NO.: 06-25567.001-C-1
PARCEL NO.: 13-14-406-001-0000

The parties of record before the Property Tax Appeal Board are Visual Illusions, the appellant, by attorney Ellen G. Berkshire, of Verros, Lafakis & Berkshire, P.C. 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:

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|---|---|
| **LAND:** | $ 15,750 |
| **IMPR.:** | $ 58,650 |
| **TOTAL:** | $ 74,400 |

Subject only to the State multiplier as applicable.

## ANALYSIS

The subject property consists of a 6,250 square foot parcel of land improved with an 84-year old, two-story, mixed-use building containing 10,455 square feet of building area. The building contains three commercial storefront units and seven two-bedroom apartment units.

The appellant 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 an appraisal report of the subject property with an effective date of January 1, 2006 undertaken by Christopher Nickell, who holds the designation of State General Real Estate Appraiser. The appraiser estimated a market value for the subject of $310,000.

As to the subject, the appraiser indicated that the subject's site is predominately covered by improvements without on-site parking. The appraisal indicated that the subject was presently leased while receiving typical market rents. The appraisal

stated that the appraiser conducted a personal inspection of the subject property. The appraiser indicated that the subject's exterior construction was masonry with tar roofing. He stated that the subject was in overall average to fair physical condition. The appraiser indicated that the subject's highest and best use as vacant was for similar commercial development, while the highest and best use as improved was for its current use.

The appraiser developed the three traditional approaches to value. The estimated market value under the cost approach was $315,000, under the income approach was $298,000, and under the sales comparison approach was $303,000.

The first step under the cost approach was to value the site. The appraiser used the assessor's land value of $47,727 while opining that this was in uniformity with other surrounding properties. Using a cost manual for labor and material prices for the Chicago metropolitan area, he estimated the replacement cost new of the subject at $635,455 or $60.78 per square foot of building area. The appraiser opined that the subject property suffered from functional obsolescence due to a lack of on-site parking. He estimated accrued depreciation at 58%, which resulted in a depreciated value of the improvements at $266,891. Adding the land value of $47,727 resulted in a final value under the cost approach of $315,000, rounded.

Under the income approach, the appraiser used actual rents from the subject property. Based upon this data, the appraiser estimated the subject's gross income at $82,800 with expenses totaling 45% or $37,260 resulted in a net income of $45,540. An overall capitalization rate for the subject of 15.3% was applied to the net income resulting in a value under the income approach of $298,000, rounded.

Under the sales comparison approach to value, the appraiser utilized three sale comparables. These comparables sold from March, 2003, through April, 2003, for prices that ranged from $100,000 to $350,000, or from $22.22 to $28.57 per square foot. The properties were improved with a three-story, masonry, mixed-use building, all of which were in average condition. They ranged: in age from 49 to 90 years; in improvement size from 4,500 to 12,250 square feet of building area; and in land size from 3,050 to 6,125 square feet of land. After making adjustments to the suggested comparables, the appraisers estimated the subject's market value was $29.00 per square foot or $303,000, rounded. In reconciling the three approaches to value, the appellant's appraiser placed significant weight on the sales approach to value and concluded a final market value of $310,000 for the subject property.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $106,320 for tax year 2006. The subject's assessment reflects a market value of $443,000 or $42.37 per square foot using the Cook County

Ordinance Level of Assessment for Class 3 property of 24%. As to the subject, the board submitted copies of the subject's property record cards.

In addition, the board of review submitted raw sales data regarding six properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold in an unadjusted range from $385,000 to $1,400,000, or from $35.86 to $148.94 per square foot of building area. The properties contained retail/restaurant or retail/residential buildings that ranged in size from 9,400 to 11,562 square feet. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the appellant's attorney argued that a review of the CoStar printouts indicated: that all six of the board's properties were leased fee sales; that sale #1 contained the closest actual income data in comparison to the subject, while selling for a value of $385,000 or $35.86 per square foot which is less than the subject's value of $42.37 per square foot accorded by the assessor's office; that sale #2 was never advertised for sale on the open market; and that sale #4 sold in conjunction with another property.

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 (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 Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the sales comparison approach within the appellant's appraisal. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The Board finds that the cost approach was less than applicable to the subject due to the aged improvement, which is 84-year old, mixed-use building. In addition, the Board finds the income approach unreliable because the appraiser employed actual data versus market data in development of this approach. Nevertheless, the Board finds this appraisal to be persuasive for the appraiser personally inspected the subject property and utilized market data in the sales

comparison approach to value to obtain improved sale comparables while providing sufficient detail regarding each sale as well as adjustments where necessary.

Moreover, the Board finds that the board of review provided unconfirmed, raw data in support of the subject's assessment.

Therefore, the Board finds that the subject property contained a market value of $310,000 for tax year 2006. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 3 property of 24% will apply. In applying this level of assessment to the subject, the total assessed value is $74,400, while the subject's current total assessed value is above this amount at $106,320. 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.

Chairman

Member

Member

Member

Acting 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: January 20, 2012

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.