FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Juergen Droegemueller
DOCKET NO.: 06-26461.001-R-1
PARCEL NO.: 20-14-210-009-0000

The parties of record before the Property Tax Appeal Board are Juergen Droegemueller, the appellant, by attorney Robert J. Paul of 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:	$14,209
IMPR.:	$111,391
TOTAL:	$125,600

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 10,150 square foot parcel improved with a three-story, masonry constructed walk-up rental apartment building with 11,511 square feet of gross building area. The subject building has six, three-bedroom units and was constructed in 1898. The subject property is a class 2-11 property under the Cook County Real Property Assessment Classification Ordinance and is located in Chicago, Hyde Park Township, Cook County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal prepared by the Peterson Appraisal Group, Ltd., estimating the subject property had a market value of $785,000 as of January 1, 2006. The appraisal was prepared by Malcolm Williamson, a State Licensed Real Estate Appraiser, and reviewed and approved by Michael Halliburton and Gary T. Peterson, both individuals were Illinois Certified General Real Estate Appraisers. The property rights appraised were the fee simple estate ownership rights. The appraisers determined the highest and best use of the subject site as vacant would be to improve the site for an attached multi-family use. The appraisers determined the highest and best use of the property as improved

was its continued use as a rental apartment building for the remainder of its economic life.

In estimating the market value of the subject property the appraisers utilized the three traditional approaches to value. In developing the cost approach the appraisers first estimated the value of the land using five land sales that ranged in size from 2,825 to 8,250 square feet. The sales occurred from March 2005 to August 2006 for prices ranging from $65,000 to $220,000 or from $14.05 to $26.67 per square foot of land area. The appraisers estimated the subject had a site value of $25.00 per square foot of land area or $255,000, rounded.

Using the Marshall Valuation Service cost manual the appraisers estimated the replacement cost new of the subject building and site improvements to be $1,035,685. Deducting depreciation of 46% developed using the age-life method and adding the land resulted in an estimate value under the cost approach of $815,000.

In developing the income approach the appraisers reviewed the subject's rent roll and rental information on four comparable rentals. Using this information the appraisers estimated the subject units would have market rents ranging from $1,450 to $1,800 per month for a monthly income of $9,550 or an annual potential gross income of $114,600. The appraisers deducted 10% for vacancy and collection loss to arrive at an effective gross income of $103,140. To estimate the stabilized operating expenses the appraisers used market surveys of operating expenses and data from comparable properties. The appraisers estimated the subject would have an operating expense of $18,557 resulting in a net operating income of $84,583. Using the band of investment technique and market surveys the appraisers estimated the subject would have an overall capitalization rate of 8.0% to which a tax load of 2.614% was added to arrive at a total capitalization rate of 10.614%. Capitalizing the net income resulted in an estimated value under the income approach of $800,000, rounded.

In developing the sales comparison approach the appraisers used six comparable sales located in Chicago that were improved with three-story masonry apartment buildings ranging in size from 6,000 to 8,500 square feet of building area. Each comparable had six apartments and were built from 1900 to 1925. These properties sold from July 2005 to March 2006 for prices ranging from $430,000 to $890,000, which equated to a price per unit ranging from $71,667 to $127,143 and a price per room ranging from $15,833 to $25,172. Using an estimated value of $125,000 per unit resulted in a market value of $750,000. Using an estimated price per room of $22,000 resulted in an estimated market value of $792,000. Based on these two value conclusions the appraisers estimated the subject property had a market value of $775,000 under the sales comparison approach to value.

In reconciling the three approaches to value the appraisers placed more weight on the income and sales comparison approaches and estimated the subject property had a market value of $785,000 as of January 1, 2006. Based on this evidence the appellant requested the subject's assessment be reduced to $125,600 to reflect the appraised value and the application of the 16% level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance.

The board of review submitted its "Board of Review Notes on Appeal" wherein the assessment of the subject totaling $147,771 was disclosed reflecting a market value of approximately $923,569 when applying the 16% level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance. In support of the assessment the board of review presented information on four comparables improved with three-story multi-family buildings of masonry construction that ranged in size from 7,050 to 12,309 square feet of building area. Each of the comparables had six units and a full unfinished basement. The buildings ranged in age from 98 to 113 years old. These properties had improvement assessments that ranged from $94,974 to $141,996 or from $11.54 to $13.47 per square foot of building area. The subject had an improvement assessment of $133,562 or $11.60 per square foot of building area. The record also disclosed comparable #4 sold in October 2005 for $1,575,000 or $223.40 per square foot of building area or $262,500 per unit. Based on this evidence, the board of review requested confirmation of the 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 supports 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, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in this record is the narrative appraisal of the subject property submitted by the appellant estimating the subject property had a market value of $785,000 as of January 1, 2006. The report contained the three traditional approaches to value and a detailed explanation regarding the methodology employed by the appraisers in arriving at the conclusion to value. The board of review submitted an equity analysis using four comparables, which included one comparable that sold. The Board finds the one comparable sale

presented by the board of review was dissimilar to the subject in size and did not refute or rebut the appraisal submitted by the appellant.

In conclusion the Property Tax Appeal Board finds the appraisal submitted by the appellant is the best evidence of value in the record and a reduction commensurate with the appellant's request is appropriate.

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: November 18, 2011

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.