FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Dickens Pointe Townhome Condo. Assoc.
DOCKET NO.: 06-26721.001-R-3 through 06-26721.014-R-3
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Dickens Pointe Townhome Condo. Assoc., the appellant, by attorney Thomas J. McNulty, of Neal, Gerber & Eisenberg 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
06-26721.001-R-3	14-33-131-053-1001	18,995	37,331	$56,326
06-26721.002-R-3	14-33-131-053-1002	18,865	37,077	$55,942
06-26721.003-R-3	14-33-131-053-1003	24,261	47,680	$71,941
06-26721.004-R-3	14-33-131-053-1004	17,110	33,627	$50,737
06-26721.005-R-3	14-33-131-053-1005	17,110	33,627	$50,737
06-26721.006-R-3	14-33-131-053-1006	17,110	33,627	$50,737
06-26721.007-R-3	14-33-131-053-1007	17,110	33,627	$50,737
06-26721.008-R-3	14-33-131-053-1008	19,069	37,476	$56,545
06-26721.009-R-3	14-33-131-053-1009	17,406	34,208	$51,614
06-26721.010-R-3	14-33-131-053-1010	16,925	33,264	$50,189
06-26721.011-R-3	14-33-131-053-1011	203	400	$603
06-26721.012-R-3	14-33-131-053-1012	203	400	$603
06-26721.013-R-3	14-33-131-053-1013	203	400	$603
06-26721.014-R-3	14-33-131-053-1014	203	400	$603

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 26,247 square foot parcel of land containing a 20-year old, masonry, three-story, condominium building with ten dwelling units and four parking units. The improvement contains 30,509 square feet of gross building area and 21,759 square feet of unit area. 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.

The appellant filed appeals for the 2006, 2007, and 2008 tax years. The evidence and basis of appeal are the same for 2006, 2007, and 2008. The PTAB finds that these appeals are within the same assessment triennial, involve common issues of law and fact and a consolidation of the appeals would not prejudice the rights of the parties. Therefore, under the *Official Rules of the Property Tax Appeal Board, Section 1910.78*, the PTAB consolidates the above appeals for hearing purposes.

In support of this market value argument, the appellant submitted a complete, self-contained appraisal of the subject with an effective date of January 1, 2006 and an estimated market value of $5,414,192. The appraisers are Robert Schlitz and Michael Gilligan. Mr. Schlitz was a state-certified appraiser in Illinois and three other states. Furthermore, he holds the following designations: an MAI designation with the Appraisal Institute; a Certified Assessment Evaluator; a Residential Evaluation Specialist; and a Certified Illinois Assessing Official. Mr. Schlitz passed away before the hearing. Mr. Gilligan attended the hearing. He is a certified general appraiser, has a bachelor's degree in English from the University of Illinois, and has attended multiple classes at the Appraisal Institute.

The appellant's appraisal gave an estimate of market value as of the effective date of January 1, 2006 of $5,414,192. The appraisal reflects that a personal inspection of the exterior of the subject property was undertaken in January 30, 2007. The appraisal identifies and fully describes the subject property's improvements.

Mr. Gilligan testified that the subject's corner lot is improved with a ten unit townhome condominium with four parking units, 30,509 square feet of gross building area, and 21,759 square feet of unit area.

The appraisal indicated that the highest and best use of the subject, as improved, would be its continued use as improved. As to the subject's neighborhood, the appraisal reflects that the subject's surrounding area consists of a residential community.

The appellant's appraiser developed the three traditional approaches to value in estimating the subject’s market value.

The appraisal transmittal letter includes a grid of all the units in the building with their sale information, description of the unit and assessment information. Mr. Gilligan testified that only one unit in the subject building sold from 2003 to the date of the appraisal.

Mr. Gilligan testified that the best way to value the subject is to utilize the multiple regression analysis. He stated that this method is an algorithm which uses independent and dependant variables to predict sales for units which have not sold, but primarily those in the development, and then weighs those sales

against the characteristics of that unit to determine the impact or affect on value for each of those characteristics. This application can then be applied across the units that did not recently sell to determine a value for each of those units and then an overall building value based on the individual unit values.

Mr. Gilligan testified that he adapted all three approaches to value to recognize the differences and the interests held in condominium properties.

As to valuing the land, Mr. Gilligan testified that the cost approach was used because it determines the value of the underlying site and also determines the depreciated value of the improvement. The appraisal listed land sales within the subject's market. These sales ranged from $15.00 to $50.00 per square foot of land. In addition, the appraisal utilized a matched paired sales analysis to determine a market range of $1,555,847 per acre and $2,989 per front foot of land. After adjustments and reconciling the price per square foot, price per acre, and price per front foot value, the appraisal opined a land value of $1,150,000, rounded.

Using the Marshall, Swift & Boeckh's Cost Service, the appraisal estimated the replacement cost new to be $3,950,000. The appraisal notes an entrepreneurial profit of 13% for a total cost of $4,464,297. To account for depreciation, 7% was deducted. This established a depreciated value of the subject's improvement at $4,151,796 to which $207,000 was added for minor improvements for a total of $4,358,796. The land value was added to arrive at a final value under the cost approach of $5,500,000, rounded.

The appraisal reviewed three methods to determine value using the income approach. The first method was the direct capitalization approach. This approach reviewed the rent for six properties in the subject's market. Based on these rents, the subject's gross potential rent was estimated to be $503,399. The appraiser deducted 3.5% for vacancy and collection loss for an effective gross income of $485,780. Expenses were then deducted resulting in a net operating income of $310,461. A capitalization rate of 5.35% was applied to arrive at a final value under the direct capitalization approach of $5,803,009.

The second method used under the income approach was the band of investment method. After reviewing mortgage rates for condominiums and applying a rate of 5.615% to the net operating income of $310,461, the appraiser opined a value for the subject property of $5,529,136.

Lastly, the appraiser utilized a gross income multiplier to estimate the subject's value under the income approach. Using this method, the appraiser analyzed comparable properties in the subject's market to determine a gross income multiplier for the subject of 10.52. This amount was multiplied by the subject's gross potential income of $503,399 resulting in a total value of

$5,295,757. The three methods were then reconciled for a final value under the income approach of $5,530,000, rounded.

The appraiser also used the sales comparison approach to determine the subject's market value. Mr. Gilligan testified that he reviewed the recent sales of six low-rise residential properties purchased in their entirety for possible conversion to condominium. The structures ranged in age from 18 to 119 years old and in size from 20,600 to 35,550 square feet of building area. The sale dates ranged from April 2003 to April 2006 for prices that ranged from $3,000,000 to $6,800,000, or from $225.96 to $728.46 per square foot of building area including land.

Mr. Gilligan testified he reviewed the one and only recent unit sale in the subject building and also reviewed sales of condominiums outside of the subject building. An analysis was done on the different factors: size, room count, bed count, bath count, garage, percentage of ownership and then a portion of each sale price was attributed to each factor within that sale. A coefficient was established for each independent variable. The appraisal then applied the regression analysis to the subject. Based on this analysis, a value of $6,117,806 was indicated with a wholesale discounted present market value of $5,414,192.

Under cross examination, Mr. Gilligan testified that he placed the most weight on the multiple regression analysis.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment for all three years was $994,840. The subject's assessment reflects a market value of $6,217,750 using the level of assessment of 16% for Class 2 property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted a memorandum from that included the sale of unit 1009, purchased in August 2003 for $1,175,000. A deduction of $10,000 for personal property was taken, resulting in an adjusted purchase price of $1,165,000. This unit comprised 9.42% of the whole building. The adjusted purchase price was divided by its percentage of ownership of the whole to arrive at a full value for the whole building of $12,367,303.

At the hearing, the board of review's representative, Nick Jordan testified that he did not prepare the memorandum, but that he was familiar with the analysis used in the memorandum as it included the typical analysis used by the board of review to determine the value of a condominium. As a result of this analysis, the board requested confirmation of the subject's assessment.

After considering the evidence and reviewing the testimony, 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 evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate market data in undertaking the approaches to value. Lastly, in estimating a value under the sales comparison approach, the appraiser utilized a sale within the subject development and developed values for each characteristic within the units. These factors included: size; bathroom count; bedroom count; position in building; degree of finish; and degree of restoration. These values were then applied to the characteristics to each unit to establish a value for the building as a whole.

The PTAB gives little weight to the board of review's evidence as it contains only a sale of a unit within the subject building, a deduction for personal property, and no adjustment are made for the unit's characteristics.

Therefore, the PTAB finds that the appellant's appraisal indicates the 2006 market value for the subject property is $5,414,192. Since the market value of the subject has been established, the Illinois Department of Revenue's median level of assessment for tax year 2006 for Cook County Class 2 property of 10.12% will apply. In applying this level of assessment, the current total assessed value is above this amount. Therefore, the PTAB 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

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 30, 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.