



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

APPELLANT: Debbie Kubica
DOCKET NO.: 06-26794.001-C-1
PARCEL NO.: 13-20-202-012-0000

The parties of record before the Property Tax Appeal Board are Debbie Kubica, the appellant, by attorney Howard W. Melton of Howard W. Melton and Associates, 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: \$12,269
IMPR.: \$60,880
TOTAL: \$73,149

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a two-story masonry constructed commercial building with 2,500 square feet of ground floor building area. The subject has a small unfinished basement and the second floor is unfinished and used for storage. The first floor retail space has approximately 1,500 square feet of building area and the rear portion of the first floor area has storage build out. The building was constructed in 1963. The subject property has a 3,075 square foot site resulting in a land to building ratio of .62:1 when using total building area. The property is classified as a class 5-92 commercial property under the Cook County Real Property Assessment Classification Ordinance. The property is located in Chicago, Jefferson Township, Cook County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a summary appraisal report prepared by James A. Matthews, a certified general real estate appraiser. The appraisal stated that the purpose of the report was to estimate the market value of the subject property. The appraisal stated the property rights appraised were the fee simple title ownership and the highest and best use of the subject property was as improved with the

existing structure. The appraiser described the existing physical characteristics of the subject building as being a two-story structure with the second floor being unfinished and used for storage and that the first floor has approximately 1,500 square feet of retail area. The appraiser estimated the subject property had a market value of \$150,000 as of January 1, 2006.

In estimating the market value of the subject property the appraiser developed an income analysis wherein he estimated the subject had a market rent of \$8.00 per square foot of first floor building area and \$2.00 per square foot for the imputed storage value on the second floor. Based on this rent, the appraiser estimated the subject had a potential gross income of \$25,000. The appraiser deducted 10% for vacancy and collection loss to arrive at an effective gross income of \$22,500. The appraiser next deducted \$6,290 for expenses to arrive at an estimated net operating income of \$16,210. The appraiser then divided the net income by a capitalization rate of 10.25% to arrive at an estimated value under the income approach of \$160,000, rounded.

The appraiser also developed the sales comparison approach using six comparable sales. The appraisal indicated the comparables were improved with 1 or 2-story buildings that ranged in size from 2,700 to 4,000 square feet of building area and were built from 1923 to 1994. The comparables had sites ranging in size from 3,123 to 6,250 square feet of land resulting in land to building ratios ranging from .78:1 to 1.74:1. The comparables sold from September 2001 to February 2003 for prices ranging from \$100,000 to \$185,000 or from \$28.48 to \$68.52 per square foot of building area, including land. The appraiser indicated that no adjustments were made for financing; all sales were adjusted upward for time; all sales had similar commercial locations as the subject; sale #5 was adjusted upward and sale #4 was adjusted downward for land to building ratio; and sales #2 through #5 adjusted upward for size. Based on these sales the appraiser estimated the subject property had a market value of \$60.00 per square foot of ground floor building area or \$150,000, including land.

Based on this evidence the appraiser estimated the subject had a market value of \$150,000 as of January 1, 2006.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$73,149 was disclosed. The subject's assessment reflects a market value of \$192,497 or \$76.99 per square foot of ground floor building area and \$38.50 per square foot of total building area, including land, when applying the 38% level of assessment for commercial property as provided by the Cook County Real Property Assessment Classification Ordinance.

In support of the assessment the board of review submitted a copy of the subject's property record card and information on six comparable sales. The six comparables were improved with two-story commercial buildings that ranged in size from 3,000 to

5,600 square feet of building area. Comparable sales #1, #5 and #6 were constructed in 2004, 1956 and 1947, respectively. The ages of the remaining three comparables was not disclosed. The comparables had sites ranging in size from 3,014 to 7,501 square feet of land area with land to building ratios ranging from .56:1 to 1.87:1. The sales occurred from April 2001 to March 2006 for prices ranging from \$194,500 to \$640,000 or from \$43.23 to \$159.72 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's 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 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, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the sales data in the record do not support a reduction in the subject's assessment.

The appellant submitted an appraisal estimating the subject property had a market value of \$150,000 as of January 1, 2006. In reviewing the comparable sales contained in the appraisal, the Board finds the sales occurred from approximately 3 to 4 years prior to the assessment date at issue. Additionally, three of the comparables are described as one-story buildings, which differ from the subject's two-story design even considering the unfinished nature of the subject's second floor. Additionally, sale #6 was described as being built in 1994, making the building approximately 31 years newer than the subject. Due to these factors the Board finds the estimate of value under the appellant's appraiser's sales comparison approach is not credible.

The board of review provided information on six sales all of which were two-story buildings. The Board gives little weight to board of review sale #2 due to its date of sale, April 2001, and the fact the transaction is described as a distress sale in the board of review's evidence. The Board also gives less weight to board of review sale number 1 due to its age, being built in 2004, making it significantly newer than the subject. The Board also gives less weight to board of review sale #5 due to the fact the property sold in May 2007, more than a year after the assessment date at issue. The three remaining sales occurred from November 2003 to January 2005 for prices ranging from \$205,000 to \$640,000 or from \$65.60 to \$159.72 per square foot of building area, including land. The subject's assessment reflects

a market value of \$192,497 or \$76.99 per square foot of ground floor building area and \$38.50 per square foot of total building area, including land. The subject's assessment reflects a market value below the range established by the best comparables in the record on a total square foot basis and within the range if only the first floor area is considered. These sales indicate the subject property is not being overvalued for assessment purposes.

The Board also finds the appellant's appraisal is lacking in rental comparables and market data to lend support to the estimated market rent, vacancy and collection loss, expenses and the capitalization rate in the income approach. Based on these factors the Board finds the appellant's appraiser's income approach is not credible.

Based on this record the Board finds a reduction in the subject's assessment is not justified.

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 M. Louie

Member

Shawn P. 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: October 21, 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.