



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

APPELLANT: Joseph Murphy  
DOCKET NO.: 06-27504.001-C-1  
PARCEL NO.: 24-36-231-022-0000

The parties of record before the Property Tax Appeal Board are Joseph Murphy, the appellant, by attorney Terrence J. Griffin, of Eugene L. Griffin & Associates, Ltd. 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:** \$ 17,058  
**IMPR.:** \$ 115,942  
**TOTAL:** \$ 133,000

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a two-story, masonry, commercial building built in 1913 and containing 18,561 square feet of building area. The building is located on a 7,482 square foot land parcel.

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, 2005 undertaken by Robert W. Schlitz, who holds the designations of State General Real Estate Appraiser and Member of the Appraisal Institute. The appraiser estimated a market value for the subject of \$350,000.

As to the subject, the appraiser noted that the building contains basement area of 6,187 square feet of finished retail space which was also present on the building's first floor. He noted that the subject's second floor was totally un-occupied as it formerly

was an Elk's Club. During the appraiser's inspection, he noted availability for two tenants. Specifically, he stated that the basement and first floor were occupied by antique dealers, while the second floor was vacant. In addition, the appraisal included copies of plats of survey, area maps, zoning maps, the appraiser's sketches of the building, as well as multiple color photographs of the subject.

The appraiser indicated that the subject's highest and best use as vacant was for commercial development in accordance with current zoning regulations, 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 \$375,000, under the income approach was \$330,000, and under the sales comparison approach was \$370,000.

The first step under the cost approach was to value the site. Using six land sales, the appraiser estimated a land value of \$6.52 per square foot or \$48,783. Using the Marshall Swift/Boeckh's Cost Service, the appraiser estimated the replacement cost new of the subject at \$1,361,053 while adding entrepreneurial profit of 10% resulting in a total cost new of \$1,497,158. Deducting total depreciation of \$329,375 resulted in a final value under the cost approach of \$375,000.

Under the income approach, the appraiser reviewed the subject's actual rent roll as well as six rental comparables from the market. These commercial or mixed-use properties ranged in rental rates from \$4.75 to \$20.00 per square foot of building area. He estimated the subject's gross income at \$12.00 per square foot or \$222,732. Deducting a vacancy and collection loss of 33% resulted in an effective gross income of \$153,336. Total expenses and replacements for reserves were estimated at \$116,678 resulting in a net operating income of \$36,658. Using various methodologies, the appraiser concluded an overall capitalization rate of 11.26% and a final value under the income approach of \$325,531.

Under the sales comparison approach to value, the appraiser utilized six sales comparables. These comparables sold from January, 2003, through June, 2006, for prices that ranged from \$214,000 to \$415,000, or from \$12.37 to \$37.77 per square foot. The properties were improved with a one-story, commercial building. They ranged in age from 37 to 82 years and in size from 4,800 to 28,300 square feet of building area. After making adjustments to the suggested comparables, the appraiser estimated the subject's market value was from \$19.76 to \$20.30 per square foot or \$370,000, rounded.

In reconciling the three approaches to value, the appellant's appraiser indicated that most reliance was placed on the income and sales comparison approaches to value; thereby, reflecting a final market value of \$350,000 for the subject property.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$158,579 for tax year 2006. The subject's assessment reflects a market value of \$417,313 using the Cook County Ordinance Level of Assessment for Class 5a, commercial property of 38%. As to the subject, the board submitted copies of the subject's property record cards.

In addition, the board of review submitted a memorandum summarily describing the subject's building. The memorandum reflected that the subject's building contained 14,248 square feet of building area, while excluding the below grade, finished basement area of 7,121 square feet.

In support of the subject's market value, raw sales data was submitted for seven 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 \$360,000 to \$808,750, or from \$29.64 to \$68.00 per square foot of building area.

Moreover, the board of review's memorandum stated that it was not intended to be an appraisal or an estimate of value and should not be construed as such. It indicated that the information provided in the memorandum was collected from various sources and assumed to be factual, accurate or reliable. However, the memorandum disclosed that the writer had not verified the information or sources referenced; and therefore, did not warrant its accuracy. 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.

In determining the fair market value of the subject property, the Board 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 Board further finds this appraisal to be persuasive for the appraiser personally inspected the subject property and utilized

market data in the sales comparison approach 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 \$350,000 for tax year 2006. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5a, commercial property of 38% will apply. In applying this level of assessment to the subject, the total assessed value is \$133,000, while the subject's current total assessed value is above this amount at \$158,579. 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.

*Ronald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*Shawn R. 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: June 24, 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.