



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

APPELLANT: Henry Bellagamba
DOCKET NO.: 06-29441.001-R-1
PARCEL NO.: 14-32-101-013-0000

The parties of record before the Property Tax Appeal Board are Henry Bellagamba, the appellant(s), by attorney Anthony M. Farace, of Amari & Locallo 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: \$19,800
IMPR.: \$40,920
TOTAL: \$60,720

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 3,300 square foot parcel of land improved with an apartment building and a rear coach house built in 1889 and containing a total of six rental units. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal undertaken by Mitchell Perlow of Property Valuation Services. The report indicates Perlow is a State of Illinois certified general appraiser and holds the designation MAI. The appraiser indicated the subject has an estimated market value of \$600,000 as of January 1, 2006. The appraisal report describes the appraisal as a "use value assessment" which is defined as "[a]n assessment based on the value of the property as it is currently used, not on its market value considering alternate uses. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property. The appraisal finds the subject's highest and best use as vacant is for residential condominium development. The

appraisal indicates a determination of the highest and best use as improved is beyond the scope of the appraisal as no analysis was done on condominium conversion.

Under the cost approach to value, the appraiser utilized the assessed value to establish an estimate of value for the land of \$125,000, rounded. The reproduction cost new was utilized to determine a cost for the improvement at \$1,023,000. Using the age/life method, the appraiser depreciated the improvement by 53% for a value of \$480,810. The land and site improvements of \$5,000 were added back in to establish a value under the cost approach of \$610,000, rounded.

In the income approach to value, the appraiser looked at the subject's actual rents and analyzed six comparable properties for an estimated potential gross income (PGI) of \$86,400. Vacancy and collection was estimated at 5% of PGI. Expenses were estimated at \$16,304 for a net operating income of \$65,776. The band of investment method was utilized to establish a capitalization rate of 9% which was then loaded for an estimate of value under the income approach of \$580,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five apartment buildings. The properties range: in age from 78 to 86 years and in units from six to eight. The comparables sold from April 2005 to May 2007 for prices ranging from \$102,500 to \$127,857 per apartment unit. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$105,000 per unit or \$630,000, rounded.

In reconciling the three approaches to value, the appraisal gave no weight to the cost approach. Based on the sales comparison and income approaches to value arrived at a final estimate of value for the subject as of January 1, 2006 of \$600,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$153,573 was disclosed. The subject's final assessment reflects a fair market value of \$1,517,520 when the Illinois Department of Revenue's 2006 three-year median level of assessment of 10.12% for Cook County Class 2 properties is applied. In support of the subject's assessment, the board of review presented descriptions and assessment information on suggested comparables for each improvement. For improvement #1, the board of review submitted a grid listing three properties suggested as comparable and located within the subject's neighborhood. The properties consist of masonry, multi-family dwellings with three baths. The properties range: in age from 112 to 118 years; in size from 3,144 to 4,299 square feet of living area; and in improvement assessments from \$24.03 to \$36.38 per square foot of living area.

For improvement #2, the board of review submitted a grid listing three properties suggested as comparable and located within the subject's neighborhood. The properties consist of frame or masonry, multi-family dwellings with two or four baths. The properties range: in age from 108 to 124 years; in size from 1,800 to 1,986 square feet of living area; and in improvement assessments from \$31.71 to \$32.66 per square foot of living area. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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 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 PTAB finds the appraisal valued the property as is, but defined the term as use value. 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; and lastly, used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary. The PTAB gives little weight to the board of review's comparables as the information provided did not contain any sales information.

Therefore, the PTAB finds that the subject property had a market value of \$600,000 for the 2006 assessment year. Since the market value of the subject has been established, the Illinois Department of Revenue's 2006 three-year median level of assessment of 10.12% for Cook County Class 2 property will apply. In applying these levels of assessment to the subject, the total assessed value is \$60,720 while the subject's 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.

Ronald R. Cuit

Chairman

Frank J. Grief

Member

Member

Mario M. Louie

Shawn P. Lerski

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: September 23, 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.