



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

APPELLANT: Mark & Rebecca Alger
DOCKET NO.: 06-29893.001-R-1
PARCEL NO.: 13-36-224-001-0000

The parties of record before the Property Tax Appeal Board are Mark & Rebecca Alger, the appellants, by attorney Joe Lee Huang, of Law Offices of Terrence Kennedy Jr. 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: \$ 11,776
IMPR: \$ 56,441
TOTAL: \$ 68,217

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 5,555 square foot parcel of land improved with a 91-year old, three-story, masonry, multi-family dwelling with six apartments, therein. The improvement contains 8,063 square feet of living area as well as six full baths and a full basement.

The appellants' attorney raised two arguments: first that there was unequal treatment in the assessment process; and second, that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases of this appeal.

In support of the equity argument, the appellants submitted descriptive and assessment data as well as black and white photographs for four suggested comparables located within a two-mile radius of the subject. The properties were improved with a three-story, masonry, multi-family dwelling. They range: in baths from four full to six full baths; in age from 101 to 117 years; in size from 5,776 to 6,762 square feet of living area; and in improvement assessments from \$7.40 to \$9.27 per square foot. The properties each contain a full basement, while ranging

in number of apartments from four to six units. Even though the appellants' analysis indicated that the subject's improvement assessment was \$7.69 per square foot, this scrivener's error was amended at hearing to reflect an accurate improvement assessment of \$8.11 per square foot of living area. Based upon this analysis, the appellants requested a reduction in the subject's assessment.

As to the market value argument, the appellants submitted sales data and copies of deed registration at the Cook County Recorder's Office relating to the aforementioned, four equity comparables. These properties sold from October, 2004, to November, 2006, for prices that ranged from \$460,000 to \$515,000, or from \$68.03 to \$81.35 per square foot of living area.

Furthermore, the appellants submitted an income analysis consulting report with a retrospective value estimate for the subject property as of January 1, 2006 and a value estimate of \$470,000 undertaken by First Real Estate Services Ltd. and signed by: Ronda Sandic as appraiser, Gary Skish as Vice-President, and Gary Peterson as review appraiser.

The report stated that a physical inspection of the subject was made by either the appraiser or a representative of First Real Estate Services. In addition, the subject's physical descriptive information was obtained from public records or documents received from the client or its representative. Moreover, the report indicated that a visual review of the comparable rentals was undertaken as well as an analysis of neighborhood trends. The report also stated that all market data was verified wherever possible with a party to the transaction or with The Comps data service.

As to the subject's description, the report identified the subject's improvement as an 89-year old, three-story, six-unit, masonry, apartment building containing 8,063 square feet of above grade building area. The subject was estimated to be of average overall condition with an effective age of 35 years. The report developed a highest and best use analysis wherein the highest and best use as vacant, was for a multi-family residential development, while as improved, the highest and best use was as currently developed.

The report included five rental comparables, all of which were located in Chicago. The two-bedroom rent ranged from \$600 to \$900 per month, while four properties also included three-bedroom rent which ranged from \$750 to \$900 per month. The subject's actual rents ranged from \$890 to \$1,425 per month. In stabilizing the subject's income and expense analysis, the preparers' used a value of \$970 per month for the two-bedroom units and \$1,425 for the three-bedroom unit to estimate potential income at \$75,300 less a vacancy and collection loss at 8% resulted in an effective gross income of \$69,276. Other income was estimated at \$750 resulting in a total effective gross income of \$70,026. Total expenses, replacement for reserves, return on

and of furniture, fixtures and equipment were deducted indicating a net operating income of \$44,603. While referring to two data surveys, the preparers estimated a loaded capitalization rate of 9.44%. Applying this rate to the net operating income resulted in an estimate of market value at \$470,000, rounded.

At hearing, the appellant's attorney stated that the board of review's representative had negotiated reductions in the 2007 and 2008 tax year's appeals to reflect the subject's total assessment of \$68,217 and that these years are within the subject's triennial reassessment period. Further, he asserted that the submitted sale comparables support a reduction in the subject's current market value of \$762,154 when applying the median level of assessment for class 2 property.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$77,130. The board of review submitted descriptive and assessment data on four properties. The properties were improved with a two-story, frame, single-family dwelling. They range: in age from 103 to 117 years; in size from 2,974 to 3,696 square feet of living area; and in improvement assessments from \$11.07 to \$11.47 per square foot. Only two of the four properties include basement area, while three of the four properties also include a multi-car garage.

The properties' printouts reflect that the subject and properties #2 and #3 are in average condition with an average state of repair, while properties #1 and #4 were accorded either a deluxe or an average, renovated condition with an above average state of repair without further explanation. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the board of review's representative testified that she had no personal knowledge of the distinguishing characteristics between an average, above average or deluxe condition accorded to buildings by the assessor's office. She also stated that the board of review's suggested comparables are located within the subject's neighborhood and support the subject's current assessment.

After hearing the testimony and/or argument as well as 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 (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 Board concludes that the evidence indicates a reduction is warranted.

The Board finds the appellants' argument that the subject's assessment is excessive when applying an income approach based on the subject's consulting report unconvincing. The Board accorded diminished weight to this report due to: the absence of the cost and/or sales comparison approaches to value; the inclusion of return on and of furniture, fixtures and equipment in the income analysis; a lack of descriptive data on the suggested rental comparables; an absence of adjustments to the suggested rental comparables; and the absence of the preparer's testimony as to the methodology employed within the report.

The Board placed considerable weight on the suggested sale comparables due to a similar highest and best use as a multi-family dwelling ranging from four to six units as well as a reflection of market data. The sales ranged from \$68.03 to \$81.35 per square foot and ranged in size from 5,776 to 6,762 square feet of living area. After making adjustments to the sale comparables, the Board found that a reduction in the subject's market value was warranted. Moreover, the Board found persuasive the county's reduction of the subject's assessment within the triennial reassessment period for tax years 2007 and 2008 reflecting a total assessment for each year of \$68,217.

As the Board finds that a reduction is warranted based upon the appellants' market valuation argument, the Board will not further address the appellants' equity argument.

On the basis of the analysis of the sales provided by the appellants, the Board finds that the subject had a fair market value of \$674,081 as of January 1, 2006. Since the fair market value of the subject has been established, the median level of assessment for class 2 property of 10.12% shall apply.

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: April 22, 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.