



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

APPELLANT: Carl Riina
DOCKET NO.: 06-30252.001-R-1
PARCEL NO.: 12-11-102-039-0000

The parties of record before the Property Tax Appeal Board are Carl Riina, the appellant, by attorney Lisa A. Marino of Marino & Assoc., PC in 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: \$ 9,161
IMPR.: \$ 44,847
TOTAL: \$ 54,008

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a two-story, multi-family dwelling of masonry construction containing 4,025 square feet of living area. The dwelling is 42 years old, and it has two apartment units, a full, finished basement, and a two-car garage.

The appellant submitted evidence before the Property Tax Appeal Board claiming unequal treatment in the assessment process and overvaluation as the basis of his appeal. In support of the equity argument, the appellant submitted information on four comparable properties described as three-story masonry, multi-family dwellings that range in age from 31 to 37 years old. The appellant's comparables are located six blocks from the subject property. The comparable dwellings range in size from 5,625 to 6,534 square feet of living area. Three comparables have full, unfinished basements, and one has a slab foundation. The comparables have improvement assessments ranging from \$51,412 to \$60,138 or \$9.14 to \$9.22 per square foot of living area. The subject has an improvement assessment of \$44,847 or \$11.14 per square foot of living area. In her brief, the appellant's counsel argued the average improvement assessment for the comparables was \$9.18 per square foot, which should be applied to the subject's improvement resulting in a revised improvement assessment of \$36,950 and a total revised assessment of \$46,111.

In support of the overvaluation argument, the appellant argued that the subject property should have a market value of \$112,500. The appellant's attorney presented the subject's income and expenses for 2004 through 2006, with the figures for 2006 being prorated for a full year. According to the appellant's attorney, the subject had gross income ranging from \$19,200 to \$20,400 and allowable expenses ranging from \$3,712 to \$7,705. Counsel determined the subject's stabilized net operating income was \$14,161. The attorney used a 12.61% capitalization rate, which included an effective tax rate of 2.61%, to arrive at an indicated market value of \$112,300. In the brief, the appellant's attorney stated that, "In determining the base capitalization rate, we considered the Subject's age, location, condition, risk of collection loss/vacancy loss and likelihood of a breakdown in a major mechanical system or structural component." (Appellant's brief, pp. 3-4.) Based on this estimate of value the attorney requested the subject's assessment be reduced to \$17,968 after applying the 16% level of assessment for class 2 property as provided by the Cook County Real Property Assessment Classification Ordinance.

The Board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$54,008 was disclosed. The subject's assessment reflects a market value of approximately \$533,676 or \$132.59 per square foot of building area, land included, when applying the 2006 three year median level of assessment for Cook County class 2 property of 10.12%. (See 86 Ill.Admin.Code 1910.59(c)(2)). The subject has an improvement assessment of \$44,847 or \$11.14 per square foot of building area.

To demonstrate the subject property is being correctly assessed, the board of review presented descriptions and assessment information on four comparable properties consisting of two-story masonry, multi-family dwellings that are either 42 or 43 years old. The comparables are located in the same block as the subject property. The dwellings range in size from 3,932 to 4,025 square feet of living area. Each comparable has a garage and a full, finished basement, and two of these are finished with an apartment. These properties have improvement assessments ranging from \$12.60 to \$12.79 per square foot of living area.

The board of review also disclosed that the comparable numbered one sold in August 2004 for \$520,000 or \$132.25 per square foot of building area. 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 argued in part assessment inequity as the basis of the appeal. Taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessments by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data the Board finds the appellant did not demonstrate unequal treatment by clear and convincing evidence.

Both parties presented assessment data on eight equity comparables. The Board finds the comparables submitted by the board of review were most similar to the subject in age, size, and location. They were also very similar to the subject in other respects as well. Due to their similarities to the subject, these comparables received the most weight in the Board's analysis. These comparables had improvement assessments that ranged from \$12.60 to \$12.79 per square foot of living area. The subject's improvement assessment of \$11.14 per square foot of living area falls below the range established by the most similar comparables. After considering adjustments and the differences in both parties' comparables when compared to the subject, the board finds the subject's improvement assessment is equitable and a reduction in the subject's assessment is not warranted.

The appellant also argued overvaluation as an alternative basis of the appeal. 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). The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted on this basis.

The Board finds the subject's total assessment of \$54,008 reflects a market value of approximately \$533,676 or \$132.59 per square foot of building area, land included, when applying the 2006 three year median level of assessment for Cook County class 2 property of 10.12%. (See 86 Ill.Admin.Code 1910.59(c)(2)).

The appellant's counsel formulated an overvaluation argument using the subject's actual income and expenses from 2004 through 2006. The Board finds the appellant's argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses unconvincing. This argument is not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the

controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through any documentation or an expert appraisal witness that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not provide such evidence; therefore, the Property Tax Appeal Board gives this argument no weight.

The Board further finds it questionable that the appellant's counsel developed the "income approach" rather than an expert in the field of real estate valuation. The Board finds that an attorney cannot act as both an advocate for a client and also provide unbiased, objective opinion testimony of value for that client's property. (See 86 Ill.Admin.Code 1910.70(f)).

The Board finds that the record disclosed that one of the comparables submitted by the board of review sold in August 2004 for a price of \$520,000 or \$132.25 per square foot of building area, land included. The Board finds this sale supports the conclusion that the subject's total assessment reflecting a market value of \$533,676 or \$132.59 per square foot of building area, land included, is reflective of the property's market value. Based on this record, the Board finds a reduction to the subject's assessment based on overvaluation 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

Frank J. Huff

Member

Member

Mario M. Louie

Shawn R. 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: May 21, 2010

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.