



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

APPELLANT: Eugene Chesrow
DOCKET NO.: 06-31036.001-C-3
PARCEL NO.: 17-09-209-027-0000

The parties of record before the Property Tax Appeal Board are Eugene Chesrow, the appellant(s), by attorneys Michael D. Gertner of Michael D. Gertner, Ltd. in Chicago and Wilson Frost of Chicago; and the Cook County Board of Review by Cook County Assistant State's Attorney Joel Buikema.

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: \$98,040
IMPR: \$194,560
TOTAL: \$292,600

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 3,440 square foot parcel of land improved with a 131-year old, three and part four-story, masonry, office loft building containing 9,604 square feet of building area. 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 Brian M. Rubin and George K. Stamas of Meridian Appraisal and Consulting Group, Ltd. The report indicates Rubin and Stamas are State of Illinois certified general appraisers. The appraisers indicated the subject has an estimated market value of \$770,000 as of January 1, 2006. 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 is its current use.

Under the cost approach to value, the appraiser analyzed the sale of five properties to arrive at an estimate the value for the land at \$100.00 per square foot or \$345,000, rounded. The replacement cost new was utilized to determine a cost for the improvement at \$1,437,623. The age/life and the breakdown methods were used to depreciate the improvement by 70% for a value of \$431,287. The land was added back in to establish a value under the cost approach of \$775,000, rounded.

In the income approach to value, the appraisers analyzed the rents of five properties to estimate potential gross income at \$19.00 per square foot or \$182,476. Vacancy and collection were estimated at 7% for an effective gross income of \$169,703. Expenses were estimated to be \$60,876 based on an analysis of the *Institute of Real Estate Management* survey to arrive at a net operating income of \$108,827. The appraisers analyzed surveys and used the band of investment method to determine the capitalization rate of 8.75%. This rate was then loaded to 14.21% to estimate a value under the income approach of \$765,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of five masonry office buildings with between two and four stories located within the subject's market. The properties range in age from 74 to 114 years and in size from 8,808 to 25,000 square feet of building area. The comparables sold from May 2003 to February 2005 for prices ranging from \$565,000 to \$1,840,500, or from \$64.15 to \$80.65 per square foot of building area, including land. 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 \$80.00 per square foot of building area or \$770,000, rounded.

In reconciling the three approaches to value, the appraisal gave greatest weight to the sales comparison approach and secondary weight to the income and cost approaches to arrive at a final estimate of value for the subject as of January 1, 2006 of \$770,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$420,812 was disclosed. The subject's final assessment reflects a fair market value of \$1,107,400 or \$115.35 per square foot of building area when the Cook County Real Property Assessment Classification Ordinance level of assessment of 38% for Class 5a property is applied. The board also submitted raw sales information on six properties suggested as comparable. The properties sold from August 2001 to August 2008 for prices ranging from \$650,000 to \$3,000,000 or from \$65.00 to \$299.10 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the board of review's attorney argued that the appellant has not met the burden of proof required. The board of review also presented B.O.R. Exhibit #2, a copy of the quit claim deed for document 0416732005 that was referenced in the appellant's appraisal under the sales history of the subject. The board of review's attorney argued that the witness would be questioned on this document and how the appraisal was developed if a witness was present. He asserted that the comparables utilized within the appraisal were not similar to the subject to support the final estimate of value. However, no documentation or testimony was submitted by the board of review to support this argument.

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 this appeal. The Board further finds a reduction in the subject's assessment is warranted.

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 appellant's appraisers utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraisers: have 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 was raw sales data with no adjustments made. The PTAB also gives little weight to the quit claim deed for the subject as this document does not reflect an arm's length sale of the subject.

Therefore, the PTAB finds that the subject property had a market value of \$770,000 for the 2006 assessment year. Since the market value of the subject has been established, the Cook County Real Property Assessment Classification Ordinance level of assessment of 38% for Class 5a property will apply. In applying this level

of assessment to the subject, the total assessed value is \$292,600 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. Huff

Member

Mark Morris

Member

JR

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: February 24, 2012

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.