FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Richard Kaiser
DOCKET NO.: 06-31191.001-R-1
PARCEL NO.: 14-33-314-030-0000

The parties of record before the Property Tax Appeal Board are Richard Kaiser, the appellant(s), by attorney Stephanie Park, of Stephanie Park, P.C. of 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:	$ 20,040
IMPR.:	$ 101,400
TOTAL:	$ 121,440

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 3,000 square foot parcel improved with a 128-year-old, three-story, five unit, multi-family dwelling of masonry construction located in North Chicago Township, Cook County. Features of the building include five full bathrooms, five half-baths and a full-unfinished basement. The appellant argued that the subject dwelling contains 6,358 square feet of living area and provided an appraisal report, dated April 6, 2007, performed by a certified State of Illinois appraiser. Along with the report was a building sketch and calculations indicating the subject improvement contains 6,358 square feet of living area. The appellant also submitted an affidavit disclosing that the subject contains 6,358 square feet of living area and two-thirds of the fourth floor in not habitable and utilized as an attic. The board's documents indicate the subject dwelling contains 7,656 square feet of living area.

The appellant, through counsel, submitted evidence before the Property Tax Appeal Board and raised two arguments: first, that there was unequal treatment in the assessment process of the improvement; and second, that the fair market value of the subject is not accurately reflected in its assessed value. In support of the inequity argument, the appellant submitted assessment data and descriptive information on eight properties suggested as comparable to the subject. Based on the appellant's documents, the eight suggested comparables consist of three-story, multi-family dwellings of frame or masonry construction located within the subject's neighborhood. The improvements range in size from 5,250 to 7,020 square feet of living area and range in age from 19 to 135 years. The comparables contain from four to nine bathrooms. Five comparables contain a full-finished or unfinished basement and three comparables have a multi-car garage. The improvement assessments range from $15.80 to $20.93 per square foot of living area. Based on the evidence submitted, the appellant requested a reduction in the subject's improvement assessment.

As to the market value argument, the appellant submitted a copy of a summary appraisal report prepared by a State of Illinois certified real estate appraiser. The appraiser utilized the market approach as well as the income approach to estimate a market value of $1,200,000 for the subject as of April 6, 2007.

In the market approach, the appraiser used three sales consisting of three-story, multi-family dwellings of similar age to the subject and located within approximately one mile of the subject. The lots contain 3,000 or 3,150 square feet of land area and the improvements contain either five or six units. The comparables sold between September 2006 and March 2007 for prices ranging from $1,100,000 to $1,350,000, or from $210,000 to $225,000 per unit and from $48,462 to $64,288 per room. Based on these sales, an annual gross income multiplier (GIM) for the subject property was established at $13.50. Applying this multiplier to the subject's gross income of $90,600 established in the income approach results in a value estimate for the subject via the market approach of $1,225,000 rounded, as of April 6, 2007.

The next method employed by the appraiser was the income approach. Rental data from properties located in the subject's general area were used as the basis of this approach. In addition, conversations with real estate brokers indicated that the subject was located in a prime location and therefore, the appraiser arrived at a monthly rent of $7,550. Thus, the potential gross income (PGI) was estimated to be $90,600. Based on current vacancy levels in the market, the appraiser estimated a 5% vacancy and collection loss rate, resulting in an effective gross income of $86,070. The next step taken by the appraiser was the deduction of projected expenses totaling $28,775, resulting in a net operating income of $57,295 (NOI) for

the subject. Based on an analysis of the comparable sales within the report, the appraiser arrived at an overall capitalization rate of 4.75% for the subject. Applying the capitalization rate to the NOI resulted in a value for the subject through the income approach of $1,200,000 rounded, as of April 6, 2007.

In reconciling the two approaches to value, the appellant's appraiser accorded equal weight to each approach in his final value conclusion. Based on the evidence submitted, the appellant requested an assessment reflective of a fair market value for the subject of $1,200,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $167,007 was disclosed. The assessment reflects a total market value of $1,650,267 for the subject, when the 2006 Illinois Department of Revenue's three-year median level of assessments of 10.12% for Class 2 property, such as the subject, is applied. In support of the assessment, the board submitted property characteristic printouts and descriptive data on three properties suggested as comparable to the subject. The suggested comparables are improved with three-story, multi-family dwellings of masonry construction with the same neighborhood code as the subject. The improvements range in size from 5,832 to 7,096 square feet of living area and range in age from 113 to 118 years. The comparables contain five or six full bathrooms and a full-finished or unfinished basement. The improvement assessments range from $21.06 to $23.14 per square foot of living area. Based on the evidence presented, 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 this appeal.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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); 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 arms-length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. (86 Ill.Adm.Code §1910.65(c)) Having considered the evidence, the Board finds the appellant has satisfied this burden and a reduction is warranted.

The first issue before the Board is the subject's correct living square footage. The Board finds the appellant substantiated the claim that the subject's living square footage is different than the public record presented by the board of review. The Board

finds the appellant provided an appraisal report, dated April 6, 2007, performed by a certified State of Illinois appraiser. Along with the report was a building sketch and calculations indicating the subject improvement contains 6,358 square feet of living area. In addition, the appellant submitted an affidavit disclosing that the subject contains 6,358 square feet of living area and two-thirds of the fourth floor in not habitable and utilized as an attic. Consequently, the Board finds the subject dwelling contains 6,358 square feet of living area. The subject's improvement assessment is $146,967 or $23.12 per square foot of living area, based on 6,358 square feet.

In determining the fair market value of the subject property, the Property Tax Appeal Board finds the best evidence to be the appellant's summary appraisal report. The appellant's appraiser utilized the market approach as well as the income approach to value to estimate the fair market value of the subject. The Board finds this appraisal to be persuasive for the appraiser; has experience in appraising; personally inspected the subject property and reviewed the subject's history; utilized appropriate market data in undertaking the two 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 Board further finds the board of review's evidence did not address the appellant's market value argument.

Therefore, the Property Tax Appeal Board finds that the subject had a fair market value of $1,200,000 as of January 1, 2006. Since fair market value has been established, the 2006 Illinois Department of Revenue's three-year median level of assessments of 10.12% shall be applied. In applying this level of assessment to the subject, the total assessed value is $121,440 while the subject's current total assessed value is above this amount at $167,007. Therefore, the Board finds that a reduction is warranted.

As a final point, the Board finds no further reduction is warranted based on the appellant's inequity argument.

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.

Chairman

Member

Member

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: January 26, 2010

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.