



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

APPELLANT: Charles Jahn  
DOCKET NO.: 07-20737.001-I-1  
PARCEL NO.: 10-24-118-030-0000

The parties of record before the Property Tax Appeal Board are Charles Jahn, the appellant(s), by attorney Gregory J. Lafakis, of Verros, Lafakis & Berkshire, P.C. 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: \$13,577  
IMPR.: \$42,866  
TOTAL: \$56,443**

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 6,286 square foot parcel of land improved with a 49-year old, one-story warehouse building containing 5,073 square feet of building area.

The appellant argued unequal treatment in the assessment process and that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases of the appeal.

In support of the equity argument, the appellant submitted assessment data for five properties located within one-mile of the subject. These properties are described as industrial buildings. The properties range in age from 59 to 70 years and in size from 4,416 to 31,710 square feet of building area. The evidence reflects that the assessment data for comparables one and five is incomplete. The remaining three comparables' improvement assessment ranges from \$6.62 to \$8.45 per square foot of building area. The subject's improvement assessment is \$14.14 per square foot of building area. The appellant submitted the Cook County Assessor's website printout for each suggested comparable.

In support of the overvaluation argument, the appellant submitted market data on eight suggested sale comparables. The properties range in age from 12 to 83 years old and in size from 3,600 to 9,600 square feet of building area. The properties sold from May 2007 to January 2009 and in price from \$145,000 to \$370,000 or \$25.41 to \$40.28 per square foot of building area, including land. The appellant submitted a "Loopnet" printout for each of the properties. Based upon this analysis, the appellant requested a reduction in the subject's assessment.

The appellant also submitted copies of Schedule E's from the appellant's federal income tax returns for the subject property for 2004 through 2006 and an income analysis for 2004 through 2006 including a capitalization rate of 15.6% which resulted in a requested market value of \$134,615 and assessment of \$48,462.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$85,291 for the tax year 2007. The subject's assessment reflects a market value of \$236,918 or \$46.70 per square foot using the Cook County Ordinance Level of Assessment for Class 5, industrial property of 36%.

In support of the subject's market value, raw sales data was submitted for five industrial/warehouse properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but filed to indicate that there was any verification of the information or sources of data. The properties sold from January 2003 to September 2008, in an unadjusted range from \$250,000 to \$630,000 or from \$41.67 to \$153.66 per square foot of building area. The properties contained buildings that ranged in size from 3,920 to 6,000 square feet and in age from 22 to 60 years. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Ms. Ellen Berkshire, stated that the subject is an industrial warehouse building and summarized the evidence previously submitted which included a three year income analysis spreadsheet, Schedule "E's", five equity comparables, and seven sale comparables which sold from 2007 to 2009. Lastly, the income of the subject per the income analysis and schedule "E's indicates a decline in income however, no explanation of decline in income was submitted.

The board of review analyst, Ms. Lena Henderson, testified that the subject's assessment per square foot is below the range established by the board of review's sale comparables and therefore, the subject is fairly assessed. Ms. Henderson rested on the evidence submitted.

After reviewing the record, testimony, and considering 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. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code § 1910.65(c).

The appellant submitted documentation showing the income of the subject property. The Board gives the appellant's argument little weight. 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 property regarded as the most significant element in arriving at a "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. Id. At 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through an expert in real estate valuation that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income, one must establish, through the use of market data, the market rent, vacancy and collections losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. The appellant did not provide such evidence and, therefore the Board gives this argument no weight. Additionally, the Board gives little weight to both parties' unadjusted sales comparables. The Board finds that a reduction based on income and expenses is not warranted.

The appellant contends unequal treatment in the subject's improvement assessment 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 assessment valuations by clear and convincing evidence. Kankakee County Board of Review

v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). After an analysis of the assessment data, the PTAB finds the appellant has met this burden.

The Board finds the appellant's comparables #2, #3, and #4 are most similar to the subject in size, age, and location. 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 \$6.62 to \$8.45 per square foot of building area. The subject's improvement assessment of \$14.14 per square foot of building area is above the range established by the most similar comparables. After considering adjustments and the differences in the appellant's comparables when compared to the subject, the Board finds the subject's improvement assessment is not equitable and a reduction in the subject's assessment 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: March 22, 2013

*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.