



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

PELLANT: Jeffrey Kahan
DOCKET NO.: 07-21436.001-R-1
PARCEL NO.: 05-18-205-035-0000

The parties of record before the Property Tax Appeal Board are Jeffrey Kahan, the appellant, by attorney Mitchell L. Klein, of Schiller Klein 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: \$ 38,052
IMPR.: \$ 152,923
TOTAL: \$ 190,975

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a 53 year old, two-story, masonry and stucco, single-family dwelling. Features include four bedrooms, three and one half-baths, one fireplace, a wooden deck, central air conditioning, an attached two-car garage, and an indoor pool. The pool area is attached to the home and also contains a powder room. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

The appellant's appraisal states that the subject contains 3,281 square feet of building area, plus indoor pool area of approximately 1,400 square feet. The appraiser did not include the indoor pool area's square footage in the overall "square footage count" as "the indoor pool is a unique feature in this marketplace." The board of review's grid sheet and the county printout indicate that the total square footage of the subject is 5,280 square feet of building area.

In support of the market value argument, the appellant submitted a residential appraisal report for the subject property with an effective date of January 1, 2007. The appraiser estimated a fair market value for the subject of \$1,400,000 based on the cost and sales comparison approaches to value.

Under the cost approach to value, the appraiser estimated the value of the site to be \$825,000. He then valued: the improvements at \$459,340, the basement at \$70,000, the fence, pool and patio at \$125,000; and the garage at \$16,170 using data from recent new construction in-house appraisals and building-cost net. Depreciation, using the age/life method, was estimated to be \$113,959 was then deducted to arrive at a cost of \$556,551. With the value of the land and site improvements added, the appraiser estimated the value of the subject under this approach at \$1,411,600.

Under the sales comparison approach, the appraiser analyzed the sales of four properties located within a two mile radius from the subject in Glencoe. The comparables are two-story, residential single-family dwellings. The appraiser adjusted three of the sales by \$75,000 for lacking the indoor pool. Sale #2, like the subject, has an indoor pool. The appraiser also noted that Sale #2 was adjusted by 41% which exceeds Fannie Mae's gross adjustment guidelines. Based on the similarities and differences of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$1,400,000.

The appraisal also contained a computerized sketch of the subject that showed "approximate dimensions" only "intended to assist the reader in visualizing the property." No survey was made of the property or included in the report, however, the appraiser also conducted an inspection of the subject.

In reconciling the two approaches to value, the appraisal gave primary consideration to the sales comparison approach to value, noting that the "cost approach is supportive but less reliable due to data restrictions." The appraiser then arrived at a final estimate of value for the subject as of January 1, 2007 of \$1,400,000.

Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's total assessment of \$190,975 was disclosed. This assessment yields a fair market value of \$1,902,141, or \$412.88 per square foot of living area (including land), after applying the 2007 Illinois Department of Revenue three year median level of assessment for Class 2 properties of 10.04%. In support of the subject's assessment, the board of review submitted descriptive and assessment information for one property suggested as comparable to the subject. The comparable is described as a two-story, masonry, single-family dwelling. Additionally, the comparable is 81 years old and has 5,914 square feet of living area. The comparable's improvement assessment is \$30.08 per square foot of living area. The comparable also has various amenities. Based on this

evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant's attorney indicated that the board of review's evidence did not address the appellant's overvaluation claim.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal.

As to the ancillary square footage issue, the Board finds the best evidence to be the appellant's appraisal, including the pool area in the overall square footage as it is under roof and includes an additional bathroom. The appraiser acknowledged that it is accessed directly from the home which is confirmed by the appraiser's photographs and sketch. The appellant provided no evidence as to why the indoor pool area should be excluded in the valuation analysis. Additionally, although no survey was included in the appraisal, the appraiser performed a visual interior and exterior inspection of the subject and submitted a sketch of the property. Therefore, the Board further finds that the subject contains 4,681 square feet for purposes of this decision.

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). Having considered the evidence presented, the Board finds that the evidence indicates a reduction is not warranted.

In reconciling the two approaches to value, the appraisal gave primary consideration to the sales comparison approach to value, noting that the cost approach does not yield credible results. The Board finds the appellant's appraisal to be persuasive in its methodology in placing primary weight on the sales comparison approach, but finds the appraisal flawed for several reasons. The appraiser stated that "the indoor swimming pool is a unique feature in this marketplace" and therefore did not include its square footage in the overall square footage of the subject. However, the appraiser made an upward adjustment of \$75,000 for those sales comparables that did not contain an indoor pool, indicating that it does have value. Additionally, Sale #2 contains an indoor pool, which indicates this feature is not

"unique" for this marketplace. The appraiser valued the subject as if it contained 3,281 square feet of living area, or \$426.70 per square foot, including land. Applying the appraiser's per square foot value to the subject as containing 4,681 square feet of living area would yield a market value of \$1,997,379. After applying the 2007 Illinois Department of Revenue three year median level of assessment for Class 2 properties of 10.04% to this value, the assessment indicated is greater than its current level.

Based on this analysis, the Board finds that a change in the subject's assessment is not 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.



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: April 19, 2013



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.