



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

APPELLANT: Loft Development Corporation
DOCKET NO.: 07-23048.001-I-1 through 07-23048.012-I-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Loft Development Corporation, the appellant(s), by attorney Edwin M. Wittenstein, of Worssek & Vihon 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-23048.001-I-1	17-04-200-006-0000	45,900	3,754	\$49,654
07-23048.002-I-1	17-04-200-007-0000	45,900	3,754	\$49,654
07-23048.003-I-1	17-04-200-008-0000	45,900	4,915	\$50,815
07-23048.004-I-1	17-04-200-011-0000	87,927	10,562	\$98,489
07-23048.005-I-1	17-04-200-012-0000	56,100	0	\$56,100
07-23048.006-I-1	17-04-200-029-0000	45,900	4,716	\$50,616
07-23048.007-I-1	17-04-200-030-0000	45,900	4,716	\$50,616
07-23048.008-I-1	17-04-200-031-0000	45,900	4,656	\$50,556
07-23048.009-I-1	17-04-200-032-0000	45,900	4,656	\$50,556
07-23048.010-I-1	17-04-200-033-0000	87,927	10,563	\$98,490
07-23048.011-I-1	17-04-200-034-0000	45,900	659	\$46,559
07-23048.012-I-1	17-04-200-035-0000	45,900	4,995	\$50,895

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 86,265 square feet of land improved with a 36-year old, part two and part four story, masonry constructed industrial/loft building containing 38,250 square feet of building area. The appellant argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant's pleadings included a summary appraisal of the subject property with an effective date of January 1, 2006 undertaken by Leslie A. Allan, a licensed associate real estate appraiser and Mitchell J.

Perlow who holds an MAI designation and is a certified general real estate appraiser. The appraiser estimated a market value for the subject of \$1,810,000.

The appraisal indicated that the building is primarily 76 to 105 years old with additions from 30 to 62 years old. The appraiser indicated that the subject's highest and best use as vacant and improved is for its current use.

The appraiser developed two of the three traditional approaches to value. The appraiser developed the sales comparison and income capitalization approaches to value.

Under this sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from January 2004 through February 2005, for prices that ranged from \$600,000 to \$1,200,000 or from \$10.44 to \$23.33 per square foot. The properties were zoned for industrial usage. The properties ranged in building size from 30,000 to 104,000 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was \$21.00 per square foot or \$1,810,000 rounded, as of the January 1, 2005.

Under the income approach, the appraisers reviewed four rental comparables from the market. The properties ranged in asking rental rates from \$1.00 to \$3.00 per square foot on a net lease basis, while the properties range in rental area from 62,000 to 154,000 square feet. Based upon this data, the appraisers estimated the subject's potential gross income at \$2.90 per square foot or \$250,169 annually. Deducting a vacancy and collection loss of 10% resulted in an effective gross income of \$225,152. Total expenses and replacements for reserves and management fees were estimated at \$64,142 resulting in a net operating income of \$161,010.

The appraisers noted an overall capitalization rate for the subject based upon its size, condition and location of 9%. Applying the overall capitalization rate of 9% to the net operating income resulted in a final value under the income approach of \$1,790,000, rounded.

The appellant's appraisers indicated the most weight was accorded to the sales comparison approach to value in reconciling a final value estimate of \$1,810,000. Based upon this data, the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$802,546 for the tax year 2007. The subject's assessment reflects a market value of \$2,328,461 or \$25.81 per square foot using the Cook County Ordinance Level of Assessment for Class 5, industrial property of 36% and Class 1, vacant property of 22%.

In support of the subject's market value, raw sales data was submitted for five industrial and industrial/warehouse properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from September 1999, to September 2003, in an unadjusted range from \$17.25 to \$40.69 per square foot of building area. The properties contained buildings that ranged in size from 75,377 to 83,122 square feet and in age from 69 to 99 years. The board of review's sale comparables included two active listings. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Mr. Edwin Wittenstein, stated the subject is a part two and part four-story, masonry constructed, loft warehouse building which was constructed in nine different stages from 1900 with an effective age of 83 years. The subject is adjacent to the "L" tracks and has high functional obsolescence. Mr. Wittenstein summarized the appraisal previously submitted. Lastly, Mr. Wittenstien pointed out that the board of review's sale comparables #1 and #4 include listings and not sold properties while sale comparable #3 supports the appellant's argument requesting a reduction in the assessed value.

The board of review analyst, Mr. Chris Beck, testified that the appraiser's sale comparables utilized in the appraisal are not similar use comparables. The board of review confirmed that the 2007 total assessed value is \$802,546 and rested on the evidence submitted.

After considering the arguments and reviewing 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. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3d Dist. 2002; Winnbago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d (2d 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 Board concludes that the evidence indicates a reduction in the subject's assessment is warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by the board of review as the evidence provided unconfirmed, raw data on sales.

Further, as to the subject's market value, the Board finds that the appellant's appraisers utilized two of the three traditional approaches to value in developing the subject's market value, The Board also finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; estimated a highest and best use for the property; and utilized 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 Cook County Ordinance level of assessment for Class 5, industrial property of 36% and Class 1, vacant property of 22% will apply and supports appellant's request to reduce the total assessed value to \$703,000. Therefore, the Board 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.

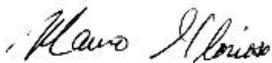


Chairman



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: March 22, 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.