



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

APPELLANT: Reed Harris
DOCKET NO.: 07-23202.001-R-1
PARCEL NO.: 14-20-426-009-0000

The parties of record before the Property Tax Appeal Board are Reed Harris, the appellant, by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. 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: \$16,211
IMPR.: \$65,908
TOTAL: \$82,119

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 3,736 square foot parcel of land improved with two frame structures consisting of a two story 2,053 square foot apartment building and a two and one-half story 2,237 square foot apartment building. Combined, the structures contain six apartments. 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 Arthur Murphy and Gregory Cunningham of Urban Real Estate Research, Inc. The report indicates Murphy is an MAI while Cunningham is a State of Illinois certified general appraiser. The appraisers indicated the subject has an estimated market value of \$320,000 as of January 1, 2007. 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 present use.

Under the cost approach to value, the appraiser analyzed the sales of six land sales in the subject's market. The appraiser adjusted each of the comparables to estimate the subject's land value of \$101,320. The replacement cost new method was utilized to determine a cost for the improvement at \$371,986 plus indirect costs of \$11,160. The appraisal depreciated the improvement by 50% for a value of \$210,730 and added \$6,453 for depreciated value of site improvements. The land was added back in to establish a value under the cost approach of \$320,000, rounded.

In the income approach to value, the appraiser analyzed the subject's rents to estimate a potential gross income of \$63,960. Expenses, which included vacancy and collection, were estimated at 24.8% to arrive at a net operating income of \$44,788. A loaded capitalization rate of 14% was utilized to estimate a value under the income approach of \$320,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five apartment buildings within the subject's market. The properties range: in age from 3 to 87 years and in size from 26,500 to 75,011 square feet of building area. The comparables sold from January 2005 to March 2006 for prices ranging from \$2,300,000 to \$5,994,000 or from \$51.74 to \$178.30 per square foot of building area, land included. 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 \$75.00 per square foot of building area or \$325,000, rounded.

In reconciling the three approaches to value, the appraisal arrived at a final estimate of value for the subject as of January 1, 2006 of \$320,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total final assessment of \$82,119 was disclosed. The subject's final assessment reflects a fair market value of \$817,918 when the Illinois Department of Revenue 2007 three-year median level of assessment of 10.04% for Class 2 properties is applied. In support of the subject's assessment, the board of review presented descriptions and assessment information regarding eight suggested comparables located in the subject's neighborhood. Four of the comparables are for the 2,236 square foot subject property (Improvement #1) and four of the comparables are for the 1,452 square foot subject property (Improvement #2).

The board of review's grid sheet indicates Improvement #1's improvement assessment is \$45,760 or \$20.47 per square foot of living area. The board submitted four suggested comparables properties that consist of two-story, masonry, frame, or frame and masonry, multifamily dwellings. The properties range: in age from 96 to 118 years; in size from 2,196 to 3,042 square feet of living area; and in improvement assessment from \$20.80 to \$24.25

per square foot of living area. Based on this evidence, the board requested confirmation of the subject property's assessment.

Improvement #2's improvement assessment is \$20,148 or \$13.88 per square foot of living area. The board submitted four suggested comparables properties that consist of one and one-half to two-story, frame, multifamily dwellings. The properties range: in age from 103 to 127 years; in size from 1,632 to 1,839 square feet of living area; and in improvement assessment from \$26.51 to \$28.29 per square foot of living area. Based on this evidence, the board requested confirmation of the subject property'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 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 not warranted.

In determining the fair market value of the subject property, the PTAB finds the appellant did not meet the burden of proving by a preponderance of the evidence that the subject was overvalued. The appellant's appraisers utilized sales comparables and rental comparables that were much larger than the subject property. The subject contains six apartment units while the appraisal's sale and rental comparables contain between 40 and 155 apartment units. As such, the PTAB finds the appraisal's sales and rental comparables are too dissimilar and require too many adjustments, due to the disparity in size when compared to the subject, to be persuasive in determining the market value of the subject. In addition, the PTAB gives little weight to the board of review's equity comparables as they did not address the appellant's market value argument.

In conclusion, the PTAB finds the appellant has failed to prove overvaluation by a preponderance of the evidence. For this reason the PTAB finds the subject's assessment as determined by the board of review is correct and no 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.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

Member

J. R.

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: December 21, 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.