FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Orysia Pokorni
DOCKET NO.: 07-24016.001-R-1 through 07-24016.002-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Orysia Pokorni, the appellant, by attorney Arnold G. Siegel, of Siegel & Callahan, 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 ***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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-24016.001-R-1	11-18-101-034-1001	6,076	67,124	$73,200
07-24016.002-R-1	11-18-101-034-1002	6,076	67,124	$73,200

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 7,595 square foot parcel of land improved with a 92-year old, two-story, frame, multi-family dwelling containing two units therein. The appellant argued that the fair market value of the subject was not accurately reflected in its assessed value as the basis of the appeal.

In support of the market value argument, the appellant submitted an appraisal undertaken by John B. Murphy and Mitchell J. Perlow with Property Valuation Services. The report indicates Murphy and Perlow are State of Illinois certified appraisers and that Perlow hold the MAI designation. The appraisers indicated an estimated market value of $850,000 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 indicates its purpose is to form an opinion of market value in order to establish an equitable ad valorem tax assessment and it is assumed the taxes will be reduced to an equitable level. In addition, the appraisal states it contains

sufficient information necessary to enable the reader to understand the appraiser's opinion.

In summarizing the subject property, the appraisal describes the subject as containing a two-unit apartment building with each unit containing six bedrooms and three bathrooms. However, the appraisal does not indicate the size of the living area. The appraisal indicates the property was personally inspected on April 8, 2009. The appraisal found the subject's highest and best use to be its current use. Moreover, the appraisal stated that the subject building was converted over five years prior to this assessment date into two condominium units each with its own distinct parcel number, even though the appraisers indicated that the owner verbally conveyed to them that the building is used as an two-unit apartment building. As to the building's functional utility, the appraisers stated that it was fair due to the fact that "the bedrooms are small and the units are cut up".

In the cost approach to value, the appraisers estimated the subject's land value at $607,600 using the market extraction method. The comparables are those sales included in the sales comparison approach. The appraisers than calculated a replacement cost new of $1,347,885 based on 4,415 square feet of above ground area and 2,210 square feet of basement area, which also included entrepreneurial profit of 10%. The subject was depreciated by $1,118,745 for a depreciated improvement value of $229,140. The land and site improvements were added back in to estimate a value for the subject property under the cost approach of $855,000, rounded.

In the income approach to value, the appraisers analyzed the rents of five properties which are apartment buildings to estimate potential gross income at $4,200 per unit or $100,800. Limited descriptive information was provided for these properties. Vacancy and collection allowances were estimated at 5% for an effective gross income of $95,760. Expenses were determined to be $6,974 to arrive at a net operating income of $88,786. The appraisers analyzed the band of investment method to determine a capitalization rate of 8.25%. This rate was then loaded to 10.57% to estimate a value under the income approach of $840,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five properties. The appraisal describes these properties as two unit apartment buildings from 82 to 120 years old. The properties sold from May 2005 to December 2007 for prices ranging from $705,000 to $895,000 or $352,500 to $447,500 per apartment unit. There was no information provided as to the size of each property or the number of bedrooms per unit. The appraisers adjusted downward for time/market conditions and location and made no adjustments for size and age/condition. The appraisers estimated a value for the subject under the sales comparison approach of $850,000.

In reconciling the approaches, the appraiser gave most weight to the sales comparison approach to determine a final estimate of value for the subject as of January 1, 2007 of $850,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of $146,400 was disclosed. The subject's final assessment reflects a fair market value of $1,458,167 when the Illinois Department of Revenue's 2007 three-year median level of assessment of 10.04% for Cook County Class 2 properties is applied.

In support of the subject's assessment, the board of review presented a condominium analysis of the subject property. Copies of County Recorder of Deeds documents were submitted to reflect a purchase by this appellant of the subject building on October 1, 2002 for a price of $1,200,000. As well as copies of documents reflecting a mortgage on both of these parcel numbers for $1,920,000 in November, 2002, and a second mortgage on condominium unit -1001 for $450,000 in February, 2006. Based on this evidence, 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.

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 (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).

In determining the fair market value of the subject property, the PTAB finds the appellant's appraisal drastically flawed. Overall, the PTAB finds that the highest and best use of the subject property as of the assessment date at issue is undisputed. Nevertheless, the appellant's appraisers failed to adhere to their opined highest and best use. The appraisal's initial disclosure, appellant's assertions in his attorney's brief, and the board of review's evidence reflect that the subject property is actually two adjacent, condominium units sited in the same building. The PTAB finds that the appraisers continued refusal to adhere to this undisputed fact and locate appropriate condominium units from the market to support their value estimate extinguishes any credibility of the appraisal.

In the cost approach, the PTAB finds the appraisers reviewed the apartment building sales from the sales comparison approach and applied the extraction method to estimate the cost of the land. However, the appraisers failed to include any locational or

descriptive information, other than the age and number of units, for these properties; therefore, the PTAB is unable to confirm the appraisers' opinions as credible or supported by any data.

In the income approach to value, the appraisers utilized five rental comparables and used a rent per bedroom calculation. The appraisers failed to provide the square footage of each unit to show comparability to the size of the subject's units. In addition, the appraisers failed to provide any authority to establish that renters utilize a rent per bedroom calculation. The PTAB finds that without supporting testimony or data to show how rents are developed in the market, the PTAB cannot judge the credibility of this methodology and its applicability to condominium units.

In the sales comparison approach to value, the appraisers failed to provide substantial details concerning the suggested comparable properties. The appraisers made minimal adjustments to these properties and the PTAB finds that without more descriptive data, the PTAB cannot judge the appraisers' opinions and adjustments as credible or supported.

Therefore, the PTAB finds that the appellant failed to submit complete, accurate, and credible evidence to show, by a preponderance of this evidence, that the subject property is overvalued and the PTAB finds a reduction 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: June 21, 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.