FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Maria Moraites
DOCKET NO.: 07-24026.001-R-1
PARCEL NO.: 10-13-219-015-0000

The parties of record before the Property Tax Appeal Board are Maria Moraites, the appellant(s), 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:

LAND:	$34,913
IMPR.:	$76,596
TOTAL:	$111,509

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 19,837 square foot parcel of land improved with a 119-year old, two-story, masonry, multi-family dwelling containing two apartment units and 4,797 square feet of living area. 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 4,797 square feet of living area. The appraisal indicates the property was personally inspected on April 9, 2009. The appraisal found the subject's highest and best use to be its current use.

In the cost approach to value, the appraisers estimated the subject's land value at $595,000 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 $1,352,885 which included entrepreneurial profit of 10%. The subject was depreciated by $1,122,895 for a depreciated improvement value of $229,990. The land and site improvements were added back in to estimate a value for the subject property under the cost approach of $850,000, rounded.

In the income approach to value, the appraisers analyzed the rents of five properties to estimate potential gross income at $900.00 per bedroom or $86,400. Limited descriptive information was provided for these properties. Vacancy and collection were estimated at 5% for an effective gross income of $82,080. Expenses were determined to be $7,318 to arrive at a net operating income of $74,762. The appraisers analyzed the band of investment method to determine a capitalization rate of 7.50%. This rate was then loaded to 9.75% to estimate a value under the income approach of $765,000, 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 $111,509 was disclosed. The subject's final assessment reflects a fair market value of $1,110,647 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 descriptions and assessment information on four properties suggested as comparable. The properties are described as two-story, masonry, multi-family dwellings. The suggested comparables range: in age from 97 to 109 years; in size from 2,984 to 3,360 square feet of living area; and in improvement assessments from $16.17 to $17.92 per square foot of living area. 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 flawed. In the cost approach, the PTAB finds the appraisers reviewed the 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 descriptive information, other than the age and number of units, for these properties so that the PTAB could confirm the appraisers' opinions were credible.

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 unit. 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 unusual methodology. Moreover, the PTAB finds the appraisal initially indicates primary emphasis for the estimate of value should be placed on the income approach to value because the subject is an income producing property; however, the appraisal also gives primary emphasis to the sales comparison approach. The PTAB finds these to be conflicting statements.

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.

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: May 24, 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.