



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

APPELLANT: CRP Holdings c/o Colliers B&K REMS
DOCKET NO.: 07-24452.001-I-1
PARCEL NO.: 10-29-401-029-0000

The parties of record before the Property Tax Appeal Board are CRP Holdings c/o Colliers B&K REMS, the appellant(s), 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 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:

LAND: \$258,390
IMPR.: \$796,410
TOTAL: \$1,054,800

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 168,883 square foot parcel of land improved with one-story, 32-year old, industrial building. The appellant, via counsel, 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 Joseph Thouvenell of Madison Appraisal, LLC. The report indicates Thouvenell is a State of Illinois general certified appraiser and holds the MAI and the CRE designations. Thouvenell was the appellant's only witness. Thouvenell testified he has been an appraiser for 40 years. He estimated he has appraised thousands of properties and all property types in those years.

The appraisal indicated the subject has an estimated market value of \$2,930,000 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 existing use.

Under the cost approach to value, Thouvenell analyzed the sale of five properties to arrive at an estimate of value for the land at \$6.00 per square foot or \$1,015,000, rounded. The replacement cost new using R.S. Means was utilized to determine a cost for the improvement at \$6,292,000. Thouvenell testified the market extraction method was used to depreciate the improvement by 70% for a value of \$1,887,600. The land was added back in to establish a value under the cost approach of \$2,900,000, rounded.

Under the income approach to value, Thouvenell testified he analyzed the rents of five properties to arrive at an estimated rental rate for the subject at \$4.00 per square foot of building area. This resulted in a potential net income (GPI) of \$366,272. Vacancy and collection loss and management fees were estimated at 15% of GPI for a net operating income (NOI) estimate of \$311,331.

In determining the appropriate capitalization (CAP) rate, Thouvenell testified he utilized the band of investment and market extraction techniques. Thouvenell testified he estimated a CAP rate of 10.5% to estimate the market value for the subject under this approach at \$2,965,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five properties. The properties range in age from 26 to 48 years and in size from 60,000 to 290,000 square feet of building area. The comparables sold from June 2005 to September 2006 for prices ranging from \$18.62 to \$33.33 per square foot of building area, including land. Thouvenell testified he made adjustments to each of the comparables for pertinent factors such as size, land to building ratio, and age. 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 \$32.00 per square foot of building area or \$2,930,000, rounded.

In reconciling the three approaches to value, the appraisal gave maximum emphasis to the sales comparison approach, appropriate emphasis on the income approach and less consideration to the cost approach to value to arrive at a final estimate of value for the subject as of January 1, 2007 of \$2,930,000.

Under cross-examination, Thouvenell testified he was not provided the income and expenses for the subject property. He testified that if an appraiser has income and expense information they consider that and compare it to the market to determine if it was at market. Thouvenell testified that the appraisal shows the bulk sale of the subject, but that he was not provided with an allocated price. He testified he considered the sale, but did not use any amount for the sale. He defined an arm's length sale. He testified he attempts to verify all the sales within an appraisal and would note the condition of the sale if this was a factor. He testified that the buyer and seller in sale

comparable #4 are not related parties. He did not know if the buyers and sellers in sale comparables #3 and #5 were related, but that if they were, he would compare the sale price to the market and consider the sale.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment was \$1,217,146 yielding a market value of \$3,380,961 or \$41.08 per square foot of building area, including land, using the Cook County Real Property Classification Ordinance for Class 5b property of 36%. The board also submitted raw sales information on six properties suggested as comparable. The properties range in size from 3,100 to 4,840 square feet of building area and sold from April 2005 to June 2009 for prices ranging from \$2,750,000 to \$4,603,500 or from \$32.03 to \$60.00 per square foot of building area, including land. The board also submitted copies of the trustee deed and the PTAX-203, Illinois Real Estate Transfer Declaration involving several properties, including the subject, in April 2006 for \$20,129,500. The board's memo acknowledges the sale was a bulk sale. The board of review did not call any witnesses and rested on the evidence already submitted.

Under cross examination, the board of review's representative, Chris Beck, acknowledged that the individual who prepared the board's evidence is not present to testify. He testified the memo is given weight in that the board reviews the sales data provided. He acknowledged that no adjustments were made to the comparables.

After reviewing the testimony 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). Having considered the evidence presented, the PTAB concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal and testimony. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The witness credibly testified to these approaches. The PTAB finds the appraisal and testimony to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while

providing sufficient detail regarding each sale as well as adjustments that were necessary. The PTAB gives little weight to the board of review's comparables as the information provided was raw sales data and the board's witness testified that no adjustments were made to these sales. In addition, the testimony and evidence show the sale of the subject was part of a bulk transaction of many properties.

Therefore, the PTAB finds the subject had a market value of \$2,930,000 for the 2007 assessment year. Since the market value of this parcel has been established, the Cook County Real Property Classification Ordinance for Class 5b property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$1,054,800 while the subject's current total assessed value is above this amount. Therefore, the PTAB 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.

Ronald 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: November 30, 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.