



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

APPELLANT: Nicholas E. Karnezis
DOCKET NO.: 07-26244.001-C-1
PARCEL NO.: 06-25-420-003-0000

The parties of record before the Property Tax Appeal Board are Nicholas E. Karnezis, the appellant(s); 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: \$94,396
IMPR.: \$260,904
TOTAL: \$355,300

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 55,203 square foot parcel of land improved with a 28-year old, one-story, masonry, strip center containing 17,000 square feet of building area. 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 authored by Lawrence J. Starkman of Illinois Appraisal Services, Inc. The report indicates Starkman is a State of Illinois certified general appraiser and has the designation of a MAI. The appraiser indicated the subject has an estimated market value of \$935,000 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 current use.

Under the cost approach to value, the appraiser analyzed five land sales to estimate the value of the land at \$5.50 per square

foot or \$305,000, rounded. The replacement cost new was utilized to determine a cost for the improvement at \$1,487,938. The appraiser depreciated the improvement for a value of \$632,374. The land and site improvements were added back in to establish a value under the cost approach of \$950,000, rounded.

In the income approach to value, the appraiser looked at the subject's rent rolls and analyzed four rental comparables to estimate a gross annual income of \$281,256. Vacancy and collection was estimated at 25% for an effective gross income of \$210,942. Total expenses were deducted to arrive at a net operating income of \$172,802. The band of investment method was utilized to establish a capitalization rate of 18.32% for an estimate of value under the income approach of \$940,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of seven strip centers located within the subject's market. The properties contain between 8,200 and 46,000 square feet of building area. The comparables sold from October 2001 and April 2005 for prices ranging from \$827,000 to \$2,375,000, or from \$47.61 to \$100.85 per square foot of building area, including land. 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 \$55.00 per square foot of building area, including land or \$935,000, rounded.

In reconciling the three approaches to value, the appraisal gave maximum emphasis to the sales comparison approach with support from the other approaches to arrive at a final estimate of value for the subject as of January 1, 2007 of \$935,000.

In addition, the appellant also submitted income and expense statements as well as photographs of the subject.

At hearing, the appellant testified that the subject property has physical obsolescence in that the roof needed to be replaced and was replaced after the lien year in question. In addition, he testified that the Village required him to repave the alleyway that is located on the subject's property.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$399,257 was disclosed. The subject's final assessment reflects a fair market value of \$1,050,676 when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5A properties is applied. The board also submitted raw sales information on seven properties suggested as comparable. The properties sold from March 2002 to August 2006 for prices ranging from \$850,000 to \$5,100,000 or from \$46.72 to \$310.50 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the board of review argued the assessment should be based on the income of the subject property.

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 warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate 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 PTAB gives little weight to the board of review's comparables as the information provided was raw sales data with no adjustments made.

Therefore, the PTAB finds that the subject property had a market value of \$935,000 for the 2007 assessment year. Since the market value of the subject has been established, the Cook County Real Property Assessment Classification Ordinance level of assessment of 38% for Class 5A will apply. In applying this level of assessment to the subject, the total assessed value is \$355,300 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

Shawn R. Lerbis

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 3, 2010

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.