



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

APPELLANT: Aziz Khan
DOCKET NO.: 07-26949.001-C-1
PARCEL NO.: 13-14-104-004-0000

The parties of record before the Property Tax Appeal Board are Aziz Khan, the appellant(s), by attorney Glenn S. Guttman, of Rieff Schramm Kanter & Guttman 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: \$ 74,812
IMPR.: \$ 84,788
TOTAL: \$159,600

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 18,750 square feet of land that is improved with an 19 year old, one-story, masonry, commercial building with 10,500 square feet of building area. The subject is being used as a strip mall. The appellant, via counsel, argued that the subject's market value was not accurately reflected in its assessment.

In support of the market value argument, the appellant submitted an appraisal undertaken by Shawn Schneider and Susan Z. Ulman of Zimmerman Real Estate Group, Ltd. in Chicago. The report states that both appraisers are licensed as State of Illinois Certified General Real Estate Appraiser. The appraisers stated that the subject had an estimated market value of \$420,000 as of January 1, 2007. The appraisal report utilized the income approach to value and the sales comparison approach to value to estimate the market value for the subject property. The appraisal states that both appraisers personally inspected the subject, and that the subject's highest and best use as improved is its current use.

In the income approach to value, the appraiser analyzed the rents of five suggested comparable nearby strip malls to estimate a potential gross income of \$147,000, or \$14.00 per square foot of building area. Expenses were estimated to be \$62,022, and

vacancy and collection losses were estimated to be 15%, for a net operating income of \$62,928. A loaded capitalization rate of 14.8969% was utilized to estimate a value under the income approach of \$420,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five comparables. These five properties are described as one-story, commercial buildings or strip malls that range in age from 18 to 91 years old, and in size from 6,000 to 32,828 square feet of building area, including land. These sales comparables sold from August 2003 to September 2007 for prices ranging from \$250,000,000 to \$1,200,000, or from \$32.00 to \$48.00 per square foot of building area. The appraisers adjusted each of the comparables for pertinent factors. Based on the similarities and differences of the comparables when compared to the subject, the appraisers estimated a value for the subject under the sales comparison approach of \$420,000.

The cost approach to value was not developed for the appraisal because, according to the appraisers, the income approach and the sales comparison approach are the primary approaches to value to be used when appraising a property like the subject. The appraisers gave the income approach to value primary consideration in valuing the subject, since the subject's income producing ability is the primary factor buyers look towards when purchasing the subject. Thus, the appraisers concluded that the subject's appraised value was \$420,000 as of January 1, 2007. Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$269,620 was disclosed. This assessment yields a market value of \$709,526 after applying the 38% assessment level for class-5 properties in accordance with the Cook County assessment ordinance in effect for tax year 2007. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for five commercial properties located within four miles of the subject. The sales data was collected from the CoStar Comps service, and the CoStar Comps sheets state that the research was licensed to the assessor's office. However, the board of review included a memorandum which states that the submission of these comparables is not intended to be an appraisal or an estimate of value, and should not be construed as such. The memorandum further stated that the information provided was collected from various sources, and was assumed to be factual, accurate, and reliable; but that the information had not been verified, and that the board of review did not warrant its accuracy.

The suggested comparables contained buildings that range in age from 8 to 87 years old, and in size from 9,400 to 12,444 square feet of building area. The properties sold from February 2002 to November 2006 in an unadjusted range from \$1,000,000 to \$2,175,000, or from \$106.38 to \$229.89 per square foot of

building area, land included. The printouts also indicate that the sale described in Comparable #2 did not have real estate brokers, and that the parties used the same realtor in Comparable #3, as well as in Comparables #4 and #5. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant argued that the board of review's evidence should be given no weight, and re-affirmed the evidence previously submitted.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (the "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. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code. § 1910.65(c). Having considered the evidence presented, the Board finds that a reduction is warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appraisal submitted by the appellant. The appraisers utilized the income approach to value and the sales comparison approach to value in determining the subject's market value. The Board finds this appraisal persuasive because the appraisers have experience in appraising, personally inspected the subject, and used similar properties in the sales comparison approach while providing adjustments that were necessary. The Board gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data, and was admittedly not intended to be an estimate of value.

Therefore, the Board finds the subject had a market value of \$420,000 for tax year 2007. Since market value has been determined, the Cook County Real Property Classification Ordinance as in effect for tax year 2007 shall apply. The subject is classified as a class 5-17 property. Accordingly, the applicable assessment is 38% of the subject's fair market value, which equates to \$159,600. The subject's current total assessed value is higher than this value, and, therefore, the Board finds 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.



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: September 21, 2012



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.