



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

APPELLANT: Tony Cairo
DOCKET NO.: 07-27047.001-C-1 through 07-27047.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Tony Cairo, 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 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-27047.001-C-1	18-16-106-024-0000	82,912	289,106	\$372,018
07-27047.002-C-1	18-16-106-025-0000	54,517	14,265	\$68,782

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of two parcels of land totaling 48,221 square feet and improved with a 28-year old, two-story, masonry, multi-tenant, commercial building. 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 Samuel S. Zagorac, Gary M. Skish and Gary T. Peterson with First Real Estate Service, Ltd. The report indicates the three appraisers are State of Illinois certified appraisers and Peterson holds the MAI designation. The appraisers indicated an estimated market value of \$1,160,000 as of January 1, 2008. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property.

In summarizing the subject property, the appraisal describes the subject as containing 17,500 square feet of building area with 14,500 square feet of net rentable area. The appraisal indicates

the subject was inspected by the appraiser on June 9, 2008. The appraisal found the subject's highest and best use to be its current use. The appraisal listed a sale of the subject in January 2005 for \$2,635,000 and opined this sale was well above market value.

Under the cost approach to value, the appraiser analyzed the sale of four properties to arrive at an estimated value for the land of \$11.50 per square foot or \$555,000, rounded. The replacement cost new was utilized to determine a cost for the improvement at \$1,301,125. Entrepreneurial profit was then added to arrive at a total replacement cost of \$1,431,238. The age/life was used to depreciate the improvement by 56% for a value of \$629,745. Site improvements of \$30,000 and the land were added back in to establish a value under the cost approach of \$1,215,000, rounded.

In the income approach to value, the appraiser analyzed the rents of seven properties and one offering to estimate potential gross income at \$17.60 per square foot of net rentable area or \$255,200. Vacancy and collection were estimated at 10% while other income was estimated at \$2,000 for an effective gross income of \$231,680. Operating expenses were determined to be \$44,950 and \$11,890 was deducted for leasing commissions and replacement reserves to arrive at a net operating income of \$174,840. The appraiser analyzed surveys and used the band of investment method to determine the capitalization rate of 9.0%. This rate was then loaded to 15.06% to estimate a value under the income approach of \$1,160,000, rounded.

Under the sales comparison approach, the appraisers analyzed the sales of five masonry, two, three or four-story, commercial, office buildings located within the subject's market. The properties range in age from 15 to 25 years and in size from 8,300 to 31,000 square feet of leasable area. The comparables sold from September 2005 to January 2007 for prices ranging from \$590,000 to \$1,898,200, or from \$32.26 to \$85.71 per square foot of building area, including land. The appraisers 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 \$80.00 per square foot of building area or \$1,160,000, rounded.

In reconciling the three approaches to value, the appraisal gave primary consideration to the income approach and secondary consideration to the sales comparison approach to arrive at a final estimate of value for the subject as of January 1, 2008 of \$1,160,000. The appraisal indicates there are no material changes in the market value from January 1, 2007 to January 1, 2008 and the opinion of value for 2007 would be substantially similar to the opinion of value for 2008.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$513,710 was disclosed. The subject's final assessment reflects a fair market

value of \$1,351,866 or \$79.52 per square foot of building area when the Cook County Real Property Assessment Classification Ordinance level of assessment of 38% for Class 5a property is applied. The board also submitted raw sales information on five properties suggested as comparable. The properties sold from July 2002 and May 2006 for prices ranging from \$1,075,000 to \$3,050,000 or from \$67.19 to \$179.41 per square foot of building area, including land. The board also included copies of a recorder of deed's printout and the trustee's deed showing the subject sold in December 2004 for \$2,635,000. 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, 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 market value evidence presented, the PTAB concludes that this 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 appraisers utilized the three traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraisers: have 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. In addition, the PTAB gives less weight to the sale of the subject in December 2004 as this sale is too far removed from the lien date to accurately reflect the subject's market value for January 1, 2007.

Therefore, the PTAB finds that the subject property had a market value of \$1,160,000 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 property will apply. In applying

this level of assessment to the subject, the total assessed value is \$440,800 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.

Donald R. Cuit

Chairman

Frank J. Huff

Member

Mark Morris

Member

JR

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

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.