



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

APPELLANT: Stewart Enterprises, Inc.
DOCKET NO.: 07-27308.001-R-1 through 07-27308.002-R-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Stewart Enterprises, Inc., the appellant(s), by attorney John P. Fitzgerald, of John P. Fitzgerald, Ltd. 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
07-27308.001-R-1	24-04-334-004-0000	12,972	3,023	\$15,995
07-27308.002-R-1	24-04-334-011-0000	19,961	35,761	\$55,722

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 20,925 square foot parcel of land with two improvements. Improvement #1 is improved with a residential garage. Improvement #2 is improved with a 71-year old, masonry constructed, one and two-story, funeral home building containing 9,685 square feet of building area. The appellant argued that the market value of improvement #2 is not accurately reflected in the property's assessed valuation as the basis of this appeal.

In support of the market value argument, the appellant's pleadings included a summary appraisal of the subject property with an effective date of January 1, 2005 undertaken by Ruffino Arroyo, certified general real estate appraiser, and Gary T. Peterson, who holds the designation of MAI and certified General real estate appraiser. The appraisers estimated a market value for the subject of \$555,000.

As to the subject, the appraisal indicated that the subject's site was inspected on October 20, 2005 and that the property rights appraised for the subject are the unencumbered fee simple estate. The subject was found to be a rectangular shaped parcel containing 20,925 square feet of land with the improvement containing 9,685 square feet of building area. The appraisal

indicated that the building was constructed in 1936 with later additions and was in average condition.

The appraisers indicated that the subject's highest and best use as vacant would be to improve it on a build to suit basis with a commercial building with on-site parking and while the highest and best use as improved is for its current use.

The appraisers developed all of the three traditional approaches to value. The appraiser developed the sales comparison, income capitalization, and cost approaches to value.

Under the sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from July 2002 through June 2004, for prices that ranged from \$300,000 to \$565,150 or from \$37.39 to \$47.89 per square foot, including land. The properties were zoned for retail, office, and funeral home buildings. They ranged in building size from 4,536 to 11,800 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market value was \$46.00 per square foot for the building plus 105,000 for the land or \$550,000 rounded, as of the assessment date.

Under the income approach, the appraisers reviewed five rental comparables from the market. The comparable rental properties include one to two-story office buildings. These properties ranged in rental rates from \$5.00 to 7.25 per square foot on a gross lease basis, while the properties range in rental area from 2,880 to 40,000 square feet. Based upon this data, the appraisers estimated the subject's potential gross income of \$7.25 per square foot or \$70,216. Deducting a vacancy and collection loss of 7% resulted in an effective gross income of \$65,301. Total expenses and replacements for reserves were estimated at \$10,973 resulting in a net operating income of \$54,328.

Using the band of investment methodology as well as market data from various sources including: Korpacz Real Estate Investor Survey, Second Quarter, 2008, for non-institutional properties, published by PriceWaterhouseCoopers LLP, the appraisers noted a range of capitalization rates from 8.5% to 10.5%. They concluded an overall capitalization rate for the subject based upon its size, condition and location of 10.00%. Applying an overall capitalization rate of 10.00% to the estimate of net operating income resulted in a final value under the income approach of \$545,000, rounded.

Lastly, under the cost approach, the appraiser analyzed five land sales to estimate the value of the land at \$5.00 per square foot or \$105,000, rounded. The replacement cost new method was utilized to determine a cost for the improvement at \$1,130,000. The appraisers used the age/life method to depreciate the improvement by 60% for a value of \$678,000. Adding land value

of \$105,000 resulted in a market value estimate under this approach of \$555,000, rounded.

The appellant's appraisers indicated the most weight was accorded to the sales comparison approach to value in reconciling a final value estimate of \$555,000. Based upon this data, the appellant requested a reduction in the subject's market value.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$848,645 for the tax year 2007. The subject's assessment reflects a market value of \$766,721 or \$74.40 per square foot using the Cook County Ordinance Level of Assessment for Class 2a, residential property of 10.04%. As to the subject, the board submitted copies of the subject's property record cards, which indicated that the subject property contained 9,842 square feet of building area. In support of the subject's assessment, the board of review submitted descriptions and assessment information for four properties located within the subject's neighborhood. These properties are described as two-story, masonry, mixed-use commercial and residential dwellings with between two and one-half to three and one-half baths, a full unfinished basement for two of the properties, one fireplace and a one and one-half car garage for one of the properties. The properties range: in age from 48 to 62 years; in size from 2,650 to 10,810 square feet of building area; and have improvement assessments from \$2.83 to \$16.57 per square foot of building area. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant via counsel, Ms. Mary Fitzgerald, requested that the assessment be reduced based on the appraisal value of \$555,000.

The board of review analyst, Mr. Roland Lara, questioned the appellant's attorney whether the subject contains any living space per its 2-12 classification. The appellant's attorney confirmed that the property per the appraisal states that the subject includes a "chapel room, funeral parlor, office, and a sleeping room" with no further evidence. Mr. Lara argued that since the appraisal does not include any evidence including photographs, plat or interior schematic identifying a separate apartment, the appraisal should be discredited. Mr. Lara defined an apartment as an area that has a defined heated sleeping area with a dedicated bathroom. Mr. Lara also argued that the sales comparables used in the appraisal are not similar in location. The appellant's attorney responded by stating that the comparables may not be in the "immediate vicinity of the subject they are close". The appellant's attorney argued that since classification was not an issue, the appraiser had no duty to specifically identify and include photos of the living space and thus, the appraisal shall not be discredited based on that reason.

After considering the arguments and reviewing 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 (3d Dist. 2002; Winnbago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d (2d 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 Board concludes that the evidence indicates a reduction in the subject's assessment is warranted.

In determining the fair market value of the subject property, the Board accorded diminished weight to the properties submitted by the board of review as the evidence provided are equity comparables.

Therefore, as to the subject's market value, the Board finds the best evidence to be the appellant's appraisal. As to the subject's market value, the Board finds that the appellant's appraiser utilized the three traditional approaches to value in developing the subject's market value. The Board also finds this appraisal to be persuasive for the appraisers: have extensive experience in appraising and assessing property; personally inspected the subject property; estimated a highest and best use for the property; and utilized 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.

Therefore, the Board finds that the subject property contained a market value of \$555,000 for the tax year 2007. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 2-12, mixed-use property of 10.04% will apply. In applying this level of assessment to the subject, the total assessed value is \$55,722, while the subject's current total assessed value is above this amount at \$85,204. Therefore, the Board 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.



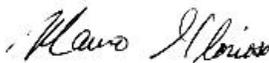
Chairman



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: November 30, 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.