



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

APPELLANT: Sergio Divincenzo
DOCKET NO.: 07-27557.001-R-1
PARCEL NO.: 12-15-326-005-0000

The parties of record before the Property Tax Appeal Board are Sergio Divincenzo, the appellant, by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change 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: \$4,380
IMPR.: \$59,645
TOTAL: \$64,025

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 4,563 square foot site improved with a three-story, walk-up, 6-unit apartment building with 4,935¹ square feet of building area.² The building is of masonry construction and is approximately 27 years old being built in 1970. The subject has three one-bedroom units and three two-bedroom units. The property is a class 2-11 property under the Cook County Real Property Assessment Classification Ordinance and is located in Schiller Park, Leyden Township, Cook County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal of the subject property prepared by Dione N. Spiteri, a State of Illinois Certified appraiser. Ms. Spiteri developed the three traditional approaches to value in estimating the subject property had a market value of \$300,000 as of January 1, 2007.

¹ The appellant's appraisal contained a schematic diagram of the subject building which provided the best evidence of size.

² The photographs of the subject indicated the first floor is partially below grade.

Under the cost approach the appraiser first estimated the value of the subject site to be \$35.00 per square foot of land area or \$159,705 using three land sales that had unit prices ranging from \$28.74 to \$39.27 per square foot of land area. The appraiser estimated the reproduction cost new to be \$372,938. The appraiser stated in the report the subject does not suffer from external or functional obsolescence and was in average condition. The appraiser estimated the subject suffered from 33% physical depreciation. After deducting depreciation and adding the land value the appraiser estimated the subject had a market value under the cost approach of \$408,331.

Under the income approach the appraiser indicated that four of the subject units had monthly rents of \$310 to \$430, two were vacant. The appraiser identified three comparable rentals each of which was improved with three-story masonry building. The appraisal indicated each comparable had six units but also stated each was improved with a three-story 5-flat building. The appraiser also indicated each comparable was similar to the subject building in terms of style, utility, unit floor plan and condition. These comparables had monthly rentals ranging from \$585 to \$850 per apartment. Based on this data the appraiser estimated the subject had a monthly economic rent ranging from \$310 to \$430 per apartment for a total monthly rent of \$2,240. The appraiser further estimated the subject would receive \$720 per month from the coin laundry. The appraiser calculated the subject had a potential monthly gross income of \$2,960 and an annual income of \$35,520. The appraiser deducted 5% for vacancy and collection loss to arrive at an effective gross income of \$33,744. The appraiser then deducted \$19,412 for expenses, which included \$10,011 for taxes, resulting in a net income of \$14,332. The appraiser then used a capitalization rate of 5% to capitalize the net income to reflect an estimate of market value under the income approach of \$286,640.

The final approach developed by the appraiser was the sales comparison approach using three comparable sales improved with three-story masonry constructed apartment buildings that had 5 or 6 apartments. The buildings ranged in size from 4,645 to 5,292 square feet of building area and were constructed from 1964 to 1969. The comparables were located from .09 to .87 miles from the subject. The sales occurred from April 2005 to November 2005 for prices ranging from \$549,900 to \$680,000 or from \$114.85 to \$131.39 per square foot of building area and \$107,917 to \$113,333 per unit, including land. Based on this data the appraiser estimated the subject had an indicated value under the sales comparison approach of \$350,000 or \$70.92 per square foot of building area and \$58,333 per unit, including land.

In reconciling the three approaches to value the appraiser gave minimal weight to the cost approach. The appraiser gave most weight to the income and sales comparison approaches to arrive at an estimate of value of \$300,000 as of January 1, 2007.

Based on this evidence the appellant requested the subject's assessment be reduced to \$30,360.

The board of review submitted its "Board of Review Notes on Appeal" wherein its final assessment of the subject totaling \$64,025 was disclosed. The subject's assessment reflects a market value of approximately \$637,700 or \$129.22 per square foot of building area and \$106,283 per apartment, including land, when applying the 2007 three year average median level of assessments for Cook County class 2 property of 10.04% as determined by the Illinois Department of Revenue.

In support of the assessment the board of review submitted information on four comparables improved with six unit masonry constructed apartment buildings with the same classification code and neighborhood code as the subject. Photographs of the comparables depict three-story buildings with the first floor being slightly below grade. The comparables had 4,914 and 4,928 square feet of building area and were 37 and 44 years old. These properties had improvement assessments ranging from \$58,186 to \$59,620 or from \$11.84 to \$12.10 per square foot of building area. The subject has an improvement assessment of \$59,645 or \$12.09 per square foot of building area when utilizing 4,935 square feet. The board of review also indicated that comparable #1 sold in June 2004 for a price of \$1,200,000. Based on this evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal the appellant asserted that the board of review did not submit an appraisal to refute the appraisal provided by the appellant. Additionally, the appellant noted that board of review comparable #1 was not an arm's length sale but a transfer from Goepp Robert A. Trust to Goepp Robert Family Trust and Marital Trust, indicating a transfer between related parties.

After reviewing the record and considering the evidence the Board finds it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record does not support a reduction in the subject's assessment.

The appellant contends overvaluation as the basis of the appeal. When market value is the basis of the appeal the value of the property must be proved 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). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. (86 Ill.Admin.Code §1910.65(c)). The Board finds the market data in the record does not support a reduction in the subject's assessment.

The Board finds the appellant submitted an appraisal in support of the overvaluation issue. In reviewing the appraisal, the Board finds the appraiser gave minimal weight to the cost

approach; therefore, the Board gives the estimate of value under the cost approach minimal weight.

In reviewing the income approach to value the Board finds the appraiser understated the market rent attributed to the subject property. The data in the record disclosed the comparable rentals had monthly rentals ranging from \$585 to \$850 per apartment. The appraiser estimated the subject had a monthly market rent of \$310 to \$430 per apartment. The Board finds this estimate is low and not supported by the appraiser's data especially in light of the fact the appraiser asserted each comparable was similar to the subject building in terms of style, utility, unit floor plan and condition. Additionally, the appraiser deducted real estate taxes as an expense; however, in appraising for assessment purposes the preferred way of handling this item is to use an effective tax rate as part of the capitalization rate. For these reasons the Board finds the appellant's appraiser's estimate of value under the income approach understates the market value of the subject property.

The Board finds the best evidence of market value in the appraisal is the three comparable sales. The data indicated these comparables were similar to the subject in location, age, construction, size and number of apartments. The sales occurred from April 2005 to November 2005 for prices ranging from \$549,900 to \$680,000 or from \$114.85 to \$131.39 per square foot of building area and \$107,917 to \$113,333 per unit, including land. In reviewing this data the Board finds the appellant's appraiser's estimated value under the sales comparison approach of \$350,000 or \$70.92 per square foot of building area and \$58,333 per unit, including land, is not credible. The record disclosed the subject had a total assessment of \$64,025 reflecting a market value of approximately \$637,700 or \$129.22 per square foot of building area and \$106,283 per apartment, including land, when applying the 2007 three year average median level of assessments for Cook County class 2 property of 10.04% as determined by the Illinois Department of Revenue. The Board finds the subject's assessment reflects a market value supported by the comparable sales used in the appellant's appraisal.

In conclusion, the Board finds a reduction in the subject's assessment is not 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

K. L. Fern

Member

Frank A. Huff

Member

Mario M. Louie

Member

Shawn P. 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: October 21, 2011

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.