



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

APPELLANT: Peter Gagliano
DOCKET NO.: 07-29600.001-R-1
PARCEL NO.: 02-15-407-011-0000

The parties of record before the Property Tax Appeal Board are Peter Gagliano, the appellant, by attorney Theodore Swain of Gould & Ratner 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: \$ 9,931
IMPR.: \$ 54,325
TOTAL: \$ 64,256

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a three-story multi-family dwelling of masonry construction containing 5,916 square feet of living area. The building is 26 years old. Features of the building include six apartment units and a full unfinished basement. The dwelling is located in Palatine, Palatine Township, Cook County.

The appellant submitted evidence before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of the overvaluation argument, the appellant submitted an appraisal report in which a market value of \$640,000 was estimated for the subject property as of January 1, 2007. The appraiser developed the sales comparison approach and the income approach to estimate the market value of the subject property. The appraiser considered six comparable properties that sold from August 2005 through December 2006 for prices that ranged from \$540,000 to \$635,000. Each of the comparable properties is a multi-family masonry dwelling with six apartment units. On a per unit basis, the comparable sales ranged from \$90,000 to \$105,833 per unit. The buildings range in age from 26 to 49 years old, and they range in size from 4,403 to 6,279 square feet of living area. All six properties are located in the same municipality as the subject. After adjustments, the appraiser determined that the comparable sales had unit prices that ranged from \$105,000 to

\$125,000 and that the subject's unit value would be near the lower end of this range. Using a range of \$105,000 to \$110,000 per unit, the appraiser estimated the subject's six units would have a market value between \$630,000 and \$660,000. The appraiser chose the midpoint of this range, \$645,000, as his estimate of the subject's market value using the sales comparison approach to value. The appraiser also developed the income approach to value using the capitalization method and the gross rent multiplier method. The appraiser gave more emphasis to the gross rent multiplier method. The appraiser projected that the subject property would have gross annual income of \$63,000. After analyzing the six comparable sales properties, the appraiser estimated that the gross rent multiplier for these properties ranged from 9.78 to 10.45. The appraiser applied a gross rent multiplier of 10 to the subject's projected gross income to arrive at a market value of \$630,000 using the income approach to value. Finally, the appraiser reconciled these two estimates by using the market value obtained through the income approach to adjust downward the market value obtained through the sales comparison approach. The appraiser's final estimate of the subject's market value as of January 1, 2007 was \$640,000. In the brief, the appellant's counsel requested that the 10% level of assessments on class 2 property in Cook County be applied to the appraiser's finding of market value and that the subject's total assessment be reduced to \$64,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$77,847 was disclosed. The subject's assessment reflects a market value of \$775,369 or \$131.06 per square foot of living area, land included, using the 2007 three year average median level of assessments for class 2 property of 10.04% as determined by the Illinois Department of Revenue. The board of review presented descriptions and assessment information on four comparable properties consisting of three-story masonry multi-family dwellings that have the same assigned neighborhood and classification codes as the subject. Each building is 32 years old with five apartment units and a slab foundation. The buildings range in size from 3,696 to 5,544 square feet of living area, and they have improvement assessments that range from \$11.48 to \$13.29 per square foot of living area. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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 supports a reduction in the subject's assessment.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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 of the subject property or comparable sales. (86 Ill.Admin.Code 1910.65(c)). After an analysis of the evidence in the record, the Board finds a reduction in the subject's assessment is warranted.

The Board finds the appellant's appraisal report is the best evidence of the subject's market value as of the January 1, 2007 assessment date. The appraiser estimated a market value of \$640,000 for the subject property as of January 1, 2007. The subject's assessment reflects a market value of \$775,369 and is in excess of the market value estimate contained in the appraisal report. The board of review submitted four equity comparables that did not address the overvaluation argument. According to the appraisal, the subject has a market value of \$640,000. Consequently, the Board finds that the board of review was not able to refute the appellant's market value conclusion contained in the appraisal report. The Board finds the subject has a market value of \$640,000 and the 2007 three-year median level of assessments for Cook County Real Property Assessment Classification Ordinance Class 2 property of 10.04% as determined by the Illinois Department of Revenue shall apply. (86 Ill.Admin.Code 1910.59(c)(2)).

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 M. Louie

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: April 22, 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.