



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

APPELLANT: DMS Partnership  
DOCKET NO.: 07-30553.001-I-1  
PARCEL NO.: 16-16-310-008-0000

The parties of record before the Property Tax Appeal Board are DMS Partnership, the appellant(s), by attorney Christopher G. Walsh, Jr. 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:** \$199,535  
**IMPR:** \$365,665  
**TOTAL:** \$565,200

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 277,133 square feet of land improved with a 57-year old warehouse building containing 156,713 square feet of building area. The appellant argued that the market value of the subject property 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, 2007 undertaken by Mark Ruchti and James A. Matthews, licensed real estate appraisers. The appraisers estimated a market value for the subject of \$1,570,000.

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

Under this sales comparison approach to value, the appraisers utilized five sale comparables. These comparables sold from April 2004 through June 2006 for prices that ranged from \$540,000 to \$2,000,000 or from \$5.99 to \$11.49 per square foot. The properties ranged in building size from 90,113 to 174,131 square feet of building area. After making adjustments to the suggested comparables, the appraisers estimated that the subject's market

value was \$10.00 per square foot or \$1,570,000 rounded, as of the January 1, 2007.

Under the income approach, the appraisers analyzed four lease/rental comparables and estimated the subject's net operating income at \$266,476.

The appraiser noted an overall capitalization rate for the subject based upon its size, condition and location of 16.88%. Applying the overall capitalization rate of 16.88% to the net operating income resulted in a final value under the income approach of 1,580,000, rounded.

Lastly, under the cost approach, the appraiser analyzed four land sales to estimate the value of the land at \$1.75 per square foot or \$485,000, rounded. Replacement cost new is estimated at \$7,102,085. The appraiser depreciated the improvement by 85% which included depreciation for external, physical, and functional obsolescence. Adding land value of \$485,000 resulted in a market value estimate under this approach of \$1,550,000, rounded.

The appellant's appraisers indicated that the most weight was accorded to the sales comparison and the income approaches to value in reconciling a final value estimate of \$1,570,000. 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 \$651,111 for the tax year 2007. The subject's assessment reflects a market value of \$1,808,640 or \$11.54 per square foot using the Cook County Ordinance Level of Assessment for Class 5, industrial property of 36%.

In support of the subject's market value, raw sales data was submitted for seven industrial/warehouse properties. The data from the CoStar Comps service sheets reflect that the research was licensed to the assessor's office, but failed to indicate that there was any verification of the information or sources of data. The properties sold from November 1995, to July 2007, in an unadjusted range from \$1,250,000 to \$6,323,000 or from \$10.42 to \$58.50 per square foot of building area. The properties contained buildings that ranged in size from 108,088 to 152,000 square feet. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Mr. Christopher Walsh called the appraiser, Mr. James Matthews, as a witness without objection from the board of review's analyst, Mr. Chris Beck. Mr. Matthews testified regarding his experience in the real estate field and his qualifications. He stated that he inspected the exterior of the subject and developed the sale comparison, income, and cost approaches to value. Mr. Matthews reviewed each approach and indicated that the most weight was given to sales

and income approach in reconciling a final value estimate of \$1,570,000 as of January 1, 2007. On cross examination, Mr. Matthews testified that the 2004 sale comparables used in the appraisal are indicative of the market value in 2007 and are arm's length transactions. Upon further questioning, Mr. Matthews "does not recall" whether sales comparable #3 was a product of a foreclosure. Mr. Matthews further testified that the sales comparables are located within ten miles of the subject.

After considering the arguments, testimony, 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 unconfirmed, raw data on sales.

Further, as to the subject's market value, the Board finds that the appellant's appraisers utilized all 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. Furthermore, the Board finds that the testimony of the appellant's appraiser bolstered the written evidence.

Therefore, the Board finds that the subject property contained a market value of \$1,570,000 for the tax year 2007. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5, industrial property of 36% will apply. In applying this level of assessment to the subject, the total assessed value is \$565,200, while the subject's current total assessed value is above this amount at \$651,111. Therefore, the Board finds that a reduction is warranted.

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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.



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Chairman



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Member



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Member



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Member



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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 19, 2013



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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.