



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

APPELLANT: Evelyn Marozas
DOCKET NO.: 07-30927.001-C-1
PARCEL NO.: 20-29-317-016-0000

The parties of record before the Property Tax Appeal Board are Evelyn Marozas, the appellant(s), by attorney Herbert B. Rosenberg, of Schoenberg Finkel Newman & Rosenberg LLC 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: \$ 10,065
IMPR.: \$ 109,835
TOTAL: \$ 119,900

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 12,200 square feet of land that is improved with a three-story, 80 year old, masonry, 34 unit apartment building with 24,333 square feet of building area. The appellant, via counsel, argued that the subject's market value was not accurately reflected in its assessment.

In support of the market value argument, the appellant submitted an appraisal undertaken by Charlie Hynes of Regional Real Estate Valuations. The report states that Mr. Hynes is a licensed State of Illinois Certified General Real Estate Appraiser and holds the designation of MAI. The appraiser stated that the subject had an estimated market value of \$545,000 as of January 1, 2006. The appraisal report utilized the cost approach to value, the income approach to value, and the sales comparison approach to value to estimate the market value for the subject property. The appraisal states that Mr. Hynes personally inspected the subject, and that the subject's highest and best use as improved is its current use.

Under the cost approach to value, the appraiser estimated the subject's land value to be \$122,000 based on seven recent vacant land sales near the subject that the appraiser analyzed. The improvement's replacement cost was estimated to be \$1,739,810

using the Marshall Valuation Service. The appraiser added 5% for soft costs, and 10% for entrepreneurial incentive to arrive at a total replacement cost new for the subject of \$2,009,480. The appraiser then deducted 79% from the replacement cost new to account for depreciation of the improvement. The appraiser then added the estimated land value and the value of the depreciated replacement cost to arrive at a value under the cost approach to value of \$545,000, rounded.

In the income approach to value, the appraiser analyzed the rents of eight suggested comparable nearby apartment buildings to estimate a potential gross income of \$215,700, or \$8.86 per square foot of building area. Vacancy and collection losses were estimated to be 12%. Expenses were estimated to be \$113,452, for a net operating income of \$76,364. A loaded capitalization rate of 14% was utilized to estimate a value under the income approach of \$545,000 rounded.

Under the sales comparison approach, the appraiser analyzed the sales of four suggested comparables, which are described as three-story, masonry, apartment buildings that range in age from 45 to 100 years old, and in size from 17,400 to 31,500 square feet of building area. The sales comparables have from 24 to 36 units. These sales comparables sold from June 2003 to March 2005 for prices ranging from \$330,000 to \$695,000, or from \$18.97 to \$22.73 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and differences of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$545,000.

The appraiser gave the income approach primary consideration, and the sales comparison approach secondary consideration in valuing the subject. Thus, the appraiser concluded that the subject's appraised value was \$545,000 as of January 1, 2006.

The appellant also included a letter from Mr. Hynes dated March 4, 2008. In this letter, Mr. Hynes provided an update to the appraisal, and states that the subject's value remained the same from January 1, 2006 until January 1, 2007. The appellant also included a rent roll, federal income tax returns, and an affidavit stating that attempts have been made to lease part of the subject. Based on this evidence, the appellant requested a reduction in the subject's assessment.

The Cook County Board of Review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$162,599 was disclosed. The subject's final assessment yields a fair market value of \$739,086 when the 22% assessment level for class 3-15 property under the Cook County Classification of Real Property Ordinance is applied. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for five multi-family apartment buildings located within five miles of the subject. The sales data was collected from the CoStar Comps service, and

the CoStar Comps sheets state that the research was licensed to the assessor's office.

The suggested comparables consist of apartment buildings that range in age from 76 to 85 years old, and in size from 22,000 to 25,410 square feet of building area. The suggested comparables contain 31 or 32 units each. The properties sold from February 2002 to September 2006 in an unadjusted range from \$948,635 to \$1,125,000, or from \$39.09 to \$50.00 per square foot of building area, land included. The printouts also indicate that the parties in Comparables #1, #2, and #3 used the same real estate broker. Additionally, Comparable #5 was part of a 1031 exchange on behalf of the buyer. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney, Herbert B. Rosenberg, reaffirmed the evidence previously submitted through testimony from Mr. Hynes. The Cook County Board of Review Analyst, Colin Brady, rested on the evidence previously submitted.

Mr. Rosenberg then asked Mr. Brady whether any adjustments were made to the board of review's sales comparables. Mr. Brady responded that he had no personal knowledge as to whether there were any adjustments made to the sales comparables. At this time, Mr. Rosenberg offered a printout from the Multiple Listing Service ("MLS") into evidence. This printout detailed the amenities and sale conditions for board of review Comparables #1. The Property Tax Appeal Board (the "Board") accepted this printout into evidence, without objection from the board of review. Mr. Rosenberg asked Mr. Brady whether any adjustments were made to Comparable #1 to which Mr. Brady responded that he had no personal knowledge as to whether any adjustments were made. Mr. Rosenberg then argued that, based on the MLS printout, Comparable #1 is a superior building to the subject, and therefore, not comparable. Mr. Rosenberg then argued that Comparable #2 was only on the open market for two days and had superior amenities to the subject; that Comparable #3 was superior to the subject because it had a laundry facility; that Comparable #4 was significantly updated just prior to the sale; and that Comparable #5 was rehabbed just prior to the sale and was part of a 1031 exchange. For these reasons, Mr. Rosenberg argued, the board of review's comparables should be given no weight.

After reviewing the record and considering the evidence, the 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. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86

Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code. § 1910.65(c). Having considered the evidence presented, the Board finds that a reduction is warranted.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appraisal submitted by the appellant. The appraiser utilized the cost approach to value, the income approach to value, and the sales comparison approach to value in determining the subject's market value. The Board finds this appraisal persuasive because the appraiser has experience in appraising, personally inspected the subject, presented a proper analysis under the income approach, and used similar properties in the sales comparison approach while providing adjustments that were necessary. The appraiser also provided an update to the appraisal, and found that the subject's market value had not change from January 1, 2006 to January 1, 2007. The Board found this letter persuasive. The Board gives little weight to the board of review's comparables as the information provided was unadjusted raw sales data.

Therefore, the Board finds the subject had a market value of \$545,000 for tax year 2007. Since market value has been determined, the Cook County Real Property Classification Ordinance as in effect for tax year 2007 shall apply. The subject is classified as a class 3-15 property. Therefore, the applicable assessment is 22% of the subject's fair market value, which equates to \$119,900. The subject's current total assessed value is higher than this value, and, therefore, the Board finds 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

K. L. Fern

Member

Frank A. Huff

Member

Marko M. Louie

Member

J. R.

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: January 31, 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.