FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Anthony Illardo
DOCKET NO.: 08-21767.001-C-1 through 08-21767.003-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Anthony Illardo, the appellant; 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
08-21767.001-C-1	23-24-405-108-1001	18,341	43,092	$61,433
08-21767.002-C-1	23-24-405-108-1002	18,341	43,092	$61,433
08-21767.003-C-1	23-24-405-108-1003	18,341	43,093	$61,434

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of three parcels of land containing 80,455 square feet. The improvements are three units of a nine-unit development and consist of a seven-year old, one-story, masonry-constructed, condominium office building.

The appellant raised two arguments: that the subject's improvement size was incorrect; and that the market value of the subject property is not accurately reflected in the property's assessed valuation as the bases 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, 2008 undertaken by David Conaghan, who holds the designation of State Certified General Real Estate Appraiser. The appraiser estimated a market value for the subject of $485,000.

As to the subject, the appraisal indicated that the subject's site was inspected on March 16, 2009 and that the property rights appraised for the subject are the unencumbered fee simple estate.

The subject was found to be a condominium office building with three units totaling 5,400 square feet of building area. The appraisal indicated that the building was seven years in age. The subject's improvements were characterized as in good condition with average functional utility.

The appraiser indicated that the subject's highest and best use as vacant was for development after market conditions improved, while the highest and best use as improved was for its current use. The appraiser developed two of the three traditional approaches to value. The estimated market value under the income approach was $500,000, while under the sales comparison approach the estimate was $465,000. The reconciled these approaches to reflect a market value of $485,000.

In the income approach, the appraiser referred to five comparables with a range of asking rents from $18.00 to $22.00 per square foot. The properties ranged from 900 to 13,000 square feet of rental area. The appraiser estimated the subject's potential gross income at $108,000 less a vacancy and collection loss of 10%. This resulted in an effective gross income of $97,200. Total expenses were estimated at $13,627. Deducting this amount resulted in a net operating income of $83,573. An overall capitalization rate of 16.88% was applied reflecting a market value of $500,000, rounded.

Under the sales comparison approach to value, the appraiser utilized six sale comparables, two of which are multi-tenant office buildings. These comparables sold from September, 2005, through December, 2007, for prices that ranged from $71.62 to $87.39 per square foot. The properties were improved with a masonry building of either one-story, three-story, or five-story design, all of which are located within suburbs adjacent to that of the subject property. They ranged: in improvement size from 1,785 to 36,388 square feet of building area and in age from 2 to 22 years. After making adjustments to the suggested comparables, the appraiser estimated that the subject's market value was $86.00 per square foot or $465,000, rounded, as of the assessment date.

In reconciling these approaches to value, the appraiser placed primary emphasis on the sales comparison approach opining a final market value for the subject of $485,000. As a result of this analysis, the appellant requested a reduction in the subject's valuation.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $273,997 for tax year 2008. The subject's assessment reflects a market value of $721,044 using the Cook County Ordinance Level of Assessment for Class 5A, commercial property of 38%. As to the subject, the board submitted copies of the subject's property record cards along with a cover memorandum. The memorandum stated that the subject's three units comprised 5,043 square feet of building area.

In support of the subject's market value, raw sales data was submitted for 12 commercial properties designated as either class B or class C office space. 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 October, 2003, to July, 2009, in an unadjusted range from $96.88 to $252.50 per square foot of building area. The properties contained one-story, masonry buildings that ranged in size from 1,700 to 32,000 square feet and in age from 1 to 22 years. The printouts indicate that sales #2, #5, and #8 reflected that the parties to each transaction were not represented by a real estate broker, while the parties to sales #1, #11 and #12 were represented by the same real estate broker within each transaction. In addition, sales #2 and #8 were not listed on the open market, while sales #2, #8, #11 and #12 were single-tenant buildings.

Moreover, the board of review's cover memorandum stated that the data was not intended to be an appraisal or an estimate of value and should not be construed as such. The memorandum indicated that the information provided therein had been collected from various sources that were assumed to be factual and reliable; however, it further indicated that the writer hereto had not verified the information or sources and did not warrant its accuracy. As a result of its analysis, the board requested confirmation of the subject's assessment.

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, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd 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 appellant has met this burden and that a reduction is warranted.

The Board finds the best evidence of the subject's building size and market value to be the appellant's appraisal. The Board finds based upon this appraisal that the subject's improvement contains 5,400 square feet of building area as determined by the appraiser's inspection.

Further, as to the subject's market value, the Board finds that the appellant's appraiser utilized two of the three traditional approaches to value in developing the subject's market value. The Board also finds this appraisal to be persuasive for the

appraiser: has 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 income and sales comparison approaches to value, while making adjustments to the comparables where necessary. In contrast, the Board finds that the county submitted raw sales data on properties.

Therefore, the Board finds that the subject property contained a market value of $485,000 for tax year 2008. Since the market value of the subject has been established, the Cook County Ordinance level of assessment for Class 5a, commercial property of 38% will apply. In applying this level of assessment to the subject, the total assessed value is $184,300, while the subject's current total assessed value is above this amount at $273,997. 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: December 21, 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.