



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

APPELLANT: George Iacono
DOCKET NO.: 08-22746.001-R-2
PARCEL NO.: 05-30-201-017-0000

The parties of record before the Property Tax Appeal Board are George Iacono, the appellant, by attorney Anita B. Mauro, of Thompson Coburn LLP in Chicago; 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: \$ 97,481
IMPR.: \$ 192,151
TOTAL: \$ 289,632

Subject only to the State multiplier as applicable.

ANALYSIS

The subject has 47,785 square feet of land, which is improved with a nine year old, two-story, masonry, single-family dwelling. The subject's improvement size is 5,640 square feet of living area according to the appraisal, and its total assessment is \$289,632. This assessment yields a fair market value of \$3,017,000, or \$534.93 per square foot of living area (including land), after applying the 2008 Illinois Department of Revenue three year median level of assessment for Class 2 properties of 9.60%. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted a residential appraisal report for the subject property with an effective date of January 1, 2008. The appraiser estimated a fair market value for the subject of \$1,700,000 based on the cost and sales comparison approaches to value. The appraiser also conducted an inspection of the interior of the subject.

Under the cost approach to value, the appraiser estimated the value of the site to be \$1,075,000. He did so by using the Market Extraction Approach. He noted that this is a method of estimating land value in which the depreciated cost of the improvements on improved property is estimated and deducted from

the total sale price to arrive at an estimated sale price for the land. The sales used were the three sales from the sales comparison approach. The appraisal also stated that this method is most effective when the improvements contribute little to the total sale price of the property.

The replacement cost-new method was used to determine an estimated cost of the subject of \$753,124. Depreciation, estimated to be \$101,664, was then deducted to arrive at a depreciated value of \$651,460. With the value of the land added, the appraiser estimated the value of the subject under this approach at \$1,726,460.

Under the sales comparison approach, the appraiser analyzed the sales of three properties located within a two mile radius from the subject in Northfield. The comparables are two-story, residential, single-family dwellings. They ranged in size from 4,820 to 5,527 square footage of living area and in sale price from \$1,445,000 to \$2,165,000. The appraiser made large adjustments for condition, site views and modernization, but failed to disclose the closing dates and the permanent index numbers for the suggested comparables. 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 \$1,700,000.

In reconciling the two approaches to value, the appraisal gave primary consideration to the sales comparison approach to value in arriving at a final estimate of value for the subject as of January 1, 2008 of \$1,700,000. 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 total assessment of \$289,632 was disclosed. In support of the subject's assessment, the board of review submitted descriptive and assessment information for four properties suggested as comparable to the subject. The comparables are described as two-story, masonry, single-family dwellings. Additionally, the comparables range: in age from 2 to 79 years; in size from 5,180 to 65,040 square feet of living area; and in improvement assessments from \$37.02 to \$46.14 per square foot of living area. The comparables also have several amenities. The board of review's grid sheet also states that Comparable #2 sold in March 2006 for \$3,675,000, or \$561.93 per square foot of living area, including land; and that Comparable #4 sold in for \$2,775,000, or \$535.71 per square foot of living area, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appellant's attorney rested on the evidence previously submitted. The appraiser was not present to testify as to the methodologies used in the appraisal. The board of review's representative testified that the sales comparables used in the appraisal are not located in the same township as the

subject. He provided the property index numbers as well as the classifications of each comparable, and requested that the appellant be held to his burden of proof.

After reviewing the record, considering the evidence, and hearing the testimony, the Property Tax Appeal Board (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 the evidence indicates a reduction is not warranted.

The Board gives no weight to the appellant's appraisal conclusion as the appraiser was not present at the hearing to provide direct testimony or be cross-examined regarding the appraisal methodology and final value conclusion. In Novicki v. Department of Finance, 373 Ill.342, 26 N.E.2d 130 (1940), the Supreme Court of Illinois stated, "[t]he rule against hearsay evidence, that a witness may testify only as to facts within his personal knowledge and not as to what someone else told him, is founded on the necessity of an opportunity for cross-examination, and is basic and not a technical rule of evidence." Novicki, 373 Ill. at 344. In Oak Lawn Trust & Savings Bank v. City of Palos Heights, 115 Ill.App.3d 887, 450 N.E.2d 788, 71 Ill.Dec. 100 (1st Dist. 1983) the appellate court held that the admission of an appraisal into evidence prepared by an appraiser not present at the hearing was in error. The court found the appraisal was not competent evidence stating: "it was an unsworn ex parte statement of opinion of a witness not produced for cross-examination." This opinion stands for the proposition that an unsworn appraisal is not competent evidence where the preparer is not present to provide testimony and be cross-examined, and in this case, as to adjustments made regarding the site view, condition [of property], and modernization. Additionally, no closing dates or permanent index numbers were provided for the sale comparables. Moreover, the Board also questions the methodology used in the cost approach to value as no vacant land sales were provided to determine a site value for the subject. The Board finds that because of these irregularities, the estimate of value for the subject property is unreliable.

As a final point, the Board notes that the raw sales data provided by the parties ranges from \$299.79 to \$561.93 per square foot of living area, including land. The subject's market value is currently \$534.93 using the appellant's square footage of 5,640 square feet of living area. As this value is within the range of the parties' comparables, the Board finds the appellant has not proven by a preponderance of the evidence that the subject is overvalued, and no assessment 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

Mario Morris

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: November 22, 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.