



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

APPELLANT: Elizabeth Keeley
DOCKET NO.: 08-25011.001-R-1
PARCEL NO.: 14-33-113-029-0000

The parties of record before the Property Tax Appeal Board are Elizabeth Keeley, the appellant, by attorney Jason T. Shilson, of O'Keefe Lyons & Hynes, 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: \$ 21,924
IMPR.: \$ 83,676
TOTAL: \$ 105,600

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 2,900 square foot parcel improved with a 106-year-old, three-story, mixed-use building of masonry construction containing 4,308 square feet of building area and located in North Township, Cook County. Features of the building include four full bathrooms and a partial-unfinished basement.

The appellant, through counsel, submitted evidence before the Property Tax Appeal Board and raised two arguments: first, that there was unequal treatment in the assessment process of the improvement; and second, that the fair market value of the subject is not accurately reflected in its assessed value. In support of the inequity argument, the appellant submitted assessment data and descriptive information on twelve properties suggested as comparable to the subject. The appellant also submitted photographs and Cook County Assessor's Internet Database sheets for the subject and the suggested comparables and a copy of the board of review's decision. Based on the appellant's documents, the twelve suggested comparables consist

of three-story, mixed-use buildings of masonry construction located on the same street and within one block of the subject. The improvements range in size from 3,960 to 7,209 square feet of building area and range in age from 53 to 118 years old. The comparables contain from three and one-half to six and one-half bathrooms and a partial or full-unfinished basement. Five comparables have central air-conditioning. The improvement assessments range from \$7.34 to \$18.29 per square foot of building area. Based on this evidence, the appellant requested a reduction in the subject's improvement assessment.

As to the overvaluation argument, the appellant's attorney prepared and submitted an "income approach", using the subject's actual income and expenses. The appellant's evidence disclosed the subject property's stabilized net operating income for tax year 2007 to be \$69,936. Applying a capitalization rate of 11.77% produced a market value for the subject of \$594,189. A factor of 16%, which represents the Cook County Real Property Classification level of assessment for Class 2 property, was applied to determine a requested total assessment for the subject of \$95,070. Copies of the subject's 2008 rent roll as well as 2006 and 2007 income and expense statements were provided.

In addition, the appellant's evidence disclosed that the subject was purchased in March 2006 for a price of \$1,100,000. In support of this claim, the appellant submitted a copy of the Recorder of Deeds web page printout evidencing the purchase price of \$1,100,000 for the subject. Based upon this information, the appellant requested an assessment reflective of a fair market value for the subject of \$1,100,000.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$111,675 was disclosed. The subject's assessment reflects a fair market value of \$1,163,281, when applying the 2008 three-year median level of assessments of 9.60% for Cook County class 2 properties as determined by the Illinois Department of Revenue. The subject's improvement assessment is \$89,751 or \$20.83 per square foot of building area. In support of the assessment the board submitted property characteristic printouts and descriptive data on four properties suggested as comparable to the subject. The suggested comparables are improved with three-story, mixed-use buildings of masonry construction. The improvements range in size from 2,716 to 3,912 square feet of building area and range in age from 92 to 135 years old. The comparables contain three or three and one-half bathrooms and a partial or full-unfinished basement. One comparable has central air-conditioning and two comparables have a two-car garage. The improvement assessments range from \$21.03 to \$27.87 per square foot of building area. The board's evidence disclosed that the subject sold in March 2006 for \$1,100,000. Based on the evidence presented, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the

parties and the subject matter of this appeal. The appellant's argument was unequal treatment in the assessment process. The Illinois Supreme Court has held that taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review V. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data, the Board finds the appellant has not overcome this burden.

The Board finds the appellant's comparables four and eleven and the board of review's comparable two to be the most similar properties to the subject in the record. These three properties are similar to the subject in improvement size, exterior construction, amenities, design and location and have improvement assessments ranging from \$17.88 to \$21.14 per square foot of building area. The subject's per square foot improvement assessment of \$20.83 falls within the range established by these properties. The Board finds the remaining comparables less similar to the subject in improvement size and accorded less weight. After considering adjustments and the differences in both parties' suggested comparables when compared to the subject, the Board finds the subject's per square foot improvement assessment is supported by the most similar properties contained in the record.

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); 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 arms-length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. (86 Ill.Adm.Code §1910.65(c))

The Board finds the appellant's argument that the subject's assessment is excessive when applying an income approach based on the subject's actual income and expenses unconvincing and not supported by evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

It is the value of the "tract or lot of real property" property which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value". . . Many factors may prevent a property owner from realizing an income from property,

which accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes." Springfield Marine Bank v. Property Tax Appeal Board 44 Ill.2d 428 at 430-431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate that the subject's actual income and expenses were reflective of the market. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant failed to follow this procedure in developing the income approach to value; therefore, the Property Tax Appeal Board gives this argument no weight.

Next, the appellant's evidence disclosed that the subject sold in March 2006 for a price of \$1,100,000. In support of this claim, the appellant submitted a copy of the Recorder of Deeds web page printout evidencing the purchase price of \$1,100,000 for the subject. The Board finds the subject's March 2006 sale for \$1,100,000 to be the best evidence of market value in the record. In addition, the board of review's evidence neglects to address the appellant's market value argument other than noting the subject's 2006 sale price.

Therefore, the Property Tax Appeal Board finds that the subject had a market value of \$1,100,000 as of January 1, 2008. The Board further finds that the 2008 Illinois Department of Revenue's three-year median level of assessments of 9.60% for Class 2 property shall apply and 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.

Ronald R. Cuit

Chairman

Frank J. Huff

Member

Member

Mark Morris

William R. Loras

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: May 20, 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.