



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

APPELLANT: Gerald Pavlovic
DOCKET NO.: 08-25480.001-R-1
PARCEL NO.: 23-32-407-002-0000

The parties of record before the Property Tax Appeal Board are Gerald Pavlovic, the appellant(s); 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: \$11,200
IMPR.: \$13,760
TOTAL: \$24,960

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an 20,000 square foot parcel of land improved with a 31-year old, one and one-half story, frame and masonry, single-family dwelling containing 2,588 square feet of living area, two and one-half baths, air conditioning, a fireplace, and a full, unfinished basement. . The appellants argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellants submitted an appraisal undertaken by Tim A. Juska of K.M. Murray Appraisals, P.C. The report indicates Juska is a State of Illinois certified general appraiser. The appraiser indicated the subject has an estimated market value of \$260,000 as of October 21, 2008. The appraisal report utilized the cost and sales comparison approaches to value to estimate the market value for the subject property. The appraisal finds the subject's highest and best use is its present use.

Under the cost approach to value, the appraiser analyzed the vacant land sales as well as improved sales using the

allocation/extraction method due to the lack of recent vacant sales to arrive at an estimate of value for the land of \$100,000, rounded. The appraiser noted that the land estimate was reduced due to the deficiencies in the stability of the soil and the required corrective measures. The replacement cost new was utilized to determine a cost for the improvement at \$318,961. The appraiser depreciated the improvement by 75% for a value of \$165,860. The land and site improvements of \$7,500 were added back in to establish a value under the cost approach of \$276,400, rounded.

In the income approach to value, the appraiser looked at three comparable properties and had discussions with real estate brokers for an estimated effective gross income of \$370,000. Expenses were estimated at \$99,520 for a net operating income of \$99,520. The band of investment method was utilized to establish a capitalization rate of 9.45% which was then loaded for an estimate of value under the income approach of \$835,000, rounded.

Under the sales comparison approach, the appraiser analyzed five comparable properties located within three miles of the subject. The properties are described as one or two-story, frame, masonry, or frame and masonry, single-family dwellings. They range: in age from 29 to 54 years and in size from 1,529 to 2,531 square feet of living area. The comparables sold from December 2007 to October 2008 for prices ranging from \$190,000 to \$405,000, or from \$124.26 to \$243.72 per square foot of living area, including land. The appraisal has a large addendum section that discusses the soil issues for the subject property and how that has affected the subject's market value. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$260,000, rounded.

In reconciling the two approaches to value, the appraisal gave primary emphasis on the sales comparison to arrive at a final estimate of value for the subject as of October 21, 2008 of \$260,000.

In addition, the appellants submitted a copy of a report from SEECO Consultants Inc. discussing the structural inspection performed on the home and the cost of remediation to correct the structural deficiencies due to soil problems.

At hearing, the appellants submitted Appellants' Exhibit #1, a summary of the appeal and the documents the appellants assert are relevant to the assessment. Mr. Pavlovic argued the home was built on unstable group, has settled, and continues to settle due to the unstable soil the home was built on.

Mr. Pavlovic testified that prior to the home being built, the developer issued a report from a company that found the soil buildable. He stated the house began to settle immediately and testing was again conducted and determined the soil was bad. Mr.

Pavlovic testified there has been on-going litigation over the property. The appellants then submitted Appellant's Group Exhibit #2, six colored photographs of the subject's interior and exterior purported to show the damage to the improvement due to settling. Mrs. Pavlovic testified these photographs accurately depict the property in 2008.

Mr. Pavlovic testified that no corrective action was undertaken based on the SEECO Consultants Inc. report.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$36,432 was disclosed. The subject's final assessment reflects a fair market value of \$379,500 when the Illinois Department of Revenue's 2008 three-year median level of assessment of 9.60% for Cook County Class 2 properties is applied. The board also submitted descriptions and assessment information on four properties suggested as comparable and located within a quarter of a mile from the subject. The preproperties are described as one or one and one-half story, masonry or frame and masonry, single family dwellings. They range: in age from 30 to 44 years; in size from 2,116 to 2,400 square feet of living area; and in improvement assessment from \$9.49 to \$10.00 per square foot of living area. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the board of review rested on the evidence previously submitted. The board of review's representative argued that the Cook County Ordinance level of 16% for class 2 property should be applied to the appraisal.

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 PTAB concludes that the evidence indicates a reduction is warranted.

In determining the fair market value of the subject property, the PTAB finds the best evidence to be the appellant's appraisal. The appellant's appraiser utilized two traditional approaches to value in determining the subject's market value. The PTAB finds this appraisal to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; estimated a highest and best use for the subject property; utilized appropriate 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. In addition, the appraiser thoroughly reviewed the data in regards to the subject's soil and settling problems and included this information in the appraisal. The PTAB gives little weight to the board of review's comparables as the information provided contained no market data.

Therefore, the PTAB finds that the subject property had a market value of \$260,000 for the 2008 assessment year. Since the market value of the subject has been established, the Illinois Department of Revenue's 2008 three-year median level of assessment of 9.60% for Cook County Class 2 property will applied. In applying this level of assessment to the subject, the total assessed value is \$24,960 while the subject's current total assessed value is above this amount. Therefore, the PTAB 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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario M. Louie

Member

Shawn R. Lerbis

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: July 22, 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.