



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

APPELLANT: Jessie Orozco
DOCKET NO.: 08-28578.001-R-1
PARCEL NO.: 17-20-314-002-0000

The parties of record before the Property Tax Appeal Board are Jessie Orozco, the appellant, by attorney Timothy C. Jacobs, of Gary H. Smith PC in Chicago, and 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: \$ 5,407
IMPR.: \$ 28,736
TOTAL: \$ 34,143

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property has a parcel of 3,144 square feet of land area that is improved with a three-story, multi-family dwelling of masonry construction. The building is 76 years old and has 3,210 square feet of living area with six apartment units and a full finished basement.¹ The subject property is classified as a class 2-11 residential property under the Cook County Real Property Assessment Classification Ordinance and is located in Chicago, West Chicago Township, Cook County.

The appellant submitted evidence before the Property Tax Appeal Board claiming overvaluation as the basis of the appeal. In support of the overvaluation argument, the appellant submitted an appraisal report in which a market value of \$510,000 was estimated for the subject property as of June 18, 2009 upon completion of renovations and an "as is value" of \$205,000. When the appellant completed section III of the residential appeal

¹ The board of review claims the subject has 3,969 square feet of living area with three apartment units and a full unfinished basement. However, the board of review only provided the subject's property characteristic sheets to support these claims. The appraiser listed the subject's living area as 3,210 square feet with six apartment units and a full finished basement. The appraiser provided a detailed drawing of the subject dwelling to support the size claim and stated that he had inspected the subject's interior. The Board accepts the appraiser's claims as to the size and features of the subject dwelling.

form, the appellant indicated that the subject property sold in September 2006 for \$375,000 or for \$116.82 per square foot of building area, land included. In the appraisal report, the appraiser also stated the subject was purchased for \$375,000 and further stated that when the appellant purchased the property in September 2006, "the building was purchased as needing work."

The appraiser developed the income approach and the sales comparison approach to estimate the market value of the subject property; however, the appraiser gave primary emphasis to the sales comparison approach. Under the income approach, the appraiser estimated that the subject property had a market value of \$505,000. The appellant's appraiser analyzed three comparable rental properties to estimate market rent for the subject's six apartment units. The three comparable rental properties have either seven or eight apartment units, and the monthly rent for these units ranges from \$700 to \$875. Based upon this information, the appraiser estimated that each of the subject's six apartment units would rent for an average of approximately \$770.83 per month or \$4,625 on an annual basis. Additionally, three parking spaces would produce rental income of \$90 per month. Thus, the monthly gross income for the subject was estimated to be \$4,715, and the annual gross income was estimated to be \$56,580. The appraiser estimated vacancy and loss at 5% of annual gross income, or \$2,829. The appraiser looked to the market to develop expected expenses, including real estate taxes. These expenses were estimated to be \$17,111. The appraiser arrived at an estimate of annual net income for the subject property of \$36,640. Using market data, the appraiser developed a capitalization rate of 7.25% and applied it to the annual net income estimate to arrive at a market value of \$505,000 under the income approach.

Under the sales comparison approach, the appraiser considered six comparable properties. Four of the comparables sold from March 2008 to April 2009 for prices that ranged from \$385,000 to \$750,000. Comparable #4 was described as a pending sale at a listing price of \$524,900, and comparable #6 was listed for sale at a price of \$513,000. The six comparable sale properties have lot sizes that range from 3,100 to 3,750 square feet of land area and are located from 0.18 to 5.15 miles from the subject property. The comparables are improved with masonry, multi-family buildings that were built from 1888 to 1910. The comparables have from five to eight apartment units. The appraiser did not disclose the comparable sales' living area and did not make any specific adjustments for differences between the comparable sale properties and the subject. Under the sales comparison approach, the appraiser concluded that the subject property had a market value of \$520,000 as of June 18, 2009. However, the appraiser also provided a second estimate of the subject's market value. Because the building was uninhabitable as of the effective date of the appraisal, the appraiser subtracted the cost of renovations and "entrepreneurial profit" from the subject's market value and determined that the subject

property had an estimated market value on an "as is basis" of \$205,000.

In the brief, the appellant's attorney requested that subject's assessment should be calculated by applying the 10% median level of assessments for Class 2 residential property in Cook County to the "as is" estimate of market value contained in the appraisal report. Based on this record, counsel requested the subject's total assessment be reduced to \$20,500.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$34,143 was disclosed. The subject's assessment reflects a market value of \$355,656 or \$110.76 per square foot of living area, land included,² using the 2008 three-year median level of assessments for Class 2 property in Cook County of 9.60% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code 1910.50(c)(2)).

The board of review presented descriptions and assessment information on four equity properties, which was not responsive to the appellant's overvaluation argument. As part of its evidence, the board of review disclosed that comparable #1 sold in March 2006 for \$410,000 or for \$104.97 per square foot of building area, land included. On the grid analysis, this comparable was described as a three-story, multi-family, masonry building. Comparable #1 is 76 years old and contains 3,906 square feet of building area with three apartment units and a full unfinished basement. The board of review also provided a list of forty properties with sale dates and prices. This list revealed two sale prices (\$37,500 and \$375,000) with the same sale date (September 1, 2006) for the subject property. Based on this evidence, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Board finds it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record does not support a reduction in the subject's assessment.

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. 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). Proof of market value may consist of an appraisal of the subject property, a recent sale of the subject property or comparable sales. (86 Ill.Admin.Code 1910.65(c)). After an analysis of the evidence in the record, the Board finds a reduction in the subject's assessment is not warranted.

² This calculation was based on the subject having 3,210 square feet of living area.

The appellant submitted an appraisal report in which the appraiser arrived at two different value estimates for the subject property. Under the sales comparison approach, the appraiser estimated the subject property had a value of \$510,000 as of June 18, 2009 upon completion of repairs. The appraiser also gave a second estimate based upon the subject property's "as is" condition. The appraiser stated that when the appellant purchased the subject property in September 2006, "the building was purchased as needing work." Because the subject was uninhabitable as of the appraisal, the appraiser estimated its market value based upon its "as is" condition was \$205,000. The appellant's counsel used the "as is" estimate and asked that the subject's total assessment be reduced to \$20,500. The Board gives no weight to the appellant's overvaluation argument based upon the subject's "as is" condition. First, the appraisal has an effective date that was eighteen months after the assessment date at issue. Second the appellant actually purchased the subject property for \$375,000 in September 2006.

The Board finds the record disclosed the subject sold in September 2006 for a price of \$375,000. The Board further finds the sale of the subject property is the best evidence of the subject's market value as of the January 1, 2008 assessment date. The appellant did not provide any evidence demonstrating the sale was not arm's length or not reflective of fair cash value. The subject's assessment reflects a market value of \$355,656 or \$110.76 per square foot of living area, land included, using the 2008 three-year median level of assessments for Class 2 property in Cook County of 9.60% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code 1910.50(c)(2)). The subject's market value as reflected by its assessment is less than the subject's September 2006 sale price. Based on the evidence in the record, the Board finds that appellant has not shown by a preponderance of the evidence that the subject is overvalued as reflected by its assessment and no change in the assessment is justified.

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: June 22, 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.