FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Mark & Rebecca Alger
DOCKET NO.: 08-28928.001-R-1
PARCEL NO.: 16-01-314-003-0000

The parties of record before the Property Tax Appeal Board are Mark & Rebecca Alger, the appellants, by attorney Joe Lee Huang, of Law Offices of Terrence Kennedy Jr. 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:	$ 17,913
IMPR.:	$ 63,375
TOTAL:	$ 81,288

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of an 8,450 square foot parcel of land improved with a 90-year old, three-story, masonry, multi-family dwelling with six apartments, therein. The improvement contains 9,750 square feet of living area as well as six full baths, a full basement, and a two-car garage.

The appellants' attorney raised two arguments: first that there was unequal treatment in the assessment process; and second, 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 equity argument, the appellants submitted descriptive and assessment data as well as black and white photographs for six suggested comparables located within a two-mile distance of the subject. The properties were improved with a three-story, masonry, multi-family dwelling. They range: in baths from four full to six full baths; in age from 16 to 112 years; in size from 3,668 to 7,553 square feet of living area; and in improvement assessments from $2.92 to $5.24 per square foot. The properties ranged in number of apartments from four to

six units, while five of the six properties also containing a full basement. The subject's improvement assessment is $6.50 per square foot of living area. Based upon this analysis, the appellants requested a reduction in the subject's assessment.

As to the market value argument, the appellants submitted an income analysis consulting report with a retrospective value estimate for the subject property as of January 1, 2006 and a value estimate of $480,000 undertaken by First Real Estate Services Ltd. and signed by: Richard Kopacz as appraiser, Gary Skish as Vice-President, and Gary Peterson as review appraiser.

The report stated that a physical inspection of the subject was made by either the appraiser or a representative of First Real Estate Services. In addition, the subject's physical descriptive information was obtained from public records or documents received from the client or its representative. Moreover, the report indicated that a visual review of the comparable rentals was undertaken as well as an analysis of neighborhood trends. The report also stated that all market data was verified wherever possible with a party to the transaction or with The Comps data service. Moreover, the report stated that

> this analysis does not constitute an appraisal, but simply an evaluation of an annual potential cash flow that could be reasonably anticipated from the rental operation of a commercial building, whereas an appraisal would include a Cost and Sale Comparison approaches as well as a Highest and Best Use Analysis.

As to the subject's description, the report identified the subject's improvement as an 87-year old, three-story plus English basement, six-unit, walk-up apartment building containing 9,750 square feet of above grade building area. The subject was estimated to be of average overall condition with an inefficient design and layout. The report noted that the subject contained narrow hallways and stairwells making moving furniture and appliances difficult.

The report included six rental comparables, all of which were located in Chicago. The three bedroom, one-bath monthly rent ranged from $650 to $1,100 per month, while the subject's actual rents ranged from $925 to $1,255 per month. In stabilizing the subject's income and expense analysis, the preparers' used a value of $950 per month to estimate potential income at $68,400 less a vacancy and collection loss at 8% resulted in an effective gross income of $62,928. Other income was estimated at $750 resulting in a total effective gross income of $63,678. Total expenses, replacement for reserves, return on and of furniture, fixtures and equipment were deducted indicating a net operating income of $41,623. While referring to two data surveys, the preparers estimated a loaded capitalization rate of 8.69%. Applying this rate to the net operating income resulted in an estimate of market value at $480,000, rounded.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was $81,288. The board of review submitted descriptive and assessment data on four properties. The properties were improved with a three-story, masonry, multi-family dwelling with six apartment units, therein. They range: in age from 80 to 97 years; in size from 8,736 to 10,656 square feet of living area; and in improvement assessments from $6.79 to $7.46 per square foot. Amenities include a full basement, while three of the four properties also include a multi-car garage.

The properties' printouts reflect that the subject and properties #1 through #3 are in average condition with an average state of repair, while property #4 was accorded an average, renovated condition with an above average state of repair without further explanation. As a result of its analysis, the board requested confirmation of the subject's assessment.

At hearing, the board of review's representative argued that the appellants' suggested equity/sale comparables are considerably smaller in improvement size, which she asserted would skew the assessments and inhibit comparability. In contrast, she asserted that the board of review's suggested comparables are located within the subject's neighborhood and support the subject's current assessment.

After hearing the testimony and/or argument as well as 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 evidence indicates a reduction is not warranted.

The Board finds the appellant's argument that the subject's assessment is excessive when applying an income approach based on the subject's consulting report unconvincing. The Board accorded diminished weight to this report due to: the report's disclosure that it should not be considered an appraisal but simply an evaluation of an annual potential cash flow that could be reasonably anticipated from the rental operation of a commercial building; the absence of the cost and/or sales comparison approaches to value as well as a highest and best use analysis; the inclusion of return on and of furniture, fixtures and equipment in the income analysis; a lack of descriptive data on

the suggested rental comparables; an absence of adjustments to the suggested rental comparables; and the absence of the preparer's testimony as to the methodology employed within the consulting report.

In addition, the appellants contend unequal treatment in the subject's improvement assessment as the basis of the appeal. 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). After an analysis of the data, the Board finds the appellant has not met this burden and that a reduction is not warranted.

The Board finds that comparables #1 through #3 submitted by the board of review are most similar to the subject in style, exterior construction, number of units, as well as improvement size and age. In analysis, the Board accorded most weight to these comparables. These comparables ranged in improvement assessments from $6.79 to $7.32 per square foot of living area. The subject's improvement assessment at $6.50 per square foot is below the range established by these comparables.

Further, the Board accorded diminished weight to the parties' remaining comparables due to a disparity in number of units or improvement condition, age and size.

As a result of this analysis, the Board finds that the evidence has not adequately demonstrated that the subject dwelling was inequitably assessed by clear and convincing evidence and that a reduction in the subject's assessment is not 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: April 22, 2011

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.