



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

APPELLANT: Loreto Bucaro
DOCKET NO.: 11-03406.001-R-1
PARCEL NO.: 03-15-111-004

The parties of record before the Property Tax Appeal Board are Loreto Bucaro, the appellant, by attorneys Julia Mezher and Richard J. Caldarazzo of Mar Cal Law, P.C. in Chicago; and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$32,500
IMPR.: \$97,490
TOTAL: \$129,990

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the DuPage County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2011 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject property is improved with a two-story multi-family building of masonry construction with 3,900 square feet of building area. The building was constructed in 1960 and is approximately 52 years old. Features of the building include six apartments. The property has a 10,936 square foot site and is located in Wood Dale, Addison Township, DuPage County.

Julia Mezher appeared before the Property Tax Appeal Board on behalf of the appellant contending both assessment inequity and overvaluation as the bases of the appeal. In support of the assessment inequity argument the appellant submitted information on three comparables improved with two-story multi-family buildings of masonry construction that had either 2,850 or 4,250 square feet of building area. The buildings were either 47 or 50 years old and had either 2 apartments or 6 apartments. These properties had total assessments of \$82,490 and \$129,990 and improvement assessments of \$61,870 and \$97,490 or \$21.71 and \$22.94 per square foot of building area. Based on this evidence the appellant requested the subject's improvement assessment be reduced to \$22.53 per square foot or \$82,867.

Under questioning Ms. Mezher agreed that the subject has an improvement assessment of \$16,248 per unit, which was the same as appellant's comparables #2 and #3. She indicated her predecessor selected the comparables.

With respect to the overvaluation argument the appellant submitted copies of Schedule E - Supplemental Income and Loss forms for 2009 and 2010 for the subject property and a copy of the subject's rent role and expenses for 2011. Using this data the appellant determined the subject's stabilized net operating income to be \$32,586. An overall loaded capitalization rate of 11.975% was used to capitalize the net income into an estimated market value of \$272,117 and a total assessment of \$90,697.

With respect to the income approach Ms. Mezher agreed that this was based on the subject's actual income and expenses. She agreed there were no rental comparables in the record. She also agreed there was no information in the record with respect to vacancy and collection loss that would be reflective of the market. She also agreed there was no data to indicate a market derived capitalization rate or market derived income and expenses. Mezher indicated her predecessor prepared the income approach.

Mezher also indicated the fee arrangement was contingent on the tax savings.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$129,990 or \$21,665 per unit. The subject's assessment reflects a market value of \$392,127 or \$65,354 per unit when using the 2011 three year average median level of assessments for DuPage

County of 33.15%. Appearing before the Property Tax Appeal Board on behalf of the board of review were Anthony Bonavolonta, Chairman of the Board of Review, and Dawn Aderholt, Deputy Assessor of Addison Township.

To demonstrate the subject property was being equitably assessed the board of review provided a grid analysis of the appellant's three comparables and three additional comparables. Five of the comparables were improved with 6-unit multi-family dwellings constructed in 1960 and 1962 each with a total assessment of \$129,990 or \$21,665 per unit. Ms. Aderholt testified apartments are assessed on a per unit basis and that all the six unit comparables in the record have a total assessment equating to \$21,665 per unit. She indicated the comparables were similar in age, masonry construction and are located in the Wood Dale area.

In support of the market value argument the board of review provided a list of six comparable sales improved with one two-unit multi-family building and five six-unit multi-family buildings. The buildings were of masonry construction and were constructed from 1941 to 1977. The sales occurred from April 2008 to April 2011 for prices ranging from \$300,000 to \$600,000 or from \$56,667 to \$150,000 per unit. Ms. Aderholt was of the opinion the sales are supportive of the subject's assessment.

The board of review requested confirmation of the subject's assessment.

Conclusion of Law

The taxpayer contends in part assessment inequity as the basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted on this basis.

The Board finds the best evidence of assessment equity to be appellant's comparables #2 and #3 and the board of review comparables. These five comparables were each improved with a

6-unit masonry constructed apartment building with a total assessment of \$129,990 or \$21,665 per unit. The subject has a total assessment of \$129,990 or \$21,665 per unit, equivalent to the best comparables in the record. The evidence also disclosed the subject property and appellant's comparables #2 and #3 each had an improvement assessment of \$97,490 or \$16,248 per unit. Ms. Aderholt testified that apartments in the township are assessed on a per unit basis. Based on this record the Board finds the appellant did not demonstrate with clear and convincing evidence that the subject's improvement was inequitably assessed and a reduction in the subject's assessment is not justified on this basis.

As an alternative argument 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. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted on this basis.

The Board finds the best evidence of market value to be the comparable sales presented by the board of review. The Board gave most weight to board of review comparable sales #2, #5 and #6. Comparable #6 sold twice. These three comparables were improved with six-unit masonry constructed apartment buildings built from 1959 to 1964. The sales occurred from September 2008 to April 2011 for prices ranging from \$340,000 to \$525,000 or from \$56,667 to \$87,500 per unit. The subject's assessment reflects a market value of \$392,127 or \$65,354 per unit, which is within the range established by the best comparables in the record. The Board finds these sales demonstrate the subject's assessment is reflective of the property's market value.

The Board gives little weight to the income approach developed by the appellant. The appellant's counsel indicated the income approach was developed using the subject's actual income and expenses. 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:

[I]t is the value of the "tract or lot of real 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 that 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 at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The appellant did not demonstrate through any documentation or any witness that the subject's actual income and expenses are 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 reflective of the market and the property's capacity for earning 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 did not provide such evidence; therefore, the Property Tax Appeal Board gives this evidence no weight.

Based on this record the Board finds a reduction in the subject's assessment is not 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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Tracy 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: October 24, 2014

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.