

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Rebecca Norton-Covaci  
DOCKET NO.: 03-27793.001-C-1  
04-24614.001-C-1  
PARCEL NO.: 13-36-222-035

The parties of record before the Property Tax Appeal Board (hereinafter PTAB) are Rebecca Norton-Covaci, the appellant, by attorney Scott Shudnow with the law firm of Shudnow & Shudnow in Chicago and the Cook County Board of Review.

The subject property consists of 8,580 square foot parcel of land improved with a 75-year old, three-story, masonry constructed, apartment building with an English basement. The improvement contains 22 one bedroom units and 18,681 square feet of gross building area with 16,500 square feet of rentable area. The appellant, via counsel, argued that the market value of the subject property is not accurately reflected in the property's assessed valuation as the basis of this appeal.

The PTAB finds that these appeals are within the same assessment triennial, involve common issues of law and fact and a consolidation of the appeals would not prejudice the rights of the parties. Therefore, under the *Official Rules of the Property*

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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:

DOCKET #	PIN	LAND	IMPROVEMENT	TOTAL
03-27793.001-C-1	13-36-222-035	\$17,091	\$114,909	\$132,000
04-24614.001-C-1	13-36-222-035	\$14,812	\$ 99,588	\$114,400

Subject only to the State multiplier as applicable.

PTAB/0661/0662JBV

*Tax Appeal Board, Section 1910.78*, the PTAB, without objection from the parties, consolidates the above appeals.

In support of the market value argument, the appellant submitted an appraisal of the subject property with an effective date of January 1, 2003. The appraiser used the three traditional approaches to value to arrive at market value of \$440,000. The appraiser determined that the highest and best use to be its current use.

In the cost approach to value, the appraiser reviewed the sales of four comparables to determine a value for the land of \$30.00 per square foot or \$260,000, rounded. Using the *Marshall Valuation Computerized Cost Service*, the appraiser estimated a replacement cost new for the improvement of \$1,292,849. The appraiser estimated indirect costs at 3% and entrepreneurial incentive at 10% for a final replacement cost of \$1,464,797. The appraiser then determined depreciation from all causes at 88.3% for a value of \$1,293,878 for the improvement. The depreciated value of the site improvements of \$11,980 and value of the land was then added in for a final value under the cost approach of \$440,000, rounded.

In the income approach, the appraiser reviewed a survey from The Apartment People and the rent of 10 comparable properties and established a range of \$500.00 to \$2,000.00 per apartment unit. After adjustments and the inclusion of income from laundry, the appraiser determined a potential gross income for the subject of \$179,520. The appraiser then applied a 12% vacancy & collection factor for an effective gross income (EGI) from all sources of \$158,136. Expenses were then estimated at \$87,272 for a net operating income of \$70,864. Using the band of investments, market analysis and published sources, the appraiser applied a loaded capitalization rate of 16% for a total value based on the income approach of \$440,000, rounded.

Under the sales comparison approach to value, the appraiser utilized four suggested comparable sales located in the same market as the subject. The comparables consist of three-story, masonry, apartment building with an English basement. The comparables range: in age from 53 to 111 years; in apartment units from 15 to 27; and in size from 13,050 to 20,853 square feet of building area. The properties sold from January 2001 to May 2002 for prices ranging from \$244,000 to \$355,000 or from \$15.11 to \$25.31 per square foot of building area. The appraiser made several adjustments to the comparables. Based on this, the appraiser determined the subject property's value using the sales comparison approach to be \$450,000 rounded.

In reconciling the approaches to value, the appraiser gave primary emphasis to the income approach, minimal emphasis on the sales comparison approach and the least emphasis on the cost approach for a final value for the subject as of January 1, 2003 of \$440,000.

The appellant submitted rebuttal evidence arguing that the board of review's evidence is not sufficient and does not refute the appellant's appraisal. At hearing, the appellant's attorney, Scott Shudnow, argued that the appraisal was the best evidence of the subject's market value and that the board of review's comparables were flawed. Mr. Shudnow argued that there was no appraisal submitted by the board of review and that the sales comparables submitted were not adjusted for differences between them and the subject property. Mr. Shudnow then argued the flaws of each suggested comparable submitted by the board of review.

The board of review submitted "Board of Review-Notes on Appeal" wherein the subject's total assessment was \$146,772 for the 2003 and \$127,202 for 2004. The subject's assessment reflects a market value of \$489,240 using the level of assessment of 30% for 2003 and 26% for 2004 Class 3 property as contained in the Cook County Real Property Assessment Classification Ordinance. The board also submitted raw sale information for a total of seven properties suggested as comparable to the subject. These comparables are all located within the subject's market and are improved with three or four-story, masonry, apartment buildings. These buildings range: in age from 75 to 100 years; in apartment units from 18-22; and in size from 14,175 to 18,000 square feet of gross or rentable area with two sizes unknown. The comparables sold from April 2001 to October 2004 for prices ranging from \$757,000 to \$1,452,500 or from \$43.51 to \$74.07 per square foot of gross or rentable area with two properties' prices per square foot unknown. As a result of its analysis, the board requested confirmation of the subject's assessment. At hearing, the board of review's representative rested on the evidence submitted.

After considering the evidence and reviewing the testimony, 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 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> 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 the three 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. The PTAB gives little weight to the board of review's comparables as the information provided was raw sales data with no adjustments made and two properties lack sufficient comparability information.

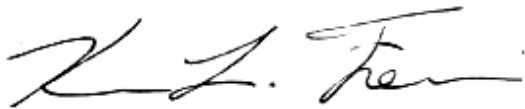
Therefore, the PTAB finds that the subject property contained a market value of \$440,000 for the 2003 and 2004 assessment years. Since the market value of the subject has been established, the Cook County Real Property Classification Ordinance level of assessments for Cook County Class 3 property of 30% for 2003 and 26% for 2004 will apply. In applying these levels of assessment to the subject, the total assessed value for 2003 is \$132,000 and for 2004 is \$114,400 while the subject's total assessed value for these years is above these amounts. Therefore, the PTAB finds that a reduction is warranted.

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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 25, 2008



Clerk of the Property Tax Appeal Board

**IMPORTANT NOTICE**

Section 16-185 of the Property Tax Code provides in part:

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"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.