



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

APPELLANT: Edmond Selfollari
DOCKET NO.: 08-29362.001-C-1
PARCEL NO.: 04-35-401-012-1066

The parties of record before the Property Tax Appeal Board are Edmond Selfollari, the appellant, by attorney Deborah M. Petro 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: \$ 4,512
IMPR: \$ 49,522
TOTAL: \$ 54,034

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 650 square foot commercial condominium unit in a mixed-use condominium development. It was constructed in 2000 and is situated on a 113,108 square foot site. The subject property is located in Glenview, Northfield Township, Cook County. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

At hearing, the appellant's attorney reviewed a written brief summarizing the subject's income and expenses. The appellant also provided the subject's Schedule Es from their federal income tax return for the 2006, 2007 and 2008 tax years, as well as a rental roll that indicates the subject collects \$2,500 per month in rental income. No rental comparables were provided. Income for 2008 was reported to be \$22,500 while expenses were estimated at \$4,300 to arrive at a net operating income of \$18,170. After applying a loaded capitalization rate of 15.7%, counsel established a fair market value of \$115,732 and resulting assessment of \$43,978. Based on this evidence, the appellant requested a reduction in the subject's market value.

The board of review submitted its "Board of Review-Notes on Appeal" wherein the subject's final assessment of \$54,034 was disclosed. This assessment reflects a market value of \$142,195 using the level of assessment of 38% for Class 5a property as contained in the Cook County Real Property Assessment Classification Ordinance. In support of the subject's assessment, the board of review presented a black and white photograph of the subject, the subject's property record card, and raw sales data for 11 commercial condominium properties located within two and one-half miles of the subject. The suggested comparables range in size from 1,647 to 7,745 square feet of building area. The properties sold from February 2003 to July 2010 in an unadjusted range from \$305,000 to \$1,773,605, or from \$76.96 to \$306.00 per square foot of building area, land included. The sales data was collected from the CoStar Comps service, and the CoStar Comps sheets state that the research was licensed to the assessor's office. However, the board of review included a memorandum which stated that the submission of these comparables is not intended to be an appraisal or an estimate of value, and should not be construed as such. The memorandum further stated that the information provided was collected from various sources and was assumed to be factual, accurate, and reliable; but that the information had not been verified, and that the board of review did not warrant its accuracy.

Additionally, the memorandum noted that the subject property was sold in September 2005 for a total purchase price of \$240,000, or \$369.23 per square foot, including land. The board of review also submitted a copy of a recorded Warranty Deed with transfer stamps confirming the sale price and sale date. At hearing, the board of review's representative rested on the previously submitted evidence and requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board (the "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. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). 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. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code § 1910.65(c). Having considered the evidence presented, the Board finds that the evidence indicates a reduction is not warranted.

The appellant's counsel formulated an overvaluation argument using the subject's actual 2008 income and estimated expenses. The rental income was not supported by any rental comparables establishing a market rent. The Board finds the appellant's argument that the subject's assessment be reduced by applying 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 an expert appraisal 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 argument little weight, and no reduction is warranted on this basis.

Additionally, little weight was given to the board of review sales comparables as they were not adjusted for market conditions. However, the board of review's evidence regarding the September 2005 purchase of the subject provides support for the subject's current market value. Accordingly, based on this record, the Board finds a reduction in the subject's assessment based on overvaluation 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.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario Morris

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 21, 2013

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.