



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

APPELLANT: Gold Chicago Realty
DOCKET NO.: 10-31977.001-I-1
PARCEL NO.: 13-25-213-023-0000

The parties of record before the Property Tax Appeal Board are Gold Chicago Realty, the appellant, by attorney Terry L. Engel, of Deutsch Levy & Engel 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: \$ 209,196
IMPR.: \$ 76,742
TOTAL: \$ 285,938

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2010 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 consists of three industrial usage buildings on a 98,446 square foot site located in West Chicago Township, Cook County. Improvement #1 is a 70 year-old, four-story building of masonry construction containing 47,901 square feet of improvement area. Improvement #2 is a 47 year-old, one-story building of masonry construction containing 12,408 square feet of improvement area. Improvement #3 is a 47 year-old, one-story building of masonry construction containing 675 square feet of improvement area. The three improvements contain a total of 60,984 square feet. The property is a class 5-93 property under

the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating the subject property had a market value of \$775,000 as of January 1, 2010. The appraiser based the appraisal report on the sales, income and cost approaches. For the sales approach, the appraiser used three sales in a paired-comparison analysis. These sales occurred from April 2005 through October 2006. They ranged from 26,950 to 54,000 square feet of improvement area and from \$31.79 to \$58.44 per square foot of building area including land. For the income approach, the appraiser assumed a 45.00% vacancy factor and a 7.00% market capitalization rate without further information. For the cost approach, the appraiser obtained a \$40 replacement cost new factor from Marshall Valuation Service. He assumed an 85.00% factor for depreciation, which included a 10.00% factor for obsolescence, without further information and analysis.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$285,938. This total assessment reflects a 64.80% occupancy factor. The subject's assessment, as adjusted for the occupancy factor, reflects a market value of \$1,143,752, or \$18.75 per square foot of total building area including land, when applying the 25.00% level of assessment for class 5 property under the Cook County Real Property Assessment Classification Ordinance.

In support of its contention of the correct assessment, the board of review submitted information on six suggested sale comparables. These sales occurred from May 2006 through October 2008. They ranged from 58,942 to 70,000 square feet of improvement area and from \$24.18 to \$51.07 per square foot of improvement area including land.

Conclusion of Law

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.

The Board finds the appraisal is without merit and gives it no weight. The comparables upon which the sale approach was based sold from four to five years prior to the 2010 tax lien year and are, therefore, too remote in time to be reliable evidence of market value. As for the appraiser's application of the cost approach, the evidence submitted lacked information and analysis

to support the assumptions that the subject suffered an 85% depreciation factor, which included a 10.00% factor for obsolescence, and detailed information about replacement costs for the key property characteristics. The assumptions in the income approach for a 7.00% market capitalization rate are also without supporting evidence. The appellant submitted an income and expense analysis showing the income of the subject property with a 45.00% vacancy factor. The Board gives the appellant's argument little weight. 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. *Id.* at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. Although the appellant's attorney made this argument, the appellant did not demonstrate that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income, 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. The appellant did not provide such evidence and, therefore, the Board gives this argument no weight.

The Board finds the best evidence of market value to be the board of review comparable sales #4, #5 and #6. These comparables sold for prices ranging from \$35.93 to \$44.67 per square foot of living area, including land. The subject's assessment reflects a market value of \$18.75 per square foot of living area including land, which is below the range established by the best comparable sales in this record. Based on this evidence, 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.

Chairman



Member



Member



Acting Member



Member



Acting 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: November 20, 2015



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.