



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

APPELLANT: Edward Richards
DOCKET NO.: 12-34250.001-R-1
PARCEL NO.: 13-36-116-018-0000

The parties of record before the Property Tax Appeal Board are Edward Richards, the appellant; and the Cook County Board of Review.

Based on the facts and exhibits presented in this matter, 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:

LAND: \$ 6,250
IMPR.: \$11,750
TOTAL: \$18,000

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 2012 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 contains a 126 year-old, two-story, two-unit dwelling of frame construction with 1,664 square feet of living area. Features of the building include a full unfinished basement. The property has a 3,125 square foot site and is located in West Chicago Township, Cook County. The property is a Class 2-11 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 \$96,000 as of January 1, 2012. The appraisal disclosed the subject dwelling contained two units. The appraisal disclosed in its Supplemental Addendum that the first floor unit (unit #1) was occupied by the owner, but that the second floor unit (unit #2) was not habitable because it had been gutted with the intention to remodel it. The appraisal added that, "per the owner," remodeling unit #2 had not been possible due to the market decline. The appraisal disclosed that the subject

contained two newer furnaces and two newer water heaters. The appraisal was based on a sales comparison approach with three sales comparables. The appellant requested a total assessment reduction to \$9,600 when applying the 2012 level of assessment of 10.00% for Class 2 property under the Cook County Real Property Assessment Classification Ordinance.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$26,278. The subject's assessment reflects a market value of \$262,780, or \$157.92 per square foot of living area including land, when applying the 2012 level of assessment of 10.00% for Class 2 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 four unadjusted suggested sales comparables. The board of review also submitted a Supplemental Brief in which it argued that the instant appeal should not be considered by the Board as a roll-over of the prior year's assessment because the instant tax lien year was the first year in the triennial assessment period.

In rebuttal, the appellant argued that the board of review's comparables should be given no weight because they were dissimilar to the subject on various key property characteristics. The appellant submitted evidence that the improvements and lot sizes of those comparables were significantly larger than the subject, that they were not in close proximity to the subject, and that they were not in the same neighborhood as the subject. The appellant also submitted a black-and-white photograph of the subject in support of his rebuttal brief that the photograph of the subject submitted by the board of review did not depict the subject and its neighborhood accurately. The appellant's rebuttal photograph disclosed two new dwellings on either side of the subject. The appellant argued that his photograph depicted the subject and its neighborhood as it existed at the time the appeal was filed and is in contrast to the older photograph of the subject submitted by the board of review, which depicted the subject surrounded by older dwellings. The appellant responded to the board of review's Supplemental Brief by arguing that he did not file the instant appeal as a roll-over, but as a direct appeal.

At hearing, the appellant offered Michael Hobbs as an expert appraiser. After *voir dire* by all parties, the Board accepted Hobbs as an expert in the theory and practice of real estate appraisal. Hobbs testified that the subject dwelling was a two-story, two-unit older property of frame construction and exhibited some lack of maintenance on the exterior. The first floor unit interior was, in his opinion, "generally habitable," had not been recently updated and exhibited some lack of maintenance. He opined that the second floor unit was "not habitable" because it had been gutted with the intention of being remodeled. He further testified that the second floor unit remodeling had not been completed because "the market had turned and the owner was not in the position to complete the work." Hobbs testified that the basement contained new mechanicals and separate utility boxes. Hobbs selected the three sales comparables in his report because they were similar to the subject in location, dwelling size, lot size, and were two-unit frame construction buildings. He opined that each of the three comparables was not habitable. He testified that he did not personally inspect these properties, but learned from realtors and from the Multiple Listing Service that they required rehabilitation and that they were not habitable. Hobbs did not know if either both or only one of the two units in each of the comparables were not habitable. He testified that he did not consider whether it would have been reasonable to

apply an upward adjustment to any of the comparables if they contained at least one habitable unit. Hobbs testified that page two of his appraisal report contained the error that the second floor unit was occupied and capable of generating revenue.

The appellant testified that he lived in the subject in 2012. He undertook renovation of unit #2, but did not finish it due to a “shift in market conditions.” He testified at times that he intended to live in unit #2 but that he also considered putting it on the rental market. The appellant did not finish the renovation because it was beyond his means and that he “got in over his head.” He argued that he believed people did not want to live in dwellings like the subject and that the neighborhood was changing to reflect a market that was distinguished by newer construction. To illustrate his argument, the appellant referred to the black-and-white photograph in his rebuttal brief. This photograph disclosed the dwellings directly next door to the subject were newer masonry construction.

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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the board of review's argument in its Supplemental Brief is moot. As the appellant correctly stated in his rebuttal brief, the instant appeal is for the first year of the triennial assessment period and, as such, is not eligible for a roll-over from the prior year. The appellant correctly stated that his instant appeal is a direct appeal to the Board.

The appellant predicates his overvaluation argument on the assertion that unit #2 was uninhabitable. The appraiser supplied his appraisal report and testimony in support of this assertion. The documentary evidence and testimony disclosed that unit #2 was not in a habitable condition in the tax lien year. The walls had been taken down to the studs and were not finished. Heating and electrical conduit had been largely completed, but were exposed. Unit #2 was clearly vacant. However, testimony and the Supplemental Addendum to the appraisal report disclosed that unit #2 was in an uninhabitable condition due to on-going renovation by the appellant. The appellant abandoned this renovation due to what the appraiser called a “declining market” and what the appellant testified was a decline in the market that put further renovation beyond his means. The appellant intended to place unit #2 on the rental market. Both units #1 and #2 were serviced by separate furnaces, water heaters and utilities. Consequently, the appellant seeks a reduction in the assessment to mitigate the effects of the unsuccessful renovation. Section 9-180 of the Property Tax Code provides, in relevant part:

When ... any buildings, structures or other improvements on the property were destroyed and rendered uninhabitable or otherwise unfit for occupancy or for customary use by accidental means (excluding destruction resulting from the willful misconduct of the owner of such property), the owner of the property on January 1 shall be entitled, on a proportionate basis, to a diminution of assessed valuation for

such period during which the improvements were uninhabitable or unfit for occupancy or for customary use. (35 ILCS 200/9-180).

The evidence reveals that whatever uninhabitable condition existed in unit #2 in the instant tax lien year, it was due to an attempted but ultimately abandoned renovation by the appellant. The record does not support a finding that the uninhabitable condition of unit #2 was due to accidental means. As to the appraisal, the information the appraiser obtained about the allegedly uninhabitable condition of his three comparables was hearsay from realtors expressing their opinions about the condition of those properties. Nowhere in the appraisal nor in the appraiser's testimony was there admissible evidence as to how and why those comparable properties were allegedly uninhabitable. The appraiser did not know if both or only one of the units in the comparables were uninhabitable, and did not consider making any appropriate upward adjustments as a result. Moreover, the appraiser did not provide analysis or testimony of how much the partial renovation of unit #2 contributed to the market value of the subject, despite evidence that unit #2 contained newer heating and electrical conduit, and was serviced by its own newer furnace, water heater and utility box. Consequently, the Board finds the appraisal report unreliable and disregards the appraiser's opinions and conclusions contained therein.

However, what remains in the appraisal are raw, unadjusted sales data of the three comparable properties. After discounting the appraiser's opinions that these were uninhabitable, these data included descriptions of key property characteristics that were similar to those of the subject. The board of review also submitted sales comparables. The Board finds that these are dissimilar to the subject in most key property characteristics, and accords them little weight. The comparables disclosed in the appellant's appraisal ranged from 1,648 to 2,120 square feet of living area, were situated on lots ranging from 3,125 to 3,625 square feet of land, were of frame construction, and were within close proximity to the subject. They each sold in 2011 for prices ranging from \$47.78 to \$58.25 per square foot of living area including land. However, the data do not disclose how or why either both or only one unit contained in those properties was uninhabitable, and whether they, like the subject, contained partial renovations.

After considering the differences and similarities of the subject to the appellant's sales comparables in the appraisal and the board of review's sales comparables, the Board finds the assessment of the subject property warrants a reduction. The Board finds the subject property had a market value of \$180,000 as of the assessment date at issue. Since market value has been established, the 2012 level of assessment of 10.00% for Class 2 property under the Cook County Real Property Assessment Classification Ordinance shall apply.

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: _____

CERTIFICATION

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: July 22, 2016



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.