



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

APPELLANT: South Group, LLC
DOCKET NO.: 14-26802.001-C-1 through 14-26802.004-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are South Group, LLC, the appellant(s), by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. in Chicago; 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
14-26802.001-C-1	15-28-315-048-0000	5,940	21,667	\$ 27,607
14-26802.002-C-1	15-28-315-049-0000	7,790	19,326	\$ 27,116
14-26802.003-C-1	15-28-315-050-0000	5,220	23,347	\$ 28,567
14-26802.004-C-1	15-28-315-051-0000	7,620	19,090	\$ 26,710

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 2014 tax year. The Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of the appeal.

Findings of Fact

The subject consists of a four four-unit apartment buildings. The property is located in La Grange Park, Proviso Township, Cook County. Each building is individually classified as 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 evidence disclosing the subject property was purchased on September 20, 2012 for a price of \$1,100,000. Based on this evidence, the appellant requested a reduction in the subject's assessment to 10.00% of the purchase price.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$161,821. The subject's assessment reflects a market value of \$1,618,210 when applying the 2014 statutory level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10.00%. The appellant also submitted income information for the subject.

The appellant also argued that the subject should be classified as a class 3-13, as the buildings are all owned by a single owner, and the tenants in the 16 units share a common parking lot.

In support of its contention of the correct assessment, the board of review submitted two legal briefs. The first legal brief argues that the Board should not consider the appellant's evidence regarding the income of the subject. The second legal brief expressly admits that sale of the subject in September 2012 was an arm's length transaction; however, the legal brief contends that this sale is too far remote in time after considering that it took place in a different triennial reassessment period.

Conclusion of Law

Initially, the Board declines to address the appellant's request to change the classification for the improvements on the subject. The Board is charged with determining the correct assessment of the subject. 35 ILCS 200/16-180. Under the Cook County Real Property Assessment Classification Ordinance, class 2-11 property and class 3-13 property are both assessed at 10.00% of fair market value. Cook Cnty., Ill., Code of Ordinances § 74-64(2) and (3). Therefore, determining the correct assessment for the subject property is not premised on the subject improvements' classification. In other words, once the subject's market value is determined, the subject's assessment is 10.00% of that market value, regardless of the improvements' classification as a class 2 or class 3 property. For these reasons, the Board finds that the appellant's class change argument is moot, and will not address it.

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 appellant submitted documentation showing the income and expenses of the subject property. The Board gives the appellant's argument little weight. In Springfield Marine Bank v. Prop. Tax Appeal Bd., 44 Ill.2d 428 (1970), the Illinois Supreme Court stated:

[I]t is clearly 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.

As the Court stated, actual income and expenses can be useful when shown that they are reflective of the market. Although the appellant made this argument, the appellant did not demonstrate, through an expert in real estate valuation, that the subject's actual income and expenses are reflective of the market. To demonstrate or estimate the subject's market value using income and expenses 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. Thus, the Board finds that a reduction is not warranted based on the appellant's income and expense analysis.

The Board finds the best evidence of market value to be the purchase of the subject property in September 2012 for a price of \$1,100,000. The appellant provided evidence demonstrating the sale had the elements of an arm's length transaction, including disclosing that the parties to the transaction were not related and that it was advertised for sale on the open market. In further support of the transaction, the appellant submitted printouts from the Cook County Recorder of Deeds' website and the settlement statement.

The Board finds the board of review's arguments in the second legal brief without merit. The simple fact that a triennial reassessment intervened between the sale of the subject and the current tax year's lien date does not make an arm's length transaction "stale," as the board of review suggests. A sale can still be considered "contemporaneous" even though it is reassessed in the interim. While the county is required, by law, to reassess property every three years, the Board is not bound by such a timeframe. Events that occurred outside the triennial reassessment period may be relevant to determining the correct assessment of the subject, including a contemporaneous arm's length sale, such as in the instant appeal. For these reasons, the Board gives the board of review's argument no weight.

The Board finds the purchase price is below the market value reflected by the assessment. Based on this record the Board finds the subject property had a market value of \$1,100,000 as of January 1, 2014. Since market value has been determined the 2014 statutory level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10.00% shall apply. 86 Ill.Admin.Code §1910.50(c)(2).

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

Acting 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: February 24, 2017



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.