



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

APPELLANT: Maria Malewski
DOCKET NO.: 16-22493.001-R-1
PARCEL NO.: 28-10-228-029-0000

The parties of record before the Property Tax Appeal Board are Maria Malewski, the appellant(s), by attorney John W. Zapala, of the Law Offices of John Zapala, P.C. 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 **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: \$1,705
IMPR.: \$34,975
TOTAL: \$36,680

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 2016 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 is a 52 year-old, two-story, multi-unit apartment building of masonry construction containing 5,482 square feet of living area. Features of the subject include a full finished basement containing an apartment. The property has a 6,200 square foot site in Midlothian, Bremen Township, Cook County. The subject is a Class 2 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends assessment inequity and overvaluation as the bases of the appeal¹. In support of the assessment inequity argument, the appellant submitted information on five suggested equity comparable properties in a Grid Analysis entitled, "Uniformity." The appellant appended property summaries for each of these comparable properties. The summaries disclosed 2014 or 2015 assessment information.

In support of the overvaluation argument based on an income capitalization approach and on vacancy, the appellant submitted a brief and attachments in support of an income capitalization argument. The brief showed information for tax years 2013 through 2015 for actual income, actual expenses, the overall capitalization rate of 13.18%, and the subject's estimated values for each year. The appellant averaged the three years of estimated values to arrive at a suggested estimated income approach market value of \$141,700. In support of the brief, the appellant appended a 2016 Income Analysis; Federal Tax Schedule E for tax years 2013 through 2015 disclosing income and expense information; and a current rent roll.

In support of the overvaluation argument based on comparable sales, the appellant submitted four properties that sold from November 2012 through July 2014 for prices ranging from \$53.31 to \$69.88 per square foot of living area including land in a Grid Analysis entitled, "Comparable Sales."

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$36,680. The subject property has an improvement assessment of \$34,975, or \$6.38 per square foot of living area. The subject's assessment reflects a market value of \$366,800, or \$66.91 per square foot of living area including land, when applying the 2016 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 suggested equity comparable properties in a Grid Analysis entitled, "Equity Comps." and four suggested sale comparable properties in a Grid Analysis entitled "Sales Comps."

In response to the appellant's overvaluation argument, the board of review submitted a brief in which it argued that the appellant failed to submit substantive, documentary evidence that the subject's actual income and expense data are reflective of the market and its capacity for earning income; and that the appellant did not establish a capitalization rate through market data.

At hearing, the parties reiterated their respective arguments and rested on the documentary evidence previously submitted.

¹ The appellant checked the boxes for Assessment Equity and Comparable Sales in Section 2d of the Residential Appeal Petition. In addition to evidence in support of these arguments, the evidence the appellant submitted addressed overvaluation arguments based on application of the income capitalization approach and on vacancy.

Conclusion of Law

The appellant contends assessment inequity as the basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). 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 best evidence of assessment equity to be the board of review's comparable(s) #1, #2, #3² and #4. These comparables had improvement assessments that ranged from \$6.42 to \$6.58 per square foot of living area. The subject's improvement assessment of \$6.38 per square foot of living area falls below the range established by the best comparable properties in this record. The Board does not find the appellant's comparable #1 to be among the best properties in the record because it was based on 2015 assessment information. Based on this record, the Board finds the appellant did not demonstrate with clear and convincing evidence that the subject's improvement was inequitably assessed and holds that a reduction in the subject's assessment based on assessment inequity is not justified.

The appellant also 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 appellant relied upon an income capitalization approach to establish overvaluation. In support of this argument, the appellant submitted a 2016 Income Analysis; Federal Tax Schedule E for tax years 2013 through 2015 disclosing income and expense information; and a rent roll showing vacancies.

In Springfield Marine Bank v. Property Tax Appeal Board, 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 by the owner... [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

² The appellant's equity comparable #1 was the same property as the board of review's equity comparable #3. The appellant's documentary evidence for her comparable #1 disclosed board of review certified assessment information for 2015. The board of review's comparable #3 disclosed 2016 assessment information.

significant element in arriving at "fair cash value"... [M]any factors may prevent a property owner from realizing an income from property which 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 430-31.

Actual expenses and income can be useful when shown that they are reflective of the market. Although the appellant 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 with 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. Therefore, the Board gives this argument no weight. Based on this evidence, the Board finds a reduction in the subject's assessment for overvaluation is not justified.

The appellant also contends the market value of the subject property is not accurately reflected in its assessed valuation based on a sales market comparison argument. 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 best evidence of market value to be the appellant's comparable sale(s) #2 and #3, and the board of review comparable sale(s) #1³. These comparables sold from September 2013 through December 2016 for prices ranging from \$53.31 to \$74.84 per square foot of living area, including land. The subject's assessment reflects a market value of \$66.91 per square foot of living area including land, which is within 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.

³ The appellant's sale comparable #4 and the board of review's sale comparable #1 are the same property. The appellant's sale data disclosed her comparable #4 sold in July 2014. The board of review's sale data disclosed its comparable #1 sold in December 2016.

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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.

Chairman



Member

Member



Member

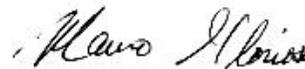
Member

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 16, 2019



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

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