



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

APPELLANT: Harry Perl
DOCKET NO.: 16-24815.001-R-1
PARCEL NO.: 14-19-114-035-0000

The parties of record before the Property Tax Appeal Board are Harry Perl, the appellant, by attorney John P. Fitzgerald, of Fitzgerald Law Group, P.C. in Burr Ridge; 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: \$31,799
IMPR.: \$48,201
TOTAL: \$80,000

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 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 consists of a 3-story, six-unit apartment building of masonry exterior construction with 6,933 square feet of building area. The building was constructed in 1907. Features include a full unfinished basement. The property has a 6,913 square foot site and is located in Chicago, Lake View Township, Cook County. The subject is 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 an appraisal estimating the subject property had a market value of \$660,000 as of January 1, 2015. The appraisal was prepared by Thomas Grogan and John T. Setina, III of Sterling Valuation. In estimating the market value of the subject property, the appraisers developed the sales comparison approach and income approach to value.

Under the sales comparison approach the appraisers analyzed six comparable sales located in Chicago, Illinois. The comparables consist of 3-story¹ multi-family buildings that were built from 1912 to 1927. The buildings range in size from 4,188 to 15,000 square feet of building area and are situated on sites ranging in size from 3,541 to 6,250 square feet of land area. The comparables have from five to ten rental units. The comparables sold from July 2013 to October 2014 for prices ranging from \$525,000 to \$950,000 or from \$63.33 to \$131.33 per square foot of building area or from \$78,571 to \$120,000 per rental unit. The appraisers did not make adjustments to the comparables for differences from the subject property and disclosed "all sales sold based on their "leased fee" estate, assumed at market rents, similar to the subject." The appraisers arrived at an estimated value under the sales comparison approach of \$660,000 or \$110,000 per rental unit.

The appraisers also developed the income approach to value based on the gross rent multiplier. Using rental comparables the appraisers arrived at a market rent for the subject's units of \$1,200 per month for a one-bedroom unit and \$1,500 per month for a two-bedroom unit resulting in a total monthly rental for the subject property of \$8,100 or \$97,200 per year. The appraisers deducted \$30,506 for allowable expenses to arrive at a net operating income of \$66,694. The appraisers next capitalized the net income by a rate of 10.07% to arrive at an estimated market value of \$662,304 or rounded to \$660,000 under the income approach to value.

Based on this evidence, the appellant requested the total assessment be reduced to \$66,000 which would reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$80,000. The subject's assessment reflects a market value of \$800,000 or \$115.39 per square foot of building area or \$133,333 per rental unit, when using the level of assessments for class 2 property of 10% under the Cook County Real Property Assessment Classification Ordinance.

In support of the subject's assessment, the board of review submitted information on four comparable sales with the same classification code as the subject property. The comparables consist of one, 2-story and three, 3-story multi-family buildings that range in age from 90 to 107 years old. The comparables have full basements, one of which has finished area. Two of the comparables have 2.5-car or 3.5-car garages. The buildings range in size from 6,462 to 7,206 square feet of building area and are situated on sites ranging in size from 3,186 to 6,930 square feet of land area. The comparables sold from June 2014 to October 2016 for prices ranging from \$805,000 to \$1,200,000 or from \$115.18 to \$185.70 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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

¹ Story heights for the comparables was based on the photographic evidence provided in the appraisal.

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 record contains an appraisal submitted by the appellant and four comparable sales provided by the board of review. The Board finds the appellant's appraisal is unpersuasive and not a credible indicator of value. The effective date of the appraisal of January 1, 2015 is one year prior to the January 1, 2016 assessment date. Similarly, the sales in the appraisal report occurred in 2013 and 2014, well prior to the January 1, 2016 assessment date. The Board finds the six sales relied upon in the appraisal are not reliable or credible indicators of market value because they reflect "leased-fee" interest rather than fee-simple interest. On page 48 of the report, "assumed" the comparables were at market rent, but submitted no corroborating evidence to support the assumption. Finally, the board gave less weight to the appraisal comparables #1, #2, #3 and #5 due to their dissimilar sizes when compared to the subject property. These factors undermine the credibility of the appraisal report. Therefore, the Board gives less weight to the conclusion of value contained in the appellant's appraisal.

The Board gave less weight to board of review comparable sale #2 due to its 2014 sale, which is dated and less indicative of fair market value as of the subject's January 1, 2016 assessment date at issue. The Board also gave less weight to board of review comparable sale #1 due to its superior finished basement and dissimilar design. The Board finds the two remaining board of review comparable sales sold more proximate in time to the January 1, 2016 assessment date and are more similar when compared to the subject in land area, age, building size, design and features. These comparables sold in March 2015 and March 2016 for prices of \$805,000 and \$830,000 or \$115.18 and \$121.20 per square foot of building area, including land. The subject's estimated market value of \$800,000 or \$115.39 per square foot of building area, including land, is supported by the best comparables contained in this record. Based on this evidence the Board finds the subject is not overvalued and a reduction in the 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. 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: September 17, 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

AGENCY

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

Harry Perl, by attorney:
John P. Fitzgerald
Fitzgerald Law Group, P.C.
7035 High Grove Boulevard
Burr Ridge, IL 60527

COUNTY

Cook County Board of Review
County Building, Room 601
118 North Clark Street
Chicago, IL 60602