



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

APPELLANT: Chris Kandalepas
DOCKET NO.: 10-35570.001-C-1
PARCEL NO.: 02-01-400-020-0000

The parties of record before the Property Tax Appeal Board are Chris Kandalepas, the appellant(s), by attorney George N. Reveliotis, of Reveliotis Law, P.C. in Park 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 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: \$71,187
IMPR.: \$166,313
TOTAL: \$237,500

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 33,500 square foot parcel of land improved with a 25-year old, one-story, masonry, commercial building. The property is located in Palatine Township, Cook County and is a class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant's appeal is based on overvaluation. In support of the market value argument, the appellant submitted an appraisal undertaken by Robert S. Kang of KPS, Inc. Kang was the appellant's only witness. Kang testified he is licensed in Illinois. He testified he prepares between 100 and 125 commercial appraisals per year. He testified these appraisals are for banking institutions and estate planning and ad valorem taxation purposes.

The appraisal indicated the subject has an estimated market value of \$950,000 as of January 1, 2010. The appraisal report utilized the income and sales comparison approaches to value to estimate the market value for the subject property. Kang testified that he excluded the cost approach due to the age of the building and that depreciation would be very speculative, at best.

Kang described the subject property and its environs. He described the property as a somewhat date, typical neighborhood shopping center with mom and pop shops. Kang testified that the property was 25% vacant for a portion of the valuation year.

Under the income approach, Kang testified he was provided the 2010 rent roll and income and expenses for 2007 through 2010. He testified he reviewed six rental comparables with three located in Palatine. These properties ranged in size from 1,281 to 4,440 square feet of building area and have asking rates of \$12.00 to \$19.57 per square foot of building area. Kang testified he estimated a rent of \$17.25 per square foot of building area. This resulted in a potential gross income of (PGI) \$258,405. Vacancy and collection loss was estimated at 13% of PGI for an effective gross income (EGI) of \$224,812. Kang testified that, based on IRM and other guidelines, he estimated expenses at \$70,424 for an estimated effective net income (ENI) at \$155,388.

In determining the appropriate capitalization (CAP) rate, the appraiser utilized market surveys and the band of investment method to estimate a CAP rate of 9.50%. Kang testified he loaded this CAP rate to account for property taxes to arrive at a loaded CAP rate of 16.324%. He testified he applied this CAP rate to the ENI to estimate the market value for the subject under this approach at \$950,000, rounded.

Under the sales comparison approach, Kang testified that he focused on multi-tenant design shopping centers for comparables and expanded the geographical area to find these comparables. He testified that he utilized six sales within the northwest suburbs and sold from March 2006 through December 2010. He described the characteristics of the comparables and their environs. Kang testified he made adjustments to these comparables for pertinent factors. He described these adjustments. The comparables ranged in sale prices from \$41.19 to \$64.79 per square foot of net rentable building area. Kang testified that, after adjustments, he estimated a value at \$63.00 per square foot of building area for a total estimated value under the sales comparison approach of \$945,000.

In reconciling the two approaches to value, Kang testified that both approaches reflect a very similar value, but that he gave most weight to the income approach to value. The appraisal arrives at a final estimate of value for the subject as of January 1, 2010 of \$950,000.

Under cross-examination by the board of review, Kang testified he did not know the motivations behind the sales of sales comparables #1, #2 or #3, but that each property was listed on the open market. Kang acknowledged he did not list the traffic counts for the comparable sales.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment was \$312,498; yielding a market value of \$1,249,992 or \$84.04 per square foot of building area, including land, using the Cook County Real Property Classification Ordinance for Class 5 property of 25%.

The board rested on the evidence previously submitted. This evidence included raw sales information on four properties suggested as comparable. In addition, the board of review's memorandum discloses that the data is not intended to be an appraisal or estimate of value and should not be construed as such. In addition, it discloses that the information is assumed factual, accurate, and reliable, but has not been verified and does not warrant its accuracy.

On cross-examination, the board of review's representative acknowledged that he did not prepare the evidence and that the preparer was not being presented to testify. He testified that he has no personal knowledge of any of the evidence.

Conclusion of Law

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board examined the appellant's appraisal report and testimony and the board of review's evidence.

The Board finds the preparer of the board of review's evidence was not present or called to testify about her qualifications, identify her work, testify about the contents of the evidence, or be cross-examined by the appellant and the Property Tax Appeal Board. Without the ability to observe the demeanor of this individual during the course of testimony, the Property Tax Appeal Board gives this evidence from the board of review no weight.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal and testimony. The appellant's appraiser utilized the income and sales comparison approaches to value in determining the subject's market value. The witness credibly testified that the cost approach would not be appropriate for the subject property. The Board finds the appraisal and testimony to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

Therefore, the Board finds the subject had a market value of \$950,000 for the 2010 assessment year. Since the market value of this parcel has been established, the Cook County Real Property Classification Ordinance for Class 5 property of 25% will apply. Therefore, the Board finds that a reduction is warranted.

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: September 23, 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.