



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

APPELLANT: Christine Okelman  
DOCKET NO.: 10-36558.001-C-1  
PARCEL NO.: 29-32-101-085-0000

The parties of record before the Property Tax Appeal Board are Christine Okelman, the appellant, 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:** \$63,260  
**IMPR.:** \$76,740  
**TOTAL:** \$140,000

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from an administrative decision of the Property Tax Appeal Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) 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 is improved with a two-story masonry constructed commercial office building with approximately 19,000 square feet of building area. The building was constructed in 2005. The building has a full unfinished basement. The office area is finished with commercial grade carpet and ceramic tile flooring, the ceiling is finished with dropped acoustical tile ceiling panels that contain florescent light and recessed light fixtures, and the walls are painted gypsum board. There are individual offices/meeting rooms on the second floor. The property has a 316,000 square foot site and is located in Homewood, Thornton Township, Cook County. The subject is classified as a class 8-92 a commercial/industrial incentive property under the Cook County Real Property Assessment Classification Ordinance. The property has a 10% level of assessment for the first 10 years.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by Eric Sladick, certified general real estate appraiser, estimating the subject property had a market value of \$1,400,000 as of January 1, 2009. The appraisal references two permanent index numbers (PINs) 29-32-101-085-0000 and 29-32-101-086-0000.

The purpose of the appraisal was to estimate the market value of the real estate described in the report to establish an equitable ad valorem tax assessment. The interest valued was fee simple. The appraiser indicated that the property was inspected on January 1, 2009. The appraiser determined the highest and best use of the property was for commercial development.

In estimating the market value of the subject property the appraiser developed the three traditional approaches to value. Under the cost approach the appraiser first estimated the land value using four comparable sales ranging in size from 52,272 to 491,792 square feet of land area. The land comparable sales were located in South Holland, Lynwood, Olympia Fields and Chicago Heights. The sales occurred from August 2007 to October 2009 for prices ranging from \$109,000 to \$850,000 or from \$1.02 to \$2.09 per square foot of land area. The appraiser estimated the subject's site to have a value of \$2.00 per square foot of land area or \$630,000, rounded.

The appraiser next estimated the replacement cost new of the improvements using the Marshall Valuation Service, costs associated with similar units and the actual costs associated with the construction of the subject building. Replacement cost new was estimated to be \$2,450,870 for the building and supporting exterior improvements. The appraiser deducted \$1,593,065 for accrued depreciation and external obsolescence to arrive at a depreciated value of the improvements of \$857,805. The appraiser then added the land value of \$630,000 to arrive at an indicated value under the cost approach of \$1,490,000, rounded.

The appraiser next developed the sales comparison approach to value using five comparable sales improved with three, one-story office buildings and two, two-story office buildings that range in size from 6,375 to 33,452 square feet of building area. The comparables are located in Olympia Fields, Crestwood and Homewood on sites ranging in size from 18,452 to 104,544 square feet of land area. The buildings range in age from 12 to 50 years old and are of masonry construction. The sales occurred from July 2007 to March 2008 for prices ranging from \$450,000 to \$2,032,000 or from \$43.17 to \$74.90 per square foot of building area, including land. The appraiser made adjustments to the comparables for differences from the subject property to arrive at adjusted prices ranging from \$57.55 to \$89.88 per square foot of building area, including land. Based on these sales the appraiser arrived at an estimated market value for the subject property of \$76.00 per square foot of building area or \$1,445,000, rounded.

The final approach to value developed by the appraiser was the income capitalization approach. The first step was to estimate the market rent using five rental comparables located in Homewood improved with commercial buildings ranging in size from 18,500 to 26,600 square feet of building area. These properties had rents ranging from \$12.50 to \$17.35 per square foot of building area on a gross basis. The appraiser estimated the subject property would have a market rent of \$16.00 per square foot of building area resulting in a potential gross income (PGI) of \$304,000. The appraiser indicated that vacancy in the subject's area ranged from 5% to 15%

and estimated the subject property would have a vacancy rate of 10% of PGI resulting in an effective gross income (EGI) of \$273,600. The appraiser then made deductions for expenses: management, \$9,120; miscellaneous, legal and audit, \$1,000; repairs and maintenance, \$2,850; insurance, \$3,800; replacement and reserves, \$3,800; and leasing, \$7,296, to arrive at a net operating income of \$245,734.

Using the band of investment technique, the appraiser arrived at an overall capitalization rate 10.62%. To this the appraiser estimated the effective tax rate to be 9.01%, which was added to the overall capitalization rate to arrive at a tax loaded capitalization rate of 19.63%. Capitalizing the net operating income the appraiser arrived at an estimated value under the income approach of \$1,250,000, rounded.

In reconciling the three approaches to value the appraiser gave greatest weight to the sales comparison approach to value, secondary consideration to the income approach and the least amount of weight to the cost approach to value to arrive at an estimated market value of \$1,400,000 as of January 1, 2009. The appellant requested the subject's assessment be reduced to \$140,000 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$228,497. The subject's assessment reflects a market value of \$2,284,970 or \$120.26 per square foot of building area, including land, when applying the Cook County Real Property Assessment Classification Ordinance level of assessment for class 8-92 property of 10%.

In support of its contention of the correct assessment the board of review submitted information on five comparable sales improved with office buildings that ranged in size from 17,350 to 29,500 square feet of building area. The comparables were located in Homewood and were constructed from 1940 to 1989. The sales occurred from March 2004 to January 2008 for prices ranging from \$1,500,000 to \$3,700,000 or from \$84.48 to \$125.42 per square foot of building area, including land.

In rebuttal appellant's counsel asserted that board of review sales #1, #2 and #4 sold in 2004 and 2005, 5 and 6 years prior to the assessment date at issue; board of review sale #3 was larger than the subject building; and asserted that it did not appear that comparable #5 was listed on the open market.

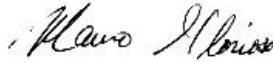
### **Conclusion of Law**

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 best evidence of market value to be the appraisal submitted by the appellant. The appellant's appraiser developed the three approaches to value in arriving at a market value

estimate of \$1,400,000. The appraiser's discussion of the appraisal process and each of the approaches to value was credible and resulted in a value estimate that was reliable. The appraisal process employed by the appellant's appraiser followed standard appraisal techniques and was supported by market data. The subject's assessment reflects a market value of \$2,284,970, which is above the appraised value presented by the appellant. Less weight was given the board of review sales as four of the sales did not occur proximate in time to the assessment date at issue. Additionally, the board of review sales were not adjusted for differences from the subject property as were the comparable sales used by the appellant's appraiser, which further detracts from the weight that can be given the board of review submission. Based on this evidence the Board finds a reduction in the subject's assessment commensurate with the appellant's request is 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: \_\_\_\_\_

May 15, 2018



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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