



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

APPELLANT: Tom Kalabogias
DOCKET NO.: 11-23432.001-C-1
PARCEL NO.: 09-11-302-028-0000

The parties of record before the Property Tax Appeal Board are Tom Kalabogias, 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 **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: \$ 85,782
IMPR.: \$103,424
TOTAL: \$189,206

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 2011 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 contains a 26 year-old, one-story building of masonry construction containing 4,246 square feet of building area. The subject is used as a fast food restaurant. The subject property has a 40,368 square foot site and is located in Maine Township, Cook County and is a Class 5 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 in which the appraiser developed the income capitalization and sales comparison approaches to value. In the income capitalization approach, the appraiser analyzed four suggested rental comparable properties disclosing 2007 lease dates and calculated a rounded overall capitalization rate of 9.00% to arrive at an estimated market value of \$405,000. In the sales comparison approach, the appraiser analyzed six suggested sales comparable

properties that sold from 2007 through 2010, and applied adjustments for various property characteristics to arrive at an estimated market value of \$405,000. The appraisal estimated the subject property had a reconciled market value of \$405,000 as of January 1, 2009. The appellant requested a total assessment reduction to \$101,250 when applying the 2011 level of assessment of 25.00% for Class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$189,206. The subject's assessment reflects a market value of \$756,824, or \$178.24 square feet of building area including land, when applying the 2011 level of assessment of 25.00% for Class 5 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 six unadjusted suggested sales comparables that sold from 2009 through 2011 for prices ranging from \$111.11 to \$272.92 per square foot of building area including land.

At hearing, the appellant offered Susan Ulman as an expert witness. The Board accepted Ulman as an expert in the theory and practice of real estate appraisal without objection from the board of review. Ulman was the president of Zimmerman Real Estate Group, the company that prepared the appellant's appraisal report. She assigned the appraisal job to Shawn Schneider, an appraiser in her company. Ulman testified that Schneider selected four rental comparable properties in developing the income capitalization approach and six sales comparable properties for the sales comparison approach. These comparables were selected from a sample of from 20 to 30 properties. Schneider developed the overall capitalization rate used in the income approach. Ulman testified that both she and Schneider signed the report and that she adopted it as her work. She personally inspected the subject property only in 2016 in preparation for her hearing appearance.

Ulman stated that the subject contained a 4,246 square foot free-standing fast food restaurant situated on a 40,368 square foot site. She opined that the subject had an estimated market value of \$405,000 under both the income and sales approaches, for a reconciled market value of \$405,000. Ulman conceded that effective date of the appraisal was January 1, 2009 and that it did not contain data and a market value opinion for 2011. She stated that to opine a value for 2011, she would need additional data, although she would have used some of the same sales comparables that were used in the sales approach for the 2009 appraisal since those sales were within a meaningful time frame. As to the data used in the income approach, Ulman did not know that the appraisal contained an income capitalization analysis until asked questions about whether lease data were included. She testified that the terms and conditions of the lease would affect whether a buyer would look only to the lease or also to comparables sales. If looking to the lease, she stated that a buyer would consider prevailing economic conditions. In comparing recent sales, a buyer would look to both recent sales prices and specific terms and conditions of the lease, and would pay a higher price for factors such as the credit worthiness of the tenant or the duration of the lease. She did not believe the appraisal report contained information of a 2011 lease, but knew that the lease was amended since 2009. Ulman was not able to state what amendments were made. Counsel for the appellant conceded that the record did not contain information of whether the 2009 and 2011 leases were the same.

The board of review representative rested on the evidence previously submitted.

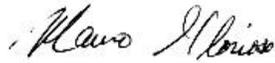
Conclusion of Law

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The overall capitalization rate developed in the appraisal's income approach used mortgage loan rates, corporate bond yields and the prime lending rate from 2008. It used four comparables that disclosed information from 2007 leases. Ulman was not even aware that the appraisal contained an income approach until asked whether it disclosed information on the subject's lease. A buyer would look to prevailing economic conditions to determine whether to make an offer based on an expected rate of return or on comparables sales. The appraisal disclosed the appraiser opined an overall expected rate of return of 9.00% based on 2008 economic data and information from four leases dating from 2007. As to the appraisal's sales comparison approach, one of the sales dated from 2007. A buyer considering recent sales in arriving at a price would look to recent sale prices and the terms and conditions of lease encumbrances. Yet, Ulman testified that the appraisal did not include information about the 2011 lease and how it was modified from the 2009 lease disclosed in the appraisal report. She firmly stated that she would have to obtain additional data for each approach to offer a reliable opinion of the subject's 2011 estimated market value. The Board finds that such data is absent from the documentary evidence submitted and the testimony at hearing. Consequently, the Board accords no weight to the opinions and conclusions contained in the appraisal.

However, the Board may look to the raw data presented by the parties to establish a range of comparable sales. The appraisal disclosed raw data of six comparables that sold from 2007 through 2010. Eliminating the one 2007 sale as not recent, the remaining five sold from \$56.55 to \$115.93 per square foot of building area including land. The board of review submitted six comparables that sold from 2009 through 2011 for prices ranging from \$111.11 to \$272.92 per square foot of building area including land. The Board finds the appellant's comparables #2, #5 and #6, and board of review comparables #3, #4, #5 and #6 set the range of market value for the subject. These comparables were similar to the subject in location, style, construction, features, age, building area and land area. They ranged from \$56.55 to \$311.90 per square foot of living area including land. The subject's assessment reflects a market value of \$178.24 per square foot of building 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 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: November 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.