



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

APPELLANT: Vasilis Revelis
DOCKET NO.: 12-23146.001-C-1
PARCEL NO.: 14-17-219-014-0000

The parties of record before the Property Tax Appeal Board are Vasilis Revelis, 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 **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: \$ 80,437
IMPR.: \$ 81,433
TOTAL: \$161,870

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 2012 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 is situated on an 8,580 square foot parcel of land that is improved with a 109-year old, one-story, masonry, commercial retail building. The subject's improvement size is 8,200 square feet of building area and its total assessment is \$161,870. This assessment yields a fair market value of \$647,480, or \$78.96 per square foot of building area, including land, after applying the 25% assessment level for class 5 commercial properties under the Cook County Classification of Real Property Ordinance. The appellant, via counsel, argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted a summary appraisal report for the subject property with an effective date of January 1, 2012. The appraiser was Eric Sladcik, an Illinois licensed general certified appraiser. He estimated a fair market value for the subject of

\$490,000 based on the income and sales comparison approaches to value. The appraiser also conducted an inspection of the subject on May 26, 2014. The appraisal noted that the subject property was owner-occupied. Based on this evidence, the appellant requested a reduction in the subject's assessment.

Under the income approach to value the appraiser presented five rental comparables, four of which were part of mixed-use properties. They ranged in size from 650 to 2,400 square feet of building area, and in an unadjusted rental price range from \$12.00 to \$15.00 per square foot, on a gross basis. The appraiser estimated a rental amount of \$15.50 per square foot gross for the subject property, resulting in an annual potential gross income of \$127,100. He then estimated the vacancy rate for the subject at 20%, with no supporting market data, resulting in effective gross income of \$101,680. An additional and unsubstantiated 23% in projected expenses was deducted from the effective gross income, resulting in an estimated net operating income of \$77,955. The appraiser then employed the band of investment technique to establish a capitalization rate of 9.49%. After adding a tax load of 4.661% to the capitalization rate, he calculated a total weighted capitalization rate of 14.15%. This yielded an estimate of value under the income approach of \$550,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of six one-story, masonry, commercial buildings located in either Chicago or Evanston. The properties were mainly single-tenant buildings, while the subject property is a seven-tenant, shopping center property. Comparables #2 and #5 were most similar to the subject in size, containing 7,800 and 12,000 square feet of area, respectively, while the remaining four comparables contain between 3,600 and 4,500 square feet of area. The comparables sold from February 2011 to September 2012 for prices ranging from \$200,000 to \$460,000, or from \$44.44 to \$64.10 per square foot of building area, including land. A photograph on page 72 of the appraisal indicated that comparable #6 was listed for sale, with no further information. The appraiser also noted that the larger the building, the lower the unit price. After making 5% adjustments for age and 10% adjustments for building size to various comparables, the appraiser arrived at a market value under the sales approach of \$470,000, or \$57.00 per square foot, including land.

In reconciling the two approaches to value, the appraiser noted that he placed the most consideration on the sales comparison approach since it is a direct reflection of the action of buyers and sellers in the marketplace, to arrive at a final estimate of value for the subject as of January 1, 2012 of \$490,000.

The Cook County Board of Review submitted it "Board of Review-Notes on Appeal," wherein the subject's final assessment of \$161,870 was disclosed. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for five commercial office buildings located within six miles of the subject. The sales data was collected from the CoStar Comps service, and the CoStar Comps sheets state that the research was licensed to the Cook County Assessor's Office. However, the board of review included a memorandum which states that the submission of these comparables is not intended to be an appraisal or an estimate of value, and should not be construed as such. The memorandum further states that the information provided was collected from various sources, and was assumed to be factual, accurate, and reliable; but that the information had not been verified, and that the board of review did not warrant its accuracy.

The comparables are described as one-story, masonry, commercial shopping center properties. Additionally, the comparables are from 12 to 98 years old, and have from 6,192 to 14,800 square feet of building area. The comparables sold between June 2007 and January 2011 for \$2,500,000 to \$4,650,000, or \$289.92 to \$419.11 per square foot, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

At hearing, the appraiser testified that the subject was owner-occupied. He further stated that the front of the subject building had been renovated while the rear had been tuckpointed, due to its age.

On cross-examination by the board of review, the appraiser indicated there were "eight or nine units" in the building and "two or three" were owner-occupied. When the board of review questioned the use of sale comparable #3, located in Evanston, the appraiser explained that the subject was located near Lake Michigan, therefore, expanding the search area for sales was appropriate.

On re-direct, the appellant's attorney indicated a rent roll was located on page 97 of the appraisal indicating one 2000 square foot unit, a pizza restaurant, was owner-occupied. The attorney also questioned the appraiser on his use of a 20% vacancy rate. The appraiser testified that the subject had one unit vacant, and that the "neighborhood had some vacancies." The appraiser also testified that the actual rents supported his rental comparables, although the Board notes that the subject's tenants are paying an average of \$23.58 per square foot gross, while the appraiser used a rental rate of \$15.50 per square foot gross in his analysis.

The board of review rested on their written submission at hearing. On cross-examination, the appellant's attorney questioned the board of review on the board's policy in using sales that were more than three years from the valuation date.

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.

Initially, the Board finds the appraisal to be unreliable for several reasons. The appraiser indicated in his appraisal that the subject property was owner-occupied, and testified as to such. In actuality, six out of seven units in this shopping center-type property are leased.

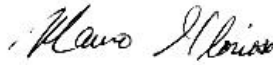
Next, the Board finds the appraiser's income approach questionable as the rental properties that were offered as comparable varied greatly in building size and type from that of the subject property. As such, the rental rates of \$12.00 to \$15.00 per square foot, gross, may be inaccurate for a strip center-type property, as indicated by the actual average rental rate of the subject

property of \$23.58 per square foot, gross. Additionally, the appraiser applied a 20% vacancy rate in his analysis, but failed to support it with market data.

As to the sales comparison approach, the Board finds the appraiser made minor adjustments for building age and size only, noting that only one comparable was similar in building size to the subject property. Also, the appraiser failed to provide any information as to the parties to the transactions or the conditions of sale. Most of the comparables appear to be single-tenant properties, in contrast to the strip-center nature of the subject property. While the board of review's comparables were unadjusted, they provided evidence that sales of similar building size and use do exist.

Therefore, in determining the fair market value of the subject property, the Board gives little weight to the appellant's appraisal's value conclusion. The Board finds that because of the flawed income analysis, dissimilar sale comparables, and lackluster appraiser testimony, the estimate of value for the subject property is unreliable. The appraiser's two best comparable properties are his comparables #2 and #5, as they are most similar in location, size, sale date, and age. The board of review's comparable #5 is also similar in location, sale date and use. These three sales range in and unadjusted price per square foot from \$47.92 to \$319.14 per square foot, including land. The subject current market value is \$78.96 per square foot, including land, which is within the range of the best comparables contained in the record. Accordingly, in determining the fair market value of the subject property, the Board finds that the appellant failed to submit sufficient evidence to show the subject was overvalued. As such, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

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



Acting 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: _____

April 21, 2017



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.