



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

APPELLANT: Dena Bisbikis
DOCKET NO.: 12-25876.001-C-1
PARCEL NO.: 18-01-301-004-0000

The parties of record before the Property Tax Appeal Board are Dena Bisbikis, 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: \$ 3,163
IMPR.: \$51,708
TOTAL: \$54,871

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 a 7,031 square foot parcel of land that is improved with an 80-year old, two-story, masonry-constructed, mixed-use building. It is comprised of an owner-occupied bar on the ground floor with one one-bedroom unit and 11 single room occupancy (SRO) units in the remaining part of the building. It is located in Lyons Township, Cook County. The subject is classified as a class 3-18 property under the Cook County Real Property Assessment Classification 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 Robert S. Kang, an Illinois licensed general certified appraiser. He estimated a fair market value for the subject of \$210,000 based on the income and sales comparison approaches to value. The

appraiser also conducted an inspection of the subject on April 1, 2014, more than two years after the valuation date. The appraisal noted that the subject property's SRO's were in poor condition and suffered from a high vacancy rate. The appraiser indicated that the subject's highest and best use, as improved, was the continuation of its present use. Based on this evidence, the appellant requested a reduction in the subject's assessment.

Under the income approach to value the appraiser presented eight rental comparables, two of which were part of mixed-use properties, three of which were retail properties, and three of which were apartment buildings. Limited data was provided for each comparables and it is unclear as to the size and make-up of each building. They ranged in size from "studio" to 1,800 square feet of retail area, and in an unadjusted rental price range from \$300.00/apartment to \$16.47 per square foot, on a gross basis. The appraiser estimated a rental amount of \$15.00 per square foot gross for the commercial space (actual rent) and \$650/month and \$400.00/month for the one-bedroom unit and SROs, respectively, resulting in an annual potential gross income of \$75,600. He then estimated the vacancy rate for the subject at 80%, with no supporting market data, resulting in effective gross income of \$33,180. An additional \$10,236 in projected expenses was deducted from the effective gross income, resulting in an estimated net operating income of \$22,944. The appraiser then employed the direct capitalization technique to establish a capitalization rate of 9.00%. After adding a tax load of 3.30% to the capitalization rate, he calculated a total weighted capitalization rate of 12.30%. This yielded an estimate of value under the income approach of \$185,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of five suggested comparable buildings located in either Northlake, LaGrange, Schiller Park, Oak Lawn, or River Grove. Four of the properties were Class 2 mixed-use buildings, while one property was solely a commercial building. None of the properties were Class 3 properties such as the subject. None of the comparables had more than two apartment units. Comparables #2 through #5 all were two-story properties. Comparable #1 was actually comprised of two separate buildings. The comparables sold from May 2009 to September 2013 for prices ranging from \$68,000 to \$357,500, or from \$19.43 to \$57.77 per square foot of building area, including land. After making 10 to 30% adjustments for various factors, the appraiser arrived at a market value under the sales approach of \$210,000, or \$50.00 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 \$210,000.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's final assessment of \$54,871 was disclosed. This yields a market value of \$548,710. In support of the subject's assessment, the board of review submitted a property record card for the subject, and raw sales data for six mixed-use buildings located in Cicero, Broadview, or Chicago. 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 two-story, masonry, mixed-use properties. Additionally, the comparables are from 76 to 97 years old, and have from 1,936 to 13,170 square feet of building area. The comparables sold between April 2007 and May 2011 for \$450,000 to \$2,850,000, or \$104.17 to \$297.00 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 none of his sale comparables were Class 3 properties. He also testified that he used an 80% actual vacancy factor instead of a market vacancy rate in his income analysis.

On cross-examination by the board of review, the appraiser indicated there were eight SROs that were vacant as two units were illegally occupied. When questioned by the board of review, the appraiser also stated that market vacancy was in the 10% to 20% range.

On re-direct, the appellant's attorney indicated that although a higher vacancy rate was used in the appraiser's income analysis, the appraiser used market rent versus actual rent which actually inflated his income.

The board of review rested on their written submission at hearing. On cross-examination, the board's representative indicated that the preparer of the board's documentation was not present to offer testimony.

In written rebuttal, the appellant argued that the board of review's comparables were unadjusted and lacked detailed information.

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.

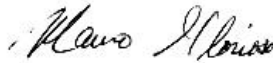
Initially, the Board finds the appraisal to be unreliable for several reasons. First, the Board finds the appraiser's income approach questionable as the rental properties that were offered as comparable on page 39 of the appraisal were vague and varied in use from the subject property. The comparables were from varying rental markets and very little detail was provided. Moreover, the appraiser applied an 80% vacancy rate in his analysis, but failed to support it with market data. In fact, he testified that market vacancy rates were actually in the 10% to 20% range.

As to the sales comparison approach, the Board finds the appraiser failed to include any comparables that were similar in use to the subject property. While his mixed-use comparables

contained no more than two apartments, Comparable #2 was strictly a commercial property, while Comparable #1 was comprised of two separate buildings. While the board of review's comparables were unadjusted, they provided evidence that sales of similar building size and use do exist.

Accordingly, 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 and dissimilar sale comparables, the estimate of value for the subject property is unreliable. The appraiser's two best comparable properties are his comparables #3 and #5, as they sold at a date most proximate to the January 1, 2012 valuation date. The board of review's comparable #1 is the best comparable contained in the record, as it is similar in sale date, age and use. These three sales range in and unadjusted price per square foot from \$19.73 to \$297.00 per square foot, including land. The subject's current market value is \$129.11 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



Acting 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: August 18, 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.