



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

APPELLANT: Jaroslaw & Dorota Jozwiak  
DOCKET NO.: 14-00345.001-R-1  
PARCEL NO.: 06-35-407-049

The parties of record before the Property Tax Appeal Board are Jaroslaw & Dorota Jozwiak, the appellants, by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. in Chicago, and the Kane 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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$17,499  
**IMPR.:** \$90,490  
**TOTAL:** \$107,989

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellants timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2014 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 a three-story six-apartment unit building of brick construction with 5,304 square feet of building area. The building contains five two-bedroom units and a studio apartment. The building was constructed in 1972. Features include an individual sleeve air conditioning unit per apartment. The property has a 16,000 square foot site and is located in South Elgin, Elgin Township, Kane County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument the appellants submitted an appraisal estimating the subject property had a market value of \$270,000 or \$50.90 per square foot of building area or \$45,000 per apartment unit, including land, as of January 1, 2014.

The appraiser performed the three traditional approaches to value concerning the subject property and determined a value by the cost approach of \$256,762, a value by the sales comparison approach of \$280,000 and a value by the income approach of \$250,000. In reconciling the various conclusions, the appraiser gave least weight to the cost approach due to the subject's age and condition making a determination of depreciation difficult. In giving the income approach less weight, the appraiser opined that the subject is an investment that appears to the smaller investor who is willing to perform management, janitorial and handyman services meaning the net operating income analysis becomes irrelevant. In reconciliation, the appraiser opined a value for the subject of \$270,000.

Based on this evidence, the appellants requested an assessment reduction reflective of the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$107,989. The subject's assessment reflects a market value of \$324,389 or \$61.16 per square foot of building area or \$54,065 per apartment unit, land included, when using the 2014 three year average median level of assessment for Kane County of 33.29% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a memorandum from the Elgin Township Assessor's Office along with a grid analysis of seven comparable sales. As to the appellants' appraisal report, the assessor addressed individually the five comparable sales noting that sale #1 supports the subject's assessment; sale #2 has eight one-bedroom units and is not a reliable indicator of value; sale #3 was one of three buildings in a 24-unit bulk purchase for a total price of \$1.1 million with units in poor condition and a high vacancy rate; sale #4 was "the sell-off of several apartment buildings by a single investor" and were marketed by a family member of the seller; and sale #5 was a foreclosure sale.

In support of its contention of the correct assessment the board of review through the township assessor submitted information on seven comparable sales located in Elgin and South Elgin. The comparable parcels range in size from 11,325 to 46,174 square feet of land area and are improved with 3-unit to 12-unit apartment buildings that range from four two-bedroom to fifteen two-bedroom, two comparables each have a one-bedroom unit and one comparable has three studio units also. The buildings range in size from 5,103 to 15,912 square feet of building area. The buildings were built between 1927 and 1985 with the oldest comparable apparently having been rehabbed in 1985. Two of the comparables have 10-car and 12-car garages. The properties sold between February 2012 and June 2014 for prices ranging from \$342,000 to \$975,000 or from \$54,166 to \$69,583 per unit.

Based on this evidence and argument, the board of review requested confirmation of the subject's assessment.

In written rebuttal, counsel for the appellant presented a five-page memorandum along with a two-page letter from the appellants' appraiser wherein two typographical errors in the appraisal report were acknowledged. The appraiser also acknowledged that sale #3 in the appraisal report was part of a bulk sale but "all three buildings were allocated a certain value" and were considered a better comparable sale based on the whole set. The appraiser acknowledged that

sale #5 in the report was a foreclosure as were 43.5% of the sales in the marketplace in 2013 and 42.3% of the sales in 2012; foreclosures compete with other sales in this market area according to the appraiser.

The appellants' appraiser also remarked on the sales presented by the board of review noting sales #3 and #5 occurred remote in time to the valuation date at issue of January 1, 2014; sales #2, #3, #5 and #6 were from 6.5 to 8 miles from the subject property; sales #2 and #7 sold six months after the assessment date at issue; and sale #7 is an 18 unit building with over an acre of land area.

### **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.

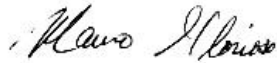
The Board finds the best evidence of market value to be board of review comparable sales #1, #2, #4 and #6. These comparables were similar to the subject in many respects and sold between August 2013 and June 2014 for prices ranging from \$57,000 to \$60,000 per unit, including land. The subject's assessment reflects a market value of \$54,065 per apartment unit, including land, which is below the range established by the best comparable sales in the record.

The Board has given little weight to the value conclusion contained in the appraisal report as the appraiser relied in part upon an allocation of a bulk sale of properties in sale #3 which raises questions about the reliability of the entire value conclusion in the report. The courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill. App. 3d 207 (2<sup>nd</sup> Dist. 1979), the court held that significant relevance should not be placed on the cost approach or income approach especially when there is market data available. Examining the five comparable sales presented by the appellants' appraiser, the Board finds that the sales prices range from \$295,000 to \$550,000, but the appraiser arrived at a final value conclusion for the subject below any of these purportedly similar comparables with a total value of \$270,000. The Board does not find the appraisal to be a credible or reliable indicator of value given the recent comparable sales data presented by the board of review.

The Board has also given little weight to board of review comparable sales #3, #5 and #7 due to the dates of sale being distant from the valuation date and for comparable #7, the dissimilar size and features of these multiple apartment buildings when compared to the subject single apartment building.

Based on this evidence the Board finds a reduction in the subject's assessment is not 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.



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:

August 19, 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.