



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

APPELLANT: JPM Real Estate LLC
DOCKET NO.: 14-03911.001-R-2
PARCEL NO.: 06-13-182-008

The parties of record before the Property Tax Appeal Board are JPM Real Estate LLC, the appellant, by Jessica Hill-Magiera, Attorney at Law, in Lake Zurich; the Kane County Board of Review; and Elgin School Dist. U-46, intervenor, by attorney Ares G. Dalianis of Franczek Radelet P.C., in Chicago.

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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$26,778
IMPR.: \$53,214
TOTAL: \$79,992

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a 2013 final decision of the Property Tax Appeal Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) in order to challenge 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 is improved with a three-story apartment building of masonry construction with 10,935 square feet of building area. The building was constructed in 1892. Features of the building include 15 apartments. The property has an 8,712 square foot site and is located in Elgin, Elgin Township, Kane County.

The appellant's appeal is based on overvaluation. In support of this argument the appellant submitted evidence disclosing the subject property was purchased on September 26, 2012 for a price of \$240,000 or \$16,000 per apartment unit, including land. The appellant partially completed Section IV - Recent Sale Data of the appeal petition asserting the transfer was not between family or related corporations, the property was sold by a Realtor and the property had been advertised for sale in the multiple listing service. The appellant also submitted a copy of

the Escrow Trust Disbursement Statement; a copy of the Multiple Listing Service data sheet depicting that financing was "cash" and the property had been on the market for 191 days; and a copy of the Listing & Property History Report reflecting an original listing date of March 7, 2011 with an asking price of \$799,900 with two price reductions before the property was re-listed on March 8, 2012 with an asking price of \$689,900 prior to its sale and a new listing of March 8, 2012 with an asking price of \$689,900.

The appellant also submitted a grid analysis of three suggested comparable sales located from 2.14 to 2.41 miles from the subject property. The comparables consist of a three-story and two, two-story apartment buildings that were built between 1962 and 1968. The buildings range in size from 6,440 to 14,580 square feet of living area and feature either 8 or 12 apartment units. The comparables sold between October 2012 and April 2014 for prices ranging from \$222,000 to \$550,000 or from \$27,750 to \$45,833 per apartment unit, including land.

Based on this evidence, the appellant requested a reduction in the subject's assessment to reflect the purchase price.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$180,383. The subject's assessment reflects a market value of \$541,853 or \$36,123 per apartment unit, including land, 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 support of its contention of the correct assessment the board of review submitted information from the Elgin Township Assessor. The assessor acknowledged the subject property sold by Special Warranty Deed in September 2012 for \$240,000 but asserted the property sold for cash and the listing summary did not refer to any deferred maintenance. The assessor also submitted a reconstructed income and expense statement for the subject and arrived at an estimated market value of \$632,447.

In response to the appeal, the township assessor acknowledged that the subject property was purchased "as a foreclosure by a Special Warranty Deed on September 1, 2012 for \$240,000." The assessor also contends that the property was listed for approximately six months with an asking price of \$689,900 and there was an earlier listing from March 2011 to March 2012 with an asking price of \$799,000 which was reduced to \$689,900. The assessor noted that the listing data did not contend that there was any deferred maintenance.

In support of the subject's assessment, the township assessor stated, "There is a lack of sales of comparable 15-unit apartment buildings." The assessor prepared and presented through the board of review "reconstructed I & E statement and a rental comparable chart." The assessor summarized that potential gross income was estimated at \$108,000 based on a monthly rental of \$600 along with additional income for laundry of \$1,500 for a total of \$109,500. To support the rental rate, the assessor provided a "Rental Comparable Chart" which had no data as to the relevant dates of the purported rental rates and all of these comparables appear to be no more than two unit buildings. The assessor next applied a 10% vacancy rate for a deduction of \$10,950 resulting in effective gross income of \$98,550. Next, the assessor estimated expenses at 30% of effective gross income, or \$29,550 which resulted in net estimated operating income of

\$69,000. This figure was capitalized at 10.91%, indicating a fair market value of \$632,447 or \$42,163 per apartment unit.

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

The intervening taxing district adopted and affirmed the valuation evidence submitted by the Kane County Board of Review and submitted no additional evidence.

In written rebuttal, counsel for the appellant noted that the assessing officials did not dispute the data concerning the sale of the subject property as an arm's length transaction, that was advertised and sold between unrelated parties. Furthermore, counsel noted that there was no dispute or comment regarding the comparable sales presented by the appellant with this appeal. As to the income and expense analysis presented by the assessor, counsel for the appellant contends that an income approach to value should only be considered where there is a lack of recent sale data. In summary, the appellant contends that the best evidence of market value in the record is the sale of the subject and the comparable sales presented by the appellant.

Conclusion of Law

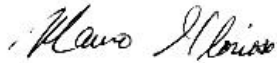
The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). A contemporaneous sale between two parties dealing at arm's length is not only relevant to the question of fair cash value but practically conclusive on the issue on whether the assessment is reflective of market value. Korzen v. Belt Railway Co. of Chicago, 37 Ill.2d 158 (1967). 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 purchase of the subject property in September 2012 for a price of \$240,000. Both the appellant and the board of review provided documentation disclosing that the subject property was purchased after being exposed on the open market. The appellant provided evidence demonstrating the sale had elements of an arm's length transaction. The appellant partially completed Section IV - Recent Sale Data of the appeal disclosing the parties to the transaction were not related, the property was sold using a Realtor and the property had been advertised on the open with the Multiple Listing Service. A copy of the listings provided by the board of review disclosed the property had been on the market twice for 191 days and 367 days prior to being sold to the appellant. The Board finds the purchase price of \$240,000 is below the market value reflected by the assessment of \$541,853.

The Board finds the board of review did not present any evidence to challenge the arm's length nature of the transaction or to refute the contention that the purchase price was reflective of market value. The board of review submitted a statement from the township assessor that the transaction was a "cash purchase." The Board has given little weight to the assessor's income analysis in light of the appellant's market value evidence as reflected by the purchase price.

In conclusion, the Property Tax Appeal Board finds the appellant's evidence established that the subject property sold after being exposed on the open market for 558 days in a transaction involving parties that were not related. The Board finds the purchase price in September 2012 is the best indication of market value as of January 1, 2014 on this record and 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.



Chairman



Member



Acting 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: June 23, 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.