



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

APPELLANT: AKER Realty Corp.
DOCKET NO.: 15-00021.001-C-1
PARCEL NO.: 02-2-10773-000

The parties of record before the Property Tax Appeal Board are AKER Realty Corp., the appellant; and the Coles 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 Coles County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$3,130
IMPR.: \$116,200
TOTAL: \$119,330

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Coles County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2015 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 two-story building (condominium clubhouse) of frame construction with vinyl siding and brick veneer exterior construction containing 8,992 square feet of building area. The subject was constructed in 2007 on a concrete slab foundation. Features include various office spaces/treatment rooms, a reception area, an apartment, common area restrooms, central air conditioning and a sauna. The property is situated on a 0.94-acre lot in the Park Hills PUD phase one development and is located in Charleston, Charleston Township, Coles County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$177,000 as of May 6, 2008. The appraiser, Stanley D. Gordon, an Illinois Certified General Real Estate Appraiser, developed the income approach to value. Gordon described the subject the downstairs area containing 22,656 square feet of building area featuring four treatment rooms, an

x-ray room and reception area for the clubhouse building with the upstairs containing an apartment featuring 3,656 square feet of living area. The subject was appraised in fee simple ownership.

The appraisal report incorrectly describes the subject as a one-story building (Appraisal, page 23). In developing the income approach, the appraisal depicts 14 rental properties located in Mattoon or Charleston, Illinois with rentable area ranging from 1,760 to 12,818 square feet with rents ranging from \$8.57 to \$16.15 per square foot of building area. The appraisal incorrectly states the range of rent was from \$8.57 to \$15.00 per square foot per year for office area. The appraisal indicates the median rental is \$11.48 per square foot per year, however, since the subject rental is not in a commercial development, and the upstairs is rented as an apartment that is less rent per square foot, the appraiser estimated the fair market rent of the subject at \$4.66 per square foot per year or potential annual gross income of \$29,400, rounded.

Vacancy was estimated to be 10% or \$2,940 per year with fixed expenses estimated to be \$5,000 (real estate taxes) and \$2,000 (insurance) for a total fixed expense estimate of \$7,000 per year. Operating expense for maintenance and repairs were estimated to be 5% of effective gross income or \$1,325 per year with management fees of 7.5% of effective gross income or \$2,000 and replacement reserves of \$167.00 per year. Total annual expenses were estimated to be \$10,492 with annual net operating income depicted at \$15,968.

An overall capitalization rate derived from the mortgage equity premise was estimated to be 9%. Dividing the net operating income by the overall capitalization rate indicated a value by the income approach of \$177,000. (Appraisal, page 44). The income approach was the only approach evaluated in the final reconciliation of value due to the remainder of the clubhouse being used by the condominium owners and tenants. The Homeowner Association fees pay for all the expenses for the remainder of the clubhouse space. Based on the appraisal, the appellant requested a reduction in the subject's assessment commensurate with the estimated value of \$177,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$116,330. The subject's assessment reflects a market value of \$355,315 or \$39.51 per square foot of building area, land included, when using the 2015 three-year average median level of assessment for Coles County of 32.74% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on five comparable sales. The comparables were located in Charleston or Mattoon, Illinois within 8.7 miles of the subject. The comparables were situated on lots of various sizes up to 4.51-acres. The comparables were either two-story, one-story or part one-story and part two-story buildings with two comparables featuring basements. The comparables were constructed of brick, frame, masonry or frame and brick and were built from 1974 to 1993. The structures ranged in size from 5,026 to 17,278 square feet of building area and featured central air-conditioning. One comparable has a service garage containing 980 square feet of building area. The comparables sold from April 2012 to September 2016 for prices ranging from \$245,000 to \$1,850,000 or from \$14.18 to \$191.83 per square foot of building area, including land. Based on this evidence, the board of review requested confirmation of the assessment.

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 final value conclusion found in the appraisal report is not credible nor a reliable indicator of value for the subject as of January 1, 2015. The appraisal report is dated (over six years prior to the assessment date in question), is replete with errors along with estimates that are not well supported in the report. Therefore, the Board gives the final value conclusion little weight in its analysis.

The Board finds the best evidence of market value to be board of review comparable sales #1 and #4. These board of review comparable sales sold for prices of \$300,000 and \$590,000 or for \$54.05 and \$99.16, respectively, per square foot of building area. The remaining comparables were given less weight based on their dissimilar size and/or the date of sale was too remote for a January 1, 2015 assessment date. The subject's assessment reflects a market value of \$355,315 or \$39.51 per square foot of building area, which is below the best comparable sales in this record. 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



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, 2020



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

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APPELLANT

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COUNTY

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