



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

APPELLANT: Aneel Belani
DOCKET NO.: 15-01404.001-C-1
PARCEL NO.: 12-08-276-020

The parties of record before the Property Tax Appeal Board are Aneel Belani, the appellant, 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: \$21,627
IMPR.: \$56,865
TOTAL: \$78,492

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant 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 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 is a commercial condominium medical office unit with 1,451 square feet of office space. The office is located on the second floor of a two-story brick and masonry constructed commercial condominium medical/dental office facility with a total building area of approximately 21,750 square feet. The building was constructed in 1990. The office has a 9.5-foot ceiling height, central air conditioning, a wet sprinkler system and 107 asphalt paved parking spaces. The subject is divided into a reception area, one private office, six exam rooms, a lab room and one unisex lavatory. The office facility has a 6.05-acre site and is located in Geneva, Geneva Township, Kane 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 \$150,000

as of January 1, 2015. The appraisal was prepared by Garry Nusinow, an Illinois Certified General Appraiser.

The appraiser stated the purpose of the appraisal was to provide a basis for appeal of the assessment placed against the property as of January 1, 2015. The intended use of the appraisal was to provide an opinion of market value for the client, Dr. Aneel Belani, the owner of record. The subject property was appraised as a whole, as if owned in fee simple, free and clear of all liens, encumbrances and special assessments. The appraiser further noted the subject property was sold on November 1, 2012 for a price of \$220,000. The appraiser also asserted in the report the subject property as currently improved and utilized meets all the criteria for highest and best use.

The appraiser explained the subject neighborhood is the Randall Road Corridor and the property is located just east of Randall Road. Nusinow also stated the subject is in harmony with neighboring properties as it is part of a neighborhood or regional shopping center including national retail tenants, office buildings and a hospital. The appraiser described the subject building as being a Class B commercial condominium medical/dental office facility.

In estimating the market value of the subject property the appellant's appraiser developed the sales comparison approach to value using five office unit condominium comparable sales ranging in size from 1,600 to 3,476 square feet of office area. The office condominium units were located in 1 and part 2-story, a 2-story or a 3-story brick and masonry constructed building that ranged in size from 21,750 to 66,137 square feet of building area. Two of the buildings were constructed in 1987 and three were built in 2006. The appraiser indicated that comparables #1 and #2 were class C buildings; comparables sales #3 and #4 were class B buildings; and comparable #5 was a class A building. The appraiser indicated that each comparable was in average or average+ condition while the subject property was in good condition with an apparent effective age of 2007. The comparables were located in Elgin and Saint Charles. The sales occurred from April 2014 to February 2015 for prices ranging from \$140,000 to \$330,000 or from \$74.65 to \$117.86 per square foot of office area.

The appraiser asserted that each comparable required a downward adjustment for their superior commercial locations that allow access to the office from a primary commercial thoroughfare. The appraiser explained sales #1 and #2 required upward adjustments for their inferior class building while comparable #5 required a downward adjustment for its superior class. Nusinow explained sales #1, #3 and #5 required an upward adjustment for their larger size. Sales #1, #2 and #4 require an upward adjustment for their inferior age/condition. The appraiser concluded the subject property had an estimated market value of \$102.50 per square foot of office space or \$147,727.50, which was rounded to \$150,000.

Based on this evidence the appellant requested the subject's assessment be reduced to \$50,000 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$78,492. The subject's assessment reflects a market value of \$235,641 or \$162.40 per square foot of office area when using the 2015 three-year average

median level of assessment for Kane County of 33.31% as determined by the Illinois Department of Revenue.

The board of review submission includes two written statements from the township assessor who explained the subject building was renovated in 2010 with high end finishes and converted into medical office condominiums. The assessor also asserted that the subject property is located in the prime area of the Randall Road corridor in the tri-city area which runs between Main Street in Batavia and Main Street in St. Charles. The assessor stated the subject property was purchased as an unfinished unit in November 2012 for a price of \$220,000. In January 2013 a permit with an estimated construction cost of \$58,500 for the build out of the office was issued.

The assessor also critiqued the sales used by the appellant's appraiser. Comparable sale #1 was converted to a medical office and was described as having minimal interior finish with no recent significant renovations. This comparable is more than twice the size of the subject property. The assessor indicated that on the date of sale a mortgage in the amount of \$324,000 was recorded and secured by the property. The assessor indicated that appraisal sale #2 was a dental office that was converted into an insurance office following the sale. The assessor stated this comparable property had not undergone any recent renovations. Appraisal sale #3 was described as having been the subject of foreclosure proceedings since 2012 and on the date of sale a mortgage for \$335,000 was recorded and secured by the property. The assessor noted that appellant's appraisal comparable sale #4 was double the size of the subject unit and was bank owned at the time of sale. The township assessor stated that appraisal sale #5 was larger than the subject unit. The assessor was of the opinion each sale used in the appellant's appraisal would require an upward adjustment.

In a second statement provided by the township assessor dated May 16, 2016, the assessor noted that the subject property is surrounded by medical and dental office buildings and Northwestern Delnor Hospital is located 1-mile north on Randall Road. The assessor was of the opinion the lack of direct access to the subject property from Randall Road is less of a deterrent than the appellant's appraiser indicates due to the surroundings and high visibility on a heavily traveled road. The assessor also challenged the appellant's appraiser's description of the subject as a Class "B" building in light of the fact a listing of a unit in the subject's building, a copy of which was submitted, states the subject's building is a Class "A" building. The assessor stated the unit in the subject's building had a listing price of \$283,925 or \$186.49 per square foot of office area. The assessor also provided two additional listings improved with condominium medical office units with 1,450 square feet and 3,118 square feet of office area, respectively. The comparables were located in Geneva and St. Charles. These properties had listing prices of \$254,900 and \$623,600 or \$175.79 and \$200.00 per square foot of office area, respectively.

In further support of the assessment the board of review provided a written statement from board of review member Michael Madziarek. Madziarek asserted the appellant's appraiser did not address the subject's superior medical build-out in January 2013. He also contends the appellant's appraiser did not address the subject's superior location along Randall Road and contends appraisal sales #1 through #4 would require substantial upward adjustments. Madziarek also acknowledged the subject building was constructed in 1990 with an interior renovation to the building in 2010 and a renovation to the subject unit in 2013.

To support the assessment Madziarek provided a list of 17 medical office sales located in St. Charles, Geneva and Elgin, which included the five sales used in the appellant's appraisal. The units ranged in size from 1,155 to 5,850 square feet of office area. Fifteen of the sales were built from 1983 to 2009. The sales occurred from February 2012 to January 2016 for prices ranging from \$140,000 to \$1,167,020 or from \$54.49 to \$352.25 per square foot of office area. Madziarek made adjustments to the comparables for market conditions, location and physical differences to arrive at adjusted prices per square foot ranging from \$179.12 to \$202.35 per square foot of office area.

Madziarek also developed an income approach to value to arrive at an estimated value of \$240,000.

Madziarek stated the appellant's appraiser noted in the history section of the report the November 2012 purchase of the subject property for a price of \$220,000. He contends, however, the appraiser neglected to reconcile and report the difference in value conclusion of \$150,000 and further asserted an explanation of the decrease in market value after a renovation of the building as well as the renovation of the subject unit is not supported.

The appellant's counsel submitted a rebuttal brief responding to the board of review.

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 record contains an appraisal submitted by the appellant estimating the subject property had a market value of \$150,000 as of January 1, 2015. The board of review provided information on 17 comparable sales, an income approach to value and three listings identified by the township assessor.

The Board finds the evidence in the record disclosed the subject property was purchased on November 1, 2012 for a price of \$220,000. Subsequent to the purchase, the subject unit was built out with a building permit being issued in January 2013 with an estimated construction cost of \$58,500. Considering the purchase price of the subject unit and the build-out for a cost of approximately \$58,500, resulting in a total cost of approximately \$278,500, the Board finds the appellant's appraised value of \$150,000 is not credible and appears to understate the market value of the subject property as of the assessment date at issue.

Including the sales contained in the appraisal, the record has seventeen sales provided by the parties as well as three listings identified by the township assessor. The Board finds the best

sales in the record include sales #1, #6, #8 and #9 provided by the board of review.¹ Board of review sale #1 was the same property as appellant's appraisal comparable sale #3. These properties were most similar to the subject in size and also most similar to the subject's effective age. These properties were composed of offices that ranged in size from 1,155 to 2,000 square feet of office area and were built in 2007 and 2009. The sales occurred from August 2014 to August 2015 for prices ranging from \$225,000 to \$380,000 or from \$168.34 to \$194.81 per square foot of office area. The subject's assessment reflects a market value of \$235,641 or \$162.40 per square foot of office area, which is within the overall price range but below the range established by the best comparable sales in the record on a square foot basis. Less weight was given board of review comparables #2, #3, #5, #11 and #17 due to the fact these sales did not occur as proximate in time to the assessment date at issue; less weight was given board of review sales #3, #4, #5, #7 and #13 due to age given the subject's building was renovated in 2010 and the subject's unit was renovated in 2013; and less weight was given board of review sales #11 through #17 due to differences from the subject in size. Board of review sale #10 was relatively similar to the subject in size and sold in January 2016 for a price of \$704,500 or \$352.25 per square foot of office area. This sale appears to be an outlier when compared to the other sales in the record and the board of review failed to indicate the age of this property, which detracts from the weight that can be given this sale.

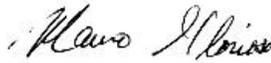
The Board further finds the township assessor identified three listings of medical office condominium units, including one in the subject's building that was unfinished, that ranged in size from 1,385 to 3,118 square feet of office space with prices ranging from \$254,900 to \$623,600 or from \$175.79 to \$200.00 per square foot of office area. The two listings most similar to the subject in size had listing prices of \$175.79 and \$186.49 per square foot of office area, which support the subject's assessment reflecting a market value of \$162.40 per square foot of office area.

The Board gives little weight to the income approach to value provided by the board of review due to the lack of market data to support the subject's market rent, vacancy and collection loss, expenses and capitalization rate utilized to arrive at the estimate of value.

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

¹ The Board considered the board of review sales identified on page 2 of 4 of the document signed by Madziarek as comparables #1 through #17 with #1 at the top of the list and #17 at the bottom of the list. Board of review sales #1, #7, #12, #13 and #14 were the same comparable sales as appellant's appraisal sales #3, #2, #5, #1 and #4, respectively.

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: July 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.