



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

APPELLANT: S & D Rental, Inc.  
DOCKET NO.: 15-06646.001-C-1  
PARCEL NO.: 04-15-349-023-000

The parties of record before the Property Tax Appeal Board are S & D Rental, Inc., the appellant; and the Monroe 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 **Monroe** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$72,540  
**IMPR.:** \$310,790  
**TOTAL:** \$383,330

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Monroe 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 an apartment complex consisting of four apartment buildings containing a total of 24,160 square feet of building area divided into 28 apartment units. The buildings are 24 years old with an effective age of 15 years. Units 101, 103 and 105 are two-story buildings each containing 6,656 square feet of building area divided into eight 832 square foot two-bedroom apartments. Unit 107 is a one-story building containing 4,192 square feet of building area divided into four 832 square foot two-bedroom apartments and one 864 square foot laundry facility. The subject is situated on a 1.75 acre site located in Columbia, Township 04-T1SR10W, Monroe County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by Sherry Keim estimating the subject property had a market value of \$1,000,000 or \$41.39 per square foot of building area including land or \$35,714 per apartment unit as of September 29, 2015. The appraiser used the sales comparison approach,

the income approach and the cost approach to value in determining the final opinion of value for the subject.

In the sales comparison approach, the appraiser analyzed five comparables located from .49 of a mile to 14.26 miles from the subject, four located in different towns than the subject. They have varying degrees of similarity with the subject. The comparables each feature one apartment building ranging in age from 48 to 150 years old. They range in size from 3,754 to 27,767 square feet of building area and from 5 to 30 apartment units. Their sites range in size from .07 acres to .73 acres. The comparables sold from December 2013 to September 2015 for prices ranging from \$182,000 to \$1,285,000 or from \$24.96 to \$48.48 per square foot of living area including land. The sale prices range from \$25,556 to \$42,833 per apartment unit. The appraiser made adjustments to the comparable sales for differences with the subject. Each comparable received a positive adjustment ranging from +10% to +30%. After adjustments, the comparables' adjusted sale prices ranged from \$227,500 to \$1,477,750. Based on these adjusted sales, the appraiser concluded a final value using the sales comparison approach to value of \$994,000.

The appraiser also developed the cost approach in which the appraiser valued the site at \$76,000 or approximately \$1.00 per square foot of land area and valued the buildings at \$1,003,053 after depreciation. Based on the cost approach, the appraiser concluded a final value for the subject of \$1,199,000.

The income capitalization approach was also developed by the appraiser using market rental rates plus other sources of revenue. The appraiser deducted expenses and vacancy loss and applied a capitalization rate of 10% to arrive at the subject's estimated value based on the income approach of \$1,279,000. In reconciliation, the appraiser "strongly weighted" the sales comparison approach and determined the final opinion of value to be \$1,000,000.

Based on this evidence, the appellant requested the total assessment be reduced to \$333,333 or a market value of approximately \$1,000,000 or \$35,714 per apartment unit at the statutory level of assessment.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject property of \$383,330. The subject's assessment reflects a market value of \$1,154,956 or \$47.80 per square foot of building area, land included, when using the 2015 three-year average median level of assessment for Monroe County of 33.19% as determined by the Illinois Department of Revenue. With 28 apartment units in the complex, the market value per apartment unit is \$41,248.

With respect to the appellant's evidence, the board of review disclosed it lowered the subject's assessment on June 22, 2016 from \$392,670 to \$383,330 based on the appellant's appraisal. The board of review stipulated to a fair market value of \$1,149,990. The board of review argued that "investors interested in purchasing this type of multi-family property are primarily interested in cash flow and return on investment. The appraiser's analysis of the income approach indicates an adjusted fair market value of \$1,279,000." The board of review did not submit any comparable sales for the Board's consideration.

### **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 appellant submitted an appraisal estimating the subject property had a market value of \$1,000,000 or \$35,714 per apartment unit as of September 29, 2015. The Board gave little weight to the final opinion of value found in the appraisal report based on several factors in the sales comparison approach. Three of the comparables apartment buildings were over 100 years old as compared to the subject's age of 24 years. The appraiser made a 10% adjustment for this age difference. Four of the comparables were located over 8 miles from the subject and in different cities than the subject. The appraiser's adjustments did not bracket the subject. The total adjustments applied to the comparables ranged from +10% to +30%. Given the appraiser "strongly weighted" the sales comparison approach, these issues call into question the credibility of the final opinion of value in the appraisal report.

Given the investment nature of the subject property, the Board finds the best evidence of market value in the record is the appraiser's income approach rather than the sales comparison approach. In analyzing the income approach to value, the appraiser performed a detailed analysis of the subject using income, expenses and other factors to arrive at an estimated value of \$1,279,000 or \$45,679 per apartment unit or \$52.94 per square foot of building area including land. The subject's assessment reflects a market value of \$1,154,956 or \$41,248 per apartment unit or \$47.80 per square foot of building area, land included. The subject's assessment is supported by the income approach to value on a total market value basis as well as per square foot of building area and per apartment unit bases. Based on this evidence, the Board finds no reduction in the subject's assessment based on overvaluation is warranted.

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: May 15, 2018



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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