



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

APPELLANT: Ronald Herbes  
DOCKET NO.: 16-03505.001-C-1  
PARCEL NO.: 06-34-200-036

The parties of record before the Property Tax Appeal Board are Ronald Herbes, the appellant, by attorney Ronald Kingsley, of Lake County Real Estate Tax Appeal, LLC in Lake Forest, and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$67,634  
**IMPR.:** \$153,909  
**TOTAL:** \$221,543

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Lake County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2016 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 parcel consists of three structures. There are two, two-story multi-family buildings of brick and frame construction and one 1.5-story detached single-family residence. These three structures contain a total of 9,950 square feet of above-grade living area. The apartment buildings were constructed in 1975 and have a total of 11 two-bedroom units. The single-family residence was built in 1940. The property has a 37,017 square foot site with frontage on Grays Lake and is located in Grayslake, Avon Township, Lake County.<sup>1</sup>

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal prepared by Manolo E. Ortiz and Andrew Richter, MAI,

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<sup>1</sup> Descriptive data for the subject was drawn from the board of review evidence which differed from the description in the appellant's evidence. Although given an opportunity in rebuttal, the appellant did not refute the board of review's evidence and/or description of the subject property.

estimating the subject property had a market value of \$530,000 as of January 1, 2015. To arrive at the opinion of value, the appraisers utilized both the sales comparison and income approaches to value. The appraisal was prepared to determine the market value of the subject property based upon fee simple interest with the intended use for an appeal of the *ad valorem* real estate tax assessment.

As to the subject property, the appraisal report was described as a single three-story apartment building with 11 units which contains 11,418 square feet of building area. The apartments have an outdoor patio and lake views along with 14 parking spaces. The building was described as being in average condition overall, but with several wall cracks in the hallways and several long-term tenants where the units have not been updated.

As to the cost approach to value, the appraisers reported there were a lack of recent land sales in the area and "current market conditions make the external depreciation estimate highly speculative." The appraisers further asserted that the cost approach would not provide a meaningful analysis and was not utilized.

Using the sales comparison approach, the appraisers analyzed three sales of properties located in Fox Lake or Antioch. The comparables consist of two-story or three-story buildings that were built between 1965 and 1970. The buildings range in size from 6,144 to 9,648 square feet of building area. The comparables sold in August or December 2014 for prices ranging from \$578,000 to \$790,000 or for \$50,000 or \$54,167 per apartment unit or from \$81.88 to \$94.08 per square foot of building area, including land.

The appraisers applied various adjustments to the comparables as described in the Supplemental Addendum in concluding an estimated market value of the subject property of \$550,000 or \$50,000 per apartment unit, including land. Although, in the reconciliation provision of the appraisal report, the appraisers set forth an opinion under the sales comparison approach for the subject of \$570,000.

Using the income approach, the appraisers estimated the subject had a market value of \$495,000. The first step was to develop the subject's potential gross rental income through examination of three rental comparables located in Grayslake and within 2.27-miles from the subject. The comparable buildings were 27 or 55 years old and consist of a four-unit apartment building and two, 12-unit condo building complexes. Having forecast rental income to be \$9,550 per month from this data, the appraisers next estimated other income for laundry revenue to be \$200 per month resulting in a potential gross annual income of \$117,000. The appraisers estimated a stabilized vacancy and collection loss of 5% or \$5,850 resulting in an effective gross annual income of \$111,150.

As part of the appraisal report, the appraisers estimated expenses, including those for insurance, gas, trash removal, pest control, maintenance/repairs, interior/exterior decorating, cleaning expenses/supplies, off-site management, miscellaneous, legal & administrative and replacements for reserves which resulted in an estimate of \$44,876 annually. After deduction of estimated expenses, the appraisers thus estimated net annual income for the subject to be \$66,274.

Next the appraisers calculated a capitalization rate by analyzing the capitalization rates of the comparable sales data along with data from the band of investments that reflected a rate of 7.59%. To the band of investments rate, the appraisers added the load for the tax rate which resulted in a loaded capitalization rate for the subject of 13.4%. Capitalizing the subject property's net operating income of \$66,274 resulted in an estimated market value of \$494,582 under the income approach or \$495,000, rounded.

In reconciling the value approaches in the appraisal report, the appraisers indicated that equal weight was afforded to both the sales comparison approach to value and to the income approach to value. As noted the reconciliation set forth the sales conclusion for the subject to have been \$570,000 which is not supported by the remainder of the appraisal report. The appraisers concluded a market value for the subject property as of January 1, 2015 of \$530,000 or \$48,182 per apartment unit, including land.

Based on the foregoing evidence, the appellant requested an assessment reflective of the subject's market value as concluded in the appraisal report.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$221,543. The subject's assessment reflects a market value of \$668,103 or \$60,737 per apartment or \$67.15 per square foot of building area, land included, when using the 2016 three year average median level of assessment for Lake County of 33.16% as determined by the Illinois Department of Revenue.

In analyzing the appellant's appraisal report, the board of review noted the date of valuation is January 1, 2015, a year prior to the assessment date at issue in this appeal. The board of review also noted that none of the comparable sales were located in Grayslake, where the subject property is located. Also, the lack of a cost approach analysis was criticized on the grounds that as waterfront property, the board of review believes the subject's location would add additional contributory value. Nothing in the appraisal mentioned the detached dwelling or addressed its contributory value in the appraisal report. The board of review also contended that appraisal sale #1 had fire damage at the time of sale and sale #3 was superior to the subject due to updates; nothing was reported by the appraisers about the renovations of the subject property.

In support of its contention of the correct assessment the board of review submitted information on six comparable sales, four of which are located in Grayslake. The comparables consist of two-story or 2.5-story brick or brick and frame buildings containing from four to nineteen apartments. The buildings were built between 1965 and 1987. The buildings range in size from 3,724 to 16,930 square feet of above-grade building area and have land-to-building ratios ranging from 3.41:1 to 8.99:1 whereas the subject has a reported land-to-building ratio of 4.18:1. The comparables sold between April 2013 and January 2018 for prices ranging from \$240,000 to \$1,140,000 or from \$60,000 to \$72,000 per apartment or from \$59.64 to \$77.03 per square foot of building area, including land.<sup>2</sup>

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<sup>2</sup> There was a mathematical error in the per-square-foot sales price of board of review comparable #3 as depicted in the grid analysis. For purposes of this decision, the correct figure of \$64.65 per square foot has been utilized.

Based on this evidence and argument, the board of review contended that the appellant's appraisal report was not a credible indication of the value of the subject property and requested confirmation of the subject's estimated market value as reflected by its 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.

The parties submitted an appraisal of the subject property and six comparable sales to support their respective positions before the Property Tax Appeal Board. The Board finds, in light of the appraisers' failure to correctly describe the subject property's story height, size and/or to consider the separate residential dwelling that is part of the subject parcel, the appraisal report submitted by the appellant is not credible and has been given little weight in the final analysis of value. Further detracting from the appraisal report is the lack of any sales of apartment buildings in Grayslake which were available given the evidence presented by the board of review.

The Board has also given reduced weight to board of review comparables #2, #3 and #6 due to differences in building size and/or the number of apartments when compared to the subject property. Additionally, comparable #2 and #3 each sold in 2013 making the sales dated for estimating the subject's market value as of January 1, 2016.

The Property Tax Appeal Board finds the best evidence of market value to be the board of review comparable sales #1, #4 and #5. These board of review comparables sold between June 2014 and January 2018 for prices ranging from \$600,000 to \$840,000 or for \$60,000 or \$66,000 per apartment or from \$59.64 to \$77.03 per square foot of building area, including land. The subject's assessment reflects a market value of \$668,103 or \$60,737 per apartment or \$67.15 per square foot of building area, including land, which is within the range established by the best comparable sales in the record as presented by the board of review. 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.

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Chairman



\_\_\_\_\_  
Member

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Member



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Member

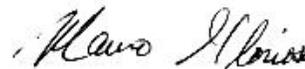
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Member

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: December 23, 2019



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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

State of Illinois  
Property Tax Appeal Board  
William G. Stratton Building, Room 402  
401 South Spring Street  
Springfield, IL 62706-4001

APPELLANT

Ronald Herbes, by attorney:  
Ronald Kingsley  
Lake County Real Estate Tax Appeal, LLC  
13975 W. Polo Trail Drive  
#201  
Lake Forest, IL 60045

COUNTY

Lake County Board of Review  
Lake County Courthouse  
18 North County Street, 7th Floor  
Waukegan, IL 60085