



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

APPELLANT: Charles Philippou
DOCKET NO.: 16-06219.001-C-1
PARCEL NO.: 09-03-403-005

The parties of record before the Property Tax Appeal Board are Charles Philippou, the appellant, by attorney George N. Reveliotis, of Reveliotis Law, P.C. in Park Ridge; and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$69,450
IMPR.: \$44,320
TOTAL: \$113,770

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the DuPage 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 property consists of a one-story building of frame construction with 2,320 square feet of building area. The building was originally constructed as a single-family residence in 1952 and later converted to an eye doctor's office. The building has a 640 square foot basement and 9-foot bearing walls. The property has a 14,065 square foot site and is located in Clarendon Hills, Downers Grove Township, DuPage County.¹

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 \$195,000

¹ The parties differ as to the subject's lot size and whether the subject has a partial basement foundation. The Board finds the best evidence of the subject's lot size was the delineated property map on page 13 of the appellant's appraisal. The Board finds the best evidence of whether the subject has a partial basement was the sketch of the subject's improvements submitted by the board of review.

as of January 1, 2016. The appellant's appraisal was completed using the three the traditional approaches to value property in estimating a market value for the subject property.

Under the cost approach, the appellant's appraiser selected four vacant land sales that were located in Westmont, Countryside, Brookfield and La Grange. The comparables ranged in size from 10,200 to 21,780 square feet of land area and sold from June 2013 to August 2016 for prices ranging from \$5.18 to \$10.78 per square foot of land area. After adjustments, the comparables had adjusted sale prices ranging from \$5.43 to \$10.78 per square feet of land area. Based on this analysis, the appraiser estimated the subject's lot would have a value of \$7.50 per square foot. The appraiser multiplied the per square foot value of \$7.50 by 12,712, the appraiser's calculated site size of the subject's lot, to arrive at a total estimated site value for the subject of \$95,000, rounded. The appraiser then calculated a cost-new for the subject's improvements of \$331,593 and subtracted \$208,828 for depreciation to arrive at a depreciated value of the improvements of \$122,765. Adding the estimated land value to the depreciated value of the improvements, the appraiser arrived at an indicated value for the subject by the cost approach of \$220,000, rounded.

Under the income approach, the appraiser selected five comparable rentals to estimate a total potential gross income for the subject of \$34,800. The appraiser then subtracted \$5,220 for vacancy and collection loss to arrive at an estimated effective gross income for the subject of \$29,580. Next, the appraiser subtracted \$7,065 for an estimate of the subject's total expenses to arrive at an estimated net operating income for the subject of \$22,515. Finally, the appraiser divided the estimated net operating income for the subject of \$22,515, by a capitalization rate of 11.58%, to arrive at an indicated value for the subject by the income approach of \$195,000.

Under the sales comparison approach, the appellant's appraiser selected five suggested comparable properties that were located in Downers Grove, Westmont and Lombard. The comparables ranged in size from 2,250 to 5,000 square feet of building area. The comparables ranged in age from 37 to 63 years old. The comparables had other features with varying degrees of similarity to the subject. The comparables had sale dates ranging from April 2014 to July 2015 for prices ranging from \$155,000 to \$450,000 or from \$37.56 to \$90.00 per square foot of building area, including land. After adjustments, the comparables had adjusted sale prices ranging from \$46.95 to \$108.00 per square foot of building area, including land. The appraiser applied a price of \$80.00 per square foot to arrive at an estimated value of \$185,000 under the sales comparison approach.

Under reconciliation, the appraiser placed most weight on the sales comparison approach, with the income approach given secondary consideration, to arrive at a final estimated market value for the subject property of \$195,000 as of January 1, 2016.

Based on this evidence the appellant requested that the subject's assessment be reduced to \$64,994.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$113,770. The subject's assessment reflects a market value of \$341,754 or \$147.31 per square foot of building area, including land, when using the 2016 three-

year average median level of assessment for DuPage County of 33.29% as determined by the Illinois Department of Revenue.

As to the appraisal's cost approach analysis, the board of review argued that the appraiser selected three vacant land sales from Cook County, which is a different market area than the subject, and one from DuPage that is not located along the subject's street, Ogden Avenue. The board of review argued that it would be more appropriate to estimate the subject's land by analyzing local land sales and tear down purchases that are located on Ogden Avenue, like the subject. The board of review also argued that the appraiser did not take into consideration the effective age of the subject, as opposed to its actual age, that would have considerably lowered the amount of physical depreciation calculated by the appraiser in the cost approach.

As to the appraisal's income approach, the board of review argued that the appraiser selected five rental properties that were dissimilar retail store-front type buildings, unlike the subject's office type or commercial properties originally constructed as a residence and converted to commercial type properties. The board of review further argued that there were more similar type rental comparables located within the subject's market area, that were not considered by the appellant's appraiser.

As to the appraisal's sales comparison approach, the board of review argued that the comparable sale properties used in the sales comparison approach were retail properties, unlike the subject's office type or former residential type property. The board of review further argued that there were more similar type comparables located within the subject's market area, that were not considered by the appellant's appraiser.

In support of its contention of the correct assessment the board of review submitted information and analyses that refuted the appellant's appraisal's results.

As to the subject's estimated land value, the board of review submitted information regarding four commercial sales located on Ogden Avenue, like the subject. Three of the sales were of improved properties that were immediately demolished after being purchased. These comparables had lot sizes ranging from 16,501 to 140,263 square feet of land area. Two of these sales occurred in June 2013 and July 2014 for prices of \$430,000 and \$3,825,000 or \$26.05 and \$27.27 per square foot of land area, including improvements. The board of review did not disclose the sale date of the third land sale. This comparable sale had a 43,266 square foot site and sold for \$1,222,500 or \$28.26 per square foot of land area, including improvements. The fourth comparable was a 17,202 square foot vacant lot that sold in January 2011 for \$350,000 or \$20.35 square foot of land area. Based on this land analysis, the board of review opined that a market value of \$14.83 per square foot of commercially zoned land along Ogden Avenue in Downers Grove Township is fair if not low.

As to the cost new for the subject's improvements, the board of review estimated the improvements would have an effective age of 40 years old, which would make the subject's estimated cost new value \$177,532.

Based on this cost analysis, the board of review estimated a cost approach value for the subject of \$385,000.

As to an income analysis, the board of review selected three comparable rentals to estimate a total potential gross income for the subject of \$39,440. The board of review then subtracted \$5,916 for vacancy and collection loss to arrive at an estimated effective gross income for the subject of \$33,524. Next, the board of review subtracted \$8,045 for an estimate of the subject's total expenses to arrive at an estimated net operating income for the subject of \$25,479. Finally, the board of review divided the estimated net operating income for the subject of \$25,479, by a capitalization rate of 10.49%, to arrive at an indicated value for the subject by the income approach of \$243,000, rounded.

As to a comparable sales analysis for the subject, the board of review submitted information on six commercial/office properties that were originally built as single-family residences, like the subject. The comparables were located in Downers Grove or Hinsdale and ranged in size from 1,437 to 2,856 square feet of building area. The comparables were built from 1868 to 1920, with most having been updated. The comparables had other features with varying degrees of similarity to the subject. The comparables had sale dates ranging from February to December 2014 for prices ranging from \$250,000 to \$525,000 or from \$126.00 to \$272.00 per square foot of building area including land, rounded.

Based on this evidence the board of review requested that the subject's assessment be increased to \$131,790.

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.

As an initial matter regarding the appellant's appraisal, the Board gave less weight to the value conclusion due to the appraiser's use of land sales that were not located along Ogden Avenue, like the subject. Furthermore, the appraiser's use of land sales that were located in Cook County would not be appropriate for a land analysis for a property located in DuPage County, when there were local land sales and tear down purchases that are located on Ogden Avenue, like the subject. The Board finds the best evidence of the subject's land value was comparable land sale #4 submitted by the board of review. The Board recognizes that the sale occurred in 2011, however, the comparable was vacant at the time of sale and was most similar to the subject's lot in location and size. This comparable sold for \$350,000 or \$20.35 per square foot of land area. The subject's land assessment of \$69,450 reflects a market value of \$208,621 or \$14.83 per square foot of land area, which is clearly supported by the best land comparable in this record.

As to the estimate of value for the subject from the income approach, the Board finds the appellant's appraiser's use of dissimilar retail properties would not be appropriate when the subject is an office type commercial building. Since there is credible comparable market value evidence in this record, the Board will give most weight to this analysis.

As to the comparable sales analysis, the Board finds the appellant's appraiser's selection of retail comparable sales, that were not converted from residential properties, distorts the comparable analysis based on the subject's office use. Furthermore, three of the five comparables lacked a basement foundation, unlike the subject. The Board finds the best evidence of market value to be the board of review's comparable sales. These comparables were most similar to the subject in location, use, design, age, size and features. These comparables also sold proximate in time to the January 1, 2016 assessment date at issue. The best comparables sold from February to December 2014 for prices ranging from \$250,000 to \$525,000 or from \$126.00 to \$272.00 per square foot of building area including land, rounded. The subject's assessment reflects a market value of \$341,754 or \$147.31 per square foot of building area, including land, which is within the range established by the best comparables in this record. Based on the evidence in this record, the Board finds a change 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: February 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

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