



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

APPELLANT: Zbigniew Loszewski  
DOCKET NO.: 18-04470.001-I-1  
PARCEL NO.: 03-30-403-029

The parties of record before the Property Tax Appeal Board are Zbigniew Loszewski, the appellant, by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. in Chicago; and the DuPage County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **a reduction** 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:** \$155,940  
**IMPR.:** \$459,460  
**TOTAL:** \$615,400

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 2018 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 one-story, eight-unit industrial building of brick and masonry construction containing a total of 28,438 square feet of building area. The building was constructed in 1984. The subject building was constructed on concrete footing foundation and features 4,465 square feet of office area, approximately 18 feet overall ceiling height, 3 truck “h-docks” and one exterior “depressed” dock. The building is situated on a 68,932 square foot site and has a building-to-land ratio of 2.42:1. The subject property is located in Addison, Addison Township, DuPage County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal report of the subject property prepared by Gary Nusinow, an Illinois Certified General Appraiser. The purpose of the appraisal was to provide a basis for appealing the assessment of the subject property. The final conclusion was that the subject

property had a market value of \$1,500,000 or \$52.75 per square foot of building area, including land, as of January 1, 2017.

Nusinow asserted that he personally inspected the subject property, used standard methods of evaluation, and has considered all pertinent data and factors relative to estimating market value. Nusinow determined the highest and best use of the property as improved was continued use as an industrial building. In estimating the market value of the subject property, the sales comparison and the income capitalization approaches to value were developed.

Under the sales comparison approach to value, the appraiser used five comparable sales, all located in Addison, Illinois. The comparable sales are described as brick and masonry industrial buildings ranging in size from 19,840 to 37,308 square feet of building area and were constructed from 1965 to 1981. The buildings ranged in clear ceiling height from 12 to 18 feet. Four buildings each had between 1 and 4 loading docks. Comparable sale #2 did not have a loading dock. The comparables had one, two, eight, or fourteen drive-in doors. The properties had lot sizes ranging from 45,999 to 137,780 square feet of land area, and had land-to-building ratios ranging from 2.22:1 to 3.97:1. Comparable sale #2 contains 14 units; comparable #4 contains 2 units; and comparables #1, #3, and #5 each have a single tenant. The properties sold from September 2014 to December 2016 for prices ranging from \$925,000 to \$1,925,000 or from \$46.62 to \$61.58 per square foot of building area, including land. The appraiser then made adjustments to the comparables for age, ceiling height, drive-in doors, number of docks, building size, percentage of office space, and land-to-building ratios and arrived at adjusted prices per square foot of building area ranging from \$45.19 to \$62.65 per square foot of building area, land included. Nusinow estimated the subject property had a market value under the sales comparison approach of \$1,565,000, rounded, or \$55.00 per square foot of building area, including land, as of January 1, 2017.

The second approach to value developed was the income capitalization approach. Under this approach to value, Nusinow estimated the present worth of future benefits derived from the income stream. Nusinow first calculated the subject property's rent roll as of January 1, 2017 for each of the subject's eight units. The appraiser then reviewed rental information of industrial spaces of ten rental properties with varying degrees of similarity to the subject property. All rent comparables were located in Addison, as is the subject. The rental comparables ranged in unit sizes from 1,000 to 7,306 square feet of building area and rented from \$5.95 to \$9.71 per square foot of building area on a gross annual basis. The appraiser was not provided with any lease information other than the January 1, 2017 rent roll. After adjusting for unit sizes, single tenant occupancy, percentage of office area, ceiling heights, and lease terms, Nusinow estimated the subject's Fair Market Rent (FMR) of approximately \$18.00 per square foot of building area on a gross annual basis for subject's unit #1; a FMR of approximately \$8.00 per square foot of building area for the subject's units #3 and #4; and a FMR of approximately \$7.00 per square foot of building area for units #5 through #10 resulting in potential total rents of \$223,778. Nusinow next subtracted estimated vacancy rate for the subject of 8% and collection loss of 1.5% or a total of \$21,260 annually based in part on CO-STAR COMPS of similar commercial properties in the subject's market area to arrive at an effective gross income (EGI) of \$202,518. Nusinow was provided with two years of historical expenses for the subject including insurance, legal and audit, management, repairs, utilities, common area maintenance, commissions, replacement reserves, and miscellaneous expenses. The appraiser stabilized total expenses at

\$51,035 annually. After subtracting the total estimated annual expenses from EGI, the appraiser arrived at a net operating income of \$151,000, rounded.

The next step in the income approach was to estimate the capitalization rate or the relationship between income generated by the property and the property's market value. The appraiser estimated the capitalization rate using market extraction and the "band of investment" method. The appraiser arrived at an estimated overall capitalization rate of 7.675%. Because the real estate taxes were not included in the stabilized estimate of expenses listed above, a load factor of 3.174% was added to the base capitalization rate to arrive at a loaded capitalization rate of 10.774%. Capitalizing the net operating income of \$151,000, rounded, by dividing it by the loaded capitalization rate of 10.774% resulted in an estimated market value under the income capitalization approach of \$1,400,000, rounded, or \$49.23 per square foot of building area, including land.

In reconciling the two approaches to value, less weight was given to the income approach due to the fact that multi-unit industrial facilities of this type are generally purchased by both investors and owner occupants and, therefore, vary in production of income. Therefore, the sales comparison approach was given primary weight in arriving at the final market value conclusion of \$1,500,000 or \$52.75 per square foot of building area as of January 1, 2017.

Appellant's counsel submitted a brief indicating that the appellant does not wish to request more than \$100,000 in assessed valuation reduction. Given the subject's total assessment of \$714,400, the appellant's counsel requested a reduction of the subject's total assessment of \$615,400, which reflects a market value of \$1,846,385 or \$64.93 per square foot of building area, land included, at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$714,400. The subject's assessment reflects a market value of \$2,146,635 or \$75.48 per square foot of building area, land included, when using the 2018 three-year average median level of assessment for DuPage County of 33.28% as determined by the Illinois Department of Revenue.

In response to the appellant's evidence, the board of review submitted a memorandum indicating that it has supplied documentary evidence with the prior year's appeal before Property Tax Appeal Board under Docket Number 17-04917.001-R-1. The board of argued that the only difference in the assessment from the 2017 tax year is the application of an equalization factor of 1.0463 which was applied in 2018 to all non-farm properties in Addison Township. The board of review indicated that it will not submit any new evidence for this 2018 tax year appeal.

The Board takes notice that the evidence submitted by the board of review in the 2017 tax year appeal consisted of information prepared by the Chief Deputy Township Assessor on seven comparable sales located in Addison, Lombard, Wood Dale, Elk Grove Village, and Itasca. The comparables consisted of single-unit and multi-unit one-story masonry industrial buildings ranging in size from 20,000 to 45,320 square feet of building area. The buildings were constructed from 1969 to 1988. The comparables ranged in percentage of office space from 6.72% to 34.95% of office area. The improvements were situated on sites ranging in size from 45,000 and 143,857 square feet of land area and had land-to-building ratios ranging from 1.58:1

to 3.17:1. The comparables sold from December 2015 to December 2017 for prices ranging from \$1,275,000 to \$3,243,000 or from \$49.13 to \$82.38 per square foot of building area, including land. The township assessor made adjustments to the comparables for inferior and superior attributes when compared to the subject property to arrive at adjusted prices ranging from \$59.94 to \$88.15 per square foot of building area, including land. The board of review also submitted Illinois Real Estate Transfer Declaration (PTAX-203) forms and a photo for each of the seven comparable sales, along with property record card and aerial photos of the subject property. Based on this evidence, the board of review requested confirmation of the subject's 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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds that the subject property is an industrial building that was the subject of an appeal before the Property Tax Appeal Board the prior year under Docket No. 17-04917.001-R-1. In that appeal, the Property Tax Appeal Board rendered a decision lowering the assessment of the subject property to \$583,790 commensurate with the appellant's request. That decision was based on the evidence presented by the parties. In this appeal, the parties presented identical evidence as in the 2017 tax year appeal. The only change made to the subject's assessment from the prior year was the application of the equalization factor of 1.0463 applied to all non-farm properties in Addison Township.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant estimating the subject property had a market value of \$1,500,000 or \$52.75 per square foot of building area, including land, as of January 1, 2017.

The appraisal report contained two approaches to value to support the market value conclusion. With respect to the income approach, the appraisal report included ten rental comparables to support the market rental rate. The appraisal also included a detailed analysis of the comparable rental data, costs/expenses, vacancy rates, and capitalization of net operating income. In contrast, the board of review did not provide any rent data or analysis of market rent, vacancy and collection loss or expenses. Based on this record, the Board finds the income approach developed by the appellant's appraiser, although given minimal weight, was more persuasive of the subject's market value and not refuted with any evidence from the board of review.

With respect to the sales comparison approach, the appraiser used five sales comparables which were located in the same city as the subject and were similar to the subject in class, size and utility. The appraiser made appropriate adjustments to the comparables for age, ceiling height, number of docks, building size, percentage of office space, and land-to-building ratios. Conversely, board of review provided information on seven comparable sales, only three of which were located in the same city as the subject property. Additionally, board of review

comparable #7 appears to be an outlier based on its sale price, larger size and larger building size when compared to the remaining comparable sales. Although the township assessor also made adjustments to the comparables, the Board finds the appellant's appraiser's adjustments are more credible given his explanation and analysis of the adjustments made. Furthermore, the Board finds that the location of the appellant's appraiser's comparables are more proximate to the subject property. Therefore, the Board gives more weight to the appraiser's well-reasoned and supported value conclusion. Finally, the Board finds that each of the board of review comparable sales (with the exception of one outlier) support a reduction in the subject's total assessment on an overall value basis.

In summary, after considering the evidence in this record, the Board finds the best evidence of market value was presented by the appellant. Based on this record, the Board finds the appellant proved by preponderance of the evidence that the subject property is overvalued and a reduction to the subject's assessment commensurate with the appellant's request 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: 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

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