



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

APPELLANT: George Polymenakos
DOCKET NO.: 18-29589.001-C-1
PARCEL NO.: 20-15-121-010-0000

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

LAND: \$4,427
IMPR.: \$35,573
TOTAL: \$40,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook 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 is improved with a three-story, multi-family dwelling of masonry construction with eight apartment units and 7,500 square feet of building area. The building was constructed in 1911. The property has six three-bedroom units and two two-bedroom units. As of January 1, 2018, the relevant valuation date, one two-bedroom unit and one three--bedroom unit were vacant. The property has an 8,050 square foot site and is located in Chicago, Hyde Park Township, Cook County. The subject is classified as a class 3-15 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant asserts overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal estimating that the subject property had a market value of \$400,000 as of January 1, 2018. The appraisal used the sales comparison and income approaches. For the sales approach, the appraiser relied on ten suggested sales comparables that

sold between July 2015 and December 2017, for amounts ranging from \$245,000 to \$425,000 or between \$23.26 and \$60.71 per square foot of living area, land included in the sale prices. The appraiser adjusted the sales prices to account for differences between the comparables and the subject. For the income approach, the appraiser relied upon rental income from seven suggested apartment building comparables. The square footage of living area for five of these suggested comparables was known, and their average effective rents ranged from \$0.59 to \$1.09 per square foot of living area per month.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$49,980. The subject's assessment reflects a market value of \$499,800 or \$66.64 per square foot of living area, land included, when using the Cook County Real Estate Classification Ordinance level of assessment for class 3 property of 10%.

In support of the assessment, the board of review submitted information about sales of five suggested comparable properties. The suggested comparables were sold between June 2015 and September 2016 for amounts ranging from \$545,000 to \$1,350,000 or between \$69.44 and \$191.49 per square foot of building area, land included in the sales prices.

A virtual hearing was conducted regarding this appeal before one of the Board's Administrative Law Judges on May 23, 2023. The appellant was represented by counsel, and the board of review was represented by one of its analysts.

The appellant called appraiser, Shawn Schneider, as a witness. Schneider testified that he is a real estate appraiser who is certified by the State of Illinois, and he has been appraising commercial property since 1992, including hotels, restaurants, office buildings, mixed-use buildings, industrial buildings, apartment buildings, and vacant land. The taxpayer hired him, and he prepared an appraisal report for the subject property that was dated July 27, 2018. He physically inspected five of the subject property's eight units. He testified that the building owner told him that the other three units were similar in condition to the five that he inspected.

Schneider used the sales comparison and income approaches in his appraisal. For his sales comparison approach, Schneider used ten suggested comparable properties that sold July 2015 and December 2017, for amounts ranging from \$245,000 to \$425,000 or between \$23.26 and \$60.71 per square foot of living area, land included in the sale prices. After Schneider adjusted the sales prices to account for differences between the comparables and the subject in matters such as building age, size, condition, and location, the range was between \$29,391 and \$55,782 per apartment unit, an average of \$46,259 per unit, and a median of \$46,834 per unit. Schneider estimated from this data that the subject's value was \$50,000 per unit or \$400,000.

Schneider relied on market rents from seven suggested apartment rental comparables in estimating the subject's value using the income approach, although he was supplied with a rent roll for the building. Using market rents, the average effective rents of these seven comparables ranged from \$687 per unit to \$1,411 per unit. The square footage of living area for five of these suggested comparables was known, and their average effective rents ranged from \$0.59 to \$1.09 per square foot of living area per month.

Schneider determined that data from the rental comparables indicated a market rental value for the subject's two-bedroom units of \$1.00 per square foot, or \$900 per month, and a market rental value for the subject's three-bedroom comparables of \$0.90 per square foot, or \$990 per month. The actual monthly contract rent for one of the two-bedroom units was \$900 per month, and the other two-bedroom unit was vacant. The actual monthly contract rents for the three-bedroom units were \$800, \$1,044, \$1,140, and \$1,200 for two of the units. One of the three-bedroom units was vacant. Schneider explained that, even if actual rents were higher than market rents, buyers rely on market rents in determining whether to purchase rental property. He further explained that lease agreements for apartments generally only last for one year, so rental rates can change frequently.

Schneider used the market rents for the subject property's units to calculate a potential gross income amount for the subject as of January 1, 2018, of \$92,880. He subtracted a 10% vacancy and collection rate from this amount to determine the subject's effective gross income of \$83,592. Schneider then calculated the subject's expenses, including utilities, insurance, leasing commissions, and replacement reserves at \$39,041. He subtracted this amount from the effective gross income to derive the figure of \$44,551 for the subject's net operating income.

Schneider used the band of investment method to determine an initial capitalization rate of 9%. He then determined that a loaded capitalization rate should be used to address the effect of property taxes. He calculated the loaded capitalization rate as 11.15%. He divided the net operating income figure of \$44,551 into 11.15% to produce an estimated market value for the subject of \$399,561, rounded to \$400,000.

Al Kveton testified that the board of review considers the income approach more significant for property like the subject, but it has submitted sales comparables from CoStar that are proximate to the subject. Kveton did not compile this evidence, and he stated that the person who did so did not inspect the subject property.

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 taxpayer must prove the value of the property by a preponderance of the evidence. 86 Ill. Admin. Code §1910.63(e); Winnebago County Bd. of Review v. Property Tax Appeal Bd., 313 Ill. App. 3d 1038, 1043 (2d Dist. 2000). 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 appraisal submitted by the appellant is the best evidence of the subject's fair market value as of January 1, 2018. The appraiser used both the sales comparison and income approaches, both of which indicated that the subject's value was \$400,000. One of the ten comparables relied upon in the sales comparison approach had a high gross adjustment amount of 30%, but the remaining nine comparables and the adjustments made to them support the appraiser's valuation, as does his income approach. At the hearing, the board of review's representative criticized the appraiser for relying on market rents instead of the actual rental amounts for the subject units when employing the income approach. The appraiser's reliance on

market rents was proper, however. See Springfield Marine Bank v. Property Tax Appeal Bd., 44 Ill. 2d 428, 431 (1970) (“it is the capacity for earning income, rather than the income actually derived, which reflects ‘fair cash value’ for taxation purposes.”). The appraiser’s income and sales comparison approaches were well-supported, and both indicated that the subject’s fair market value as of the relevant date was \$400,000.

In contrast, the board of review’s evidence consisted of unadjusted data from five sales, one of which involved a ten-year old building, as opposed to the subject, which was 107 years old. The Board gives some weight to the board of review’s other four comparables, but it concludes that the appellant’s evidence is clearly superior. The Board concludes that appellant has shown by a preponderance of the evidence that the subject property’s fair market value as of January 1, 2018, was \$400,000. Because the subject’s assessed valuation was higher than that amount, a reduction 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: November 21, 2023



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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