



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

APPELLANT: Peter Hlepas
DOCKET NO.: 18-29689.001-C-1
PARCEL NO.: 14-08-107-028-0000

The parties of record before the Property Tax Appeal Board are Peter Hlepas, 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 **No Change** 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: \$164,160
IMPR.: \$21,090
TOTAL: \$185,250

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 one-story, commercial building of masonry construction located in Chicago, Lakeview Township, Cook County that is rented and houses a paint store. The building was 90 years old as of the relevant assessment date. The subject is located on a 11,016 square foot site, and it has 5,700 square feet of building area. It is classified as a class 5-17 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 the subject property had a market value of \$700,000 as of January 1, 2018.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$185,250. The subject's assessment reflects a market value of

\$741,000 or \$130.00 per square foot of building area, land included, when using the Cook County Real Estate Classification Ordinance level of assessment for class 5 property of 25%. The board of review also submitted information about recent sales of five suggested comparable properties. Those sales took place between February 5, 2015, and September 5, 2018, for prices ranging from \$1,117,500 to \$3,300,000, or between \$175.16 and \$550.00 per square foot of building area, land included in the sales prices.

This matter was scheduled for a hearing before a Board ALJ on May 23, 2023. The parties agreed to waive the hearing, however, and to have the Board's decision based upon the written evidence they have submitted.

Analysis

The appellant contends that 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); 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 has not met this burden of proof and a reduction in the subject's assessment is not warranted.

The appraisal submitted by the appellant used both the sales comparison and income approaches. Four suggested comparable properties were relied on for the sales comparison approach. Those properties sold between May 2015 and November 2017 for prices ranging from \$375,000 to \$910,000, or between \$73.82 and \$115.71 per square foot of building area, land included in the sales prices. The appraisal states that the appraiser initially made gross adjustments to the sales price of only one of the suggested comparable properties and those adjustments canceled each other out (a 4% increase and a 4% decrease), so there were no net adjustments at this stage. The appraisal went on to state that it was difficult to adjust the market data for variables such as size and age, but the market data was nonetheless useful as a guide to the subject property's value. It then stated that, based upon the data, a field inspection of the subject, and unspecified adjustments, the appraiser had concluded that the subject property's value under the sales comparison approach was \$115.00 per square foot, or \$655,500, rounded to \$656,000.

The appraisal report next discussed the income approach. According to the report, the gross annual income for the property was \$153,444, or \$26.92 per square foot of building area, which was derived from the rent paid by the owner of the paint store on the premises. This was consistent with a rental survey of local real estate brokers showing market rents of between \$18.00 and \$30.00 per square foot of building area. The appraiser then subtracted 10% of the gross income amount (or \$15,344) for vacancy, a further 10% for repairs/reserves, 5% for management, and a further 5% for insurance, to derive a net income figure of \$107,412.

The appraisal report then discusses the capitalization rate. The report uses a 10.00% overall rate as a starting point, but it does not state where this figure came from or why it was an appropriate starting point. Added to that was 4.48% for the effective 2017 tax rate for a total capitalization rate of 14.48%. Dividing net income into the capitalization rate produced a market value for the

subject property of \$741,746, rounded to \$742,000, which was \$1,000 above the assessment. Reconciling the results of the sales and income approaches, the appraiser concluded that the subject property had a fair market value of \$700,000 as of January 1, 2018.

The Board places no weight on the appraiser's conclusions about the value of the subject property because the derivation of values from the appraisal's sales and income approaches are not explained adequately. For the income approach, the appraiser used a high capitalization rate of 14.48%, but he did not explain the source of the 10.00% amount that he used as a starting point. For the sales approach, the appraiser did not initially make any adjustments to the comparable sales prices despite substantial differences between the subject and some or all of the comparables in terms of size, age of improvements, and other matters. According to the appraisal report, after a range was determined, the appraiser made proper adjustments to the comparables in choosing a value at the higher end of the range for the subject property. The factors necessitating adjustments and the specific adjustments made were not mentioned, however. Therefore, the Board will not place any weight on the appraiser's conclusions about the subject property's value, although it will give some weight to the sales comparables relied upon in the appraiser's sales comparison approach. The Board will also give appropriate weight to the comparable sales submitted by the board of review.

The Board concludes that the best evidence of the subject property's value is the board of review's comparables one, four, and five, and the appraisal's comparable two. Each of these comparables is similar to the subject in terms of building area, and three are similar in age of improvements. The sales prices of these comparables ranged from \$99.11 to \$550.00 per square foot of building area, land included in the sales prices. The subject's assessment represents a market value of \$130.00 per square foot of building area, land included, which is at the lower end of the range suggested by the best comparables in the record. Based on the evidence, the Board therefore 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.



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 22, 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

AGENCY

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

APPELLANT

Peter Hlepas, by attorney:
George N. Reveliotis
Reveliotis Law, P.C.
1030 Higgins Road
Suite 101
Park Ridge, IL 60068

COUNTY

Cook County Board of Review
County Building, Room 601
118 North Clark Street
Chicago, IL 60602