



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

APPELLANT: Susan Budzileni  
DOCKET NO.: 18-30371.001-R-1  
PARCEL NO.: 14-05-302-014-0000

The parties of record before the Property Tax Appeal Board are Susan Budzileni, the appellant(s); 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:** \$ 39,247  
**IMPR.:** \$105,986  
**TOTAL:** \$145,233

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 is situated on an 8,532 square foot parcel of land that is improved with a 100+-year old, three-story, masonry, six-unit apartment building. Four of the units contain two-bedrooms, each, while two of the units contain three-bedrooms, each. Additionally, there is an owner-occupied garden unit that was intentionally omitted from the appellant's appraisal report due to a question over its legality. The appellant has lived there for 19 years, however. The appraisal lists the subject's improvement size as having 12,081 square feet of building area and it is located in Lakeview Township, Cook County. The subject is classified as a class 2-11 property under the Cook County Real Property Assessment Classification Ordinance and is assessed at 10% of fair market value. The appellant argued that the fair market value of the subject property was not accurately reflected in its assessed value as the basis of this appeal.

In support of the market value argument, the appellant submitted an appraisal report for the subject property prepared by Brian McNamara and James Elkins, both Certified General Real

Estate Appraisers of MVS, LLC. The report was prepared on November 19, 2018 with an effective date of January 1, 2018. The appraisers estimated a fair market value for the subject of \$870,000 based on the income and sales comparison approaches to value. Robert Kruse conducted an inspection of the subject but was not a signatory on the report. The appraisers determined that the highest and best use of the subject property, as improved, is for continued use as an apartment building. Based on this evidence, the appellant requested a reduction in the subject's assessment.

Under the income approach to value the appraisers failed to provide any rental comparable buildings. Instead they provided individual rental amounts for four two-bedroom units and four three-bedroom units, none of which were located in the same building. The average rents for this group of singular units were identical to the actual rental rates listed for the subject property. Additionally, the appraisers failed to provide any descriptive data building data for the comparables, including but not limited to: construction, amenities, age, building size, total number of units in the building, and PINs associated with the comparable. Based on the subject's actual rental figures, which were identical to the market unit rental values, the appraisers determined the subject's potential gross income to be \$121,200. They then deducted 5% for vacancy loss to establish an effective gross income for the subject of \$115,140. Next, the appraisers presented the subject's historical expenses which totaled more than 100% of the subject's income. They then listed four expense comparables in a chart, two of which were located in Evanston and two of which were located in Chicago. The expense years varied from 2014 to 2017, with expenses ranging from 21.4% to 32.6% of EGI. They then applied expenses that were a combination of the subject's historical expenses and IMREM data to estimate a net operating income for the subject property of \$88,840.

It should be noted that a loaded capitalization rate of 10.2% was used to determine the subject's market value based on the income approach to value. The appraisers focused on comparables #4 and #5 from their sales comparison approach, which had cap rates of 8.6% and 7.01%, respectively. They also searched CoStar for cap rates, however, their search parameters included multi-family properties with greater than 10 units, which the subject is not. They also reviewed cap rate data from various publications. An 8% capitalization rate was selected as appropriate for the subject. After applying a tax load of 2.15%, a loaded cap rate of 10.15% was calculated, which the appraisers rounded up to 10.20%. This cap rate was divided into the net operating income to arrive at an estimate of value under the income approach of \$870,000.

Under the sales comparison approach, the appraisers analyzed the sales of five apartment buildings, all of which contained six units and were located in close proximity to the subject property. They developed a grid that listed the sale price, sale date, land-to-building ratio, and age. They did not include the comparables' building square footage on the grid, although it was included on previous pages containing the building descriptions. These pages also listed the cap rates for four of the five comparables. Comparable #1 did not have a cap rate listed, while comparables #2 and #3 listed a 6% cap rate. As previously indicated, comparable #4 had a cap rate of 8.6%, while comparable #5 had a 7.01% cap rate. The appraisers then divided the sale prices by the number of units to determine that the value of each unit in the subject's building was worth \$150,000. They failed to take the comparables' gross building square footage into account when valuing the properties. The appraisers then arrived at a market value under the sales approach of \$900,000, or \$74.50 per square foot, including land.

In reconciling the two approaches to value, the appraisers noted that they placed primary consideration on the income approach. They then arrived at a final estimate of value for the subject as of January 1, 2018 of \$870,000.

The Cook County Board of Review submitted its "Board of Review-Notes on Appeal," wherein the subject's final assessment of \$145,233 was disclosed. The subject's assessment reflects a market value of \$1,452,330, or \$120.22 per square foot of building area, including land, when applying the 2018 statutory level of assessment under the Cook County Real Property Assessment Classification Ordinance of 10%.

In support of the subject's assessment, the board of review submitted sales data for four multi-family apartment buildings, three of which were located within two blocks of the subject property. The comparables ranged from 1,752 to 3,068 in square feet of building area, and sold between January 2016 and October 2017 for sale prices ranging from \$730,000 to \$1,100,000, or from \$358.54 to \$416.67 per square foot, including land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

The board of review also submitted evidence of a foreclosure sale with a supporting memorandum, however, a PIN other than that of the subject property's was addressed.

Additionally, lengthy rebuttal was submitted by the appellant in which she distinguished the board of review's comparables from the subject property and argued that the sale comparables contained in her appraisal were the best evidence of market value.

### **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 Board finds that the income approach in the appraisal is unpersuasive and flawed for several reasons. Initially, the Board notes that the appraisers hand-picked random apartment units as rental comparables in a piecemeal fashion. The appraisers failed to submit entire six-unit apartment buildings as rental comparables. Although the appraisers listed a street address no other descriptive data regarding the building as a whole was provided. Coincidentally, these units' rents were equal to the actual rental rates of the subject property.

Additionally, the Board questions the appraisers' choice of the cap rate. The appraisers highlighted their sale comparables #4 and #5 in their market extraction method, which reflected cap rates between 7% and 8.6%, and ignored their sale comparables #2 and #3 which had 6% cap rates (no cap rate was presented for their sale comparable #1). While the subject is a six-unit

building, the appraisers searched CoStar for cap rates of apartment buildings with greater than 10 units. Notwithstanding this, the average cap rate from CoStar was 6.10%.

In the Band of Investment Method, the appraisers' chart lists the average cap rate for "Less than \$2MM" properties as 6.8%, while the Published Sources ranged in average cap rate from 5.32% to 7.8%. Using the higher capitalization rate of 10.2% lowers the subject's market value in the analysis.

The second approach employed by the appraisers was the sales comparison approach. The Board finds the sales comparison approach flawed as well for the appraisers failed to analyze the comparable properties based on the well-accepted method of sale price per square foot, including land. The appraisers' instead chose to value the sale comparables, and the subject property, on a "per unit" value which the Board does not find appropriate in this case. This method fails to take into consideration the size of each apartment unit and the size of the building as a whole.

Finally, the appraisers relied on their income approach to value the subject property rather than their sales comparison approach. When market value is not conclusively established by a contemporaneous, voluntary, and arm's length sale of the actual property, then the preferred method of determining value is through the sales comparison approach, based on sales of comparable properties on the open market. *Cook County Board of Review v. Property Tax Appeal Board*, 384 Ill. App. 3d 472, 480, 323 Ill.Dec. 633, 894 N.E.2d 400, 408 (2008) (*Omni*). For all of these reasons, the Board gives little weight to the appellant's appraisal's value conclusion.

The Board notes, however, that the sale comparables in the appellant's appraiser are in evidence and were most comparable to the subject property. They were similar to the subject property in size, location, construction, design and sold at a time proximate to the January 1, 2018 valuation date. The appellant methodically distinguished the board of review's comparables from the subject property and the Board gives them no weight in its final analysis. The appellant's unadjusted sale comparables ranged in value from \$106.13 to \$164.14 per square foot, including land. The subject's current assessment reflects a market value of \$120.22 per square foot, including land, which is within the range of the best comparables contained in the record.

Accordingly, in determining the fair market value of the subject property, the Board finds that the appellant failed to submit sufficient evidence to show the subject was overvalued. As such, the Board finds that the appellant has not met its burden by a preponderance of the evidence and that the subject does not warrant a reduction based upon the market data submitted into evidence.

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:

May 18, 2021



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

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