



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

APPELLANT: Jaroslaw & Dorota Jozwiak
DOCKET NO.: 19-01721.001-R-1
PARCEL NO.: 06-35-407-049

The parties of record before the Property Tax Appeal Board are Jaroslaw & Dorota Jozwiak, the appellants, by attorney Scott Shudnow, of Shudnow & Shudnow, Ltd. in Chicago; and the Kane 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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$21,992
IMPR.: \$89,563
TOTAL: \$111,555

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2019 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 2.5-story multi-family apartment building containing five, 2-bedroom units and one, 1-bedroom unit. The building has brick and masonry exterior construction with 5,304 square feet of building area and was constructed in approximately 1972. Features of the property include a basement with the 1-bedroom unit, an off street parking lot and four balconies. The property has a 16,000 square foot site and is located in South Elgin, Elgin Township, Kane County.

The appellants contend overvaluation as the basis of the appeal. In support of this argument the appellants submitted an appraisal estimating the subject property had a market value of \$335,000 as of January 1, 2019. The appraisal was prepared by Garry Nusinow, a certified general real estate appraiser. The purpose of the appraisal was to estimate the current market value of the subject property.

The appraiser developed both the sales comparison and income approaches to value.

In developing the sales comparison approach to value, the appraiser utilized three comparable sales located from 0.04 to 2.92 miles from the subject property. The comparables have sites ranging in size from 13,691 to 22,651 square feet of land area and are improved with either a 2-story or a 2.5-story building described as average in quality and condition and containing six or seven 1-bedroom or 2-bedroom units. The properties were built in 1969. Each comparable has a basement and off street parking. Comparable #2 has a seven car garage. The comparables sold in August or November 2017 for prices ranging from \$336,000 to \$360,000 or from \$58.33 to \$69.77 per square foot of building area; per rental unit, including land from \$45,000 to \$56,667. Based on these sales the appraiser arrived at an opinion of value for the subject of \$335,000 or \$63.16 per square foot of building area and \$55,833 per rental unit, land included.

In developing the income approach to value, the appraiser utilized three rental comparables located from 0.03 to 1.19 miles from the subject property that have varying degrees of similarity to the subject. The appraiser reconciled monthly market rents, arriving at per square foot rental rates from \$0.96 to \$1.11 for the subject's six units and an estimated monthly rent totaling \$5,120 for the subject property. The appraiser added miscellaneous income, applied a 5% vacancy and collection loss rate and subtracted estimated annual expenses and concluded the subject property to have an annual net operating income of \$28,371. A capitalization rate of 9.4% was then applied to the net operating income to obtain an opinion of value based on the income approach of \$300,000 or \$56.56 per square foot of building area, land included.

In reconciling the two approaches to value, the appraiser indicated that the sales comparison approach was given "considerable" weight since this approach to value reflects the behavior of market participants and arrived at a final opinion of value for the subject property of \$335,000 or \$55,833 per rental unit.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$132,713. The subject's assessment reflects a market value of \$398,538 or \$75.14 per square foot of building area or \$66,423 per rental unit, land included, when using the 2019 three year average median level of assessment for Kane County of 33.30% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted evidence prepared by the township assessor. The evidence consists of seven comparable sales located from 2.43 to 2.62 miles from the subject property. Five comparables have sites that range in size from 9,490 to 13,750 square feet of land area. The comparables are improved with two or three-story multi-family buildings of brick or frame and brick exterior construction that each contain six apartment units. The comparable units are comprised of either 1-bedroom or 2-bedrooms. The buildings range in size from 4,760 to 5,726 square feet of building area and were built from 1964 to 1976. The properties sold from January 2016 to June 2019 for prices ranging from \$375,000 to \$495,000 or from \$74.22 to \$98.74 per square foot of building area and from \$62,500 to \$82,500 per rental unit, land included.

The board of review also submitted written comments from the Elgin Township Assessor contending the appraisal comparable #1 is a foreclosure and the remaining two comparables are “motel style” buildings which all sold at the low end of the value range.¹ The board of review argued that the subject property “is not an investment grade property” and that the income approach to value was “not a reliable indicator of value.” It goes on to claim that the appraisal contained little support for the income approach to value. The board of review reiterated elements of their comparable sales and then provided an estimated value for the subject utilizing rental income and applying a gross income multiplier of 7. The board of review also submitted an Multiple Listing Service sheet on the sale of a six unit apartment building located on the subject’s street which sold in October 2019 for a sale price of \$480,000 or \$80,000 per rental unit, land included.

Based on this evidence, the board of review requested the subject’s assessment be confirmed.

In rebuttal, the appellants’ attorney submitted comments critiquing the board of review’s grid analysis as lacking any adjustments. Counsel argued that the appraisers’ rental comparables and sale comparables are located within a reasonable distance from the subject property and claims that rental comparable #1 is located next door to the subject property. The appellants’ attorney asserted the subject property was in average to below average condition with below average maintenance and directed the Board to appraisal photographs as evidence of the subject’s condition. The appellants’ attorney also took issue with the distances of the board of review’s comparables from the subject property.

Conclusion of Law

The appellants contend 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 appellants met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value to be the appraisal submitted by the appellants of \$335,000 or \$63.15 per square foot and \$55,833 per rental unit. The appraisal included both the income and sales comparison approaches to value utilizing comparable market rents and comparable sales similar in condition to the subject. The appraisal report contained interior photographs of the subject which suggest the property condition to be in average or below average condition. The subject's assessment reflects a market value of \$398,538 or \$75.14 per square foot of building area and \$66,423 per rental unit, including land, which is above the appraised value. The Board finds the subject property had a market value of \$335,000 as of the assessment date at issue.

The Board gave less weight to the board of review comparable sales as little information regarding condition was submitted for these comparable properties. In addition, the board of

¹ The board of review’s submitted a MLS sheet from a 2013 sale for the appraisal comparable #1 which they asserted is a foreclosure sale. The appraisal comparable sale #1 has a sale date in August 2017.

review's comparable sales were located over two miles from the subject property which further detracts from the weight of the evidence.

Since market value has been established the 2019 three year average median level of assessments for Kane County of 33.30% as determined by the Illinois Department of Revenue shall apply. (86 Ill.Admin.Code §1910.50(c)(1)).

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: July 20, 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

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

APPELLANT

Jaroslaw and Dorota Jozwiak, by attorney:
Scott Shudnow
Shudnow & Shudnow, Ltd.
77 West Washington Street
Suite 1620
Chicago, IL 60602

COUNTY

Kane County Board of Review
Kane County Government Center
719 Batavia Ave., Bldg. C, 3rd Fl.
Geneva, IL 60134