



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

APPELLANT: Venus Enterprises, LLC
DOCKET NO.: 19-02420.001-R-1
PARCEL NO.: 06-22-129-009

The parties of record before the Property Tax Appeal Board are Venus Enterprises, LLC, the appellant, by attorney Stuart T. Edelstein, of Stuart T. Edelstein, Ltd. in Northbrook, 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: \$21,506
IMPR.: \$60,153
TOTAL: \$81,659

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant 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 two-story apartment building of frame and masonry construction with four apartment units and 3,640 square feet of total building area. The building contains two, two-bedroom units and two, one-bedroom units and each apartment features one bathroom. The structure was built in 1969 and includes a detached 946 square foot four-car garage. The property has a 9,900 square foot site and is located in Elgin, Elgin Township, Kane County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Julia L. Kari, a Certified Residential Real Estate Appraiser. The purpose of the appraisal was for the use for tax protest purposes. The property rights appraised were fee simple. Kari estimated the subject property had a market value of \$245,000 or \$61,250 per apartment unit, including land, as of January 1, 2019.

Developing the sales comparison approach, the appraiser analyzed three sales of 4-unit apartment buildings that, two of which are said to be in average condition like the subject and one is in good condition. The comparable sales were located from .12 of a mile to 2.66-miles from the subject. Each comparables range in age from 48 to 119 years old and range in size from 1,920 to 3,510 square feet of building area. Comparable sales #1 and #2 each have basements and comparable sale #3 has an eight-car garage. These properties sold between October 2016 and June 2018 for prices ranging from \$175,000 to \$286,000 or from \$43,750 to \$71,500 per apartment unit, including land. After applying adjustments to the comparables for differences when compared to the subject for factors such as condition, gross building area, differences in the number of bedrooms in each unit, garage amenity and/or outdoor deck/patio spaces, Kari calculated adjusted sales prices for the comparables ranging from \$244,600 to \$251,900 or from \$61,150 to \$62,975 per apartment unit, including land.

For an income approach to value, the appraiser set forth data on three rental comparables located in Elgin and within 2.3-miles from the subject. The comparables were either 50 or 119 years old and consist of four-unit buildings of either one-bedroom or two-bedroom apartment units with either 1 or 1.1 bathrooms. The comparables have gross building areas ranging from 2,416 to 4,224 square feet. For these comparables, the reported monthly apartment unit rent ranged from \$850 to \$1,150. The appraiser reported area market rental rates ranging from \$450 to \$1,395 per month, with \$1,000 per month being predominant. Further details were also provided for one-bedroom and two-bedroom rental rates in the area. Kari also stated, "It is not uncommon in the market area for one or more of the units to be occupied by the owner and/or their family members." Given the foregoing data, lack of expense data and the issue of market rent for owners or vacant units, Kari concluded that the market rent was not a reliable method of calculating gross monthly rent without inspection and other details. She further noted there was insufficient data to extract a GRM due the many owner-occupied units in the area. Therefore, the appraiser did not develop the income approach to value due to the lack of sufficient rental data in the subject's market area.

Based on the foregoing appraisal evidence, the appellant requested a reduced assessment to reflect the appraised value conclusion of \$245,000, including land.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$95,174. The subject's assessment reflects a market value of \$285,808 or \$71,452 per apartment 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 response to the appeal, the board of review submitted a memorandum prepared by the Elgin Township Assessor's Office along with additional data. The assessor contends that while the subject is an income producing property, "the appraiser did not develop an income approach to value which would be the determining factor in purchasing the property; being a 4-unit apartment building." The assessor also asserted that the appraiser made inconsistent adjustments in the sales comparison approach to value for similar differences between properties. The adjustment for condition of sale #1 was also criticized and the assessor reported sale conditions for comparable #2 without documentary support.

In support of its contention of the correct assessment, the board of review through the township assessor submitted information on five comparable sales of four-unit apartment buildings located from .10 of a mile to 2.66-miles from the subject. Four of the comparables were described as either one-bedroom, one bath or two-bedroom, one bath units; no such data was provided for board of review comparable #3. Board of review comparables #2 and #4 were also presented by the appellant's appraiser as appraisal sales #2 and #1, respectively. The assessor noted the sale #5 was used due to its location and a lack of sales data of similar four units in the subject's immediate market. The board of review comparable properties range in size from 2,618 to 3,774 square feet of building area and were built from 1964 to 1971. Each comparable has a basement and one comparable also has central air conditioning. These comparables had sale dates ranging from April 2016 to July 2019 for prices ranging from \$215,000 to \$355,000 or from \$53,750 to \$88,750 per apartment unit, including land.

In the same spreadsheet analysis, the board of review reported comparable sales #1, #4 and #5 present gross rent multipliers (GRM) ranging from 6.52 to 8.53 with reported gross income for these properties of \$33,000 to \$41,640; the subject was asserted to have a gross income of \$46,500. The board of review through the township assessor also summarily argued that "the subject's income is higher than all comparable data and is a good indication of value."

Based on this evidence and argument, the board of review requested that the subject's assessment be confirmed.

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 appellant submitted an appraisal of the subject property and the board of review submitted criticisms of the appraisal along with five suggested comparable sales and a calculation of the GRM of three of those comparable sales.

Having thoroughly examined the entire evidence in the record, the Property Tax Appeal Board gave little weight to the income approach data prepared by the board of review. The Property Tax Appeal Board finds that there was insufficient analysis in the memorandum as to how the GRM data was developed and/or from what reliable sources. Ironically, while the assessor significantly criticized the appellant's appraisal report for failing to perform an income approach to value, it appears that the subject property's income estimate from the appellant's appraisal was accepted as true and correct by the assessing officials. Furthermore, the Property Tax Appeal Board finds that Illinois courts have stated that where there is credible evidence of comparable sales these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (1979), the court held that significant relevance should not be placed on the cost approach or income approach especially

when there is market data available. In Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (1989), the court held that of the three primary methods of evaluating property for the purpose of real estate taxes, the preferred method is the sales comparison approach. Since there are credible market sales contained in the record, the Board has placed most weight on this evidence.

The appraisal and board of review evidence provide a total of six comparable sales, with two common comparables presented by the parties. The Property Tax Appeal Board finds the best evidence of market value in this record is the narrative appraisal of the subject property. The Board has given reduced weight to board of review comparable #1 due to its significantly smaller building size when compared to the subject. Board of review sale #3 lacks the necessary apartment type detail to be analyzed and board of review sale #5 appears to be an outlier at the high end given all of the sales in the record which appeared to have been acknowledged in the assessor's memorandum noting it was included "due to a lack of sales data of similar 4 units in the subject's immediate market." The Board further recognizes that only common comparable board of review #4/appraisal sale #1 without any adjustments supports the subject's per-apartment-unit estimated market value along with high-end sales #3 and #5 presented by the board of review, where no adjustments have been made to the board of review sales for differences when compared to the subject.

The Property Tax Appeal Board hereby finds that the appellant's appraiser provided a detailed narrative setting forth the basis of the analysis and developed the sales comparison approach to value in estimating the subject property had a market value of \$245,000 as of January 1, 2019. Conversely, the board of review provided raw sales information on five comparable sales, two of which were set forth in the appellant's appraisal report, with no specific analysis or adjustments to the sales to account for market conditions, location, size, number of apartment units, parking and/or other related factors. Furthermore, the Board finds the criticisms by the board of review of the appellant's appraisal report are insufficient to overcome the appraised value conclusion on this record.

The subject's assessment reflects a market value of \$285,808 or \$71,452 per apartment unit, including land, which is above the appraised value conclusion of \$245,000 or \$61,250 per apartment unit, including land, in the record. Based on this evidence, the Board finds a reduction in the subject's assessment commensurate with the appellant's request is 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: November 16, 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

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