



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

APPELLANT: F&M Holding Company LLC
DOCKET NO.: 19-45412.001-R-1
PARCEL NO.: 03-02-410-062-0000

The parties of record before the Property Tax Appeal Board are F&M Holding Company LLC, the appellant, by attorney Daniel G. Pikarski, of Gordon & Pikarski in Chicago; 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: \$5,262
IMPR.: \$28,488
TOTAL: \$33,750

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 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 56-year-old, one-story, four-unit, multi-family dwelling of masonry construction with 2,700 square feet of living area. Features of the home include a crawl space, central air conditioning, four full bathrooms, and eight bedrooms and six surface parking spaces. The property has a 9,153 square foot site and is located in Wheeling, Wheeling Township, Cook County. The subject is classified as a class 2-11 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends 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 \$280,000 as of January 1, 2019. The appraisal relied on the income capitalization and sales comparison approaches. For the sales approach, the appraiser relied on five suggested sales comparables that sold between March 2017 and March 2018, for amounts ranging from \$396,000 to \$500,000 or

between \$73.50 and \$103.80 per square foot of building 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 that the owners sought for ten suggested rental comparables. The rental income sought for the multi-family comparables ranged from \$670.00 to \$1,295.00 per unit. All comparables were multi-family dwellings containing three-to-six units, with either a one bed/one bath or two bed/one bath and did not require occupants to pay heat.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$40,119. The subject's assessment reflects a market value of \$401,190 or \$148.59 per square foot of living area, including land, when applying the level of assessment for class 2 property of 10% under the Cook County Real Property Assessment Classification Ordinance.

In support of its contention of the correct assessment the board of review submitted information on three comparable sales. All were improved with a multi-family dwelling of masonry construction with either a slab foundation or partial basement. The improvements ranged: in age between 42 and 58 years old; in size between 3,888 and 5,796 square feet of living area; and in sale price per square foot between \$83.51 and \$136.32, including land.

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). 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 did meet this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds that the appraisal relied on by the appellant is flawed in some respects. Regarding the income capitalization approach, the appraisal relied on ten rental properties with varying degrees of similarity to the subject property. The income approach generally values property by dividing its annual market income by a capitalization rate. In this case, the appraiser first examined the rental rates of comparable multi-family properties but failed to examine their actual rental income. The appraiser subtracted a 5% vacancy and collection rate from this amount to determine the subject's effective gross income. The appraiser then calculated the subject's expenses (estimated to be 30%) and subtracted them from the potential gross income to derive the figure for the subject's annual market income. The appraiser used the band of investment method to determine an initial capitalization rate of 8.19%. The appraiser then determined that a loaded capitalization rate should be used to address the effect of property taxes. He calculated the loaded capitalization rate as 9.51%. He divided the annual market income figure of \$27,132 into 9.51% to produce an estimated market value for the subject of \$285,300, rounded to \$285,000.

There is no indication that the appraiser took into account the vacancy rates of the rental comparables or the effect that different physical characteristics or location have on the

comparables' desirability for rental. Nor did the appraisal provide the basis or submit any data in support of a 30% reduction for operating expenses. These unaddressed factors may have resulted in lower rental amounts for these properties, potentially causing the appraiser to understate the subject's value in the income approach. The Board does give some weight to the appraiser's income approach, however.

The Board gives limited weight to the sales comparison approach because there were significant dissimilarities between the comparables and the subject for which inadequate adjustments were made. All five comparables have significantly inferior land-to-building ratio's than the subject, yet the appraisal indicates minimal adjustment was made. All comparables have building areas substantially larger than the subject, yet the appraisal indicates minimal adjustment was made. Furthermore, as with the income approach, the appraisal states that adjustments were made to the sales prices of the comparables to reflect differences between each of them and the subject property in things such as age, building area size, and land-to-building ratio, but it does not specify the amounts of any of those individual adjustments. The appraisal also fails to specify the total amounts of the adjustments made to any of the comparables. Therefore, the Board gives limited weight to the appraisal's conclusion as to value under the sales comparison approach.

However, the board of review's own comparables support a reduction in total assessment, as their sales prices range from \$83.51 to \$136.32 per square foot of living area, including land, and the subject's assessment reflects a market value of \$148.59 per square foot of living area, including land. Accordingly, the Board finds the subject property had a market value of \$337,500, land included, as of the assessment date at issue. Based on the evidence, the Board therefore finds a reduction in the subject's assessment 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:

February 20, 2024



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

F&M Holding Company LLC, by attorney:
Daniel G. Pikarski
Gordon & Pikarski
55 West Monroe Street
Suite 940
Chicago, IL 60603

COUNTY

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