



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

APPELLANT: Robert Fanning
DOCKET NO.: 20-20145.001-R-1
PARCEL NO.: 25-31-441-001-0000

The parties of record before the Property Tax Appeal Board are Robert Fanning, the appellant, by attorney Brian S. Maher of Weis, DuBrock, Doody & Maher 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: \$13,359
IMPR.: \$6,641
TOTAL: \$20,000

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 2020 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 consists of three improvements described as one-story or two-story commercial buildings with apartments of masonry and frame exterior construction.¹ The three buildings have a combined total building area of approximately 5,944 square feet. The buildings were constructed in 1902, are approximately 118 years old and have effective ages of 35 years old. The property features a one-story building used as a tavern with an attached one-bedroom apartment unit containing 1,943 square feet of building area, a two-story building with two three-bedroom apartment units containing 3,350 square feet of building area, and a coach house with a one-bedroom apartment unit above the garage containing 651 square feet of building area. The property has a 48,579 square foot site, and is located in Blue Island, Calumet Township, Cook County. The subject is classified as a class 2-12 property under the Cook County Real Property Assessment Classification Ordinance.

¹ The Board finds the best description of the subject is found in the appraisal submitted by the appellant.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a summary appraisal signed by Ronda Sandic, Gary M. Skish and Gary T. Peterson, MAI, MBA. Each individual is a State of Illinois Certified General Real Estate Appraiser. The report indicated Sandic was the appraiser, Skish is the president and Peterson reviewed and approved the report. The appraisers estimated the subject property had a market value of \$200,000 as of January 1, 2020.

The appraisers described the property to be in poor overall condition at the time of the inspection and suffers from excessive wear and tear associated with its age, use and construction.

The purpose of the appraisal was to estimate the market value of the subject property for ad valorem purposes. The appraisers determined the continued use of the subject represents the highest and best use of the property as improved. In estimating the market value of the subject property, the appraisers developed the income approach to value and the sales comparison approach to value.

Under the income approach, using seven commercial retail rentals and eight apartment rentals, the appraisers estimated the potential gross income of the subject property to be \$49,245. Vacancy and collection loss was estimated to be \$4,253, and other income was estimated at \$200 to arrive at an effective gross income of \$45,192. The appraisers deducted \$16,723 in expenses and deducted \$1,389 for return on FF & E (furniture, fixtures and equipment) to arrive at a net operating income of \$27,080. Using the band of investment technique of weighted percentages for the mortgage and equity position, the appraisers estimated an overall capitalization rate of 8.25% as rounded. The appraisers then calculated a loaded capitalization rate of 13.35% by multiplying the assessment factor of 10% by the most current state equalization factor of 2.9109 and then multiplying the resultant product by the known local tax rate of 15.788%. Capitalizing the net income resulted in an estimated value under the income approach of \$205,000, rounded.

Under the sales comparison approach five commercial retail sales and five apartment sales were identified. The commercial comparables ranged in size from 1,740 to 3,500 square feet of building area and each has a reported effective age of 35 years old. These properties were located in Chicago or Blue Island and had land to building ratios ranging from 1.29:1 to 4.49:1. The sales occurred from January 2017 to December 2019 for prices ranging from \$117,000 to \$265,000 or from \$57.78 to \$75.71 per square foot of building area, including land. Qualitative adjustments were made to the comparables to account for differences from the subject. The appraisers concluded a market value near the mid-range was indicated by the comparables or \$64.80 per square foot of building area, including land, for a total value of \$76,139 for the 1,043 square foot commercial building under the sales comparison approach.

The apartment building comparables had from two to four apartments that range from one-bedroom to four-bedroom units. These properties were located in Blue Island and had land to building ratios ranging from 0.98:1 to 3.17:1. The sales occurred from January 2017 to January 2020 for prices ranging from \$56,000 to \$110,000 or from \$25,000 to \$30,000 per apartment unit, including land. Qualitative adjustments were made to the comparables to account for differences from the subject. The appraisers concluded a market value near the mid-range was

indicated by the comparables or \$27,867 or \$28,000, rounded per apartment unit, including land, for a total value of \$112,000 for the four apartment units, under the sales comparison approach.

The appraisers concluded that the subject property had an estimated market value of \$190,000 under the sales comparison approach to value.

In reconciling the two approaches to value the appraisers gave primary consideration to the income approach and secondary emphasis on the sales comparison approach to arrive at an estimate of market value for the subject property of \$200,000 as of January 1, 2020.

Based on this evidence the appellant requested the subject's assessment be reduced to 10% of the appraised value or \$200,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$35,395. The subject's assessment reflects a market value of \$353,950 or \$59.55 per square foot of building area, including land, using the combined total building area of 5,944 square feet, when applying the level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10%.

In support of its contention of the correct assessment the board of review submitted information on three comparable sales that are located in Blue Island or Calumet Park. The comparables have sites ranging in size from 3,100 to 3,612 square feet of land area. The comparables are class 2-12 properties that are improved with two-story or three-story buildings of masonry exterior construction that range in size from 2,080 to 6,000 square feet of building area. The buildings are 67 to 135 years old. The comparables have other features with varying degrees of similarity to the subject. The comparables sold from December 2018 to June 2020 for prices ranging from \$24,363 to \$335,250 or from \$8.12 to \$53.21 per square foot of building area, including land. Based on this evidence the board of review requested confirmation of the subject's assessment.

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 three comparable sales to support their respective positions before the Board.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant estimating the subject property had a market value of \$200,000 as of January 1, 2020. The appraisers developed two of the three traditional approaches to value. The analysis of the data and the explanation of the appraisal methodology were well explained in the report, appeared reasonable and appeared to be in accordance with standard appraisal practice. The subject's

assessment reflects a market value of \$353,950 or \$59.55 per square foot of building area, including land, which is above the appraised value. The Board has given less weight to the board of review's evidence which consisted of unadjusted sales data on three comparable properties that differed significantly from the subject in site size, number of buildings, building size, age and/or features. Based on this record, the Board finds the subject property had a market value of \$200,000 as of the assessment date at issue. Since market value has been established the 2020 statutory level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10.00% shall apply. 86 Ill.Admin.Code §1910.50(c)(2).

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: June 18, 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

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