



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

APPELLANT: Joseph C. Wattman
DOCKET NO.: 20-34470.001-R-1
PARCEL NO.: 28-03-413-024-0000

The parties of record before the Property Tax Appeal Board are Joseph C. Wattman, the appellant, by attorney John P. Fitzgerald, of Fitzgerald Law Group, P.C. in Burr Ridge; 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: \$3,515
IMPR.: \$12,485
TOTAL: \$16,000

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 property consists of a 51-year-old, one-and part two-story mixed-use commercial/residential building of masonry construction with 4,010 square feet of building area. The building features a slab foundation, central air conditioning and a two-car garage. The property has a 10,043 square foot site and is located in Crestwood, Bremen Township, Cook County. The subject is classified as a class 2-12 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant asserts overvaluation as the basis of the appeal. In support of this argument, the appellant submitted two appraisals that contain two distinct valuation dates. The first appraisal estimated that the subject property had a market value of \$160,000 as of January 1, 2020; a second appraisal took into account the effects of the COVID-19 pandemic, and determined an estimated a market value of \$140,000 as of September 8, 2020. The first appraisal used the sales

comparison and income approaches. For the sales approach, the appraiser relied on five suggested sales comparables that sold between February 2017 and July 2019, for amounts ranging from \$170,000 to \$275,000, or between \$20.50 and \$40.80 per square foot of living area, land included in the sale prices. The appraiser adjusted the sales prices to account for differences between the comparables and the subject. After applying the adjustments, the appraiser determined that the subject's value was \$40.00 per square foot of building area, for a total of \$160,400, which was rounded to \$160,000¹.

For the income approach, the appraiser relied upon area market rents. The appraiser utilized five comparables consisting of multi-tenant commercial buildings and four apartment comparables, all located in the south and southwest suburbs. The rental income per square foot of the commercial comparables ranged from \$7.06 to \$12.00 per month. The appraiser determined that after the appropriate adjustments were made, the best indicator for the subject's commercial space would be \$10.50 per square foot on a gross lease basis. The appraiser determined the average rental income for the apartment unit by relying on four one-bedroom/one-bathroom apartments in surrounding suburbs. The rental income for the apartment comparables ranged from \$675.00 to \$750.00 per month. The appraiser determined an estimated market rent for the subject of \$700 per month after making the appropriate adjustments.²

The appraiser concluded the total annual potential gross income for the subject was \$41,171. The appraiser subtracted 10% of this amount, or \$4,117, for vacancy and collection loss, leaving an effective gross income of \$37,054. The appraiser then calculated the subject's annual expenses as \$12,969, leaving a potential net operating income of \$20,598.

Using the direct capitalization technique, the appraiser determined an initial capitalization rate of 9.50%. To account for the subject's property taxes, which were not reflected in the net operating income, the appraiser added tax load of 2.96% to come up with a 12.46% loaded capitalization rate. The appraiser then calculated the subject's value under the income approach by dividing the net operating income of \$20,598 by the capitalization rate of 12.46% for a total of \$165,313, rounded to \$165,000. Reconciling the sales comparison and income capitalization approach results, the appraiser determined that the subject's value was \$160,000³.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$30,841. The subject's assessment reflects a market value of \$308,410, or \$76.91 per square foot of living area, land included, when using the Cook County Real Estate Classification Ordinance level of assessment for class 2 property of 10%.

In support of the assessment, the board of review submitted information about sales of three suggested comparable properties. The suggested comparables sold between April 2017 and

¹ The second appraisal as of September 8, 2020, also utilized the sales comparison and income approach to valuation. The sales comparison approach relied on five sales comparables and yielded a value of \$35.00 per square foot of building area; for a total value of the subject property rounded to \$140,000.

² The second appraisal's data as it related to the income approach remained unchanged from the first appraisal with the exception of increasing the vacancy and collection loss rate from 10% to 17.50% which results in an amended net operation income amount of \$18,714.

³ Under the second appraisal, the income approach yields a total market value of \$150,000 rounded, for a total reconciled value of \$140,000.

April 2018 for amounts ranging from \$150,000 to \$250,000, or between \$81.17 and \$185.19 per square foot of building area, land included in the sales prices. None of the comparables were located in the same subarea, neighborhood code or suburb as the subject property.

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 taxpayer must prove the value of the property 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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds that the best evidence of the subject's market value is the appraisal submitted by the appellant. That appraisal employed the sales comparison and income approaches. The sales comparison approach relied upon recent sales of five suggested comparable properties. The appraisal stated that the sale prices of the suggested comparable properties were adjusted to account for differences between them and the subject, taking into account such factors as size, condition and location, and the appraiser determined that the subject's market value under that approach was \$160,000 as of January 1, 2020. The appraisal's income approach relied on market rental data from apartments and commercial properties. The appraiser determined that the subject's value under this approach was \$165,000 as of January 1, 2020. Reconciling the two approaches, the appraiser determined that the subject had a market value of \$160,000 as of January 1, 2020.

In contrast, the board of review's evidence consists of data concerning comparable properties that have significantly less building area square footage, different designs, exterior construction and locations in different areas than the subject property.

This Board finds the valuation date at issue is January 1, 2020. See 35 ILCS 200/9-155. Therefore, this Board only gives weight to the first appraisal that determined the subject property had a market value of \$160,000 as of the assessment date at issue. Based on the evidence, the Board therefore finds a reduction in the subject's assessment is justified. Therefore, the Board finds the appellant has proven, by a preponderance of the evidence, that the subject is overvalued, and that 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: 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

AGENCY

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