



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

APPELLANT: American Management, LLC
DOCKET NO.: 20-42484.001-R-1
PARCEL NO.: 30-30-308-047-0000

The parties of record before the Property Tax Appeal Board are American Management, LLC, the appellant, by attorney William I. Sandrick of Sandrick Law Firm, LLC in Homewood; and the Cook County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **no change** 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: \$3,165
IMPR.: \$29,463
TOTAL: \$32,628

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 three-story multi-family apartment building with 5,974 square feet of gross building area of masonry construction. The building was constructed in 1972 is approximately 48 years old. Features of the building include a concrete slab foundation, individual wall mounted air conditioning units, common laundry area and a 12-space asphalt parking area. The property has an 8,732 square foot site and is located in Lansing, Thornton 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 \$240,000 as of January 1, 2020. The appraisal was prepared by Ibi Cole, MAI, AI-GRS and Certified General Real Estate Appraiser; James Worden, Certified General Real Estate Appraiser and

Donn S. Calloway, Certified Trainee Appraiser. The intended use of the appraisal report was to support the correct assessed valuation for ad valorem tax purposes.

In the cover letter, the appraisers stated they had “appraised the subject property as of effective date January 1, 2018. The date of observation was September 25, 2018 and the previous estimated value was \$240,000. In our current analysis, our estimate of value is the same as our previous analysis.”

The appraisers stated the subject property is in overall average condition, noting the “main issue with the subject is that it is high in age and lacking in upgrades.” The appraisers also noted the subject’s roof needs to be replaced. (Appraisal, p. 41) The report did not include any photographic or any other documentary evidence to support the appraisers’ characterization of the subject’s roof condition.¹

In estimating the market value of the subject property, the appraisers developed the income and sales comparison approaches to value.

Under the income approach to value the appraisers selected rental comparables opening market rents for 1-bedroom, 2-bedroom and 3-bedroom units of \$825, \$1,100 and \$1,200, respectively, estimating the subject property has an effective monthly market rent of \$6,150 for the six apartment units. Based on this information, the potential gross income (PGI) was calculated to be \$73,800. Vacancy and collection losses were estimated to be 10% of PGI or \$7,380, which was deducted from the PGI to arrive at an effective gross income (EGI) of \$66,420. The appraisers estimated fixed and variable operating expenses of \$30,561 which was deducted from the EGI to arrive at a net operating income (NOI) for the subject of \$35,859.

In estimating the capitalization rate the appraisers reconciled the Market Derivation, Mortgage and Equity Method and Investor Survey techniques to arrive at an overall capitalization rate of 9.00%. Next the appraisers determined a tax load factor of 5.69% which, when added to the overall capitalization rate results in a loaded capitalization rate of 14.69%. Dividing the subject’s estimated NOI by the loaded capitalization rate results in an estimated opinion of value for the subject under the income approach of \$240,000, rounded or \$40,675 per rental unit.² (Appraisal, p. 69)

In developing the sales comparison approach the appraisers selected five comparable sales located from 0.72 of a mile to 3.23 miles from the subject property. The comparables have sites that range in size from 4,640 to 9,256 square feet of land area and are improved with 2-story or 3-story buildings ranging in size from 2,507 to 6,082 square feet of gross building area with either a 4-unit or a 6-unit design. The buildings range in age from 44 to 57 years old. Comparable #3 is reported to have been sold in “As Is” condition. Each comparable has from 4 to 12 parking spaces. The comparables sold from December 2017 to June 2020 for prices

¹ The appraisers stated on page 6 of the report that, “We have performed no services, as an appraiser or in any capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.”

² The Board finds the estimated opinion of value of \$240,000 divided by 6 rental units results in a value of \$40,000 per rental unit.

ranging from \$130,000 to \$260,000 or from \$32,500 to \$47,500 per rental unit, and from \$42.06 to \$71.40 per square foot of gross building area, land included.

The appraisers applied qualitative adjustments to comparables #3 and #5 for conditions of sale and marketing conditions, respectively, then adjusted the comparables for differences from the subject in condition, land-to-building ratio, parking spaces, number of rental units, unit sizes and unit mix opining comparable #5 to be inferior, comparable #2 to be superior and the remaining three comparables to be overall “balanced” when compared to the subject. The “balanced” comparable sales have an unadjusted per unit sale price ranging from \$32,500 to \$44,750 per rental unit. Based on these three “balanced” comparables, the appraisers estimated an opinion of market value per rental unit for the subject of \$40,000 and a total market value for the subject under the sales comparison approach of \$240,000.

In reconciling the two approaches to value, the appraisers gave primary weight to the income approach to value since the subject property is an income producing property with secondary consideration given to the sales comparison approach. The reconciled estimate of market value for the subject was determined to be \$240,000 as of January 1, 2020.

Based on this evidence, the appellant requested the subject’s assessment be reduced to reflect the appraised value of the subject when applying the level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$32,628. The subject's assessment reflects a market value of \$326,280 or \$54,380 per rental unit or \$54.62 per square foot of gross building area, including land, 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 four comparables that have the same assessment neighborhood code and property classification code as the subject property. The comparables have sites that range in size from 7,930 to 8,543 square feet of land area and are improved with two-story multi-family buildings of masonry exterior construction ranging in size from 4,239 to 4,597 square feet of gross building area. The buildings are either 54 or 56 years old and are 4-unit in design.³ Two comparables have a concrete slab foundation, one comparable has a crawl space foundation and one comparable has an unfinished basement. Each property has either a 1.5-car or a 2-car garage. The comparables sold from July 2018 to November 2020 for prices ranging from \$185,500 to \$280,000 or from \$46,375 to \$70,000 per rental unit and from \$43.76 to \$61.67 per square foot of gross building area, land included. Based on this evidence, the board of review requested confirmation of the subject’s assessment.

Conclusion of Law

³ The Board finds, based on reported bathroom counts, that the board of review comparables appear to be 4-unit in design.

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant submitted an appraisal and the board of review submitted four comparable sales for the Board's consideration. The appraisers stated in the cover letter, "We appraised the subject property as of the effective date January 1, 2018," which contradicts the claim on page 6 of the appraisal that states no services were performed within a three-year period.

As to the appraisers' opinion of value for the subject, the Board has given less weight to value conclusion as appraisal comparables #1, #2 and #3 are substantially smaller in gross building area and/or sold in "As Is" condition. The Board also gives less weight to the value conclusion as appraisal comparables #4 and #5 sold in 2017 or 2018, less proximate to the lien date at issue than other properties in the record and comparable #5 is located over 3 miles from the subject property. Based on the foregoing, less weight is given to the final opinion of value for the subject as presented in the appraisal. The Board has also given less weight to board of review comparables #3 and #4 which have sale dates that occurred in 2018 less proximate to the January 1, 2020 assessment date at issue.

The Board finds the best evidence of market value to be board of review comparables #1 and #2 which sold more proximate to the lien date at issue and are overall more similar to the subject in location and age. However, the Board finds both buildings are inferior to the subject in gross building area and number of rental units, suggesting upward adjustments would be required to make the comparables more equivalent to the subject. Conversely, both comparables each have a 2-car garage, unlike the subject and comparable #1 has a basement foundation, in contrast to the subject's concrete slab foundation, suggesting downward adjustments would be necessary for these differences. Nevertheless, these comparables sold in October and November 2020 for prices of \$265,000 and \$280,000 or for \$66,250 and \$70,000 per rental unit and for \$57.65 and \$61.67 per square foot of gross building area, including land, respectively. The subject's assessment reflects a market value of \$326,280 or \$54,380 per rental unit or \$54.62 per square foot of gross building area, including land, which falls above the two best comparable sales in the record in terms of overall market value but below these comparables on a per rental unit basis and per square foot basis. The subject's higher overall value appears to be logical given its superior gross building area and superior number of rental units. Therefore, after considering adjustments to the best comparables for differences from the subject, the Board finds a reduction in the subject's assessment is not 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: _____

October 15, 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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