



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

APPELLANT: Paul Bialek & Diane Witulski
DOCKET NO.: 20-43950.001-R-1
PARCEL NO.: 30-08-302-048-0000

The parties of record before the Property Tax Appeal Board are Paul Bialek & Diane Witulski, the appellants, by attorney William I. Sandrick, of Sandrick Law Firm, LLC in South Holland, 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: \$3,484
IMPR.: \$16,516
TOTAL: \$20,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellants 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 two-story multi-family building of masonry exterior construction. The building contains 4,640 square feet of gross building divided into five apartments, three one-bedroom units and two two-bedroom units. The building is approximately 62 years old. Features include a concrete slab foundation. The property has a 9,957 square foot site and is located in Calumet City, 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 prepared by Christopher R. Glenday, a Certified General Real Estate Appraiser with Alpha Appraisal Solutions, LLC, estimating the subject property had a fee simple market value in "as-is" condition, based upon use of the sales and income approaches to

value, of \$200,000 as of January 1, 2020.¹ The purpose of the appraisal was for a real estate assessment appeal. The appraiser inspected three of the five units along with the common area on July 27, 2021, including taking photographs. At the time of inspection, there were no leases encumbering the building and the owner provided rental information. (Appraisal, p. 7). However, as the appraisal was prepared as of the lien date of January 1, 2020, the appraiser noted the subject was 100 percent tenant occupied. (Appraisal, p. 27)

Glenday on page 12 of the appraisal reports that during his walk-through, “the subject property was in ‘shell’ condition, with wall studs, new plumbing and new windows.” He further indicated that remaining renovations have been assumed to be complete for the ‘as repaired’ condition analysis. Balconies were also noted as “in need of repairs” which were to be performed after January 1, 2021. The exterior was characterized as being in average/fair condition due to the condition of balconies and the interior was characterized as being in average/fair condition due to minimal modernization and upgrades. (Appraisal, p. 12-13)

Using the sales comparison approach, the appraiser analyzed four comparable sales detailed in Exhibit B (Appraisal, p. 45-48) and outlined on page 25 of the report. The comparables are each located in Calumet City. The parcels range in size from 5,850 to 7,380 square feet of land area which are each improved with multi-story multi-family buildings. The comparables range in size from 4,260 to 7,500 square feet of gross building area which are divided into six apartment units each and range in age from 43 to 131 years old. The comparables sold from May 2018 to December 2019 for prices ranging from \$105,000 to \$250,000 or for prices ranging from \$17,500 to \$41,667 per apartment unit, including land.

Next, Glenday considered adjustments for various factors which were detailed on pages 25 to 28 of the appraisal. The appraiser determined that sales #1, #3 and #4 are located on a secondary street, a superior site as compared to the subject requiring a downward adjustment, while comparable #2 is on a primary road like the subject and did not necessitate any adjustment. Sales #3 and #4 require upward adjustments for their larger building sizes when compared to the subject. As the appraiser considered sale #1 to be inferior to the subject in both condition and age, necessitating an upward adjustment. Unit mix being analyzed as a bedroom to unit ratio resulted in upward adjustments to sales #1, #3 and #4 and a downward adjustment to sale #2 (Appraisal, p. 27). Only sale #1 required an upward adjustment for onsite parking spaces. These qualitative adjustments were summarized in a chart on page 27 of the appraisal report where Glenday set forth an estimated value for the subject five units at \$40,000 per unit or \$200,000, including land, under the sales comparison approach.

Under the income approach to value, the appraiser estimated the subject had a market value of \$200,000. The first step was to develop the subject's potential gross rental income through examination rental comparables. As of the valuation date, the subject property had two vacancies and rental rates of \$700 per month for two units and \$750 per month for the third occupied unit resulting in total potential gross income annually of \$25,800. Summarized on page 30 of the report, Glenday summarized rental rates for comparable 1-bed/1-bath properties ranging from \$750 to \$825 per month, for an average unit rate of \$793 per month. Next, the appraiser summarized on page 31 rental rates for comparable 2-bed/1-bath properties ranging

¹ Page 4 of the appraisal report consisting of the Executive Summary depicts the final value conclusion as \$520,000.

from \$850 to \$1,150 per month, for an average unit rate of \$1,001 per month. Based on the data in order to estimate the subject's potential gross income, Glenday selected a rental rate of \$775 per month for the one-bed units and \$950 per month for the two-bed units resulting in a potential annual gross income of \$50,700. Next, the appraiser estimated miscellaneous income from laundry as \$420 annually which when added to the rental income resulted in potential income from all sources of \$51,120. The appraiser then analyzed data and determined that vacancy and collection loss for the subject should be 9.0% or \$4,601 which was deducted resulting in effective gross income of \$46,519. Glenday set forth projected operating expenses based on data from the subject and prior experience with similar properties totaling \$13,042 which were deducted resulting in net operating income of \$33,477.

The next task was to develop an overall capitalization rate from the market which range from 9.92 to 14.08% for an average of 11.94%. CoStar data indicated a stable rate of 9.1% and the band of investment technique concluded a rate of 9.6%. Based on the foregoing data, Glenday determined a capitalization rate of 9.5% to be reasonable for the subject. The appraiser then calculated the effective tax rate of 7.27% to be added resulting in a loaded capitalization rate of 16.75%, rounded, to account for the real estate taxes. The appraiser then capitalized the net income of \$33,477 to arrive at an estimated value of \$199,863 which was rounded to \$200,000 under the income approach to value. Based on the appraisal evidence, the appellant requested a total assessment of \$20,000.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$24,364. The subject's assessment reflects a market value of \$243,640 or \$48,728 per apartment unit or \$52.51 per square foot of gross building area, including land, when applying the median level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10%.

In response to the appeal, the board of review indicated that there were "limited usable sold comparables" and the appellant's appraisal includes comparable sale properties which "far exceeds the subject" in building size.

In support of its contention of the correct assessment the board of review submitted information on two comparable sales located in Calumet City which were in the same neighborhood code assigned to the subject and either in the subarea or within ¼ of a mile from the subject. The parcels contain either 4,608 or 8,680 square feet of land area which are each improved with class 2-11 two-story multi-family buildings of either masonry or frame and masonry exterior construction which are either 64 or 94 years old. The buildings contain 3,276 and 5,182 square feet of gross building area, respectively, and each has a basement, one of which is finished as an apartment. Comparable #1 has a two-car garage. The comparables sold in September 2019 and December 2020 for prices of \$24,000 and \$1, including land, respectively. Based on this evidence and argument, 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 with an opinion of value as of the lien date at issue and the board of review submitted data on two suggested comparable sales in support of their respective positions before the Property Tax Appeal Board. The Board has given no weight to board of review sale #1 which depicts a sale price of \$1 as of December 2020 as the Board finds, without further explanation, this sales price is unlikely to be indicative of market value as of the date of sale.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant with an opinion of market value for the subject of \$200,000 which is further supported by board of review comparable sale #2 with a reported sale in September 2019 of \$24,000. The Board further finds there is no evidence in the record which supports the subject property's estimated market value based on its assessment of \$243,640, including land, as this value estimate is above both the appraised value and above the best comparable sale presented by the board of review. Therefore, the Property Tax Appeal 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 level of assessment for class 2 property under the Cook County Real Property Assessment Classification Ordinance of 10% 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

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: _____

July 16, 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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