



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

APPELLANT: Khalid Mahmood
DOCKET NO.: 21-05064.001-C-1
PARCEL NO.: 06-17-204-006

The parties of record before the Property Tax Appeal Board are Khalid Mahmood, the appellant, by attorney Ronald Kingsley, of Lake County Real Estate Tax Appeal, LLC in Lake Forest; and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$67,680
IMPR.: \$48,975
TOTAL: \$116,655

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Lake County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 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 1-story commercial building of masonry exterior construction with 3,182 square feet of gross building area. The building was constructed in 1992 and is approximately 29 years old. Features of the building include a concrete slab foundation, office area, and 5 drive-in repair bays. The property has a 30,566 square foot site with a land to building ratio of 9.61:1, and is located in Round Lake Beach, Avon Township, Lake County.

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 \$320,000 as of January 1, 2021. The appraisal was prepared by Andrew Richter, MAI, a certified general real estate appraiser, for ad valorem tax purposes, who inspected the subject on October 15, 2021.

Under the sales comparison approach, the appraiser selected five comparable sales located in Prairie Grove, Cary, Wadsworth, Round Lake Beach, and Island Lake. The parcels range in size from 12,584 to 61,855 square feet of land area with land to building ratios from 5:45:1 to 9.77:1. The comparables are improved with 1-story commercial buildings of masonry, frame and masonry, or metal panel exterior construction ranging in size from 2,160 to 6,520 square feet of gross building area. The buildings were constructed from 1948 to 1997. Each building has a concrete slab foundation and 2 to 6 drive-in doors. Two comparables each have office area. Comparable #1 is reported to be subject to a cell tower easement. The comparables sold from April 2017 to November 2018 for prices ranging from \$147,000 to \$683,400 or from \$33.33 to \$104.82 per square foot of gross building area, including land.

The appraiser made adjustments to these comparables for differences from the subject, such as location, building size, effective age, quality/condition, land to building ratio, and design, to arrive at \$100.00 per square foot of gross building area, including land, for the subject, or \$320,000 rounded.

Under the income capitalization approach, the appraiser selected six rent comparables located in Grayslake, North Chicago, Round Lake, Wauconda, or Zion. The comparables are improved with 1-story commercial or industrial buildings ranging in size from 1,793 to 5,800 square feet of gross building area. Two comparables are single-tenant buildings and four comparables are multi-tenant buildings. The comparables have net rents ranging from \$3.64 to \$12.72 per square foot of gross building area.¹ Based on the foregoing, the appraiser concluded a gross potential income of \$31,820 or \$10.00 per square foot of gross building area. The appraiser then calculated effective gross income of \$28,956 after deducting vacancy and collection losses of 9% or \$2,864 based on CoStar retail vacancy rates. The appraiser also deducted expenses of 9% or \$2,600 to compute net operating income of \$26,356. The appraiser used a modified band of investments technique to arrive at a capitalization rate of 8.25%. Based on these calculations the appraiser concluded a value for the subject of \$320,000 rounded.

In reconciling these two approaches to value, the appraiser gave the most weight to the sales comparison approach, with secondary weight given to the income capitalization approach, for a value conclusion of \$320,000 as of January 1, 2019.

The appellant also submitted information on four comparable sales located in Round Lake Beach, Ingleside, and Fox Lake. The parcels range in size from 15,000 to 43,560 square feet of land area² and are improved with 1-story or 2-story commercial or mixed-use buildings, two of which are of brick, cedar, and block or steel and wood frame exterior construction, ranging in size from 2,400 to 5,000 square feet of gross building area. The buildings were constructed from 1962 to 1996. Two buildings each have a concrete slab foundation and 1 or 2 drive-in doors. The comparables sold from April 2019 to January 2021 for prices ranging from \$200,000 to \$250,000 or from \$45.00 to \$104.17 per square foot of gross building area, including land.

¹ The appraiser explained that comparable #4 is equivalent to a net rent basis.

² Additional details regarding the comparables are provided in their listing sheets.

Based on this evidence the appellant requested a reduction in the subject's assessment to \$87,157 which would reflect a market value of \$261,497 or \$82.18 per square foot of gross building area, including land, when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$116,655. The subject's assessment reflects a market value of \$350,842 or \$110.26 per square foot of living area, land included, when using the 2021 three year average median level of assessment for Lake County of 33.25% as determined by the Illinois Department of Revenue.

The board of review presented an appraisal review prepared by Edward L. Rottman, IFAS, a certified general real estate appraiser. Rottman questioned the adjustments made to the sales comparables and stated that comparable #3 was not advertised for sale and should not have been selected as a comparable. Rottman also discussed adjustments to the board of review's comparables and compared the means of the two sets of comparables in terms of building size, age, and land to building ratio. In the appraisal review, Rottman stated contradictory information regarding the subject's age and the mean ages of the comparables. Rottman concluded the board of review's comparables were overall more similar to the subject and opined the subject has a market value from \$115.00 to \$125.00 per square foot of gross building area, including land.

With regard to the income approach presented in the appellant's appraisal, Rottman considered two additional lease comparables of \$12.14 and \$13.33 per square foot of gross building area, based on which Rottman concluded fair market rent for the subject of \$12.00 per square foot of gross building area. Rottman agreed with the vacancy rate and the capitalization rate set forth in the appellant's appraisal. Based on market rent of \$12.00 per square foot of gross building area, Rottman concluded value for the subject of \$383,273.

In support of its contention of the correct assessment the board of review submitted information on four comparable sales located in Crystal Lake, Round Lake Beach, Fox Lake, and Cary. Comparables #2 and #4 are the same properties as appraisal sales #2 and #4, respectively. The parcels range in size from 12,378 to 47,916 square feet of land area with land to building ratios from 5.73:1 to 8.87:1. The comparables are improved with 1-story commercial buildings³ of masonry or metal exterior construction ranging in size from 1,984 to 6,520 square feet of gross building area. The buildings range in age from 14 to 34 years old. Each building has 2 to 7 drive-in doors. The comparables sold from April 2016 to October 2018 for prices ranging from \$210,000 to \$870,000 or from \$99.54 to \$137.31 per square foot of gross building area, including land.

The board of review submitted a brief contending that the subject's assessment was reduced at the board of review level based on this same evidence presented by the appellant. Moreover, the board of review asserted the property was the subject of appeals before the Board for prior years filed as Docket Nos. 19-04147.001-C-1 and 20-5549.001-C-1 in which the Board lowered the subject's assessment to \$109,989 and \$113,322, respectively, by agreement of the parties. The board of review argued the subject's assessment for the 2021 tax year is the 2020 tax year assessment plus the applicable equalization factor.

³ Additional details regarding these comparables are found in the board of review's appraisal review report.

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

The record contains a total of eight comparable sales and an appraisal for the Board's consideration. The Board gives less weight to the appellant's appraisal which relied on sales occurring in 2017 and 2018 that are less proximate in time to the assessment date than other comparables in this record. Based on the foregoing, the Board finds the appellant's appraisal states a less credible and/or reliable opinion of value and the Board shall instead consider the other comparables in this record.

The Board finds the best evidence of market value to be the appellant's comparables #1, #2, and #3, which sold more proximate in time to the assessment date and are similar to the subject in building size, location, and some features, but have varying degrees of similarity to the subject in lot size, age, and number of drive-in doors. The Board gave less weight to the appellant's comparable #4, which has a substantially larger building than the subject and has a mixed-use property design unlike the subject. The Board gave less weight to the board of review's comparables which sold from 2016 to 2018, which is less proximate in time to the assessment date than other comparables in this record.

The three most similar comparables sold for prices ranging from \$200,000 to \$250,000 or from \$63.29 to \$104.17 per square foot of living area, including land. The subject's assessment reflects a market value of \$350,842 or \$110.26 per square foot of living area, including land, which is above the range established by the best comparable sales in the record. Based on this evidence and after considering appropriate 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:

November 21, 2023



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

Khalid Mahmood, by attorney:
Ronald Kingsley
Lake County Real Estate Tax Appeal, LLC
13975 W. Polo Trail Drive
#201
Lake Forest, IL 60045

COUNTY

Lake County Board of Review
Lake County Courthouse
18 North County Street, 7th Floor
Waukegan, IL 60085