



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

APPELLANT: Jake Ter Haar
DOCKET NO.: 21-28913.001-R-1
PARCEL NO.: 29-15-307-037-0000

The parties of record before the Property Tax Appeal Board are Jake Ter Haar, the appellant, 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: \$4,873
IMPR.: \$22,127
TOTAL: \$27,000

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 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 part 1-story and part 2-story mixed use building with 7,596 square feet of gross building area of masonry exterior construction. The building is approximately 126 years old. Features of the property include a partial unfinished cellar style basement which houses mechanicals, a sprinkler system and a frame storage shed.¹ The building's first floor contains approximately 4,000 square feet of area used for two open display areas and storage. There is a half bathroom located on the first floor. The second floor contains approximately 3,596 square feet of area and includes a total of five apartments ranging from studio to 2-bedroom in style. The property has an approximately 10,831 square foot site with a

¹ The board of review grid analysis reports the subject to have a 3-car garage, which appears to be the same outbuilding as the storage shed reported by the appraiser.

land-to-building ratio of 2.71:1² and is located in South Holland, Thornton Township, Cook County. The subject is classified as a class 2-12 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 \$270,000 as of January 1, 2020. The appraisal was prepared by David M. Richmond, a Certified General Real Estate Appraiser. The intended use of the appraisal report was to estimate the market value of the subject property in support of an ad valorem tax assessment.

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

Under the income approach to value the appraiser selected six rental comparables to support monthly market rents of \$10.00 per square foot for the first floor commercial space, \$550 for a studio apartment, \$700 for a 1-bedroom unit and \$1,000 for a 3-bedroom unit. Based on this information, the potential gross income (PGI) was calculated to be \$83,800. Vacancy and collection loss was estimated to be 12% of PGI or \$10,056, which was deducted from PGI to arrive at an effective gross income (EGI) of \$73,744. The appraiser estimated total operating expenses of \$32,167 which was deducted from EGI to arrive at a net operating income (NOI) for the subject of \$41,577.

In estimating the capitalization rate the appraiser utilized five sales which reported actual capitalization rates ranging from 8.40% to 10.86% to arrive at an overall capitalization rate of 9.00%. Next the appraiser determined a tax load factor of 5.84% which, when added to the overall capitalization rate results in a loaded capitalization rate of 14.84%. 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 \$280,000, rounded.

In developing the sales comparison approach the appraiser selected five comparable sales located in Lansing, Dolton, Riverdale, Midlothian and Blue Island. The comparables have footprint³ land-to-building ratios ranging from 1.60:1 to 5.85:1 and are improved with 2-story mixed use buildings of masonry or frame and masonry construction that range in size from 5,200 to 11,723 square feet of gross building area. The comparables sold from June 2018 to April 2020 for prices ranging from \$105,000 to \$318,000 or from \$20.19 to \$38.73 per square foot of gross building area, land included.

The appraiser adjusted the comparables for differences with the subject in location, condition, land-to-building ratio and presence of sprinkler system arriving at adjusted sale prices per square foot for the comparables ranging from \$30.29 to \$34.44. The appraiser opined the subject has a per square foot market value of \$35.00 and therefore an opinion of market value for the subject of \$265,000, rounded.

² The Board finds the best description of the subject's site size was found in the board of review's grid analysis and on page 52 of the appraisal report. Based on a site size of 10,831 square feet, and ground floor of 4,000 square feet, the subject has a land-to-building ratio is 2.71:1.

³ Footprint land-to-building ratio utilizes the ground floor or "footprint" of each building in relation to the site size since the comparable properties are 2-story in design.

In reconciling the two approaches to value, the appraiser gave primary weight to the sales comparison approach and secondary consideration to the income approach. The reconciled final opinion of market value for the subject was determined to be \$270,000 as of January 1, 2020. Based on this evidence, the appellant requested the subject's assessment be reduced to reflect the appraised value 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 \$33,582. The subject's assessment reflects a market value of \$335,820 or \$44.21 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 located in Homewood and Lansing. The comparables have sites that range in size from 2,500 to 10,980 square feet of land area and are improved with 2-story class 2-12 buildings of frame, masonry or frame and masonry exterior construction ranging in size from 1,699 to 5,601 square feet of gross building area. The improvements range in age from 66 to 113 years old. Each comparable has an unfinished basement and central air conditioning. Two comparables each have a 1-car garage. The comparables sold from April to December 2021 for prices ranging from \$80,000 to \$280,000 or from \$39.10 to \$120.66 per square foot of gross building area, land included. Based on this evidence, the board of review requested the subject's assessment be confirmed.

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 while the board of review presented four unadjusted comparable sales for the Board's consideration. The Board has given little weight to the board of review comparables differ from the subject in gross building area and age. The Board finds the best evidence of market value to be the appraisal submitted by the appellant. The board of review did not offer any critique of the appellant's appraisal. The subject's assessment reflects a market value of \$335,820 or \$44.21 per square foot of gross building area, including land, which falls above the appraised value.

Having fully analyzed the record evidence, the Board finds the subject property had a market value of \$270,000 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



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:

August 20, 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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