



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

APPELLANT: MRR (IV) 1406 W. Superior, LLC
DOCKET NO.: 21-32692.001-R-1
PARCEL NO.: 17-08-102-027-0000

The parties of record before the Property Tax Appeal Board are MRR (IV) 1406 W. Superior, LLC, the appellant, by David R. Bass, attorney-at-law of Field and Goldberg, LLC in Chicago, 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: \$18,450
IMPR.: \$44,550
TOTAL: \$63,000

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 is improved with a three-story multi-family building of masonry exterior construction containing 5,520 square feet of building area. The building was constructed in 1895 and is approximately 126 years old. Features of the property include six apartments, a full basement, central air conditioning and eight bathrooms. The property has two surface parking spaces accessible through the rear alleyway. The property has a 3,075 square foot site located in Chicago, West Chicago Township, Cook County. The subject is classified as a class 2-11 apartment building 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 \$630,000 as of January 1, 2021. The appraisal was prepared by John O'Dwyer, an Illinois Certified General Real Estate Appraiser, and Nicholas Hilla, an Illinois Certified General Real Estate

Appraiser, of JSO Valuation Group, Ltd. The property rights appraised are the fee simple interest rights in the property. The intended use of the appraisal is as an aid in establishing the correct assessed valuation for ad valorem taxation purposes. The appraisers indicated that each appraiser had viewed the property and that JSO Valuation Group had completed a personal site visit, which included a walk-through of the interior of the subject property. The report included photographs of the exterior and interior of the subject property. The appraisers determined the highest and best use of the property as vacant would be to develop the site with a two-flat improvement.¹ The appraisers determined the highest and best use of the property as improved would be the current improved use.

The appraisers stated the subject property has one 4-bedroom unit, two 3-bedroom units, and three 2-bedroom units. The appraisers asserted the improvements are in fair condition, however there is a significant amount of functional obsolescence and deferred maintenance in the building due to various factors as outlined on page 34 of the report and summarized as follows. The brick along the east elevation needs tuckpointing as one can visibly see deterioration in the mortar in between the bricks, however, this is difficult to repair as the neighboring property to the east is mere inches away. There is no elevator in the subject, only a narrow internal stairwell which makes moving in/out difficult for tenants. The subject contains only two on-site parking spaces, which is inadequate for an apartment building with six units causing tenants to rely mainly on street parking, which may have a discernible effect on value and is an inadequacy for tenants as street parking within the area is in high demand especially at peak hours. The metal exterior stairwell along the rear elevation is experiencing significant rusting and the landings are completely orange with significant rusting. The subject is 126-years old as of the valuation date and the structure has shifted over time causing trim around door frames to have disconnected, stairwell pitches downwards, and cracks form throughout. The caulking along the window frames have worn away causing drafts. The subject building has virtually no amenities in comparison with other apartment buildings and overall rental income is lower due to this. The subject building does not offer many other amenities that are common such as free Wi-Fi, additional on-site storage or an exercise facility.

In estimating the market value for the subject property, the appraisers developed the income approach to value and the sales comparison approach to value. The appraisers used four rental comparables to estimate the market rent for the subject property using the income approach to value. The rental comparables are improved with one or two three-story buildings and three two-story buildings that were constructed from 1878 to 1906. The comparables have from 4,800 to 13,500 square feet of building area and from 6 to 11 units. The comparables have rental rates for two-bedroom units ranging from \$1,193 to \$1,870 per month; for three-bedroom units ranging from \$1,636 to \$2,433 per month; and for four-bedroom units ranging from \$1,791 to \$3,328 per month. The appraisers also indicated the subject property has a contract rent for two-bedroom units of \$1,525 to \$1,820 per month; for three-bedroom units of \$1,940 and \$2,050 per month; and for the four-bedroom unit of \$2,563 per month. The appraisers decided to use the subject's contract rent for their stabilized analysis as all the units are in line with the market rent and

¹ The appraisers reported the subject is zoned B3-2; Community Shopping District, which allows for detached single family homes and two-flats. The appraisers determined the subject is a legally non-conforming use as the subject contains six-units while zoning allows for a maximum of two units.

reflect what a landlord in this marketplace can expect. The appraisers estimated the subject had a market rent of \$11,678 per month or \$140,136 annually.

The appraisers attributed \$4,500 per year in other income for the subject property, which was based on the property's historical range, resulting in potential gross income (PGI) of \$144,636. The appraisers were of the opinion that a reasonable vacancy and collection loss factor for the subject would be 5% to 20%. The appraisers stabilized the subject's vacancy loss at 7.5% of PGI or \$10,848 and arrived at an effective gross income (EGI) of \$133,788. The appraisers stabilized the collection loss at 2.5% of EGI or \$3,345 and arrived at an effective gross income of \$130,444.

In estimating expenses, the appraisers explained they were provided with the historical income and expenses for the subject, but the expense information was somewhat lacking proper deductions. As a result, the appraisers took into consideration more industry standard expenses to stabilize the subject and included such items as repairs and maintenance, operating expenses, tenant improvements, commissions, management, and reserves. The appraisers stabilized insurance at \$2,300 per annum or 1.76% of effective gross income, which is within the historical range of the subject. Legal and professional services were stabilized at \$2,000 per year, which is within typical industry standards. The appraisers estimated that management expenses for the subject would cost approximately 5.00% of effective gross income. General and administrative expenses were stabilized at 2.00% of the effective gross income, which is in line with industry standards and below the historical range. Commissions were stabilized at \$1,304 or 1.00% of the effective gross income. Landscaping and snow removal expenses were stabilized at \$1,000 per year. Fire/life safety expenses were stabilized at \$750 per year. Common area utility expenses were stabilized slightly within the historical range at \$4,750 per year. Move-in/Move-out expenses were stabilized at \$3,913 or 2.00% of the effective gross income. Janitor expenses were stabilized slightly above the historical range at \$10,000 per year. Repairs were stabilized at \$21,000 per year, or 16.10% of effective gross income, which is within the historical range. Reserves for major building components that may need to be replaced five to ten years into the future were stabilized at 2.00% of effective gross income. The appraisers indicated that total stabilized expenses were \$59,758 or 45.81% of effective gross income. Deducting the total stabilized expenses from the EGI resulted in a net operating income of \$70,686.

The appraisers next estimated the capitalization rate to be used to capitalize the net operating income into an estimate of value. The appraisal indicated that Realty Rates Investor Survey for the fourth quarter of 2020 outlines current quarter capitalization rates for National Apartments - All Types and reported the overall cap rates ranged between 3.92% and 12.65% during Q4 with an overall average rate of 7.33%. The appraisers also reported that the fourth quarter PwC Real Estate Investor Survey provides information for Apartment - Mid-Atlantic Regional (non-institutional grade) with overall cap rates ranging between 4.00% and 6.75% during Q4 with an overall rate of 5.13%. The appraisers stated that using the band-of-investment method provided a capitalization rate range of 5.87% to 8.51%. The appraisers also used four-capitalization rate comparables that had rates ranging from 7.0% to 9.0%. Based on this analysis the appraisers chose to use a rate of 8.5% for the subject property. Since real estate taxes were excluded from the stabilized expenses the appraisers developed a tax load factor of 2.23%, which was added to the capitalization rate to arrive at an overall capitalization rate of 10.73%. Dividing the net

operating income of \$70,686 by the overall capitalization rate of 10.73% resulted in an estimated value under the income approach of \$660,000, rounded.

The appraisers next developed the sales comparison approach to value using four comparable sales located within a 1.70-mile radius of the subject property. The comparables are improved with 2-story or 3-story multi-family buildings that range in size from 2,489 to 5,625 square feet of building area. The buildings were built from 1888 to 1996. These properties have from 3 to 6 units, and each has two surface parking spaces. These properties have sites ranging in size from 1,635 to 3,842 square feet of land area. The sales occurred from July 2019 to May 2020 for prices ranging from \$364,000 to \$850,000 or from \$80.14 to \$184.46 per square foot of gross building area or from \$91,000 to \$141,667 per unit, including land. The appraisers made no transactional adjustments to the comparables for such items as property rights conveyed, financing terms, conditions of sale, expenditures after the sale, and market conditions. The appraisers considered qualitative property adjustments for differences between the comparables and the subject property. The appraisers determined comparable #1 was superior to the subject, comparables #2 and #3 were similar to the subject, and comparable #4 was slightly inferior to the subject. Based on these sales the appraisers estimated the subject had an indicated value under the sales comparison approach of \$100,000 per unit or \$600,000.

In reconciling the two approaches to value, the appraisers gave primary consideration to the income approach to value and secondary consideration to the sales comparison approach to value and arrived at an estimated market value of \$630,000. Based on this evidence the appellant requested the subject's total assessment be reduced to \$63,000 to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$123,330. The subject's assessment reflects a market value of \$1,233,300 which equates to \$223.42 per square foot of gross building area or \$205,550 per unit, including land, when applying the level of assessment for class 2-11 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 comparable sales composed of class 2-11 properties improved with two-story or three-story multi-family buildings of masonry or frame and masonry exterior construction that range in size from 4,410 to 5,388 square feet of building area. The buildings range in age from 120 to 133 years old. Two comparables have full basements with apartments, and two comparables have crawl space foundations. The comparables have five or six full bathrooms and two comparables each have a two-car garage. These properties have sites ranging in size from 3,072 to 3,125 square feet of land area. The comparables have the same assessment neighborhood code as the subject property and are located ¼ of a mile from the subject. These properties sold from May 2018 to January 2020 for prices ranging from \$850,000 to \$1,529,817 or from \$157.76 to \$326.47 per square foot of building area, including land.

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 Board finds the best evidence of market value to be the appraisal submitted by the appellant. The appraisers developed both the income approach to value and the sales comparison approach to value to arrive at an estimated market value for the subject property of \$630,000 as of January 1, 2021. The estimated market value equates to \$114.13 per square foot of gross building area or \$105,000 per unit, including land. The appraisers provided a detailed description of the subject property and an analysis of the physical attributes of the property, which were not refuted. With respect to the income approach to value, the appraisers provided a detailed analysis to determine such factors as the market rent to be attributed to the subject property to be used to calculate the subject's PGI; the vacancy and collection loss to be used to adjust the PGI to arrive at an EGI; and the expenses to be deducted from the EGI to arrive at a net operating income for the subject property. The appraisers also provided an in-depth analysis to arrive at the overall capitalization rate to be used to convert the net operating income into an estimate of value of \$660,000. The board of review presented no evidence to refute or rebut any of the data used in the income approach to value developed by the appellant's appraisers.

With respect to the sales comparison approach to value, the appraisers used four comparables sales that had varying degrees of similarity to the subject property. These properties sold from July 2019 to May 2020 for prices ranging from \$364,000 to \$850,000 or from \$80.14 to \$184.46 per square foot of gross building area or from \$91,000 to \$141,667 per unit, including land. The appraisers made a qualitative analysis of the comparables for differences from the subject and concluded the subject had an indicated value under the sales comparison approach of \$100,000 per unit, land included, or \$600,000. In reconciling the two approaches to value the appraisers placed more emphasis on the income approach and estimated the subject had a market value of \$630,000 as of January 1, 2021. The subject's assessment reflects a market value of \$1,233,300 or \$223.42 per square foot of gross building area or \$205,550 per unit, including land, which is significantly above the appraised value presented by the appellant.

The board of review provided information on four comparable sales with no discussion about the sales or any appropriate adjustments to the comparables for differences from the subject property. The Board finds board of review comparable sales #3 and #4 are outliers with prices that are significantly above the remaining comparable sales in this record with no explanation provided that would account for their relatively higher prices in relation to the other sales in this record. Board of review comparables sales #1 and #2 sold for prices of \$850,000 and \$862,000 or \$157.76 and \$186.26 per square foot of building area, including land, respectively. As noted, the subject's assessment reflects a market value of \$1,233,300 or \$223.42 per square foot of gross building area, land included, which is above these two sales presented by the board of review, supporting the conclusion the subject property is overvalue for assessment purposes.

Based on this record, the Board finds the subject property had a market value of \$630,000 as of the assessment date at issue and a reduction in the subject's assessment commensurate with the appellant's request 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:

March 17, 2026



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

MRR (IV) 1406 W. Superior, LLC, by attorney:
David R. Bass
Field and Goldberg, LLC
10 South LaSalle Street
Suite 2910
Chicago, IL 60603

COUNTY

Cook County Board of Review
County Building, Room 601
118 North Clark Street
Chicago, IL 60602