



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

APPELLANT: John Materna  
DOCKET NO.: 21-37888.001-R-1  
PARCEL NO.: 17-17-420-010-0000

The parties of record before the Property Tax Appeal Board are John Materna, the appellant, by attorney Adam E. Bossov, of the Law Offices of Adam E. Bossov, P.C. 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 **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:** \$11,250  
**IMPR.:** \$138,750  
**TOTAL:** \$150,000

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 3-story 6-unit multi-family building of masonry exterior construction with 8,975 square feet of gross building area and 6,975 square feet of rentable building area. The building was constructed in 1883 and is approximately 138 years old. Features of the building include two 3-bedroom/1-bathroom units and four 2-bedroom/1-bathroom units, an unfinished basement, central air conditioning and window units. The property has a 2,500 square foot site and is located in Chicago, West Chicago 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 "Fee Simple/Leased Fee" value of the subject property of \$950,000 as of January 1, 2021. The appraisal was prepared by Michael Gilligan,

MAI and Certified General Real Estate Appraiser and Sarah J. Gilligan, Associate Real Estate Appraiser Trainee. The intended use of the appraisal report was to arrive at a market value for the subject property in support of a uniform assessment for ad valorem tax purposes.

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

In developing the comparable sales approach, the appraisers selected four comparable sales located in close proximity to the subject property. The comparables have sites that range in size from 2,524 to 3,125 square feet of land area with land-to-building ratios ranging from 0.32:1 to 0.68:1. The parcels are improved with 2-story or 3-story multi-family buildings that range in size from 3,420 to 5,940 square feet of rentable building area and were built from 1889 to 1925. The comparables have 1, 2 or 3-bedrooms and 1-bathroom and an unfinished basement. The comparables sold from March 2020 to January 2021 for prices ranging from \$875,000 to \$1,275,000 or from \$150,833 to \$212,500 per unit and from \$174.39 to \$255.85 per square foot of rentable building area, land included.<sup>1</sup>

After adjusting comparable #2 for seller paid concessions, the appraisers adjusted the comparables for differences with the subject in condition, rentable building area and land-to-building ratio arriving at adjusted unit sale prices of the comparables ranging from \$157,229 to \$169,750 and a per unit opinion of market value for the subject of \$157,742 or \$950,000 for the subject's six units, rounded.<sup>2</sup>

In developing the income approach to value the appraisers first determined market rent for the subject. Based on six rental comparables, the appraiser opined a monthly market rent of \$1,288 for each of the subject's four 2-bedroom units and a monthly rent of \$1,550 for the subject's two 3-bedroom units. Given these rental rates, the appraisers calculated the subject's Potential Gross Income (PGI) of \$99,000. After deducting \$2,970 for 3.0% vacancy and collection loss from PGI, an Effective Gross Income (EGI) of \$96,030 was obtained. The appraiser next subtracted total expenses, including taxes, of \$39,196 from EGI, arriving at a Net Operating Income (NOI) for the subject of \$56,834. Applying a 6.00% capitalization rate to the NOI resulted in a value of \$950,000, rounded. The appraiser then opined a loaded capitalization rate of 8.24%, reported a Pre Tax NOI of \$78,068 and divided the subject's Pre Tax NOI by the loaded capitalization rate to arrive at a value of \$947,987. The appraisers also presented multiple income reconciled values for the subject property ultimately arriving at a final opinion of value for the subject, under the income approach to value, of \$950,000.

In reconciling the two approaches to value, the appraisers "weighed each approach for its importance in the reconciliation process" arriving at a final opinion of value for the subject of \$950,000. Based on this evidence, the appellant requested the subject's assessment be reduced

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<sup>1</sup> The appraisers disclosed that each of the comparable sales selected represented a leased fee interest sale. (appraisal pgs. 44-47)

<sup>2</sup> The Board finds the appraisers developed a market value for the subject property, under the comparable sales approach, which reflects the leased fee property rights and not the fee simple ownership rights. The appraisers asserted "[t]here was not enough market information to make any adjustment for these conditions of sale and as such none was made." (appraisal pg. 49, 51)

to reflect the subject's 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 \$150,000. The subject's assessment reflects a market value of \$1,500,000, \$250,000 per rental unit or \$215.05 per square foot of rentable 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 three comparables located in the same assessment neighborhood code, within approximately ¼ of a mile or the subarea of the subject property. Board of review comparables #1 and #3 are the same properties as the appraisal comparables #2 and #4, respectively. The comparables have sites that range in size from 2,524 to 3,840 square feet of land area and are improved with 3-story buildings of masonry exterior construction ranging in size from 5,591 to 6,483 square feet of building area that are from 107 to 133 years old. Each comparable has a basement and one comparable has central air conditioning. The comparables sold from November 2019 to January 2021 for prices ranging from \$975,000 to \$1,430,000 or from \$174.39 to \$220.58 per square foot of building area, land included. Based on this evidence, the board of review requests 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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The appellant submitted an appraisal and board of review submitted three comparable sales, two of which were also presented in the appraisal, for the Board's consideration.

The Board gives little weight to the appraisers' final value conclusion which weighed the approaches to value. Regarding the comparable sales approach, each of the four comparable sales purportedly represents the acquisition of a leased fee interest in the property without any adjustment. The Board finds that if the sale of a leased property is to be used as a comparable sale in the valuation of the fee simple interest in another property, the comparable sale is most reliable if a reasonable and supportable market adjustment for the difference in rights can be made. In order to compare the lease fee interest to the fee simple interest in the subject property the appraisers should determine if the contract rents of the comparable properties are above, below or equal to market rent and make appropriate adjustments. Based on the appraisers' use of the purported leased fee sales without a full examination of the leases calls into question whether the sales used represent fee simple values as leases can have a direct impact on the purchase price of a property. (*Appraisal of Real Estate, 13th edition, 2008, page 323*)

As to the relevance of the income approach to value developed by the appraisers, the courts have stated that when there is credible evidence of comparable sales, these sale are to be given significant weight as evidence of market value. Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App.3d 207 (2d Dist. 1979). Moreover, in Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989), the Court held that of the three primary methods of evaluating property for purposes of real estate taxes, the preferred method is the sales comparison approach.

As a result, the Board finds the final opinion of value for the subject, as presented in the appraisal, to be less credible or reliable and therefore little weight is given to the appraised value. The Board shall, instead, consider the raw sales submitted in the appraisal.

The record contains five comparable properties for the Board's consideration, as two properties were common to the parties. The Board gives less weight to appraisal comparables #1 and #3 which are less similar to the subject in rentable building area. The Board finds the best evidence of market value to be appraisal comparables #2 and #4 along with the board of review comparable sales, including the two common properties, which are more similar to the subject in location, design and some features. Although, two of these best comparables have a smaller rentable building area when compared to the subject. These best unadjusted comparables sold from November 2019 to January 2021 for prices ranging from \$975,000 to \$1,430,000 or from \$174.39 to \$220.58 per square foot of rentable building area, including land. The subject's assessment reflects a market value of \$1,500,000 or \$215.05 per square foot of building area, including land, which falls above the range established by the best comparable sales in the record on an overall market value basis and within the range on a per square foot basis. Given the subject's somewhat larger building size relative to the best comparables in this record, a higher market value appears supported. Therefore, after considering logical adjustments to the comparables for differences with 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: \_\_\_\_\_

May 20, 2025



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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