



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

APPELLANT: Dine Brands Global--IHOP  
DOCKET NO.: 22-04692.001-C-1  
PARCEL NO.: 03-19-100-016

The parties of record before the Property Tax Appeal Board are Dine Brands Global--IHOP, the appellant, by attorney Max E. Callahan, of Siegel & Callahan, P.C. in Chicago; and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$208,780  
**IMPR.:** \$207,440  
**TOTAL:** \$416,220

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a final administrative decision of the Property Tax Board pursuant to section 16-185 of the Property Tax Code (35 ILCS 200/16-185) challenging the assessment for the 2022 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/restaurant building of masonry exterior construction with 4,272 square feet of gross building area. The building was constructed in 2002. Features include a concrete slab foundation, central air conditioning, and asphalt parking for 47 vehicles. The property has a 39,919 square foot site, a land-to-building ratio of 9.34:1, and is located in Addison, Addison Township, DuPage 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 \$770,000 as of January 1, 2021. The appraisal was prepared by Gregory B. Nold, a certified general real estate appraiser with an MAI designation.

The purpose of the appraisal was to estimate the market value of the fee simple estate as of January 1, 2021, with the intended use to provide an estimate of market value to assist the client in an ad valorem tax appeal. The appraiser determined the highest and best use of the property to be its present use as an improved commercial restaurant property. In estimating the market value of the subject property, the appraiser developed the income and sales comparison approaches to value.

For the sales comparison approach, the appraiser selected five comparable sales located in Addison or Glendale Heights. The buildings were constructed from 1958 to 1999 and range in size from 1,720 to 5,746 square feet of gross building area. The properties have sites ranging in size from 16,458 to 50,094 and land-to-building ratios ranging from 5.36:1 to 9.57:1. The comparables are each one-story commercial buildings with a restaurant use. These properties sold from January 2018 to March 2020 for prices ranging from \$375,000 to \$1,200,000 or from \$121.65 to \$218.02 per square foot of gross building area, land included. The appraiser made quantitative adjustments to the comparables for differences from the subject and arrived at adjusted sale prices of the comparables ranging from \$145.98 to \$196.22 per square foot of gross building area, land included and an opinion of market value for the subject, under the comparable sales approach, of \$182.50 per square foot of gross building area, including land, or \$780,000, rounded. The appraiser noted that appraisal sale #5 was a sale to a tenant after having been listed for sale with a realtor, but the appraiser stated this sale was an arm's length transaction.

Under the income approach to value the appraiser estimated the subject property had an effective market rent of \$23.50 per square foot of gross building area, including a \$3.50 Common Area Maintenance reimbursement rate, which was based on eight rental comparables. The potential gross income (PGI) was calculated to be \$100,392. Vacancy and collection losses was estimated to be 5% of PGI or \$5,020, which was deducted from PGI to arrive at an effective gross income (EGI) of \$95,372. The appraiser estimated operating expenses to the owner to be 22.9% of EGI or \$21,861, which was deducted from EGI to arrive at a net operating income (NOI) of \$73,511.

In estimating the capitalization rate the appraiser utilized the mortgage-equity technique to arrive at an overall capitalization rate of 7.50%. Next the appraiser multiplied the subject's 2020 property tax rate of 7.5210 by the assessment level of 33.33% to determine a tax load factor of 2.51%. Adding the mortgage-equity rate of 7.50% and the tax factor of 2.51% resulted in a loaded capitalization rate of 10.01%. Dividing the subject's estimated NOI by the loaded capitalization rate resulted in an estimated opinion of value for the subject under the income approach of \$735,000, rounded.

In reconciling the two approaches to value, the appraiser gave primary weight to the sales comparison approach, stating the income approach was afforded significant but secondary emphasis. The reconciled estimate of market value for the subject was determined to be \$770,000 as of January 1, 2021.

Based on this evidence, the appellant requested the subject's assessment be reduced to \$316,221 which reflects a market value of \$948,758 or \$222.09 per square foot of gross building area, land included, when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" on May 13, 2024 disclosing the total assessment for the subject of \$416,220. The subject's assessment reflects a market value of \$1,249,160 or \$292.41 per square foot of gross building area, land included, when using the 2022 three year average median level of assessment for DuPage County of 33.32% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on six comparable sales presented in grid analysis. The board of review also submitted a spreadsheet with an additional eight comparables that were not presented on the Board's prescribed forms as required by Section 1910.80 of the Board's procedural rules (86 Ill. Admin. Code § 1910.80). The Board issued Standing Order No. 2 that applies to all matters filed after February 28, 2023, whereas all parties, including appellants, intervenors and boards of review are ordered to use the Board's prescribed forms in accordance with Section 1910.80 of the Board's procedural rules whether a party is filing by paper or through the e-filing portal. Any party not complying with the Board's rules will be subject to sanctions. The sanction is to give any evidence not submitted on the proper form zero weight. Therefore, pursuant to the Board's strict application of Section 1910.80, as articulated in Standing Order No. 2, the spreadsheet containing information on the additional eight comparables submitted by the board of review is given no weight.

The six comparables presented in the grid analysis are located from 1.33 to 4.87 miles from the subject. Comparables #1 and #6 are the same sales as appraisal sales #2 and #3, respectively. The parcels range in size from 16,458 to 61,358 square feet of land area and have a land-to-building ratio ranging from 5.82:1 to 12.60:1. The comparables are improved with 1-story commercial buildings of masonry exterior construction, five of which have restaurant use and one of which has a retail use. The buildings range in size from 1,720 to 7,380 square feet of gross building area and were constructed from 1958 to 1989. The comparables sold from November 2019 to December 2021 for prices ranging from \$345,000 to \$1,620,000 or from \$115.00 to \$289.97 per square foot of living area, including land. The Real Estate transfer Declaration presented for the board of review's comparable #4 indicates the property was not advertised for sale.

The board of review submitted a brief noting deficiencies in the appellant's appraisal. The board of review asserted appraisal sale #1 was a transfer of a 12% interest as tenant in common and was not advertised for sale as shown in the Real Estate Transfer Declaration for this sale that was presented by the board of review. The board of review contended appraisal sales #2 and #3, differ from the subject in age or accessibility, and appraisal sale #4 was converted to a dental office after the sale. The board of review asserted appraisal sale #5 was not advertised for sale, as shown in the Real Estate Transfer Declaration for this sale that was presented by the board of review. The board of review argued the appraiser's adjustments were inconsistent for building size, and the appraiser did not adjust for age despite significant differences in age compared to the subject. For the income approach, the board of review argued the appraiser selected 5 of 8 rent comparables that were general retail buildings rather than restaurant buildings like the subject and the appraiser's adjustments were unsupported. Moreover, the board of review asserted five leases are older leases from 2018 and 2019 without adjustments.

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 appellant submitted an appraisal and the board of review submitted six comparable sales, including two sales presented in the appraisal, in support of their respective positions before the Board. The Board gives less weight to the value conclusion presented in the appellant's appraisal which relies on two sales that were not advertised as shown by their Real Estate Transfer Declarations, indicating they were not arm's length sales. Although the appraiser concluded appraisal sale #5 was an arm's length sale, the Board finds its purchase by a tenant after unsuccessfully being marketed for sale by a realtor calls into question whether this sale price was reflective of its market value. Moreover, the appraisal states a value conclusion as of January 1, 2021 whereas the assessment date at issue in this appeal is January 1, 2022. With regard to the income approach, the appraiser relied on older leases compared to the assessment date to determine the subject's market rent. For these reasons, the Board finds the appraisal states a less credible and/or reliable opinion of value as of the assessment date and the Board shall instead consider the raw sales data presented in the appraisal and by the board of review.

The record contains a total of nine comparable sales, with two common sales, for the Board's consideration. The Board gives less weight to appraisal sales #1 and #5 and the board of review's comparable #4, which were not advertised for sale, indicating they may not be arm's length sales reflective of market value.

The Board finds the best evidence of market value to be appraisal sale #2/board of review's comparable #1, appraisal sale #3/board of review's comparable #6, appraisal sale #4, and the board of review's comparables #2, #3 and #5, which sold proximate in time to the assessment date, but have varying degrees of similarity to the subject in building size, age, location, site size, and features, suggesting adjustments to these comparables would be needed to make them more equivalent to the subject. These most similar comparables sold for prices ranging from \$345,000 to \$1,200,000 or from \$115.00 to \$289.97 per square foot of gross building area, including land. The subject's assessment reflects a market value of \$1,249,160 or \$292.41 per square foot of living area, including land, which is above the range established by the best comparable sales in the record, but appears to be supported after considering appropriate adjustments to the best comparables for differences from the subject, including the subject's significantly newer age than the best comparables. Based on this evidence, 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 19, 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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