



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

APPELLANT: Vinan Apartments, LLC  
DOCKET NO.: 07-24684.001-C-1 through 07-24684.015-C-1  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Vinan Apartments, LLC, the appellant, by attorney Terrence Kennedy Jr., of Law Offices of Terrence Kennedy Jr. in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
07-24684.001-C-1	12-29-108-051-0000	10,549	37,482	\$48,031
07-24684.002-C-1	12-29-108-052-0000	6,886	34,818	\$41,704
07-24684.003-C-1	12-29-108-053-0000	7,472	29,600	\$37,072
07-24684.004-C-1	12-29-108-066-0000	6,886	29,228	\$36,114
07-24684.005-C-1	12-29-108-067-0000	6,886	29,894	\$36,780
07-24684.006-C-1	12-29-108-068-0000	8,215	28,233	\$36,448
07-24684.007-C-1	12-29-108-069-0000	12,720	29,730	\$42,450
07-24684.008-C-1	12-29-108-070-0000	12,720	30,478	\$43,198
07-24684.009-C-1	12-29-108-071-0000	14,717	28,810	\$43,527
07-24684.010-C-1	12-29-108-072-0000	10,999	23,548	\$34,547
07-24684.011-C-1	12-29-108-073-0000	10,999	21,874	\$32,873
07-24684.012-C-1	12-29-108-074-0000	12,334	18,595	\$30,929
07-24684.013-C-1	12-29-108-075-0000	2,637	14,748	\$17,385
07-24684.014-C-1	12-29-108-076-0000	1,721	13,699	\$15,420
07-24684.015-C-1	12-29-108-077-0000	1,896	11,646	\$13,542

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of 15 land parcels containing 63,024 square feet of land. These parcels are improved with a total of six, one-story, masonry, multi-family dwellings built in 1966. Each building is part below-grade and part one-story,

multi-tenant, walkup apartment buildings with 8 units in each resulting in a total of 48 apartments at issue. The six buildings consist of 40,320 square feet of above grade living area as well as 20,160 square feet of below-grade living area totaling 60,480 square feet of living area.

The appellant, via counsel, argued that the subject's market value was not accurately reflected in its assessment.

In support of the market value argument, the appellant submitted an appraisal summary report undertaken by Matthew King, associate real estate appraiser, and Gary Peterson, who holds the designations of certified general real estate appraiser and Member of the Appraisal Institute. The appraisal indicated that the subject had an estimated market value of \$1,850,000 as of January 1, 2007. The appraisal report indicated that "the sale comparison and cost approaches, which are customary valuation methods, were considered but omitted recognizing that the income capitalization approach is usually the most relevant approach for this type of property and the sale comparison and cost approaches are not necessary to produce a result that is credible". In addition, the appraisal stated that "given the intended use of the appraisal and recognizing the need for a credible, cost-effective and timely service, at the client's request, the scope of the work is less than could otherwise be performed in the context of the assignment".

The appraisal states that an inspection of the subject was conducted on June 27, 2008, while the date of this report was June 30, 2008. The appraisal indicated that all observations are based on cursory walk-throughs.

As to the subject's history, the appraisal indicated that the current owner of the subject property, Vivan Apartments, was accorded a transfer of ownership via a trustee's deed on April 7, 2008 for a value of \$2,930,000. They also noted that one of the owners reported that this recorded value does not reflect a tax credit of \$400,000 or a repair credit of \$45,000 from the seller. Prior to this transfer, the appraisers indicated that the last transfer of ownership before the effective date of the appraisal was a transfer on August 18, 2004 for an unrecorded amount and previous to this a transfer also occurred on February 13, 2003 for \$4,200,000 with another undisclosed property.

The subject's highest and best use as improved is its current use, while its highest and best use as vacant was for a multi-family development. Moreover, the appraisal stated that "the subject property is located in a market area that remains in the stability phase".

Under the income approach to value, the appraisers analyzed the rents of six suggested comparable apartment buildings. Based on the limited data, apartment units were only identified on four of the six properties. Three of these four properties contained three apartments, while the remaining property contained 16

units. In addition, each property ranged in type of apartments. Four properties contained one-bedroom units, while three properties contained two-bedroom units. The one-bedroom units ranged in rents from \$460 to \$625 per month, with property #3 consisting of asking rents ranging from \$650 to \$700 per month. As to the two-bedroom units, the rental rates ranged from \$700 to \$750 per month. After making adjustments, the appraisers estimated a unit rental for the subject as follows: one-bedroom units from \$650 to \$670.45 per month and two-bedroom units from \$750 to \$762.93 per month. Therefore, the subject's potential gross income was estimated at \$423,599, while a 10% vacancy and collection loss was deducted resulting in an effective gross income of \$381,239. Expenses were estimated at \$2,557.50 per unit resulting in a net operating income of \$258,479 or \$5,385 per unit. A loaded capitalization rate of 13.98% was utilized to estimate a value under the income approach of \$1,850,000, rounded.

Thus, the appraisers concluded that the subject's appraised value was \$1,850,000 as of January 1, 2007. Based on this evidence, the appellant requested a reduction in the subject's assessment.

At hearing, the appellant's attorney asserted that the income approach to value is valid to show income production of a property.

The Cook County Board of Review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$510,020 was disclosed. This assessment yields a market value of \$2,318,272 or \$38.33 per square foot when the Cook County Classification Ordinance level of assessment for rental, class 3 property of 22% is applied.

In support of the subject's assessment, the board of review submitted printouts of raw sales data relating to five properties identified as multi-family apartment buildings. The improvements are masonry, multi-family buildings. They ranged: in age from 28 to 75 years; in number of buildings from 1 to 14; in stories from a two-story to a six-story building; in number of units from 60 to 88 apartments; and in building size from 59,000 to 62,000 square feet of living area. They sold from October, 1999, through September, 2007, for prices that ranged from \$20,000 to \$108,750 per unit or from \$23.73 to \$109.38 per square foot. Based on this evidence, the board of review requested confirmation of the subject's assessment.

As to the appellant's case, the board of review's representative argued that the appellant failed to provide the appraiser to testify regarding the submitted appraisal, while asserting that actual income and expense data was not submitted for the subject property to permit a comparability analysis. He testified that it was a common practice at the county level to review actual income statements, rent rolls and expense statements to determine a market value for an apartment building.

In rebuttal, the appellant's attorney re-affirmed the evidence previously submitted while asserting that the county assessor's office will look at an income analysis where the subject property is an apartment building to determine a property's assessment.

After hearing the arguments and considering the evidence, the Property Tax Appeal Board (the "Board") finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is claimed, the appellant has the burden of proving the value of the property by a preponderance of the evidence. Cook Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 339 Ill. App. 3d 529, 545 (1st Dist. 2002); National City Bank of Michigan/Illinois v. Prop. Tax Appeal Bd., 331 Ill. App. 3d 1038, 1042 (3d Dist. 2002) (citing Winnebago Cnty. Bd. of Review v. Prop. Tax Appeal Bd., 313 Ill. App. 3d 179 (2d Dist. 2000)); 86 Ill. Admin. Code § 1910.63(e). Proof of market value may consist of an appraisal, a recent arm's-length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. Calumet Transfer, LLC v. Prop. Tax Appeal Bd., 401 Ill. App. 3d 652, 655 (1st Dist. 2010); 86 Ill. Admin. Code. § 1910.65(c). Having considered the evidence presented, the Board finds that a reduction is not warranted.

The Board gives little weight to the appellant's appraisal. This appraisal did not include any market sales or justify why sales were not included within the analysis. The court has held that "[w]here the correctness of the assessment turns on market value and there is evidence of a market for the subject property, a taxpayer's submission that excludes the sales comparison approach in assessing market value is insufficient as a matter of law." Cook Cnty. Bd. of Review v. Ill. Prop. Tax Appeal Bd., 384 Ill. App. 3d 472 at 484 (1st Dist. 2008). The Illinois Appellate Court recently revisited this issue in Bd. of Educ. of Ridgeland Sch. Dist. No. 122, Cook Cnty. v. Prop. Tax Appeal Bd., 2012 IL App. (1st) 110,461 (the "Sears" case). In Sears, the court stated that, while the use of only one valuation method in an appraisal is not inadequate as a matter of law, the evidence must support such a practice and the appraiser must explain why the excluded valuation methods were not used in the appraisal for the Board to use such an appraisal. Id. at ¶ 29.

In this case, the appraisal provided no plausible reasons for excluding these valuation methods, and the evidence does not show that their exclusion is standard practice when appraising property that is similar to the subject, most especially because the board of review was able to locate and submit sale properties as suggested comparables for the subject property. Moreover, the appellant's appraisers were not called to provide testimony either regarding the exclusion of such market sales or the methodology used in the income approach. Moreover, the Board finds that the appraisal fails to proffer any rationale for according no weight to the subject's sale in April, 2008, which

occurred in close proximity to the assessment date at issue of January 1, 2007. Therefore, the Board finds that reliance on the appellant's appraisal would be deficient as a matter of law, and, thus, no reduction is warranted based on the appellant's market value argument.

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.

*Donald R. Cuit*

Chairman

*K. L. Fern*

Member

*Frank A. Huff*

Member

*Mario Morris*

Member

*J. R.*

Member

DISSENTING: \_\_\_\_\_

C E R T I F I C A T I O N

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: April 19, 2013

*Allen Castrovillari*

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 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 the subsequent year 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.

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.