



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

APPELLANT: Wedad Khedr
DOCKET NO.: 11-00892.001-C-1
PARCEL NO.: 05-22-279-003

The parties of record before the Property Tax Appeal Board are Wedad Khedr, the appellant, by attorney James A. Rodriguez of Guyer & Enichen, in Rockford, and the Boone County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Boone County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$43,035
IMPR: \$121,965
TOTAL: \$165,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property is improved with a one-story multi-tenant office building of brick exterior construction that was built in 2007. The building contains 4,950 square feet of office space. The property has a 32,234 square foot site and is located in the Landmark Crossings commercial subdivision in Belvidere, Belvidere Township, Boone County.

The appellant's appeal filed by counsel is based on overvaluation as set forth in Section 2d with the basis of the appeal being comparable sales. In support of this argument, the appellant's counsel submitted information on five comparable sales in the Section V grid analysis of the Commercial Appeal petition along with a brief. The subject property reportedly was built in a "recently" established office park, but "to date, no other buildings have been constructed in the park." The appellant occupies part of the subject building and the remaining 25% of the structure has been vacant since initial construction.

Counsel for the appellant reported the best comparable sales were located in Rockford as there were no sales of similar properties in Belvidere. As set forth in the grid analysis, four of the comparables are one-story buildings; however, no story-height information was provided as to comparable #3. Each comparable

building is of masonry exterior construction and the structures range in size from 3,454 to 9,717 square feet of building area. The buildings were constructed from 1957 to 2003, with the oldest building having had a "recent total remodel." These comparables are located 10 or 15 miles from the subject property and they have sites ranging in size from 4,032 to 72,621 square feet of land area. These comparables sold from February 2009 to September 2011 for prices ranging from \$199,000 to \$525,000 or from \$42.29 to \$72.38 per square foot of building area, including land.

In addition, the appellant requested a land assessment reduction to \$33,000 "consistent with the adjacent lot." In support of this contention, the appellant submitted a copy of the Notice of Final Decision on parcel number 05-22-279-004 wherein that parcel's assessment was reduced from \$43,035 to \$33,000; the size of this adjacent parcel was not provided in the appellant's submission and the appellant did not indicate that assessment equity was a basis of this appeal.¹

Based on this evidence, the appellant requested a reduction in the subject's total assessment to \$123,750 which would reflect a market value of approximately \$371,250 or \$75.00 per square foot of building area, including land.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$186,233 was disclosed. The subject's assessment reflects a market value of \$563,489 or \$113.84 per square foot of building area, including land, when applying the 2011 three year average median level of assessment for Boone County of 33.05% as determined by the Illinois Department of Revenue. (86 Ill.Admin.Code §1910.50(c)(1)).

The board of review presented a two-page memorandum outlining the evidence along with Exhibits 1 through 4. Exhibit 1 consists of the property record card and photographs of the subject property including an aerial photograph that depicts the subject with no immediate neighboring structures.

As to the appellant's comparables, the board of review noted the properties were located in Rockford, Illinois and Beloit, Wisconsin. In addition, appellant's comparables #1 and #4 were sold in auction/as-is and by a bank indicating a distress sale, respectively. In support, Exhibit 2 consisting of the PTAX-203 Illinois Real Estate Transfer Declarations for these sales were presented depicting comparable #1 was a bank REO, but was

¹ Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of the subject property and it is recommended that not less than three comparable properties be submitted. Documentation must be submitted showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. [Emphasis added.] (86 Ill.Admin.Code §1910.65(b)).

advertised prior to sale and similarly comparable #4 was advertised prior to sale in September 2011.

As Exhibit 3, the board of review submitted a copy of the listing of the subject property with an asking price of \$850,000 as of March 17, 2011. The listing information also indicates that in April 2009 the asking price for the property was \$897,000.²

In Exhibit 4, the board of review presented a spreadsheet of two vacant land sales and five improved commercial property sales. As to the land value argument, for the two land sale comparables, sale #1 is located in the same subdivision and sale #2 is located in the adjoining subdivision. These parcels contain 32,971 and 44,623 square feet of land area, respectively. These comparables sold in April 2009 and May 2010 for prices of \$352,500 and \$240,000 or for \$10.69 and \$5.38 per square foot of land area. The subject's land assessment of \$43,035 reflects a market value of approximately \$129,105 or \$4.01 per square foot of land area. Thus, the board of review contends that no reduction in the subject's land assessment is warranted based on market value.

As to the improved sales comparables, the properties are improved with one-story masonry or frame and masonry buildings that range in size from 1,020 to 7,207 square feet of building area. The structures were constructed from 1954 to 2008. The comparables are located within three miles of the subject property. Two of the comparables have basement areas. The comparables have sites ranging in size from 1,750 to 86,988 square feet of land area. The comparables sold from April 2008 to October 2010 for prices ranging from \$85,000 to \$1,300,000 or from \$83.33 to \$375.69 per square foot of building area, including land, although comparable #2 reportedly included the sale of two condo units, but did not include the land value.

Based on this evidence, the board of review requested confirmation of the subject's assessment.³

In written rebuttal, counsel for the appellant acknowledged that the subject property was currently listed for sale and/or lease "but, to date, there have been no offers or showings." Counsel further argued that a real estate listing is not consistent with market value as property owners often ask more for a property than the market will bear. Appellant contends this is supported by the fact the property has been listed since 2009 and has received no offers. "The listing price is obviously out of line with the market value."

As to the board of review's comparables, #3 was purchased by a tenant of the building and should be excluded as not

² In the memorandum, the board of review contended that the subject property has a "current" market value of \$517,542 based on its assessment. As set forth in Exhibit 1, the subject had a 2012 assessment of \$172,514 which reflected a market value of \$517,541.

³ In the memorandum, the board of review requested confirmation of the 2012 assessment of \$172,514.

representative of market value in addition to the fact the property is a bank building, unlike the subject. The board of review's comparables #4 and #6 sold in April 2008 which the appellant contends is not representative of the market as of January 1, 2011 in light of deteriorating market conditions in late 2008 and onward. Comparable #5 is a KFC fast food restaurant and dissimilar to the subject office building; comparable #7 is also a restaurant building. As such, appellant contends both comparables #5 and #7 should be given little weight as they are dissimilar to the subject.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Board further finds a reduction in the subject's assessment is warranted.

The Board will not consider the land inequity argument raised by the appellant in the brief and supported only by the land assessment of a nearby vacant parcel of unknown size. Section 16-180 of the Property Tax Code provides in pertinent part:

Each appeal shall be limited to the grounds listed in the appeal petition filed with the Property Tax Appeal Board. (35 ILCS 200/16-180).

Additionally, Section 1910.50(a) of the rules of the Property Tax Appeal Board states in pertinent part:

Each appeal shall be limited to the grounds listed in the appeal petition filed with the Board. (86 Ill.Admin.Code §1910.50(a)).

The appellant's original appeal petition that was filed with the Property Tax Appeal Board was clearly marked as "comparable sales" as the basis of the appeal. The burden of proof falls on the appellant in an appeal before the Property Tax Appeal Board. More importantly, the Board finds this record is void of any evidence of the size of this adjacent parcel. The record did not contain a property record card or any other evidence as to this vacant parcel other than its total assessment. Furthermore, only one comparable is typically insufficient to establish lack of assessment uniformity. Therefore, The Board gave no weight to the appellant's request to reduce the subject's land assessment based on the total assessment of parcel 05-22-279-004.

The appellant's original appeal petition and evidence disclosed the basis of the appeal was overvaluation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); 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/did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

The parties submitted a total of ten improved comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to appellant's comparables #3 and #4 as each of these properties is located in Beloit, Wisconsin and the appellant did not provide sufficient market value evidence to suggest that properties in another state would be comparable to the subject in terms of value.

Additionally, board of review comparable #4 is not a suitable comparable when it consists of two condo units within a strip center as it does not represent the fee simple interest in the entire property. Comparable #6 is significantly older and significantly smaller than the subject building and is therefore not similar to the subject for purposes of estimating market value. The Board also gives less weight to board of review comparables #5 and #7 as each is a restaurant which differs from the subject multi-tenant office building. As reported by the appellant, board of review comparable #3 was purchased by an existing tenant which without additional information regarding the sale brings into question whether the transaction was of an arm's length nature.

The Board finds the appellant's comparables #1, #2 and #5 are most similar to the subject in size, style, exterior construction, features and/or land area. These properties also sold most proximate in time to the January 1, 2011 assessment date at issue having sold from February 2009 to August 2011. Due to the similarities to the subject, these comparables received the most weight in the Board's analysis. The comparables sold for prices ranging from \$250,000 to \$325,000 or from \$42.29 to \$72.38 per square foot of building area, including land. The subject's assessment reflects a market value of \$563,489 or \$113.84 per square foot of building area, including land, which is above the range established by the best comparable sales in this record. The subject's age of 2007 is, however, significantly newer than these three most similar comparables that were constructed from 1957 to 1988. Thus, a higher value for the subject is justified.

Based on this record the Board finds the appellant did demonstrate by a preponderance of the evidence that the subject was overvalued and a reduction in the subject's assessment 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.

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: October 18, 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.