



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

APPELLANT: Reza Toulabi  
DOCKET NO.: 07-29094.001-C-2 through 07-29094.002-C-2  
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Reza Toulabi, the appellant(s), by attorney Howard W. Melton, of Howard W. Melton and Associates in Chicago; and the Cook County Board of Review by Cook County Assistant State's Attorney Joel Buikema.

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
07-29094.001-C-2	17-09-127-038-1001	8,471	376,181	\$384,652
07-29094.002-C-2	17-09-127-038-1002	70,962	446,386	\$517,348

Subject only to the State multiplier as applicable.

**ANALYSIS**

The subject property consists of a 15,063 square foot parcel of land improved with a 93-year old, one-story, masonry, commercial condominium divided into two condominium units one of which is the basement. The building itself is a five-story building. The appellant, via counsel, argued that the fair market value of the subject was not accurately reflected in its assessed value.

In support of the market value argument, the appellant submitted an appraisal undertaken by James A. Matthews of James A. Matthews, Inc. The report indicates Matthews is a State of Illinois certified general appraiser. Matthews was the appellant's witness. He testified he has been appraising commercial and residential real estate since 1983. Matthews testified he reviewed the appraisal for the subject that was performed by Jennifer Soto. He further testified he did not inspect the subject or any of the comparable properties. As a review appraiser, Matthews testified he went through the process, tried to make sure the data was accurate and that the report made sense.

The appraisal indicated the subject has an estimated market value of \$1,750,000 as of January 1, 2006. The appraisal report utilized the three traditional approaches to value to estimate the market value for the subject property. The appraisal finds the subject's highest and best use is its current use.

Under the cost approach to value, the appraiser analyzed land sales and utilized the assessor's value for the land at \$210,000. The replacement cost new was utilized to determine a cost for the whole improvement & site improvements at \$5,486,500. The appraiser depreciated the improvement for a value of \$4,114,875. The land was added back in to establish a value for the whole building under the cost approach of \$4,320,000, rounded. The appraiser then adjusted this amount by 2/5<sup>th</sup> based on the number of units in the subject property versus the total number of units to arrive at a value for the subject property under the cost approach of \$1,730,000, rounded.

In the income approach to value, the appraiser analyzed the rent of four comparables to estimate a potential gross income. Vacancy and collection losses at 7% were deducted to arrive at an effective gross income of \$173,166. Expenses were estimated at \$20,675 to arrive at a net operating income of \$152,491. A review of five sales and investor surveys established a capitalization rate of 9% for an estimate of value under the income approach of \$1,700,000, rounded.

Under the sales comparison approach, the appraiser analyzed the sales of four masonry commercial condominium units located in one to four-story buildings. The properties contain between 2,400 and 9,900 square feet of building area. The comparables sold from November 2004 to October 2005 for prices ranging from \$687,500 to \$2,360,000, or from \$72.66 to \$129.84 per square foot of building area, including land. The appraiser adjusted each of the comparables for pertinent factors. Based on the similarities and difference of the comparables when compared to the subject, the appraiser estimated a value for the subject under the sales comparison approach of \$108.00 per square foot of first floor building area and \$24.00 of basement area or \$1,770,000, rounded.

In reconciling the three approaches to value, the appraisal gave most weight to the sales comparison and income approaches with secondary emphasis to the cost approach to arrive at a final estimate of value for the subject as of January 1, 2006 of \$1,750,000.

Under cross-examination, Matthews testified that the purpose of the appraisal as written on page two is confusing and could be misread, but that the appraisal was for establishing market value and not for reducing the assessment.

Matthews testified he has appraised about 20 commercial condominium buildings during his career. He stated that for a commercial condominium appraisal, he would look for other

commercial condominiums or office space as comparables. He acknowledged that he did not use the percentage of ownership to arrive at the value for the subject, but used a two-fifths allocation in the cost approach.

Matthews testified the cost approach was sketchy because it was difficult to come up with a value because technically the definition of a condo is that everybody has an equal, divided interest. He opined that the best approach for valuing the subject is the sales comparison approach.

Matthews testified he did not include any land comparables in the cost approach. He was unsure of how the land value was arrived at.

As to the income approach, Matthews acknowledged that the neighborhood for comparable rental #1 was in a different demographic profile. It was his belief that the commercial space was on the first floor. Nor could Matthews state what floors the comparable rentals #2 and #3 data reflected. Matthews did not know the time period of the leases for the comparables.

As to the sales comparables, Matthews testified he has no personal information on these comparables. He testified the appraisal reflects the recording date for the sales and not the sale date.

In regard to sale #1, Matthews testified this property was a retail condo building, but did not know how many units were in the building and how many units were sold in this transaction.

As to sale #2, Matthews opined this comparable was similar in size with the subject. He testified this comparable is an office commercial condominium. He did not know what floor this unit was located on. Matthews testified that the subject was not located in the Loop.

As to sales #3 and #4, Matthews testified these properties are office commercial condominiums and are in a different location. He agreed that the sales were adjusted for location, but acknowledged the appraisal indicates no major adjustments were made for location.

On redirect, Matthews opined that the value the assessor placed on the basement appears to be high. He testified he was not aware that the condominium declaration placed a 75% ownership on the subject property. He further opined that the subject's location is not the Loop, but is an average location.

As to using the recording date of a sale versus the actual sale date, Matthews testified there is a lag time from the sale date to the recording date of up to a month or two. He testified he uses the recording date because there is a document number that corresponds with this date and it can be verified. Matthews

opined that there are not many commercial condominium sales versus residential home sales.

As to the square footage of the subject property, Matthews testified he was not sure as to how the square footage was arrived at, either from plans or field measured. Matthews testified that the appraisal may have used interior measurements while the assessor uses exterior measurements.

In regards to the cost approach, Matthews acknowledged the miscalculations, but could not say if they affected the final estimate of value in the appraisal. After calculations were made for Matthews, he acknowledged the value under the cost approach would be \$2,200,000. He acknowledged this value is approximately \$500,000 greater than the value arrived at in the appraisal and similar to the value reflected by the assessment. Matthews opined that, based on the errors, the value of the subject should be greater.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$902,000 was disclosed. The subject's final assessment reflects a fair market value of \$2,373,684 when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5A properties is applied. The board also submitted raw sales information on five properties suggested as comparable. The properties sold from March 2007 to May 2008 for prices ranging from \$1,425,000 to \$3,000,000 or from \$103.92 to \$200.00 per square foot of building area, including land.

As to the subject's size, the board of review submitted the property record card for the subject with a schematic showing the dimensions of the subject improvement. These dimensions reflect a size of 15,000 square feet for the first floor. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2<sup>nd</sup> Dist. 2000). 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. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the PTAB concludes that the evidence indicates a reduction is not warranted.

As to the subject improvement's size, the PTAB finds the appellant failed to prove the subject's square footage as listed by the county was incorrect. The witness testified he was not sure how the square footage was arrived at in the appraisal. Moreover, the PTAB finds the board of review submitted a property record card showing the dimensions of the improvement. Therefore, the PTAB finds the subject contains 15,000 square feet of building area.

In determining the fair market value of the subject property, the PTAB finds the conclusion of value arrived at in the appraisal unreliable. The appellant's witness testified he had no personal knowledge as to the comparables used in the appraisal and that he reviewed the appraisal to ensure the data was accurate. In the cost approach, the witness testified he did not review the percentage of ownership in the condominium declaration nor did he apply this percentage to the subject. In addition, he was unsure of how the land value was arrived at and did not even know what comparables were used to arrive at the value. In the income approach, the witness acknowledged a calculation error that would have increased the value under this approach by approximately \$500,000. In the sales comparison approach, the witness testified he was unsure of what units were sold and acknowledged that the recording date was used instead of the sales date which could be a difference of two months; the PTAB finds this effects the adjustments used. Finally, the witness testified that based on the errors in the income approach, the final value for the subject should be higher. Therefore, the PTAB gives no weight to the conclusion of value estimated in the appraisal, but will review the comparable sales.

The sales within the sales comparison approach were recorded between November 2004 and October 2005. The PTAB finds that sales #3 and #4 receive diminished weight because they are dissimilar to the subject in location and design. The PTAB further finds that sales #1 and #2 are the most similar to the subject in size and design with prices of \$87.90 and \$72.66 per square foot of unit size.

The board of review provided information on five sales. The PTAB finds sales #2 and #5 occurred in April and May 2008 and gives these sales no weight due to the date of the sale. The remaining comparables sold in 2007 for prices ranging from \$103.92 to \$200.00 per square foot of unit size.

In summary, the PTAB finds the best sales in the record had unit prices from \$72.66 to \$200.00 per square foot of building area, including land. The subject's assessment reflects a market value of \$158.25 per square foot of building area which is supported by these sales.

Based on this analysis, the PTAB finds that a change in the subject's assessment is not warranted.

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.

*Ronald R. Cuit*

Chairman

*Frank J. Huff*

Member

Member

*Shawn R. Lerbis*

Member

Member

*Mario M. Louie*

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: August 19, 2011

*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.