

Due Diligence

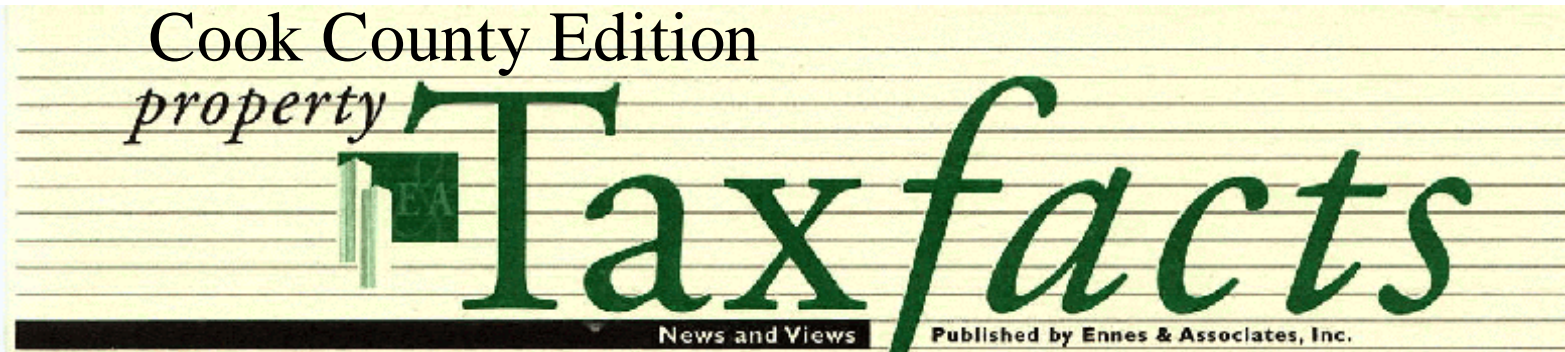
Today's real estate market presents special challenges for someone purchasing a property. In addition to increase scrutiny by Banks for mortgage loans investors have to carefully review all aspects of the property to ensure they are not getting more than they bargained for. A buyer can avoid costly surprises in the property tax area of the purchase by doing a little due diligence.



Be sure you get a copy of the most recent 2nd installment property tax bill. This way you see the final value the assessor has given the property. It is even better if you get two years so you can see the changes. Know if you are buying in a reassessment year. For instance, this year the South and West Townships of Cook County are being revalued. The assessment you see on last year's tax bill is not likely the same you will see on this years. You need to anticipate this increase before closing.

You can go on line to the Assessor's office (www.cookcountyassessor.com) to check on the current and prior assessed value of the property. While this shouldn't set your offering price it can give you an idea of what properties like the one you are purchasing have been valued at over the past couple of years.

June, 2011



Rolling Meadows Assessor's Branch Office Re-opens

The Rolling Meadows branch Office of the Cook County Assessor's Office has re-opened. The office, located at 2121 Euclid Ave, in the Rolling Meadows Courthouse had closed last year. It will be open daily from 8:30A.M. to 4:30 P.M.

The other satellite offices are located at:

- 10200 S. 76th Ave, Room 237, Bridgeview
- 16501 S. Kedzie Ave., Markam
- 5600 W. Old Orchard Rd., Skokie

These offices are also open 8:30 to 4:30.



2011 Cook Revalue Underway

The South and West Townships of Cook County are being reassessed this year. The Assessor's Office has already mailed out revised reassessment notices to property owners in the reval townships of Rogers Park, Riverside and Oak Park. While reassessment notices contain proposed values that will be reflected on second installment tax bills due in the fall of 2012, now is the time to appeal those values. The appeal deadline for Riverside and River Forest is June 13. The deadline for Oak Park is June 24.

Commercial properties have been hard hit by buffeting forces. High vacancies, falling rent revenues, depressed values and foreclosures have pushed property values lower. These factors also present opportunities for assessment reductions.

We look beyond just recent sales when determining appeal opportunities. We round out the picture by evaluating your income, expense, vacancy and current rent rates. If an appraiser is involved we go over all of these factors with them to ensure they are included in his determination of value.

We represent a wide variety of property types ranging from manufacturing plants, retail strip malls, hotels and garages. Each different property type offers varying opportunities for significant tax relief. We are careful not to paint each of these types of properties with a broad brush but look carefully at different factors that might affect their values. We analyze local and regional trends of each of our client industries; we look at income over a three year period and we are careful to make adjustments for items such as goodwill and intangible property that are not part of the real property value. We check industry publications to get a complete picture of your property's value.



E&A has an enviable success rate at assessor level appeals. When we don't get the relief we expect at that level, the Board of Review and even the Property Tax Appeal Board are available options to continue the appeal.

Many taxpayers received reassessment notices last year showing lower values and didn't pursue any appeal action because they felt their taxes would go down. A 13% increase in the 2010 equalization value precluded that. Don't be lulled into inaction again. Your assessment is the one part of the property tax equation you can appeal. We'd like to work with you to do that. The sooner we get started the better picture of your company we will have when the reassessment notice arrives. Give us a call at 847-577-6500 or contact us at www.ennestax.com.

Outside of Cook, 2011 is a General Reassessment Year

Illinois state statute calls for a general reassessment of property, outside of Cook County, every four years. At this time local assessors can get out and review changes in the properties in their townships. Sometimes, they request a physical inspection of your property. They will be reviewing characteristics of individual parcels as they compare to the ones already listed on that location's property record card. This gives them, so to speak, a face to go with the voice. In this way they can see what changes have taken place in the last year, how the area is fairing, etc.

These tours are an excellent opportunity for the taxpayer to point out all of the factors that detrimentally affect the property's value...no matter how seemingly insignificant. . In

order to present the best case there are some steps owners, plant managers and lessees should keep in mind:

1. Any assessing official should call beforehand to make an appointment. Never allow access to the property or property records to someone who has not made an appointment **and** shows an I.D.
2. No assessing official or representative should be allowed to tour the facility **alone**.
3. Notify E&A immediately.

It is important to approach these visits prepared. The assessor is viewing your property with a practiced eye. We can assure they are seeing all of the factors that affect the property's value so a fair and reasonable value is the outcome.