

Strafford

presents

Challenging a Business Property Assessment

Strategies for Reducing Your Company's Valuation and Property Tax Bill

A Live 110-Minute Teleconference/Webinar with Interactive Q&A

Today's panel features:

Kieran Jennings, Partner, **Siegel Siegel Johnson & Jennings**, Cleveland, Ohio
Michael Remsha, Vice President and Managing Director, **American Appraisal Associates**, Milwaukee, Wis.
David Hurrell, Senior Manager, Property Tax Services Group, **Ernst & Young**, Cleveland, Ohio
Jeffrey Dexter, President, **Cost Reduction Services Group**, Naugatuck, Conn.

Wednesday, October 13, 2010

The conference begins at:

1 pm Eastern

12 pm Central

11 am Mountain

10 am Pacific

You can access the audio portion of the conference on the telephone or by using your computer's speakers.
Please refer to the dial in/ log in instructions emailed to registrants.

XYZ Corp.

(AS AGENTS FOR THE PROPERTY TAXPAYER, THE FOLLOWING OWNER-PROVIDED INFORMATION IS PRIVILEGED AND CONFIDENTIAL. IT IS NOT AN APPRAISAL NOR IS IT INTENDED TO BE USED FOR APPRAISAL PURPOSES. IT IS INTENDED SOLELY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND/OR PRESENTED TO. DISSEMINATION FOR ANY OTHER PURPOSE IS STRICTLY FORBIDDEN. THIS INFORMATION IS PRESENTED WITHOUT PREJUDICE TO ANY FUTURE APPEAL ACTION THAT MAY BE TAKEN.)

(Grievance/BAR 5/25/10)

XYZ Associates LLC.

000 Main Street
131300-6062-84-100000-0000

FOR ILLUSTRATION USAGE ONLY

Assessment: \$ 1,000,000
Implied FMV: \$ 3,000,000

Improvement Information:

Built: 1975
20,000 s.f. 6-story office building.
1.10 ac.

Important Info:

- An aging building in a less than desirable section of the City; prone to vandalism. Minimal parking is in the rear with the entrance on Union Street.
- Possible alternative usage: art gallery; non-profit office space; etc.
- Has been on the market for over 3 years; most recently at \$2,100,000.
- Has been vacant for 6 months.
- Owner purchased for \$1,800,000 in 2000. In 2007, the commercial real estate market plunged into the worst recession since 1930.
- There is no handicap access at the front entrance...this has lost the owner prospective tenants and buyers.

Owner Supplied Income/Expense Data –

(Note the 12 month period here...Calendar Year or Fiscal Year)

Gross Potential Rental Income*: \$ _____
Vacancy Collection Loss (Market): \$ - _____ (Note the percentage here)

NET EFFECTIVE INCOME: \$ _____

Operating Expenses (Gross Lease)

Management: \$ _____
(Accounting expenses, office expenses, advertising, rent collection, management fees, legal fees, etc.)

Salaries & Benefits: \$ _____
(For any on-site maintenance employees)

Utilities: \$ _____
(Gas, water, electric, sewer, fuel oil, telephone, etc.
Costs related to the operation of the building ONLY.)

Building Services: \$ _____
(Cleaning, security, elevator, trash removal, snow removal, landscape work, etc.)

Supplies & Materials: \$ _____
(Office supplies, light bulbs, grass seed, fertilizer, fuses, etc.)

Repairs & Maintenance \$ _____
(Normal, annual expenses necessary to keep the property operating. e.g. roof, water heaters, painting, cooling systems). Not capital improvements.

Insurance Premium: \$ _____

Reserve/ Replacements \$ _____

Misc.(explain): \$ _____

TOTAL: \$ _____

Net Operating Income: \$ _____

Since the Real Estate Taxes have been excluded from the Operating Expenses, an Effective Tax Rate of must be added to a base CAP Rate. With a total tax rate of \$75.00 and an EQ rate of 33.3%, 2.50 points would be added to an applicable base Cap Rate.

If any further information is needed, please call us at 203-xxx-xxxx or 800-xxx-xxxx. Thank you.

Respectfully submitted,

(Company Name)
(Personal Name)

Attachments: Photo; Broker listing

*(Note the rent roll here.)

COST REDUCTION SERVICES GROUP LLC.

COMMERCIAL PROPERTY INFO SHEET

In order for us to complete the analysis of your property, the following information is required:

PROPERTY OWNER: _____

PROPERTY ADDRESS: _____

OWNER ADDRESS (if different) : _____

OWNER TELEPHONE - (daytime) _____ FAX: _____

(cell) _____ Email: _____

Please complete **ALL** applicable items:

- A. Has this property been ***purchased*** since 2004? _____ If yes: Date ***Purchased***: _____
Price (Real Estate Only):\$ _____ How long was property for sale? _____
- B. Have you ***offered this property for sale*** since 2004? _____ If Yes: Date ***Offered for Sale*** _____
Asking Price: \$ _____ Is it still For Sale? _____ Marketed thru a Broker? _____
- C. Has this property been ***appraised*** since 2004? _____ When: _____
Appraised value of the *real estate only*: \$ _____
Who performed the appraisal? _____
Purpose of appraisal: _____
- D. Have buildings been remodeled, constructed or additional improvements been made since 2004?
If Yes: Cost: \$ _____ Date Commenced: _____ Date Completed: _____
Briefly describe changes made: _____
- E. Please describe your property:
Total Square Footage of Building(s): _____ Land Acreage: _____
Year Built: _____ Construction style (e.g. concrete block; metal; wood) _____
Note anything that ***takes away*** value from your property *:

- F. Your opinion of your real estate's value can be helpful during our initial review. What do *you* feel the current value is? \$ _____ On what do you base this value?: _____
- G. Is your property *owner-occupied* or *leased out*? (circle) (If leased out, please provide current Income/Expense data.)
H. If leased, what type of lease? (circle): NNN, Gross, Modified Gross.
I. **Have you submitted Annual Income/Expense data to the assessor?** _____
J. Has an Appeal been filed in the past? _____ If Yes, when?: _____
What was the result? _____

In addition to this sheet, please FAX us your Reval Notice to 203-xxx-xxxx.

(* i.e.: obsolescent condition of building(s); poor location; flood zone; environmental contamination; etc.)