



## **CLASS 5 ELIGIBILITY BULLETIN**

### ***Definitions***

#### **Commercial Property (Class 5a)**

Any real estate used primarily for buying and selling of goods and services, or for otherwise providing goods and services, including any real estate used for hotel or motel purposes. (Assessment level: 25 percent of fair market value.)

#### **Industrial Property (Class 5b)**

Any real estate used primarily in manufacturing. Manufacturing includes the material staging and production of goods used in procedures commonly regarded as manufacturing, processing, fabrication, or assembling. It changes existing material into new shapes, new qualities, or new combinations and including research and development associated with the production of goods. Also included in Class 5b is real estate used in the extraction or processing of raw materials unserviceable in their natural state to create new physical products or materials, or in the processing of materials for recycling, or in the transportation or storage of raw materials or finished physical goods in the wholesale distribution of such materials or goods for sale or leasing. (Assessment level: 25 percent of fair market value.)

The above definitions also apply to properties owned by an exempt organization, but leased to a non-exempt tenant who uses the property for commercial or industrial purposes.

### ***Required Documentation for All Class 5 Appeals:***

1. Real Estate Assessed Valuation Appeal Form
2. Property Summary Sheet
3. Owner/Lessee Verification Affidavit
1. Field Check Request (must be requested within the 30 day deadline as well as)
  - Current Year Notarized Vacancy Affidavit
  - and*
  - Current Year Rent Roll or Income

*Is it important that petitioner provides square footage, sale price (within the last 5 years) and all other requested information on the above listed forms. In instances where the property is leased, petitioner must disclose the type of lease agreement, price/square foot that lessee pays and the extent to which lessee participates in the payment of operating expenses and real estate property taxes.*

***Please check to be certain that, where appropriate, documents are signed and notarized.***

**Additional Documentation Required (where applicable):**

1. Appeals Based on Valuation:

- a. Property that is either totally or partially leased or rented out by the owner
  - Income and Expense information for each year
  - Three (3) years of Income and Expense Statements

It is preferred that these be audited statements certified by a public accountant or copies of the Federal Income Tax returns relating to the property be submitted. It is acceptable, however, to file income and expense statements prepared in the ordinary course of business. For example: IRS Schedule E or IRS Schedule 8825.

**Relevant:** *competent appraisal expressing an opinion of fair market value as of January 1 of the year in question, current year rent roll and/or copies of lease agreements.*

b. Property that is owner-occupied

- a letter of value for property with a proposed market value of \$500,000 or less. **Relevant:** *sales comparisons.*
- a limited or complete appraisal expressing an opinion of fair market value as of January 1 of the year in question for property with a proposed market value of \$500,000 or higher. Appraisals must disclose any purchase or transfer of the property within the last five years and should address its effect, if any, upon the appraiser's opinion of fair market value.

2. Appeals Based on a Recent Sale Price:

- a. Sales Questionnaire
- b. Closing Statement

**Relevant:** *purchase contract, real estate transfer declaration or copy of the recorded deed.*

3. Appeals Based on Vacancy: **(all of the following categories of documents must be filed together within the 30 day filing deadline)**

- a. A field check request.
- b. A vacancy affidavit by owner (notarized) which clearly states the level of vacancy from January 1st to December 31st of the appeal year.
- c. A current year rent roll or income if requesting partial vacancy.

**Note:** *Failure to provide the above documentation may result in a no change of your appeal.*

**Additional Required Information for All Class 5 Appeals:**

1. Automobile Dealerships

- a. gross square footage of showroom/office area
- b. gross square footage of service/parts area
- c. gross square footage of other areas (describe use)

## 2. Bowling Alleys

- a. number of lanes
- b. gross square footage of areas not specifically related to central bowling activity (restaurant, lounge) describe use

## 3. Motion Picture Theaters

- a. gross square footage of building
- b. number of seats
- c. number of theaters in the building
- d. description and number of apartments, stores or other uses

## 4. Nursing Homes

- a. gross square footage of building
- b. number of stories
- c. number of beds (potential and currently in use)
- d. number of rooms
- e. indicate type of facility (sheltered care, intermediate care, skilled care)
- f. state whether building(s) were converted to nursing home use or originally designed as a nursing home

## 5. Hotels/Motels

- a. number of rooms
- b. indicate and describe other amenities (banquet facilities, restaurants, lounges, retail stores, health club, pool, etc.)
- c. average annual occupancy percentage
- d. room rates
- e. if under franchise or management agreement, state annual fee

## 6. Industrial Buildings

- a. total gross square footage of the building(s)
- b. total net rent able square footage of the building(s)
- c. owner-occupied square footage
- d. total square footage of office space
- e. number of stories
- f. use (warehouse, manufacturing, cold storage, truck terminal etc.)

## 7. Leasehold Estate in Tax Exempt Property

- a. submit a complete copy of current lease

**If you are a property owner who wishes to file a Class 5 appeal with assistance from the Assessor's Office, please call (312) 603-7526.**

**If you are an attorney and need further assistance in filing an appeal, please contact the Chief Commercial Hearing Officer at (312) 603-4280.**