

Real Valuation Group, LLC

White Paper

Grafton Township Outsources Downtown Reassessment

Grafton Township is located on the border between McHenry County and Kane County. In 2004, Assessor Bill Ottley saw the need to reassess a group of his Commercial parcels, including Huntley's downtown area. With limited staff and resources, he decided to outsource the job to Steffens & Associates.

The project involved over 200 Commercial parcels representing a range of property types, including retail, office, restaurants, mixed-use, gas stations, vacant land, and light Industrial. Ages ranged from very old to newer construction.

We began by analyzing the property and sales data that the Assessor delivered to us. We then developed market-derived values that could be applied globally within each property strata. Researching and applying economic rents and typical expenses came next. We then built market-derived capitalization rates for each class of property. The resulting income approach to value was then weighted against the market approach; reconciling the results yielded stable, uniform values that could be applied throughout each property class and type of use. We then ran final statistical studies to check and verify the results. Finally, we applied the values globally to the parcels being reassessed.

Next, the Assessor asked us to reassess three Residential neighborhoods. Using a hybrid market-and-cost approach, we ensured uniform values that accurately reflected the local market. As with our Commercial project, we ran extensive statistical studies to check and support our results.

Once finished, we sat down with the Assessor and reviewed and analyzed the results. Our greatest reward came later; the Assessor recently informed us that his Board of Review hearings in the areas we reassessed had gone more smoothly than ever before. Next year, we will be assisting Grafton on new assessment projects.

To learn how your Township can outsource Commercial and Residential reassessments, contact Ed Kling, Director of Commercial Projects, at 847-931-7447