

THE REAL ESTATE DEPARTMENT FREQUENTLY ASKED QUESTIONS

HOW DO I BUY AND SELL PROPERTY? The Real Estate Office can assist you in the planning, management and execution of property sales and purchases. The process is quite detailed. The local vicar must first approve of the sale or purchase. Upon approval the Real Estate Office originates a purchase/ sales form to manage the process. We will also order an appraisal or market analysis to confirm property value. The Real Estate manager will prepare and or review the contract. The offer to purchase/sell will be presented to the Director of Finance for signature. The Director of Finance for the Archdiocese will review and sign all closing documents. Please note a contract signed by anyone other than the Director of Finance or the Cardinal is *not valid*. The Archbishop's College of Consultors must approve property purchases in excess of \$500,000. The Holy See must approve property sales over \$5,000,000.

WHAT DO I DO IF I RECEIVE A WATERBILL? If your parish is located in *the City of Chicago*, please *fax* the entire bill to the Real Estate Department at (312) 534-8392. We will enter your information into a database that we have set up to track all invoices sent by the water department. In working with the Water Department we have now devised a procedure that will enable the Archdiocese of Chicago to permanently exempt metered water mains. Non-metered water mains will require the Archdiocese to file yearly exemptions. **However, there is no exemptions from sewer charges and the parish will continue to be charged. Each year we will file a waiver of fees with the Alderman.** A letter will be sent to each parish informing them when an exemption has been applied for on their behalf.

WHAT IF I RECEIVE A DISCONNECT NOTICE? *Call our department immediately.* We will then ask you to fax over the entire bill to us. We will then get in contact with the water department on your behalf to make sure that service is not terminated. ***Once receiving a disconnect notice the City will only give us 5 days to respond. Contacting us at once will help insure that service will not be interrupted. If service is disconnected, again contact our office. We will take care of the necessary steps to have service re-connected.***

WHAT DO I DO IF I RECEIVE A TAX BILL? Contact the Real Estate Department *immediately*. It is of the utmost importance that our department is made aware that your parish has received a notice. The Real Estate Office tracks property tax bills for Archdiocese property. Please send the bill ASAP to the Real Estate Office.

IS ALL PARISH PROPERTY TAX EXEMPT? No. All property that is currently tax-exempt had to be removed from the tax rolls. If a parish is purchasing property for religious purposes the diocese needs to apply for exempt status only if the property is used. If any exempt parish property is sold, we return it to the tax rolls by removing the tax-exempt status from County and State records. The exemption process is long and may take over a year to

accomplish. If you have any further questions, we would be more than happy to send you additional information.

WHAT IF WE RECEIVE A NOTICE OF ASSESSED VALUATION? Every three years, the Cook County Assessor reassesses all property values by township. Notices are sent in the form of postcards, giving the previous and current assessed valuation. These valuations can be appealed if we feel they are too high. There is a very short time period for an appeal, so it is important that we act quickly. If the parish receives any notices, *call the Real Estate office immediately.*

I NEED ITEMS FOR MY PARISH, OR I HAVE ITEMS THAT SHOULD BE REMOVED FROM MY PARISH. We have a closed parish (the former St. Dominic Parish) where we store items received from local or closed parishes. By order of the Cardinal, the Archdiocese can only redistribute these items to parishes/agencies within the Archdiocese of Chicago. If there is an over abundance of an item or there is no need for the item, the Archdiocese may redistribute these items to parishes in other dioceses. *Under no circumstance will an item be sold.* Currently we have pews, a few kneelers, organs, and office furniture. We have *no statues* at this time, but you can be added to the waiting list. For donations or an appointment to visit our current inventory contact Claudia Shabo at the Real Estate Office. She will track your requests, and schedule any pickups or deliveries with our field personnel. Please allow twenty-four hours to schedule an appointment.

A PARISHONER WANTS TO DONATE A PIECE OF PROPERTY TO THE PARISH

It is imperative that when a Parish/Agency is approached by a potential donor, the Real Estate department be contacted first so that the proper due diligence may be conducted on the property. The Parish/Agency must determine its intended use for the donated property, either to sell it or to make use of it. If it is to sell, the marketability of the property will be investigated, an appraisal and/or survey will be ordered, property tax costs, as well as all costs involved in a closing, will all be taken into consideration. Please keep in mind that there is no guarantee that a property will sell within a certain timeframe and that in the interim all maintenance and taxes will be a parish expense. If the Parish/Agency wishes to keep the donation, then costs of upkeep, maintenance, and again property taxes must be taken into consideration. If the donation is deemed in the best interest for the Parish/Agency to accept, the Real Estate department will inform the Parish/Agency. The Real Estate department will then move forward with the steps necessary to transfer the property into the name of the Catholic Bishop of Chicago, a Corporation Sole.

I HAVE A BUILDING THAT I WOULD LIKE TO LEASE. Our office will assist you in every stage of the rental process. Please contact us when parish property becomes available to lease. We will ask you for information about the space, such as utility costs, whether utilities are separately metered, repairs needed, and parish use of the space, etc. This information will help us create the lease terms. We also keep a database of available property that is sent out to potential tenants who contact the Archdiocese. Our office receives many calls from groups

seeking space for a variety of uses. ***All organizations that lease Archdiocese property must be non-profit or we will lose our tax-exempt status for that property.*** The parish can also take steps to market property, such as placing an advertisement or even a notice in the church bulletins of your own and nearby parishes.

Once a potential tenant is found, please contact our office immediately and provide a phone number of a contact person for the tenant. We will work with the parish to establish the rent amount and other terms of the lease. We will then negotiate lease terms with the tenant, check their references, draft a lease, get the appropriate signatures, and notify the tenant of insurance requirements. ***Although the pastor approves all leases, they still require the signature of the Director of Finance. A lease that is not signed by the Director of Finance or the Cardinal is not valid.*** A final executed copy will be sent to the parish for their records. Our office also keeps track of lease expiration dates and contacts the parish and the tenant regarding renewals.

Please contact our office if you ever have any problem with a tenant or with a leased property. Our goal is to assist the parishes in obtaining rental income and maintain good relationships with our current and potential tenants.

HOW DO I HANDLE A CODE VIOLATION FOR LEASED PROPERTY? When the parish receives a code violation, the Real Estate Office consults the lease to determine which party should pay for the necessary corrections. The standard lease agreement form makes certain code violations the tenant's responsibility. Generally tenants must correct code violations concerning the interior of the building, such as fire exit signs for example. Violations concerning the exterior of the building, such as fire escapes, would be the parish's responsibility. Please call the Real Estate Office if a "gray area" is involved or the parish is unsure how to proceed.

WHEN TO ORDER A SURVEY. The time needed for a survey depends on the site, the terrain and the scope of work requested. The process may take weeks, or even months to complete. The Real Estate Office will assist you in determining the scope of work and a price for it. Generally we recommend the survey of the entire parish. Most parishes have not been surveyed in many years. In addition to reference, surveys are needed for a variety of reasons:

Construction: The most common reasons is that there will be new or expansion building going on at the parish. In order to do any building or renovations permits must be issued. The City requires a current survey of the parish property before permits are issued and before any building or renovation work can begin.

Selling Property: Another reason that the parish may need a survey is when the parish is selling land. Our office would order a survey of the property that you are purchasing. We want to make sure that you are getting all the land that you are paying for. The survey shows any encroachments or easements on the property. If the parish is selling land, the buyer will usually order a survey for the same reasons stated above.