

**2016 Cook County
Property Tax
Assessment Trends**
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For the past eight years, Franczek Radelet has tracked property tax assessment data obtained from the Cook County Assessor's Office. Our data set begins in tax year 2009 when the classification ordinance was amended to reduce the assessment levels for commercial and industrial property as well as for residential property. The data also captures the effect of the Great Recession and the bursting of the housing bubble.

The latest data from the 2016 tax year shows that, although the slow recovery in real estate values continues, the recovery is uneven and incomplete. Because assessments are one part of a complex equation that results in tax bills, these trends are important to keep in mind as administrators and elected officials discuss and evaluate the different dimensions of school finance and property taxes.



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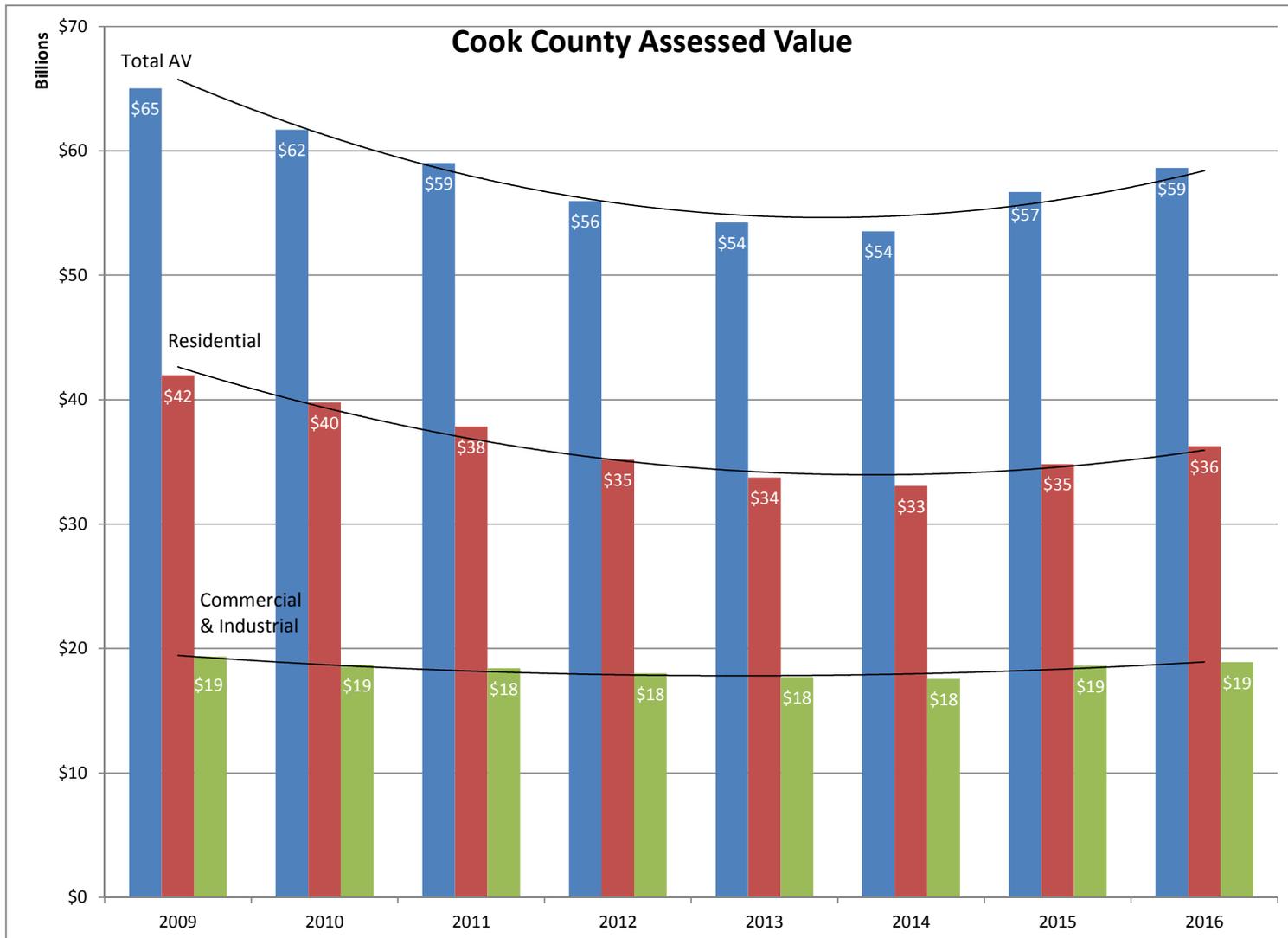
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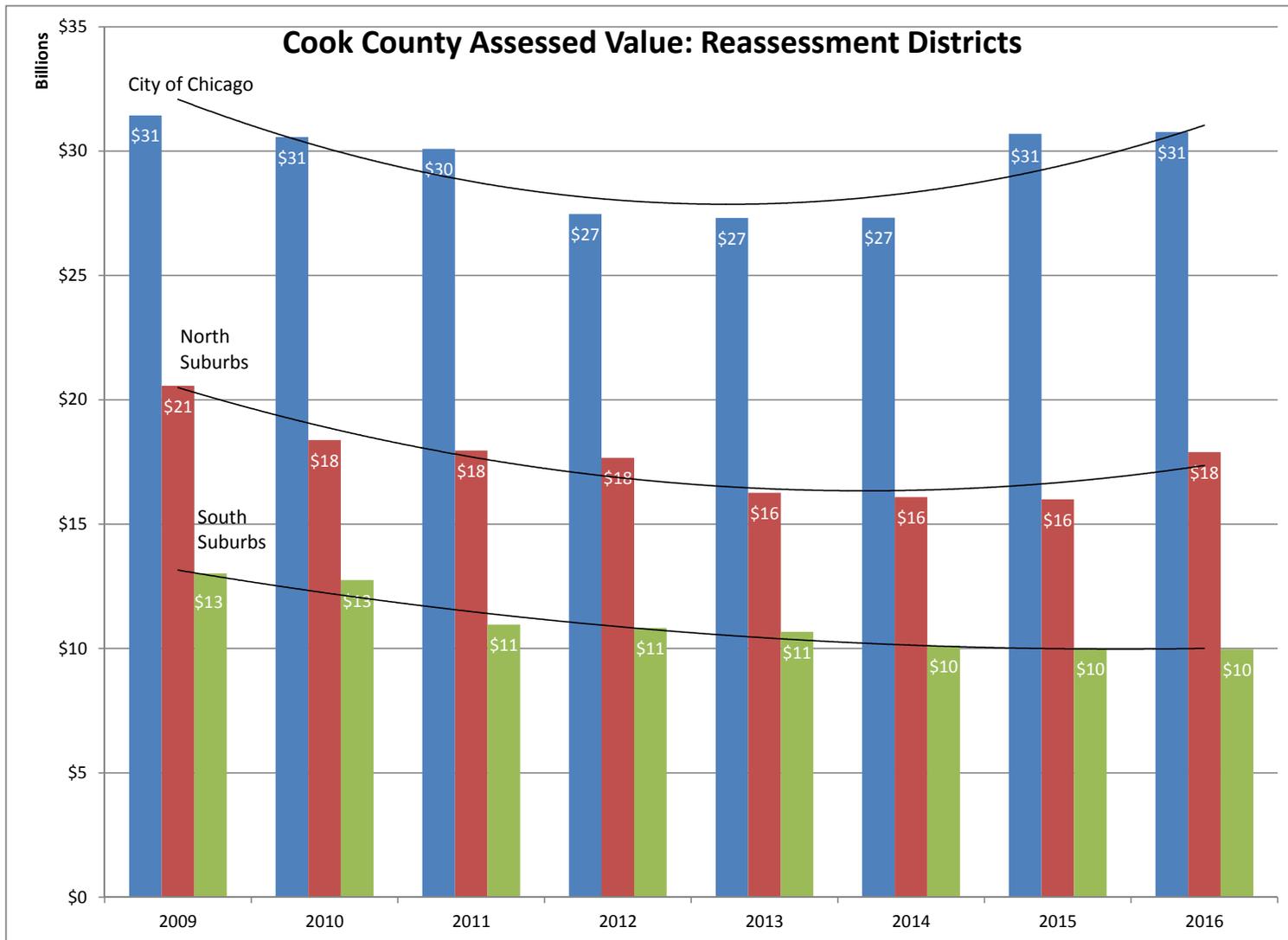
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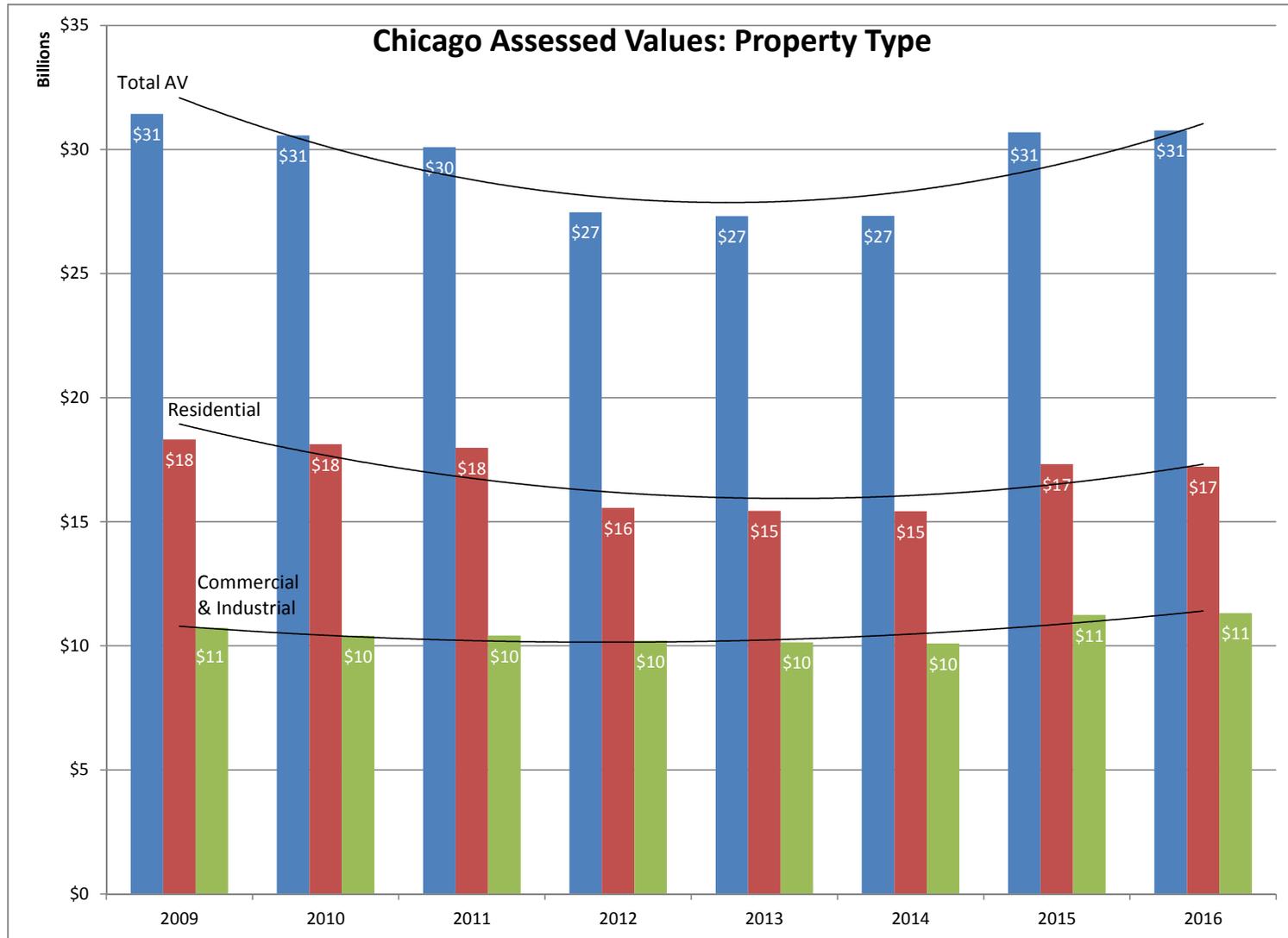
Despite a 3% increase between 2015 and 2016, the total assessed value of all property in Cook County in tax year 2016 during was still 10% lower than in 2009. Single family homes, the largest segment of the tax base, saw the largest decline over the past seven years and the slowest recovery over the past two years. Residential property assessments increased by 5% in 2015 and by another 4% in 2016, but they remain 14% below 2009. Meanwhile, commercial and industrial property experienced a less dramatic decline in value. With 6% growth in assessed values in 2015 and 2% growth in 2016, the aggregate assessed value of commercial and industrial property is now just 2% below the 2009 level.



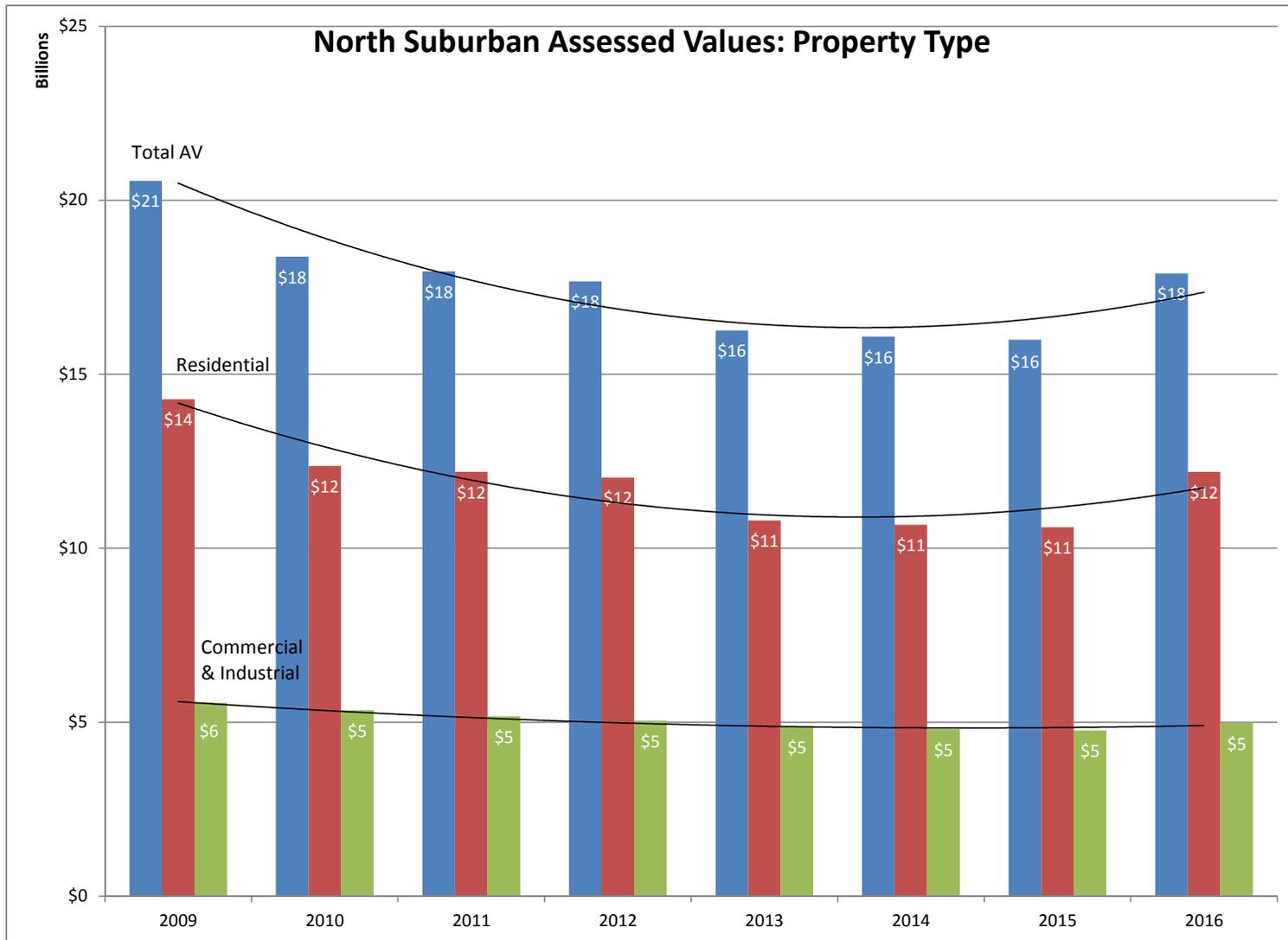
Compared with the northern and southern suburbs, the overall assessed value of property in the City of Chicago has come closest to recovering from the Great Recession. The total assessed value in the City of Chicago is now just 2% below where it was in 2009. Meanwhile, the northern suburbs are 13% lower and the southern suburbs 23% lower than their 2009 levels.



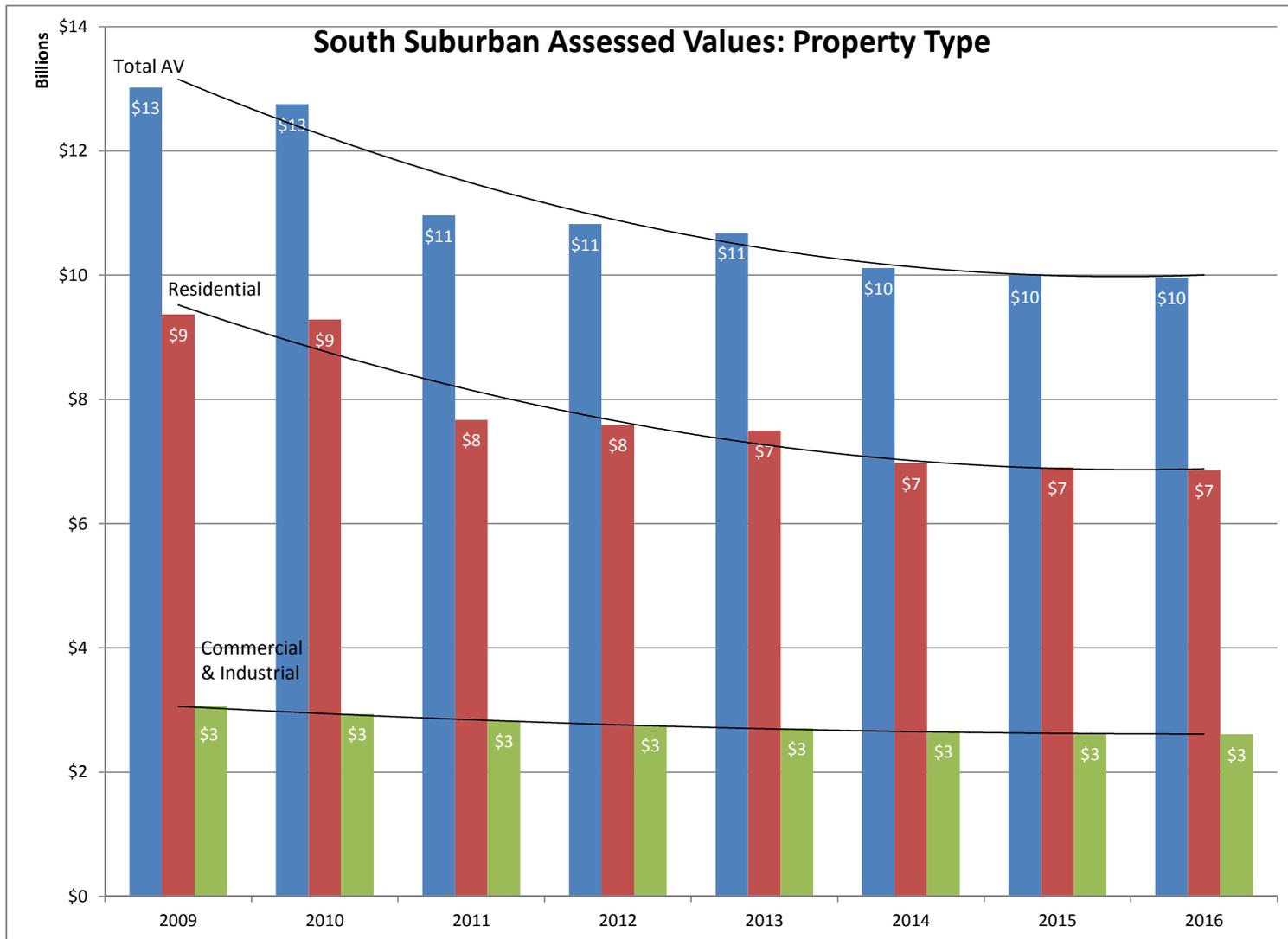
The City's recovery has largely been driven by commercial and industrial property values. Residential property in the City remains 6% below the 2009 level. However, commercial and industrial property in the City has not only recovered, the aggregate assessed value is now 6% higher than it was in 2009.



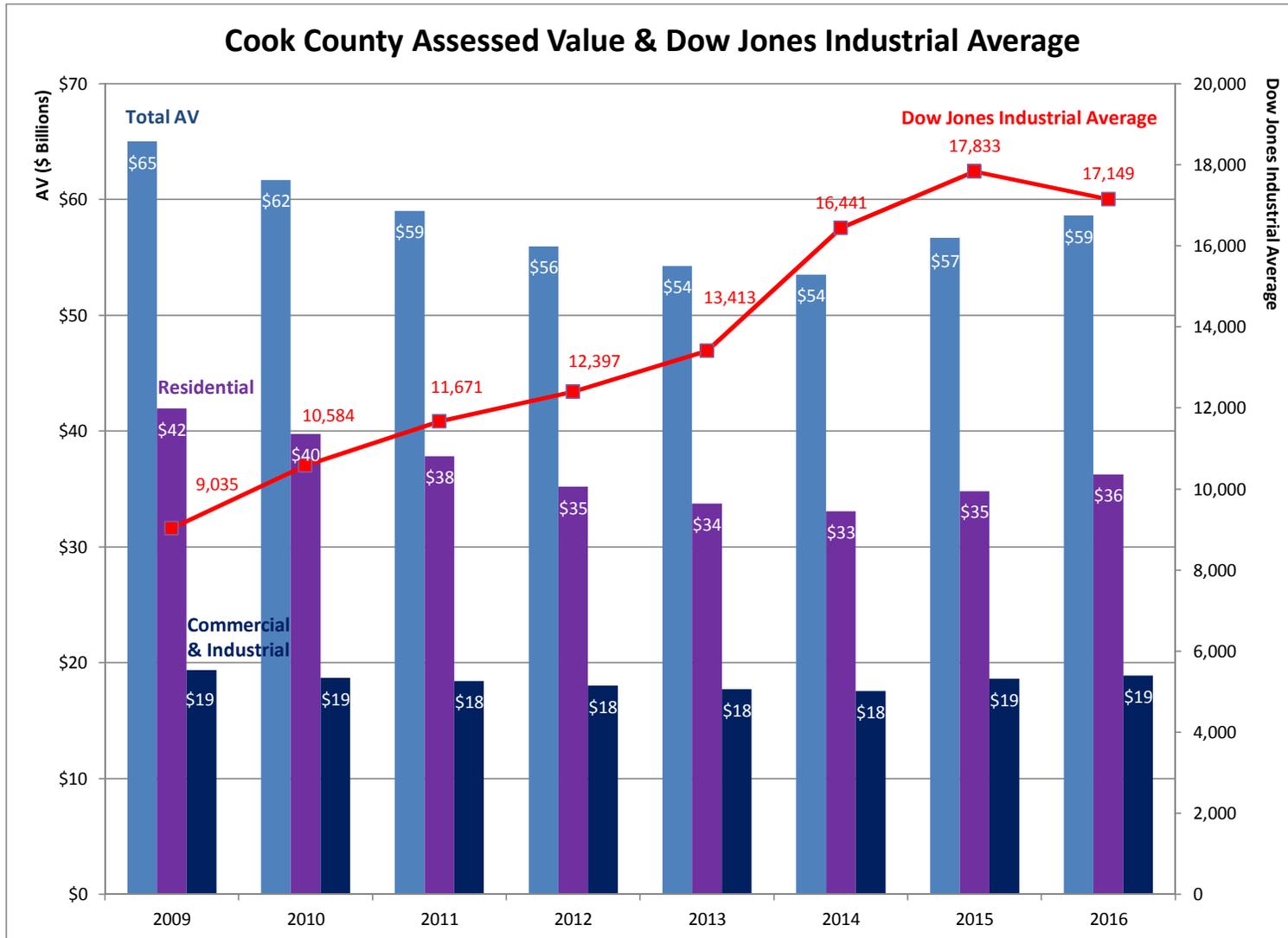
The north suburbs were reassessed in 2016 as part of Cook County’s triennial reassessment process. The decline in total assessed value is largely the result of the decline in assessed value for residential properties. While there are signs of recovery in some portions of the north suburbs, such as Northfield, Evanston and New Trier Townships, the recovery is uneven and remains largely incomplete.



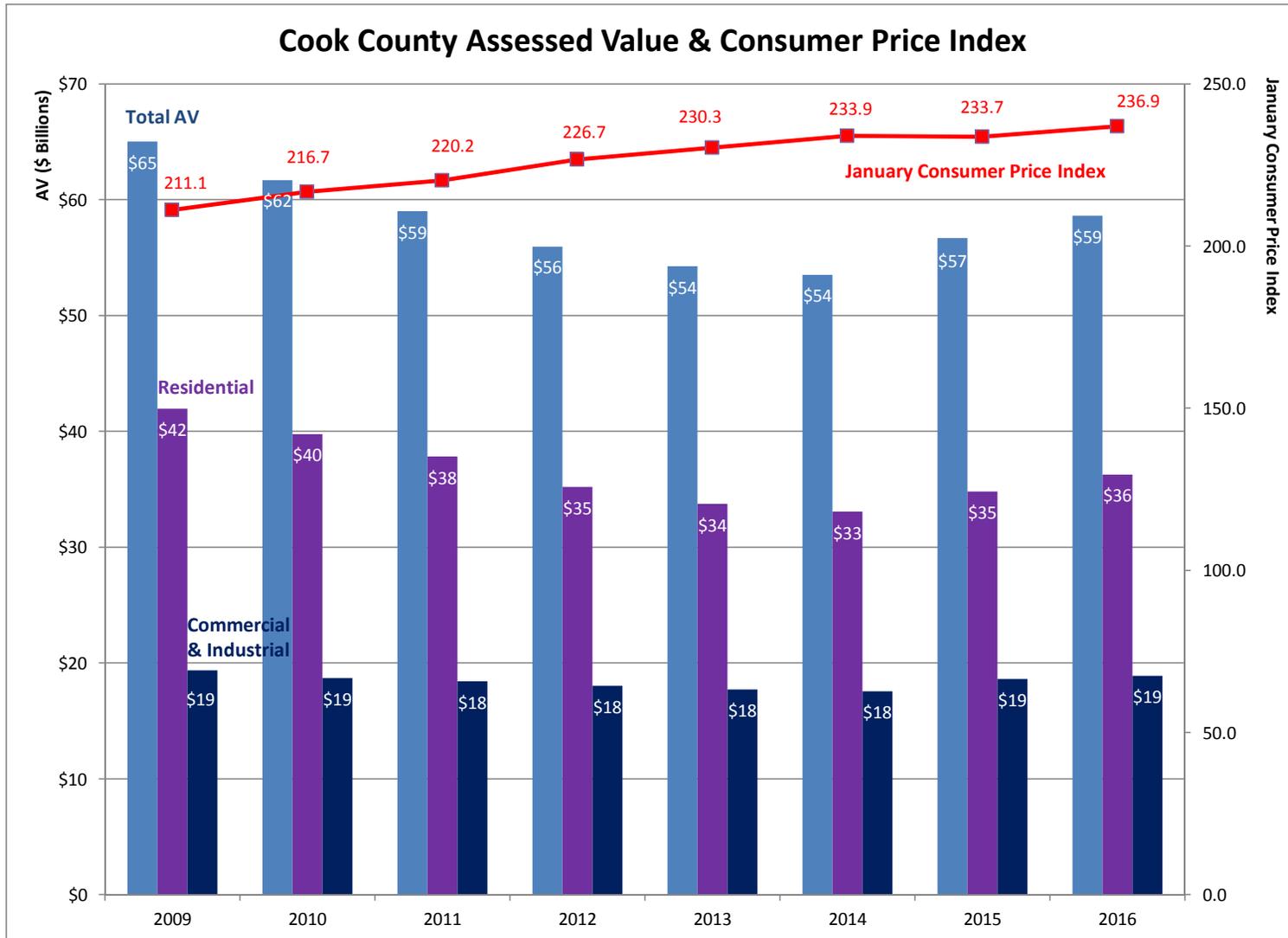
The south suburbs, which are being reassessed in 2017, are still waiting to see an upturn in assessed values. Overall, the total assessed value of all property in the south suburbs remains 23% below the 2009 assessed value. The total assessed value of residential property was 27% lower than in 2009, and commercial and industrial property is still down 15%.



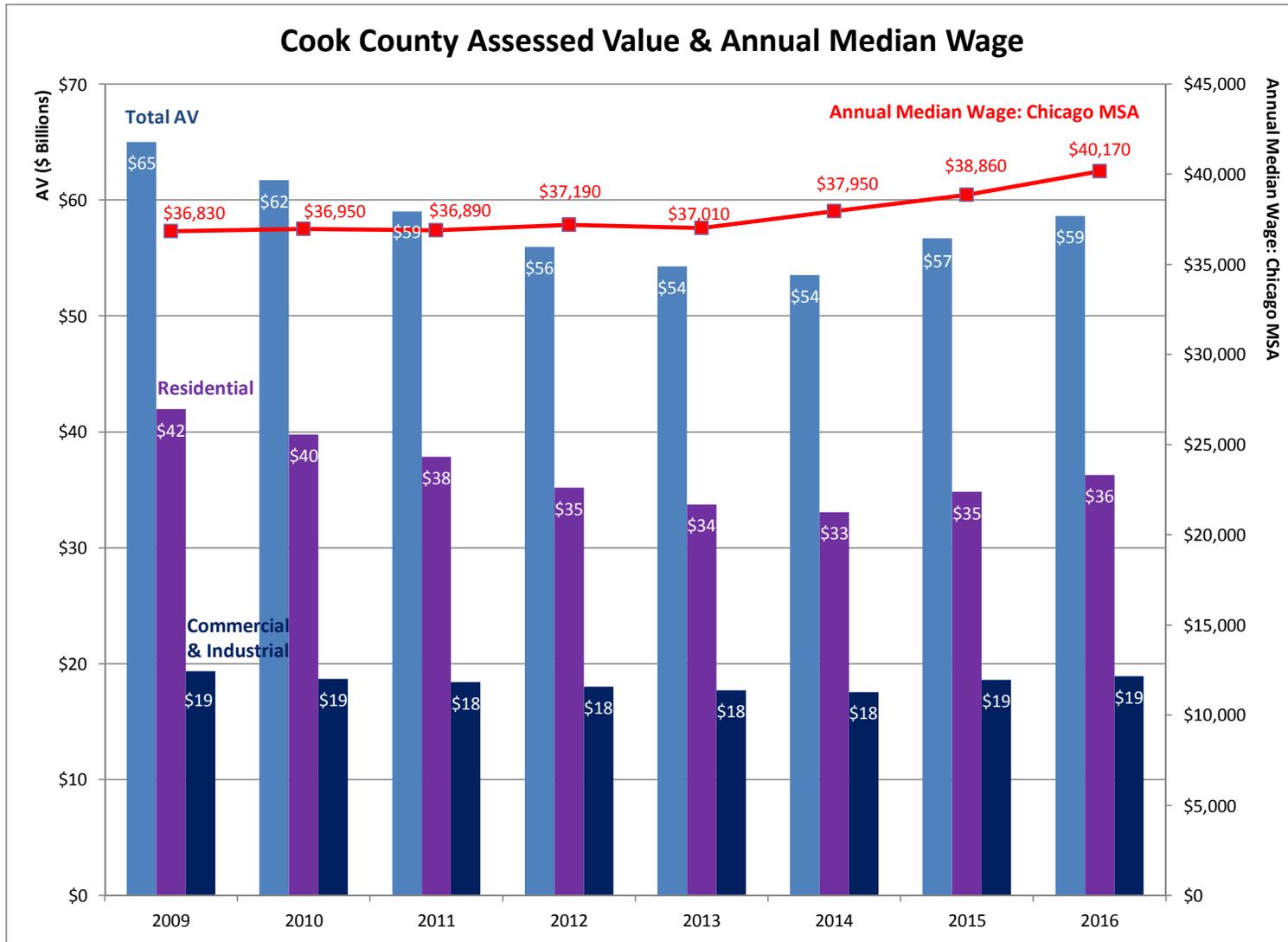
It is also important to consider property tax assessments within the larger economic context. Cook County assessment data can and should be viewed in relation to other economic indicators. A comparison of the growth in the Dow Jones Industrial Average as of the first trading day of each year shows the difference between the stock market and the Cook County real estate market. Since assessments are made as of January 1 of each year, the first trading day of the year roughly corresponds with the assessment date for property. While total Cook County assessments have not yet fully recovered, the Dow Jones Industrial Average has increased by 90% through January 2016.



During the same time period, the January Consumer Price Index, a nationwide measurement of the price of basic goods and services, has increase by 12%. This measurement is slightly different than the percentage increase in the Consumer Price Increase used in the Property Tax Extension Limitation Law (PTELL) since the percentage change in the CPI used for PTELL uses the percentage change during the prior calendar year.



Wages in the Chicago Metropolitan area, however, have neither seen the same kind of growth as the stock market nor even kept pace with inflation. According to the Bureau of Labor Statistics, the Annual Median Wage in the greater Chicago area has increased by only 9% since 2009.



We have also compiled assessment data by township so that you can analyze the trends on a more local level. Seven years after Cook County revised assessment levels and eight years after the Great Recession, not a single suburban township has seen a full recovery in its total assessed value. The data for each suburban township is available by [clicking here](#).

The most pronounced effect of recent assessment trends is higher tax rates. However, higher tax rates do not necessarily correspond with more money for local taxing agencies. While property tax levies may be growing at or slightly above the rate of inflation, individual tax bills can increase or decrease much more than inflation due to a property's assessed value in relation to the assessments of neighboring properties. It is important for the public to understand that tax rates and tax bills are not simply the result of the property tax levy.

Finally, commercial and industrial property tax assessment appeals at the Illinois Property Tax Appeal Board (PTAB) or in circuit court should not be underestimated. While residential property has the most assessed value, it also has the largest number of properties. The average assessed value of a residential property in Cook County was \$22,951, which corresponds with a market value of \$229,517. Meanwhile, the average assessed value of commercial and industrial property was \$200,478, which translates to a market value of \$800,915. Thus, although numerous, residential property on average has substantially less assessed value at stake if the property taxes are appealed. On the other hand, a single commercial or industrial property with significantly greater assessed value can have a dramatic impact on a taxing agency's levy if it appeals its assessment and obtains a large refund.

For questions or for more information, please contact Scott Metcalf or Ares Dalianis.

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