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Assessor Kaegi backs proposed Chicago ADU expansion

Cook County Assessor Fritz Kaegi endorsed an ordinance in the Chicago City Council to allow for citywide construction of Accessory Dwelling Units (ADUs), including coach houses and “granny flats.”

“This legislation encourages the construction of more affordable rental units, an urgent need as we fight the ongoing affordability crisis that threatens to drive many long-time residents out of their neighborhoods,” said Assessor Kaegi.

“It would also grow the city’s property tax base, which can help drive down the tax rate for everybody.”

The [proposed legislation](#) would expand an existing pilot program that the city initiated in 2021. Since then, around 400 new rental units have been built through this program.

When new property is added to the tax rolls, it increases the total value of the city’s tax base, typically lowering the tax rate. Lower tax rates can contribute to lower property taxes.

Construction of a new ADU in one home will not cause higher assessments for neighbors who have not built ADUs.

Building an additional rental unit will increase the total assessable area of a property and, sometimes, its assessed value. But even if the overall assessment increases, the assessed value per square foot will usually remain the same.

“The ADU ordinance isn’t going to drive up assessments for people who opt not to participate in it,” said Assessor Kaegi. “What it will do is help grow our tax base and provide important added housing options that are sorely needed in Chicago.”

Homeowners who build ADUs may in many cases be eligible for a [Home Improvement Exemption](#), which can help offset a property tax increase from the ADU for up to four years.