

# 2020 Reassessment of Oak Park Residential Properties

## 2020 South Triad Reassessment

February 29, 2020



# Oak Park 2020 Residential Reassessment

## Executive Summary

Oak Park is the 10th largest township in Cook County. In 2020, it had:

- 10,281 single-family homes,
- 5,561 condos, and
- 1,042 class 2 multi-family parcels.

The most common single-family home type in 2020 is a class 2-05: Two or more story residence, over 62 years, up to 2,200 sq. ft.

The median sale value of a single-family home in Oak Park in 2019 was \$425,000. The Cook County Assessor's median estimated Fair Market Value (FMV) for a single-family home in Oak Park in 2020 is **\$427,750**.

In the prior reassessment of Oak Park in 2017, the median FMV was \$405,975. The median change in estimated FMV from 2017 to 2020 was 5.1%.

Oak Park has grown by approximately \$192.4 million (29.3%) in total assessed value from 2019 (Assessor-certified) to 2020 (Assessor mailed values).

Single-family homes numbers include the following property classes: 202, 203, 204, 205, 206, 207, 208, 209, 210, 234, 278, 295

Condos include the following property classes: 299

Multi-family homes include the following property classes: 211, 212

# The Assessor's legal obligations for property reassessments:

1. A property's value must be **fair\*** – a fair market value.
2. In Cook County, properties must be re-assessed **every 3 years\***.
3. Property assessments must be **uniform\***.
4. Property assessments must comply with Cook County ordinance about the property's **assessed value\*\***, which is used to determine property taxes.

\* = This is literally the statutory duty of the Assessor per the Illinois Tax Code (§35 ILCS 200).

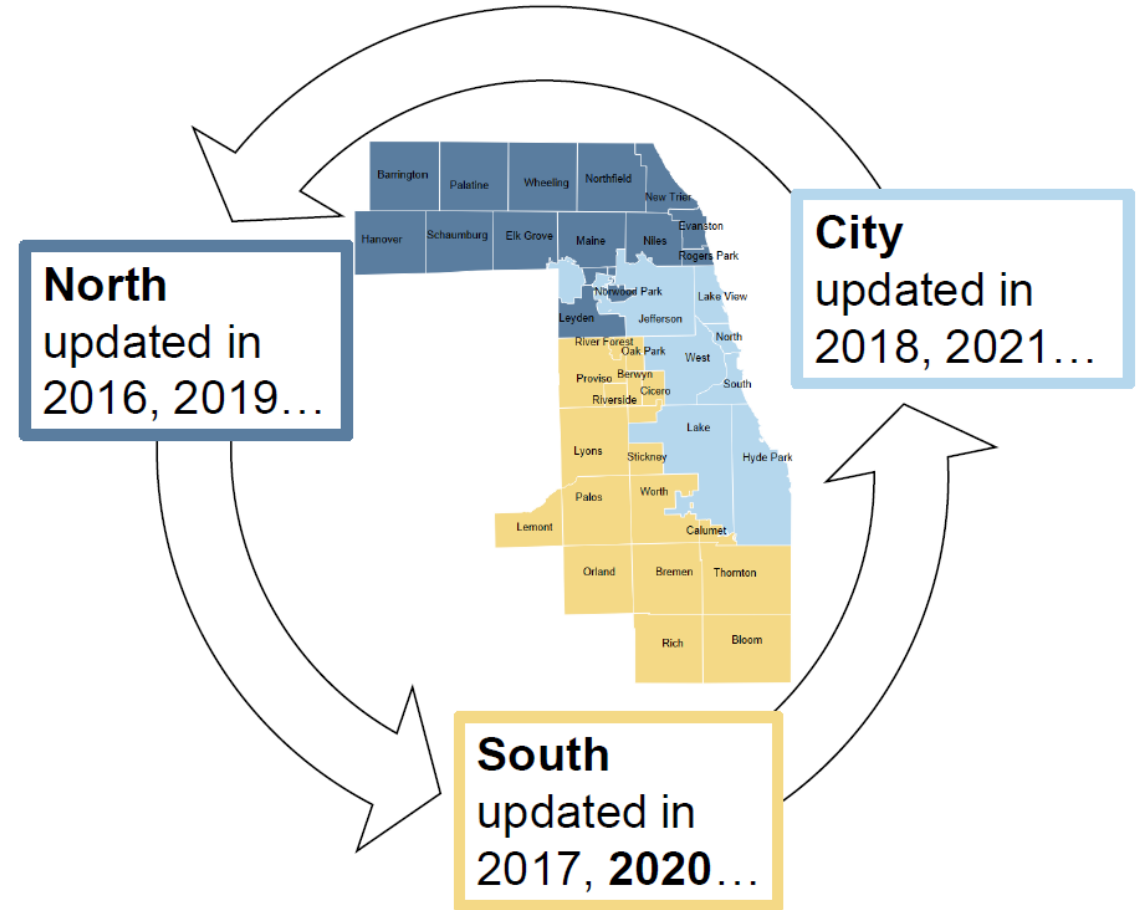
\*\* = Levels of assessment for taxation are set by Cook County Ordinance.

# Reassessments are every 3 years.

Taxes are calculated every year.  
But the reassessment cycle is every **3** years.

## South/West Suburbs:

- Reassessed in 2017 and 2020
- **2020** reassessments are reflected in the second installment property tax bill sent in summer **2021**



# Our duty: Fairness and accuracy.

The Illinois Tax Code (35 ILCS 200/1-50) defines a home's **fair cash value** like this: Sec. 1-50. **Fair cash value.** The amount for which a property can be sold in the due course of business and trade, not under duress, between a willing buyer and a willing seller.

We also call this the Fair Market Value.

When you receive a Reassessment Notice in the mail, it contains this updated value, along with characteristics of your home.

The image shows a 'RESIDENTIAL ASSESSMENT NOTICE' form. A callout box with a blue border points to a specific field on the form, which is labeled 'Estimated Fair Market Value' and contains the amount '\$278,160'. The callout box has a white background and a blue border. The form itself is a standard assessment notice with various fields for property information and a table of characteristics.

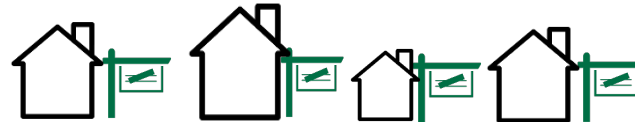
To produce a fair market value for a home in 2020, we look to recent **trends in the real estate market.**


# How the Assessor's Office produces an estimate of Fair Market Value (FMV) for a home in a reassessment township:

***For each home....***


**1 We find trends in sales**   
of homes that are similar to it,  
in and around its neighborhood.

**2 We estimate the home's fair market value, based on those similar homes.**




Estimated FMV in 2020: 



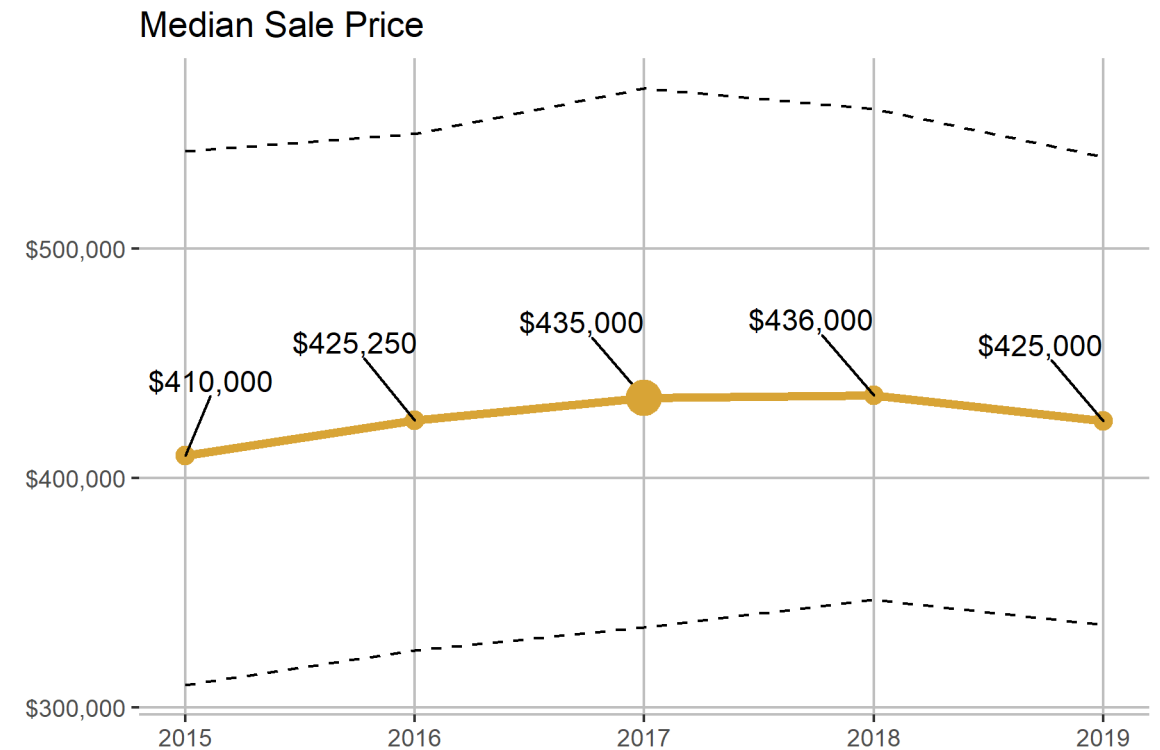
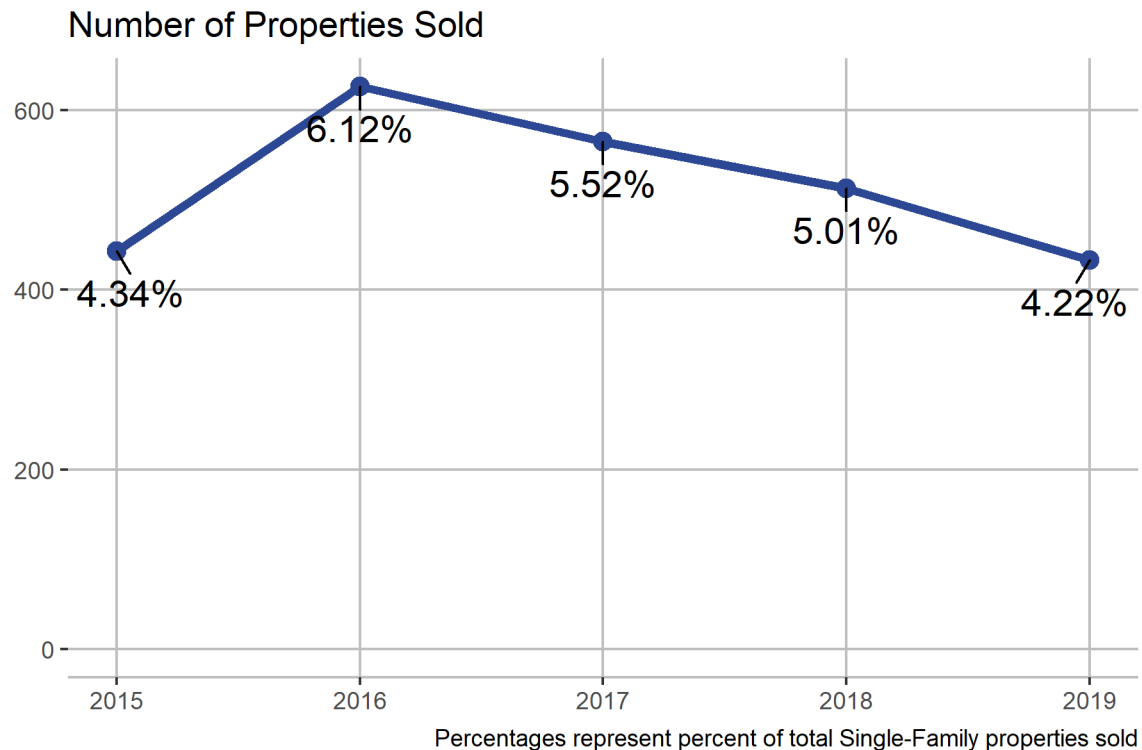
Estimated FMV in 2020: 



Estimated FMV in 2020: 

# What were the trends in Oak Park home sales?

We observed these trends in the real estate market for single-family homes from January 1, 2015 to December 31, 2019. Sales are recorded by the Cook County Recorder of Deeds and reviewed by the Illinois Department of Revenue. Dashed lines represent 25<sup>th</sup> and 75<sup>th</sup> percentiles each year: of all the Oak Park single-family homes that sold in each year, 50% of them had sale prices between the dashed lines.

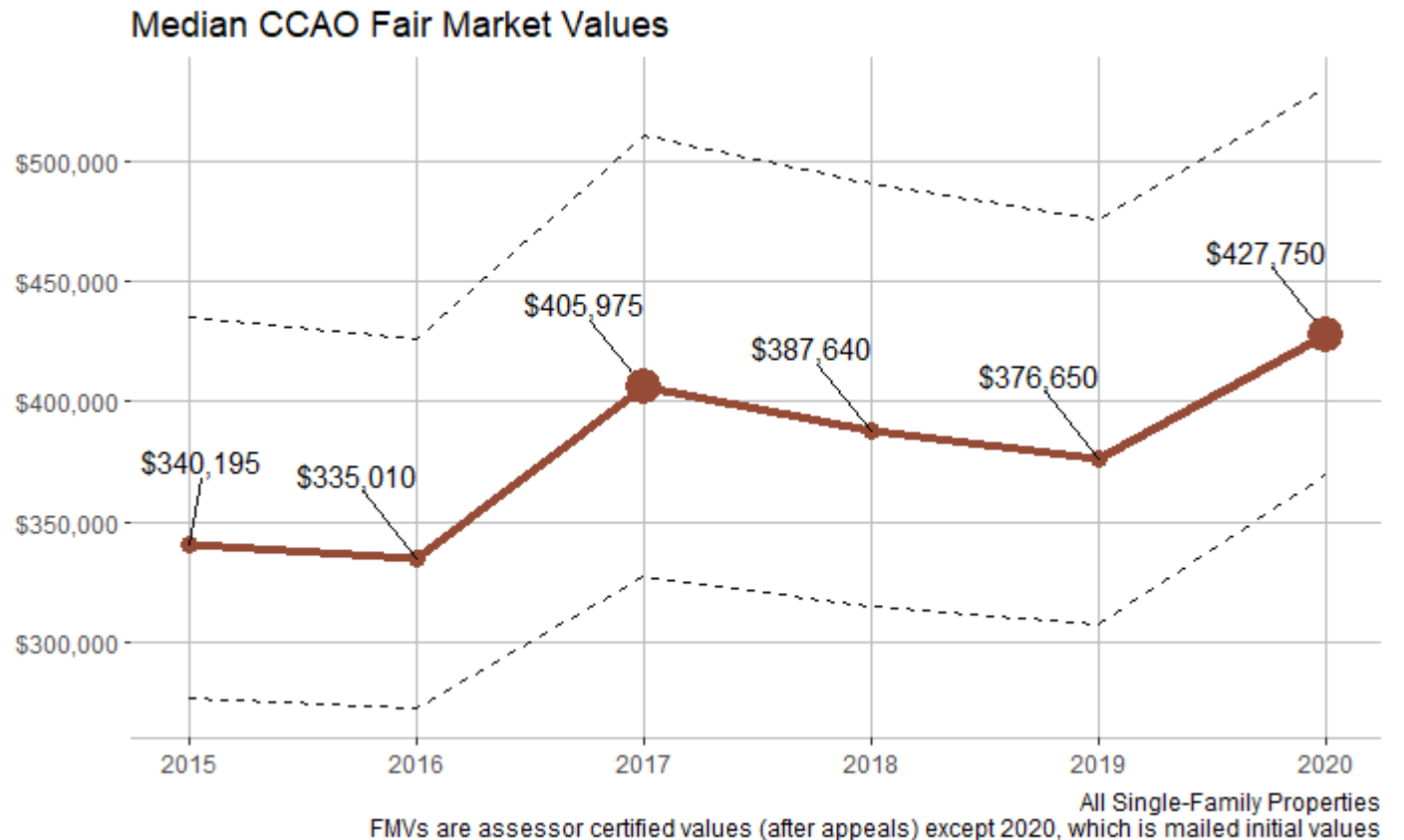


# CCAO's Estimated Fair Market Values

The median estimated Fair Market Value for a single-family home in Oak Park in 2020 is **\$427,750**.

Oak Park was last fully reassessed in **2017**. Between the 2017 and 2020 reassessments, median values can change due to single-property reassessments (for new construction or similar reasons) and appeals.

This graph shows the median CCAO estimated Fair Market Value for single-family homes. Please note that all values before 2020 are Assessor-certified values.



50% of the FMVs of all single-family homes in Oak Park are in between the two dashed lines.



# Sales Comparison between Reassessments:

Let's look at median sale prices of homes. Because reassessments in a year rely most on sales that occurred in the year prior, let's examine changes in median prices of a home in 2016 and 2019 (for reassessments in 2017 and 2020).

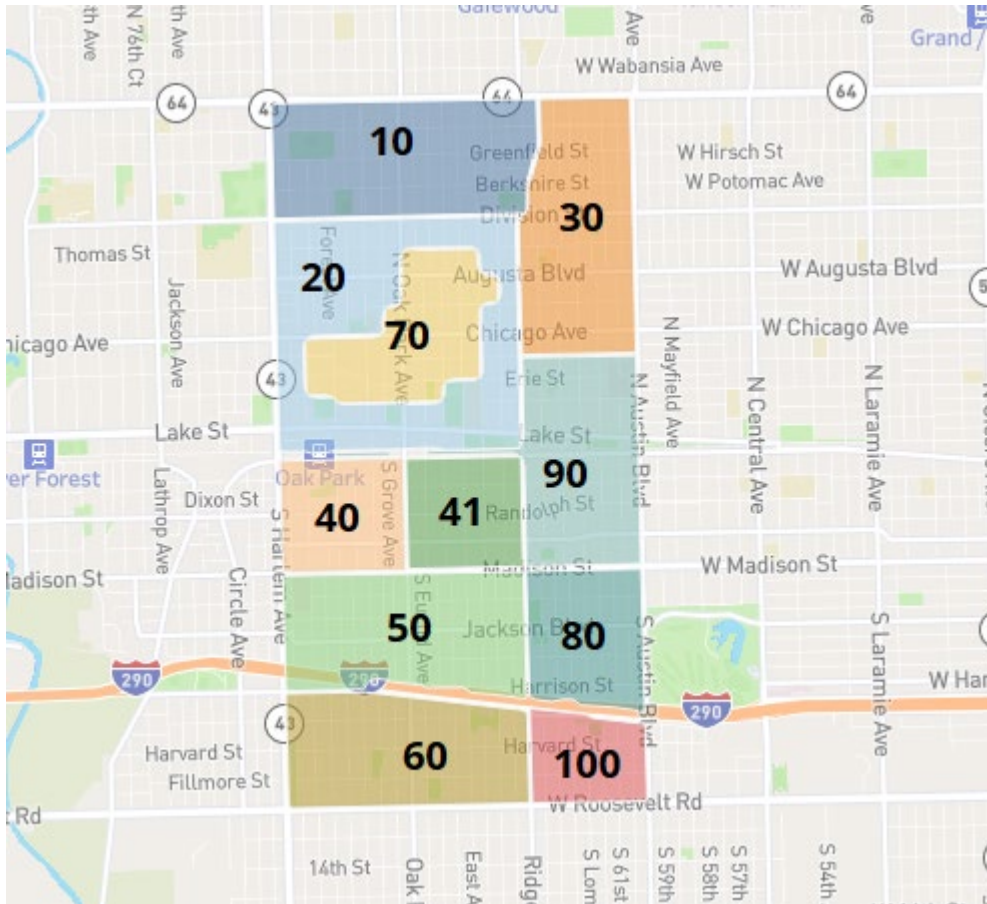
Year	2016	2019	% change
Median sale price of a home	\$425,250	\$425,000	-0.1%

The Institute for Housing Studies at DePaul University studies the housing market. From 2017 to the first half of 2019, their data indicated a 7.1% year-over-year change in median sale prices of homes in this region.

# CCAO estimated FMV Comparison:

Year	2017	2020	% change
Median CCAO estimated Fair Market Value	\$405,975	\$427,750	5.1%

# Oak Park Neighborhood Data



Sale prices of homes are affected by location. Because of this, estimates of Fair Market Values also depend on location. The CCAO's database contains a township and a neighborhood code for each home. A home's neighborhood code can be found on its Reassessment Notice and on its PIN details at [cookcountyassessor.com](http://cookcountyassessor.com).

The next page contains statistics for single-family homes in each neighborhood of Oak Park.

# Oak Park Neighborhood Data

Neighborhood code	Number of sales in 2019	Median sale price in 2019	Median 2020 CCAO FMV	Median sales ratio	Median \$ change in CCAO FMV 2019-2020	Median % change in CCAO FMV 2019-2020
10	47	\$494,500	\$551,325	1.008	\$57,685	11.7%
20	55	\$485,000	\$517,740	1.001	\$65,765	14.6%
30	60	\$392,000	\$394,030	1.016	\$63,680	19.3%
40	21	\$464,400	\$450,430	0.971	(\$1,530)	-0.3%
41	19	\$523,500	\$582,520	1.014	\$72,210	14.2%
50	59	\$424,000	\$413,775	1.001	\$23,545	6.0%
60	66	\$372,500	\$387,450	1.019	\$65,880	20.5%
70	20	\$713,750	\$848,610	1.031	\$160,850	23.4%
80	23	\$399,750	\$421,075	1.077	\$90,655	27.4%
90	29	\$505,000	\$487,700	1.006	\$57,710	13.4%
100	34	\$290,000	\$307,875	1.065	\$57,015	22.7%

These numbers include the following property classes: 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-34, 2-78, 2-95.

# Why two homes can have different changes in Assessed Value

**Q: Between the 2017 and 2020 reassessments, the median change in assessed value was 5.1%. Why did my home's assessed value change more (or less) than 5.1%?**

**Every home is different.** Because of this, your home's change in assessed value may be different from a neighbor's change (or different from the median change).

Homes have different characteristics (like age and square footage), and are in different neighborhoods. Homes with different characteristics often have different patterns in sales, and these different patterns can therefore produce different changes in estimates of each home's fair market value – and therefore different changes in assessed value.

# Fairness: Assessment Uniformity

Assessments are required to be **uniform**.

There are many ways to measure this. The CCAO is committed to measuring our work against the industry standards of uniformity, set by the International Association of Assessing Officers (IAAO). The IAAO defines two standards for uniformity: **variability** and **vertical equity**. The CCAO sets its standard to meet **both** of these metrics for every township.

- **Variability** measures the degree to which all values in a data set vary from the average. When variability is low, this indicates high-quality assessments.
- **Vertical equity** measures the degree to which high-value property assessments are similar to lower-value property assessments. There are two metrics for vertical equity.

# IAAO Statistics for Uniformity

## Oak Park 2020 Residential Reassessment

The IAAO provides one statistic for measuring variability of assessments: Coefficient of Dispersion, or COD. Low variability indicates a high-quality assessment.

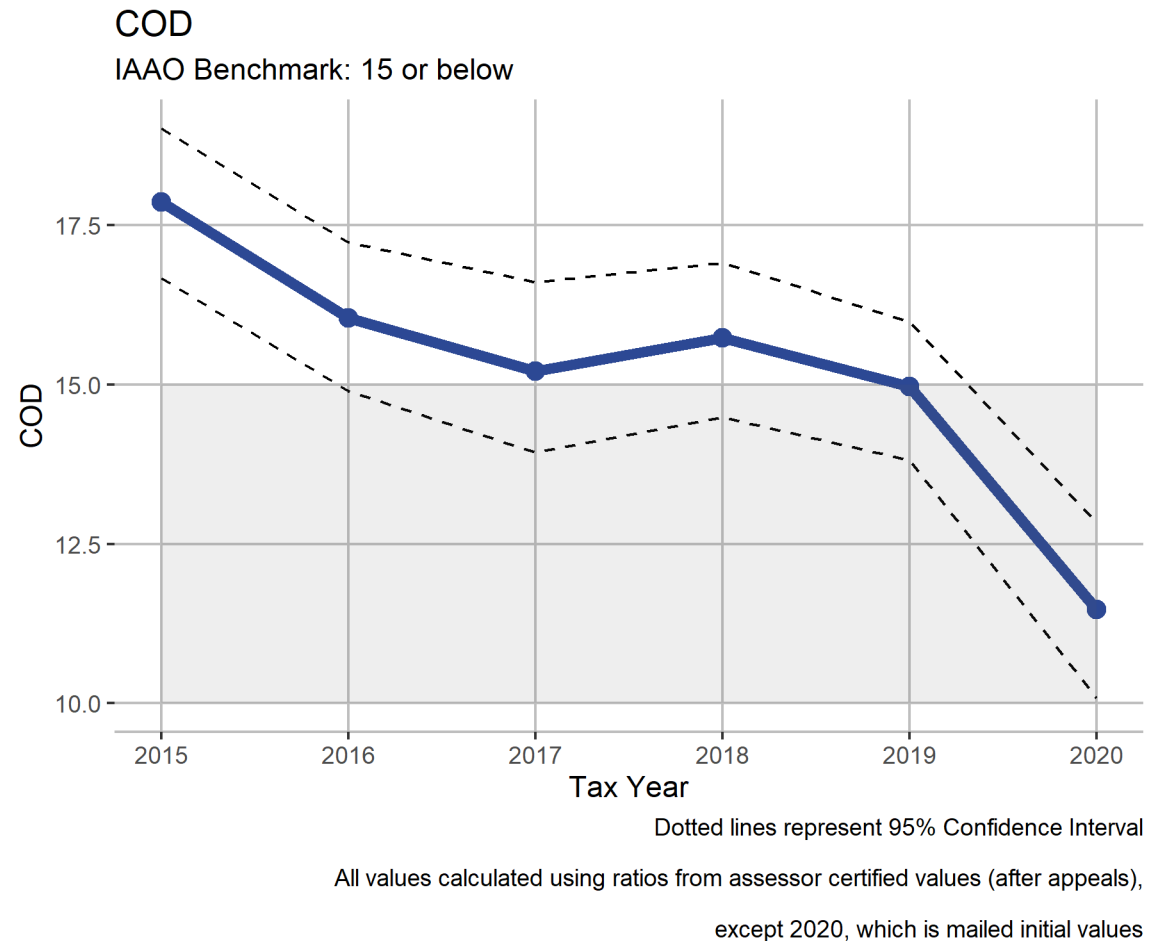
There are two statistics for measuring vertical equity of assessments: Price-Related Differential and Bias (PRD and PRB). If either PRD or PRB falls within the target range, the standard for vertical equity is considered met. **In the 2020 Reassessment of Oak Park, the CCAO met both standards for uniformity.**

Category	Statistic	Target Range	Result	Standard Met?
Variability	COD	5-15	11.4038	Yes
Vertical Equity(1)	PRD	0.98-1.03	1.0249	Yes
Vertical Equity(2)	PRB	-0.05-0.05	-0.0895	No

# Variability: Coefficient of Dispersion

Variability measures to what degree data points in a statistical distribution or data set diverge from the average. Low variability indicates high quality assessments. Coefficients of Dispersion (CODs) between 5 and 15 indicate high-quality assessments.

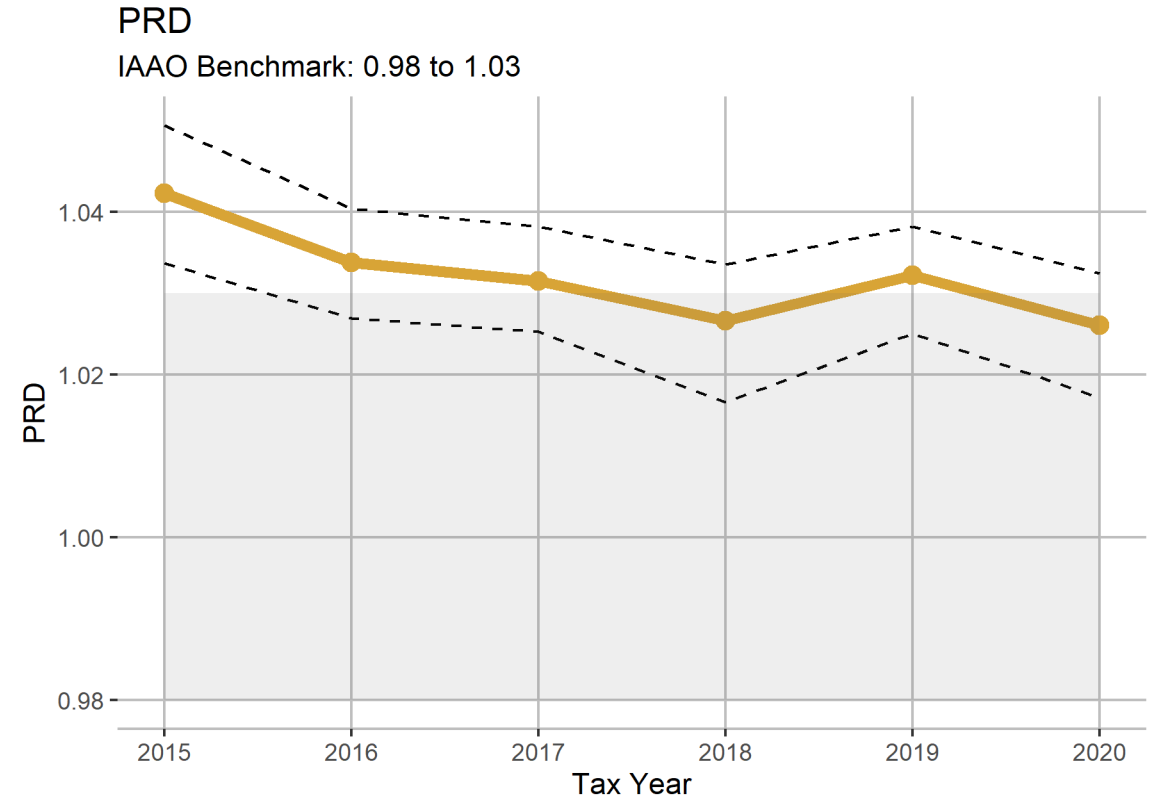
This graph shows that our COD for the 2020 re-assessment for this township is 11.4038. As it is between 5 and 15, **the COD has met the IAAO standard for variability.**



# Vertical Equity 1: Price-Related Differential

Vertical equity is the degree to which low-value properties are assessed at the same ratio as high-value properties. PRDs between .98 and 1.03 indicate high-quality assessments.

This graph shows that the PRD is 1.0249 for our 2020 assessments of this township. **The PRD has met the IAAO standard for variability.**



Dotted lines represent 95% Confidence Interval

All values calculated using ratios from assessor certified values (after appeals),

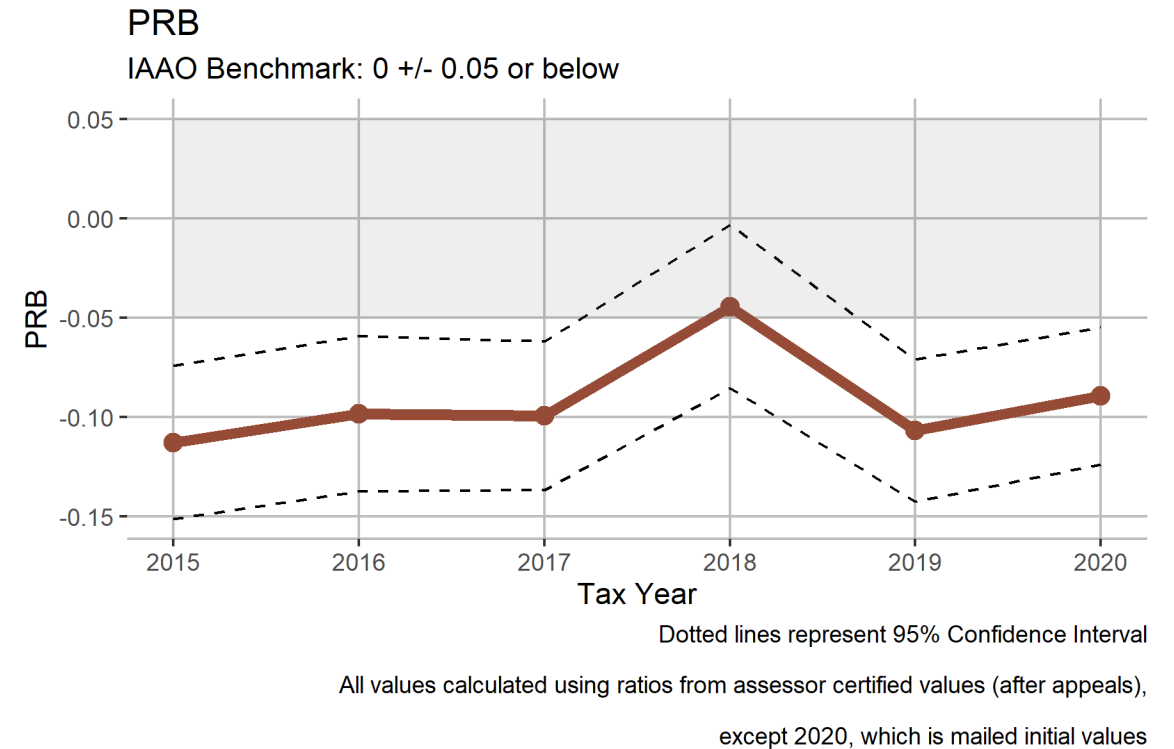
except 2020, which is mailed initial values



# Vertical Equity 2: Price-Related Bias

Vertical equity is the degree to which high-value properties are assessed at the same ratio as low-value properties. PRBs between  $-0.05$  and  $0.05$  indicate high-quality assessments.

This graph shows that the PRB is  $-0.0895$  for our 2020 assessment of this township. The PRB has not met this metric's IAAO standards, but because the PRD met the IAAO standards, this township is considered to have met the requirement for variability.



# CCAO in 2020

Fairness. Ethics. Transparency.

CCAO resources and tools for homeowners:  
[cookcountyassessor.com/homeowners](http://cookcountyassessor.com/homeowners)

CCAO data and reports:  
[cookcountyassessor.com/community-data](http://cookcountyassessor.com/community-data)

**[www.CookCountyAssessor.com](http://www.CookCountyAssessor.com)**

Facebook: [/CookCountyAssessorsOffice](https://www.facebook.com/CookCountyAssessorsOffice)

Twitter: [@AssessorCook](https://twitter.com/AssessorCook)

# Appendix A: Total Assessed Value in Oak Park

Oak Park is predominantly residential. There has been growth in both residential and non-residential real estate sectors.

	2019		2020		2019 → 2020	
	Sum of AV	% share of total AV	Sum of AV	% share of total AV	Change in %share	Change in \$AV
Commercial / Non-residential	\$121,669,775	18.6%	\$227,723,445	26.8%	8.3%	\$106.1 m
Residential	\$534,203,664	81.4%	\$620,538,277	73.2%	-8.3%	\$86.3 m
<b>TOTAL</b>	<b>\$655,873,439</b>		<b>\$848,261,722</b>			

Residential includes all class 2. Commercial/non-residential includes classes 1, 3, 4, 5, 6, 7, and 9.

2019 are Assessor-certified final values.

2020 values are Assessor mailed values.

# Appendix B: Data Sources

## ***Sales Data***

The Cook County Assessor's Office uses a computer-assisted mass appraisal method to value residential properties, which requires a significant number of data points.

For the Oak Park reassessment, our office combined sales data from across the southern townships in Cook County.

***This created a sales database of 175,741 sales from 2015 to the end of 2019.***

These sales are recorded by the Cook County Recorder of Deeds and reviewed by the Illinois Department of Revenue before entering our database.

Note that each home's estimated fair market value depends most on its individual characteristics and location. For each home, sales of homes that are closer to its location and more similar to it contributed more to our estimate of its value.

# Appendix C: What is an Assessed Value?

The estimated Fair Market Value of a property is *not* what is taxed. The taxable value of a property depends on its **Assessed Value (AV)**. The AV is a percentage of its Fair Market Value (FMV).

Cook County ordinance defines different assessment levels for different property types:

- Residential and apartment properties are assessed at 10% of FMV
- Most non-incentive commercial properties are assessed at 25% of FMV.

**Example:** for a home with a FMV of \$427,750, its AV = 10% of \$427,750 = **\$42,775**.

**Note:** residential property tax bills depend on the property's local tax rate, its assessed value, any exemptions applied to the property, and the State Equalizer. These numbers are all printed on the second-installment tax bills mailed by the Cook County Treasurer.