

# Cook County Assessor's Office: 2019 North Triad Assessment

Elk Grove Residential Assessment Narrative

April 16th, 2019



# Elk Grove Residential Properties Executive Summary

- Since the 2016 re-assessment, property values in Elk Grove have increased by about 8% according to the [Institute for Housing Studies at DePaul University](#).
- The increase in median assessed value for residential properties between the 2016 and 2019 re-assessments is 6.46%.
- The CCAO met the standard for compliance: the legal requirement to assess residential properties at a 10% assessment ratio.
- The CCAO also met the International Association of Assessing Officers standards for uniformity and vertical equity.

# Elk Grove Residential Properties Valuation Statistics

The aggregate assessed value of residential properties in Elk Grove has changed from \$515,253,155 in the 2016 re-assessment to \$564,060,193 in the 2019 re-assessment.\*

Statistic	2016	2019
Median Sale Price	\$275,000	\$300,000
Median Assessed Value (AV)	\$28,964	\$30,835
Change in Median AV	\$5,032	\$4,054
% Change in Median AV	21%	15%

\* 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.

# Elk Grove Residential Properties Valuation Glossary

Let's talk about each of these statistics and what they show. Remember that assessed value (abbreviated as AV) is 10% of market value for residential properties.

**MEDIAN SALE PRICE:** If you arranged every sale from lowest to highest, the median sale price is the price in the middle of the group.

**MEDIAN ASSESSED VALUE (AV):** If you arranged every assessed value from lowest to highest, the median assessed value is the value in the middle of that group.

**% CHANGE IN MEDIAN AV:** The percent difference between the median assessed values in two given time periods. In this report, we're showing the percent change in median AV between the given year and the year prior.

**CHANGE IN MEDIAN AV:** The difference (in dollar amount) between the median assessed values in two given periods. Again, we're showing the change in median between the given year and the year prior.

To review your specific home's assessment, visit [cookcountyassessor.com](http://cookcountyassessor.com) or review the assessment notice you received in the mail.

# Elk Grove Assessment Methodology

## **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.

Our office combined sales data from Elk Grove, Maine, Schaumburg, and Wheeling townships.

This created a sales database of 50,686 sales ranging from 2013 to the end of 2018. These sales are recorded by the Cook County Recorder of Deeds and reviewed by the Illinois Department of Revenue before entering our database.

# Elk Grove Assessment Methodology

## **Other factors**

The assessment process strives for uniformity when it considers properties' size, age, location, and quality. In addition to sales data, other factors affect the models we create for re-assessment.

These factors include building square footage, land square footage, number of full bathrooms, number of rooms, finished basements, age, exterior wall construction, garage, location, township and CCAO neighborhood code.

Our full models and the underlying code used in our calculations will be published after the north triad re-assessment is completed in the fall of 2019. We will also provide information on median ratio and assessed values later in the year.

# Evaluating Questions About Elk Grove Assessments

The data on the previous slides tends to suggest the following questions/concerns:

**Q. If the median % change in assessed value is 15% and the change in median assessed value is \$4,054, why did my assessment go up so much more?**

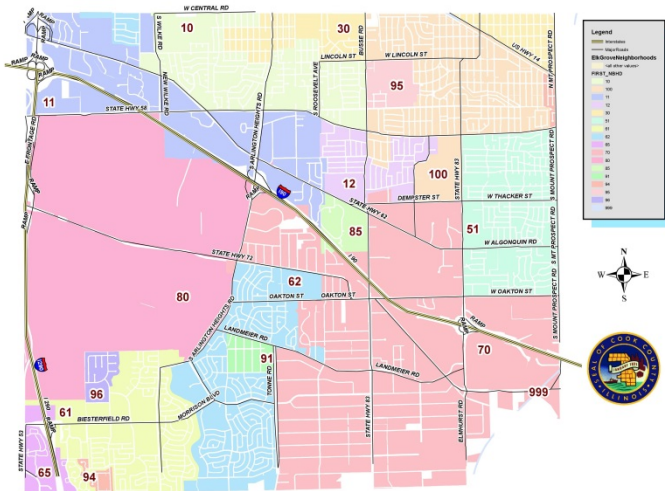
A. The median assessed value is merely the value within the middle of a set of numeric values. It does not indicate an average of the values. Some assessed valuations will be higher or lower than that median number.

**Q. Why do you use data from different townships for the residential assessment? Isn't that inaccurate?**

A. Increasing the sample size increases the accuracy of our models as our office uses a mass appraisal model, rather than one that looks at each house individually. Differences in location are accounted for in our models.

# Elk Grove Neighborhood Locations/Codes

Elk Grove Neighborhoods 2019



Elk Grove is located on the northern border of Chicago. It is the 8th largest township in the north suburbs with 17,545 single-family parcels.

For our purposes, "neighborhood code" refers to the identifying numbers for a specific set of properties in our database.

A property's specific neighborhood code can be found by looking up a property using its address or PIN at [cookcountyassessor.com](http://cookcountyassessor.com).





## Elk Grove Residential Data By Neighborhood

Code	Sales in sample	Median ratio	Median sale price	Change in median sale price	% change in median sale price	Median assessed value	Change in median assessed value	% change in median assessed value
10	170	10%	\$390,000	(\$20,000)	-5%	\$40,810	\$3,376	9%
11	31	10%	\$325,100	\$40,100	14%	\$30,278	\$2,003	7%
12	87	10%	\$327,500	\$27,350	9%	\$33,227	\$4,364	15%
30	123	10%	\$312,500	\$37,500	14%	\$29,082	\$3,401	13%
51	215	10%	\$285,000	\$10,000	4%	\$29,156	\$3,704	15%
61	172	10%	\$285,000	\$20,000	8%	\$30,393	\$4,308	17%
62	252	10%	\$250,762	\$10,762	4%	\$22,508	(\$494)	-2%

Sales in sample data is as of 2018. All other fields account for all properties in the sample, not just sales. Median ratio is from 2018-19. Median sale price is as of 2018. Changes in median sale price are from 2017-18. Median assessed value is as of 2019. Changes in median assessed value are from 2018-19. 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.

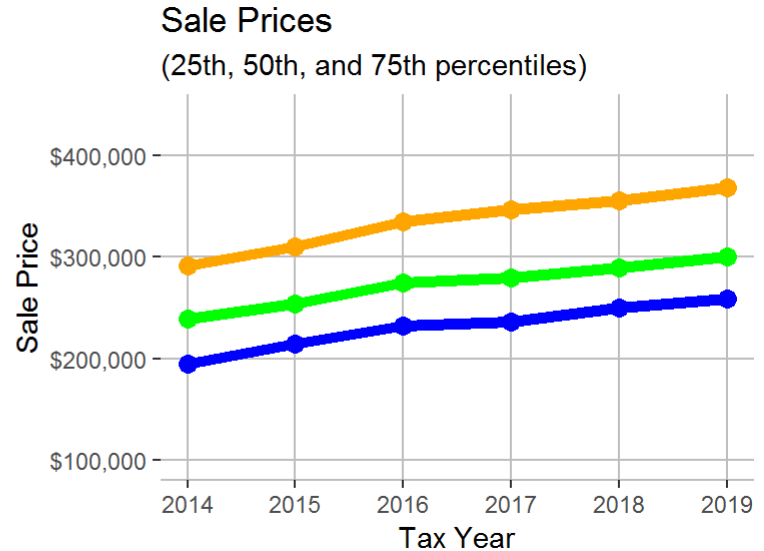
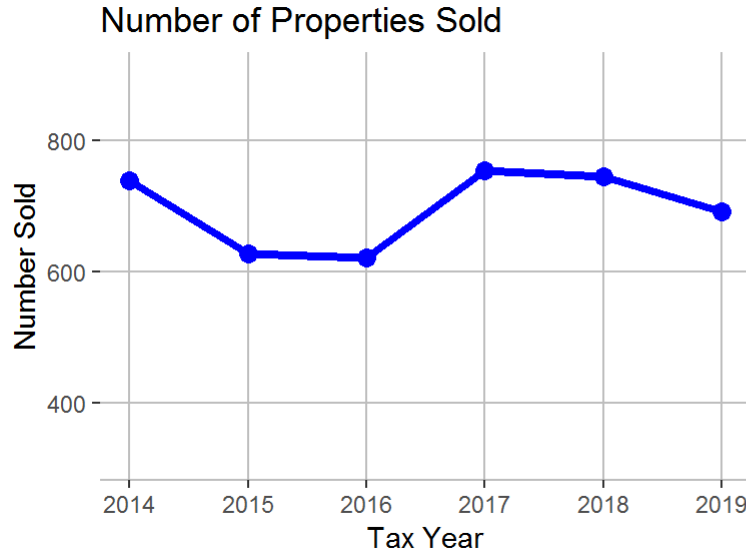
## Elk Grove Residential Data By Neighborhood

Code	Sales in sample	Median ratio	Median sale price	Change in median sale price	% change in median sale price	Median assessed value	Change in median assessed value	% change in median assessed value
70	9	10%	\$269,750	\$39,750	17%	\$26,732	\$1,232	5%
85	17	10%	\$240,000	(\$107,500)	-31%	\$34,938	\$2,525	8%
91	9	10%	\$250,000	(\$133,750)	-35%	\$35,668	\$2,048	6%
94	21	10%	\$330,000	(\$22,000)	-6%	\$36,756	\$2,284	7%
95	3	10%	\$570,000	\$20,000	4%	\$56,389	\$5,032	10%
96	7	10%	\$555,000	\$37,500	7%	\$51,317	(\$861)	-2%
100	276	10%	\$368,950	\$38,950	12%	\$33,779	\$4,467	15%

Sales in sample data is as of 2018. All other fields account for all properties in the sample, not just sales. Median ratio is from 2018-19. Median sale price is as of 2018. Changes in median sale price are from 2017-18. Median assessed value is as of 2019. Changes in median assessed value are from 2018-19. 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.

# Home Sale Trends Affecting Elk Grove Re-Assessment

The charts below summarize the market trends in Elk Grove since tax year 2013 from the perspective of the CCAO's Data. The first chart shows the number of residential sales in each year. The second chart shows the trends in median sale prices for the township described above. In general, the increases in assessed values discussed in the previous section are consistent with observed market activity.



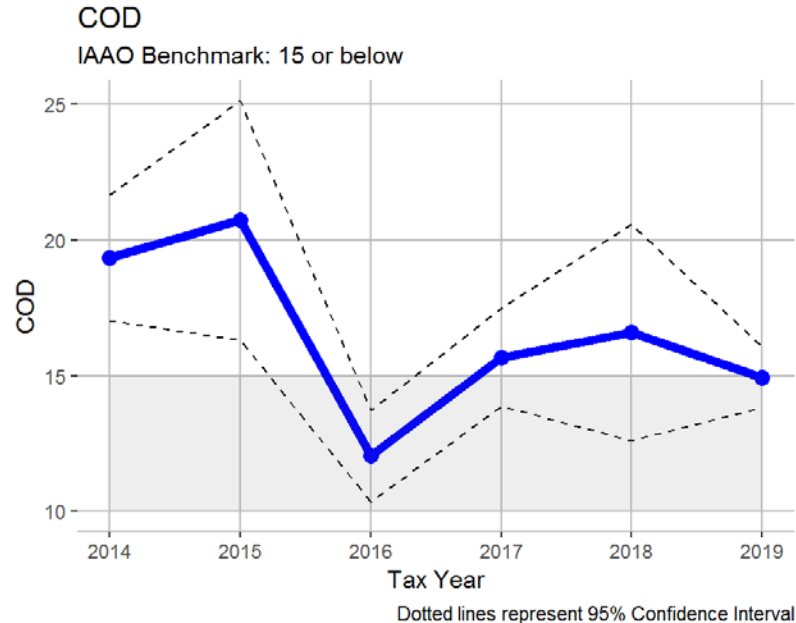
# Measuring Elk Grove Assessments Against Industry Standards

The CCAO is committed to measuring our work against the industry standards of uniformity, set by The International Association of Assessing Officers (IAAO). Under the umbrella of uniformity, there is one statistic for measuring variability of assessments: COD. There are two statistics for measuring vertical equity of assessments: PRD and PRB. If either PRD or PRB falls within the target range, the standard for vertical equity is considered met. Definitions of these terms can be found in Appendix B.

Category	Statistic	Target Range	Elk Grove Result	Standard Met
Variability	COD	5-15	14.94	Yes
Vertical Equity	PRD	0.98-1.03	1.02	Yes
Vertical Equity	PRB	-0.05-0.05	-0.04	Yes

# Variability Metric: COD

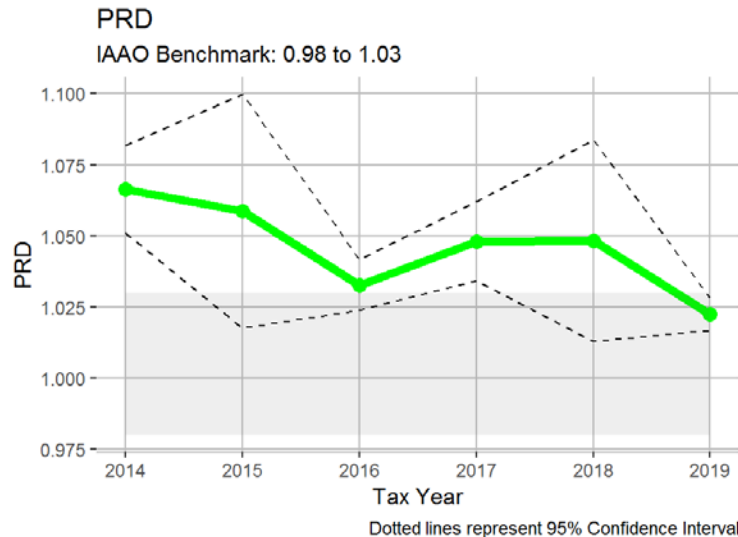
The graph below shows that our COD for the 2019 re-assessment for this township is 14.94. As it is statistically between 5 and 15, it is statistically within the IAAO standard for variability. Variability measures to what degree data points in a statistical distribution or data set diverge from the average.



# Vertical Equity Metric 1: PRD

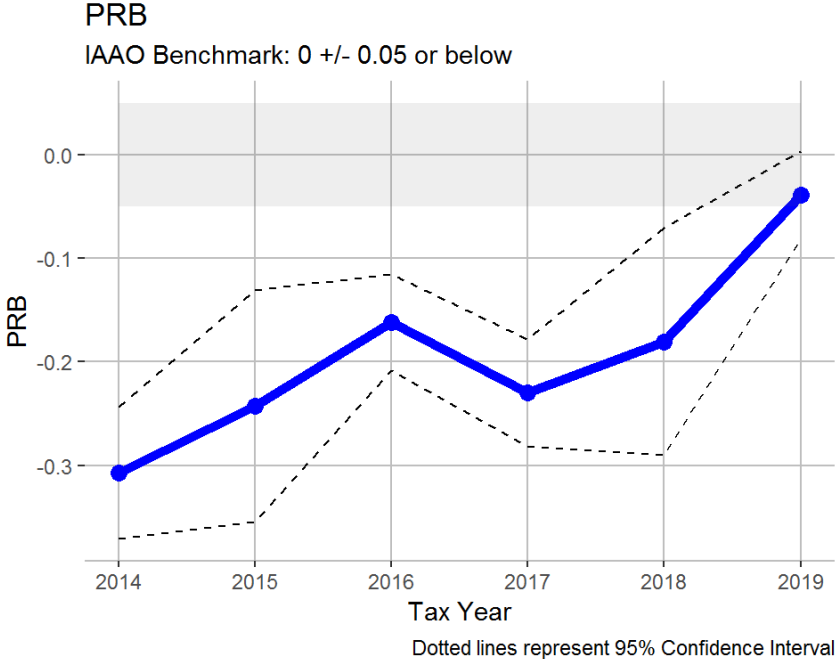
PRDs between .98 and 1.03 indicate high-quality assessments. The graph below shows that the PRD is 1.02 for our 2019 assessments of this township, which is statistically still within the target range based on the confidence interval.

The vertical equity component of the uniformity goal is met. Vertical equity is the degree to which high-value properties are assessed at the same rate as low-value properties.



# Vertical Equity Metric 2: PRB

PRBs between  $-0.05$  and  $0.05$  indicate high-quality assessments. The graph below shows that the PRB for our 2019 assessment of this township is  $-0.03$ . Therefore, we achieved this metric's standard for vertical equity.





# Elk Grove Residential Properties Conclusions

The CCAO met the IAAO standards for uniformity and vertical equity.

Improvements over time to both our modeling and data quality will make it possible for the CCAO to consistently achieve its goal of meeting or exceeding the IAAO standards, as well as the standard for compliance (the legal requirement to assess residential property at a 10% assessment ratio).

The CCAO is involved in a years-long effort to improve the quality of its assessments. We continue to build our ability to model and detect increasingly fine patterns in our data as we work to improve the accuracy, timeliness, and granularity of our data. The details of these efforts will be included in a future report.

## Appendix A – Total Assessed Value for Elk Grove Township Residential and Commercial

Elk Grove	2018	2019	% increase from 2018
Residential	<b>619,026,802</b>	<b>747,167,368</b>	<b>20.70%</b>
Industrial/Commercial	<b>720,093,967</b>	<b>1,311,983,831</b>	<b>82.20%</b>
Total	<b>1,339,120,769</b>	<b>2,059,151,199</b>	<b>53.77%</b>

Classes included in residential above: 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-11 apartments (less than six), 2-12, 2-34, 2-78, 2-95, 2-99 and any residential side lots (2-41) or standalone garages (2-01) on separate pins. Note that the numbers above include additional classes not included in the numbers on slide 3 and slides 11-13.

Commercial classes include 1, 3, 4, 5, 6, 7, and 9.