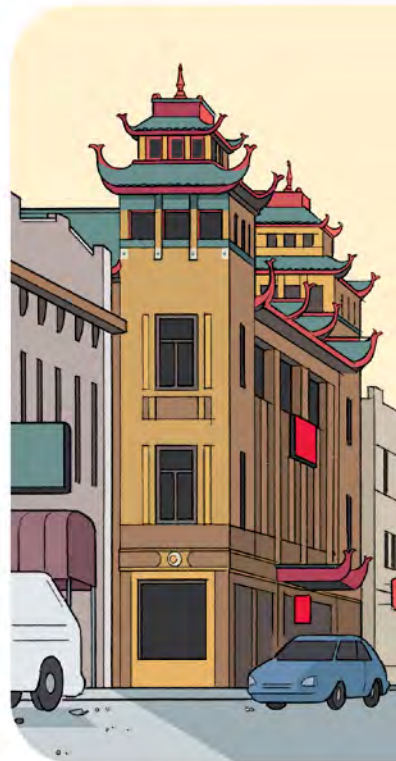


**cook
county**

**assessor's
office**

**north
suburban**

**reassessment
report**



Letter from Assessor Fritz Kaegi



Thank you for your interest in our assessment system. While the 2019 north suburban reassessment may be in the rearview mirror for most, the property tax cycle actually lasts 18 months. Now that we have a full view of the outcomes, we can explain not only how the property tax system works, but also how we are working to improve it.

This report tells the story of how our reassessments unfolded in the north and northwest suburbs in 2019. Along the way, we provide data and explain some of the complexities of our property tax system.

If there's one thing I've learned since I came into office, it's that most people—even policymakers and major real estate participants—have an imperfect understanding of how the system works. By providing a detailed explanation, we hope

to illuminate the system so the 5.2 million people who live and work in Cook County can better understand it.

Cook County's property tax system is interconnected. If one property's assessed value is too low, while others are accurate reflections of the market, then that property owner can pay less than their fair share of property taxes – forcing their neighbors to pick up the tab. Distortions like this can hurt the average home or business owner. In some places, these distortions could cost the average homeowner more than \$1000 a year in additional property taxes. Not only can this destroy wealth by diminishing the market value of property, but if it's widespread then such a practice could lead to unfair taxes, which take millions or even tens of millions of dollars out of neighborhoods, increasing depopulation and vacancy in our communities.

The goal of our administration is to eliminate these distortions through staff development, better property data and assessment modeling, improved technology, and legislation. You can see our progress on this work in our list of 2019 accomplishments in Section 1.

Section 2 explains the role of assessments in the property tax system: to divide the cost of government services among property owners in a community. Think of us as the agency that's about equity within communities. Sections 2 and 4 explain why, and also show the data and methods we use to follow the market for residential and commercial properties. That's both our legal duty and goal: to reflect, as best as we can, market prices in our assessments.

One common misunderstanding is that if a property's assessed value increases, this causes the tax bill to increase in a corresponding manner. As explained more fully in Section 3, where we look at how assessments, appeals, and tax rates interrelate, that is not always the case.

One crucial point deserves special emphasis: Restoration of fairness has to happen at the outset of the assessment process. Depending solely on appeals to repair our system has the aggregate effect of increasing distortions. A minority of people in Cook County use the appeals process, and

this minority tends to have the most wealth, knowledge of the system's quirks and weaknesses, and resources to navigate avenues to appeal. The aggregate effect of appeals from this minority is to reduce its share of the base, thus shifting more of the responsibility for property taxes to everyone else.

Getting initial assessments right and ensuring the integrity of the appeals process are the keys to making sure our assessment system is fair. We'll always need the appeals process to identify errors, but the more we can get right at the outset, the more we improve the assessment system for everyone.

As you read this report, I hope you see the energy, talents, and commitment to equity that my team brings to public service. Section 5 goes into detail about how we manage property tax exemptions and incentives for economic development as well as the outreach we do in communities throughout the county. Each person brings different expertise in terms of property valuation, data science, customer service, analysis, technology, management, policy, and communication. What unites them is the desire to support our core mission: accurate and fair assessments.

In publishing this report, we hope to provide information that will help you monitor the performance of our office, our assessments, and the property tax system as a whole.

We will continue to publish reports on the results of our work. I hope you find this report useful and look forward to future editions.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Fritz Kaegi'.

Fritz Kaegi

About the cover:

The cover of this report features original artwork by artist Chris Ware whose work is frequently seen within the pages, and on the cover of, *The New Yorker*. A resident of Oak Park, Illinois, Ware is the author of *Jimmy Corrigan – the Smartest Kid on Earth* and *Building Stories*, which was listed as a Top Ten Fiction Book by both *The New York Times* and *Time* magazine. His work has been exhibited at the MCA Chicago, MoCa Los Angeles and the Whitney Museum of American Art, and was the focus of the PBS program *Art21*. An eponymous monograph was released by Rizzoli in 2017 and his *Rusty Brown Part I* in 2019.

The Cook County Assessor's Office's 2019 Accomplishments

On December 3, 2018, Assessor Fritz Kaegi began his administration of the Cook County Assessor's Office, promising fairness, ethics, and transparency in the assessment of property. With a staff of 236 employees, Assessor Kaegi and his team executed this vision through operational changes, technological upgrades, and legislative support. Key accomplishments of the office in 2019 include:

- A "Day One" ethics order for the office signed by Assessor Kaegi, which included a gift ban, a prohibition on the use of office resources for private benefit, significant limitations on political contributions or activity from office employees, and required disclosure of economic interests.
- The online publication of assessment code and associated underlying data – a first for an assessor's office of this size in the United States.
- Resolution of outstanding litigation that alleged discriminatory and regressive assessment practices and fair housing violations.
- Implementation of anonymized assessment appeals and increased oversight of assessment reductions as a demonstration of the office's commitment to fairness.
- Implementation of auto-renewed senior homeowner exemptions after the Illinois General Assembly authorized auto-renewal.

We used **better technology** to support high-quality assessments and taxpayer service:

- Introduced new data sources for use by analysts to ensure that assessments track local real estate activity affected by these factors.
- Developed code that tests the quality of our assessments using international standards.
- Created internal and external reporting mechanisms to report assessment quality and diagnose assessment issues in Cook County – a first for the office.
- Created the Property Tax Rate Simulator Tool to show how levies, assessments, and property class affected Chicago property tax bills.
- Organized the first Market Analyst Day, a new annual event in collaboration with the City of Chicago, which provides guidance on the office's assessment methodology to maintain investor confidence in the city's commercial real estate outlook.

We doubled down on **ethics, fairness, and transparency**:

- Publicly posted rules for appeals to ensure all taxpayers are treated fairly.
- Met with key stakeholders in affordable housing at state and local levels to foster awareness of the CCAO's role in encouraging maintenance and creation of affordable rental units in the county.
- Achieved substantial progress toward compliance with the *Shakman* decree, which ensures office operations are not driven by politics. Pursuant to their oversight, *Shakman* monitors found no evidence of politically motivated employment decisions.
- Conducted outreaches for homeowners and commercial market participants at over 200 meetings throughout Cook County.

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2. The Assessor's Role in the Property Tax System

2.1. Role of the Assessor's Office

2.2. Your Home's Assessed Value: How the Assessor Follows the Market

2.3. Measuring Fairness in Residential Assessments

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Role of the Assessor's Office

The Cook County Assessor's Office (CCAO) has three primary roles within the Cook County property tax system.

1. Valuing Property

For nearly 1.9 million parcels of residential and commercial properties, the primary duty of the Cook County Assessor's Office is to fairly and uniformly determine this:

"What is this property worth?"

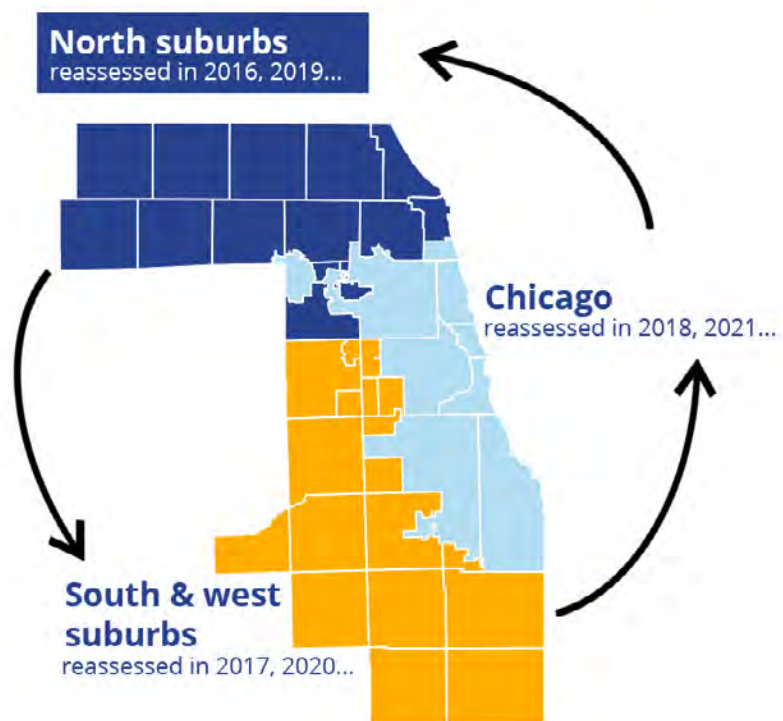
Per the Illinois Property Tax Code, each property in Cook County is reassessed every three years (35 ILCS 200/9-220) according to its **Fair Cash Value**.

Fair Cash Value (35 ILCS 200/1-50): "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."

Cook County follows a triennial reassessment cycle. A property's reassessment year depends on the location of the property. Townships in the north and northwest suburbs were reassessed in 2016 and 2019. Townships in the City of Chicago were reassessed in 2018 and will be reassessed again in 2021. Townships in the south and southwest suburbs were reassessed in 2017 and again in 2020.

Other events might cause a change in assessment of an *individual* property in a non-reassessment year. If the CCAO is notified of a change to the property that may affect its assessed value, the CCAO's field staff will verify these changes and calculate a new, proposed assessed value for the property.

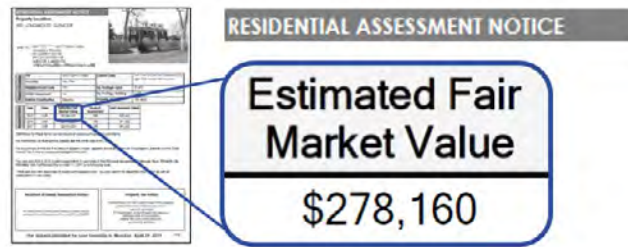
Cook County's Triennial Reassessment Cycle



The events that prompt these changes in assessment out of the triennial reassessment cycle may include things such as new construction, a division of a property, a fire, or a change in vacancy or occupancy status.

For all reassessments, the legal duty of the Cook County Assessor remains the same: to produce an updated market value for the property that is fair and accurate, relative to real estate activity.

When a property is reassessed, the CCAO sends a reassessment notice to the property owner, which contains the property's address, its characteristics, and its updated **estimated Fair Market Value**. In 2019, it looked something like this →



If the estimated Fair Market Value of the property does not appear to be fair and accurate, a property owner is encouraged to file an appeal.

2. Property Assessment

The taxable value of a property is a percentage of its Fair Market Value. That percentage depends on the property's use: residential properties, commercial properties, and commercial incentive properties all have different assessment percentages in accordance with the Cook County Code of Ordinances (Ordinance Chap. 74, Art. II, Div. 1, Sec. 74-31 et. Seq. and Div. 2, Sec. 74-60 et. seq.. To support neighborhood commercial development, the CCAO administers numerous incentives that reduce a property's taxable value by changing its assessment percentage for a set number of years. (See Section 3.1 for more about this topic.

3. Taxpayer Exemptions

The CCAO administers homestead exemptions that yield property tax savings for homeowners, seniors, veterans, and persons with disabilities, in accordance with Illinois Property Tax Code Article 15. (35 ILCS 200/15-5, *et. seq.*. Our staff helps taxpayers gather the documentation necessary to show that their properties are eligible for these exemptions.

Our office also enforces the Erroneous Exemption provisions of the Property Tax Code (35 ILCS 200/9-275, which are intended to deter taxpayers from claiming exemptions to which they are not entitled.

Other Duties and Responsibilities

The Assessor does not calculate tax rates or issue tax bills. The Assessor does play a key role in the fairness of Cook County's property tax system however. If the taxable value of property is not determined fairly, then corresponding property tax rates and bills will not be fair either—not just for an individual property, but for neighboring properties too. We also seek to help county residents better understand the assessment process and property tax system.

Finally, our office establishes policies and collaborates with other government agencies in their efforts to promote economic development and the construction of affordable housing.

In the next section, we detail the primary duty of the Assessor's Office: valuing property.

How Our Office Combines Experience, Data, and Technology to Estimate Your Home's Value

1 Collect market data

The CCAO collects data from the Cook County Clerk's Office about which homes have sold, their dates of sale, and their sale prices.



2 Conduct field inspections

The CCAO works with local municipalities to identify substantial changes in property characteristics, such as the addition of a garage. We verify and update those characteristics in our system.



3 Build models to estimate value

Characteristics affect sale values in different, often complex ways. In order to detect the many different ways that homes' physical characteristics and locations impact sale prices over time, we design a range of statistical and computer algorithms. These algorithms, called models, are similar to the kinds of models used by many private sector companies, like Zillow and Redfin. These models are designed to estimate hundreds of thousands of property values in a few hours.



4 Test models on market data

On average, some models are better at estimating sale prices than others. We test each model by providing it a set of homes and their characteristics and producing estimated values for each one. Then, for each model, we can compare these estimated values to actual sale prices.



7 Review, correct, and verify

Our analysts examine estimated Fair Market Values for different property classes, neighborhood by neighborhood, to verify that the model has performed effectively and that values fall in a reasonable range. If necessary, they make corrections.

6 Produce first estimates of all home values

During a reassessment, the CCAO must produce an estimated market value for every property in the triennial area. To accomplish this, we enter each property's characteristics and location into our best models, and the models return estimates of market value. By averaging the best estimates, we ensure fairness in our assessments.

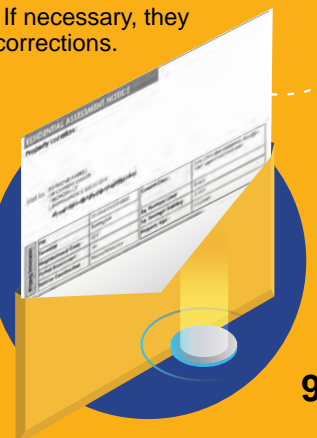


5 Select the best valuation models

We analyze each model's accuracy by comparing its estimates to actual sale prices. We also measure the model's fairness using international standards for uniformity. We select the models that most accurately and consistently predict fair cash values.

8 Mail values

After these extensive stages of computer-assisted analysis of real estate data, mass appraisal of home values, and analyst verification, we print these estimated Fair Market Values on reassessment notices and mail these notices to homeowners.



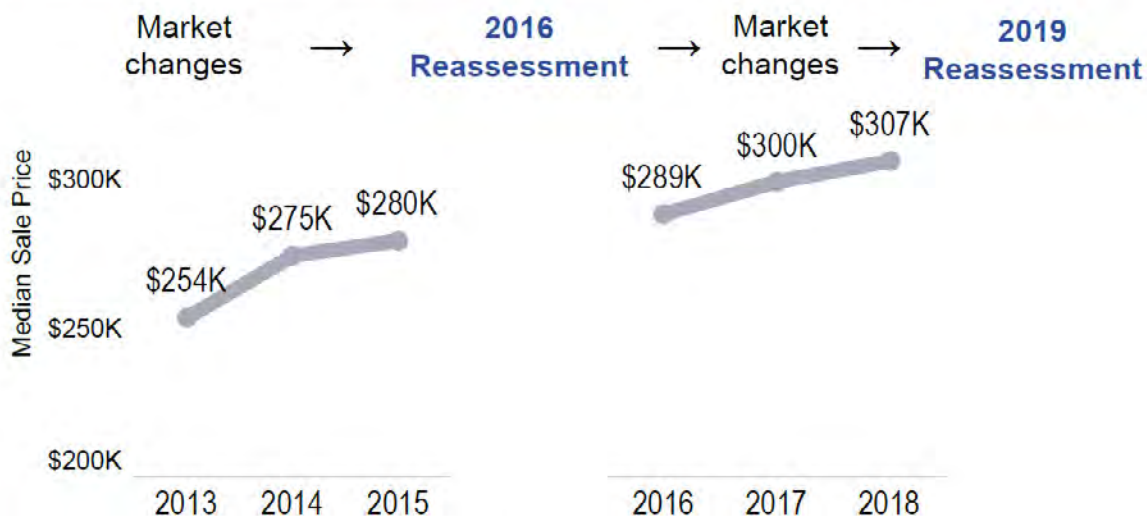
Your Home's Assessed Value: How the Assessor Follows the Market

Cook County is the largest **market-based** assessment jurisdiction in the United States. This means that during a reassessment year, the values of all properties are re-estimated based on recent trends in the real estate market. Buyers and sellers set prices for homes in arm's length transactions, and the CCAO aggregates these market trends to impartially estimate the Fair Market Value of all homes being reassessed.

In the north suburban reassessment in 2019, our office had access to sale data through the end of December 31, 2018. We analyzed patterns from the last few years to increase the stability of market value estimates.

Because reassessments are market-based, this means that during the 2019 reassessment, a north suburban home's assessed value doesn't depend on what its assessed value was in a prior year. It depends instead on recent sales trends of similar homes. A property's assessed value can change significantly from its prior reassessment three years earlier due to changes in the local real estate market.

Each reassessment should align a home's assessed value to reflect recent sales trends of similar, nearby properties.



The Cook County property assessment system divides the county into three assessment districts. Each assessment district is further separated into townships, and each of those is divided into neighborhoods. Reassessment proceeds on a township-by-township basis.

On the following page, we show median sale prices of single-family homes throughout the thirteen townships in the north suburbs. We include 2019 sales (which had not yet transacted at the time of our modeling of the north suburbs in 2019, and which are not available to the CCAO until after they have been recorded in the County's system) as a point of comparison.

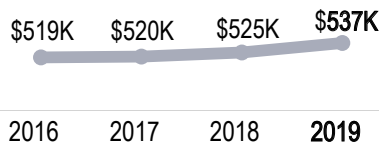
Trends: Sale Prices in the the North Suburbs

Below are median **sale prices** of single-family homes.

The north suburbs were reassessed in 2016 and 2019. During the 2019 reassessment, the CCAO had access to sales through December 31, 2018 from which to produce estimates of 2019 property values. The graphs below show sales trends for single-family homes in each township.



Barrington



These graphs show, in each township, median sale prices of homes that sold in 2016, 2017, 2018, and 2019. For data on the CCAO's estimated values of homes in 2019, see Section 4.

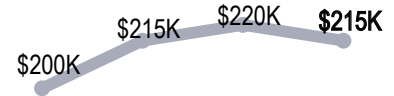
Elk Grove



Evanston



Hanover



Leyden



Maine



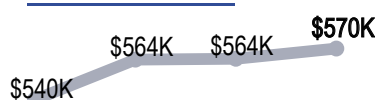
New Trier



Niles



Northfield



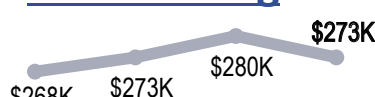
Norwood Park



Palatine



Schaumburg



Wheeling



Here's how we use this sale data to estimate Fair Market Values of homes in Cook County:



It starts with collecting sale data. Each individual home's sale price reflects a unique combination of **characteristics** – such as square footage, age, and location. Our data systems attempt to screen out non arms-length transactions.

Mass appraisal leverages vast amounts of sale data to detect trends in how sale prices are affected by characteristics. Our office uses a Computer Assisted Mass Appraisal (CAMA) system and skilled residential analysts to produce estimates of property values. Some neighborhoods have higher sale prices than others. Smaller homes tend to have lower sale prices and larger homes tend to have higher sale prices.

The CCAO's CAMA system detects patterns in this data to estimate the dollar amounts of how each of these characteristics may have pushed sale values up or down. As a purely hypothetical example, say each +1 square foot for a building might on average add \$50 in value, each +1 year in age might subtract \$500 in value, and having a porch might add \$5,000 in value. Each of these estimates are part of a **model**.

The CCAO's code produces hundreds of different models, each using different methods to calculate how combinations of characteristics are associated with changes in sale values. (Note that sometimes a change in a characteristic might not be associated with a change in value for a given area, and the code can detect linear patterns like the above hypothetical example, as well as more complicated non-linear patterns).

Are you a condo owner? Condos are assessed slightly differently. Condo units transact individually in the market, and the CCAO collects sale data and develops models of patterns. But in accordance with Illinois law, a condo unit's assessed value is a percentage of the total value of the building it is in. So, we first determine the total value of the building, then calculate the condo's value based on its percentage of ownership. (Your condominium association's Articles of Incorporation state the exact percentage of building ownership for your unit).

We test each model's accuracy by comparing the model's estimate of a home's value (based on its characteristics) to its actual sale price. The code tests hundreds of different models to see which one produces the most fair and accurate estimates in accordance with international standards for best practices for fair assessment.

Once we have selected the best-performing statistical model, we use it to estimate the values of all individual homes - those with and without a recent sale - in a geographic area.

The CCAO's analysts review these estimates, neighborhood by neighborhood, and correct individual properties' assessments as needed.

After our analysts complete all reviews and update these property values, the initial values for that township are complete and the CCAO mails an **assessment notice** to the property's owner, containing the home's characteristics and initial value estimated by the CCAO.

Property Information	PIN		Current Class		2-04 : One story residence, any age, 1,801 square feet and over
	Township	Barrington			
	Neighborhood Code	024	Sq. Footage: Land	8,465	
	Partial Assessment	No	Sq. Footage: Building	2,393	
	Exterior Construction	Frame/Masonry	Property Age	12 years	
Assessment History	Year	Class	Estimated Fair Market Value	Level of Assessment	Total Assessed Value
	2019	2-04	\$592,230	10%	59,223
	2018	2-04	\$541,030	10%	54,103
	2017	2-04	\$541,030	10%	54,103

We publish every line of code used to produce and evaluate our models of these home values. You can review the code for our residential models on GitLab, a platform that hosts open source code. We also regularly publish data sets to the Cook County Open Data Portal.

If you're not someone who is comfortable with code, we still provide plenty of summaries of local real estate trends and the results of our assessment modeling.

We post reports on all residential and commercial assessments by township on our website at cookcountyassessor.com. Each residential township report shows home sale trends and assessment changes for every neighborhood. We also publish self-evaluation of our assessment quality, based on measurements developed by the International Association of Assessing Officers. Together, these reports show the accuracy of our work and provide property owners with data they can use to evaluate the accuracy of the assessments of their homes and neighborhoods.

What happens after assessment notices are mailed to property owners?

The CCAO's goal is that the values we print on the assessment notices mailed to property owners are fair and accurate. One barrier to accurate assessment can be out-of-date characteristics data. The CCAO is pursuing multiple, years-long initiatives to update and refine the CCAO's database of property characteristics, including hiring more team members to review and update property characteristics. We continue to improve the accuracy and granularity of our data so our models can detect increasingly subtle trends in real estate patterns.

If the CCAO's property database reflects incorrect characteristics about your home, such as incorrect square footage, then even the best-performing model – one that produces estimates of values of other homes uniformly and accurately – can produce an estimate of value that is not within a reasonable range of accuracy for your home.

Appeals are meant to correct errors like the situation above. Assessment appeals can be filed with the CCAO and, later, with the Cook County Board of Review. For each appeal filed at the CCAO, our analysts review evidence submitted with the appeal along with their own analysis. We make a determination about whether an adjustment to the property's assessed value is merited.

We measure our performance at every step of the assessment process using international standards for high-quality assessment.

By combining:

- ✓ sales data across the north suburbs,
- ✓ best-in-class models of home values,
- ✓ the expertise of our analysts (many with decades of mass appraisal experience), and
- ✓ rules for appeals to reduce the potential for bias (new in 2019),

the CCAO achieved 100% of the three standards for accurate, uniform, equitable assessments, in 12 of 13 townships in the north suburban 2019 reassessment.

Details on these standards and our results are in the next section.

Measuring Fairness in Assessments

There are many ways to analyze assessment quality. Upon taking office in 2018, Assessor Kaegi committed to measuring our work against the industry standards of uniformity, set by the International Association of Assessing Officers (IAAO).

The IAAO defines three standards that must be met to reach the standard for high-quality assessments: accuracy, uniformity, and equity.

We can measure how well we meet the IAAO's standards by comparing a property's estimated Fair Market Value to its recent sale price. This comparison is called a **sales ratio**.

$$\text{sales ratio} = \frac{\text{Estimated Fair Market Value}}{\text{Recent Sale Price}}$$

A property's sales ratio is calculated by dividing its estimated Fair Market Value by a recent sale price.

Here are some examples of sales ratios:


$$\frac{\$104,000}{\$100,000} = 1.04$$

Say that in 2019, the CCAO estimated this property's FMV as \$104,000, and it sold in 2018 for \$100,000. Its ratio is 1.04. This is close to 1.0 (a difference of just 0.04, or 4%). This is a fair, reasonable valuation.


$$\frac{\$102,000}{\$87,000} = 1.17$$

This property's sales ratio is 1.17. This property is **over-valued**: its estimated FMV is substantially higher than its actual recent sale value, by 17%.


$$\frac{\$108,000}{\$135,000} = 0.80$$

This property's sales ratio is 0.80. This property is **under-valued**: its estimated FMV is substantially lower than its actual recent sale value, by -20%.

The next page shows how sales ratios¹ are analyzed to indicate assessment quality.

¹ Sales ratios compare estimated FMVs to sale prices. Assessment ratios, like those calculated by IDOR to determine the Equalization Factor, are proportional; they compare assessed values to sale prices. For homes, assessed values equal 10% of FMV (see Section 3.1. Assessment ratios are compared to the level of assessment. A home with a FMV of \$104,000 has an AV of \$10,400. If its recent sale price was \$100,000, then its assessment ratio is 0.104, or 10.4% – again, a relative difference of only 4%.

IAAO Standards for High-Quality Assessments

Accuracy

Estimated values should be reasonably accurate. The typical median sales ratio should be within 0.95 and 1.05 – i.e., estimated values should be within 5% of sale prices. This is determined by analyzing the median sales ratio of properties in a class and region.

- Within a specific class of properties, median sales ratios lower than 0.95 indicate **under-assessment**. Median sales ratios over 1.05 indicate **over-assessment**.
- When under-assessment or over-assessment occur, it means that some property owners may have paid less than their fair share of property taxes, while others may have paid more.

Uniformity

Sales ratios should be uniform, or precise. Similar properties in similar neighborhoods should have similar assessments.

- Similar properties with substantially different sales ratios indicates non-uniformity. Take two homes with ratios of 0.80 and 1.20. Even though their average is 1.0, they are not uniform. When non-uniformity occurs, it adds unfairness to the property tax system.

Uniformity is measured using a statistic called Coefficient of Dispersion. This measures how far away a typical property's ratio is from the median ratio. When most ratios are close to the median ratio, this means assessments are uniform. When ratios vary, such that some are significantly above and some are significantly below the median, this means assessments are imprecise, or non-uniform.

Equity (Vertical Equity)

Assessments should be equally precise for properties that sold for \$100,000 and for those that sold for \$1,000,000 (and all others, too). The IAAO measures assessment equity by analyzing whether sales ratios are systematically higher or lower based on properties' sale prices. According to the IAAO, inequity can take the form of statistical regressivity or progressivity.

- **Regressivity** occurs when properties with lower sale prices have higher sales ratios, on average, than properties with higher sale prices.
- **Progressivity** occurs when properties with lower sale prices have lower sales ratios, on average, than properties with higher sale prices.

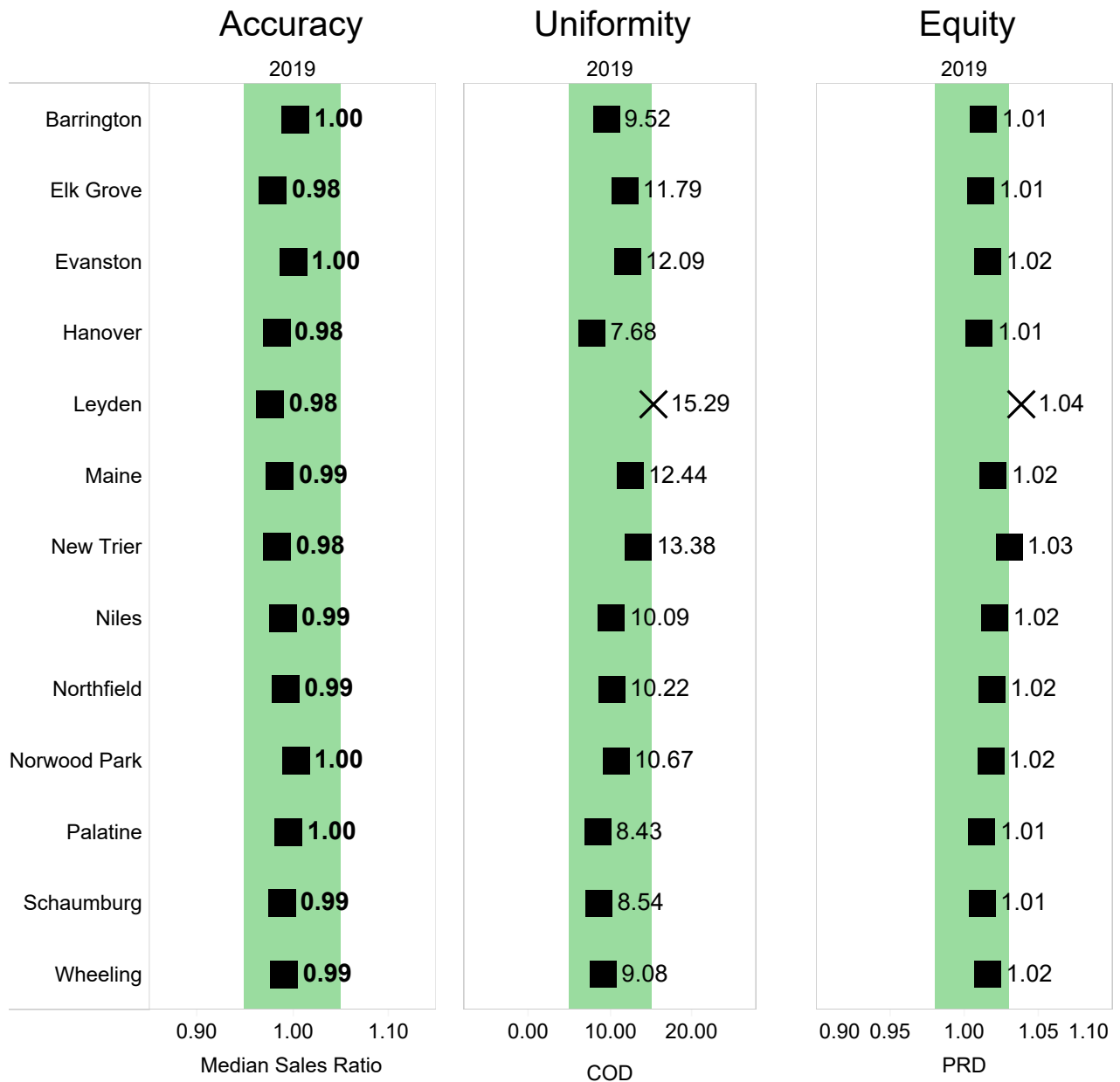
When inequities like regressivity or progressivity occur in assessments, the property tax burden is shifted inequitably.

Equity is measured using two statistics: Price-Related Bias, and Price-Related Dispersion. If one of these statistical tests meet IAAO standards, assessments meet the IAAO standard on equity.

Results: North Suburbs Assessment Quality

The CCAO is committed to measuring the quality of its valuations. After the reassessment of each township, we publish reports that include self-studies using the IAAO's standards for Accuracy, Uniformity, and Equity for our estimates of values of single-family homes.

In the north suburbs, 12 of 13 townships met all three metrics for high-quality assessment.



Commercial Property Valuation

As with residential property, the CCAO is charged with estimating the Fair Market Value of commercial and industrial property in a way that reflects the market.

A property is used for commercial purposes if it is used primarily for buying and selling goods and services, or for otherwise providing goods and services. Commercial use includes real estate used for hotels, retail, offices, or multi-family apartment buildings of more than six units. Industrial property is used primarily in manufacturing or in the extraction or processing of raw materials to create new physical products. Other industrial uses could involve the processing of materials for recycling or the transportation, storage, or distribution of goods for sale or leasing. (See section 3.1 for more information on property classifications and uses.)

Unlike residential property, commercial property value depends on more than just location and characteristics like square footage; it also depends on the building-associated income (like rent), expenses (like maintenance), and vacancy. These numbers often vary for different business types (for example, apartments versus offices) in each township.

Put simply, our office looks at commercial property the way a buyer would approach a market transaction: by examining its highest and best use through three valuation approaches:

- Income
- Sales comparison
- Cost

Our office primarily relies on the income approach, with secondary support and consideration from the sales comparison approach. Sales are closely examined as part of our inputs and validations. In cases of new construction, a cost approach may be developed to estimate the value of the improvements.

Primarily relying on the income approach allows the office to closely reflect market practice and conditions, which tend to analyze properties based on income factors, and reflects changes in asset market conditions, such as interest rates and rates of return.

Outside of estimating new construction, the cost approach is less helpful, as many commercial properties routinely trade well above their net book values (gross cost of construction minus depreciation and many commercial properties grow in value over time, even as their net book values decline.

Assessors are mass appraisers and must develop mathematical models that consider these approaches to valuation with reasonable accuracy. These models depend on the collection, verification, and analysis of market data. They also depend on the uniform application of this data to the applicable property types. In doing so, assessors reflect a market that considers the relationship between property value and other supply and demand factors.

How our analysts produce property values of a commercial property

First, our office determines a property's use by reviewing the property's history, including: property class, tenants, business, and external/aerial photography of the parcel. It is important to understand the **property characteristics** in order to properly group the property with similar or like-kind property types.

Then we examine the **income** generated by the property. Most often, rent is the primary source of income for commercial property. Other incidental income streams may include fees from parking or advertising signage.

Next, we examine market-level **vacancy** based on location and property type. Some level of commercial property vacancy is normal and expected. Commercial assessment reduction as a result of a property vacancy is recognized when a building is not serving its intended use due to conditions outside the control of the property owner, such as a casualty event or other localized factors. In addition, new construction that has not yet been leased is also considered.

Finally, we look at **expenses** such as property taxes, insurance, repair and maintenance costs, property management fees, and service expenditures for professional services.

Capitalization Rates

Once we've been able to recreate a snapshot of a property's income statement based on market data, we use a standard valuation metric called a "capitalization rate" to convert income to value.

This capitalization rate (or cap rate) quantifies the relationship between a single year's Net Operating Income (income minus expenses) and the total property value. The rate is calculated as the Net Operating Income divided by the estimated value of that building. This is represented by the formula $I_o/R_o = V_o$, where overall net income (I) to the property, divided by overall cap rate (R), equals overall value of the property (V).

Cap rates have an *inverse* relationship with value.

Properties with lower cap rates tend to have higher values.
Properties with higher cap rates tend to have lower values.

Let's walk through a couple examples to demonstrate the valuation under the direct capitalization approach.

Example 1 – Short form showing just the application of a cap rate to Net Operating Income

Net Operating Income ["NOI"] = \$10,000

Market cap rate = 8%

$(V_o = I_o/R_o) \rightarrow V_o = \$10,000/.08 = \$125,000$ Fair Market Value

The level of assessment is then applied to the Fair Market Value in order to arrive at the Assessed Value. A commercial property assessed at a 25% level of assessment would result in an Assessed Value of \$31,250.

Example 2 – Development of the direct capitalization income approach

Potential Gross Income ["PGI"]	\$100,000
- Vacancy	(\$5,000) or 5%
Effective Gross Income ["EGI"]	\$95,000
- Operating expenses	(\$30,000) or 30% ratio incl. real estate taxes
- Reserve for Replacements	(\$5,000)
Net Operating Income ["NOI"]	\$60,000

Market cap rate = 8%

Estimated value using NOI and cap rate $V_o = I_o/R_o = \$60,000/.08 = \$750,000$

CCAO's estimated Fair Market Value using net income = \$750,000

Assessed Value at 25% level of assessment: \$187,500

How our office uses market indicators to assess commercial property

We don't have real-time income, expense, or vacancy information for every property, so we develop market estimates using reliable sources of market data that impacts value. We gather market data from many industry-specific sources such as CBRE, CoStar, Cushman and Wakefield, JLL, PWC, RERC, REIS and Trepp. In addition, we speak with local investors, appraisers, and other market participants to develop a sense of market-specific trends.

While local trends may have some effects on cap rates, by using industry-leading sources as a guide, we provide the predictability and confidence necessary to support Chicago and Cook County's commercial real estate market.

In 2019, the office revised its approach to cap rate calculation in order to better reflect what buyers and sellers experienced in the market. The office believes its approach is more accurate than its past approach and more closely tracks the market.

The following pages report cap rates as reported in various industry sources as well as a lower range of cap rates used by the Cook County Assessor's Office in 2019 to produce valuations of multi-family and commercial properties in the north suburban triennial reassessment in 2019.

Cap rate comparisons

In 2019, the CCAO considered multiple third-party sources in assigning cap rates to different kinds of properties. Our strong preference is to have many recent public transactions that indicate market valuation levels for each property subclass, just as we do for single-family homes. With commercial properties, the more typical situation is that there are fewer transactions, over a longer period, with more heterogeneity among the properties, with some key indicators (such as operating income, and thus the cap rate) not public. Third-party data thus is invaluable in arriving at cap rates to use in our valuations.

Here, we show two kinds of sources for capitalization rates in these charts: **capital market sources** and **real estate industry surveys**.

Capital market sources come from money changing hands in public market securities transactions. They incorporate new information and conditions frequently, even when the market for individual real estate properties is disrupted. In these charts we show:

- (1) a stock market indicator through cap rates implied in publicly traded Real Estate Investment Trusts, which shows valuation levels for higher quality properties across the US as a whole (**NAREIT** implied cap rates) and
- (2) a bond market indicator through cap rates used in valuing the collateral of Illinois mortgages in Commercial Mortgage Backed Securities (**Bloomberg** CMBS Illinois).

Real estate industry surveys provide quotations on many different types and classes of commercial property. This includes the data we have published here from **Costar**, **CBRE**, and **Real Capital Analytics**.

There are other equally valuable cap rate quotes published by, among others, Cushman & Wakefield, JLL, and Moody's/REIS. Providers use different methodologies in providing their quotations, often driven by their proprietary access to information about properties sold or on sale. You will notice some of these quotations are very stable, suggesting infrequent transactions, or approximation, or both. These sources have the advantage of being closely focused.

We think it's useful to publish all of these so that you can see the evolution of these indicators over time and see how they historically relate to one another. If one series is disrupted or unavailable, we can make some reasonable inferences if some of the other sources are still available.

Given that some of these sources are updated frequently, we also think they are useful in helping investors gauge the range we might consider in assigning cap rates to properties that we have not yet assessed.

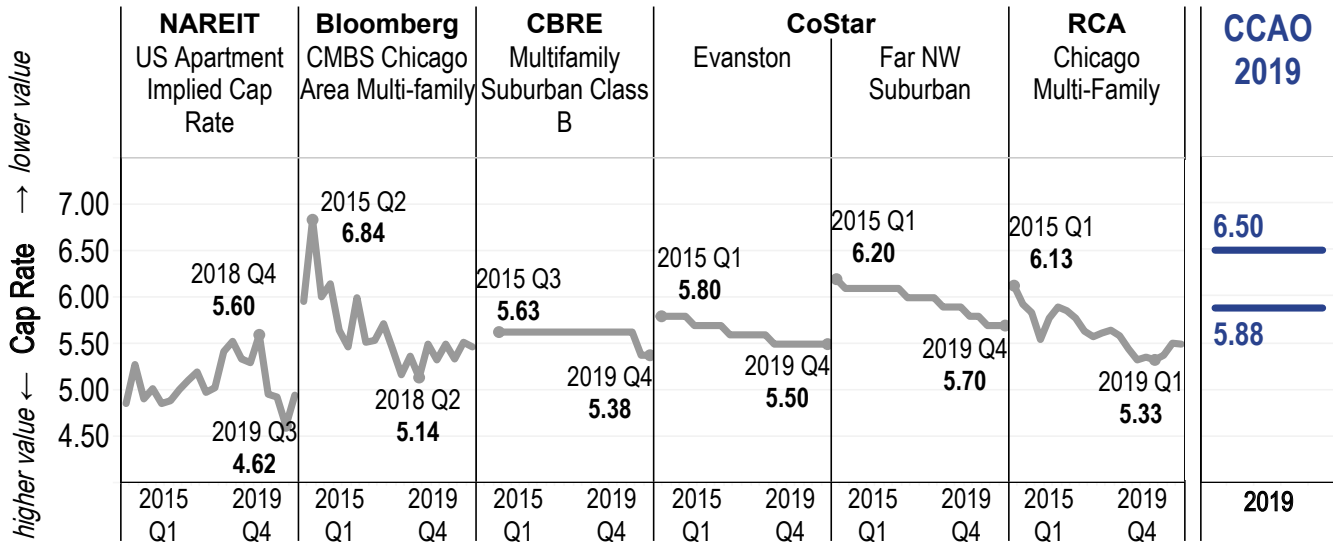
CCAO's Cap Rates

The cap rates we show here for CCAO reflect the range of the lowest cap rates we used in each township, from lowest starting point to highest starting point. In each township, we adjust our cap rates higher for lower quality properties.

Cap Rates: Third-Party Sources & CCAO

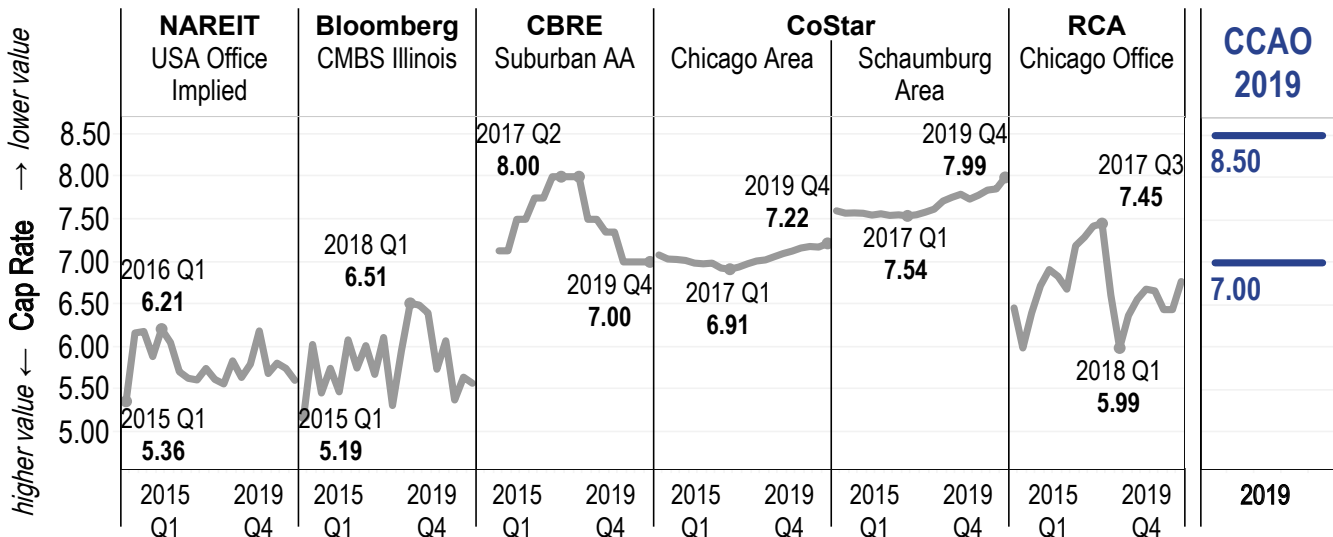
Multi-family cap rate trends from third-party data (2015-2019) & CCAO's (2019)

US multi-family cap rates as reflected in the NAREIT index have remained relatively steady at about 5%. Meanwhile, county apartment cap rates have generally declined, steadily compressing the spread over national rates such that it now below 100 bp in the main Chicago-area indices. Suburban apartment indices have followed this trend. The sources quoted here largely fall within a narrow range, more closely bunched than we see with other property classes.



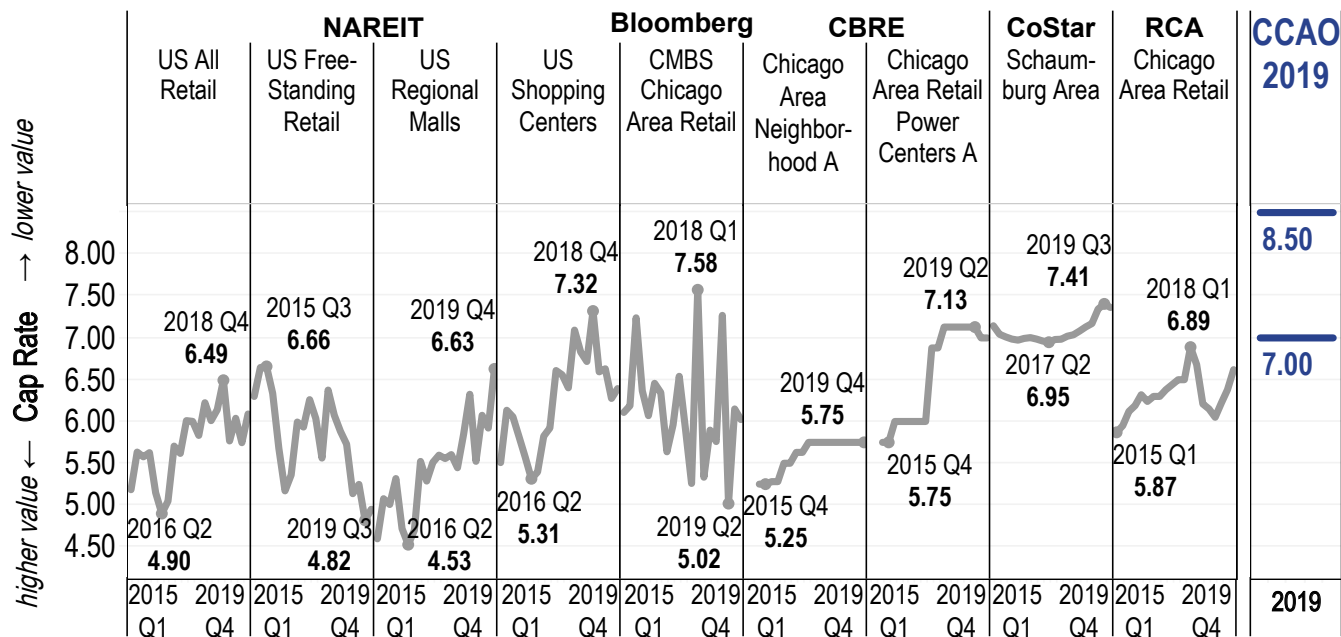
Office cap rate trends from third-party data (2015-2019) & CCAO's (2019)

Cap rates for office properties in the county have been relatively stable since 2015. The market for Office in Illinois CMBS closely tracks the overall US office cap rate implied in the NAREIT Office index. Downtown, higher quality office property in Chicago trades closer to these levels. Office property in the suburbs of comparable quality trades with a spread of an additional 100bp, with spreads widening with lower quality and discounted locations.



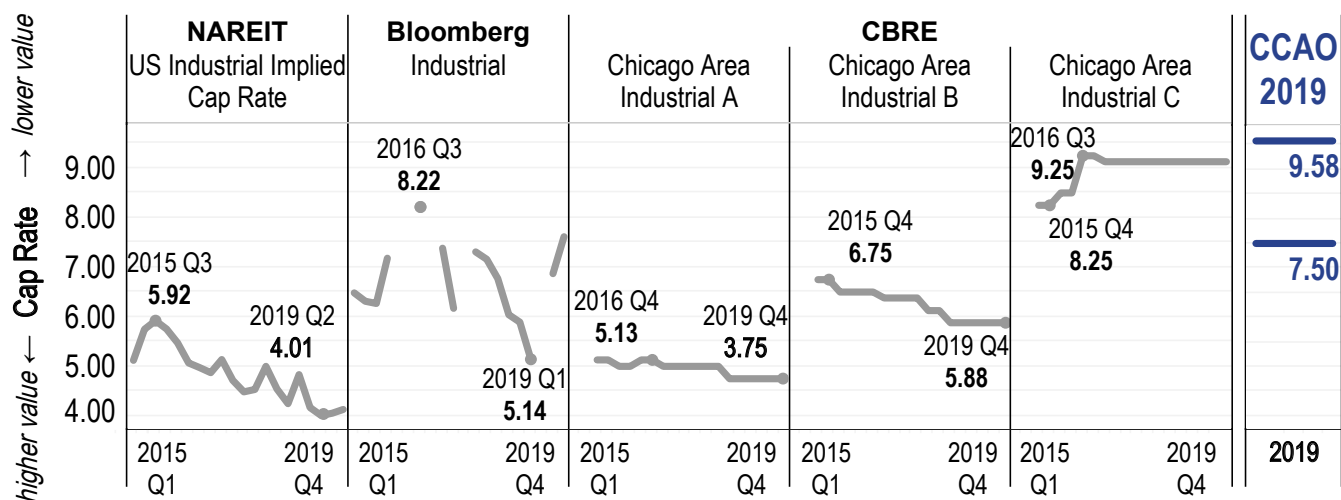
Retail cap rate trends from third-party data (2015-2019) & CCAO's (2019)

In contrast with other commercial classes, the NAREIT indices show US-wide retail cap rates have trended higher since 2015. This reflects pressure on brick-and-mortar retail from competition from e-commerce and the associated weakening financial health of building tenants, such as department stores and specialty retailers. The Bloomberg Illinois CMBS index, as well as survey indices pertaining to Chicago and the suburbs, show more stability and fall within a relatively narrow range. Although not fully reflected in the charts here, quality spreads in retail property are high, with cap rates on lower quality properties sometimes several hundred basis points over the highest-quality properties.



Industrial cap rate trends from third-party data (2015-2019) & CCAO's (2019)

Nationally, cap rates on industrial properties have declined in recent years to as low as 4%. County and Chicago indicators show more stability. Quality spreads are very high, with low-quality industrial space sometimes having more than double the cap rate of the highest-quality properties. The broken line of the Bloomberg Illinois CMBS series reminds us that transaction activity can be infrequent in this and other sectors.



3. Your Property Tax Bill

3.1. Property Types and Levels of Assessment

3.2. How Property Tax Bills Are Calculated

3.3. 2019 Tax Rate Analysis

3.4. 2019 Tax Rate Scenario



Property Types and Levels of Assessment

A property's assessed value depends on its fair market value and its level of assessment. In most of Illinois, all properties are required to have a 33.3% level of assessment, meaning its assessed value equals its market value x 33.3%. This used to be true in Cook County. However, since 1973, the Cook County Board has passed ordinances to set different levels of assessment depending on the property's use. The following covers the classification of most properties in Cook County. ²

Major Use Class	Description	Level of Assessment
0: Tax-Exempt & Railroads	According to the Illinois Property Tax Code, many properties are not subject to taxation (such as churches and libraries) or are assessed by the Illinois Department of Revenue (such as railroads).	0%
1: Vacant	Vacant Land (1-00) and minor improvements on vacant land (1-90).	10%
2: Residential	Includes single-family homes, condominiums, residential land, licensed Bed & Breakfasts, apartment buildings with fewer than 7 units, and townhomes. Examples: 2-06 : Two-or-more story residence, over 62 years of age, 2,201 to 4,999 sq. ft. 2-99 : Residential condominium.	10%
3: Multi-Family	Includes larger multi-family buildings like rental apartments (and their garages).	10%
4: Not-For-Profit	Properties must submit applications to obtain class 4 not-for-profit status. Not-for-profit buildings include not-for-profit commercial buildings (4-17), theatres (4-27), and supermarkets (4-30).	20%
5: Commercial and Industrial	These non-incentive commercial and industrial buildings range from gasoline stations (5-23), to theatre (5-27), to banks (5-28), to downtown office buildings (5-91), to industrial buildings (5-93).	25%
6, 7, 8, 9: Incentives	Multi-family or commercial/industrial properties can apply with the CCAO for incentive status. Incentives typically phase in levels of assessment over a period of years.	Ranges from 10-20%

A property with a higher level of assessment has a greater taxable value than a property with the same market value but lower level of assessment. The CCAO administers incentives that permit a reduced level of assessment for some commercial and industrial properties. The goal of these programs is to promote economic development and neighborhood vitality. Read more about incentives in Section 5 and at cookcountyassessor.com.

² Definitions for other property classifications like C, L, S, and 10 can be found in Sec. 74-63 of the Cook County Property Assessment Classification Ordinance.

How Property Tax Bills Are Calculated

The Assessor's Office does not set tax rates, nor does it have jurisdiction over municipal tax levies, which are raised or lowered by taxing districts based on their annual budget needs. Assessments are also revenue-neutral, which means increases in the assessed value of a particular property or community do not increase the amount of money available to taxing districts. Our office's role in the property tax system is to divide the levy so that it is apportioned equitably, based on property assessments.

Think of it like a pie: Local taxing districts create the pie, while the Assessor's Office splits the pie up in an equitable way, based on property values. The size of your piece is based on your share of the levy, as determined by the assessed value of the residential or commercial property you own. (Admittedly, this pie is not one that people enjoy eating).

Property assessments are determined by the CCAO. Property owners can file an appeal with the Assessor or the Cook County Board of Review if the assessment appears to be incorrect. As noted elsewhere in this report, residential and commercial properties have different levels of assessment – usually 10% and 25%, respectively.

Taxing districts must draft and pass an ordinance or resolution identifying how much revenue they wish to generate from property taxes each year. This ordinance or resolution is called a **levy**. All passed levies must be filed with the Cook County Clerk's Office by the last Tuesday in December.

The property tax levy of a taxing district covers the gap between its expenses and any other revenues the district receives. When taxing districts get new sources of revenue besides levies, they can lead to lower levies.

If my property is triennially reassessed only every three years, why does my property tax bill change each year?

You may be wondering why your tax bill changes each year even though your property is not reassessed every year.

First, the assessed value of a property or region might change. Property owners may be reassessed, appeals may be filed, new exemptions may be claimed, or new construction may occur in an area.

In addition, the equalizer, which is calculated each year by the Illinois Department of Revenue (IDOR), may change.

Finally, the local tax rate, which is applied to your property and calculated by the Cook County Clerk each year, can change if a taxing district needs more or less property tax revenue to cover its budget.

Once the assessed value of an area is set, the IDOR applies an equalization factor. As explained in IDOR's 2019 press release, "the Department is required by law to calculate the factor often called the multiplier, to achieve uniform property assessment throughout the state...If the median level of assessment for all property in the county varies from the 33 1/3 percent level required by law, an equalization factor is assigned to bring assessments to the legally mandated level." This factor changes each year, based on the total assessed value of all properties in Cook County and selling prices of individual properties.

After the equalization factor is applied, local tax rates are calculated by the Cook County Clerk.

Although Cook County's property tax system can be confusing, the goal of the system is one of balance and responsibility; local municipalities must budget their property tax revenue needs first, and then the tax rate is adjusted to generate the tax revenue needed to meet the levy, based on the value of assessed property with the municipality. Instead of a fixed percentage, the tax rate is calculated every year so that what is collected by the Cook County Treasurer is no more or less, than what is requested by the taxing districts.

Here is a summary of how the Cook County property tax system works:

How a Tax Year 2019 Second Installment Property Tax Bill is Calculated

2019 Property Tax Levies

Levies are re-budgeted every year to help fund over your local public services, like schools, community health centers, and mosquito abatement programs.



Taxing districts must conduct public hearings, publish the 2019 levy, and certify the levy to the Cook County Clerk in December 2019.



Your Local 2019 Tax Rate

A tax rate for each taxing district is calculated in 2020 by the **Cook County Clerk** using its 2019 levy and 2019 Equalized Assessed Values.

The Base: 2019 Property Values



Cook County Assessor's Office

- Mass appraisal of property values
- Assessment appeals
- Property tax incentives and exemptions



Cook County Ordinance

- Transforms property values → Assessed Values (see Section 3.1)



Cook County Board of Review

- Assessment appeals
- In 2020, finalizes the 2019 Assessed Values (AVs) used for property taxation



Illinois Department of Revenue

- In 2020, calculates Cook County's 2019 **Equalization Factor**. This transforms AVs → Equalized AVs (EAVs).



Your Property Tax Bill

is issued by the **Cook County Treasurer**, who then distributes funds back to your taxing districts to fund services. Tax year 2019 second-installment bills were issued in summer 2020.



As noted above, increases in the assessed values of properties do not raise more money for taxing districts (e.g., municipalities, schools, parks). But an increase in the equalized assessed value of an area can lead to a decrease in the overall tax rate, which can reduce the total tax bill of an individual property owner.

Therefore, the levy and the equalized assessed value of a geographic area are interrelated. They are both used to determine the tax rate of a property.

For instance, the following page shows how the Cook County taxing district's property tax extension related to the size of the equalized assessed value of the county as a whole, and how that affected its property tax rate.

Your local taxing districts are listed on your property tax bill, issued by the Cook County Treasurer in two installments each year. The first tax bill, due in March, is always 55 percent of the previous year's total tax bill. The second tax bill, due in August, is for the balance of the total tax due. The second bill reflects any changes in assessment from the previous year, the new tax rate, and any exemptions. (See Section 5.1 for more information on homeowner property tax exemptions).

Cook County Government's Property Taxes

Extension

÷

Property Tax Base

=

Property Tax Rate

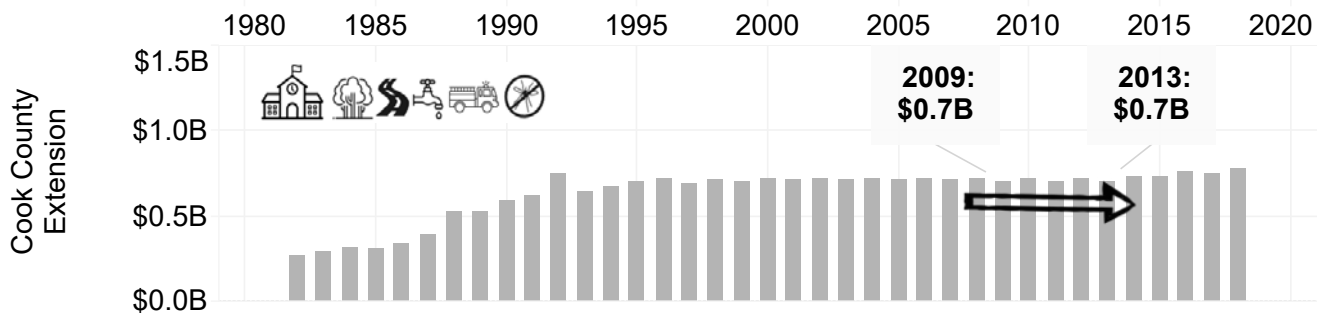


%

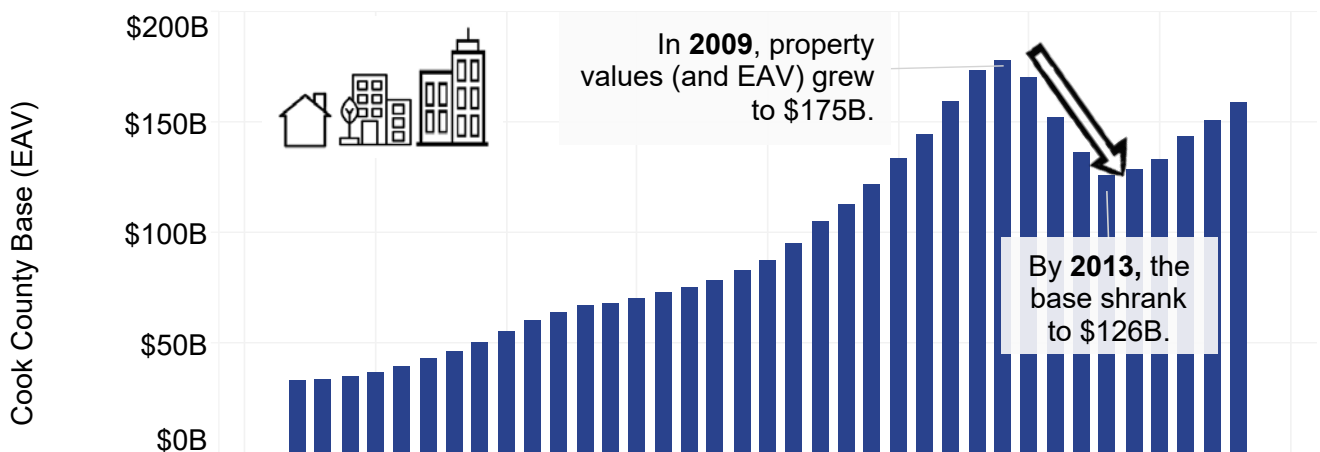
Cook County Government administers the property taxes for all the taxing districts in Cook County. The Cook County government property tax levy is just 5% of all taxes levied by all the taxing districts in Cook County.

The graph below shows Cook County Government's reliance on property taxes has been relatively flat for decades. Given a flat Extension (total property tax dollars billed), changes in the tax base drive changes in the rate.

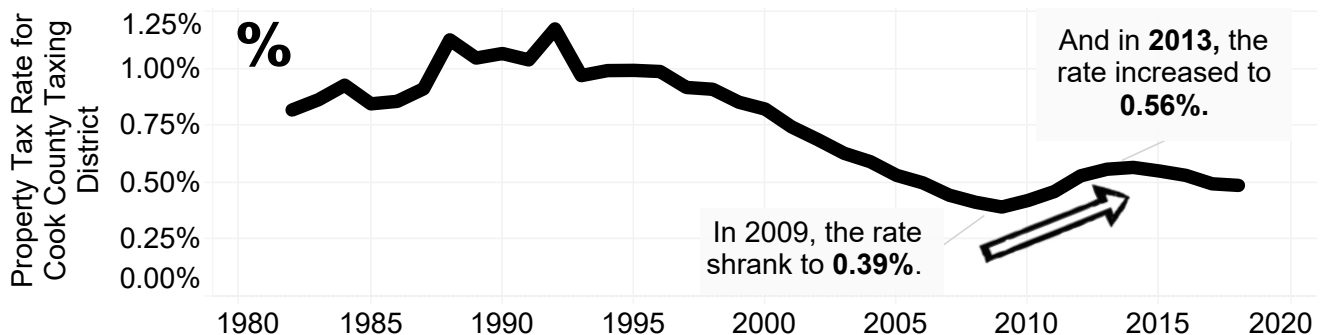
Extension (total property tax dollars billed) for Cook County



Property Tax Base (Equalized Assessed Value) of Cook County



Property Tax Rate for Cook County Taxing District

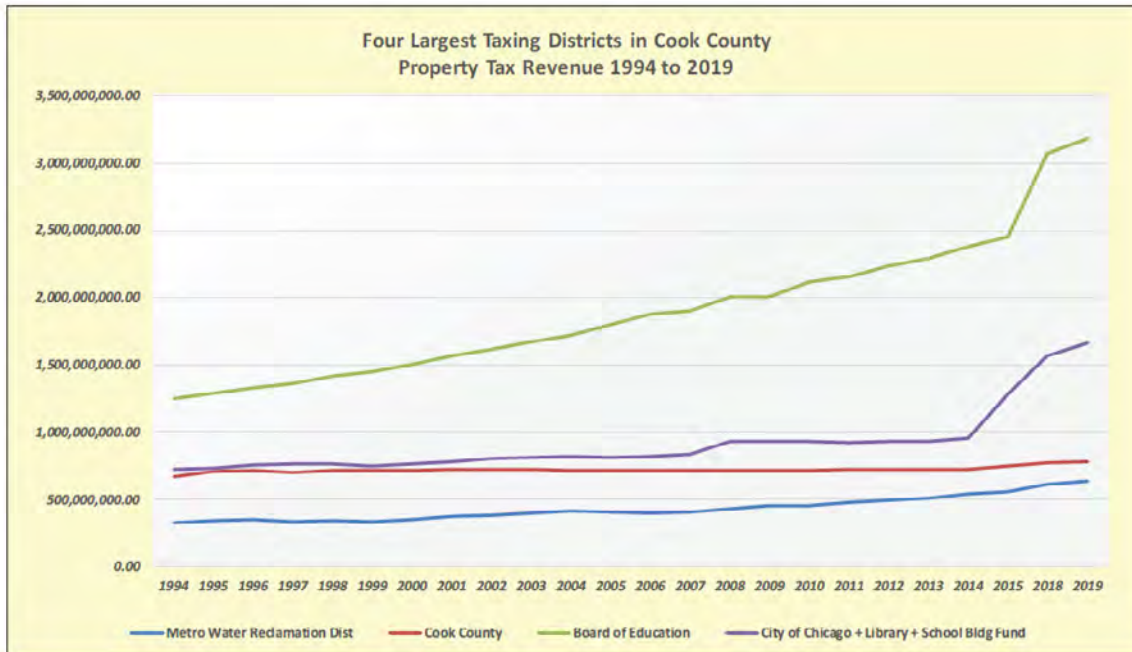


Download this data and more from the Cook County Assessor's Property Tax Rate Simulator Tool, available at www.cookcountyassessor.com/property-tax-rate-simulator-tool

In Cook County, the overwhelming majority of property taxes go toward schools. The image below is from page iii of the Cook County Clerk's 2019 Tax Rate Report.

The Cook County Taxing Districts Which Collect the Most in Property Taxes

Of the \$15.6 billion of property tax billed in Cook County this year, over \$7 billion will be collected by just four districts as seen in the chart below.



It's true in the north suburbs, too. Below is an example from Schaumburg:

For every **\$100** of a typical Schaumburg home's property tax dollars paid in Tax Year 2019...

...more than **\$72** went to **schools**.



\$39.09

School
District 54

\$29.52

Township HS
District 211

\$4.30

Harper College
Comm College 512

The remaining **\$28** funded other local services.

\$6.61

Schaumburg
Park District

\$6.04

Village of
Schaumburg

\$3.10

County of
Cook

\$11.34

10 others

The reason such a large portion of a property tax bill goes toward schools is because Illinois ranks last (50th) in the country for state funding directed towards education. In addition, federal Title I

support for K-12 education has been stuck at about \$15 billion for a decade. A move to increase federal and state support for school funding would help reduce the tax burden paid by homeowners and local “mom and pop” businesses while also reducing racial disparities in schools and community services.

Different regions of Cook County tend to have different property values and tax rates, which produce different overall property tax bills. The examples below are from the [Clerk's 2019 report](#), used with their kind permission.

CITY OF CHICAGO	2018	2019
Assessor's Fair Market Value	265,000	265,000
Assessment Percentage	x 0.10	x 0.10
Assessed Valuation	26,500	26,500
Equalization Factor	x 2.9109	x 2.916
EAV (before exemption)	77,139	77,274
Homeowner Exemption	- 10,000	- 10,000
EAV (after exemption)	67,139	67,274
Average North Suburban Tax Rate	x 6.786%	x 6.890%
Amount of Tax Bill	\$4,556.05	\$4,635.18
Amount of Difference in Tax Due		\$79.13
Percent of Difference in Tax Due		1.74%

NORTH SUBURBAN COOK	2018	2019
Assessor's Fair Market Value	293,000	324,000
Assessment Percentage	x 0.10	x 0.10
Assessed Valuation	29,300	32,400
Equalization Factor	x 2.9109	x 2.916
EAV (before exemption)	85,289	94,478
Homeowner Exemption	- 10,000	- 10,000
EAV (after exemption)	75,289	84,478
Average North Suburban Tax Rate	x 9.832%	x 8.922%
Amount of Tax Bill	\$7,402.41	\$7,537.13
Amount of Difference in Tax Due		\$134.71
Percent of Difference in Tax Due		1.82%

SOUTH SUBURBAN COOK	2018	2019
Assessor's Fair Market Value	187,500	187,500
Assessment Percentage	x 0.10	x 0.10
Assessed Valuation	18,750	18,750
Equalization Factor	x 2.9109	x 2.916
EAV (before exemption)	54,579	54,675
Homeowner Exemption	- 10,000	- 10,000
EAV (after exemption)	44,579	44,675
Average South Suburban Tax Rate	x 13.000%	x 13.317%
Amount of Tax Bill	\$5,795.27	\$5,949.37
Amount of Difference in Tax Due		\$154.10
Percent of Difference in Tax Due		2.66%



In the next section, we analyze property tax changes in Evanston after its reassessment.

2019 Tax Rate Analysis

By the Numbers: Why increases in assessments don't cause increases in tax bills

Although the CCAO does not calculate property tax rates (that's the Cook County Clerk) or bills (Treasurer), part of our mission is to make the property tax system more transparent. In Cook County, **assessment increases don't cause tax bill increases**. Here's why.

A home in Evanston is in several taxing districts, including the **City of Evanston**¹. From 2018 to 2019, the City of Evanston increased its extension (total property tax dollars billed) to fund general operations. Because the City of Evanston's property tax base (total taxable value, or Equalized Assessed Value²) grew at a faster pace, however, its property tax rate went down.



	Property Tax Extension	÷	Base: Total Taxable Value	=	Local Tax Rate
					This is the same for all properties.
2018	\$42,713,120	÷	\$2,720,580,914	=	1.570%
2019	\$48,496,259	÷	\$3,432,148,547	=	1.413%

+14% increase in the property taxes levied to fund services.

+26% growth in EAV in this taxing district.

-10% reduction in the property tax rate.

Below shows how these changes in the property tax rate and property values of an average **home** and **business** affected the taxes paid by each to fund the City of Evanston.

		Median EAV	x	Tax Rate	=	Tax Paid	
	2018	\$80,198		1.570%		\$1,259	+15% in property value & +4% (+\$48) in taxes.
	2019	\$92,487		1.413%		\$1,307	
	2018	\$227,973		1.570%		\$3,579	+32% in property value & +19% (+\$673) in taxes.
	2019	\$300,931		1.413%		\$4,252	

For a typical Evanston property owner, property taxes paid to the City of Evanston comprised less than one-fifth of their total 2019 property tax bill. The majority of property taxes collected from Evanston property owners fund local school districts.

2019 Tax Rate Scenario

Property Tax Scenario: Fairness

In the last section we showed how changes in a taxing district's property tax extension and Equalized Assessed Value affected its property tax rate and the bills paid by property owners.

The values used to determine your property tax rate and bill are initially estimated by the CCAO and adjusted with CCAO appeals. However, the CCAO is not the final arbiter in determining individual and total assessed values. After values are finalized by the CCAO, they are subject to modification by the Cook County Board of Review (BOR) before the tax rate is calculated.

Stage 1: 2018 → Stage 2: 2019 CCAO Final Values → Stage 3: 2019 BOR Final Values

2018 Commercial Assessment Quality and 2019 Reassessments

The CCAO's commitment is to fairness and accuracy in assessed values for all property classes, so that no property is taxed more or less than its fair share. Historically, Cook County's assessment system has failed to meet this standard. An external audit³ by the International Association of Assessing Officers (IAAO) conducted a study on commercial properties throughout Cook County. They collected the 2018 estimated Fair Market Values⁴ finalized by the BOR for every commercial property, and compared these estimated values to sale prices in 2018. By industry standards, estimated values should be reasonably close to actual sale prices.



The IAAO study found that commercial assessments throughout much of Cook County for 2018 were too low, failing to meet industry standards. In Evanston, commercial values were, on average, 39% of what they should have been.

39% sales ratio

On average, in Evanston, a commercial property with a 2018 sale price of \$1,000,000 was taxed as if it was worth \$390,000.

This means that previously, Evanston's property tax base was too small, tax rates were too high, and many commercial properties paid less than their fair share — shifting the property tax burden onto other property owners.

+156% increase

On average, values finalized in 2018 by the CCAO and BOR would have had to increase 156% just to catch up to 2018 prices.

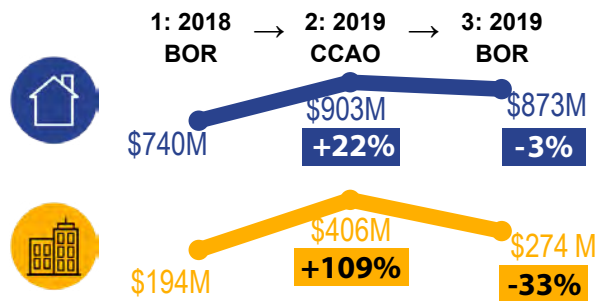
The 2019 reassessment was an opportunity to update estimated Fair Market Values to mirror the market, thereby readjusting the assessed values that form the property tax base. The next page shows what actually happened.

³ The CCAO commissioned the IAAO audit of 2018 commercial assessment quality. It is published at: <https://www.cookcountyassessor.com/2018-commercial-assessments-regressive>

⁴ Converting assessed values to estimated Fair Market Value is straightforward multiplication (see Levels of Assessment in Section 3). The impact is the same: according to the IAAO, estimated FMVs in Evanston for tax year 2018 were 39% of sale prices, so assessed values were 39% of what assessed values should have been.

Impacts of the CCAO Reassessment and the BOR in Evanston

Based on the IAAO's study, on average, commercial assessments would need to increase 156% to catch up to 2018 sale prices. Did they? No.



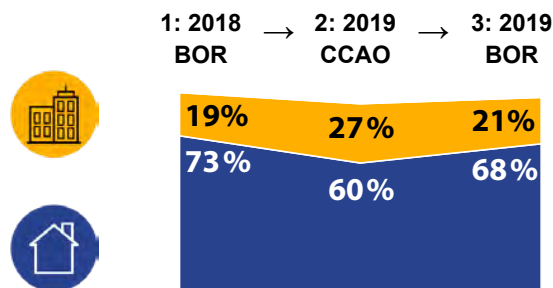
At left, we show the impacts that the CCAO and subsequent BOR final values had on Evanston's total AV for **residential** (class 2) and **commercial** (class 5) properties.

Although the CCAO's final values would have resulted in a 109% AV growth in total commercial property value, the BOR's final values shrank this growth by 33%.

Reassessments don't cause increases in tax bills. Instead, increases in the total tax base typically cause the property tax rate to be lower than what it would have been if the total tax base stayed the same.

Although the CCAO does not determine property tax rates or bills, the assessed values that are estimated then finalized by the CCAO (and ultimately finalized by the BOR) *do* affect how the total property tax extension is divided up between all properties that share the total tax base.

Here's how these property classes changed in their "share of the pie" (percent of total assessed value of all property classes)⁵ in Evanston.



Evanston's total assessed value is predominantly **residential**. Residential assessed value comprised 73% of the total assessed value in 2018. After the CCAO's reassessment and finalization of values, residential properties comprised just 60% of the "pie." But after the BOR's finalization of values, the residential share rose to 68%.

If the values finalized by the BOR (stage 3) mirrored those finalized by the CCAO (stage 2), then the property tax base would have been larger, and the property tax extension would have been shared differently between residential (class 2) and commercial (class 5) property owners. Some appeals are necessary at the BOR as errors can occur in a mass appraisal system that values nearly 1.8 million parcels. The BOR is an additional venue that provides an opportunity for property owners to fix those occurrences, which are usually due to incorrect data.

On the next page is a hypothetical scenario that explores what might have happened for property owners and tax payers in the City of Evanston using the CCAO's values.

⁵ Total AVs of all other property classes equaled 8%, 13%, and 11% of total AV at stages 1, 2, and 3.

2019 Tax Rate Scenario



Here's what might have happened in a hypothetical 2019 scenario⁶ in which the assessed values used to determine property tax rates and bills were the CCAO's.

**Property Tax
Extension**

÷

**Base:
Total Taxable Value⁷**

=

**Local
Tax Rate**



This is the same
for all properties.

2018

\$42,713,120

÷

\$2,720,580,914

=

1.570%

"2019"

\$48,496,259

÷

~~\$3,432,148,547~~
\$4,142,606,065

=

~~1.413%~~
1.171%



scenario

This is the same **+14%** increase
in the property tax extension.

~~+26%~~ **+51%** growth in EAV in
this taxing district.

~~-10%~~ **-25%** reduction
in the property tax rate.

In the CCAO scenario, the tax rate would have shrunk 2.5x more than it did. Below are estimated City of Evanston property taxes, using CCAO median AVs for a **home** and **business**.

		Median EAV	x	Tax Rate	=	Tax Bill
	2018	\$80,198		1.570%		\$1,259
	"2019"	\$92,487 \$94,152		1.413% 1.171%		\$1,307 \$1,102
	2018	\$227,973		1.570%		\$3,579
	"2019"	\$300,931 \$434,901		1.413% 1.171%		\$4,252 \$5,091

~~+15%~~ **+17%** in value →
~~+\$48~~ **-\$157** less in taxes.

~~+32%~~ **+90%** in value →
~~+\$673~~ **+\$1,512** in taxes.

In actuality, the BOR's final 2019 values were used, and the City of Evanston's portion of an average homeowner's tax bill increased by \$48 from 2018 to 2019. But if the CCAO's final values had been used instead, that portion of an average homeowner's tax bill would have decreased by \$157. That's an average savings per homeowner of \$205 for one taxing district.

Correspondingly, on average each of the approximately 1,500 commercial properties taxed by the City of Evanston would have contributed \$839 more, thereby affording each of Evanston's 44,000 homeowners the \$205 savings noted above.

⁶ The hypothetical scenario explored on this page is solely for illustrative purposes. All figures and calculations therein should be regarded as mere approximations, used pedagogically to demonstrate the relationship between variables in the property tax assessment and billing cycle. The CCAO expressly disclaims any liability for any party's reliance on any aspect of this hypothetical scenario.

⁷ This hypothetical EAV = (CCAO's AV x 2019 Equalizer) - 2019 exemption deductions. The actual 2019 Equalizer was used here for the purposes of this illustration, but if the AVs had changed in accordance with this hypothetical, the Equalizer would also be slightly different.

4. North Suburb Reassessment Data

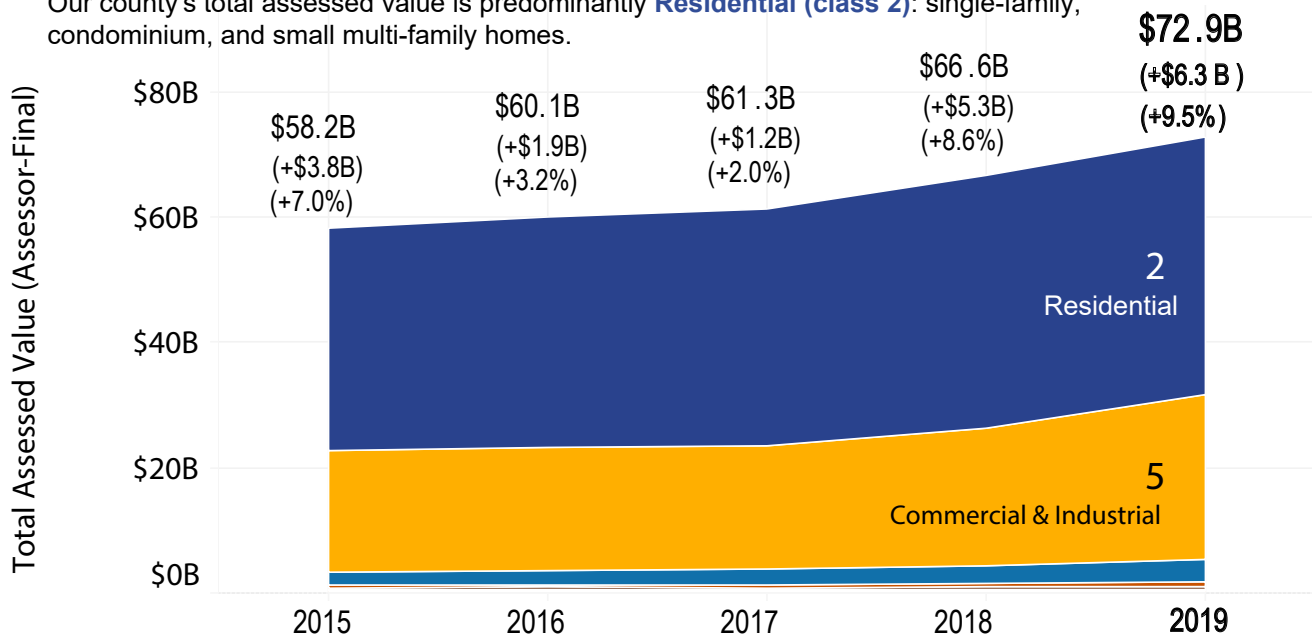
4.1. 2019 Cook County At-A-Glance

4.2. Assessment Phases: CCAO & the Board of Review

4.3. 2019 North Suburb Township Reports

2019 Cook County At-A-Glance

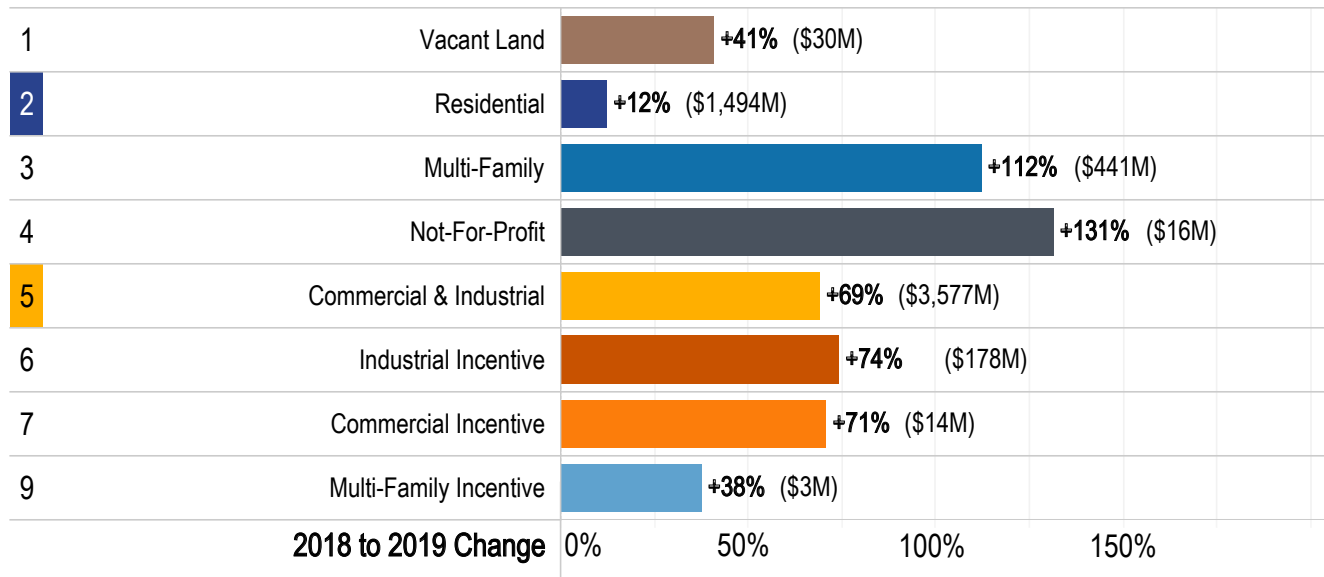
Our county's total assessed value is predominantly **Residential (class 2)**: single-family, condominium, and small multi-family homes.



2019 North Suburbs: Growth by Class (CCAO Final Values)



Most of our county's 2019 growth in assessed value was in the North Suburbs, which was fully reassessed in 2019. This chart shows the **percent growth** in each property class's 2019 total assessed value, relative to 2018.



Changes to each class's total assessed value can occur for three reasons: changes to values of existing properties, addition of new properties to the assessment roll, or re-categorization of a property from one class to another.

- Notes:
- All data on this page are values finalized by the Assessor but prior to modification by the Board of Review.
 - These values are *not* the total tax base. The local tax bases used to calculate local tax rates also depend on the Equalization Factor, exemptions, and TIFs.

Share of the Pie: Distributions of Assessed Value

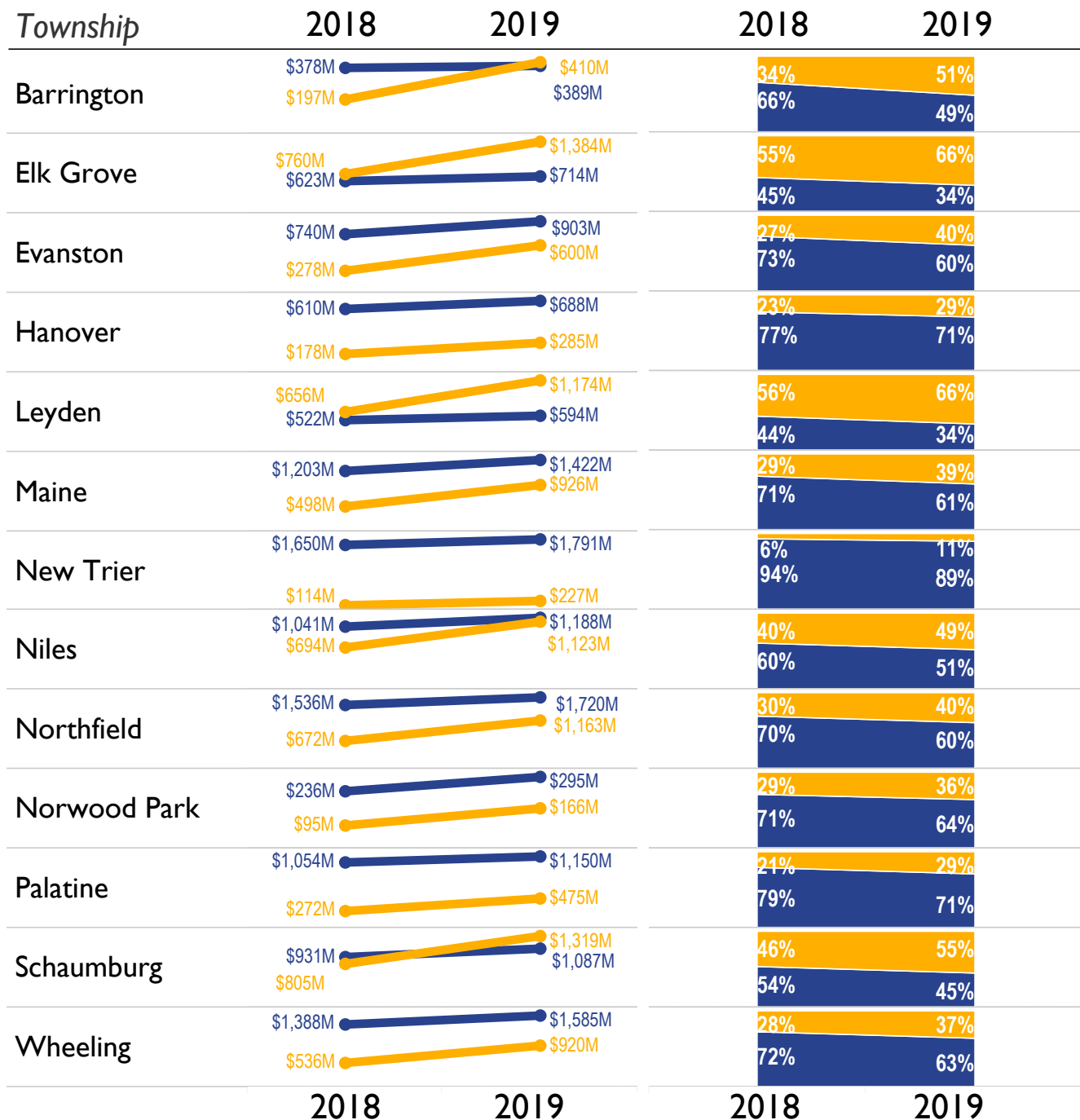


Total Assessed Values (\$)

There was **growth** in total Assessed Values of **Residential** (class 2) and **Non-Residential** (all other) property classes for all townships in the North Suburbs. Growth occurs when individual property values rise, and when there are more properties.

Share of the Pie (%)

The graph below shows 2018 to 2019 changes in the percentage of a township's total AV that is comprised of **Residential** and **Non-Residential** properties. Many townships are predominantly **Residential**.



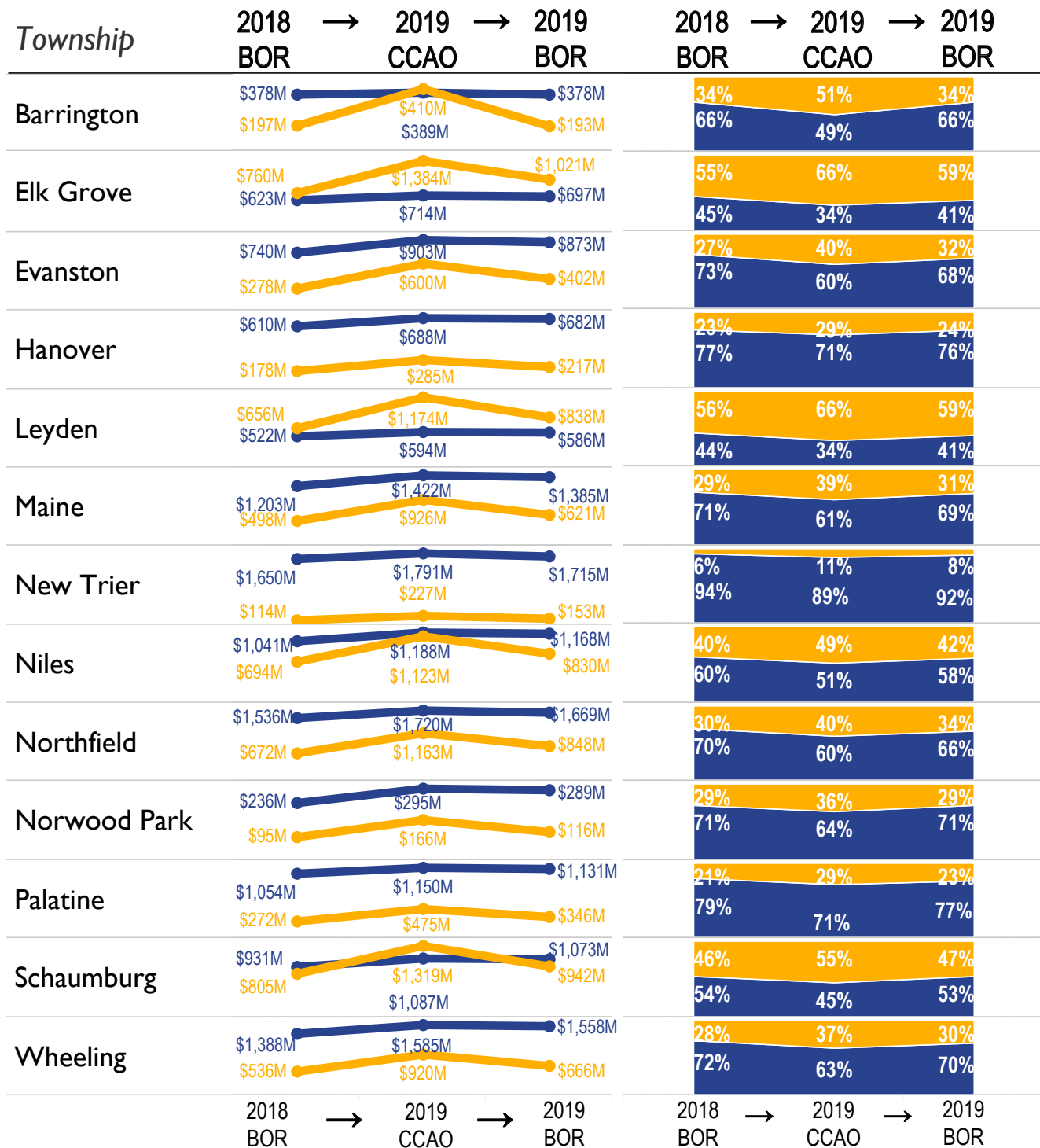
Note:

- 2018 values are finalized by the Cook County Board of Review (BOR).
- These 2019 values are finalized by the CCAO, but not the BOR.
- See the impacts of the BOR, after which values are used for the calculation of tax rates and bills, on the next page.

Changes by the Cook County Board of Review (BOR)



While the Assessor is responsible for uniformly assessing real property in Cook County in accordance with that property's fair market value, the Assessor is not the final arbiter of the assessed values that the Clerk uses to calculate the tax rates. After the **Assessor** initially certifies the complete list of assessed values, the **Board of Review (BOR)** has an opportunity to review and revise the Assessor's values. The Board may review and revise any property's value, either upon complaint by property owners or on its own initiative. The Board then directs the Assessor to make the revisions that the Board decided upon, and those are the assessed values that the Clerk uses to determine tax rates.

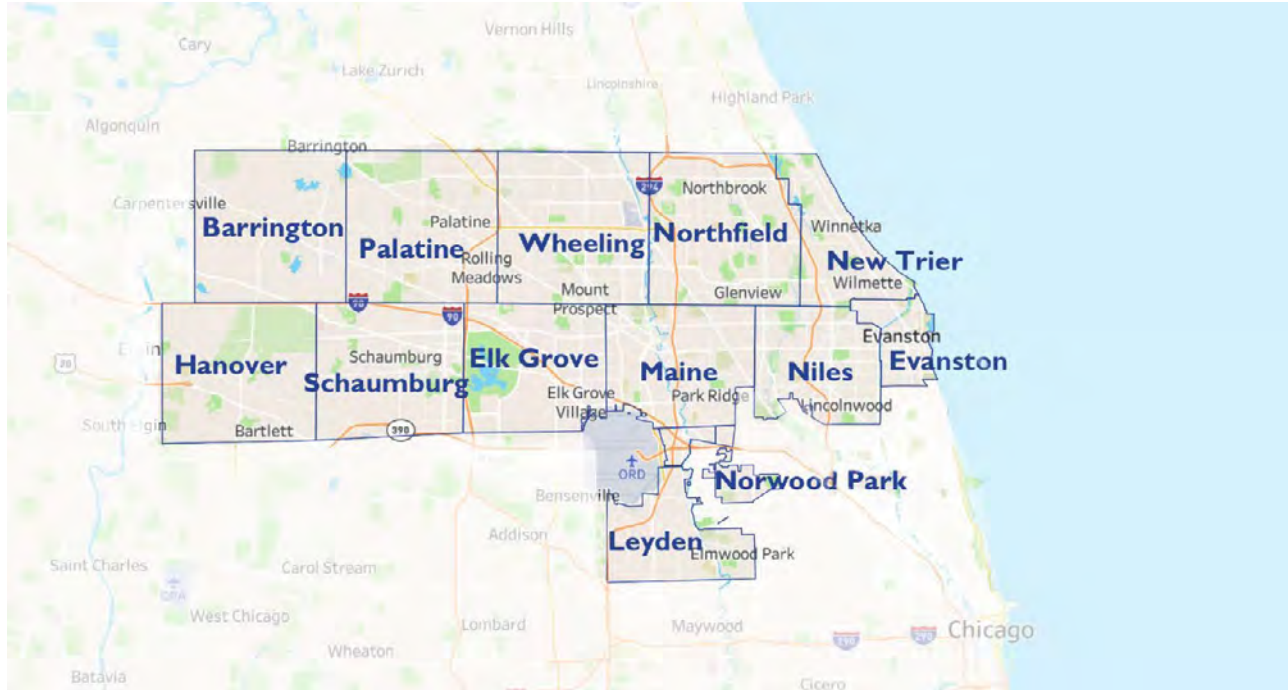


Note:

- Assessed values finalized by the Board of Review are the values used to determine tax rates.
- What if?** See the CCAO's 2019 Hypothetical Tax Rate Scenario in Section 3.

Your Township, By the Numbers

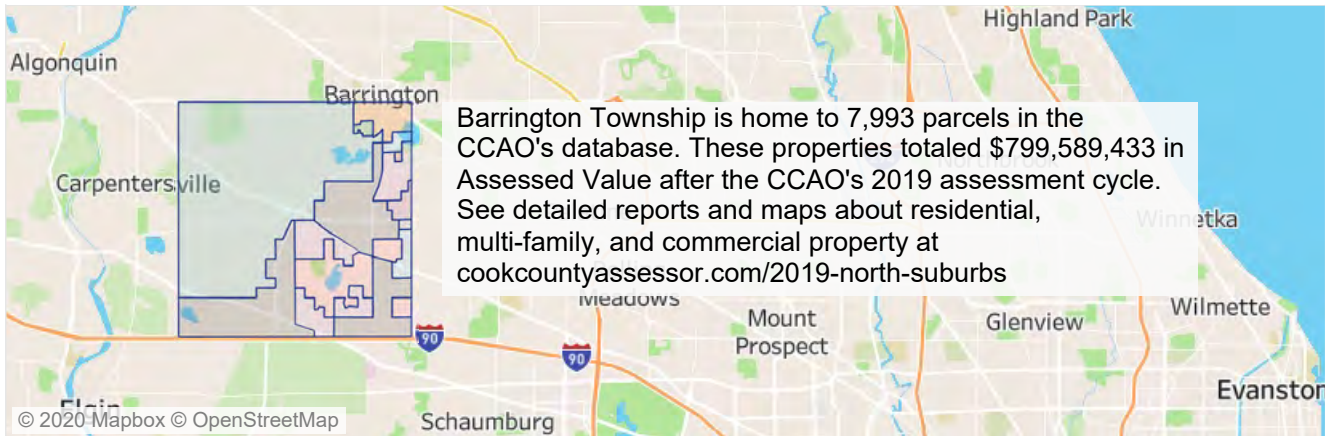
On the following pages, we proudly show how the Cook County Assessor's Office served every township in the north suburbs in 2019.



Each page contains:

- Information about parcels (PINs, short for Property Index Numbers)
 - Total number of PINs
 - Median AV
 - Total AV
- How much of your township's Assessed Value is comprised of Class 2 (Residential), Class 5 (Commercial/Industrial), and all other classes
- Services provided by the Cook County Assessor
 - Number of Homestead Exemptions
 - Number of Appeals
- Single-Family home data
 - Assessor's estimated Fair Market Values in 2019
 - Sale prices in 2019, for comparison

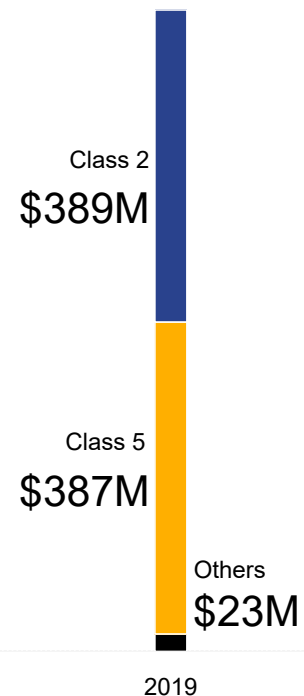
CCAO Data: Barrington 2019



Barrington's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 9/25/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	483	\$0	\$0
1	Vacant Land	827	\$2,526	\$14,285,200
2	Residential	6,288	\$55,057	\$389,365,581
3	Multi-Family	25	\$60,072	\$1,678,314
4	Not-For-Profit	1	\$2,032,418	\$2,032,418
5	Commercial & Industrial	363	\$161,111	\$387,484,783
6	Industrial Incentive	5	\$328,979	\$4,486,925
9	Multi-Family Incentive	1	\$256,212	\$256,212

Barrington's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
70.1%	5,807

Assessment Appeals

Residential	2,075
Commercial	212

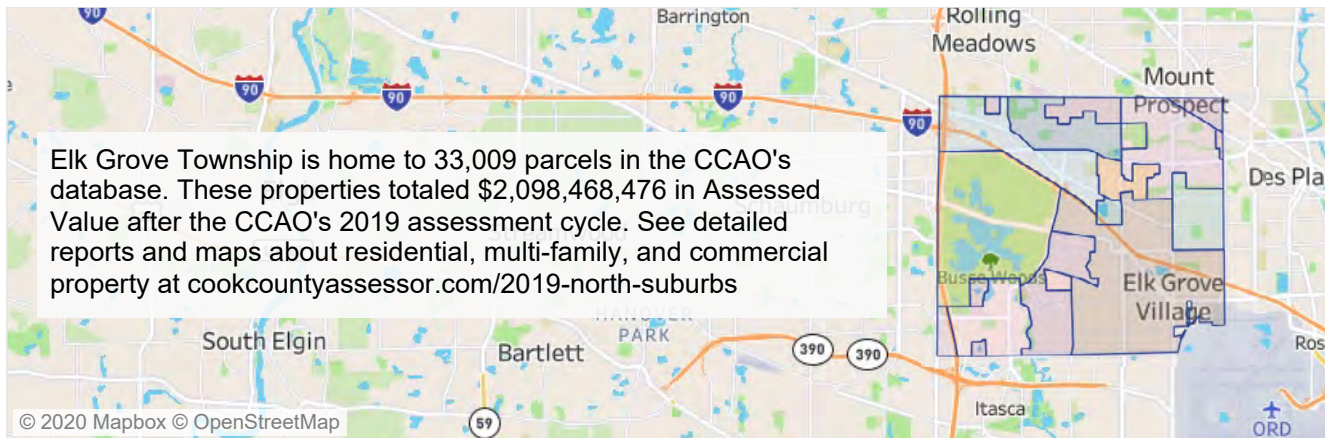
CCAO's 2019 Estimated Values for all of 5,391 single-family homes in Barrington.

Median estimated home value:	\$590,510
The middle half of estimated home values ranged from:	\$382,425 to \$843,980

Compare to: Sale Price Data 217 (4%) of all single-family homes in Barrington sold in 2019.

Median sale price was:	\$536,585
The middle half of sale prices ranged from:	\$382,500 to \$815,000

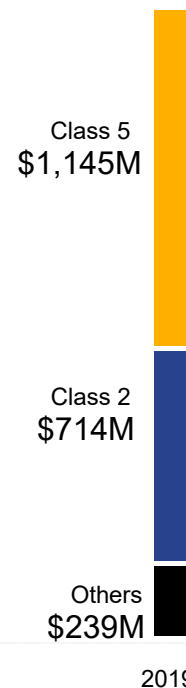
CCAO Data: Elk Grove 2019



Elk Grove's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 8/22/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	814	\$0	\$0
1	Vacant Land	289	\$6,103	\$8,692,675
2	Residential	29,193	\$22,799	\$714,195,452
3	Multi-Family	237	\$16,171	\$110,919,408
4	Not-For-Profit	10	\$256,592	\$3,118,738
5	Commercial & Industrial	2,170	\$218,214	\$1,144,862,805
6	Industrial Incentive	289	\$161,195	\$110,796,466
7	Commercial Incentive	2	\$1,023,451	\$2,046,902
9	Multi-Family Incentive	5	\$514,974	\$3,836,030

Elk Grove's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

72.1% **31,898**

Assessment Appeals

Residential **6,161**
Commercial **1,657**

CCAO's 2019 Estimated Values for all of 17,537 single-family homes in Elk Grove

Median estimated home value: **\$306,080**

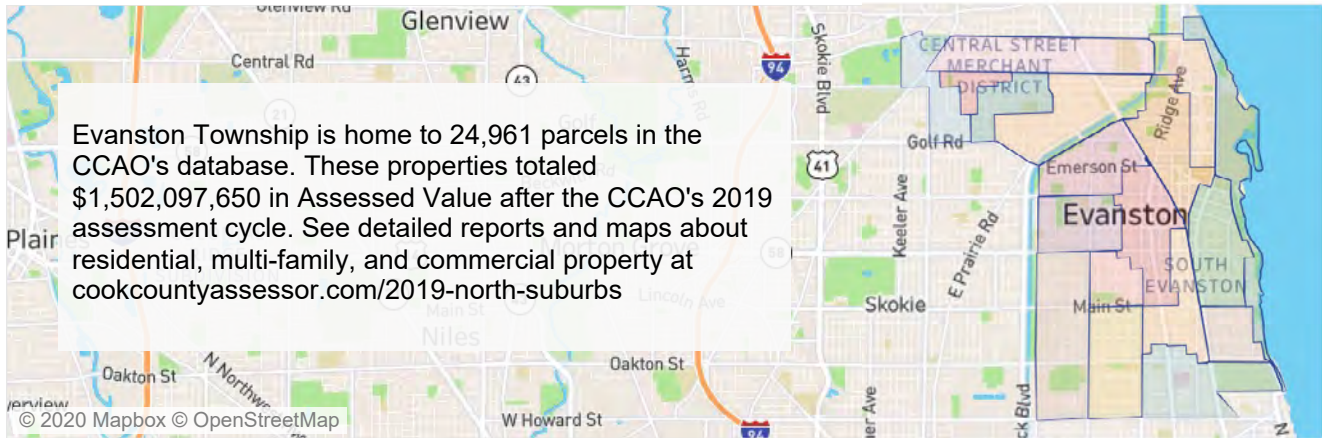
The middle half of estimated home values ranged from: **\$249,710 to \$350,930**

Compare to: Sale Price Data 735 (4.2%) of all single-family homes in Elk Grove sold in 2019.

Median sale price was: **\$300,000**

The middle half of sale prices ranged from: **\$258,000 to \$365,500**

CCAO Data: Evanston 2019



Evanston's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 6/11/2019

Class	Description	Number Of ..	Median AV	Total AV
0	Exempt	1,133	\$0	\$0
1	Vacant Land	247	\$4,158	\$2,500,127
2	Residential	22,149	\$32,288	\$902,571,544
3	Multi-Family	608	\$123,750	\$183,694,793
4	Not-For-Profit	6	\$505,792	\$5,071,132
5	Commercial & Industrial	797	\$149,143	\$405,504,791
6	Industrial Incentive	4	\$37,505	\$253,092
7	Commercial Incentive	5	\$39,185	\$1,584,553
9	Multi-Family Incentive	12	\$61,321	\$917,618

Evanston's 2019 Total Assessed Value

Class 2
\$903M

Class 5
\$406M

Others
\$194M

2019

Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

65.4%

20,333

Assessment Appeals

Residential **5,984**

Commercial **701**

CCAO's 2019 Estimated Values

for all of 11,277 single-family homes in Evanston

Median estimated home value: **\$497,260**

The middle half of estimated home values ranged from: **\$309,960 to \$720,240**

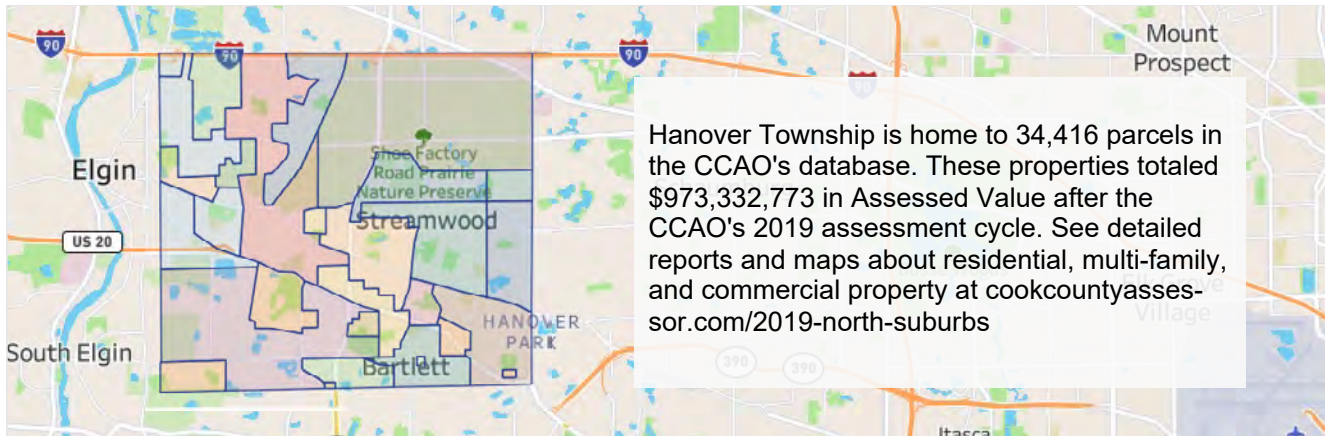
Compare to: Sale Price Data

465 (4.1%) of all single-family homes in Evanston sold in 2019.

Median sale price was: **\$485,000**

The middle half of sale prices ranged from: **\$299,000 to \$749,000**

CCAO Data: Hanover 2019



Hanover's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 11/26/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	977	\$0	\$0
1	Vacant Land	878	\$1,576	\$11,911,526
2	Residential	31,607	\$20,132	\$688,335,208
3	Multi-Family	76	\$73,753	\$12,049,273
5	Commercial & Industrial	807	\$116,658	\$241,806,969
6	Industrial Incentive	34	\$189,605	\$15,269,734
7	Commercial Incentive	3	\$571,223	\$1,681,854
9	Multi-Family Incentive	34	\$47,918	\$2,278,209

Hanover's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
74.1%	31,427

Assessment Appeals

Residential	5,642
Commercial	476

CCAO's 2019 Estimated Values for all of 24,850 single-family homes in Hanover

Median estimated home value: **\$211,835**

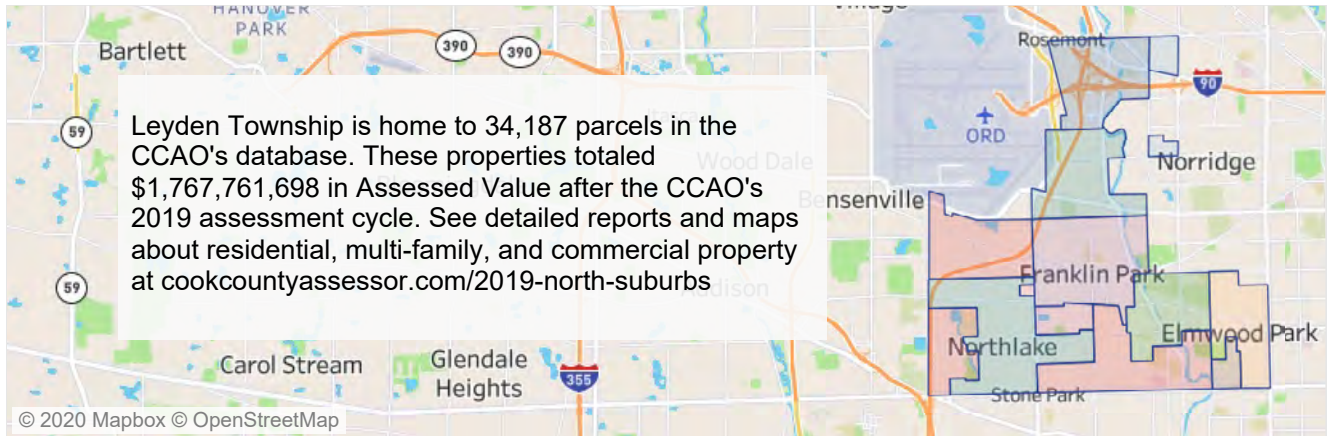
The middle half of estimated home values ranged from: **\$178,093 to \$274,778**

Compare to: Sale Price Data 1,313 (5.3%) of all single-family homes in Hanover sold in 2019.

Median sale price was: **\$215,000**

The middle half of sale prices ranged from: **\$170,000 to \$265,000**

CCAO Data: Leyden 2019



Leyden's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 10/30/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	1,909	\$0	\$0
1	Vacant Land	445	\$3,402	\$6,161,236
2	Residential	28,564	\$19,936	\$594,215,782
3	Multi-Family	506	\$22,892	\$21,466,980
4	Not-For-Profit	15	\$636	\$809,620
5	Commercial & Industrial	2,553	\$82,279	\$989,892,607
6	Industrial Incentive	192	\$219,523	\$151,354,055
7	Commercial Incentive	3	\$667,143	\$3,861,418

Leyden's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
75.1%	32,316

Assessment Appeals

Residential	6,880
Commercial	1,439

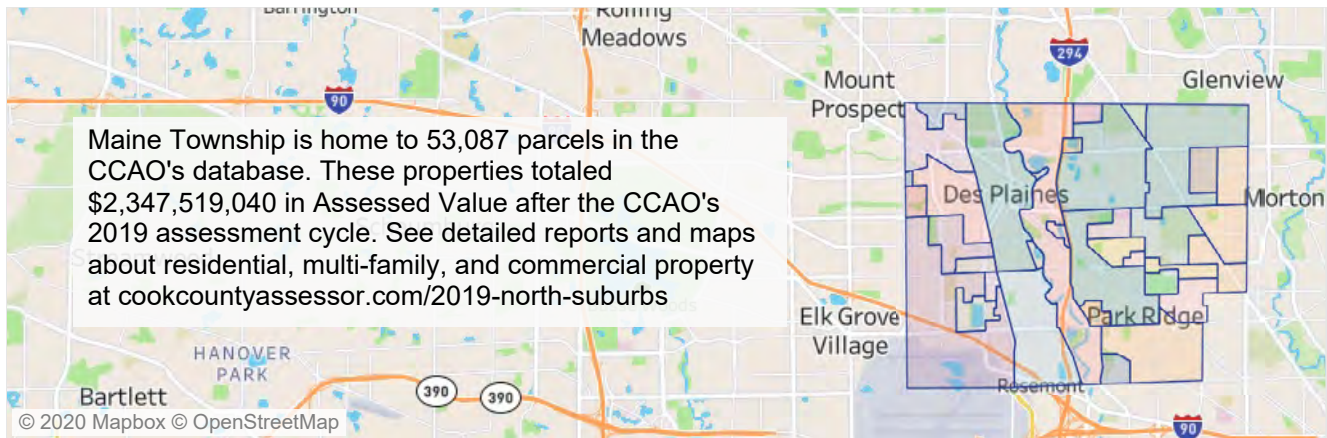
CCAO's 2019 Estimated Values for all of 21,267 single-family homes in Leyden

Median estimated home value:	\$204,800
The middle half of estimated home values ranged from:	\$183,505 to \$251,270

Compare to: Sale Price Data 876 (4.1%) of all single-family homes in Leyden sold in 2019.

Median sale price was:	\$218,250
The middle half of sale prices ranged from:	\$175,000 to \$269,000

CCAO Data: Maine 2019



Maine's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 9/25/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	1,423	\$0	\$0
1	Vacant Land	569	\$4,408	\$8,781,766
2	Residential	49,011	\$27,609	\$1,421,602,122
3	Multi-Family	258	\$84,366	\$77,019,406
4	Not-For-Profit	45	\$32,465	\$3,733,561
5	Commercial & Industrial	1,737	\$118,828	\$806,164,337
6	Industrial Incentive	39	\$301,685	\$24,536,698
7	Commercial Incentive	4	\$816,292	\$5,430,156
9	Multi-Family Incentive	1	\$250,994	\$250,994

Maine's 2019 Total Assessed Value

Class 2
\$1,422M

Class 5
\$806M

Others
\$120M

2019

Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

74.6%

55,642

Assessment Appeals

Residential **12,213**
Commercial **1,015**

CCAO's 2019 Estimated Values for all of 34,239 single-family homes in Maine

Median estimated home value: **\$311,960**

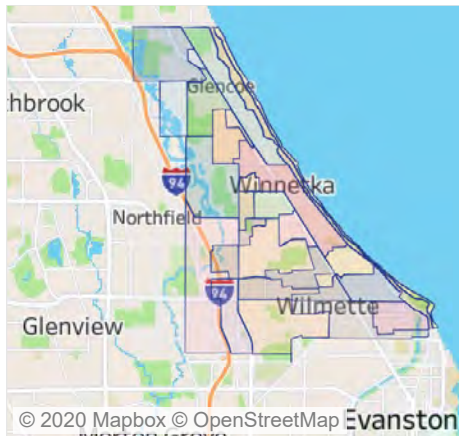
The middle half of estimated home values ranged from: **\$226,145 to \$393,000**

Compare to: Sale Price Data 1,424 (4.2%) of all single-family homes in Maine sold in 2019.

Median sale price was: **\$315,000**

The middle half of sale prices ranged from: **\$250,000 to \$408,000**

CCAO Data: New Trier 2019

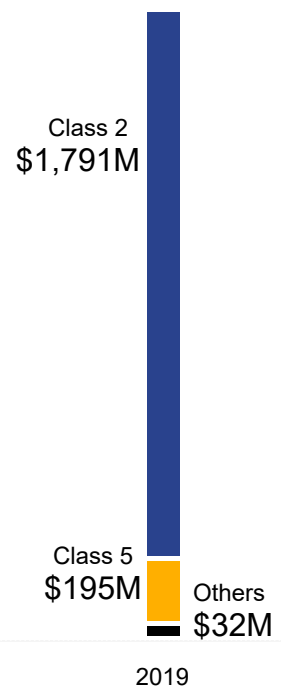


New Trier Township is home to 23,186 parcels in the CCAO's database. These properties totaled \$2,017,662,867 in Assessed Value after the CCAO's 2019 assessment cycle. See detailed reports and maps about residential, multi-family, and commercial property at cookcountyassessor.com/2019-north-suburbs

New Trier's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 7/25/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	995	\$0	\$0
1	Vacant Land	209	\$11,466	\$7,351,452
2	Residential	21,361	\$66,822	\$1,790,958,777
3	Multi-Family	91	\$136,497	\$22,347,535
4	Not-For-Profit	2	\$1,065,212	\$2,130,424
5	Commercial & Industrial	528	\$173,310	\$194,874,679

New Trier's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
-------------------------------------	-----------------------

72.3% **20,736**

Assessment Appeals

Residential	9,718
Commercial	321

CCAO's 2019 Estimated Values for all of 18,139 single-family homes in New Trier

Median estimated home value: **\$740,950**

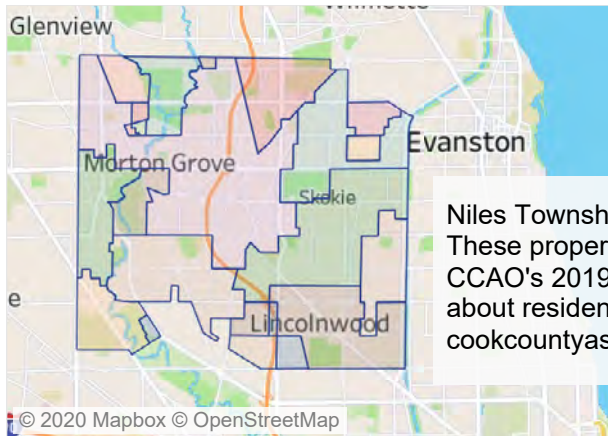
The middle half of estimated home values ranged from: **\$499,305 to \$1,191,225**

Compare to: Sale Price Data 912 (5%) of all single-family homes in New Trier sold in 2019.

Median sale price was: **\$832,000**

The middle half of sale prices ranged from: **\$570,000 to \$1,276,125**

CCAO Data: Niles 2019



Niles Township is home to 46,312 parcels in the CCAO's database. These properties totaled \$2,310,648,780 in Assessed Value after the CCAO's 2019 assessment cycle. See detailed reports and maps about residential, multi-family, and commercial property at cookcountyassessor.com/2019-north-suburbs

Niles's 2019 Assessment Roll (CCAO)

Certified 2019 Assessor-Final on: 11/22/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	1,317	\$0	\$0
1	Vacant Land	492	\$2,518	\$5,510,157
2	Residential	41,205	\$29,522	\$1,187,528,919
3	Multi-Family	616	\$20,244	\$40,803,708
4	Not-For-Profit	7	\$8,026	\$2,856,943
5	Commercial & Industrial	2,622	\$95,975	\$1,047,148,265
6	Industrial Incentive	43	\$127,403	\$23,150,406
7	Commercial Incentive	5	\$817,285	\$3,373,347
9	Multi-Family Incentive	5	\$58,006	\$277,035

Niles's 2019 Total Assessed Value

Class 2
\$1,188M

Class 5
\$1,047M

Others
\$76M

2019

Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

73.3%

47,087

Assessment Appeals

Residential **8,967**

Commercial **1,362**

CCAO's 2019 Estimated Values

for all of 30,238 single-family homes in Niles

Median estimated home value: **\$300,710**

The middle half of estimated home values ranged from: **\$243,390 to \$351,968**

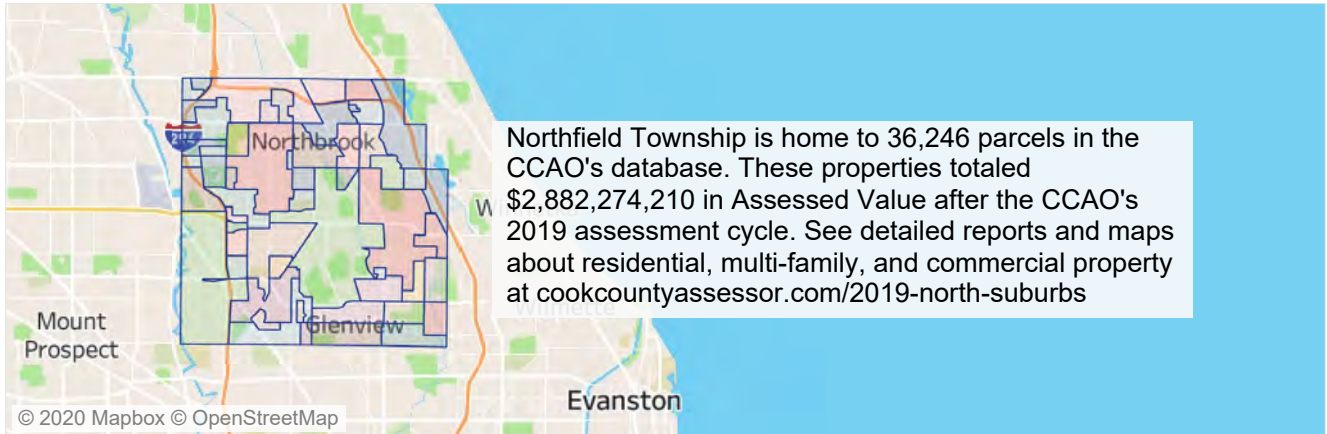
Compare to: Sale Price Data

970 (3.2%) of all single-family homes in Niles sold in 2019.

Median sale price was: **\$330,000**

The middle half of sale prices ranged from: **\$270,000 to \$405,000**

CCAO Data: Northfield 2019



Northfield's 2019 Assessment Roll (CCAO)

Certified 2019 Assessor-Final on: 10/21/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	878	\$0	\$0
1	Vacant Land	917	\$1,956	\$11,915,109
2	Residential	32,882	\$46,699	\$1,719,706,849
3	Multi-Family	46	\$332,576	\$64,282,455
4	Not-For-Profit	5	\$113,179	\$3,750,613
5	Commercial & Industrial	1,503	\$222,044	\$1,052,279,432
6	Industrial Incentive	11	\$1,169,285	\$19,162,537
7	Commercial Incentive	3	\$1,150,712	\$10,418,824
9	Multi-Family Incentive	1	\$758,391	\$758,391

Northfield's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

73.1% **35,017**

Assessment Appeals

Residential **10,496**
Commercial **781**

CCAO's 2019 Estimated Values

for all of 23,297 single-family homes in Northfield

Median estimated home value: **\$583,820**

The middle half of estimated home values ranged from: **\$417,550 to \$741,310**

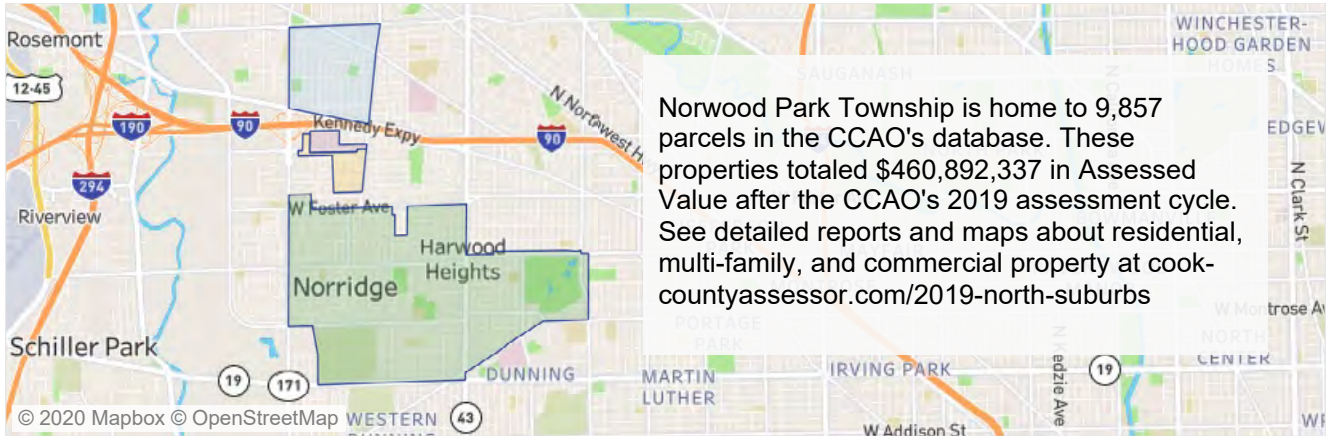
Compare to: Sale Price Data

1,034 (4.4%) of all single-family homes in Northfield sold in 2019.

Median sale price was: **\$570,000**

The middle half of sale prices ranged from: **\$429,000 to \$766,125**

CCAO Data: Norwood Park 2019



Norwood Park's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 5/1/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	162	\$0	\$0
1	Vacant Land	40	\$7,231	\$403,909
2	Residential	9,097	\$29,871	\$295,260,202
3	Multi-Family	136	\$47,465	\$10,922,580
5	Commercial & Industrial	421	\$109,650	\$153,975,953
6	Industrial Incentive	1	\$329,693	\$329,693

Norwood Park's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
78.8%	11,736

Assessment Appeals

Residential	2,862
Commercial	251

CCAO's 2019 Estimated Values

for all of 7,891 single-family homes in Norwood Park.

Median estimated home value: **\$303,750**

The middle half of estimated home values ranged from: **\$272,530 to \$360,355**

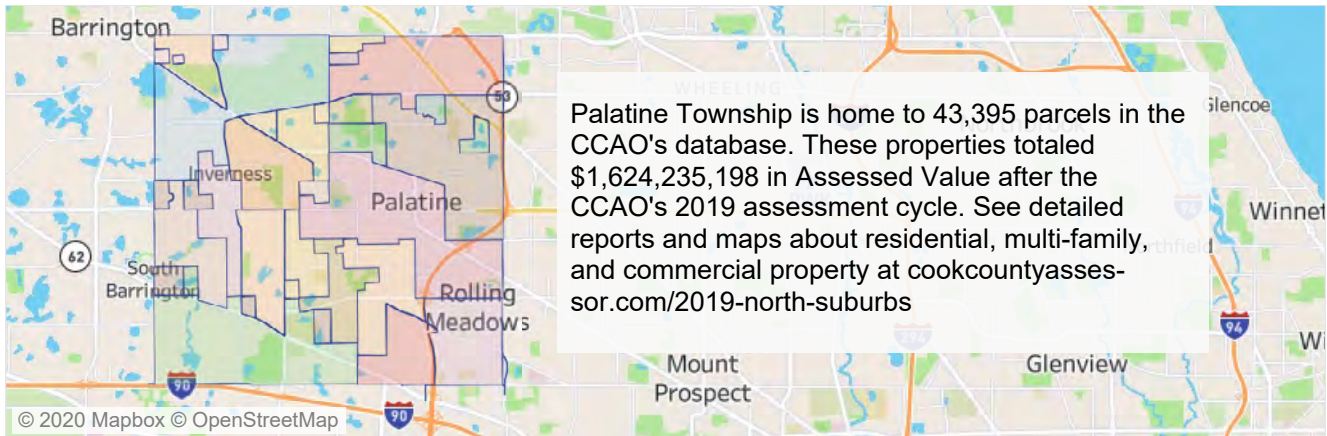
Compare to: Sale Price Data

310 (3.9%) of all single-family homes in Norwood Park sold in 2019.

Median sale price was: **\$307,500**

The middle half of sale prices ranged from: **\$255,000 to \$379,750**

CCAO Data: Palatine 2019



Palatine's 2019 Assessment Roll (CCAO)

Certified 2019 Assessor-Final on: 11/16/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	1,095	\$0	\$0
1	Vacant Land	741	\$1,008	\$7,918,033
2	Residential	40,361	\$26,256	\$1,149,555,725
3	Multi-Family	139	\$75,362	\$73,625,539
4	Not-For-Profit	2	\$358,815	\$717,630
5	Commercial & Industrial	1,040	\$158,132	\$387,165,974
6	Industrial Incentive	13	\$243,750	\$3,514,092
7	Commercial Incentive	1	\$300,904	\$300,904
9	Multi-Family Incentive	3	\$574,185	\$1,437,301

Palatine's 2019 Total Assessed Value

Class 2
\$1,150M

Class 5
\$387M

Others
\$88M

2019

Property Tax Exemptions

% of Homes with Homeowner Exemption Total # of Exemptions

72.2%

40,405

Assessment Appeals

Residential **9,933**

Commercial **642**

CCAO's 2019 Estimated Values

for all of 26,582 single-family homes in Palatine.

Median estimated home value: **\$309,640**

The middle half of estimated home values ranged from: **\$248,200 to \$433,728**

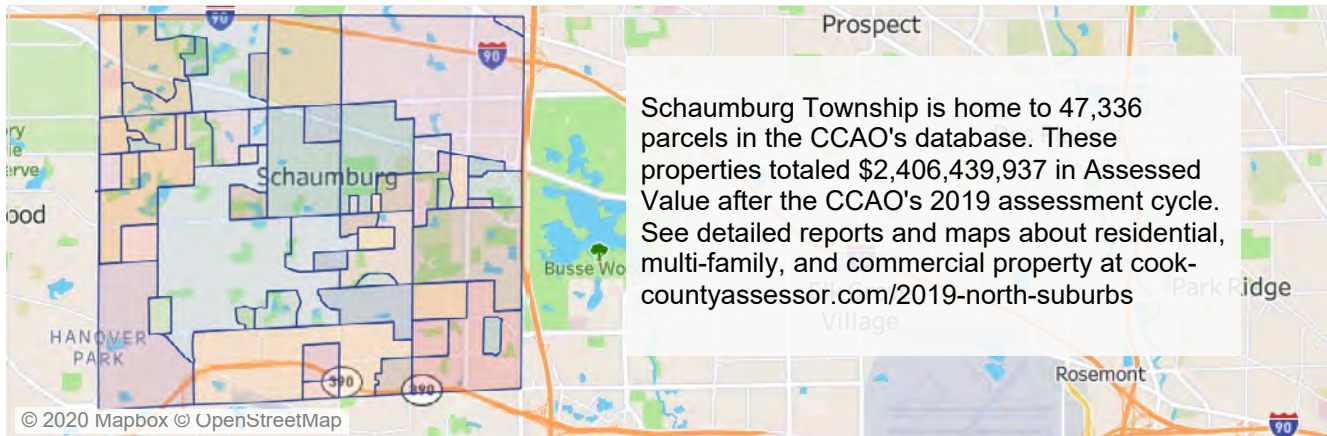
Compare to: Sale Price Data

1,261 (4.7%) of all single-family homes in Palatine sold in 2019.

Median sale price was: **\$310,000**

The middle half of sale prices ranged from: **\$241,000 to \$420,000**

CCAO Data: Schaumburg 2019



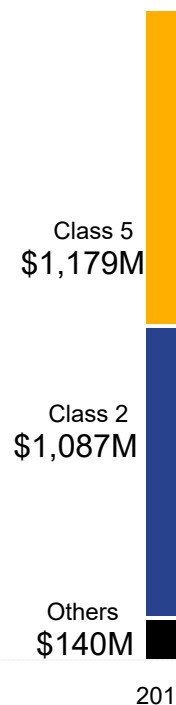
Schaumburg's 2019 Assessment Roll (CCAO)

Certified 2019 Assessor-Final on: 11/19/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	742	\$0	\$0
1	Vacant Land	793	\$632	\$10,119,360
2	Residential	44,419	\$24,168	\$1,086,946,614
3	Multi-Family	51	\$1,566,887	\$101,356,208
4	Not-For-Profit	3	\$419,689	\$1,775,899
5	Commercial & Industrial	1,257	\$287,064	\$1,179,012,896
6	Industrial Incentive	69	\$128,383	\$26,781,703
7	Commercial Incentive	2	\$223,629	\$447,257

Schaumburg's 2019

Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
74.9%	46,862

Assessment Appeals

Residential	9,599
Commercial	867

CCAO's 2019 Estimated Values

for all of 30,156 single-family homes in Schaumburg.

Median estimated home value: **\$273,500**

The middle half of estimated home values ranged from: **\$238,640 to \$334,710**

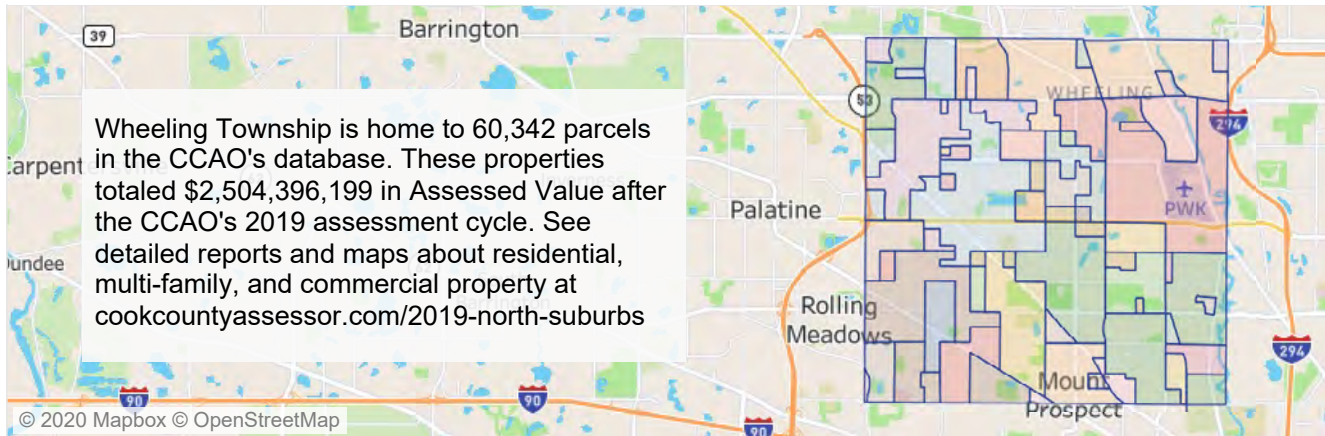
Compare to: Sale Price Data

1,375 (4.6%) of all single-family homes in Schaumburg sold in 2019.

Median sale price was: **\$272,500**

The middle half of sale prices ranged from: **\$219,050 to \$330,500**

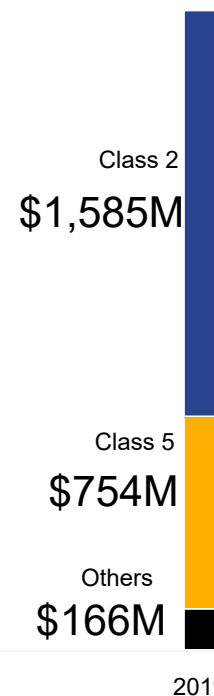
CCAO Data: Wheeling 2019



Wheeling's 2019 Assessment Roll (CCAO) Certified 2019 Assessor-Final on: 11/13/2019

Class	Description	Number Of PINs	Median AV	Total AV
0	Exempt	1,214	\$0	\$0
1	Vacant Land	682	\$4,799	\$7,485,633
2	Residential	55,809	\$28,539	\$1,584,697,976
3	Multi-Family	250	\$89,979	\$113,496,725
4	Not-For-Profit	4	\$2,451	\$2,922,050
5	Commercial & Industrial	2,233	\$135,107	\$754,071,327
6	Industrial Incentive	143	\$118,164	\$37,703,541
7	Commercial Incentive	7	\$547,135	\$4,018,947

Wheeling's 2019 Total Assessed Value



Property Tax Exemptions

% of Homes with Homeowner Exemption	Total # of Exemptions
76.3%	62,532

Assessment Appeals

Residential	12,577
Commercial	1,186

CCAO's 2019 Estimated Values for all of 35,719 single-family homes in Wheeling.

Median estimated home value:	\$331,950
The middle half of estimated home values ranged from:	\$281,440 to \$406,940

Compare to: Sale Price Data 1,616 (4.5%) of all single-family homes in Wheeling sold in 2019.

Median sale price was:	\$333,900
The middle half of sale prices ranged from:	\$265,113 to \$415,000

5. Your Assessor's Office at Work

5.1. Exemptions for Homeowners

5.2. Incentives for Commercial Property Owners & Developers

5.3. Outreach and Events with Property Owners throughout Cook County

5.4. Assessor's Office Departments and Roles

Property Tax Exemptions for Homeowners

* Please note: Any eligible homeowner who received the Senior Freeze, Persons with Disabilities, or Veterans with Disabilities Exemptions in tax year 2019 (issued in 2020) will have these exemptions automatically renewed in tax year 2020.



Homeowner Exemption

This exemption provides property tax savings and most homeowners are eligible if the property is their principal place of residence.

- **Automatic Renewal:**
Yes, this exemption automatically renews each year.



Returning Veterans Exemption

This exemption provides property tax savings for Veterans returning from active duty in armed conflict.

- **Automatic Renewal:**
No, this exemption must be filed annually.



Senior Exemption

This exemption provides property tax savings and most homeowners who are 65 years and older qualify.

- **Automatic Renewal:**
Yes, a new law allows for automatic renewal for seniors who received the exemption last year. Newly qualified seniors must file initial applications in 2020.



Veterans with Disabilities Exemption*

This exemption provides property tax savings for Veterans with a service-connected disability as certified by the U.S. Department of Veterans Affairs. Please visit our website to view a list of criteria and documentation required.

- **Automatic Renewal:**
No, this exemption must be filed annually.



Senior Freeze Exemption*

This exemption provides property tax savings for seniors and eligibility is based on a total household income qualification of \$65,000 or less annually. It is important to note that this exemption does not freeze the amount of a property tax bill. The property tax savings may fluctuate due to the state multiplier and local tax rate based on the taxing district in which the property is located.

- **Automatic Renewal:**
No, this exemption must be filed annually.



Long-Time Homeowner Exemption

This exemption enables a property owner to receive an expanded Homeowner Exemption with no maximum exemption amount. To qualify there has to be a significant assessment increase which exceeds the maximum amounts set by the state legislature.

- **Automatic Renewal:**
No, fewer than 2% of homeowners qualify for this exemption and applications are mailed to those properties that qualify each year.



Persons with Disabilities Exemption*

This exemption provides property tax savings for persons with disabilities. Please visit our website to view a list of criteria and documentation required.

- **Automatic Renewal:**
No, this exemption must be filed annually.



Home Improvement Exemption

This exemption allows property owners of single-family homes, condominiums, and apartments up to six units to increase the value of their properties up to \$75,000 without increasing property taxes for at least four years.

- **Automatically Applied:**
Yes, this exemption will be applied automatically upon receiving a building permit for an improvement.

Exemptions for Homeowners

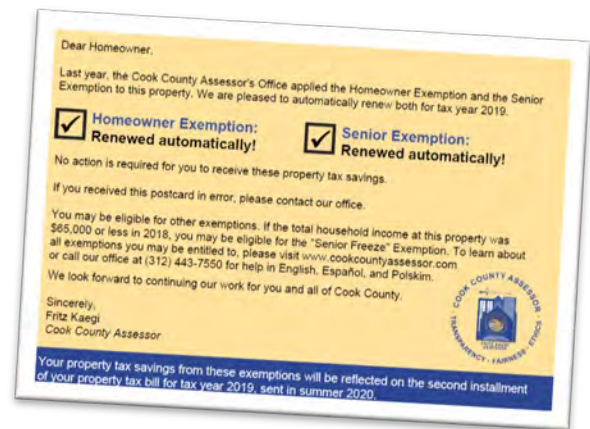
The Cook County Assessor's Office administers many property tax exemptions, such as the Homeowner Exemption, that can reduce a homeowner's property tax bill. The qualifications for every exemption and the amount of property tax savings are set by state law.

Homeowners may qualify for multiple exemptions. In many cases, homeowners only have to apply once – after that, some exemptions are automatically renewed. All property tax exemption savings are applied to the second installment property tax bills issued every summer.

Significant Administrative Changes

In 2019, the CCAO implemented significant changes to streamline the exemption application process.

One of the most notable accomplishments was the **CCAO's automatic renewal of over 30,000 Senior Exemptions**. This required a change to Illinois law, which was championed by Assessor Fritz Kaegi. The CCAO mailed confirmation postcards to qualifying senior households notifying them that their exemptions would automatically be renewed, saving them both time and money.



The CCAO also listed additional types of **photo IDs** taxpayers can use when applying for exemptions. The list now includes the City of Chicago ID Card, Matrícula Consular ID, US Military ID, and Refugee Travel Documents. This simple administrative change expanded access to exemptions to more property taxpayers.

In 2020, the CCAO made it possible for property owners to **apply for exemptions online** for the first time. Online applications are free, more convenient for applicants, and more efficient for CCAO staff to process.

Commonly Asked Questions

When can an eligible taxpayer apply?

Exemption applications are accepted, renewed, and processed every year from January through April.

Early every year the CCAO mails application forms to homeowners and conducts in-person events to assist with applications and renewals.

Do exemptions need to be renewed every year?

Most property owners do not need to renew their exemptions. A homeowner only needs to apply for the Homeowner and Senior Exemptions once. These two exemptions are auto-renewed thereafter as long as there is no change in eligibility.

In 2020, the Illinois state legislature proactively added one-year auto-renewals to support homeowners during the COVID-19 pandemic. Any eligible homeowner who received the Senior Freeze, Persons with Disabilities, or Veterans with Disabilities Exemptions in tax year 2019 (issued in 2020) will have these exemptions automatically renewed in tax year 2020.

What if an exemption was missing from a second installment tax bill?

If a property owner has paid a second installment tax bill in full, but it was missing an exemption they qualified for that tax year, the CCAO can help them correct this by filing a Certificate of Error. Certificate of Error applications for missed exemptions can be submitted in person or online with the CCAO. To learn more, visit cookcountyassessor.com/exemptions or call (312) 443-7550.

After the CCAO verifies the application, the Cook County Treasurer issues a refund check for the missed property tax savings.

Summer Savings from Property Tax Exemptions

The dollar amount of property tax exemption savings can change each year because tax rates can change each year. The local tax rate for each property is determined by the Cook County Clerk and is based on the revenue needs of local governing bodies each year. The second installment property tax bill issued by the Cook County Treasurer lists a home's local tax rate and exemption savings for that tax year.

TAX CALCULATOR			
2017 Assessed Value	24,882	2018 Total Tax Before Exemptions	8,680.62
2018 Property Value	248,820	Homeowner's Exemption	-1,198.50
2018 Assessment Level	X 10%	Senior Citizen Exemption	.00
2018 Assessed Value	24,882	Senior Freeze Exemption	.00
2018 State Equalizer	X 2.9109		
2018 Equalized Assessed Value (EAV)	72,429	2018 Total Tax After Exemptions	7,482.12
2018 Local Tax Rate	X 11.985%	First Installment	4,133.90
2018 Total Tax Before Exemptions	8,680.62	Second Installment +	3,348.22
		Total 2018 Tax (Payable in 2019)	7,482.12

To calculate savings from the Homeowner Exemption, multiply \$10,000 by a home's local tax rate that year. A property owner in the City of Chicago with a 2018 local tax rate of 6.803% saved \$680.30 from the Homeowner Exemption. In a different area of Cook County, a property owner with a 2018 local tax rate of 19.937% saved \$1,993.70 from the Homeowner Exemption.

Average Tax Year 2018 Savings

In 2019, the Cook County Assessor's Office processed over 1.4 million exemption applications and renewals. This produced over \$1 billion in property tax savings for homeowners on their second installment bills for tax year 2018, issued in summer 2019.





		North Suburbs	South and West Suburbs	City of Chicago
Homeowner Exemption	#	302,415	319,040	395,546
	Average 2018 savings	\$987	\$1,366	\$679
Senior Exemption	#	93,060	94,412	101,277
	Average 2018 savings	\$797	\$1,073	\$537
Senior Freeze Exemption	#	41,271	53,447	66,240
	Average 2018 savings	\$1,616	\$1,748	\$2,013
Longtime Homeowner Exemption	#	107	70	2,586
	Average 2018 savings	\$3,610	\$3,176	\$2,123
Persons with Disabilities Exemption	#	4,537	8,406	5,658
	Average 2018 savings	\$196	\$274	\$134
Returning Veterans Exemption	#	14	28	10
	Average 2018 savings	\$512	\$668	\$339
Veterans with Disabilities Exemption	#	394	868	513
	Average 2018 savings	\$360	\$510	\$240

Incentives for Commercial Property Owners & Developers

291 *more* properties

were granted **Incentive** status in 2019. Many of these were a result of the Cook County Assessor's Office's collaborative efforts with local government agencies, associations of providers and lenders, and outreach directly to qualified property owners. Most of these new incentives were in support of Class 9 **affordable housing**.

2018 to 2019: New Incentives Granted

Class	Description	
6	Industrial Incentive	 +88 (4.3%) PINs
7	Commercial Incentive	 +30 (12.9%) PINs
8	Commercial/Industrial Incentive	 +15 (1.6%) PINs
9	Multi-Family Incentive	 +158 (20.8%) PINs

Incentives are special assessment programs designed to recognize properties that contribute in unique ways to the public good and bolster neighborhood vitality – especially in areas where there is a greater need for economic revitalization.

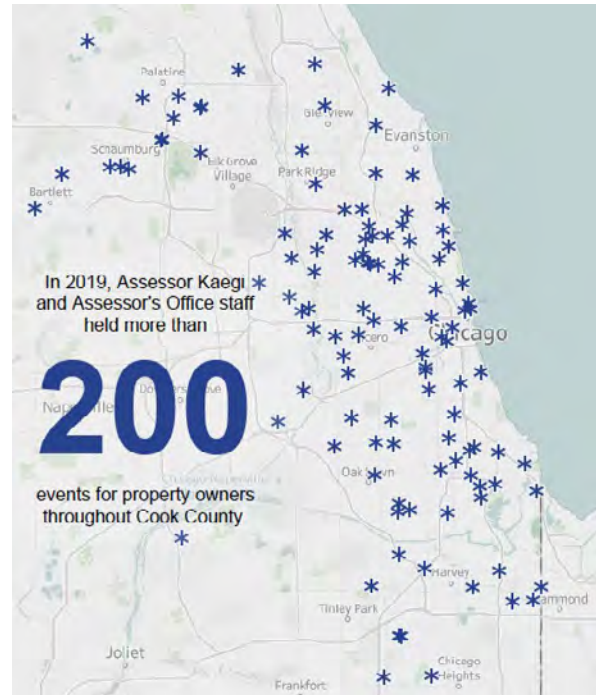
Incentives support affordable housing, rehabilitation and development of industrial and commercial properties, re-use of vacant properties, and preservation of historic landmark buildings.

Incentives encourage economic development by providing a lower level of taxation on a property's assessed value. Incentive programs are set in the Cook County Classification Ordinance and administered by the Cook County Assessor's Office and, in some cases, with the County's Bureau of Economic Development.

Applicants seeking incentive classification status for a property must meet strict criteria set by Cook County. One requirement is the approval of the local municipal government. To qualify for the multi-family housing incentive (Class 9), for example, the property must be inspected and approved by a municipal building inspector.

Requirements like these help to ensure these 158 Class 9 properties – and others like it – support the public good by providing housing that is safe, clean, and affordable.

Outreach and Events with Property Owners throughout Cook County



The Cook County Assessor's Office (CCAO) outreach team helps property owners in Cook County successfully navigate our office and better understand the property tax system by providing useful resources, information, and tools directly to the public. In 2019, our outreach included:

- ✓ Listening tours and town halls across Cook County
- ✓ "Property Tax 101" to address facts and myths of Cook County's property tax system
- ✓ How to apply for exemptions
- ✓ How to apply for Certificates of Error for missed exemptions
- ✓ How to file an assessment appeal
- ✓ Workshops for veterans and seniors
- ✓ Housing fairs and other resource fairs and festivals

We believe effective public engagement ensures that all property owners have access to our resources and we actively work to remove barriers to participation.

In 2019, we listened and took steps to ensure that events were conveniently located, easily accessible, and that materials were translated into multiple languages where needed.

In addition to responding to requests for engagement from our partners, we sought out communities that historically have had less access to the CCAO's resources and connected with them in person in their neighborhoods.



Seniors and Veterans

Seniors and veterans are essential partners and we made a special effort to ensure that they were aware of our services along with the exemptions and benefits available to them.

In doing so, we partnered with:

- the Cook County Bureau of Veterans Affairs
- various veterans centers
- Areas on Aging throughout the county



to participate in resource fairs and other events to bring our Office's services directly to seniors and veterans.

Commercial Property Owner Outreach

Members of the commercial real estate community are an important part of the constituency we serve. Making sure that we provide an understanding of how our practices affect them, and showing our numbers so that the process is predictable, is vital to our local economy. To that end, we conducted targeted outreach to this community to explain our models and data sources in accordance with industry practices.

This also advanced our goal of collecting better data to make the system fairer and allowed us to encourage commercial owners to use the **Real Property Income and Expense (RPIE)** online tool to submit income and expense data that inform our property valuations.

Market Analyst Day

On December 11, 2019, we partnered with the City of Chicago to host the first Market Analyst Day. In front of a packed house of real estate market participants, we presented tools, data, and information for building owners, commercial real estate analysts, and market underwriters who invest in City of Chicago and Cook County real estate.

Some of the areas covered included:

- Details on Chicago's finances
- An outline of the Cook County property tax system
- Background on the commercial property market: valuation, data, & methodology
- Release of the Property Tax Simulator Tool



For more on this event and links to the presentations, [visit the Market Analyst Day 2019 section of our website.](#)

CCAO Departments and Roles

Administrative Operations

The Administrative Operations Department supports staff through recruitment, retention and professional development. The department also acts as the financial steward of the office and leads customer service for Cook County property owners.

What we do: The Administrative Operations Department is responsible for Compliance, Personnel Services, Finance & Operations, Training Services, and Taxpayer Services.

Compliance oversees the CCAO's compliance with the Shakman Agreed Order, our Employment plan, and the policies set forth in our Employee Handbook. Personnel Services oversees human resources, payroll and benefits, facilitates the CCAO employment plan and handbook, and handles employee and labor relations. Finance and Operations oversees the creation and implementation of our budget, contract review and negotiation, resource procurement and allocation, space and facility management, and supply management. Training Services oversees the training of all employees and directs the office's growing internship programs. Taxpayer Services administers and processes homestead exemptions, processes homestead certificates of error, and assists taxpayers with questions regarding the property tax system.

Communications and Outreach

The Communications Department strives to develop trust, transparency, and accessibility through outreach, education, and relationship building. The department does this by developing a more meaningful understanding of our office: in-person, online, and in print.

What we do: The Communications Department handles several functions that serve property owners throughout Cook County. Primarily, the department is responsible for outreach events where we assist property owners with appeals and exemption applications. We also prepare and organize speaking engagements for the Assessor and other staff in the office. We manage the content of our website and social media platforms, which assists people with answers to questions about property assessments, appeals, exemptions, and other services and address all press inquiries.

Data Science

The Data Science Department facilitates production of annual property assessments in Cook County by leveraging computing and statistical techniques to estimate the fair market value of residential property while using existing databases to generate insights into valuation processes.

What we do: The department maintains and improves the office's data, internally and externally, to increase its value to staff and property owners. Data Science also identifies opportunities to generate new valuable data and improve the data literacy of those who connect with its work.

Information Technology

The Information Technology Department provides a strategic vision, modern solutions, and a secure and reliable environment for all CCAO departments in order to deliver services, meet stated goals, and streamline processes.

What we do: IT oversees the technology functions of the office and provides support to all CCAO departments. There are four divisions in IT: System Administration monitors/maintains/administer all hardware, software and network needs of the office; Application Development creates, maintains, and enhances internal and public applications; Legacy Systems runs/programs applications in the county's AS400/mainframe property tax system; Records Management runs jobs to open and close property appeal periods, performs quality control of the system, and ensures timely assessment cycles.

Legal

The Legal Department advises the Cook County Assessor, deputies, and staff on federal, state, and local law to ensure the office executes its duties lawfully and ethically, while setting uniform and accurate assessments.

What we do: The Legal Department also is responsible for managing Freedom of Information Act (FOIA) requests, appeal dockets, assisting taxpayers with Certificates of Error and appeal questions, incentive classifications, property tax exemptions, and omitted assessments, and, investigating and issuing liens for improperly received homestead exemptions.

Policy

The Policy Department builds collaborative relationships with state and local government officials and community stakeholders.

What we do: The Policy Department strives to ensure good working relationships with other elected officials in and around Cook County, including state and municipal bodies as well as fellow county offices. By maintaining open door relationships with others in and out of government, we can facilitate smoother operations between and among our offices, and deliver better and more coordinated services to Cook County residents.

Valuations

The Valuations Department holds itself to a simple set of standards. We aim to ensure that your assessed value is fair and accurate and aim to ensure that every other property's assessed value is fair and accurate. Fairness, accuracy, and uniformity are at the heart of the mission.

What we do: The Valuations Department is responsible for the assessment of nearly 1.9 million parcels of residential, commercial, and industrial properties. The Valuations Department also hears and considers appeals, and verifies and maintains property and sales data.

Cook County Assessor's Office

online:

cookcountyassessor.com

send us an email:

cookcountyassessor.com/contact

call us:

312-443-7550

-  CookCountyAssessorsOffice
-  CookCountyAssessorsOffice
-  Assessor Cook



Fritz Kaegi
COOK COUNTY
ASSESSOR