

The Steele Report

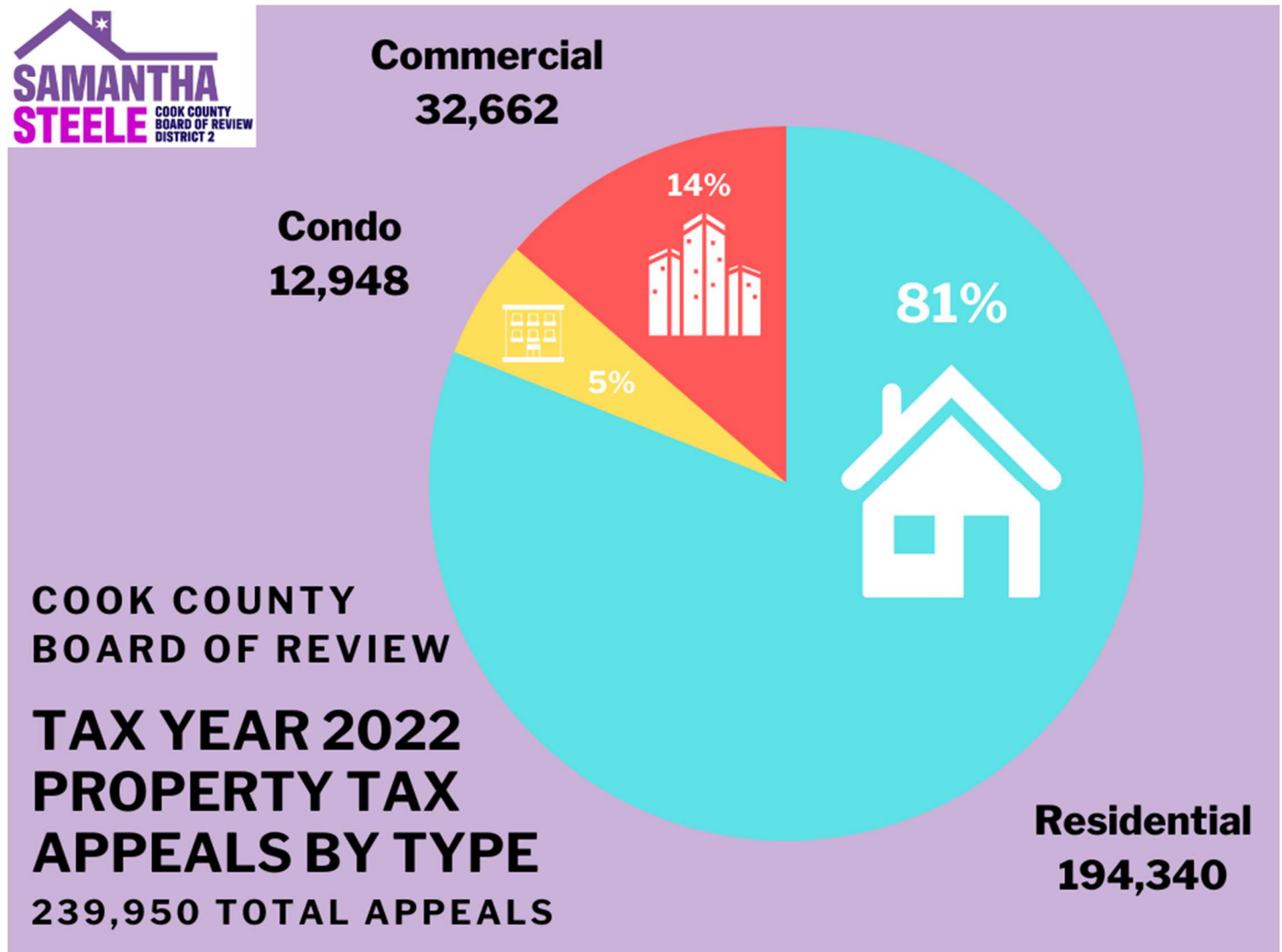
***A Summary of the Cook
County Board of Review's
Results of the Tax Year
2022 Appeal Cycle from
Commissioner Steele***

**2022 Tax Year
September 5, 2023**

Total Property Tax Appeals for 2022 Tax Year

For tax year 2022, the Cook County Board of Review received 239,950 property tax appeals. Most of these appeals were residential homes, which accounted for 81% of total appeals.

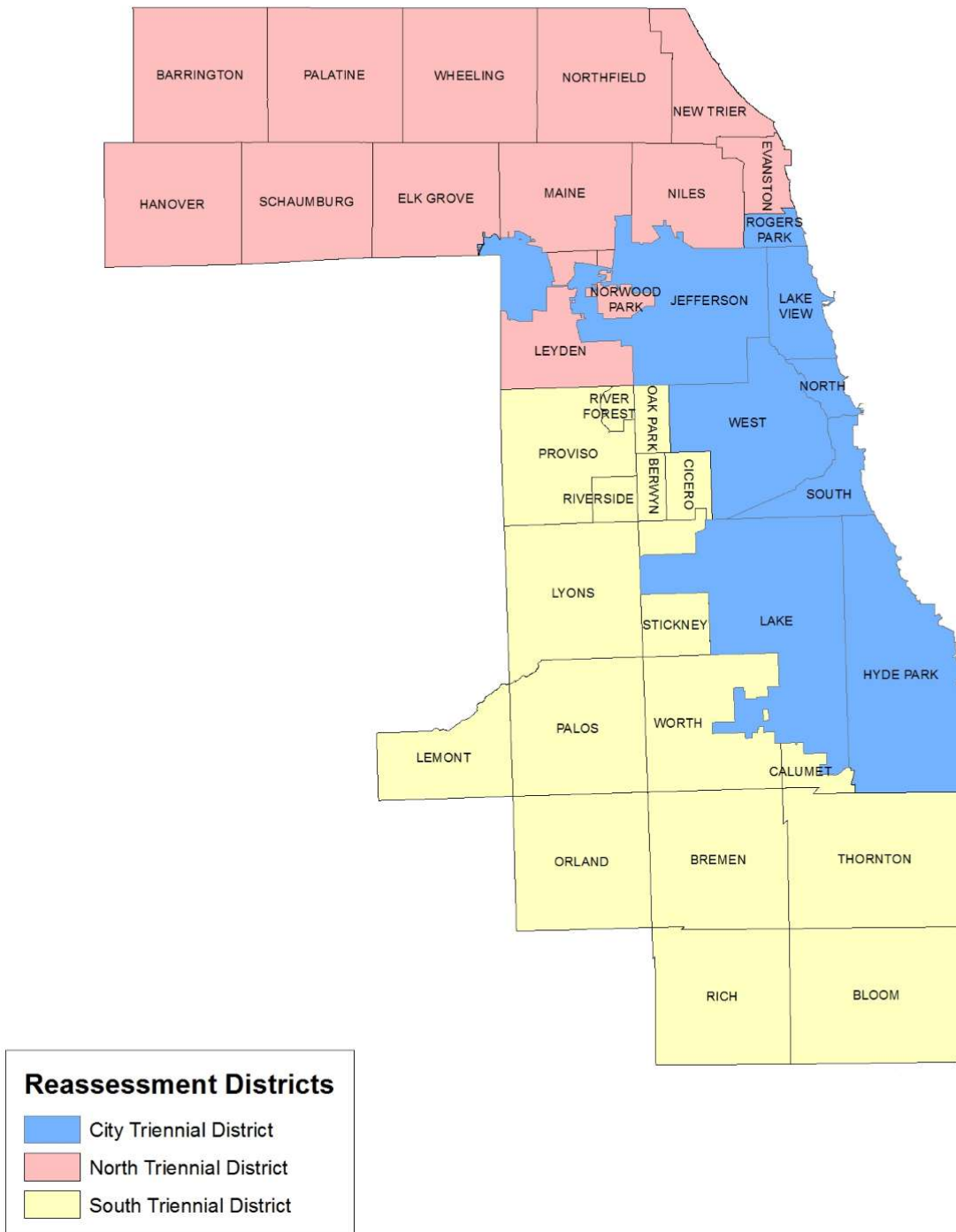
- Residential Appeals: 194,340 Appeals (81%)
- Condo Appeals: 12,948 Appeals (5%)
- Commercial Appeals: 32,662 Appeals (14%)



Certified Townships

The Cook County Board of Review has certified all 38 Cook County townships for Tax Year 2022.

Cook County Assessment Townships



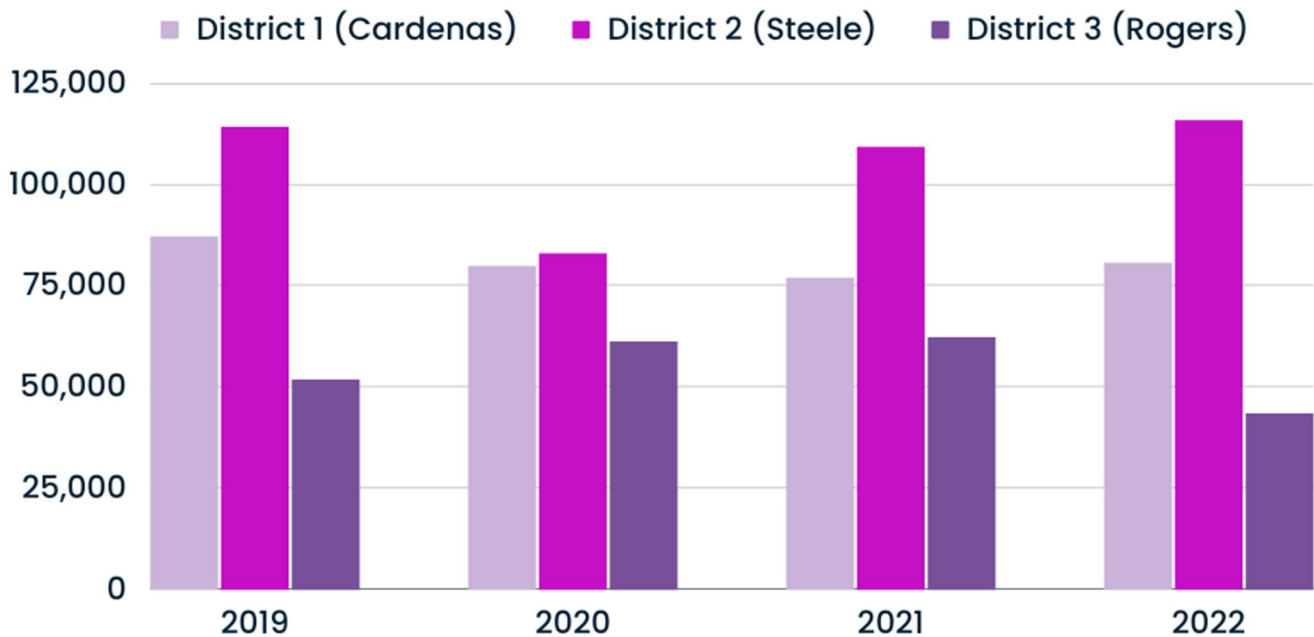
Board of Review Appeals Filed by District

Regardless of the reassessment cycle, taxpayers in Cook County Board District 2 consistently file the most tax appeals. District 2 consists of the north suburbs and northside of Chicago, areas that contribute significantly to the tax rolls of Cook County

COOK COUNTY BOARD OF REVIEW APPEALS BY BOR DISTRICT

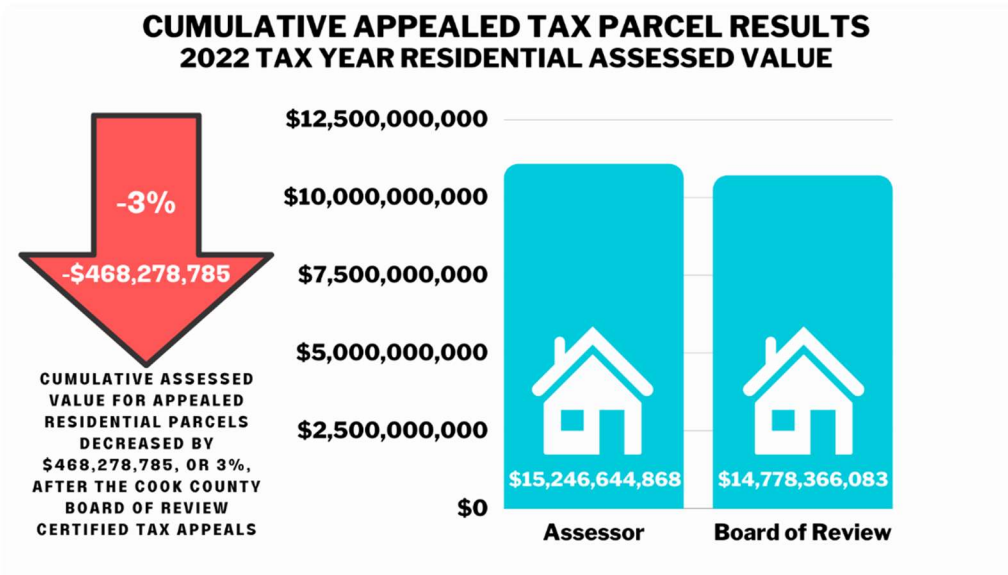


District 2 has the most appeals every year, yet has the smallest staff



Certified Townships: Residential Appeals

The Cook County Board of Review has decreased residential assessed values by \$468,278,785, or 3%, compared to the assessed value of the Assessor's Office for residential parcels that appealed to the Board of Review.



Tax Year 2022: Residential Values

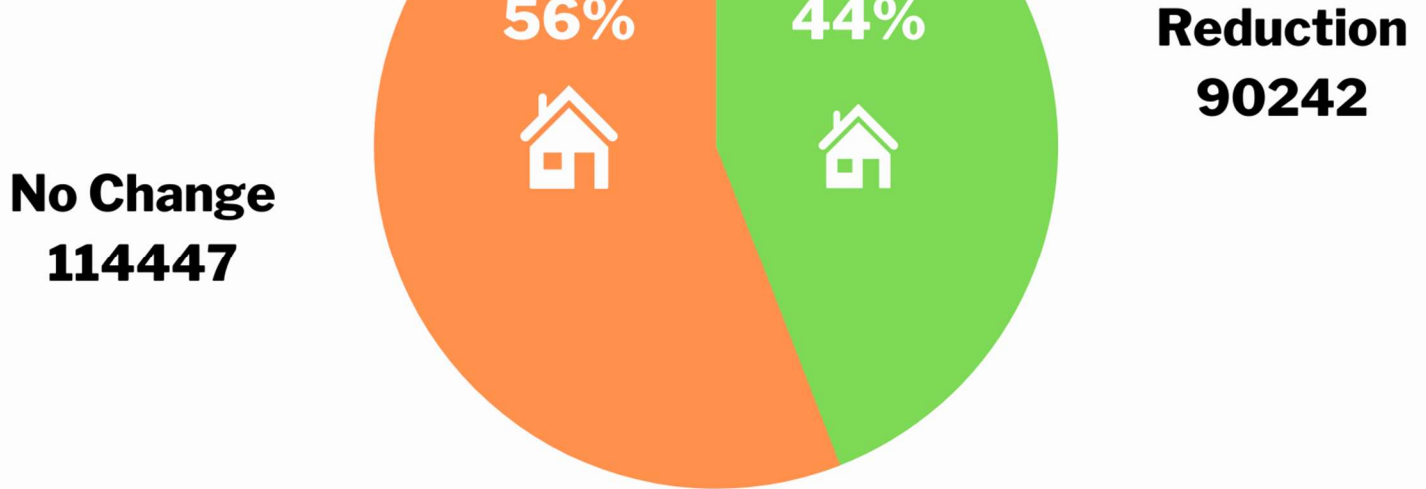
Township	Total Assessor Value	Total BOR Value	Change%	Change\$
Barrington	\$233,581,026	\$222,542,924	-5%	-\$11,038,102
Berwyn	\$49,148,654	\$47,523,590	-3%	-\$1,625,064
Bloom	\$25,106,259	\$24,395,610	-3%	-\$710,649
Bremen	\$48,804,453	\$47,247,448	-3%	-\$1,557,005
Calumet	\$2,334,578	\$2,269,806	-3%	-\$64,772
Cicero	\$22,445,477	\$21,399,764	-5%	-\$1,045,713
Elk Grove	\$350,310,451	\$340,928,655	-3%	-\$9,381,796
Evanston	\$595,374,081	\$571,705,960	-4%	-\$23,668,121
Hanover	\$262,689,650	\$256,163,230	-2%	-\$6,526,420
Hyde Park	\$148,970,769	\$143,014,846	-4%	-\$5,955,923
Jefferson	\$969,771,538	\$935,266,066	-4%	-\$34,505,472
Lake	\$216,653,039	\$207,999,969	-4%	-\$8,653,070
Lake View	\$1,364,330,697	\$1,331,756,235	-2%	-\$32,574,462
Lemont	\$40,558,013	\$39,655,836	-2%	-\$902,177
Leyden	\$224,060,012	\$214,193,930	-4%	-\$9,866,082
Lyons	\$202,347,737	\$196,863,987	-3%	-\$5,483,750
Maine	\$750,589,174	\$725,716,923	-3%	-\$24,872,251
New Trier	\$1,444,458,895	\$1,369,468,457	-5%	-\$74,990,438
Niles	\$636,802,748	\$615,972,442	-3%	-\$20,830,306
North	\$1,805,822,298	\$1,778,237,432	-2%	-\$27,584,866
Northfield	\$1,190,405,798	\$1,145,256,419	-4%	-\$45,149,379
Norwood Park	\$117,639,845	\$113,385,155	-4%	-\$4,254,690
Oak Park	\$130,585,908	\$127,634,589	-2%	-\$2,951,319
Orland	\$116,506,351	\$114,112,087	-2%	-\$2,394,264
Palatine	\$619,976,627	\$601,403,212	-3%	-\$18,573,415
Palos	\$75,053,996	\$73,516,558	-2%	-\$1,537,438
Proviso	\$112,785,380	\$109,670,331	-3%	-\$3,115,049
Rich	\$43,047,394	\$41,625,596	-3%	-\$1,421,798
River Forest	\$57,011,865	\$55,792,433	-2%	-\$1,219,432
Riverside	\$28,519,503	\$27,792,963	-3%	-\$726,540
Rogers Park	\$128,653,550	\$125,395,659	-3%	-\$3,257,891
Schaumburg	\$505,658,582	\$493,502,435	-2%	-\$12,156,147
South	\$683,290,471	\$677,605,504	-1%	-\$5,684,967
Stickney	\$20,056,490	\$19,492,949	-3%	-\$563,541
Thornton	\$48,771,851	\$47,095,178	-3%	-\$1,676,673
West	\$1,039,434,301	\$1,002,705,303	-4%	-\$36,728,998
Wheeling	\$856,078,332	\$832,947,767	-3%	-\$23,130,565
Worth	\$79,009,075	\$77,108,835	-2%	-\$1,900,240
Total	\$15,246,644,868	\$14,778,366,083	-3%	-\$468,278,785

Certified Townships: Residential Appeals

The Cook County Board of Review granted a reduction in assessed value for 44% of residential appeals. Residential appeals submitted by taxpayers without an attorney were granted reductions at a higher rate than taxpayer appeals submitted with attorneys.

COOK COUNTY BOARD OF REVIEW RESIDENTIAL APPEALS BY COMPLAINT

RESIDENTIAL PROPERTY
TAX APPEALS BY OUTCOME
204,689 TOTAL APPEALS



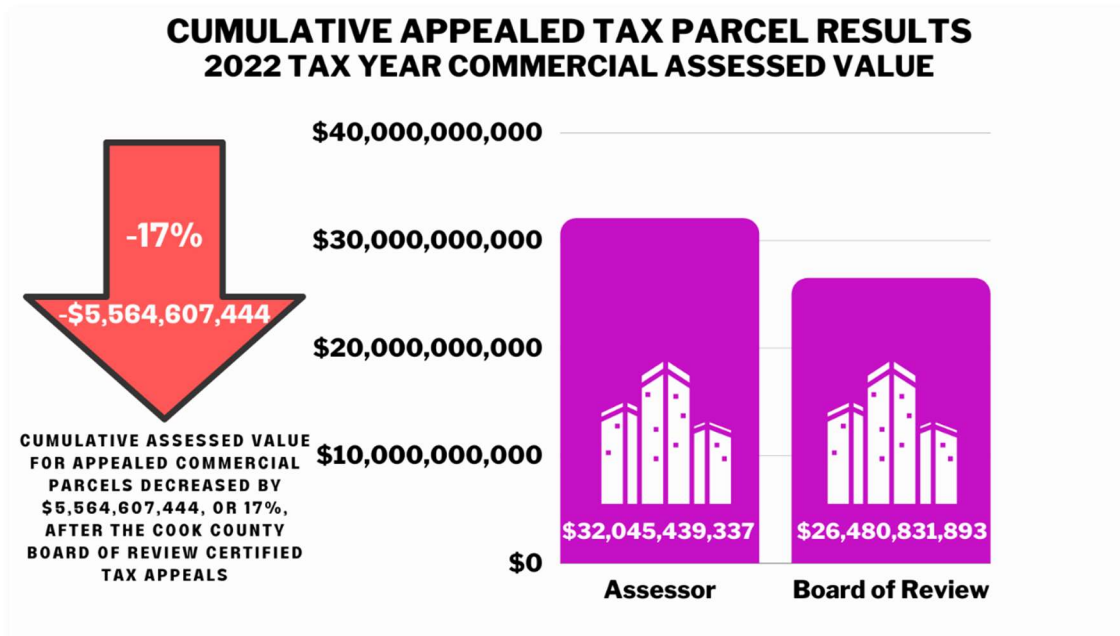
COOK COUNTY BOARD OF REVIEW RESIDENTIAL APPEALS BY COMPLAINT ATTORNEY APPEALS VS NO ATTORNEY APPEALS

RESIDENTIAL PROPERTY
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Certified Townships: Commercial Appeals

The Board of Review has decreased commercial assessed values by \$5,564,607,444, or 17%.



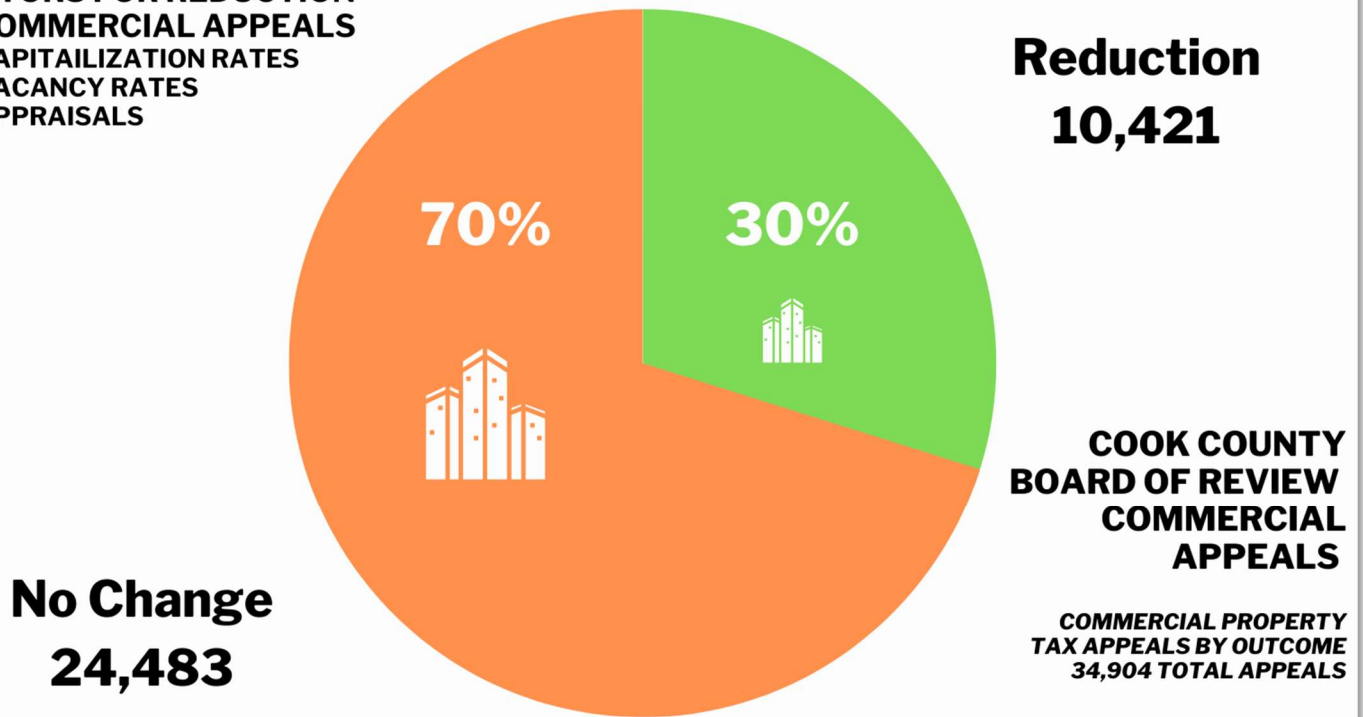
Tax Year 2022: Commercial Values				
Township	Total Assessor Value	Total BOR Value	Change%	Change\$
Barrington	\$265,972,238	\$166,088,486	-38%	-\$99,883,752
Berwyn	\$40,773,605	\$39,405,265	-3%	-\$1,368,340
Bloom	\$111,627,032	\$103,834,147	-7%	-\$7,792,885
Bremen	\$179,192,066	\$148,065,787	-17%	-\$31,126,279
Calumet	\$24,718,454	\$17,415,137	-30%	-\$7,303,317
Cicero	\$96,703,788	\$94,228,488	-3%	-\$2,475,300
Elk Grove	\$1,218,369,780	\$1,022,466,231	-16%	-\$195,903,549
Evanston	\$466,553,937	\$381,437,954	-18%	-\$85,115,983
Hanover	\$204,863,958	\$173,193,710	-15%	-\$31,670,248
Hyde Park	\$497,488,438	\$465,766,196	-6%	-\$31,722,242
Jefferson	\$1,170,708,548	\$1,071,395,900	-8%	-\$99,312,648
Lake	\$768,032,492	\$687,301,671	-11%	-\$80,730,821
Lake View	\$1,075,027,905	\$1,016,756,211	-5%	-\$58,271,694
Lemont	\$44,085,245	\$40,375,827	-8%	-\$3,709,418
Leyden	\$1,107,502,875	\$806,523,854	-27%	-\$300,979,021
Lyons	\$354,348,078	\$339,384,982	-4%	-\$14,963,096
Maine	\$825,437,748	\$618,744,834	-25%	-\$206,692,914
New Trier	\$145,897,843	\$127,795,956	-12%	-\$18,101,887
Niles	\$926,863,009	\$759,925,651	-18%	-\$166,937,358
North	\$4,677,009,189	\$3,966,065,663	-15%	-\$710,943,526
Northfield	\$993,632,815	\$764,464,564	-23%	-\$229,168,251
Norwood Park	\$123,850,548	\$101,604,382	-18%	-\$22,246,166
Oak Park	\$97,876,616	\$90,930,531	-7%	-\$6,946,085
Orland	\$214,354,974	\$199,220,816	-7%	-\$15,134,158
Palatine	\$473,810,235	\$347,144,604	-27%	-\$126,665,631
Palos	\$117,067,413	\$111,717,581	-5%	-\$5,349,832
Proviso	\$373,960,994	\$352,660,807	-6%	-\$21,300,187
Rich	\$167,575,057	\$137,205,627	-18%	-\$30,369,430
River Forest	\$21,683,015	\$20,628,880	-5%	-\$1,054,135
Riverside	\$25,462,332	\$24,297,109	-5%	-\$1,165,223
Rogers Park	\$195,391,418	\$184,712,100	-5%	-\$10,679,318
Schaumburg	\$1,042,640,402	\$861,590,351	-17%	-\$181,050,051
South	\$8,163,585,084	\$6,262,850,733	-23%	-\$1,900,734,351
Stickney	\$222,708,476	\$209,444,863	-6%	-\$13,263,613
Thornton	\$262,085,395	\$236,463,018	-10%	-\$25,622,377
West	\$4,109,801,482	\$3,485,658,926	-15%	-\$624,142,556
Wheeling	\$847,938,355	\$670,444,680	-21%	-\$177,493,675
Worth	\$390,838,498	\$373,620,371	-4%	-\$17,218,127
Total	\$32,045,439,337	\$26,480,831,893	-17%	-\$5,564,607,444

Certified Townships: Commercial Appeals

The Cook County Board of Review granted a reduction in assessed value for 30% of commercial appeals. Attorneys are required for commercial appeals.

FACTORS FOR REDUCTION IN COMMERCIAL APPEALS

- CAPITALIZATION RATES
- VACANCY RATES
- APPRAISALS



The Board of Review reduces more commercial assessed value than residential assessed value. There are many reasons for this, but one reason is that the Board of Review often uses more accurate data when assessing commercial properties. The Assessor's Office assesses 1.8 million parcels using mass appraisal modeling, while the Board of Review reviews appeals on an individual basis. When using mass appraisal, the Assessor does not know the actual income of individual commercial properties. For property tax appeals however, the Board of Review is provided with income statements and appraisals of commercial properties.

Further, the Assessor's Office and the Board of Review value commercial properties with different methods. The difference is how capitalization rates are computed concerning real estate taxes as an expense of the property. The Assessor's Office does not include real estate taxes as an expense of the property while the Board of Review includes real estate taxes as an expense of the property. This difference in methodology leads to greater appeal success for commercial properties at the Board compared to residential properties.

The International Association of Assessing Officers recognizes that property taxes are an operating expense of a business and must be deducted as a component of the capitalization rate. This component is often referred to as a "tax load". A tax load needs to be added to the derived capitalization rate because taxes must be accounted for as an expense to arrive at an accurate market value of real property. The Assessor's Office does not add a tax load, while the Board of Review does add a tax load to capitalization rates. Because the Assessor's Office excludes real estate taxes from their capitalization rates, commercial assessed values are often inflated. The Assessor's Office approach is contrary to accepted appraisal practice.

Differences in assessed value for commercial properties between the Cook County Assessor's Office and the Board of Review also stem from the leaseholds of commercial properties. Illinois law assesses commercial property as "Fee Simple Estate." "Fee Simple Estate" is absolute ownership, only limited by the government, and "Leased Fee Estate" is when a property is owned by a landlord who grants occupancy rights to a tenant.

When fee simple interest is valued, it is presumed that the property is available to be leased at market rates. A lease at market rent would have no effect on the leased fee market value. Conversely, if the market rent is found to be greater or less than the contract rent, a leasehold estate exists in which the tenant holds a positive or negative leasehold position and adjustments should be made to account for this.

When valuing fee simple interest, the assumption is that the property is available for leasing at market rates. Leasehold estates come into play when market rent differs from contract rent. The Board of Review examines whether leases are at market rates, making necessary adjustments to sales or income analyses when valuing a property's "Fee Simple Estate." These adjustments consider appraisal evidence, market reports, comparable leases, and other relevant factors, leading to values reflective of the market.

Notably, reductions in commercial assessments granted by the Board of Review do not necessarily shift the tax burden to residential taxpayers. Many commercial properties are in Tax Increment Financing (TIF) districts, which capture property values away from taxing districts and limits the total amount of equalized assessed value which can be taxed. This has a large effect on the appeal process. In 2021, 37% of reductions granted by the Board of Review were within TIF districts. These reductions only lowered the amount of revenue collected by TIF districts and had no larger impact on tax bills or rates.

Analysts at the Cook County Board of Review will soon process property tax appeals this Fall for the 2023 tax year. Commissioner Samantha Steele will keep stakeholders informed as 2023 appeals are certified by the Board of Review.

