

Niles: Residential

2019 Assessment Narrative

2019 North Triad Assessment
Cook County Assessor's Office
September 12, 2019



Executive Summary

Niles Township 2019 Residential Reassessment

Since the 2016 re-assessment, property values in Niles have increased about 8.8% according to the [Institute for Housing Studies at DePaul University](#).

The change in median assessed value for residential properties between the 2016 and 2019 re-assessments is 5.75%.

The CCAO met the standard for compliance: the legal requirement to assess residential properties at a 10% assessment ratio.

The CCAO did not meet the standards for uniformity.

The CCAO will continue its efforts to make assessments fair and accurate by continuously improving residential modeling and data collection.

This report was originally published on September 10, 2019. It is being re-published to correct some of the neighborhood-specific information on slides 9, 10, and 11.

Valuation Statistics

Niles Township 2019 Residential Reassessment

The aggregate assessed value of residential properties in Niles has changed from \$906,510,567 in the 2016 re-assessment to \$1,093,680,044 in the 2019 re-assessment.

	2016	2019
Median Sale Price	\$285,000	\$334,000
Median Assessed Value (AV)	\$30,259	\$32,000

	2016	2019
Year-over-year change in median AV	\$6,066	\$3,997
Year-over-year % change in median AV	25%	14%

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

Valuation Glossary

Niles Township 2019 Residential Reassessment

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

- **MEDIAN SALE PRICE:** If you arranged every sale from lowest to highest, the median sale price is the price in the middle of the group.
- **MEDIAN ASSESSED VALUE (AV):** If you arranged every assessed value from lowest to highest, the median assessed value is the value in the middle of that group.
- **% CHANGE IN MEDIAN AV:** The percent difference between the median assessed values in two given time periods. In this report, we're showing the percent change in median AV between the given year and the year prior.
- **CHANGE IN MEDIAN AV:** The difference (in dollar amount) between the median assessed values in two given periods. Again, we're showing the change in median between the given year and the year prior.

To review your specific home's assessment, visit cookcountyassessor.com or review the assessment notice you received in the mail.

Assessment Methodology:

Residential Data Sources

Sales Data

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

For the Niles reassessment, our office combined sales data from Niles, Jefferson, Evanston, and Maine townships.

This created a sales database of 79,068 sales from 2013 to the end of 2018.

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

Assessment Methodology: Residential Mass Appraisal

Other factors

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

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

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

Evaluating questions

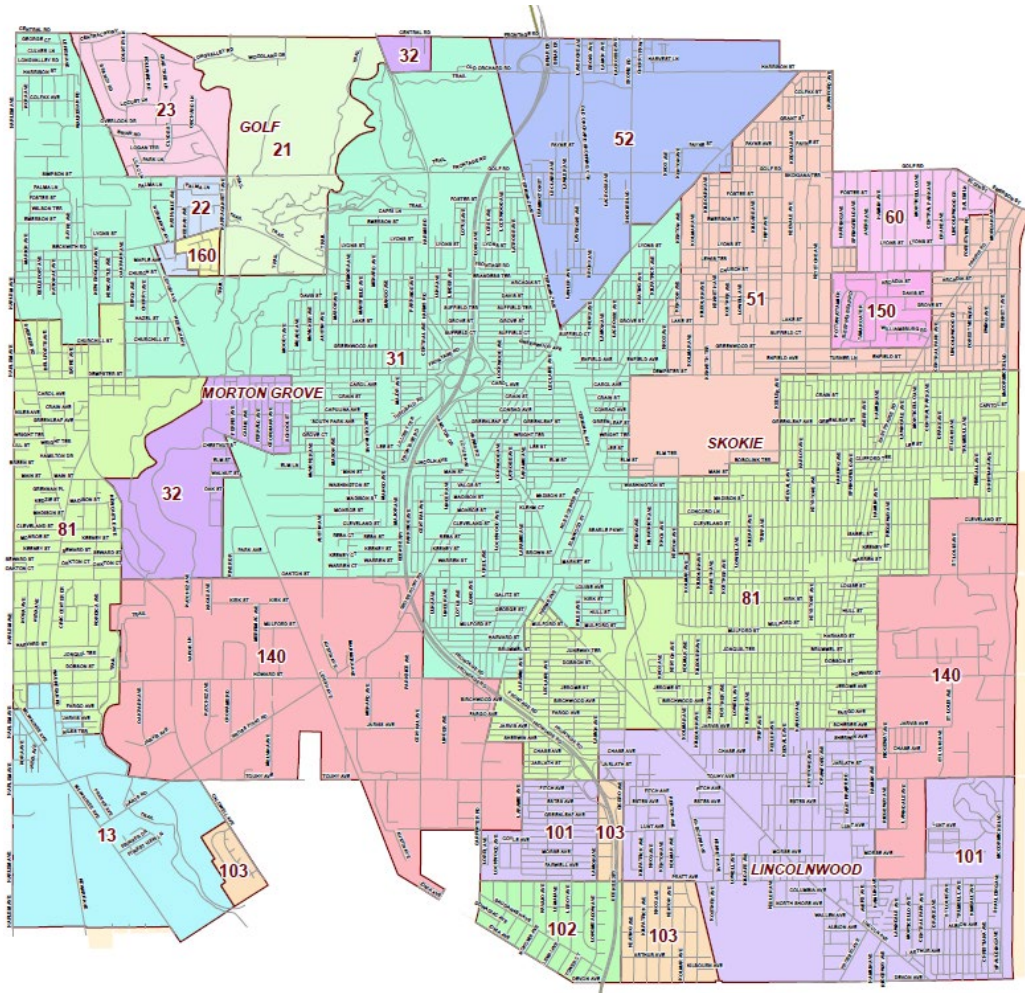
Niles Township 2019 Residential Reassessment

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

- **Q. If the median % change in assessed value from 2016 to 2019 is 5.75% and the change in median assessed value is \$1,741, why did my assessment go up so much more?**
A. The median assessed value is merely the value within the middle of a set of values. It does not indicate an average of the values. Some assessed valuations will be higher or lower than that median number.
- **Q. Why do you use data from different townships for the residential assessment? Isn't that inaccurate?**
A. Increasing the sample size increases the accuracy of our models as our office uses a mass appraisal model, rather than one that looks at each house individually. Differences in location are accounted for in our models.

Neighborhood Locations/Codes

Niles Township 2019 Residential Reassessment



Niles is the 3rd largest township in the north suburbs with 30,268 single-family parcels.

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

A property’s specific neighborhood code can be found by looking up a property using its address or PIN, and view our interactive map of data for each neighborhood, at

<https://www.cookcountyassessor.com/assets/forms/NilesMap.html>

Data: Neighborhoods 13-32

Niles Township 2019 Residential Reassessment

Code	Sales in sample	Median ratio	Median sale price	Change in median sale price	% change in median sale price	Median assessed value	Change in median assessed value	% change in median assessed value
13	25	10%	\$311,000	\$46,000	17%	\$28,969	(\$360)	-1%
21	8	9%	\$1,095,000	(\$80,000)	-7%	\$120,341	\$18,556	18%
22	14	10%	\$487,500	\$67,500	16%	\$47,557	\$3,807	9%
23	20	10%	\$660,000	(\$152,500)	-19%	\$82,835	\$17,750	27%
31	581	10%	\$305,000	\$7,000	2%	\$29,960	\$4,339	17%
32	12	11%	\$247,000	(\$122,500)	-33%	\$30,980	(\$78)	0%

Sales in sample data is as of 2018. All other fields account for all properties in the sample, not just sales. Median ratio is from 2018-19. Median sale price is as of 2018. Changes in median sale price are from 2017-18. Median assessed value is as of 2019. Changes in median assessed value are from 2018-19. These numbers include the following property classes: 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-34, 2-78, 2-95.

To see an interactive map of these neighborhoods and the above data, please visit cookcountyassessor.com/reporting.



Data: Neighborhoods 51-102

Niles Township 2019 Residential Reassessment

Code	Sales in sample	Median ratio	Median sale price	Change in median sale price	% change in median sale price	Median assessed value	Change in median assessed value	% change in median assessed value
51	189	10%	\$369,500	\$14,500	4%	\$36,160	\$3,785	12%
52	29	10%	\$295,000	(\$17,500)	-6%	\$29,575	\$3,392	13%
60	45	10%	\$545,000	\$8,000	1%	\$52,859	\$435	1%
81	537	10%	\$314,750	\$19,000	6%	\$29,874	\$3,747	14%
101	250	10%	\$352,000	\$7,000	2%	\$34,945	\$3,692	12%
102	26	10%	\$577,250	(\$102,750)	-15%	\$59,274	(\$6,975)	-11%

Sales in sample data is as of 2018. All other fields account for all properties in the sample, not just sales. Median ratio is from 2018-19. Median sale price is as of 2018. Changes in median sale price are from 2017-18. Median assessed value is as of 2019. Changes in median assessed value are from 2018-19. These numbers include the following property classes: 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-34, 2-78, 2-95.

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Data: Neighborhoods 103-160

Niles Township 2019 Residential Reassessment

Code	Sales in sample	Median ratio	Median sale price	Change in median sale price	% change in median sale price	Median assessed value	Change in median assessed value	% change in median assessed value
103	33	10%	\$438,500	\$8,500	2%	\$45,923	\$6,987	18%
140	9	10%	\$366,500	\$41,500	13%	\$34,543	\$2,969	9%
150	42	10%	\$400,000	\$45,000	13%	\$38,102	\$3,798	11%
160	2	9%	\$730,000	\$115,000	19%	\$67,061	\$6,379	11%

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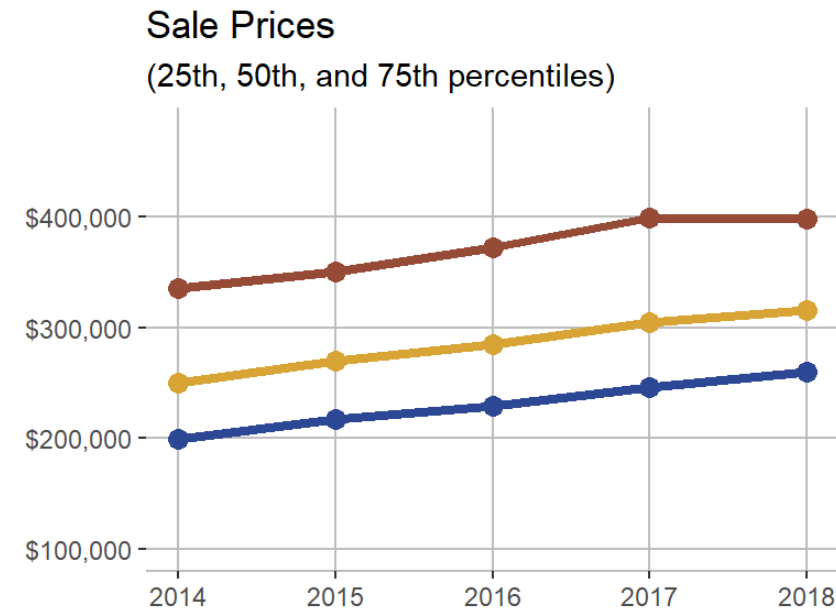
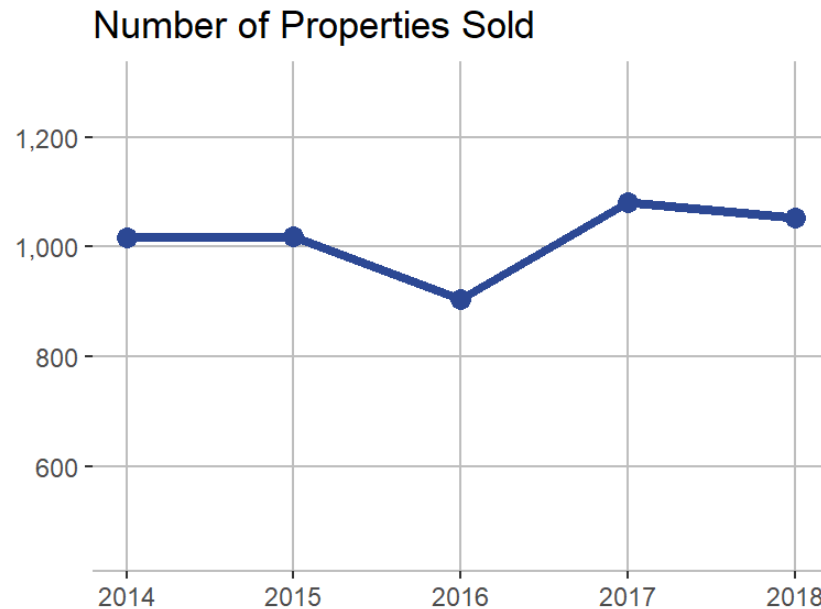
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Home Sale Trends

Niles Township 2019 Residential Reassessment

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



Uniformity

Niles Township 2019 Residential Reassessment

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

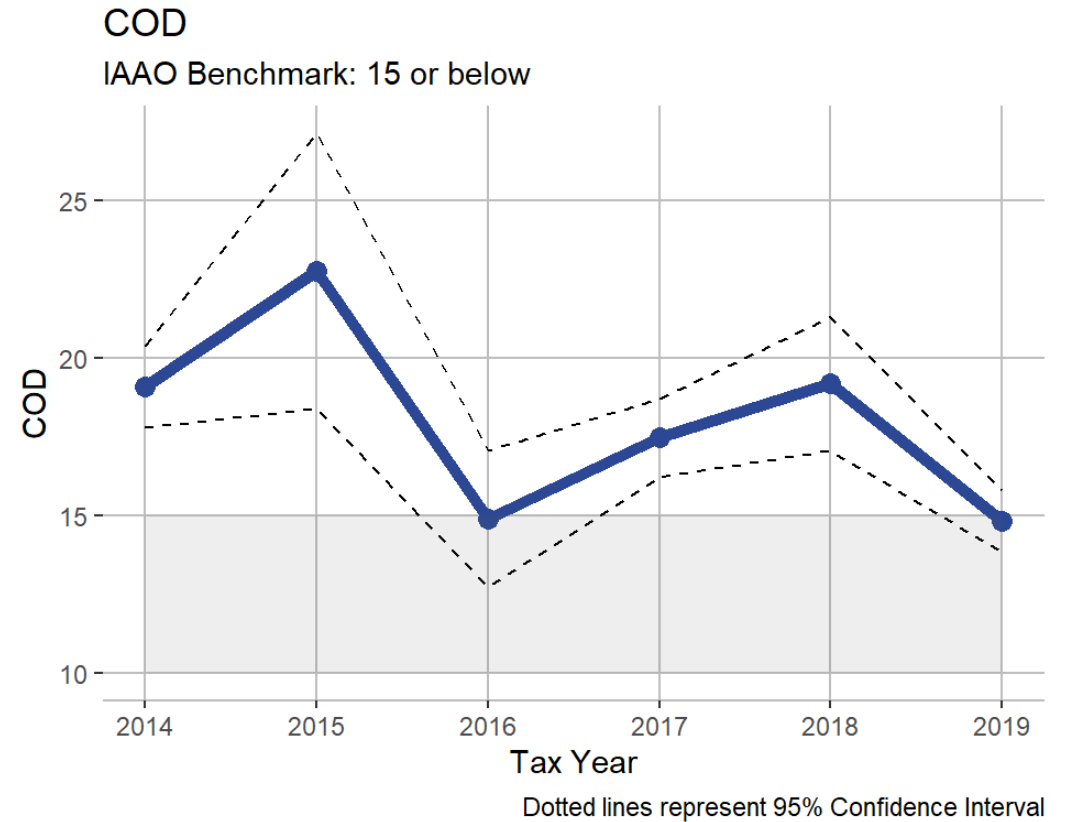
Category	Statistic	Target Range	Niles Result	Standard Met
Variability	COD	5-15	14.84	Yes
Vertical Equity	PRD	0.98-1.03	1.04	No
Vertical Equity	PRB	-0.05-0.05	-0.15	No

Variability: COD

Niles Township 2019 Residential Reassessment

Variability measures to what degree data points in a statistical distribution or data set diverge from the average.

This graph shows that our COD for the 2019 re-assessment for this township is 14.84. As it is statistically between 5 and 15, it is statistically within the IAAO standard for variability.

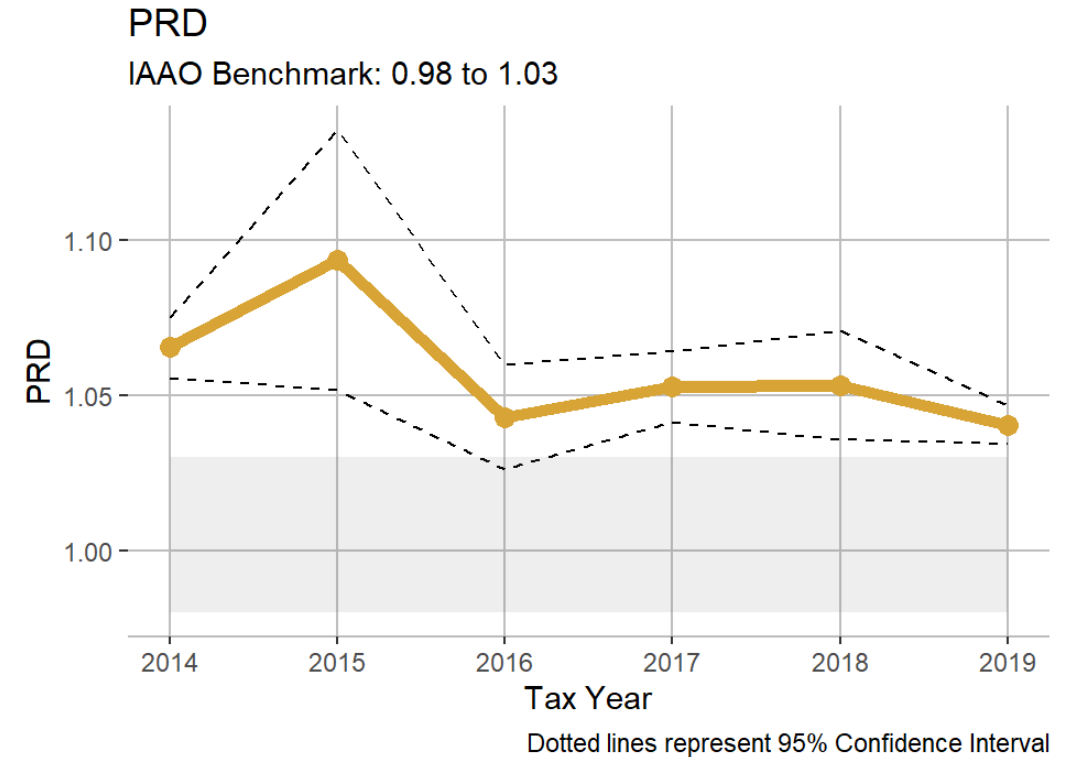


Vertical Equity 1: PRD

Niles Township 2019 Residential Reassessment

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

This graph shows that the PRD is 1.04 for our 2019 assessments of this township, which is not within the target range based on the confidence interval. The vertical equity component of the uniformity goal is not met.

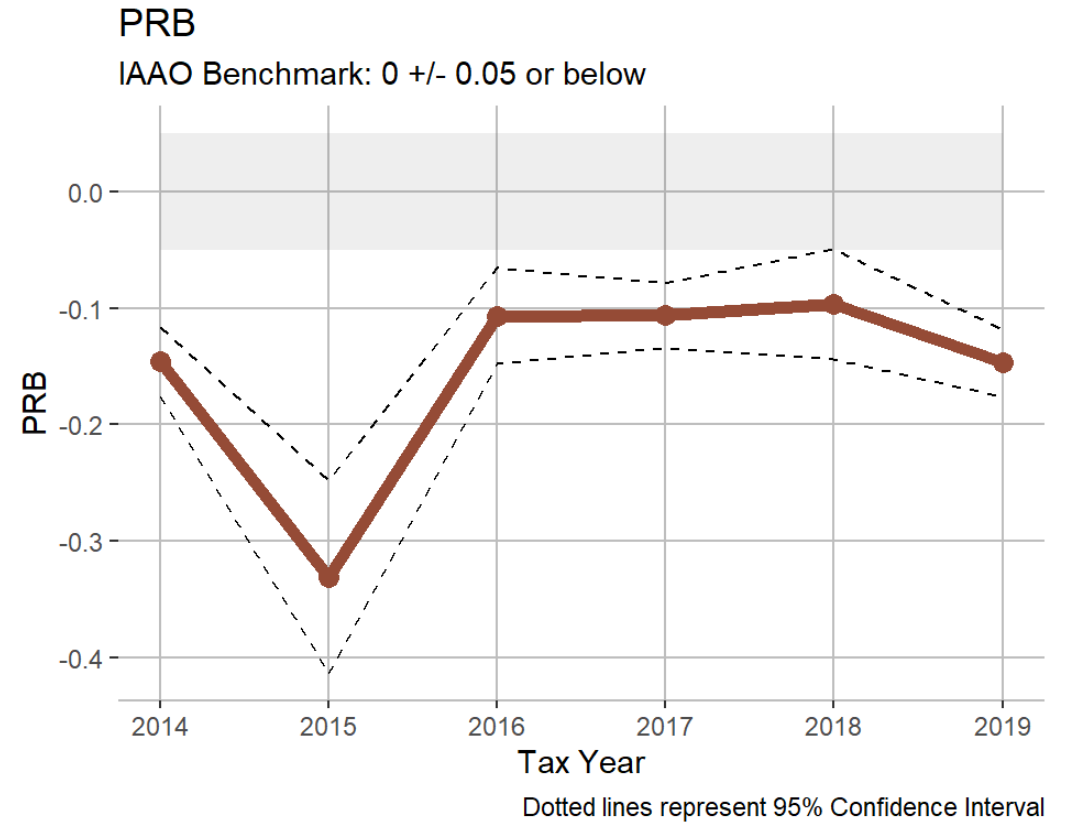


Vertical Equity 2: PRB

Niles Township 2019 Residential Reassessment

Vertical equity is the degree to which high-value properties are assessed at the same rate as low-value properties. PRBs between $-.05$ and $.05$ indicate high-quality assessments.

This graph shows that the PRB for our 2019 assessment of this township is -0.15 .



Residential Property Conclusions

Niles Township 2019 Residential Reassessment

With assessments that track market trends, met the industry standards for compliance, and met industry standards for variability but not vertical equity, the CCAO has marginal confidence in the quality of the Niles assessments.

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

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

The details of these efforts will be included in a future report.

Appendix A:

Total Assessed Value for Niles 2019

Residential and Commercial

Assessed Values	Previous 2018 Assessed Value	2019 Assessed Value	% Increase
Industrial/Commercial	\$608,474,278	\$1,021,633,310	67.90%
Residential	\$1,035,456,633	\$1,196,601,822	15.56%
Total	\$1,643,930,911	\$2,218,235,132	34.93%

Classes included in residential above: 2-02, 2-03, 2-04, 2-05, 2-06, 2-07, 2-08, 2-09, 2-10, 2-11 (apartments of fewer than six units), 2-12, 2-34, 2-78, 2-95, 2-99 and any residential side lots (2-41) or standalone garages (2-01) on separate PINs. Note that the numbers above include additional classes not included in the numbers on slide 3 and slides 10-14.

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