

# Is it that Time Already?

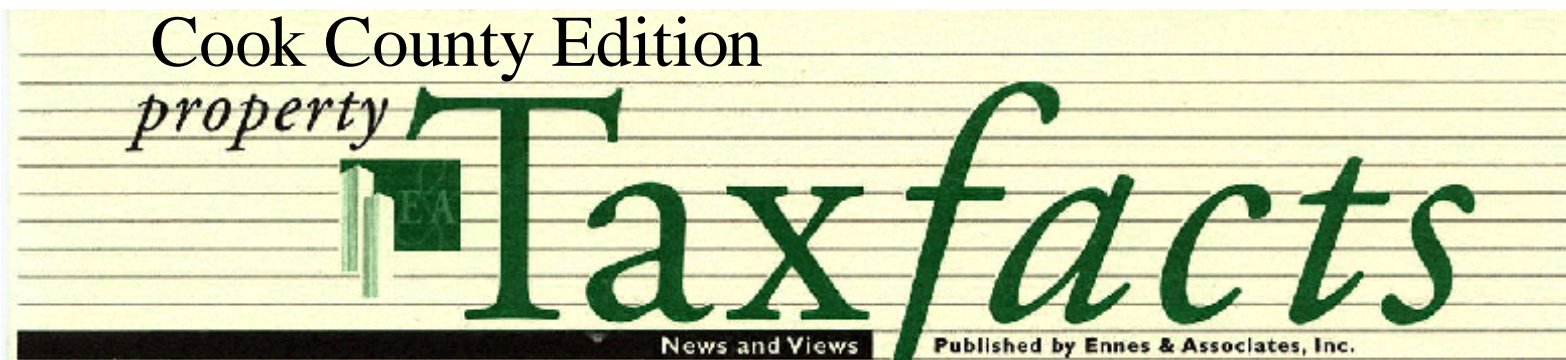
Yep, the triennial reassessment cycle has come back to the City of Chicago. This year's reassessment includes the townships of Hyde Park, Jefferson Park, Lake, Lakeview, North, Rogers Park, South and West.



It remains to be seen how the recent economic downturn and housing slump will affect the reassessment. However it pays to plan ahead. You only have 30 days to file an appeal so be sure to forward any assessment notice you receive to Ennes & Associates, Inc. immediately. Tell your friends and business acquaintances to send theirs also! (call Terry Ennes if you have questions on our referral policy)

Be sure to submit any exemption forms that are necessary and do it on time! You can check on the cook county assessor's web site for exemption information and blank forms.

March, 2009



## Around the Collar Counties



**Kane County** saw a rise in appeal filings this year. In 2007 a total of 1,599 complaints were filed. This year over 2,300 were. This follows a nationwide trend in rising complaints. In St. Tammany Parish Louisiana last year 500 residents requested review of their assessment, this year over 15,000 requests were received!

The **McHenry** county web site has "Ten Questions to a Fair Assessment" available as a free download on its web site [www.McHenryCounty.com](http://www.McHenryCounty.com).

**Lake County** property tax bills will go out the first week of May. There are two payments coupons attached to the bill. One is usually due the first week of June. The second is usually due the first week of September.

# *Illinois' Own Housing Stimulus?*

As the Housing Industry continues to deteriorate both locally and nationally, House Republican Leader Tom Cross and the House Republicans are rolling out their housing stimulus plan for Illinois. The four bills would provide a \$5,000 income tax credit for home buyers, direct state deposits to banks providing home loans, and give homebuilders property tax freezes on homes and lots that are vacant or unfinished.

According to Speaker Cross, "The package would create a tax incentive for home buying, give developers property tax breaks on undeveloped lots, give builders tax breaks on unoccupied houses, and reward banks that are active in the home loan market."

The income tax credit and the direction of state funds to banks engaging in home loans have merit. To address the lending situation and make it more economically viable for home buyers to enter the marketplace, the state would increase incentives to buy. These proposals will provide economic incentive to purchase, but they will also artificially raise the price and demand for homes, which can be dangerous or socially unacceptable, depending on your point of view.

However, early opposition to the proposal points out that the aid to housing developers will raise property taxes on everyone else, and contribute to an already ballooning stock of homes on the market. Depending on which Housing Survey you read, the Chicagoland area has a housing

inventory between 11 and 14 months. They say developers have simply overbuilt, and are experiencing difficulties moving their already built homes. They feel a simple supply vs. demand scenario would suggest that developers lower their prices to clear inventory. The House Republican Plan would provide an economic incentive to developers to hang on to their inventory, as they can avoid the property taxes associated with their development and completion. This provides developers less incentive to drop prices and clear inventory, further exacerbating the situation.

The House Republicans deserve credit for attempting to address the local housing market with statewide legislation that can better address the local housing market, but their efforts should focus on the demand side of the equation. The simple microeconomic principles of homeownership stipulate that individuals can only set aside a certain percentage of their income for housing. Further, the bubble in housing created an untenable situation that made housing unaffordable for a large segment of the population. Single-family homes cannot simply appreciate with reckless abandon (the result of 0 down, no doc loans). Further, we have seen the impact of government intervention in the housing market (Freddie and Fannie). Illinois' legislators should carefully consider the impact of any legislation designed to "aid" the housing industry, as unintended consequences of said legislation can have a dramatic impact.

## **And Boy, Do We Need a Stimulus!**

Sorry...as much as we'd like to report differently the housing news in Illinois isn't good. According to the Illinois Association of REALTORS total home sales (single family and condo) in January 2009, were down 23.9 percent. In January of this year 4,599 homes sold compared to 6,045 sold in January 2008. To make matters worse, the median price, statewide, fell from \$186,500 in January 2008 to \$149,900 this year. That's a drop of 19.6 percent.

In the City of Chicago, slated for reassessment in 2009, January total home sales were down 23.5 percent to 888 units compared to 1,161 in January 2008. The City of Chicago median price went from \$290,000 in January 2008 to \$206,250 this year. That's a decrease of 28.9 percent. Area Realtors are hoping the bailouts and first time buyer credits will put some life back into the real estate market.

