



## Property Taxes and the Real Estate Market

Due to the present downturn in the real estate market, property owners have realized a loss in the market value of their homes. The property tax assessment system is a complex process. Adding the current dysfunctional real estate market, the process becomes even more convoluted.

Despite housing values plunging downward, foreclosures at an all time high, and homes simply not selling at seemingly any price, property taxes continue to rise. This is a very challenging concept for property owners to understand much less accept.

Our office is responsible for assessing property at one-third of the fair market value as of January 1st of each year. Properties are valued by incorporating consideration of actual sales over a three-year period as required by law. Establishing the 2009 assessment required us to look back at the sales that occurred during 2006, 2007, and 2008. We are not permitted to just look at the market place that existed on or after January 1st, 2009. Additionally, State law does not permit our office to consider sales such as short sales or foreclosures.

As a result the 2009 assessments reflect a DuPage County Supervisor of Assessments placed factor of 1.4%.

However, if the current market trend continues for the rest of 2009, the 2010 assessments will finally start to reflect the negative trends in the marketplace.

**Even though the assessed values will decline in 2010, property taxes will probably not go down. Property taxes pay for local services such as schools, parks, police, fire protection, and if these local units continue to provide services and increase spending then property taxes will continue to increase.**

Our office is aware of the challenges that are occurring in a very difficult market. It is our goal to continue to assess fairly and equitably during these difficult times.

We hope this helps explain the assessment process and how it relates to current housing market conditions.