

July 28, 2016

Property taxes jump, and jaws drop

By [Dennis Rodkin](#)

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Crain's Chicago Business | 150 N. Michigan Ave., 16th Floor |
Chicago, IL 60601

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The property tax bill on this Kenmore Avenue home went up 63 percent this year.

The property tax bill on Jeff and Roberta Price's Lincoln Park home was about \$400 in 1977, the first year they lived there. It's been going up ever since, but rarely with the jolt of this year's 63 percent increase.

The increase, from \$8,652 to \$14,104, has the couple reconsidering their plan to retire in the Kenmore Avenue home where they raised their kids. They're looking at homes in Indiana "as a backup plan" for the time when Roberta retires in a few years, said Jeff Price, who is

already retired.

"We have lived in our home for almost 39 years with the hope that we could remain here in our golden years," Jeff Price said. The increase in their tax bill amounts to about \$454 a month, an amount they can squeak out, he said, but he's aware that for homeowners who struggle financially, it won't be easy.

"I don't know how anyone can plan their life with these unconscionable increases," Price said.

The Prices are among about 1.4 million residential property owners in Cook County facing an Aug. 1 deadline to pay the second installment of their 2015 property taxes. The tax bills, mailed out by the Cook County Treasurer's Office in June, are the first to reflect both the higher assessments of city properties' value that were released last fall and the city upping the pension part of its tax levy by \$318 million.

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Chicago homeowners' bills went up an average of 12.8 percent, Cook County Clerk David Orr **said in June**. Average increases were smaller in suburban parts of Cook County because they were not reassessed last year. North suburban homeowners' tax bills averaged an increase of 1.7 percent, and in southern suburbs, it was 2.1 percent.

In the city, "jaws are dropping when people see their new bills," said Mabel Guzman, an @properties agent.

Guzman said that shortly after the bills hit their mailboxes, two of her past clients whose bills jumped more than 30 percent called to look into selling their properties, in Edgewater and Hyde Park. Neither has sold yet, but one, the investor-owner of a Hyde Park townhouse, "isn't sure how to make the property work for him when you're billing him this outrageous amount for property taxes."

The bill for Benjy and Ella Lipsman's Humboldt Park townhouse shot up 77 percent, to \$7,227. When they bought the house in October 2014, they thought the taxes were low compared to other properties they considered

buying and expected them to go up given their home's proximity to the popular 606 trail, Benjy Lipsman said. But they were still taken aback by the hike, which works out to about \$263 a month.

"It's not like our incomes have gone up while the mortgage payment stayed the same for a lot of years," he said. "This is a couple hundred extra dollars when we feel like we just bought the house recently."

Had they known how much the taxes would go up, they might have considered buying a slightly lower-priced house to leave room in their budget for the increase. As it is, "we've got no choice," he said. "We bought it."

'SHOCK TO THE SYSTEM'

Alfrede Delle saw it coming, too—or thought she did. When she bought a condo on Cleaver Street in Wicker Park in June 2015, the contract included an agreement that the seller would pay 110 percent of the past year's property taxes, an arrangement that typically insulates the buyer against annual increases. But 110 percent was far too small, **as many buyers and sellers have learned** in the past year. Her bill came in almost 40 percent higher, at \$7,745.

"It was a shock to the system," Delle said.

The increase means Delle will need to pay about \$182 more into her escrow account in her mortgage payment. (The majority of Chicago-area homeowners make monthly payments toward their property taxes in their mortgage payments. The lender keeps the money in an escrow account and pays it out when billed by the county.) She's looking into refinancing her mortgage at the low current interest rates, hoping to cover some of the increase by bringing down her house payment.

While Delle said she "might not" have bought a home if she'd known how much taxes would rise, she's staying put. That's what most people will do, said Fran Fyrman, an @properties agent and River North resident. At least they can deduct the extra expense from their federal and state income taxes.

"That's the way it is if you want to live in Chicago,"

Fryman said. "Taxes are going to go up, so enjoy your home and the write-off you get."

The office that mails the tax bills has been corrected.

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