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Hot North Shore mansion market bolsters Kaegi's big lakefront assessments

This lakefront home in Winnetka is one of several sold this summer at prices higher than the assessor estimated they were worth. Credit: @properties Christie's International Real Estate

The run on upper-priced mansions along the North Shore lakefront over the summer has a notable side effect: It's making the steep assessments that Cook County Assessor Fritz Kaegi issued in the spring look prescient.

The nine highest-priced home sales in suburban Cook County so far in 2025 have been lakefront properties in New Trier Township. Nearly all of them sold after Kaegi's office issued its triennial reassessment of values in New Trier. In the lakefront part of New Trier, assessments spiked by an average of 42%, which, as Crain's reported in May, sparked howls of protest.

Then the summer happened, and four lakefront mansions in Winnetka sold for prices between $9.5 million and $12 million. Each one got a price from the open market — the most reliable measure of value there is — that was higher than the assessor had estimated it was worth.

One example among them is the lakefront mansion seen in the image at the top of this story. It sold for $11.4 million in July, a few months after the assessor pegged its value at $10.8 million. Another, sold in June for about $9.57 million, had an assessor's estimate of $9.45 million.

Of the nine lakefront New Trier properties at the upper end of the sales chart this year — homes in Kenilworth, Winnetka and Glencoe — in six cases the assessor's estimate was below the price the open market delivered.

That is, Kaegi was conservative in estimating what these six homes were worth, not putting out liberal estimates detached from the reality of the marketplace. The market "is a test of our work," Kaegi told Crain's, and "this shows we passed the test."

The other three cases were:

• An outlier: the Winnetka estate that sold for a record $31.25 million, a price that exists in such a rare part of the stratosphere that there are no comparables on which to base an assessment. The assessor puts its value at $34.86 million, too high.

• A Kenilworth property purchased by a developer who's planning to split the site into two buildable lots. The developer paid $6.8 million, compared to the assessor's estimate of $8.49 million, too high again.

• And one that counts as a split decision, neither a win nor a loss for Kaegi's office. Neighbors bought the property next door in Glencoe for $8.25 million, clearly not an open-market deal. It goes into the split decision column because the assessor's estimate was originally $8.5 million but on appeal by the prior owners came down to $7.7 million.

The 10th-biggest sale in the Cook County suburbs was in Wilmette. Because it's off the lakefront, it's not included in the study group, but the assessment came in low there too. The property, on Chestnut Street, sold for a little over $6 million in August, several months after the assessor said it was worth $5.24 million. That makes seven out of ten where the assessor came in lower than the market.

Andrea Raila doesn't agree that Kaegi's lakefront assessments should get a passing grade. "It's ridiculous to say the market is confirming his numbers," said Raila, a senior tax analyst at her eponymous River North property tax law firm, Raila & Associate. In 2018, she ran against Kaegi for the assessor's post. "He's still saying there are 15 properties worth $16 million or more, and he doesn't have enough sales to bless his assessments," she said. "There's nothing that has sold (in the range) between $12 million and $31 million, so he can't claim they're out there." Raila also argues with the specifics of Kaegi's methods on technical points, but pressed to say whether the market data on these mansions sways her, she said emphatically that it does not.

The story is different with Jena Radnay, the @properties Christie's International Real Estate agent who represented buyer, seller or both in the year's five highest-priced sales in Winnetka, the four at $12 million and under and the $31.25 million outlier. "His figures are accurate," Radnay said. "At the end of the day, the market says so." Radnay suggests, however, that future sales may not bolster Kaegi's assessments quite as well, that prices may not continue rising to the point where a dozen or more properties sell in the tens of millions.

She hangs that on one particular set of changes on Winnetka's lakefront: the bluff-protection measures that village officials put in place partly due to the uproar over changes billionaire Justin Ishbia had made on his lakefront property.

The new limits on how much table land on a lakefront site can be developed and how close to the top of the bluff a building can be "put handcuffs on lakefront property owners," Radnay said. The big-dollar sales in Winnetka this year were all properties "where the work got done, the terraces and boathouses and funiculars, before the handcuffs went on," she said. Properties that come on the market in the future may not sell for as much as they would have without the bluff protection measures, Radnay said.

Of the hot mansion market supporting his figures, Kaegi said, "I think the buyer is out there seeing some of the same fundamentals we are. They seem to be in line with where we had the assessment," even if the figures seemed high when issued.

The triennial assessment cycle means the assessor looks at each portion of the county once every three years. Since the COVID-era housing boom began, North Shore lakefront mansions have been a hot commodity, and not only in the New Trier strip of lakefront. As far north as Lake Forest, two mansions have sold for $11 million or more since the boom began.

"It's not easy for our team of analysts to come out with these numbers that are so much higher" than past years, Kaegi said. "But we're trying to keep up with the market."

By **Dennis Rodkin**

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