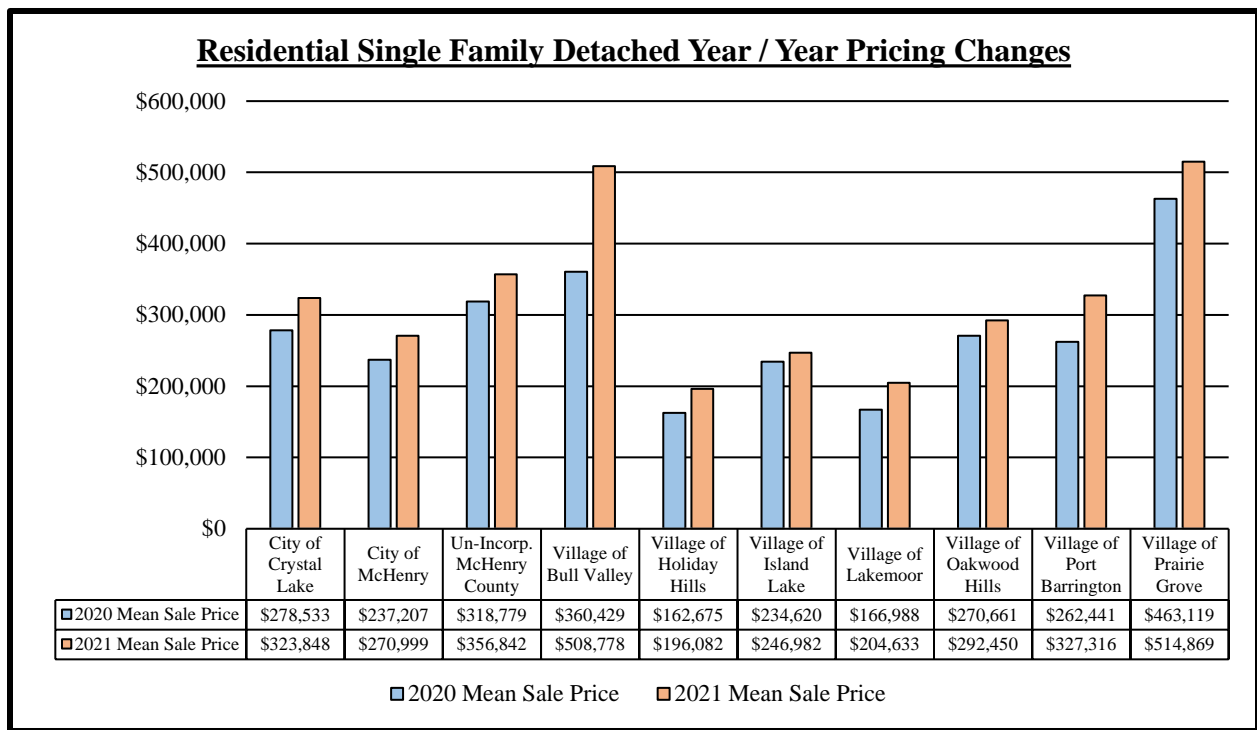


Nunda Township Assessor's Monthly Meeting Report

January 13, 2022

Mission Statement

The Nunda Township Assessor's office mission is to administer the township assessment program in a manner that will result in public confidence, we will be diligent in our responsibilities, we will strive to deliver the highest degree of accuracy, productivity as well as fairness, all while continuing to be good financial stewards with the resources the taxpayers have entrusted us with, and always remembering it is the taxpayers we are here to serve.



Prepared By

Mark S. Dzemske

Nunda Township Assessor

Mark S. Dzemske C.I.A.O. - M

NUNDA TOWNSHIP ASSESSOR

3510 BAY ROAD

CRYSTAL LAKE, IL 60012

www.nundatownship.com

Phone 815-459-6140

Fax 815-459-5399

January 9, 2022

Leda Drain
Joni Smith
Johanna Donahue
Rob Parrish
Tim Parrish
Karen Tynis

Re: Assessment Office December Monthly Activity Report

Preparation of the 2022 assessment roll is underway, 2022 is the final year of the of the last general assessment cycle which was 2019 and it runs thru 2022. The next general assessment year will be 2023 and will run thru 2026. Since 2022 is a Non-General Assessment Year, most changes to the 2022 assessment roll will be due to New Construction, Additions & Alterations, Demolition, Mapping Changes.

As I mentioned above 2022 is a Non-General Assessment Year, and as such most properties will change primarily due to the equalization process, as of this date I am projecting a tentative Equalization Factor of 1.0642 which points to an assessment level of 31.32% on a three-year average.

The December sales qualified and keyed for 2021 point to an increase of 5.54% in the average sale price (\$294,764) compared to December of 2020 (\$279,279) Sales which have been keyed and verified for 2021 point to an increase of 12% in the average sale price (\$297,674) compared to 2020 (\$265,743)

A review of the Residential sales trend since 2019 point to a 24.46% average annualized increase based on forty-eight properties that have purchased from 01/01/2019 thru 12/31/2022 and which have been resold.

There has been an increase of 23% in the number of sales in terms of volume in 2021 (1,386) compared with the 2020 level (1,123). In addition, 2021 sales activity posted an increase of 46.98% in terms of volume when measured against the median of the four previous years reported (943).

There have been 5,145 media files posted to the township website during the past year.
Photos which are on the township website are no older than 10 years. (For the most part).

We have added a new part time member to the assessment office (effective 01/10/2022), Jorge joins us from the Prairie Ridge High School work program, he is a welcomed addition to our office support staff.

Please remember I am available for any questions or concerns.

Respectively submitted,

Mark S. Dzemske

Nunda Township Assessor

CIAO -M

Office Support Staff Activity					
Nunda Township Sales Keyed / December					
Sale Year	2017	2018	2019	2020	2021
Parcels Transferred	70	207	111	264	123
Number of Sales	62	48	96	225	104
YTD Parcels Transferred	1,053	1,293	1,013	1,265	1,660
YTD Number of Sales	917	968	865	1,123	1,386

Office Support Staff Activity				
Updates Office Generated December				
2017	2018	2019	2020	2021
33	32	51	54	42
Updates Office Generated YTD				
553	522	483	392	564

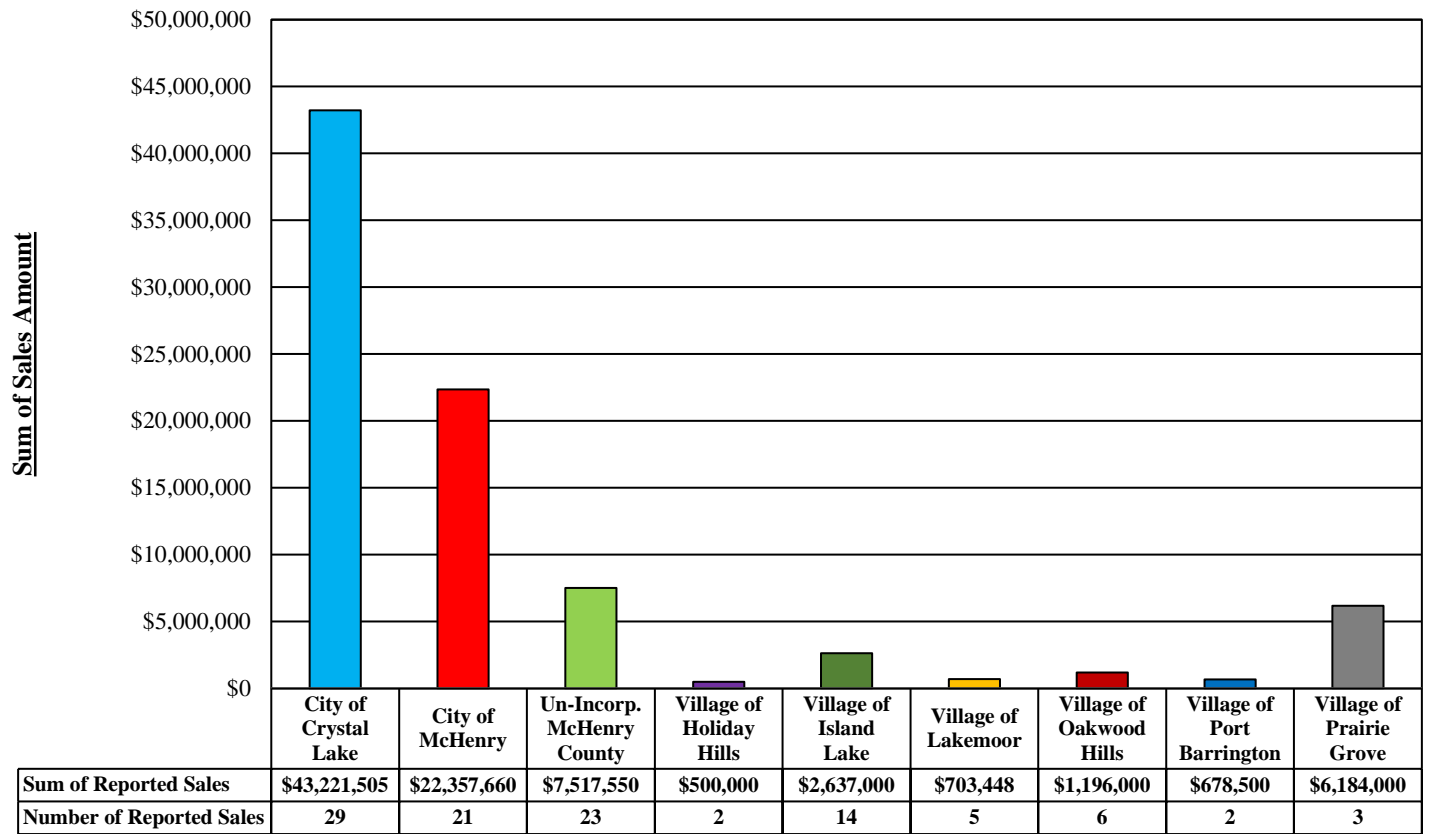
Office Support Activity				
Building Permits Keyed December				
2017	2018	2019	2020	2021
88	96	39	425	201
Building Permits Keyed YTD				
1,696	1,269	1,540	1,769	2,133

Data Collection Activity / December	
Building Permit Activity	97
Update Activity	13
December Website Media Uploaded	403

The above listed activities are samples of the measurable activity that is on-going within the assessment office.

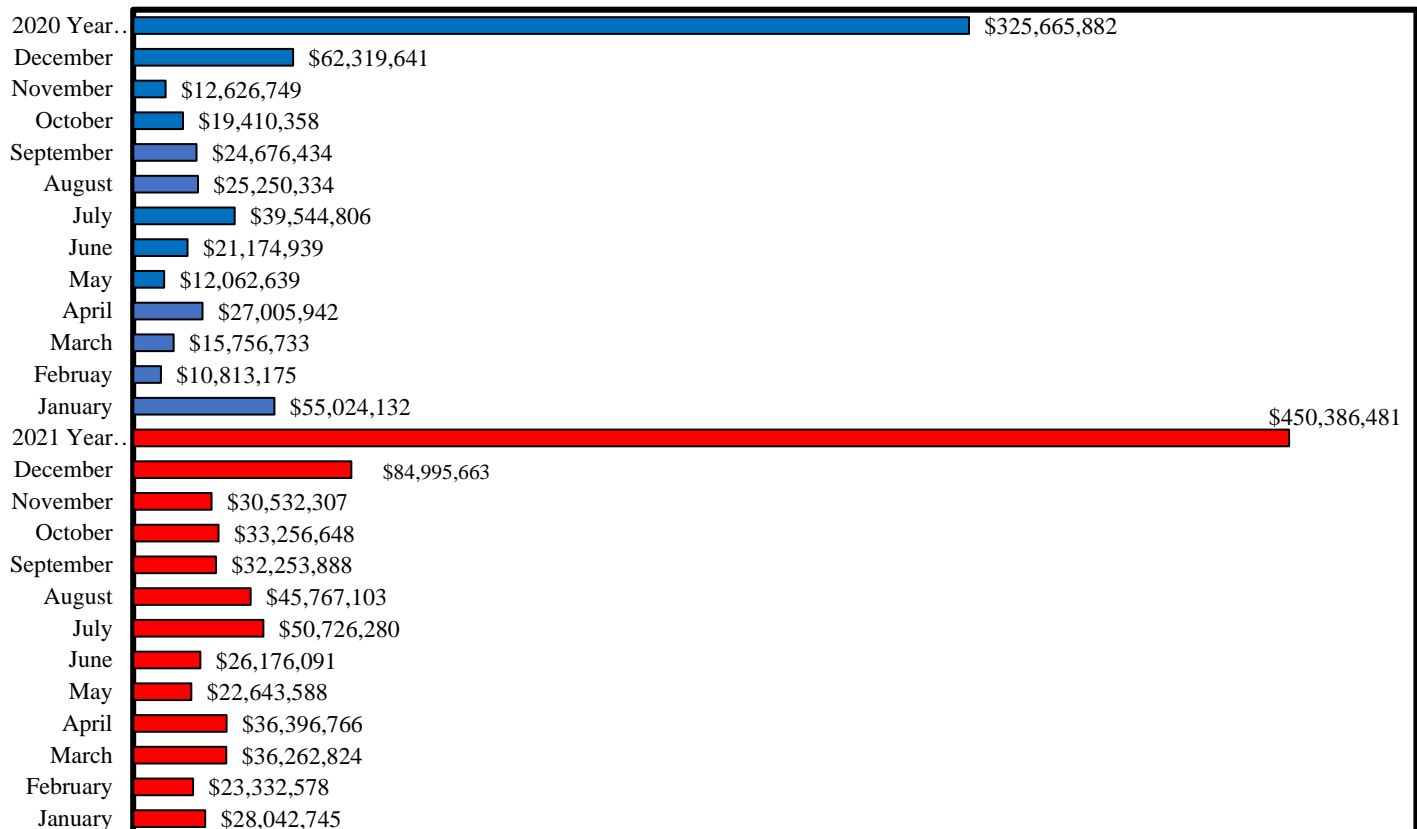
These activities as well as others which occur within the assessment office allow us to rely on verified, and credible information which leads to well thought out and defensible property assessments.

Summary of December Keyed Sales Activity

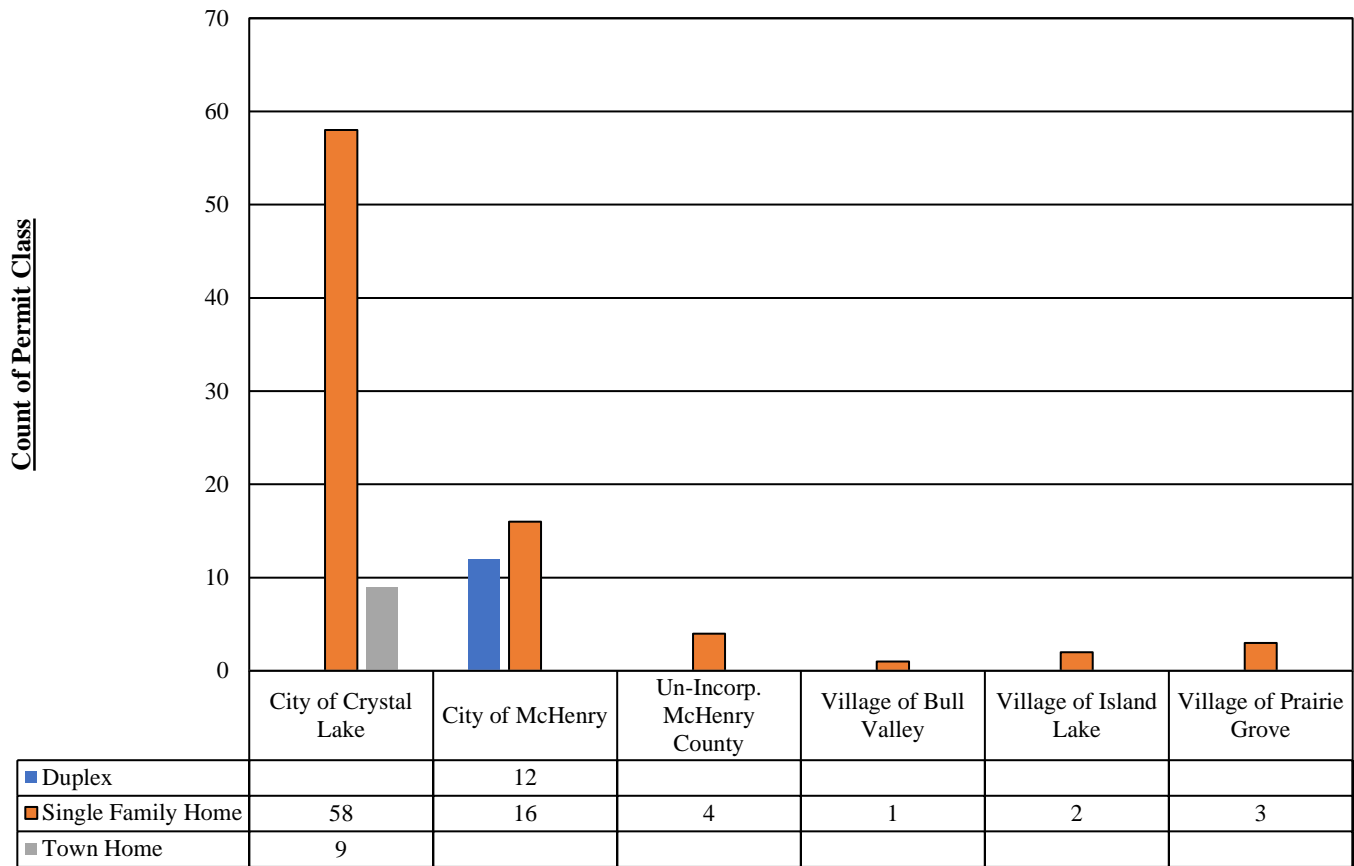


105 Sales \$84,995,663 Total Recorded Sales Amount

YTD Year / Year Keyed Sales Activity



Current Snapshot of Residential New Construction Less than 100%



105 Residential New Construction Permits

An article of interest pertaining to the housing market appears on the following pages. This article speaks to the overall national housing market, it is not difficult to see the same forces at work within our township.



COSTAR ECONOMY

No End in Sight Yet for Higher Home Prices

Buyers Remain Plentiful Despite Waning Affordability



By Christine Cooper and Rafael De
Anda
CoStar Analytics

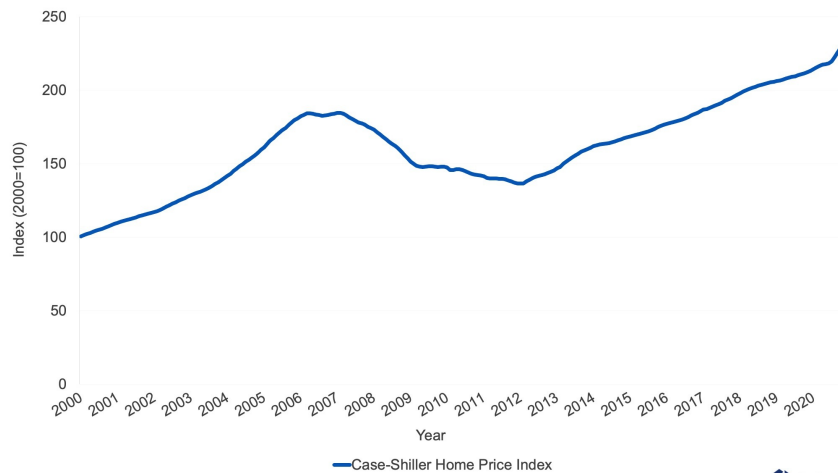
January 5, 2022 | 8:46 AM

After a blistering year, the housing market shows no sign of retreat entering 2022.

Demand continues apace, especially in cities in the Mountain West and Southeast where population growth has been particularly strong, while the number of homes available for purchase has not kept up. Consequently, price growth has been meteoric during the pandemic, and while that may slow, it's not happening yet.

The median [price for existing homes](#) grew by 13.9% year over year in November, according to the National Association of Realtors. The [Case-Shiller home price index](#), which accounts for same-property transactions but is slightly lagged, grew by 19.1% from October 2020 to October 2021.

Home Prices Accelerated in 2021



Sources: S&P CoreLogic Case-Shiller, October 2021



Home price trends are hard to reverse. Recent sales comparables drive valuations for buyers and sellers, and with prices growing at a rapid clip, it's unlikely that that momentum will slow. Just over 42% of home sales closed above the asking price in the four-week period ending on Dec. 26, 2021, compared to about 20% in the same period in 2019, according to real estate brokerage [Redfin](#).

Given this recent history, it may not be surprising that projections for home prices in 2022 are all over the place, ranging from continued strong price increases to declines. But a variety of factors influence the direction of the housing market, making the effort to produce forecasts challenging.

Millennial Demand Drives Prices Higher

A significant driver of housing demand will continue to come from millennials, who are aging into their first-time home-buying years. They have made up a large portion of homebuyers for the past few years, but a large share is yet to reach their 30s, when owning a home becomes a larger priority. And although many millennials preferred urban areas prior to the pandemic, hybrid work schedules and flexible work-from-home policies have attracted many to move to suburban areas where home prices tend to be more affordable and construction is more feasible.

Further, those left behind in rental units are becoming more motivated to consider homeownership as apartment rents move ever

higher. [CoStar's market rent series](#) for U.S. apartments grew by 11.2 percent in 2021 — the highest rate of growth in the 21-year series. While the forecast calls for slower growth over the next five years, rents can be hiked annually or more frequently and are not as guaranteed as a 30-year fixed-rate mortgage, which helps make housing costs easier to budget and boosts potential demand for housing.

Yet inventories of homes for sale remain historically low. The National Association of Realtors reported 2.1 months of inventory in November, a record low, and Redfin reports that 26 days was the median number of days on the market for existing homes sold in the four-week period ending on Dec. 26, 2021, compared to roughly 50 days in the same period in 2019. During the pandemic, families were reluctant to move, depressing inventories. With a growing number of cases due to the omicron variant, the inventory of homes for sale should remain constrained through the early months of 2022.

At the same time, builders of new homes have faced rising costs of construction materials and labor, leading them to raise prices higher or choose to build homes with higher price tags. In the current environment of strong demand, it's more likely the latter will occur. [Private residential construction spending](#) grew by 16.3% year over year in November.

It's not all bad news. Rising prices have been a boon to homeowners who face financial difficulties by allowing them to refinance or sell at a profit, as home equity has been boosted. Some buyers expected a wave of distressed properties to reach the market in 2021 due to pandemic-related forbearance programs, but that never materialized. Mortgage data provider Black Knight reports that just 891,000 mortgages [remained in forbearance](#) as of Dec. 21, 2021, compared to a peak of roughly 4.7 million in May 2020.

At Some Point, Prices Should Decelerate

In reality, price increases at recent rates cannot sustainably continue unabated. At some point, erosion of affordability will limit the buyer pool, and that may be starting to happen. Fewer households can afford to buy a home at today's prices than earlier in the pandemic, when

incomes were supported through various government programs, such as stimulus checks and enhanced unemployment benefits. The National Association of Realtors' [housing affordability index](#) fell to 148.2 in October 2021, roughly to 2017-2019 levels when the housing market was more balanced.

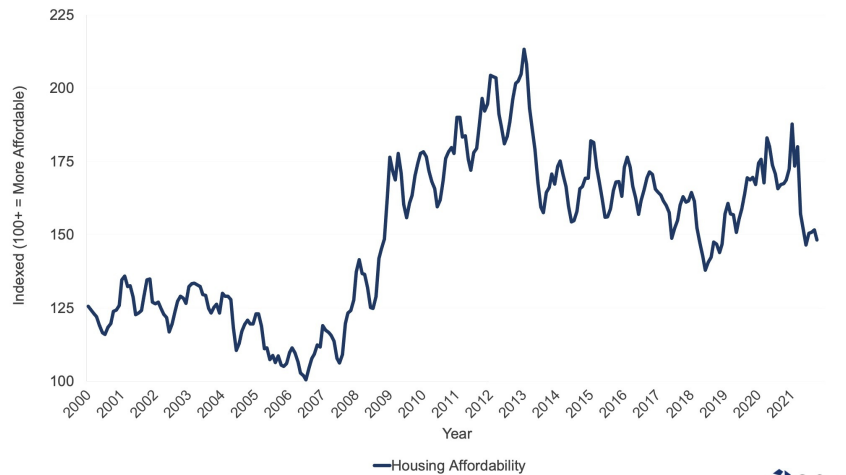
Mortgage Rates Remain Near Historic Lows



Furthermore, housing affordability has become a larger strain in high-cost-of-living areas such as San Francisco and Los Angeles. The housing affordability index in the U.S. West registers 111.9, compared to 200.9 in the Midwest.

To be sure, affordability has been buoyed by mortgage rates, which have been historically low despite a gradual increase to 3.1% in December from 2.7% a year ago for the average mortgage rate on a 30-year fixed rate mortgage, [according to Freddie Mac](#).

Affordability Returns to Pre-Pandemic Levels



Source: National Association of Realtors, October 2021



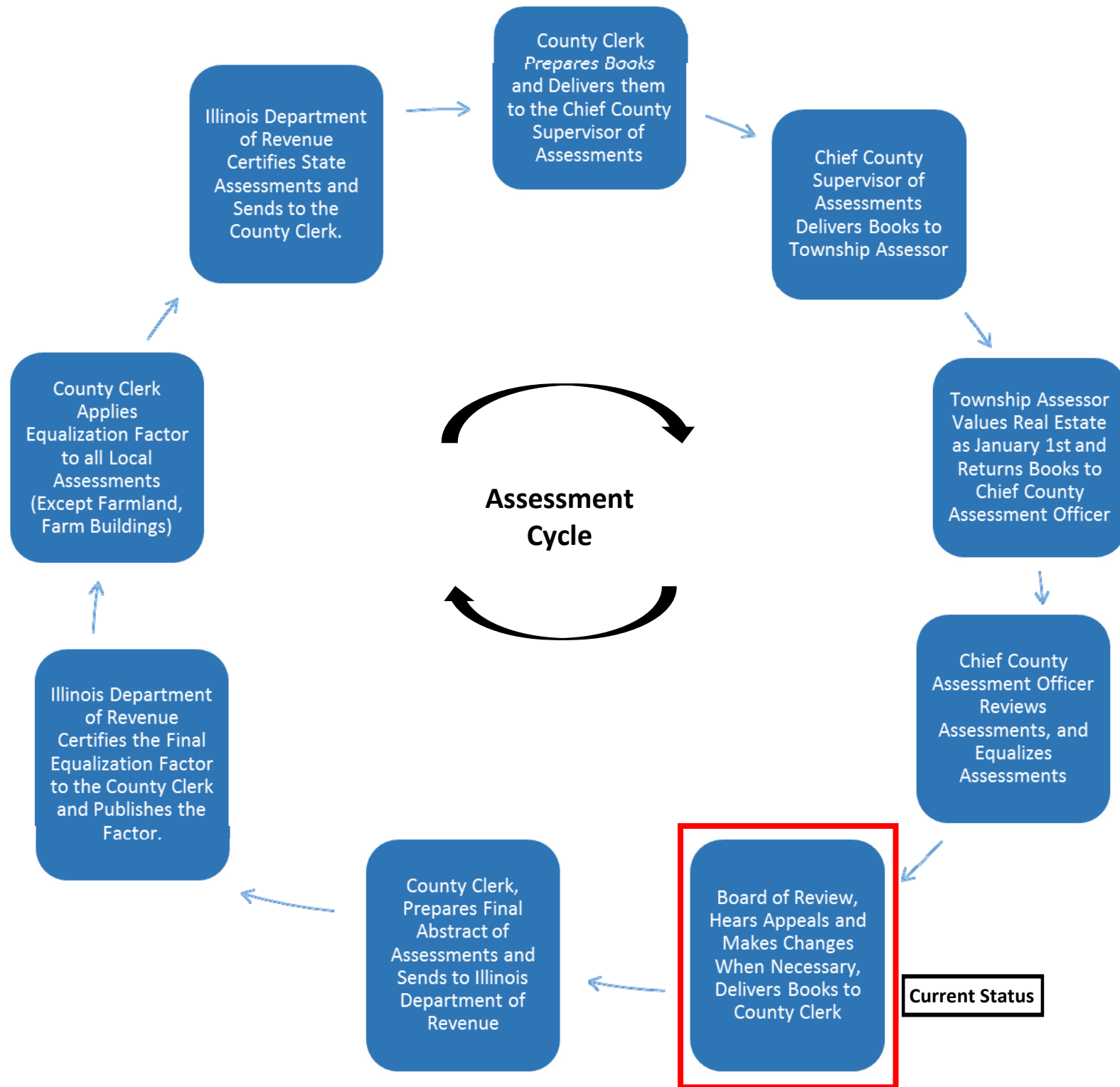
However, rates are expected to rise in 2022. The Federal Reserve announced last year that it would accelerate its winding down of asset purchases, including mortgage-backed securities. In its [Summary of Economic Projections](#), the median projection calls for three rate hikes over the year, with three more likely coming next year. This would lead to higher long-term rates, which mortgages are usually tied to, and increase housing costs for buyers that wait to secure home loans.

What We're Watching ...

With the December jobs report coming later this week, we'll see how the labor market closed out the year. Expectations are for 400,000 jobs to have been added and for the unemployment rate to tick lower yet again, but forecasters have not had much success guessing job numbers in 2021.

Monthly wage gains are still on the table as labor supply has been slow to return and firms are having difficulty attracting workers. The data was collected in the middle of December, before the omicron variant arrived in force. Any impact of that will likely be seen in January's report.

CoStar Economy is produced weekly by [Christine Cooper](#), managing director and chief U.S. economist, and [Rafael De Anda](#), associate director of CoStar Market Analytics in Los Angeles.



Meet your Assessment Team

Assessor

Mark is your Nunda Township Assessor. Mark was elected your Nunda Township Assessor effective January 1st, 2018 and has been employed by the Nunda Township Assessor's office since 1988. He carries an advanced designation with the Illinois Property Assessment Institute and is a member of the International Association of Assessing Officers

Chief Deputy Assessor

Kristin oversees and directs much of the daily activity of the deputy assessors, she has an extensive background in Mass Appraisal and is experienced in the assessment of all types of properties. Kristin is a member of the International Association of Assessing Officers and was awarded her Certified Illinois Assessing Officer designation from the Illinois Property Assessment Institute.

Deputy Assessors

Heidi, and David, are experienced in Real Property Assessment and Mass Appraisal Valuation. Nunda Township Deputies carry the designation of Certified Illinois Assessing Officers, which were obtained thru the Illinois Property Assessment Institute, both deputies participate in annual continuing education as required.

Data Collection

Mary coordinates our residential data collection. Mary has been with the Nunda Township Assessors office since 2002 and is very familiar with the many neighborhoods in the township. Mary spends most of her time in the field following up on building permits, measuring and listing property characteristics, speaking with property owners and updating property record cards etc.

Office Support Staff

Lisa completes your Nunda Township Assessment Team. Much of Lisa's time is spent processing Real Estate Transfer Declarations, Building Permits, and generating reports for use by team members. In addition, Lisa is typically your first contact when either phoning or visiting the office.

The support staff is a key source in the verification of details in the transfers of properties that occur in the Township as well as helping residents when applying for exemptions as well as lending support to the rest of the team completing various tasks.

Summary

The Nunda Township taxpayers should be very confident in the assessment team that has been assembled to serve their needs. I believe it is one of the BEST in the county and we will strive to continue to improve and provide the taxpayers with the best possible service. Each of these positions are vital components that help to achieve the timely completion of the annual assessment cycle.