



Chicago's Economy Cannot Afford Another Tax Hike

The Facts About the Transfer Tax Increase

- This proposal **increases transfer taxes 253%** from \$3.75 for every \$500 to \$13.25 for every \$500.
- Chicago's transfer tax would increase from \$12,000 to \$31,000 on a \$1M property.
- Current transfer taxes are already the fourth highest in nation when compared to competitive cities.
- Increase advances Chicago to **the second highest transfer tax** when comparing to competitive cities.
- 14 states do not assess a transfer tax at all, including Indiana and Texas.

Harmful to Our Neighborhoods

- There are nearly 32,000 properties worth \$1M or more in the City of Chicago subject to the transfer tax.
- Many small residential buildings with ground level retail throughout Chicago are valued at \$1M or more.
- Tax increase further deters grocers, health care facilities, and small businesses from our neighborhoods.
- Often families pool resources to invest in a multifamily building, creating Naturally Occurring Affordable Housing (NOAH) when they rent out additional units; tax increase takes equity from families and future generations trying to build wealth.
- Tax increase impedes development and maintenance of affordable and market rate rental apartments, at a time when providers face rising interest rates, increased costs, and excessive property taxes.

Record-High Downtown Vacancies Will Continue to Increase

- Downtown is hurting with less than half of workers returning to the office and record high vacancy at 19%.
- LaSalle Street office building conversions to affordable housing units will be hindered with tax increase.
- Tax increase combined with increased property tax burden on commercial properties will further obstruct development, impede union job creation, and restrict tax base growth for schools, public safety, etc.

Unreliable Source of Revenue

- Transfer tax revenues are highly volatile from year to year; rising interest rates will only increase volatility.
- Transfer tax revenue collected in 2012 was \$102.6M; in 2015 it was \$191.1M, a discrepancy of \$90M.
- Downtown office building sales in 2021 plummeted to less than a quarter of sales in 2015.

Ending Homelessness First Requires a Well Thought Out Plan

- The City of Chicago's 2023 budget allocates a substantial \$200M toward homelessness programs.
- The City's 2023 budget also allocates more money for rapid rehousing and affordable housing projects.
- We must first review current policies and programs to identify what's working and what's not.
- Then we can work together to create a thoughtful plan and determine how to secure funding.

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