

## Tom Benedetto, Illinois REALTORS®, Bring Chicago Home Testimony

My name is Tom Benedetto, I'm the Director of Local Advocacy at Illinois Realtors. I am here today to present a market-based perspective on this ballot initiative. So, let's first discuss economic realities. A healthy real estate market is critical to the residents and economy of Chicago. It allows us to have our city services. It helps maintain existing small businesses and lure new companies. It keeps families and neighborhoods stable.

But today, Chicago homeowners face high property taxes, rising interest rates, and increased utility costs. Our city's rising vacancy rates, rising median home prices, and rising rents clearly indicate that Chicago's economy, and its housing market, are in trouble...and are both on the verge of further decline. City Council has a duty to try to avoid what has been described as the "urban doom loop" that can already be seen in other major U.S. cities post-COVID. According to the University of Chicago, the average resident will pay more in property taxes if the values of downtown buildings continue to plunge. Downtown decline affects everyone from West Ridge to West Roseland. From Belmont Cragin to Belmont Harbor to Bronzeville.

Homeowners and renters in the city will bear the burden of a net increase in taxes as a result, NOT see a "tax cut" as proponents claim - that claim is false for existing homeowners. A reduction for a future buyer will have no financial benefit to existing homeowners already strained to cover rising expenses for that property. With these market conditions in mind, I pose two critical questions for the Council to consider when voting this afternoon:

1. Should a market in decline, with residents hurting as a result, be taxed further?
2. Is a volatile revenue source like the transfer tax, which changes every year based on the market, an appropriate source of funding for our most vulnerable population?

If you care about protecting the housing market from further harm, and you care about having stable sources of revenue for the unhoused, the answer to both of these questions is NO. We have been faced with a zero-sum choice that pits our most vulnerable residents against our most vulnerable economy in years. City Council: we can do better. In closing, REALTORS® care about and invest our time and resources in keeping our neighborhoods strong. Residents deserve a comprehensive strategy that will create more housing opportunity and affordability. We must address the needs of the unhoused without yet another real estate tax hurting our economy and our neighborhoods. REALTORS® want and need to be part of that solution and hope to be included in future conversations. Until then, REALTORS® urge you to OPPOSE this initiative by voting NO.