

Real Estate Advisory: 10 Tips for Property Tax Assessment Appeals



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Do you own income producing property in Pennsylvania? If so, it may be time to review whether its current assessed value is too high. This year is more important than ever to review your property's assessed value in light of COVID-19. Whether you own office, retail, hospitality, industrial, or residential housing, COVID has reduced many commercial property values resulting in excessive assessed values and property taxes.

The pandemic has impacted many property owners with mandatory business restrictions, shutdowns and disruptions given the need for social distancing. Many commercial properties have experienced declining rent payments, rent concessions, and increased vacancies. You should review all of these factors (and more) when evaluating whether your property's assessed value is too high and could benefit from reduced property taxes via a tax assessment appeal.

Most assessment boards do not reassess property values every year. As a result, the property taxes you are paying - county, municipality, and school district – may not be reflective of the actual value of your property today. A property owner must file a tax assessment appeal to correct an overassessment.

Our Real Estate & Lending Group and Real Estate Litigation Group are here to help review your property and advise if it may be a good candidate to benefit from a 2021 tax assessment appeal.

Below are ten things every property owner should consider:

1. File by the deadline – March 31, 2021.

The deadline to file a 2021 Annual Tax Assessment Appeal in Allegheny County is March 31, 2021. The deadline varies by county.

2. Have your revenues declined?

Whether temporary or permanent, many commercial properties have seen decreased revenues in 2020 and 2021.

3. Have your costs increased?

Unplanned PPE expenditures, adapting your business to cope with the pandemic and fewer tenants providing landlord reimbursements has resulted in further increased landlord costs.

4. Have you had to provide rent concessions to keep your tenants?

If so, how have the rent concessions impacted your property's total revenues?

5. Have businesses in your industry had to provide rent concessions to keep their tenants?

Negative changes in your industry may have an impact on your property's value.

6. Has your occupancy rate changed?

Has your total occupancy percentage decreased, or do you have a different tenant mix as a result of COVID-19?

7. Has the occupancy rate of businesses in your industry changed?

Variances in the market are influential in determining expectations for your property.

8. How long will it take for your property to return to pre-COVID levels?

Your property may be entitled to some reduction in value until conditions return to normal.

9. When will businesses in your industry return to pre-COVID levels?

Valuations of your property and those in your industry may be relevant in setting the correct assessed value.

10. What would someone pay for your property today, under current circumstances?

Could your property command the same purchase price today as it did before the pandemic?

Should you have questions about your current tax assessment, please contact any member of our Real Estate & Lending Group and Real Estate Litigation Group listed below, or any other Meyer, Unkovic & Scott attorney with whom you have worked.

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