Commercial Property Tax Appeal Services

For the past 10 years, real estate values have steadily increased along most asset classes – leading to increased assessments and real estate taxes. With limited exceptions, the COVID-19 pandemic will likely have a dramatic downward effect on real estate values. Whether your property produces rental income or is owner-occupied, the opportunity to reduce your real estate tax burden is favorable.

Factors contributing to a likely reduction in market value – what a willing buyer would pay a willing seller in an arms’ length transaction – include:

**NOI (Net operating income)** – For income-producing properties, NOI has fallen or likely will, resulting in lower values using an income approach.

**Capitalization rates** – Market concern over reduced demand and tenant defaults will drive higher cap rates – translating to lower values, even for many well-performing rental properties.

**Sales activity** – Although activity has slowed because of the crisis, as loans come due and financing is harder to obtain, sales at reduced purchase prices will emerge.

**Development parcels** – Until demand rebounds, development parcels will lose value because of tighter credit and equity markets.

In order to succeed in an assessment appeal, you need seasoned counsel with strong command of valuation law, standards, and practices – and requirements for assessors to adhere to those standards. Ballard Spahr attorneys help clients in jurisdictions throughout the country.

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Ballard Spahr has firm-wide experience in real estate tax matters from the southwest to the northeast, serving clients across industries, including:

- REITs
- Real estate developers
- Public utilities
- Resort and hospitality brands
- Airlines and other transportation companies
- Agribusinesses
- Technology and media companies
- Pharmaceutical companies
- Other manufacturers

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