

PROPERTY TAXES IN THE COVID-19 ERA

HOSTED BY THE NEW ENGLAND CCIM CHAPTER AND
PRESENTED BY CBRE VALUATION & ADVISORY SERVICES



New England
CCIM Chapter

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RECENT CHANGES IN VALUE

Short term Implications:

- **Decrease in rent collection and rental rates**
- **Increase in Vacancy and overall availability**
- **Increase in deal repricing**

Long Term Implications:

- **Increase in capitalization rates**
- **Decrease in space requirements**
- **Overall weakening of market fundamentals**



PROPERTY TAX OVERVIEW BY STATE

Massachusetts

- 5 Year Cycle
- Valuation date – January 1st of the previous calendar year
- First Level Appeal Deadline – February 1st
- Assessed Value can change annually

Connecticut

- 5 Year Cycle
- Valuation date – October 1st of the revaluation year
- First Level Appeal Deadline – February 20th
- Assessed value for the cycle is set during the revaluation year

Rhode Island

- 6 Year Cycle with a revaluation/updates completed every 3 years
- Valuation date – January 1st of the previous calendar year
- First Level Appeal Deadline – Between October and December
- Assessed Value is set during a revaluation or update and will stay the same until the next completed revaluation or update



SCHEDULED REVALUATIONS

Massachusetts

Revaluations scheduled for Fiscal Year 2021

- Boston, Acton, Brockton, Canton, Chelmsford, Dedham, Malden, Medford, New Bedford, Salem, Somerville, Waltham, Westford

Connecticut

Revaluations scheduled for Grand List 2020

- Bridgeport, Fairfield, Greenwich, Hamden, Newington, New Milford, Southington, Trumbull, West Haven, Westport

Rhode Island

Revaluation/Update scheduled for 2020

- Cranston, East Greenwich, Exeter, Middletown, Narragansett, Newport, Pawtucket, Tiverton, Woonsocket



NEW ENGLAND COVID 19 UPDATE

How is COVID 19 affecting the New England region?

- **Deadline Extensions**
- **Tax Payment Extensions**
- **Court and Office Closings**

NEXT STEPS



Action Items

- **Start preparing now**
- **Document all financial and market changes affecting your property and the properties around you**
- **Prepare a detailed appeal case and submit it early**
- **Work with a local property tax professional that has experience in completing appeals in your state**

COVID-19 DISASTER CLAIMS

A compliment to annual property tax appeals.

- While some jurisdictions will consider COVID-19 impacts for 2020 appeals, most jurisdictions will stand firm on the Jan. 1st date of value and absence of impact at that time.
- As a result, COVID-19 disaster claims offer an attractive compliment to annual property tax appeals.

Anchor claims in government-mandated restrictions.

- We are advising clients to file COVID-19 disaster claims where loss revenue can be attributed to government-mandated restrictions (e.g., stay-at-home orders, limitations on business operations).
- Examples include student housing, senior housing, office, hospitality, non-essential retail, and specialty uses (cinemas, sports facilities, casinos, etc.).

COVID-19 DISASTER CLAIMS

COVID-19 disaster claims are not a slam dunk.

- **State disaster claim statutes were enacted to address natural disaster (e.g., earthquakes, tornados, hurricanes).**
- **Taxpayers should expect a fight from taxing jurisdictions that will likely result in judicial actions.**

Deadlines vary and we counsel acting early to preserve evidence.

- **Deadlines vary from state to state, but we are counseling taxpayers to act now to preserve evidence.**
- **Support evidence includes: (1) State and local disaster declarations, (2) A narrative of property-level impact, (3) Supporting financial information, and (4) A valuation analysis quantifying the value impairment.**
- **The earliest deadline is Texas (June 26th).**