



FOR IMMEDIATE RELEASE
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DEPARTMENT OF FINANCE PUBLISHES FY13 TENTATIVE ASSESSMENT ROLL

Annual Roll Sets Taxable Property Values for All New York City Properties

Citywide Market Values Increase by 3.80 percent, Total Market Value at \$845.4 Billion

Department of Finance Commissioner David M. Frankel today announced the publication of the tentative property assessment roll for fiscal year 2013. Market value for the upcoming year is \$845.4 billion, an increase of \$31.0 billion, or 3.80 percent. Market forces accounted for \$22.3 billion of the growth, an increase of 2.74 percent.

“Every year we strive to produce accurate values consistent with the law for New York City’s more than 1 million properties,” said Finance Commissioner Frankel. “This is a complex process, and I want to thank our assessors and other staff for all of their efforts.”

Overall market values for Class 1 homes rose 1.91 percent citywide to \$401.2 billion, compared to a 0.86 percent increase last year. 92 percent of this increase is due to increasing sales prices across the city for Class 1 homes. Class 1, which primarily consists of 1-, 2-, and 3-family homes, is the only property type we value based on sales. The remaining 8 percent of market value growth was due to other changes, including new construction, physical improvements, apportionments, demolitions, or changes in exemption status. Manhattan had the largest market value increase at 3.90 percent. Assessed values for Class 1 went up 3.11 percent to \$15.8 billion.

This year, Finance updated its Class 1 valuation models, which had the effect of reducing the number of large fluctuations in the values of similar homes within blocks of one another. Finance delayed the release of the roll until today to correct an error in one of the model’s parameters. This way homeowners received only one, accurate assessment instead of two different Notices of Value within days of each other. There were no system generated errors that contributed to the delay in publishing the roll. In recognition of this delay, we will keep the roll open for two additional days this year.

Market values for cooperatives, condominiums and rental apartment buildings (Class 2) rose \$6.8 billion, or 3.60 percent, to \$196.3 billion City-wide. Market forces accounted for \$5.3 billion, an increase of 2.79 percent. By law, Finance is not allowed to use sales prices to value co-ops and condos, which must be valued as if they were rental buildings. Overall assessed values for Class 2 increased 5.15 percent to \$56.5 billion.

City-wide market values for Class 2 cooperatives grew by roughly 5.46 percent while assessed value grew by 4.62 percent. Queens cooperatives, which saw large market value increases last year, had a 9.04

percent increase in market value this year. Assessed values will rise 4.10 percent. City-wide, 75 percent of co-ops in all boroughs saw market value increases of 10 percent or less.

Class 2 rentals saw a market value increase of 4.04 percent. Net Operating Income (NOI) rose this year based on information reported to Finance by landlords, leading to higher market values. Finance continued to improve its modeling for selection of comparable properties to value co-ops and condos. Size, age, number of residential units and distance are the key factors in selection of comparable properties.

Overall market values for commercial properties (Class 4) saw an increase of \$16.3 billion, or 7.92 percent, to \$222.7 billion. Market forces accounted for \$10.1 billion of the increase, a 4.90 percent increase in market value. Assessed values increased 7.26 percent.

Values in Class 2 and 4 are based on income and expense data provided by property owners for 2010. Because of the law governing when this information is filed, 2010 is the last year for which the department has complete data.

Market values in Class 2 and 4 are driven by NOI reported by landlords, as well as mortgage and bond interest rates, which are used to determine income capitalization rates. Class 2 and Class 4 owners who did not report income from cell towers on their property had income imputed to them this year. Using an official log of cell sites, Finance screened Real Property Income and Expense (RPIE) returns for cell income and added it in when owners omitted it. Class 4 NOI also rose due to consistent attribution of income to owner occupied space and changes in vacancy rates.

Finance is continuing to review whether properties that previously had a not-for-profit exemption should retain their exempt status. Although the deadline for submission of renewal paperwork has passed, qualified not-for-profits that are treated as taxable on the tentative roll can regain their exemption before tax bills are sent out if they provide the requisite information by February 13, 2012.

Market Values for Class 3, which includes property with equipment owned by a gas, telephone, or electric company, increased 1.15% to \$25.2 billion.

Department of Finance assessors assign market values to all properties in the City annually. All properties are valued by law according to the property's condition on the taxable status date of January 5.

Owners who believe that Finance has used incorrect information to determine their market value may file forms providing corrections. These forms are posted at www.nyc.gov/finance.

If Finance verifies that the corrections on these forms are significant, the agency will make the correction before the final assessment roll is published on May 25.

The final roll will also include changes, if any, based on the decisions made by the New York City Tax Commission, an independent City agency, as well as new information Finance gathers about abatements, exemptions and other adjustments. In June, Finance will use the final roll and new tax rates to generate property tax bills for fiscal year 2013.

Owners of Class 1 properties who wish to appeal their assessed value must file an Application for Correction with the Tax Commission. Forms are available on the Tax Commission's website, <http://www.nyc.gov/html/taxcomm>.

The tentative roll, along with the summary material (attached) is available on the web at www.nyc.gov/finance. Members of the public who do not have access to the Internet at their home can view the roll on the public computer terminals at the City Register's office in our Manhattan Business Center, located at 66 John Street.

Finance will again conduct their annual joint outreach sessions in each borough in the month of February with the Tax Commission to answer questions from the public about how we valued their properties. The outreach sessions schedule is:

Manhattan - Thursday, February 2 at 10:00 AM
1 Centre Street, Room 926 (Chambers Street)

Queens - Wednesday, February 8 at 10:00 AM
144-06 94th Avenue, 2nd Floor (Sutphin Boulevard)

Brooklyn - Thursday, February 9 at 10:00 AM
210 Joralemon Street (Court Street)

Bronx - Wednesday, February 15 at 10:00 AM
3030 Third Avenue, 2nd Floor

Staten Island - Thursday, February 16 at 10:00 AM
350 St. Marks Place, 4th Floor, Room 400 (Hyatt Street)

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