



Insider's View to Corporate Real Estate



Carrie S. Holstead
Real Estate Consultants Inc.

Representing Users Of Corporate Space Worldwide

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Three Things TENANTS Need To Know To Protect Against Huge Real Estate Tax Increases When Their Building Is Sold

By: Carrie S. Holstead

Chairman Emeritus of ITRA Global & President & CEO, Carrie S. Holstead Real Estate Consultants, Inc. / ITRA Global

In the just completed annual review of an operating and tax expense reconciliation invoice for one of our clients, we discovered that real estate taxes at their building had increased 12% last year and could increase by as much as 40% more this year! These exorbitant increases follow the sale of their building in 2016.

“In the just completed annual review of an operating and tax expense reconciliation invoice for one of our clients, we discovered that real estate taxes at their building increased 12% last year and could increase by as much as 40% more this year!”

Here are the three things you need to know to protect your company against huge real estate tax increases following the sale of your building.

1. Review

Review your reconciliation invoice carefully and know how the real estate tax compares to the previous year and other buildings. If the increase exceeds the market, also assess projected real estate taxes for the current year to determine if costly increases will continue. This is easily accomplished if you are a client of ours. Simply send me your tax and operating expense reconciliation invoice along with the estimated cost for the current year and we will review these free of charge. If you are not a client, contact me to learn how we can help you.

2. Appeal

According to Sharon DiPaolo, a partner at the Siegel Jennings law firm and an expert in representing commercial taxpayers on property tax issues in Pennsylvania, Ohio and New Jersey, taxing districts are allowed to file increase assessment appeals and frequently do following sales. The good news is there is new case law in Pennsylvania to support arguments against the increase of taxes due to the sale of a building. As such, help your landlord and in turn your company by recommending that your landlord contact a qualified attorney to handle the appeal of a tax increase following the sale of your building.

3. Timing Is Everything

Know that there is a time of year to file appeals and have hearings. For example, in Allegheny County (which includes downtown Pittsburgh and the surrounding area), the deadline to file is March 31 and hearings are generally scheduled between April and August. Contact me for additional information.

Special thanks to Sharon DiPaolo, Partner, Siegel Jennings law firm for her our contributions to this article.

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About the Author

Carrie S. Holstead is the Chairman Emeritus of ITRA Global with experience representing users of corporate real estate in nearly 300 markets around the world. She is also the Founder, President and CEO of the longest established tenant representation firm in Pittsburgh, Pennsylvania. Carrie was just honored with the Exemplary Service Award from ITRA Global for outstanding leadership and contributions, and by *Smart Business Magazine* for leading a Top Company in Pittsburgh. Additionally, she is the acclaimed author of the monthly *Insider's View To Corporate Real Estate*, a frequent speaker, and has made a number of guest television appearances. **If your company has a local or global corporate real estate need, contact Carrie Holstead at +1 (412) 255-3737 for a conflict-free solution.** To receive the *Insider's View To Corporate Real Estate* electronically, sign up at www.carrieholstead.com.