

Property:

New York: New Law Revises How Assessors Value Some Commercial Property Using Comparable Sales

A.B. 894 / S.B. 5715, signed by gov. 10/25/21. Effective immediately and applicable to assessment rolls prepared on or after January 1, 2022, new law amends New York real property tax law by requiring those assessors using the comparable sales method for some assessments involving the value of mixed-use or nonresidential property to consider only certain comparable properties in formulating the assessment. Specifically, when determining the value of certain mixed-use or nonresidential property using the comparable sales, income capitalization or cost method, the following must be considered by the assessor when selecting appropriate sales or rentals comparable to the subject property:

URL:
https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A00894&term=2021&Summary=Y&Actions=Y&Memo=Y&Text=Y

URL: https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=S05715&term=2021&Summary=Y&Actions=Y&Text=Y

1. Sales or rentals of properties exhibiting similar use or the use at the time of sale in the same real estate market, wherein “comparable properties should include properties located in proximate location to the subject property unless there is an inadequate number of appropriate sales or rentals within the same market;” and
2. Sales or rentals of properties that are similar in age, condition, use or the use at the time of sale, type of construction, location, design, physical features and economic characteristics “including but not limited to similarities in occupancy and market rent.”

However, these new requirements “shall apply only to assessing units other than cities having a population of one million or more” – thus excluding, among others, New York City assessments. Please contact us with any questions.

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