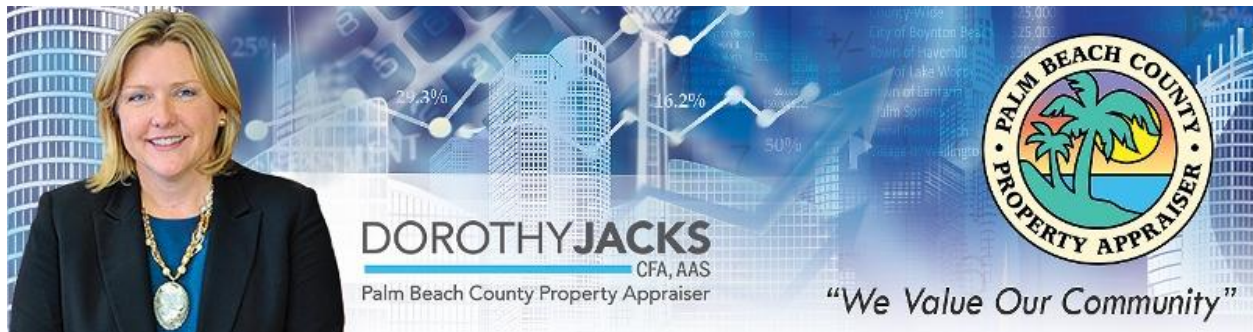


**Palm Beach County Property Appraiser's Office
Homeowner Association Newsletter – April 2017**



Dear Taxpayers:

April marks an important month as my office continues with preparations for the release of the estimated taxable property values for 2017, to the Palm Beach County taxing authorities. Typically, these preliminary estimates (which are officially released at the end of May of each year) assist the county, its municipalities and other taxing authorities in projecting their budgets and tax rates and also provide a benchmark as to what they can expect to receive from property taxes in the coming year.

As we move forward into spring, each month I'll be highlighting the various departments in my office, introducing you to staff leadership and their department functions, with one goal in mind – to provide transparency in the way we are working for you.

This month you'll meet Steve Letson, MAI, Director of Commercial Appraisal Services. This department is made up of dedicated employees who are highly skilled in analyzing commercial property values, data and trends in the market.

I am proud of their meticulous work ethic, as they strive to ensure our government agency is the best in the state. Enjoy reading.

Respectfully,

**Dorothy Jacks, CFA, AAS
Palm Beach County Property Appraiser**

Commercial Appraisal Services Department

By The Numbers:

- Staff: **27** (including 16 appraisers)
- Commercial Parcels: **34,039** (does not include institutional, government, leasehold parcels)
- Market value: **\$35,417,830,103**
- Taxable value: **\$32,772,750,845**
(parcels and values represent Real Property only as of 2016)



Steve Letson, MAI, serves as Director of the Commercial Appraisal Services Department and has been with the Palm Beach County Property Appraiser's Office for 18 years. He oversees the daily functions of the department, the commercial valuation process, and is responsible for evaluating future trends in commercial real estate. We sat down with him for a discussion.

What is the function of the Commercial Appraisal Services Department at the PBC Property Appraiser's Office?

Letson: We're responsible for assessing commercial income-producing properties such as retail, industrial, office buildings, cemeteries, golf courses, etc. There are approximately 60 different property use categories and more than 100 subcategories. For example, the warehouse classification consists of warehouse storage, self storage, distributions centers, manufacturing, flex office/warehouse, cold storage, etc.

How is commercial property appraised in Palm Beach County?

Letson: By law, our assessments must reflect market value which is the value recognized by the market investors. We review the current property use, income generation, competitive sales, and replacement cost. Our mass appraisal (Computer-Assisted Mass Appraisal) system is then adjusted accordingly to reflect market values derived from this process. Income generating potential is generally one of the better indicators of value. Rental rates, expenses, vacancy and other operating data are analyzed and compared to similar properties.

Sometimes the market does not recognize the current use (improvements) to be the optimal use of the property. Under these circumstances, the improvements may be obsolete (no value) and the property is valued as vacant land.

(Operating information provided by commercial property owners is crucial to the evaluation of local markets. The information provided is exempt from Florida's Public Records law and kept confidential.)

How often do you visit commercial properties?

Letson: All properties must be physically inspected at least once every five years. We may request income data more frequently in active markets.

What types of commercial properties have the most sales activity in Palm Beach County?

Letson: The most active property groups include retail, industrial, and office buildings.

Do you keep up with trends in commercial real estate in the County?

Letson: Each year, we review sale activity and new construction from the prior year. This gives us an idea of demand and where values are trending, with certain limitations. Sales rarely, if ever provide a comprehensive view of market conditions. We have to evaluate and determine a level of confidence in the sale data as a representative sample of the general market.

For example, self storage properties may dominate sale activity in the ‘warehouse’ property group which also includes distribution centers, manufacturing, etc. Sales of other warehouse property types may be few or non-existent. A 10% increase in self storage property values may not be appropriate for distribution centers.

How does Palm Beach County’s commercial property compare to Miami-Dade and Broward Counties?

Letson: I think we may be on par with those counties in terms of property values. Palm Beach County is still largely undeveloped to the north and west. Miami-Dade and Broward are basically built out, so you see a lot of vertical commercial redevelopment going on. Similar activity is occurring in eastern Palm Beach County, which is also fully developed.

What is the goal of your department?

Letson: The first goal is to generate a fair and equitable property tax roll to ensure no one pays more than his or her fair share of property taxes. The second is to assist, inform, and educate the public on the function of our office and how we arrive at fair market value. This is achieved through direct contact by phone, mailings, informal meetings, and information published on our PAPA website.

Accurate information, efficient operations, and effective public service are the fundamental goals of our office, not just this department. Earning the public trust is our reward.

For more information, go to our website: pbcgov.com/PAPA or call our Commercial Appraisal Services Department at 561.355.3988.

Tangible Personal Property Tax Return Due

Palm Beach County business property owners, firms or corporations owning tangible personal property are required to file a tangible personal property tax return ([DR-405](#)) by **April 3, 2017(postmarked)**. You can get an extension until **May 1st**. You can also [E-file with us](#). It’s efficient and secure. (**E-file system available until May 15, 2017**)

A Tangible Personal Property Tax Return is required each year that the value of your business assets exceed \$25,000 on January 1.

Tangible Personal Property used in a business includes furniture, fixtures, machinery, tools, equipment, appliances, signs, leasehold improvements, supplies, leased equipment and any other assets used by the business.

When filing your Tax Return, be sure to report all assets, including fully depreciated and expensed assets. Provide the asset description, original installed cost, year acquired and your estimate of value.

Florida allows an exemption up to \$25,000 in value for tangible personal property assets used by a business. You must file an initial return to receive the exemption. Thereafter you need not file an annual return unless the value of your tangible personal property exceeds \$25,000 on January 1.

Failure to file will result in the loss of the exemption and assessment of penalties per Florida Statutes, Sections 193.072 and 193.073.

You can also download the [TPP tax return form DR-405](#) from our website.



Community Outreach Presentations

Does your homeowner, condo association, community organization, or business have inquiries about exemptions, property valuations or other property issues? Our staff is available for presentations at your next meeting or can host an expo table with handouts and answer questions. For more details call Mike Pratt, Director of Education Services and Community Outreach at 561.355.4021 or Angie Mitchell, Executive Assistant in Administration at 561.355.2860.

Connect with the Property Appraiser's Office on Social Media

In an effort to keep our taxpayers informed about the latest news coming out of our office, we are on Facebook, Twitter, and LinkedIn. **Follow us...Like us...Retweet...Share**



**Palm Beach County Property Appraiser
Dorothy Jacks, CFA, AAS**



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