

## Abatement Applications Drop In FY08

### *Abatements continue on a downward trend*

Applications for property tax abatements have dropped by over 9% in the past three years from FY05 to FY08. Even while business value increased by 37% during this time, business abatement applications decreased by 15%. In this declining residential market, which typically leads to an increase in abatement filings, residential applications over these three years decreased by 3%.

Business abatement filings dropped to 1,670 in FY08, the lowest number of abatement requests over the past 20 years. This year more than half (53%) of the abatements filed were for commercial properties. Of the residential filings in FY08, condominium owners represented the largest share at 45%, followed by three-family owners at 21% and single-family owners at 14%.

Abatement applications have been on a downward trend since 1992, reflecting the City's efforts to respond effectively to the changing real estate market and adjust property values accordingly. The high point of total abatement applications in a non-revaluation year was 9,334 applications in FY91. The low point was 2,720 applications in FY00.

The caseload of open appeals of Boston values before the state Appellate Tax Board has also shown a downward trend. Open cases have decreased from 2,695 in December 2004 to 957 in January 2008, a drop of 64%. The combination of Boston assessors handling more cases and the ATB adopting hearing efficiency measures contributed to the decrease in open appeals.

