

Save Our Homes' tax gap eroding fast during recession

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During the boom, Florida's Save Our Homes tax break pitted neighbor against neighbor. It was common for identical condos in a building, or similar houses on a block, to receive widely different tax bills depending on when the owner bought.

But during the real estate bust, the value of the Save Our Homes tax break has plummeted.

The break will shelter \$14.6 billion in homesteaded property value from taxes this year, down from \$29 billion in 2008, Palm Beach County Property Appraiser **Gary Nikolits** said this month at the **Economic Forum of Palm Beach County**.

Save Our Homes was designed to protect longtime homeowners from soaring property values. It says the taxable value of a homesteaded property can go up no more than 3 percent a year.

But homesteaders' taxable values don't decline much during a real estate crash. The current downturn has narrowed the gap between longtime homesteaders and recent buyers.

Meanwhile, Nikolits said the market value of Palm Beach County's 627,000 residential and commercial properties fell 14.9 percent from Jan. 1, 2008, to Jan. 1, 2009.

This year, the market value of all property in the county is \$189.5 billion, down from \$235.9 billion in 2007.

- Even the most bulletproof corner of the commercial real estate market is suffering amid the Great Recession. Vacancy rates at **Publix**-anchored centers in Palm Beach County jumped from 7.8 percent to 10.2 percent in the past seven months, and rents fell for the first time in more than 10 years, according to a study by **Woolbright Development** of Boca Raton.

Still, Woolbright says, "the Palm Beach Publix center market is holding up quite well." Only five of the county's 70 Publix centers are more than 20 percent empty.

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