

Property appraiser: Market values hitting bottom

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WEST PALM BEACH — The plunge in Palm Beach County real estate values has slowed from free-fall to gradual downturn, Property Appraiser Gary Nikolits said Wednesday. Next year's rate of decline likely will be about half this year's 12.5 percent drop, Nikolits said. The market value of the county's 628,000 properties fell from \$179.9 billion in 2009 to \$157.4 billion in 2010. Property values peaked at \$233 billion in 2006.

"We have pretty much hit the bottom of the market in many areas of the county," Nikolits said during a speech to members of the Economic Forum of Palm Beach County.

Property owners this week received notices from Nikolits' office outlining their market value, assessed value and taxable value, along with the estimated amounts of their tax bills. Signs of decline appeared everywhere. The number of homes worth more than \$1 million, for instance, fell to 10,807 this year, down from 12,299 in 2009 and 15,441 in 2006. And the number of homes valued at less than \$50,000 soared to 85,768, up from 53,147 in 2009 and 8,270 in 2006.

While the county's real estate collapse began with residential property, commercial real estate is feeling the pain, too. The market value of apartment buildings with 10 or more units fell by 16 percent, while office and retail buildings shed 11 percent. Because sales of commercial real estate have ground to a near-halt, valuing commercial properties is a challenge, Nikolits said. "There are so few sales happening, and the ones that are are all over the place," he said.

Meanwhile, the value of the contentious Save Our Homes tax break is fading fast. During the real estate boom, it was common for identical condos in the same building, or similar houses on the same block, to receive wildly different tax bills depending on when the owner bought. Save Our Homes, passed by voters in 1992, was designed to protect longtime homeowners from soaring tax bills. It says the taxable value of a homesteaded property can go up no more than 3 percent a year. The break will shelter \$7.6 billion in homesteaded property value from taxes this year, down from \$14.6 billion in 2009 and \$47.8 billion in 2006, Nikolits said. Falling property values

Market value of all properties

2009: \$179.9 billion

2010: \$157.4 billion

Number of homes worth more than \$1 million

2009: 12,299

2010: 10,807

Number of homes worth less than \$50,000

2009: 53,147

2010: 85,768

Source: Palm Beach County Property Appraiser