



Were Allegheny County's 2021 assessed values affected by the coronavirus?

Summary: Allegheny County's property values in 2021 stand at \$104.7 billion, with \$82.6 billion taxable and \$22.1 billion exempt from taxation. These figures are based on the County Assessment Roll certified on Jan. 15.

Taxable value stands at \$82.6 billion, with residential value totaling \$57 billion and commercial \$25.6 billion. Based on the most recent parcel count of the 581,005 parcels in the county 550,526 are taxable (94.8 percent).

The assessment roll displays value by municipality. There are 128 municipalities with residential land and building value and all but one of those (Pennsbury Village) with commercial land and building value. The City of Pittsburgh accounts for \$19.9 billion (24 percent) of taxable value. Eight municipalities have over \$2 billion in assessed value each, totaling \$18.9 billion (23 percent). That leaves \$43.8 billion (53 percent) in 119 municipalities.

Unless there is a countywide reassessment, changes to property values year-to-year reflect new construction, improvements, demolition, corrections to records and appeals by property owners and taxing bodies.

Consider the impact of the coronavirus from the time when the assessment roll was certified on Jan. 14, 2020 to this year. A stay-at-home order, shutdowns of various economic sectors, loss of employment and other factors may have had, and may likely will have, an effect on sales of existing homes, improvements, demolitions, new construction, value of commercial property based on use and income, etc. That affects local governments that levy property taxes on assessed value to generate revenue to carry out their functions.

How did value change in the 12 months between certifications?

Overall, taxable value increased by \$1.1 billion from \$81.5 billion (1.3 percent). Residential value increased faster than commercial value. The aforementioned \$57 billion in residential value was up from \$56.2 billion (1.5 percent) and commercial value

increased from \$25.4 billion to \$25.6 billion (1.0 percent). Compared to the change from 2019 to 2020, the percentage increases on all of these measurements were smaller.

The change in the value of taxable land was identical to the prior year while the value of buildings increased but not as great as the 2019 to 2020 change.

Of the 128 municipalities, 108 saw assessed value increase from 2020 to 2021 while 20 saw assessed value decrease. Of the increases, 38 municipalities had a percentage increase greater than the county average. The City of Pittsburgh was up by \$162 million (0.83 percent) year-over-year. The largest percentage increases were for Findlay Township (\$970.3 million to \$1.18 billion, or 21.4 percent), Braddock Borough (\$38.6 million to \$44.2 million, or 14.4 percent) and Kennedy Township (\$598.0 million to \$633.3 million, or 5.9 percent).

Change in Taxable Value Categories, 2019 through 2021 (\$000s)

Category	2019	2020	2019 to 2020 (% change)	2021	2020 to 2021 (% change)
Taxable Total	80,270,559	81,550,092	1.6	82,645,766	1.3
Taxable Residential	55,285,519	56,193,722	1.6	57,038,733	1.5
Taxable Commercial	24,985,039	25,356,369	1.5	25,607,033	1
Taxable Land	21,227,040	21,296,207	0.3	21,357,577	0.3
Taxable Buildings	59,043,518	60,253,884	2	61,288,188	1.7

At the other end of the spectrum there were five municipalities that experienced taxable value declines in 2021 of more than 1 percent. These municipalities included Springdale Township (\$75.8 million to \$74.9 million, or 1.2 percent), West Mifflin Borough (\$907.9 million to \$892.3 million, or 1.9 percent) and Leet Township (\$118.5 million to \$114.2 million, or 3.6 percent).

Looking closer at those increases and decreases shows that the changes can be traced to the value of commercial buildings. For example, Findlay Township saw its value grow from \$453.8 million to \$622.7 million, or 37.2 percent. Leet Township, on the other hand, saw commercial building value fall from \$15.7 million to \$11.7 million, or 25.7 percent.

It is commercial building value that has garnered plenty of attention in the past few months due to the possibility of office buildings, hotels, shopping centers that may seek appeals to reduce assessed values due to the curtailment of economic activity (see *Policy Brief Vol. 20, No. 41*). That the Rivers Casino has appealed its value (\$245.9 million), saw no change by the Board of Property Assessment Appeals and Review and has proceeded to the Board of Viewers is a major contributor to the attention.

The assessed value of taxable commercial buildings countywide in 2021 is \$19.8 billion. That was up \$239 million (1.2 percent) over 2020's certification but going to the

municipal level shows varying results. There were 75 municipalities where assessed value was unchanged or up year-over-year and 52 municipalities where the value decreased. How much of an impact appeals—whether by owners or governing bodies—had on changes from 2020 to 2021 will be clearer when appeals data becomes available.

Eight municipalities that had an increase in commercial building value saw a percentage jump of 10 percent or greater. On the opposite end there were two municipalities that had a year-over-year decrease in commercial building value of 10 percent or greater.

Looking longer term—the years 2017 to 2021—and the year-over-year changes in taxable assessed value for the 128 municipalities shows that 58 municipalities had four consecutive year-over-year percentage increases in assessed value. Four municipalities had four consecutive decreases.

The county is now moving further away from its base year of 2012. Instead of new values the coming years will likely be repeats of appeal activity by owners and taxing bodies.

There is no substitute for keeping assessments up to date other than having combined school, municipal and county tax rates so low that inequities in assessments do not matter. That is not the case in Allegheny County nor is it likely to ever be the case. While the county did not increase taxes in 2021 there were 17 school districts that did for the 2020-21 school year (municipal changes are not yet available). Frequent reassessments prevent the gross inaccuracies in assessments and they reduce the angst associated with reassessment.

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