



Media Alert

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Metro Atlanta Homeowners Overpaid 2009 Property Taxes by More Than \$200 Million; Poor, High-Foreclosure Neighborhoods Overtaxed at a Rate Twice Metro Average

New Report Update: Despite efforts by assessors to lower property tax values from 2008 to 2009, Atlanta's highest- foreclosure neighborhoods overpaid their taxes last year by \$82.2 Million

(Atlanta, GA) Low-income homeowners living in neighborhoods devastated by the foreclosure crisis overpaid their property taxes last year by an average of nearly \$500 per household, according to a new report released today by Atlanta Neighborhood Development Partnership (ANDP), a 20-year nonprofit now focused on addressing the foreclosure crisis. The report – third in an ongoing series with Robert Charles Lesser & Company on property tax inequity in Metro Atlanta – reveals that residents of the highest foreclosure communities overpaid their taxes by more than double the average metro-wide overpayment of \$244 per household.

The 15 highest-foreclosure zip codes in Atlanta's five-county metro core make up only 20 percent of all metro properties, but homeowners in these communities are paying more than 41 percent – or \$82.2 million - of the total metro overpayment of \$200.2 million. Metro tax assessors made some progress in lowering appraised values from 2008 to 2009 to match plummeting home prices in these communities, but the research still shows a significant gap between current market values and tax appraised values.

WHAT:

- Following passage of a new state law in April, 2009 requiring tax assessors to include foreclosed and bank-owned sales in the valuation process, assessors did lower values in the 15 highest-foreclosure zip codes by an average of 10 percent compared to an overall average reduction for the five-county of 7 percent. But, the research revealed that all of the 15 high-foreclosure zip codes still exhibit a large overpayment of property taxes.
- Neighborhoods with the greatest risk of overpayment tend to have higher concentrations of minority, lower-income and unemployed residents – those least able to absorb the impact.
- Fulton and DeKalb County assessors made the deepest reductions to property values in foreclosure-impacted zip codes --- lowering values by 13 percent and 19 percent respectively. In some zip codes, these declines in tax values were even greater. But these reductions failed to close the existing equity gaps. In Fulton's 30310 (area Southwest of downtown), assessors reduced values by an average of 24 percent. Given the 79 percent gap between sales price and appraised value in 30310, these homeowners are still left overpaying their taxes by \$1,078.



- Recognizing the widespread decline of home prices in Clayton County, the Clayton assessor's office lowered values on 87 percent of residential properties. But the modest average reduction of 7 percent does not match the severity of the actual drops in home prices.
- In Cobb County --- where the foreclosure crisis to date has been less pronounced --- the tax assessor's office lowered values for 17 percent of properties. But, homeowners in Cobb's three, high-foreclosure zips overpaid their taxes by \$239 as compared to the average County-wide overpayment of \$153.
- Gwinnett County did not comparatively lower values in the neighborhoods hardest hit by foreclosure. The research shows an average county-wide decline of 4 percent from 2008 to 2009, and the three high-foreclosure zip codes realized reductions of only 5 percent.

WHO: *John O'Callaghan, President and CEO of ANDP, is available for media interviews on Thursday, February 18 at home sites in Fulton County's high foreclosure neighborhoods. Please contact George Burgan at 678-358-4427 to schedule an interview at time and location of your convenience.*

Atlanta Neighborhood Development Partnership, Inc. (ANDP) is recognized as metropolitan Atlanta's leading advocate for mixed income communities as a means of addressing regional shortage of affordable housing. The organization's mission is to promote and create mixed income communities through direct development, lending, policy research and advocacy that result in the equitable distribution of affordable housing throughout the metropolitan Atlanta region. ANDP has shifted its primary focus to addressing the impact of the foreclosure crisis on neighborhoods and their residents. For more information about ANDP visit www.ANDPI.org.

RCLCO (Robert Charles Lesser & Co.) is the nation's leading independent real estate advisory firm, providing market and financial analysis and strategic planning for a broad spectrum of clients. RCLCO is recognized in the industry as having the ability to address specific project situations as well as overall long-term strategic needs. With unsurpassed experience in market and feasibility analysis and strategic programming, RCLCO's client base includes developers, major investors, lenders, non-profits and government agencies.

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