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## Furman Report Highlights Low Tax Rate for Houses

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**Table 2: Market Values and Tax Liabilities by Property Class (FY 2011)<sup>17</sup>**

|                | Share of Citywide Market Value | Share of Citywide Revenues <sup>18</sup> | Effective Tax Rate |
|----------------|--------------------------------|--|--------------------|
| <b>Class 1</b> | 49%                            | 15%                                      | 0.67%              |
| <b>Class 2</b> | 24%                            | 36%                                      | 3.31%              |
| <b>Class 3</b> | 3%                             | 8%                                       | 5.49%              |
| <b>Class 4</b> | 24%                            | 42%                                      | 3.85%              |

**Figure B: Example of Properties for Each Tax Class**

Class 1



NYU's Furman Center just released its 10th annual [State of the City's Housing & Neighborhoods](#) report, and the big thing that's highlighted is as follows:

"According to the Furman Center's analysis, the effective property tax rate differs considerably across different property types. One- to three-family homes are taxed at the lowest effective tax rate. Other classes of properties, which include large rental buildings and commercial/industrial properties, are taxed at much higher rates: the effective tax rate for larger rental buildings is five times the rate for one- to three-family homes. Condominiums and cooperative apartments also are subject to much lower effective tax rates than rental properties with similar characteristics. 'As a result of the strong preference shown to homeowners at the expense of large rental properties, New York City imposes one of the highest tax burdens on apartment buildings of any large city in the country,'" said Vicki Been, director of the Furman Center. "Conversely, the tax on one- to three-family homes is one of the lowest in the country.'" The full report [is here](#).

[State of the City's Housing & Neighborhoods](#) [Furman Center]

By [Gabby](#) | 05/02/2012 10:00 AM

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The rules are made by those who benefit most by them.  
 Next civics lesson?



[donald-brennan](#)

I would be interested in seeing the intensity of taxpayer resource use amongst the different classes of properties. It is my hunch that class 1 properties have a much lower demand for taxpayer resources on a per sq ft basis (and/or even maybe a per capita basis) than say class 4 properties. That is how think the relationship should be compared, not on a market value basis.



**bkreveteran**

The State and City legislators protected the homeowners with, who form the backbone of their voting communities, with this legislation. Regarding services per SF, Brennan's point is good if accurate, however, not how taxation and assessment work.

Really the result of a political deal, just like the deal to tax co-ops and condos like 'comparable' rental buildings, which was done by the Republican state senate in the 1980's I believe, directed by the late Roy Goodman, upper east side state senator.



**arkady**

To some extent the taxes are based on local market too which can be incredibly off-base.



**totoro**

18 years ago my two family's taxes were about \$700. Last year I paid a whopping \$2,800.



**williamsburg\_guys**

Also don't forget that in other parts of the country they don't have a 6% income tax on any working person living in the house. So although our actual property taxes are similar to when we lived in the south, we also each pay an extra 6% income tax which makes the total dollar amount much higher. In the south, your property taxes alone pay for city services - schools, firemen, police, street improvements, etc. It is misleading to say that we have the lowest tax rates when you take that into consideration.

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