

SELF-STORAGE FACILITIES CORRECTLY VALUED

Joseph C. Bright • 215.665.2053 • jbright@cozen.com

In an unreported decision, a panel of the Commonwealth Court concluded that certain self-storage facilities were correctly valued for real estate tax purposes based on the actual financial results from the property, since the trial court had found that the properties were optimally managed and a buyer could not reasonably expect to improve the financial performance. *Guardian Self Storage WD v. Board of Property Assessment Appeals & Review*, No. 119 C.D. 2009 (Pa. Cmwh., Nov. 16, 2009). Property should be valued for Pennsylvania real estate tax purposes at the value that a willing buyer would pay to a willing seller. The actual financial performance by a seller is not directly relevant. Here, the trial court held that the actual performance was what a buyer in

the marketplace could expect. The Commonwealth Court rejected the claim that the value amounted to a value-in-use, prohibited by *F&M Schaeffer Brewing Co. v. Lehigh County Board of Appeals*, 610 A.2d (Pa. 1992). Since the trial court found that the actual financial results were what a buyer could expect, the value was not a value-in-use; rather it was the value-in-exchange. In any event, the court stated that the purpose of the rule in *F&M Schaeffer Brewing Co.* is to protect a taxpayer from a value in excess of market value. The court stated that there was no indication that the Supreme Court intended the doctrine to permit a taxing authority to claim a lower value than a value claimed by the authority to be a value-in-use.

COZEN O'CONNOR TAX PRACTICE GROUP

Joseph C. Bright	215.665.2053	jbright@cozen.com
Dennis L. Cohen, Chair	215.665.4154	dcohen@cozen.com
Thomas J. Gallagher	215.665.4656	thomasgallagher@cozen.com
Dan A. Schulder	215.665.2789	dschulder@cozen.com
Richard J. Silpe	215.665.2704	rsilpe@cozen.com
Cheryl A. Upham	215.665.4193	cupham@cozen.com
Joshua C. Weinberger	215.665.2173	jweinberger@cozen.com
Arthur A. Zatz	215.665.2194	azatz@cozen.com

Atlanta • Charlotte • Cherry Hill • Chicago • Dallas • Denver • Harrisburg • Houston • London • Los Angeles • Miami • Newark • New York Downtown
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