

Plans Starting at \$10 per Month Consumer Cellular FREE Motorola Camera Phone* NO CONTRACTS 30-day NO-RISK guarantee Nationwide Coverage AARP Discounts AARP members receive special discounts and benefits Click Here For Details

SPECIAL REPORTS

EMAIL PRINT REPRINT FONT SIZE 3 COMMENTS Recommend

Posted on Sat, Aug. 13, 2011

Few delinquents properties worth less than tax debt

By Patrick Kerkstra FOR THE INQUIRER

How much are delinquent properties in Philadelphia actually worth?

Some, like the Foxwoods casino site, are worth plenty. But there are many others - vacant lots and abandoned shells in some of the city's lowest-income neighborhoods - with relatively low open-market values.

In the past, Nutter administration officials have suggested that part of the reason Philadelphia has a large backlog of delinquent real estate accounts is that many of the properties are worth less than is owed on them in back taxes, interest, and penalties.

But that argument falls apart under scrutiny.

For one thing, although the city must first seek to sell delinquent properties for the amount owed in back taxes (plus other municipal liens), it can later offer the properties for sale at a cheaper price if there are no takers the first time around. The city and schools might lose out on past revenue, but they are more likely to collect in the future by transferring ownership of the delinquent parcel.

Second, most of Philadelphia's tax-delinquent properties are worth more on the open market than their owners owe in unpaid tax debt, according to an analysis of the property values of delinquent accounts performed Kevin Gillen, an Econsult vice president, at The Inquirer's request (the city's own assessed property values, which have been estimated by the Board of Revision of Taxes, are far too inaccurate to use).

Gillen, considered the foremost expert on property values in the Philadelphia region, used a variety of methods to estimate property values for 72,000 of the 111,000 tax-delinquent accounts (he was unable to estimate values on the remainder for a variety of reasons, such as insufficient local sales comps).

Of the 72,000, all but 519 had property values higher than the amounts owed. And 68,500 of them were worth at least twice as much as their tax debts.

Although many properties sell for less than they are worth at tax sales, Gillen's analysis makes it clear the city could recoup much, though not all, of what it is owed by selling off tax-delinquent land.

Recommend Be the first of your friends to recommend this.

- Foxwoods partners appeal to regain their casino license (Featured Articles from Philly.com)
Neighbor charged with murder in killing of girl, 9 (Featured Articles from Philly.com)
Great Hoagie Hunt judges declare winner (Featured Articles from Philly.com)
40,000 city properties. Abandoned. Now what? (Featured Articles from Philly.com)

Sign in to post a comment

Comments



0 like this / 0 don't • Posted 10:19 AM, 08/14/2011

Good job pointing this out. I've called out Nutter's own people at community meetings who say this, who are going around saying "we must have a new process to seize property" which does nothing to get revenue now. It's been decades since a single property in all of South Philly owed more than it was worth in 999 times out of 1,000. There are obvious high comps that are recent on the block that show that a renovator would easily want to buy a property. Plus, some of us have put up \$800 to force properties to sheriff sale, to force the Dept of Revenue and Law Dept to do its job, and still the politicians are interfering with this process to the detriment of schools and services. The corrupt local Democrats are the problem and the solution is to go over their head -- time for the state to step in and mandate collection guidelines or take over delinquent accounts. The state could even charge a fee so that it gets its cut. Philly should be a payor and not a debtor to the state. It's just a matter of doing the work objectively, impartially, and fairly.

— CleanupPhilly

Sign in to report abuse



0 like this / 0 don't • Posted 10:22 AM, 08/14/2011

So why does Nutter and Council consistently lie about this? Why are they always saying "it's not worth it to collect, you can't sell these properties at sheriff sale," and that is the first thing out of their lying politician mouths? They are engaged in illegally dismantling property tax collection for votes. It's quid pro quo. It's illegal, and it's time for the state attorney general to prosecute.

— CleanupPhilly

Sign in to report abuse

www.verizon.com/philly FIOS Triple Play GET A MULTI-ROOM DVR FREE FOR LIFE. A sizzling hot deal. A \$239.88/year value NO TERM CONTRACT REQUIRED FIOS TV, Internet and Phone \$99.99 /mo. for 1 yr. + taxes & fees FIOS Learn More

Advertise Here

A Guaranteed 18% Return? Why settle for 1% at the bank when government certificates pay 18%. Free webinar reveals all. Email req. Learn More www.tedthomaswebinar.com Ads by Google

Putting More Real Estate Videos ON THE MAP Visit our channel WATCH ON YouTube COLDWELL BANKER We never stop moving.

most POPULAR



0 like this / 0 don't • Posted 10:22 AM, 08/14/2011
 So why does Nutter and Council consistently lie about this? Why are they always saying "it's not worth it to collect, you can't sell these properties at sheriff sale," and that is the first thing out of their lying politician mouths? They are engaged in illegally dismantling property tax collection for votes. It's quid pro quo. It's illegal, and it's time for the state attorney general to prosecute.

— CleanupPhilly

[Sign in to report abuse](#)

3 comments

Register to comment

Why are we asking you to register? We've made some changes to increase the quality of the user experience and dialogue, and reduce the number of inappropriate or offensive posts. You're now required to have a registered username and account before adding a comment. This will improve the experience for everyone. We apologize for the inconvenience.

Join the conversation!

[SIGN UP NOW](#)

Already Registered? Sign In

Email address

Password

[SIGN IN](#)

[Forgot Password?](#)

VIEWED **SHARED**

- Howard Eskin announces departure as WIP host
- Ambushed on Kelly Drive
- Pence feels 'very welcome' in Philly
- Astros get Domingo Santana to complete Pence deal
- Pa. college student reported missing found dead
- Former Titans QB Young hopes to repair his image with Eagles
- When winning is deceptive
- Stephen Starr has had enough of Philly
- 13 schools bear further investigation for cheating: 325 teachers recalled
- South Philly man, 84, mugged on his own street
- >> More Most Viewed**
- Ambushed on Kelly Drive
- Howard Eskin announces departure as WIP host
- Studying the positive side of trauma and grief
- The order that shaped Philadelphia's next archbishop
- Google buys Horsham plant in \$12.5B Motorola deal
- Stephen Starr has had enough of Philly
- Pence feels 'very welcome' in Philly
- Tax debts thwart rebuilding
- Scenes of Old Philadelphia
- Diane Mastrull: Chesco woman's pet business clawing to stay ahead
- >> More Most Emailed**



A Guaranteed 18% Return?

www.tedthomaswebinar.com

Why settle for 1% at the bank when ? req.

[Learn More](#)

Ads by Google

today's PHILLY.COM POLL

Are Philly cops ignoring poor neighborhoods?

- Yes, Center City mob attacks get too much attention
- No, cops are doing OK at a tough job.
- Yes, City Hall doesn't care when crime hits the poor
- No, the cops can't work miracles.

Vote

[View results](#)

TODAY'S PHILLY.COM VIDEOS

- Special Teams in Focus
- Kapadia: New-Look Eagles Top Ravens
- Stage collapses at Indiana State Fair
- Temple coach Steve Addazio
- Temple coach Steve Addazio

[More videos >>](#)

PHILLY.COM PROMOTIONS

- Philly.com Contests
- Philly Dealyo
- Philadelphia Visitors Guide
- Philadelphia Restaurants
- Philadelphia Sports
- Buy Phillies Tickets
- Buy Eagles Tickets

latest PHOTO GALLERIES

- Roads, bridges wash away
- Scenes of Old Philadelphia
- Villanova football media day
- Democrats on the Super Committee
- Republicans on the Super Committee
- The "Super Committee"

Philly.com: [News](#) | [Sports](#) | [Business](#) | [What's Happening](#) | [Restaurants & Food](#) | [Entertainment](#) | [Living](#) | [Marketplace](#) | [Jobs](#)

Site Services: [Advertise on Philly.com](#) | [View print ads and special sections](#) | [Mobile Edition](#) | [Apps](#) | [News In Education](#)

The Inquirer: [The Inquirer Digital](#) | [Columns](#) | [Subscriber Services](#)

Daily News: [Daily News Digital](#) | [Columns](#) | [Subscriber Services](#)

Classifieds: [Jobs](#) | [Cars on AutoTrader.com](#) | [Real Estate](#) | [Rentals](#) | [Marketplace](#) | [Celebrations](#)

Partners: [Phrequency](#) | [Philadelphia City Paper](#) | [Philly Dealyo](#) | [Taste of Philadelphia](#) | [Parade Magazine](#)

Local Services: [Mattress Factory](#) | [FloorsUSA](#)

[About Philly.com](#) | [Contact Us](#) | [Terms of Use & Privacy Statement](#) | [Copyright 2011](#)
 Latest News Feed All RSS Feeds [RSS Terms of Use](#)