

9 Key Reasons Why Companies Overpay Property Taxes On Their Real Estate Portfolios in 2025

Rising commercial property taxes open up valuable opportunities for companies that own real estate portfolios to enhance profit & value by reducing those taxes

PHILADELPHIA, PA, UNITED STATES, November 7, 2025 /EINPresswire.com/ -- Over recent years,

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Carlo Batts, MAI, Principal & CEO, Reduxx Group

local governments have become increasingly reliant on property taxes, especially commercial property taxes, to fund their ballooning budgets. For example, the city of Boston obtains over one-third of its revenue from commercial property taxes. Those expanding municipal budgets have led to a phenomenon where commercial property taxes have been increasing, even though commercial real estate values have not.

“Rising commercial property taxes contributes to a reduction in properties’ values. This phenomenon opens up valuable opportunities for companies that own real estate portfolios to take measures to reduce property

taxes, thereby enhancing profits and value,” said Carlo Batts, property tax thought leader and President & Founder of the Reduxx Group, a national property tax advocacy organization.

Batts points out that in spite of companies' zeal regarding reducing expenses, many overlook reducing property taxes as a cost-cutting option. Companies can be complacent and continue to pay the ever-higher taxes billed. Said Batts, “In spite of property taxes being a large share of total costs, they are often a low priority when it comes to overall company management. As long as the property tax increases billed appear to be “reasonable”, they just automatically pay it.” Batts notes that many companies may not be aware of their opportunities to save, because the management of property taxes can be an incredibly complex process, one that can involve tens, if not hundreds, of jurisdictions in a typical real estate portfolio.

Batts estimates that over 55% of companies with commercial real estate portfolios in the U.S. overpay property taxes. Often, overpayment can be as high as six or seven figures per property.

Batts has identified the following 9 most common reasons companies overpay real estate property taxes, and could be entitled to significant tax reductions on their portfolios:

1) Markets have changed recently, over the last few years.

The last few years have seen disruptions in most commercial real estate markets resulting from the pandemic, increases in the work from home phenomenon, companies downsizing and other factors. Yet, property assessments often remain unchanged or even grow.

2) Intrinsic property values have changed over the last few years.

Higher interest rates, higher property taxes, higher vacancies and other factors have reduced property values. Here too, property assessments often remain unchanged or grow.



Carlo Batts, Principal & CEO Reduxx Group

3) Governments often base property values on unrelated national trends.

Taxing authorities use mass industry valuation data, with little consideration for the specific characteristics and market conditions of individual properties.

4) Companies put their tax program on auto-pilot.

Management is often unaware of the tax reduction opportunities they have and therefore do not prioritize it's annual review. As long as a property tax bill and increase look "reasonable" they pay it.

5) Many tax assessors are flying blind.

Many tax assessors are not professional assessors and don't understand the principles of tax assessment. Often, they inherit a flawed local tax paradigm and build upon it.

6) When it comes to commercial property, there is usually a lack of comparable data.

Commercial properties sell infrequently, as do comparable properties in their neighborhoods and categories. Lacking comparable data, many assessors simply make an educated guess based on marginally related trends.

7) Changes, revisions and demolitions to properties are often not accounted for.

Tax assessments are often based on original plans. There is potential to overlook demolitions, revisions and deferred maintenance to the property that may reduce its value.

8) Property tax assessment software tends to overvalue commercial properties.

Most tax assessors use mass programs to determine value which often over-values properties. Software is often biased towards overvaluing properties. In addition, software can be missing updates and revisions to account for the latest changes to the tax code and market conditions.

9) Missing appeals windows on a portfolio of properties.

There is usually a limited time during the year when one can appeal a tax assessment on a property. Companies often miss their tax reduction opportunities by missing tax appeal windows for each of the properties in their portfolios.

According to Batts, discovering an overvaluation is only the first step. Navigating the appeal process towards a successful tax reduction requires specialized knowledge, expertise and local market proficiency. However, he believes the effort can be well worth it. "When you look at the EBITDA of most companies, around 6-10%, adding back property tax overpayments can go a long way towards enhancing profitability and retrieving dollars that are rightfully yours," said Batts.

ABOUT REDUXX GROUP:

Reduxx Group is a commercial real estate tax advocacy firm supporting investors, owners, lenders, brokers, accountants and attorneys, throughout the United States, in reducing real estate tax "costs" on commercial properties and portfolios. Reduxx Group works with multi-state organizations that own properties in warehousing, hospital/healthcare, manufacturing, retail and other industries. Reduxx Group utilizes its proprietary 6-point program that combines advanced technology and appraisal expertise, called The Reduxx Method.

The Reduxx Group

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