

REAL ESTATE

Columbus Circle towers get \$389M market value reduction

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10 Columbus Circle

Photo: Shutterstock

Real estate mogul Stephen Ross dodged a big property tax bullet.

Ross' Related Cos. chopped a whopping \$389 million off the market value of the office condominium at his Columbus Circle towers after spotting an error by the city.

The city's Finance Department mistakenly raised the tentative value of the Time Warner-leased office condominium from \$494.12 million to an eye-popping \$944.16 million.

Time Warner, which had owned and occupied the office space at 10 Columbus, sold it to Related Cos. for \$1.3 billion. The New York media giant then leased it back as it awaits a move to another Related project in the Hudson Yards that is still under construction.

The Finance Department misunderstood the nature of the deal, prompting it to use a low capitalization rate of 6.880 percent.

That sent the market value soaring by \$450 million — nearly doubling its value from May 2015.

Related filed an application to correct the assessment with the city's Tax Commission.

The high-value property had a hearing in time for the reduction in value to make the city's final tax roll that was released on May 27.

The Tax Commission has lowered the market value to \$555.22 million.

Related and the Finance Department didn't respond to requests for comment about the assessment.

The property's new billable value is \$208.43 million. Based on last year's tax rate of 10.656 percent, the bill will still be larger than last year, bringing in about \$22.1 million to city coffers.

Interestingly, the condominium at 10 Columbus Circle was not listed in the "major properties" report released to the public on May 27.

In January, the Finance Department gleefully reported **the city's entire market value had topped \$1 trillion for the first time ever**, with 89 percent of the increase of \$102.5 billion due to "market forces."

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