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NJ’s American Dream Mall Has Value Cut $850 Million by Judge.

Takeaways

- A tax court judge cut the assessed value of New Jersey’s American Dream mega mall by $850 million, bringing the property’s valuation down about 50% this year.
- The reduction brings the property’s assessed value to about $1.65 billion for the current tax year, down from the Borough of East Rutherford’s assessment of $2.5 billion.
- American Dream will be on the hook for roughly $24 million in PILOTs annual to holders of the mall’s municipal debt, less than half of the $54.1 million in annual interest they’re owed.

A tax court judge cut the assessed value of New Jersey’s American Dream mega mall by $850 million on Thursday, the latest reduction that brings the property’s valuation down about 50% this year.

The reduction hands a win to the property’s owners who sought to lower payments tied to the valuation, but deals a blow to bondholders who own the roughly $800 million of debt backed by those payments, called payments in lieu of taxes, or PILOTs.

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