

PROPERTY TAX CASE STUDY BIG SAVINGS IN BOXES

The Client's Challenge

Our client, a “big box” retailer with stores in eighteen communities, located in all four Atlantic Provinces, faced intense competition from new entrants to an already crowded marketplace. Their talented management team had launched an aggressive expansion plan based on a marketing strategy of providing high quality goods and services at a keenly competitive price. They demanded the same standard from their suppliers. Their challenge was to focus on this core competency whilst minimising their property tax liability. They turned to Turner Drake for advice.

Turner Drake's Approach

Turner Drake implemented a two pronged approach to, (1) minimise each property tax assessment, and then, (2) maintain them at that low level. They aggressively pursued assessment appeals on every property that presented an opportunity for tax savings, and opened negotiations with each of the five assessment authorities in the region. Turner Drake had established a reputation as a strong litigator with a track record of winning assessment appeals; a function of the resources and personnel they were willing to commit to each case. Since property sales information is not public knowledge in the Maritime Provinces they had invested heavily in Compuval™, a proprietary family of intelligent Assessment and Transactional databases, which gave them more “fire power” than the provincial assessment authorities. Their property tax personnel were recruited from the cream of local universities and then enrolled in a five year training program which carefully blended post graduate study, in-house education and work experience to place brains, not just bums, in the witness box. It gave them a strong negotiating advantage. Once Turner Drake had successfully negotiated reduced assessments for each property they enrolled them in their PAMS™ Property Tax Manager program. They notified every provincial assessment department that each assessment would be scrutinised annually by Turner Drake, and that they would handle all appeals.

Winning Results

During the first five years of the program, Turner Drake negotiated tax savings of \$1,124,584 at a total cost to their client of \$97,879. As a result of being enrolled in their PAMS™ Property Tax Manager program further assessment increases were minimised: after five years the assessments were 1.3% lower than at the start of the program versus a 15% increase in assessment for the properties' peer group ... this despite the fact that many properties had been upgraded at a cost of several million dollars. The PAMS™ Property Tax Manager program thus yielded a further \$1,042,648 in tax savings, at a total cost to their client of \$9,283 (plus HST).

