

PROPERTY TAX CASE STUDY SAVINGS TO BANK

Royal Bank's Challenge

Twice a day, 365 days a year, Saint John's famous reversing falls change direction as a wall of water thrusts its way up river from the Bay of Fundy. Reversing the flow of property taxes is a little more challenging. Royal Bank Realty Inc. own and partially occupy a modern office building at 83-85 Charlotte Street, Saint John. The property assessment had been cut in half on appeal thirteen years ago. The Royal Bank still felt they were over-assessed: they turned to Turner Drake for help.

Turner Drake's Approach

Turner Drake started by reading the legal description. They then inspected the entire building, utilising the expertise of their Lasercad™ Division to measure every tenant space. Every lease was painstakingly reviewed, and each operating expense incurred during the past three years was analysed. Turner Drake interrogated the management personnel to get an understanding of the day to day operating nuances of the property that only "hands on" personnel truly comprehend. The Assessment Act mandates that the realty assessment must reflect market value ... but uniquely in Canada, sales information is not public knowledge in the Maritime Provinces. Turner Drake therefore deployed Compuval™, their proprietary IT platform of intelligent databases that scour every available source for transactional, assessment and rental data ... and then cross reference and process them to squeeze out each gram of useful information. They carefully catalogued their research and produced a "court ready" Master Valuation Report detailing their conclusions.

Winning Results

The New Brunswick Assessment and Planning Appeal Board heard the case. Catherine Lahey of Stewart McKelvey Stirling Scales acted as counsel for the Royal Bank, Turner Drake provided their expert testimony. The Board reduced the realty assessment from \$4,800,000 to \$3,297,000 for the year under appeal, resulting in annual tax savings of \$72,000.

