

PROPERTY TAX CASE STUDY MAKING EVERY CENT COUNT

Our Client's Challenge

Retailing is a cut throat business, in a constant state of flux. New entrants pose fresh challenges, existing competitors fight for market share in this, the most crowded marketplace in Canada. Our client, a national retailer with \$200 million of assessed property in Nova Scotia, makes every cent count. Its in-house staff work hard to minimise their property tax load, aggressively contesting and securing reductions in the assessments. Could we do better? They asked us to find out.

Turner Drake's Approach

At the outset we contacted Service Nova Scotia, the provincial assessment authority, and requested that they assign a single commercial assessor to the project. We then embarked on detailed inspection for each and every one of the 59 properties.

Property sales on which assessments are based, are not in the public domain in the Province and the assessment authority refuses to provide detailed assessment information on comparable properties. Secrecy and a "circle the wagons" mentality is all pervasive. Service Nova Scotia did however provide us with their calculations on the subject properties. We checked these calculations with the results of our site inspections to identify errors and omissions. We also attended the Registry of Deeds office in each locality to obtain the legal descriptions, including easements and other encumbrances on title. The site boundaries and easements were then mapped onto satellite and aerial photograph to identify impediments on title, access and circulation difficulties.

Our Compuval™ databases contain sales, assessment, physical, fiscal and photographic data on 39,000 Atlantic Canadian commercial property transactions, carefully compiled over the past thirty years. The information is geo-coded for easy reference and allows us to quickly compare assessments on a cross sectional and longitudinal (time series) basis. Using these databases we were able to benchmark our client's portfolio against a control group comprising two major competing chains.

Winning Results

During two weeks of negotiations we successfully concluded all 59 appeals and produced further tax savings of \$501,000/annum for our client.



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