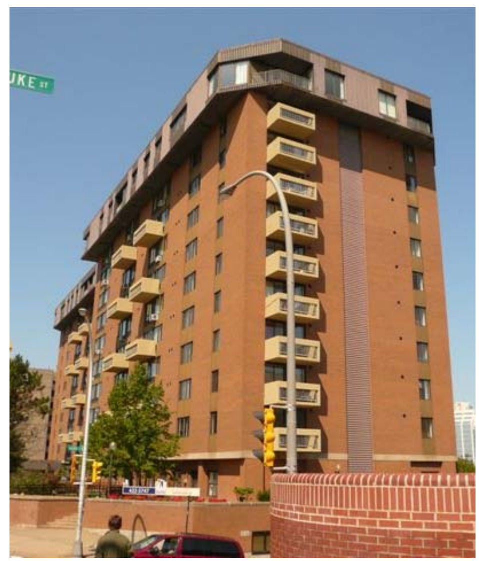
PROPERTY TAX CASE STUDY
SQUEEZING THE LEMON

The Client's Challenge

In 2008 the provincial assessment department Service Nova Scotia, raised the aggregate assessment of this seven property apartment portfolio from $59 to $72.4 million… a staggering increase in a year during which Halifax landlords struggled to raise rents enough to cover the 3% inflation rate. Fortunately our client had possessed the foresight to enroll its properties in our PAMS™ Property Tax Manager program so we girded our loins and rode into battle on their behalf.

Turner Drake's Approach

We first found that the properties were to be slammed with the large assessment increase in November 2007. We immediately set about preparing a negotiating position with the objective of securing assessment reductions prior to the closure of the 2008 Assessment Roll on December 7th. We knew that once the Roll had been finalized our only recourse was to appeal, a cumbersome and sometimes costly process. The Municipalities too base their budgets on the Roll, so there is greater pressure on the assessors to defend the assessments, rather than face the wrath of their political masters once the assessments have been published. On December 3rd we achieved part of our goal and were able to negotiate assessment reductions that mitigated the increase to 14.6%: a good start, but not enough. We recommended to our client that we file an appeal on their behalf at the first available opportunity. They concurred and we did so as soon as the Assessment Roll was officially published in January 2008. We then reopened negotiations with Service Nova Scotia. Sadly their assessor proved obdurate and refused to reduce the assessments further so, with our client's concurrence, we set about preparing our Court submission. In August 2008, just one hour into the Court proceedings the assessor raised his eyes towards the heavens, saw the light, and made a settlement offer reducing the assessments to within 3% of our suggested value.



Winning Results

We represented our client in Court and, because our compensation model is based on cost recovery rather than tax savings, were not tempted to gather the low hanging fruit and settle for the lower, but more easily gained, $60,000 in tax savings achieved in the December 2007 negotiations. Instead we persevered along the more difficult path to save our client $104,703, at a total cost to them of just $11,640.

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