PROPERTY TAX CASE STUDY
THE GIFT OF SAVINGS

Our Client's Challenge

Our client owned and operated a well known gift shop in a tourist-oriented seaside town on Nova Scotia's scenic south shore. The owner had worked tirelessly to build a successful business and had meticulously maintained the property over the years. Anxious to enjoy the fruits of her labour (and ready to tackle her next challenge), she listed the property for sale. Concerned that the current tax load could hinder her marketing efforts, she turned to Turner Drake for advice. The question was: could a property listed well above the assessed value really hope to see a drop in taxes?

Turner Drake's Approach

Our Property Tax Division set to work. We began by examining the assessment history of the property as well as the unitised assessments of other similar properties in Town. We undertook a complete building inspection to ensure the "bricks and sticks" of the property were properly accounted for and that the depreciation and obsolescence rates used in the assessment were appropriate. Knowing that physical attributes are only one piece of the assessment puzzle, we also took into account the *not-so-typical* aspects of the property: the nuisance associated with a late night drive-thru coffee shop next door, the constraints on the property arising from easements and Town bylaws restricting development, the allocation of the commercial and residential tax classifications on the assessment, etc. We approached the assessor with a list of our concerns and outlined our reasoning for a reduced assessment. Assessors are amenable to making adjustments if a clear relationship can be shown between the constraints on the property and their effect on value. Most can also be persuaded to ignore the listing price as an indicator of value if circumstances warrant.

Winning Results

Despite a current list price which exceeded the published assessment, the assessor agreed to make several changes. Adjustments were made to account for building quality, development constraints, and the allocation of commercial and residential tax classes. The result was a 26% decrease in annual taxes.

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