

PROPERTY TAX CASE STUDY CHASING A SALE

Our Client's Challenge

When the assessment of this small industrial property jumped 58% over a two year period, the owners leapt into action. The assessment was outpacing other comparable properties on both a per unit and year-over-year basis. The assessor refused to reduce the assessment, citing a purchase price a few years earlier which was higher than the published assessment. The owners turned to Turner Drake for advice.

Turner Drake's Approach

Mark Turner of our Property Tax Division tackled the assignment. He began by undertaking a physical inspection of the property and comparing property details and physical condition to the assessment records. After agreement was reached on the "bricks-and-sticks" of the property, he requested a copy of the sales investigation undertaken by the assessor. He then held the sale up to the five pillars of a market value transaction; failure to meet any one of those pillars would strike down the sale price as a measure of true market value. The sale, in fact, failed **four out of five** tests for a market value transaction; but shockingly, the assessor continued to hold it up as a qualified sale and refused to reduce the value. The matter was scheduled for Regional Assessment Appeal Court.

Winning Results

We compiled a court position aimed at achieving two goals-firstly to discredit the validity of the purchase price on file and secondly, to illustrate the proper market value for the subject property. The court agreed with our position and reduced the assessment by 21%, well below the reported purchase price.

