

PROPERTY TAX CASE STUDY SATISFYING THE NEEDS OF TENANTS

Our Client's Challenge

Our client owned a small multi-tenant strip plaza in Dartmouth. The building was well maintained but there had been no major changes in recent years; certainly nothing that would justify an assessment increase which far exceeded that of similar properties in the area. The building was occupied by tenants on fully net leases which meant they would bear the full and immediate brunt of the resulting increase in property taxes. While many landlords would simply pass the increase on to the tenants, this particular owner took a proactive approach and launched an appeal. The assessor's approach however, was to argue the matter be dismissed on the grounds that the appeal was filed one day late...

Turner Drake's Approach

Our Property Tax division set to work with a two-pronged approach. This first "leg" of the assignment focused on the validity of the appeal. We gathered necessary case law and other evidence needed to mount a case for the appeal to be allowed and represented the owner at the Regional Assessment Appeal Tribunal (where we were ultimately successful). Having cleared the first hurdle we then inspected the property, reviewed the financial statements and searched the local market for sales and assessments of similar properties. Using aerial photographs, and satellite imaging we calculated the areas of the property encumbered by steep slopes, forested areas and easements and argued for value reductions on those areas based on diminished utility.

Winning Results

The assessor agreed with our methodology and reduced the assessment by 20% which yielded an annual savings of \$5,900; savings which were passed directly on to the tenants.

