

PROPERTY TAX CASE STUDY

\$6 MILLION SAVED

Our Client's Challenge

In 2006 a retailer seeking a “national” solution to the property tax burden borne by its non-core properties, contracted with one of the large accounting firms. Since the latter lacked a property tax division in the Atlantic region, they sub-contracted the work to Turner Drake. In 2007, the retailer realising that national solutions do not necessarily produce optimum results, decided instead to allocate the work to firms who were pre-eminent in their region. They chose us to represent them in the Maritime Provinces. The next year they asked us to handle their core assets too: previously these property tax appeals had been the responsibility of the retailer's own staff. The original single year contract has since been extended into a longer term relationship. Giselle Kakamousias of our Property Tax Division is the team leader for their Nova Scotia and Prince Edward Island properties: André Pouliot performs the same function in New Brunswick.

Turner Drake's Approach

We excel in long term relationships: many clients have used our services since the day we opened for business in October 1976. All of our senior consultants joined us as trainees upon graduation from university between 8 and 30 years ago... and whilst 50% of our staff is under the age of 35, the average tenure of our senior consultants is 12 years. We provide continuity in a rapidly changing world, allowing companies who utilise real estate as an operating asset, to focus on their core competency. In May 2001, after two years of preparation building and populating the necessary property assessment databases, and designing propriety software, we launched the Property Tax Manager component of our PAMS™ service delivery model. Our Compuval™ information technology platform allows us to compare the assessment of each property with others in its peer group, and to run longitudinal (time series) analysis, to quickly identify properties that are over-assessed. Currently clients have committed \$1.65 billion of real estate assessment, mainly located in Atlantic Canada, to our PAMS™ program. We identify properties that are over-assessed, file the appeals, negotiate reductions in the assessed value, and handle the Court appearance where necessary. Because our mandate is continuous and long term, we are able to accumulate knowledge of considerable depth about the property and its utility as an operating asset, both as part of our client's business and in relation to competing facilities. We have a complete record of each property (building plans and inspection details, site plans, legal description, photographs, aerial and satellite images, lease information, historic and current assessment data), together with details of similar properties in its peer group. Knowledge is power; it gives us an over-whelming negotiating advantage in our dealings with the various provincial assessment authorities.

Winning Results

Since we were first retained in 2006, we have successfully negotiated reductions in the aggregate assessment every year for this client. As of December 31st 2009 we had saved them \$6.0 million in real estate taxes... savings that fell right down to their bottom line.



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