

PROPERTY TAX CASE STUDY APARTMENT APPEAL

Our Client's Challenge

In 2006 our client appealed the assessments of this 526 apartment unit portfolio. Unfortunately he had not completed the Income and Expense Questionnaire sent to him two years earlier by the provincial assessment authority, Service Nova Scotia, so his appeal was null and void. The following year he turned to Turner Drake for help.

Turner Drake's Approach

We inspected all six apartment buildings, obtained a copy of the legal descriptions, financial statements for the past three years, and the assessor's working papers. The latter were available under the Freedom of Information Act. We compared the operating expenses, on a line by line basis, with those of comparable buildings. The buildings were managed by the owner so the reported management expense was low, as was the superintendents' salary expense: a common feature of owner managed properties. We then compiled a three year financial history for each property and stabilised the income and expenses for use in our negotiations. The properties were about 15 years old and lacked underground parking, in-unit washers and dryers ... amenities enjoyed by newer competitors located near-by. Having marshalled all of the facts, we opened negotiations with the provincial assessor.

Winning Results

We were able to negotiate a reduction in the \$35.6 million assessment to \$32.8 million, thus yielding annual tax savings of \$38,247 ... without the necessity for a prolonged and potential costly Court action.

