

PROPERTY TAX CASE STUDY CATELOGUE SAVINGS

The Client's Challenge

Our client had recently leased a brand new building erected specifically for them in St. John's by a developer. As part of their long term lease they were responsible for the property taxes. To their dismay the property assessment and resultant taxes were well above budget. We were asked to help.

Turner Drake's Approach

The City of St. John's undertakes its own property tax assessment but, like the rest of Newfoundland, does so only every three years. If an incorrect assessment is successfully challenged at the commencement of the three year cycle, the resultant tax savings flow through for all three years. Our Property Tax Division discovered that neither the landlord nor tenant had made the lease available to the provincial assessor. Our analysis concluded that disclosure of the lease terms would be advantageous to the tenant and could be used to secure a reduction in the property assessment.

Winning Results

We opened negotiations with the City Assessor, relying on the recently agreed lease terms. The City Assessor concurred with our conclusion that the property was overassessed and agreed to reduce the assessment from \$3.79 million to \$3.14 million, thus producing tax savings of \$67,500 over the three year assessment cycle.

