

PROPERTY TAX CASE STUDY

HARD WORK PAYS

The Client's Challenge

By dint of hard work, perseverance, and construction expertise, this father and son team assembled a portfolio of 15 apartment buildings with an aggregate property tax assessment of almost \$100 million, all located in Halifax's prestigious Clayton Park area. Increased realty taxes threatened to steal the fruit of their labours. The client turned to Turner Drake for help.

Turner Drake's Approach

Service Nova Scotia, the provincial assessment authority, serve a questionnaire on all apartment property owners each June, demanding information on their income and operating expenses. Completing the questionnaire is a thankless, demanding and profitless exercise. It is also fraught with danger. The results are frequently ignored, misused or misunderstood by the assessment authority. Understandably many property owners, such as our client, decline to participate in the exercise. However unless Service Nova Scotia receive a full response within 30 days they will deny any subsequent appeal of the property assessment two years hence. There is however one window of opportunity, between the date of the pre-roll and December 7th (the date the assessment roll closes).

In 2007, this window lasted just 30 days. Once Service Nova Scotia released its assessment calculations our Property Tax Division sprang into action. Their audit revealed that 12 of the 15 properties in this very competitive market were over-assessed. They analysed the financial statements, conducted the property inspections and struggled to get the provincial assessor's attention.

Winning Results

Turner Drake were able to negotiate a \$15.5 million (22%) reduction in the 2008 assessed value, resulting in property tax savings of \$200,000/annum.

