

PROPERTY TAX CASE STUDY PRICED RIGHT!

The Client's Challenge

General Motors has enlisted the assistance of its dealers to help maintain its leadership in automobile production and sales. Dealership premises are being upgraded to reflect GM's new image. Our client, a prominent automobile dealer, had erected a new 62,000 ft.² facility on Main Street, Moncton in 1988 but was required to undertake further renovations to comply with GM's new brand image. They turned to Turner Drake to help them reduce their tax load.

Turner Drake's Approach

Our client's dealership is located on a site with excellent highway exposure, but poor access to Main Street. Service New Brunswick,, the provincial assessment authority, refuse to provide any information on comparable properties, other than their assessed value. Nor is sales data available in the province; the only party with access to it is Service New Brunswick. We have therefore compiled a family of intelligent databases Compuval™, that have the ability to "talk" to each other. Compuval's™ Transaction Database can share information with our Assessment Database; and every record is geocoded so that our mapping, aerial photographic and satellite imagery databases can be used to seamlessly position every property "on the ground". Our Assessment Database can identify comparable properties and analyse the assessment on a unit price, or historical (time series) basis. We used it to research the assessments of other automobile sites with similar high exposure, but poor access, as the subject property. We positioned our client's property on a high resolution satellite photograph and demonstrated to Service New Brunswick that the 40% discount they had applied to the comparable sites, was applicable here as well.

Winning Results

We negotiated a reduction in the overall assessment from \$3,015,800 to \$2,600,000, thus yielding tax savings of \$20,000/annum.

