

# PROPERTY TAX CASE STUDY DIVING DEEP

## Our Client's Challenge

Our client owned a five unit strip mall located in a Halifax suburb boasting an active life style. In common with its neighbours, the building had been the beneficiary: everything from spray painted graffiti, hockey enthusiasts exercising their talents by breaking into the basement to play indoors, copper thieves stealing pipes still hooked up and replete with water... The real estate assessment sadly reflected none of the vicissitudes of property ownership in such a busy neighbourhood; and since all of the leases were written on a "gross" basis the owners wore the cost. They turned to Turner Drake for advice.

## Turner Drake's Approach

Mark Turner of our Property Tax Division rolled up his sleeves and went to work. All of the retail units, with the exception of Subway, were rented to non-branded local businesses. The building had a full basement, divided into seven units, but since it was only at grade at the rear it had little utility other than for storage purposes. We inspected the property from top to bottom, measuring each tenant space and meticulously noting past and present problems with vandalism, deferred maintenance and functional inadequacy. We also undertook a fiscal audit and compiled a financial history of the property. In addition we obtained rental information on other buildings in the neighbourhood. Since the property owner had not complied with the assessment authority's request for income and expense information two years earlier, we were unable to utilise the normal appeal process in 2009 and had to negotiate on the "pre-roll" 2010 assessed value.

## Winning Results

**We were able to negotiate a 56% decrease in the 2010 assessment. This reduction yielded annual savings of \$17,859.**

