



TAX REDUCTION CASE STUDY: HOSPITALITY



Property Type:	Hotel
Setting:	Urban
Proposed Value:	\$10,292,333
Certified Value:	\$3,900,000
Tax Savings:	\$146,773
Reduction(%):	62.11%

Client Issue:

The client's assessed value for this property had been in line with its income for the past several years. The county appraisal district increased the property's assessed value from \$6,000,000 to \$10,292,333. During this time, the client also experienced a decrease in the property's income and had a few repairs that needed to be completed. Thus, the assessed value was not in line with the income that it produced.

Approach and Solution:

RETC gathered all the necessary market data, financial information, and repair estimates from the client. A reduction was argued based on income and various issues with the property including deferred maintenance. The county appraisal district agreed to a value of \$5,600,000 at the Appraisal Review Board and later to a value of \$3,900,000 after litigation.

Results:

The value was decreased by \$6,392,333, which reduced the clients tax exposure by \$146,773.