RETC
PROPERTY TAX CONSULTANTS

TAX REDUCTION CASE STUDY: SENIOR LIVING

Property Type:	Assisted Living Facility
Setting:	Urban
Proposed Value:	$29,199,960
Certified Value:	$5,000,000
Tax Savings:	$739,647
Reduction(%):	82.88%

Client Issue:

The client had recently developed a senior living property. The costs the client incurred while developing this property were well above $20 million and the county appraisal district assessed the value at $29,199,960. While the costs associated with the development of the property were high, the income that it produced was a very small margin in comparison.

Approach and Solution:

The county appraisal district assumed that cost to develop the property would be directly correlated to the income that it would produce. The issue with this property assessment is that this is a tax credit property that limits the amount of income which is set by the federal government. Because of this, the cost to develop was more than the income will ever show. RETC was able to work with the district to show that this is low income housing and that the cost would not necessarily equate to income.

Results:

RETC was able to lower the value by approximately $24,199,960 based on the information we provided to the county appraisal district. This decreased the client's tax exposure by $739,647.