

TAX REDUCTION CASE STUDY: LAND / DEVELOPMENT



Property Type:	Land
Setting:	Suburban
Proposed Value:	\$18,800,252
Certified Value:	\$7,000,000
Tax Savings:	\$257,481
Reduction(%):	62.77%

Client Issue:

The client sold off approximately 45% of a large tract of land, which is in an area that had not yet experienced significant growth or activity. While retaining approximately 55% of the land, the client was facing an assessed value that would result in a tax bill of over three times what 100% of the land was taxed at in the prior year.

Approach and Solution:

The initial assessed value was well in excess (on a per square foot basis) of the transaction price of the sold off portion of land. The retained portion was not entirely identical or comparable which indicated to RETC that adjustments needed to be applied to arrive at a fair market value assessment. In addition to the need for adjustments to be made, RETC gathered market sales data of nearby comparable properties and successfully convinced the county appraisal district that a substantial revision to the initial proposed value was necessary.

Results:

The value was lowered to an effective assessment of \$2.23 per square foot after adjustments of unusable portions of the land were considered, which was a significant reduction from the initial proposed value of \$6 per square foot. This translated to tax savings of \$257,481.