Commercial Property Tax

Helping to Reduce Your Real Property Tax Liability
Commercial Real Estate Consulting Services

Property taxes represent one of the largest areas of tax exposure and risk for companies. As property tax becomes more complex, the resources needed to comply with the multitude of taxing jurisdictions can and will impact your bottom line.

- **Assessment Review:** Our Property Tax consultants research and gather information to ensure your properties are assessed at fair market value. We look at each account and analyze the information using the appropriate valuation approach—cost, sales comparison, and income.

- **Appeal Determination:** Our Property Tax consultants work with you to decide whether to appeal the taxable value of your property. If the decision is to appeal, we will work together to set a target value. Along the way, we keep you updated so that you are never left out of the process.

- **Appeal Services:** No step in the appeal process is missed. Ryan Property Tax professionals file your appeal documents, make case preparations, and represent you before any informal or formal administrative panels or boards. We communicate with you throughout the process to preserve your appeal rights beyond the administrative level as necessary. Our Property Tax team will make sure you don’t pay a penny more than you should in property taxes.

- **Pre-Acquisition Reports:** Our Property Tax team provides your company with an assessment and tax history of potential acquisitions. Using our local market knowledge, we then provide future tax estimates that consider the potential acquisition prices. You can be comfortable knowing that all aspects of your acquisition have been researched and analyzed.

- **Tax Bill Administration:** Ryan can handle your company’s tax bills—from receipt to tracking/maintaining to transmitting payment files—so you don’t have to worry about missing bills.

**We Offer You:**

- **Robust Technology** — 24/7 Web access with customized portal for accurate, real-time appeals tracking.

- **Unparalleled Expertise** — Our team includes attorneys, appraisers, CMIs, engineers, and financial analysts to address all property tax needs.

- **North American Presence** — We cover all of North America with deep local expertise and relationships to stay abreast of market trends.

- **Property Tax Dedication** — Clients have specialized resources fully available to support their engagements.

“As a trusted partner of Kilroy Realty Corporation, the Ryan team has provided quality service to proactively manage our portfolio of properties and achieve significant tax savings for the company over the years.”

Heidi Roth
Senior Vice President, Chief Accounting Officer and Controller
KILROY REALTY CORPORATION
Key Industries

We have the expertise and depth of experience in all industries across nearly every jurisdiction.

- **Commercial Real Estate**: Our commercial real estate experts work with owners, asset managers, developers, property managers, real estate investment trusts (REITs), and property types spanning the industry.

- **Financial/Insurance**: We handle property tax services for property types such as bank branches, financial services, bank headquarters, insurance companies, real estate owned (REO), and troubled assets.

- **Hospitality/Resorts**: We have experience working with large national hospitality companies, regional hotels, timeshares, and resorts. Our experts are focused on all aspects of the industry, with knowledge of various property types.

- **Manufacturing**: We serve dozens of manufacturing companies in a wide variety of segments, sizes, and property types. Our experience includes consumer and industrial products, high-tech, materials, and automotive.

**Industry-Leading Team of Property Tax Professionals**

As the largest property tax practice in North America, with more than 700 professionals in 35 cities and relationships in nearly every jurisdiction, our experience is unmatched by any other national, regional, or local provider.

**Property Types We Represent:**

- Office
- Distribution / Warehouse
- Multi-Family / Student Housing
- Retail
- Data Center
- Land
- Hospitality
Client Success Stories

LARGE REIT CLIENT

**Client Issue:** Our client had been facing challenges getting timely and fair resolution to tax appeals due to its dominant presence in a submarket. In one county, our client had previously labored through numerous tax appeals, getting less than optimal results and consuming an inordinate amount of time due to its size in the submarket.

**Approach and Solution:** When dealing with millions of square feet across dozens of properties in a single county or submarket, the traditional rules of property tax management change, and obtaining meaningful reductions becomes a larger challenge. Large portfolios introduce an unusual level of transparency, especially when a single operator represents a plurality of ownership in a certain asset class. In these appeal scenarios, assessors tend to pay more attention to better-performing properties to the detriment of struggling properties. We achieve excellent results for our clients by reviewing and managing data holistically at the submarket level, which allows us to emphasize data supporting lower values, while minimizing the carryover effect of positive data to truly struggling properties. Utilizing sophisticated portfolio data templates, we are able to present large slates of appeals to county appraising officials in relatively little time, while maximizing the results for our clients.

**Results:** We recently settled more than 65 tax appeals in a single review session, generating $2.2 million of tax savings many months before the same appeals would have been settled if handled one by one. We then leveraged the same data techniques to communicate the results back to our client, seamlessly integrating the results into their ongoing operations.

LARGE FINANCIAL INSTITUTION CLIENT

**Client Issue:** Our client was part of the financial institution consolidation as a result of the 2008 financial crisis. They were faced with doubling the number of properties under management by their corporate properties group, while eliminating the internal property tax business unit of the merging financial institution. The challenge was to ensure annual assessment reviews were done in a timely fashion and no tax savings opportunities were lost.

**Approach and Solution:** Our Commercial Property Tax team was immediately mobilized to convert existing data stored in Excel spreadsheets and hard copy files into our software systems. Assessment reviews and appeal assignments were immediately made to our existing national network of professionals, ensuring no tax savings opportunities were overlooked.

**Results:** We saved the client more than $5 million in the current year alone, while maintaining oversight on legacy appeals filed prior to the merger and aggressively pursuing property tax appeals on the client’s behalf.

DATA CENTER PROPERTY IN TEXAS

**Client Issue:** The appraisal district decided to appraise our client’s data center as 100% real property, looking at cost and income approaches to value. The initial value was nearly $500 per square foot on a 260,000 square-foot facility. The current raised floor area is 40,000 square feet, with infrastructure in place to expand to 80,000 square feet of raised floor area. The owner of the property plans to lease the second 40,000 square-foot “pod.”

**Approach and Solution:** Because the property had very low utilization and there was little interest in leasing the second pod, we determined an income approach to value was very favorable in determining an appropriate assessment. We gathered market data on comparable properties and convinced the appraisal district that our methodology and assumptions were correct for this facility.

**Results:** The value was lowered to approximately $250 per square foot in year one and $296 per square foot in year two. The aggregate tax savings totaled approximately $3.1 million.

About Ryan

Ryan, an award-winning global tax services and software provider, is the largest firm in the world dedicated exclusively to business taxes. With global headquarters in Dallas, Texas, the Firm provides an integrated suite of federal, state, local, and international tax services on a multi-jurisdictional basis, including tax recovery, consulting, advocacy, compliance, and technology services. Ryan is a five-time recipient of the International Service Excellence Award from the Customer Service Institute of America (CSIA) for its commitment to world-class client service. Empowered by the dynamic myRyan work environment, which is widely recognized as the most innovative in the tax services industry, Ryan’s multi-disciplinary team of more than 2,100 professionals and associates serves over 14,000 clients in more than 45 countries, including many of the world’s most prominent Global 5000 companies. More information about Ryan can be found at ryan.com.