



CANTERA
Consultants & Advisors

Property Tax Update
May 5th, 2011

NM
Chapter



What is this?

- French invasion of Mexico
- Over?
- Collections of money

realestate at the speed of light



Happy Cinco de Mayo!

realestate at the speed of light

- Why were the French in Mexico?
- To collect a debts from Mexico owed to France
- Unwilling to tax his own people, President Juarez issued a moratorium on foreign debt payments for 2 years
- Napoleon III sent his French navy attached Veracruz, Mexico with 8,000 soldiers, defeated by 4,000 Mexican soldiers on 5/5/1862
- Parralell: People will fight unfairness in the collection of debt from governments



High level overview of property taxes

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Today's objectives

- **Quick Overview**
 - Origin of taxation in modern western civilization
 - Why tax property?
 - Problems with taxation
 - What governs property taxes in NM?
- **Impact of a cowboy in the round house and what it means for our property tax system**
- **The failure of proposition 13 in CA**
- **Legislative failings**
- **Where do we go from here?**

Vice Presidential weights in

The most odious tax of all we can levy is going to be a tax upon the land of the Country

- Representative Schuyler Colfax of Indiana
(17th national vice president)





How did we get here?

It's Deja Vu all over again...
And its
Opened a whole box of Pandora's

The slide features a blue background with diagonal streaks. On the left is the Cantera logo, which consists of a silver ring with a wooden crossbar across it. The word "CANTERA" is written in a serif font across the crossbar, and "Consultants & Advisors" is written in a smaller font on a wooden plaque below the ring.

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NM's property tax system

- Established prior to being a state in 1882
- Known as the Territorial Board of Equalization until 1915 when it became the State Tax Commission
- In 1970 it transferred to the Property Appraisal Apartment then in 1974 the Property Tax Department and in 1977 the Property Tax Division of the Tax and Revenue department
- Prior to 1970's county commissions established tax rates (often by your political affiliation)
- Reforms in the early 1970s provide for uniform assessments across the state and political affiliations!

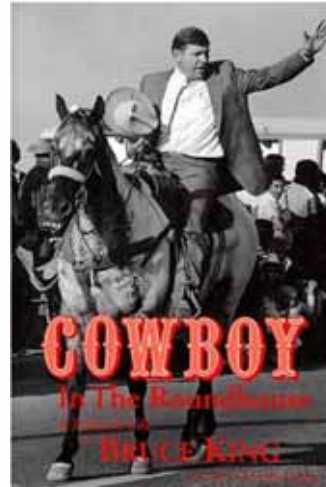
The slide has a blue background with diagonal streaks. At the top right, there is a black banner with the text "realestate at the speed of light" in a white, italicized font. Below this is the title "NM's property tax system" in a bold blue font. The main content is a bulleted list of five items.

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Cowboy in the Roundhouse

In those days, your tax evaluation fluctuated along with who might be in power. If your political party was in, that was one thing. If not, that was another. Your assessment was strictly up to the tax equalization board, which consisted of the country commissioners, the county assessor, an at-large Democrat, and at-large Republican. If they wanted to assess a building at 10% of its value, that was what they used. If they wanted 50%, that was it. In some counties, the assessments ran all the way up to 90%

-Governor Bruce King



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King encourages state constitution rewrite

- **Led by Gerry Boyle and Franklin Jones**
- **“The accomplishments of Franklin Jones are nothing short of extraordinary” – Winthrop Quigley, Albuquerque Journal**

Results

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- **A Property tax system that is:**
 - **Fair**
 - **Predictable**
 - **Equitable**
 - **Transparent**
 - **And without political influence**



NM

Had a good property tax system for over 30 years

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Our Tax Arena

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The Playing field



Your Property

Property Owner's Team—the Visitor's

- Property Owner
- Tax Consultant
- Attorney



The Referee's

- Formal Tax Board
- District Court Judges



The Home team - local government

- County Assessor
- Appraisers
- Staff
- County Treasurer
- County Attorney
- County Commissioners
- State Tax & Revenue
- Taxing Entities

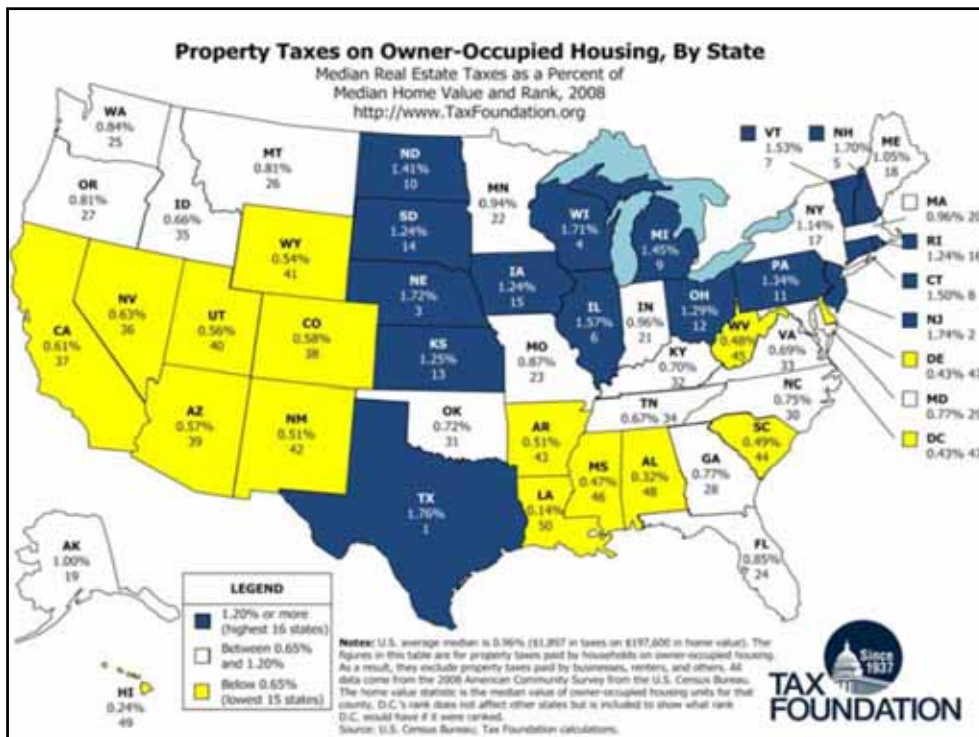


Rule Book Authors
State Legislature



Rule Book Editors
The courts





State by State 2009

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2009 Facts & Figures

How Does Your State Compare?

Mid-Year Update

This document can be found online at:

http://www.taxfoundation.org/files/J&F_booklet_midyear_20090723.pdf

TAX FOUNDATION

Property Tax Index, 2009

State	Score (a)	Rank	State	Score (a)	Rank
U.S.	5.00	--	Mont.	6.03	10
Ala.	5.83	13	Nebr.	3.38	48
Alaska	5.11	27	Nev.	5.79	16
Ariz.	6.41	4	N.J.	4.10	30
Ark.	5.45	18	N.Y.	2.90	50
Calif.	5.82	15	N.M.	7.16	1
Colo.	6.28	6	N.Y.	3.57	45
Conn.	3.05	49	N.C.	4.15	37
Del.	6.16	8	N.D.	6.23	5
Fla.	5.44	19	Ohio	3.55	46
Ga.	4.31	36	Okla.	5.19	23
Hawaii	6.14	9	Ore.	5.83	14
Idaho	8.50	3	Pa.	3.41	47
Ill.	4.02	41	R.I.	3.72	43
Ind.	6.27	7	S.C.	5.12	26
Iowa	4.48	33	S.D.	5.85	12
Kans.	4.54	32	Tenn.	4.15	38
Ky.	5.43	20	Tex.	4.71	30
La.	5.20	22	Utah	6.64	2
Maine	4.07	40	Vt.	3.72	42
ME	4.38	34	Va.	4.99	28
Mass.	3.59	44	West.	5.24	21
Mich.	5.16	25	W.Va.	5.19	24
Minn.	5.79	17	Wa.	4.58	31
Miss.	4.89	29	Wyo.	4.35	35
Mo.	6.02	11	D.C.	4.29	--

(a) The index is a measure of how each state's tax laws affect economic performance. The higher the score, the more favorable a state's tax system is for business. All scores are for fiscal years.

Source: Tax Foundation Background Paper No. 58, "2009 State Business Tax Climate Index."

State by State Tax Collections (2007)

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State and Local Property Tax Collections, FY2007					
State	Property Tax Collections Per Capita	Rank			
United States Total	\$1,278	-	Washington	\$1,151	26
New Jersey	\$2,485	1	California	\$1,151	27
Connecticut	\$2,312	2	Nevada	\$1,141	28
Wyoming	\$2,311	3	North Dakota	\$1,097	29
New Hampshire	\$2,222	4	Oregon	\$1,067	30
Vermont	\$1,984	5	South Dakota	\$1,036	31
New York	\$1,963	6	Georgia	\$1,010	32
Rhode Island	\$1,859	7	Arizona	\$993	33
Massachusetts	\$1,710	8	South Carolina	\$984	34
Illinois	\$1,595	9	Indiana	\$973	35
Maine	\$1,565	10	Missouri	\$898	36
Alaska	\$1,528	11	Hawaii	\$891	37
Wisconsin	\$1,506	12	North Carolina	\$817	38
Florida	\$1,482	13	Utah	\$776	39
Texas	\$1,449	14	Mississippi	\$759	40
Michigan	\$1,444	15	Idaho	\$754	41
Nebraska	\$1,331	16	Tennessee	\$733	42
Virginia	\$1,307	17	Delaware	\$665	43
Kansas	\$1,250	18	West Virginia	\$628	44
Pennsylvania	\$1,247	19	Kentucky	\$612	45
Iowa	\$1,215	20	Louisiana	\$605	46
Minnesota	\$1,185	21	Oklahoma	\$558	47
Colorado	\$1,180	22	New Mexico	\$517	48
Maryland	\$1,167	23	Arkansas	\$479	49
Ohio	\$1,160	24	Alabama	\$455	50
Missouri	\$1,155	25			

Taxes paid by household

2008		Median Property Taxes Paid on Homes	Rank	Median Home Value	Taxes as % of Home Value	Rank	Median Income for Home Owners	Taxes as % of Income	Rank
United States		\$1,067		\$197,000	0.90%		\$55,385	2.9%	
Niagara County	New York	\$2,707	150	\$96,900	2.89%	1	\$55,778	5.0%	57
Monroe County	New York	\$3,705	77	\$120,000	2.85%	2	\$65,521	5.7%	43
Wayne County	New York	\$3,167	113	\$113,000	2.82%	3	\$63,330	5.0%	56
Chautauque County	New York	\$2,021	305	\$77,800	2.60%	4	\$51,146	4.0%	157
Cayuga County	New York	\$2,460	221	\$96,900	2.54%	5	\$56,877	4.3%	101
Cattaraugus County	New York	\$1,970	322	\$78,200	2.52%	6	\$48,938	4.0%	146
Oranoga County	New York	\$3,180	116	\$125,900	2.51%	7	\$68,191	4.6%	77
Erie County	New York	\$2,908	134	\$119,700	2.48%	8	\$62,855	4.7%	73
Oswego County	New York	\$2,155	273	\$88,900	2.42%	9	\$53,535	4.0%	147
Chemung County	New York	\$2,026	302	\$85,200	2.38%	10	\$50,872	4.0%	154
Camden County	New Jersey	\$5,325	26	\$229,000	2.33%	11	\$77,352	6.0%	13
Madison County	New York	\$2,623	189	\$113,600	2.31%	12	\$58,137	4.5%	86
Steuben County	New York	\$1,928	335	\$84,000	2.30%	13	\$51,248	3.8%	178
Broome County	New York	\$2,271	251	\$99,100	2.29%	14	\$58,774	3.9%	164
Ontario County	New York	\$3,052	124	\$134,400	2.27%	15	\$66,396	4.5%	81
Fort Bend County	Texas	\$3,977	64	\$176,800	2.25%	16	\$94,618	4.2%	115
Tarrant County	Texas	\$3,071	123	\$137,100	2.24%	17	\$74,945	4.1%	134
Winnebago County	Illinois	\$3,012	128	\$134,000	2.24%	18	\$60,165	5.0%	58
Schenectady County	New York	\$3,779	76	\$170,100	2.22%	19	\$60,403	5.5%	44
Oneida County	New York	\$2,272	250	\$100,800	2.19%	20	\$59,623	3.0%	174
Allegheny County	Pennsylvania	\$2,515	208	\$116,900	2.15%	21	\$62,363	4.0%	143
Milwaukee County	Wisconsin	\$3,665	78	\$172,400	2.14%	22	\$64,194	6.8%	36
Williamson County	Texas	\$3,785	75	\$178,600	2.12%	23	\$91,370	4.7%	74
Hockaday County	Texas	\$4,067	58	\$193,700	2.12%	24	\$94,756	4.8%	66
Tompkins County	New York	\$3,552	89	\$168,100	2.11%	25	\$68,932	5.2%	52
Bernalillo County	New Mexico	\$1,479	456	\$201,900	0.73%	515	\$61,296	2.4%	462
McKinley County	New Mexico	\$160	795	\$81,200	0.20%	770	\$31,074	0.5%	779

State and Local Property Tax Collections, FY2007

State	Property Tax Collections Per Capita	Rank
United States Total	\$1,273	
Alaska	\$2,461	1
Connecticut	\$1,181	2
Delaware	\$2,311	3
New Hampshire	\$2,222	4
Vermont	\$1,989	5
New York	\$1,915	6
North Dakota	\$1,874	7
Massachusetts	\$1,731	8
Illinois	\$1,581	9
Maine	\$1,513	10
Arizona	\$1,338	11
Montana	\$1,296	12
Florida	\$1,142	13
Texas	\$1,148	14
Michigan	\$1,144	15
Nebraska	\$1,111	16
Virginia	\$1,107	17
Kansas	\$1,101	18
Pennsylvania	\$1,087	19
Iowa	\$1,101	20
Minnesota	\$1,115	21
Colorado	\$1,189	22
Washington	\$1,181	23
Ohio	\$1,142	24
Wisconsin	\$1,191	25
Washington	\$1,111	26
California	\$1,171	27
Utah	\$1,141	28
North Dakota	\$1,071	29
Oregon	\$1,067	30
South Dakota	\$1,026	31
Georgia	\$1,011	32
Arizona	\$991	33
South Carolina	\$974	34
Idaho	\$974	35
Illinois	\$978	36
Utah	\$961	37
North Carolina	\$957	38
Utah	\$774	39
Montana	\$719	40
Idaho	\$714	41
Tennessee	\$711	42
Delaware	\$661	43
West Virginia	\$628	44
Kentucky	\$617	45
Louisiana	\$611	46
Oklahoma	\$618	47
New Mexico	\$517	48
Arkansas	\$479	49
Alabama	\$461	50
Mississippi	\$1,111	




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County	State							
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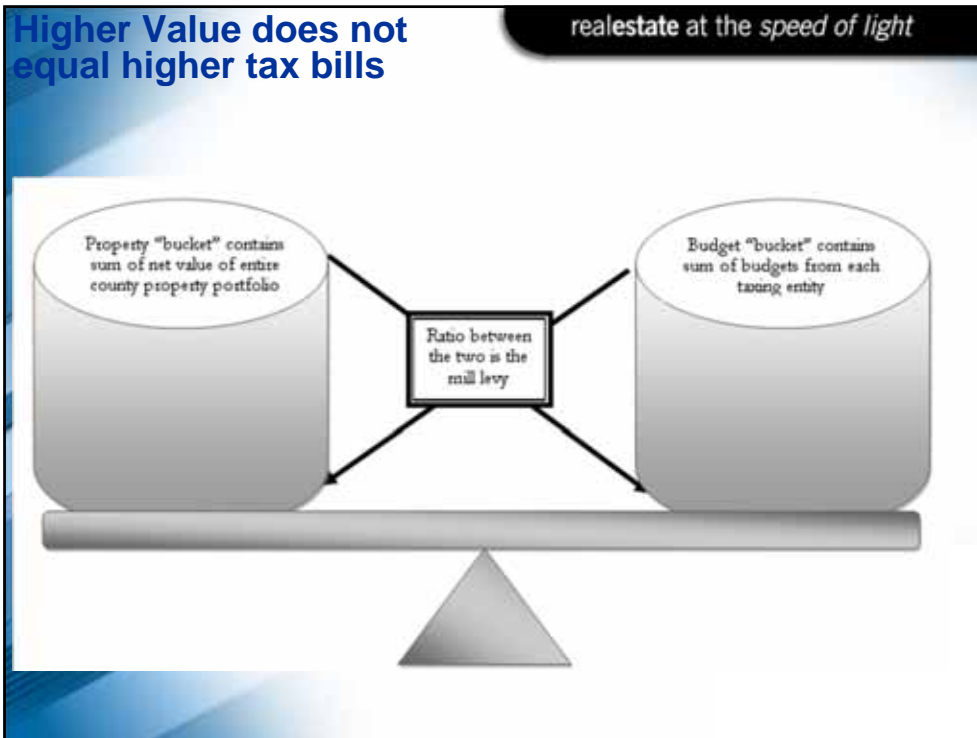
Top 25 tax payers... page 25

Property owner Address	Property address	2008 2007	Net taxable value of property	assessed improvements total assessed value
1 PNM Electric Branch Square, Albuquerque 87102	multiple locations	\$3,295,189.34 \$1,123,918.00	\$15,875,742	\$15,875,742 NA \$15,875,742
2 David Corp. 807 California St, Suite 2000, Denver, CO 80202	multiple locations	\$4,881,888.79 \$2,471,521.91	\$6,741,238	\$16,432,34 NA \$16,432,34
3 PNM Gas Services Branch Square, Albuquerque 87102	multiple locations	\$1,744,738.04 \$1,483,216.24	\$8,827,238	\$18,360,55 NA \$18,360,55
4 Southwest Airlines Co. 715 Ave 3807, 400 175, Dallas, TX 75225	multiple locations	\$1,118,845.12 \$442,943.52	\$2,682,746	\$7,127,238 NA \$7,127,238
5 Mesa del Sol 87 University Blvd, 11, Suite 225, Albuquerque 87102	multiple locations	\$1,872,078.00 NA	\$2,943,238	\$6,152,238 NA \$6,152,238
6 General Collections of M&M Inc. 715 Ave 3750B, Denver, CO 80217	multiple locations	\$818,899.48 \$65,774.00	\$1,488,238	\$2,415,238 NA \$2,415,238
7 Sierra Property Group 715 Ave 3722, Dallas, TX 75227	8802 Green Blvd, 800, Albuquerque 87134	\$768,108.28 \$715,638.00	\$1,488,238	\$1,681,238 \$4,758,877 \$6,439,238
8 Sub Albuquerque LLC / MPT Properties 801 179 St, Suite 800, Denver, CO 80202	multiple locations	\$761,434.82 \$702,237.02	\$1,431,238	\$1,788,42 \$1,237,238 \$3,025,238
9 BCC Via Grande 715 Ave 362, Texas 87102	multiple locations	\$682,803.18 \$618,853.02	\$2,382,238	\$6,025,238 NA \$6,025,238
10 Verizon Wireless 412 Ave 1223, San Antonio, TX 78207	multiple locations	\$668,871.0 \$48,881.02	\$4,771,238	\$4,215,238 NA \$4,215,238



NM

How are our property taxes calculated?



If we doubled values **realestate at the speed of light**

- It would halve the mill levy, and the tax bills would remain the same

Property "bucket" contains sum of net value of entire county property portfolio

Budget "bucket" contains sum of budgets from each taxing entity

Ratio between the two is the mill levy

How big is the portfolio?

County	Category	Net Assets Value	Est. Full Value
Albuquerque County	Metropolitan	\$ 1,095,127,018	\$ 1,030,000,000
	Unincorporated	\$ 5,129,077,746	\$ 5,198,412,289
	Los Alamos	\$ 195,847,512	\$ 197,152,253
	Los Alamos	\$ 15,609,000	\$ 1,837,000
	Town	\$ 6,039,000	\$ 6,039,000
	Town	\$ 2,719,000	\$ 2,719,000
	Town	\$ 1,492,238,000	\$ 1,433,666,000
	Town	\$ 482,775,000	\$ 482,775,000
	City	\$ 5,138,000	\$ 14,492,750
	Other	\$ -	\$ -
Bernalillo County	Metropolitan	\$ 1,095,127,018	\$ 1,030,000,000
	Unincorporated	\$ 5,129,077,746	\$ 5,198,412,289
	Los Alamos	\$ 195,847,512	\$ 197,152,253
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	Town	\$ 6,039,000	\$ 6,039,000
	Town	\$ 2,719,000	\$ 2,719,000
	Town	\$ 1,492,238,000	\$ 1,433,666,000
	Town	\$ 482,775,000	\$ 482,775,000
	City	\$ 5,138,000	\$ 14,492,750
	Other	\$ -	\$ -

Albuquerque MSA

Unincorporated 28%

Metropolitan 38%

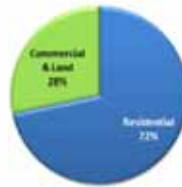
Los Alamos 34%

Map of New Mexico with Albuquerque MSA highlighted in red.

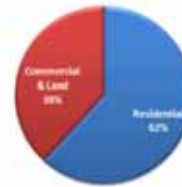
What happens if we raise the value just on

- Commercial? (my commercial owners experienced a 49% increase in 2009 and 38% in 2010 and 20% in 2011)
- Apartments: Last year, the top 352 apartments in Albuquerque experienced an increase in value of \$432M, or 33%, with some properties experiencing a 88% to 300% increase and some properties now assessed at \$130,000+ per unit
- Some fourplexes now assessed at \$400,000 to \$781,000, one duplex is at over \$3M
- Single family rates decrease, commercial rates increase

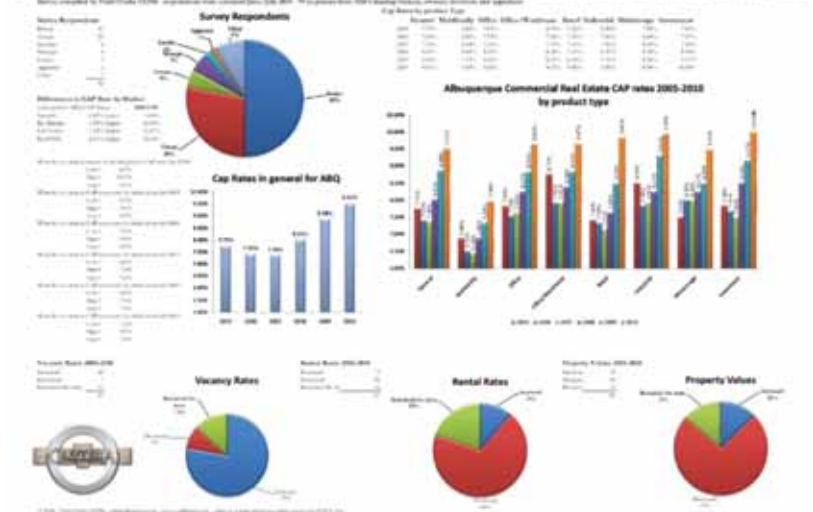
Bernalillo County 2007



Bernalillo County 2010 est.



Camera Consultants & Advisors Inc. Commercial Real Estate Market Survey - Albuquerque, Las Cruces, Rio Rancho, Santa Fe and New Mexico



COMMERCIAL REAL ESTATE 5.5.2011

Commercial real estate values dip 20%

Commercial real estate values have slipped by an average of 20 percent since the start of the recession, according to a report from the National Association of Realtors. The report, which is based on data from the first quarter of 2011, shows that commercial real estate values have declined by 20 percent since the start of the recession in 2007. The report also shows that commercial real estate values are expected to continue to decline through 2011.



CLARKE
Reading
March 17, 2011

Commercial Real Estate

AP RATES INCREASING IN N.M.

A report by the National Association of Realtors (NAR) shows that commercial real estate values have declined by 20 percent since the start of the recession in 2007. The report also shows that commercial real estate values are expected to continue to decline through 2011.

Property Type	2010	2011
Apartment	1.2%	1.5%
Office	1.5%	1.8%
Warehouse	1.8%	2.1%

New CMH building opens

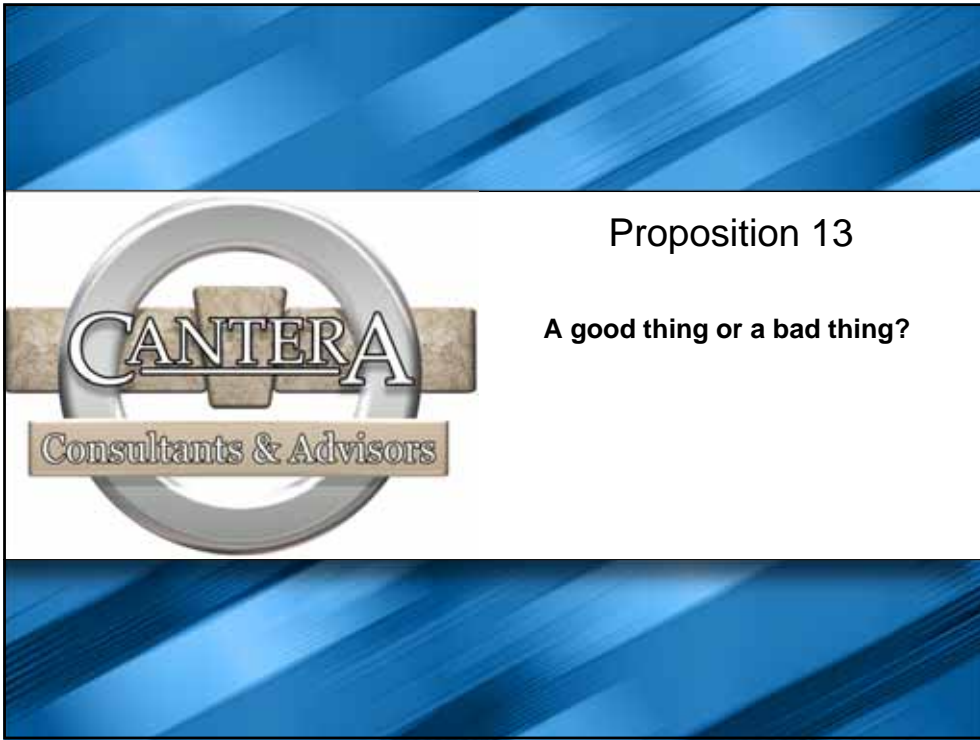
The new 224,000 square-foot Student Recovery Center is open for its fall term at Eastern New Mexico Community College.

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Proposition 13

A good thing or a bad thing?

CANTERA
Consultants & Advisors

As California goes, the nation follows?

- Taxation based on value has one downside, the homeowner who has held a home for generations is taxed not on what they paid but on today's value
- In response to rapid appreciation of homes and to save "little old grannies" from being taxed out of their home, California passed Proposition 13 that:
 - limited property tax to 1% of cash value
 - limited increases to 2% a year or rate of inflation
 - unless sold, then it could be bumped to market
 - prohibited a transfer tax
 - requires 2/3 vote of each house of legislature to override

The downsides of government meddling

- Proposition 13 has the following unattended effects:
 - it lowered the tax revenue from properties, which caused it to be made up on income and sales tax
 - two houses side by side of similar size were not taxed based on their market value, but rather, on how long they had been owned
 - unlike most cities across America, neighbors wanted uses that generated other tax (a Wal-Mart or a Wal-Greens) because they generated revenues without taking services vs. more residential neighbors, who brought no real tax revenue, and "stole" services (schools, police, fire, etc.)



NM's Version

A good thing or a bad thing?

Tax Lightning

realestate at the speed of light

- Indicates a force of nature...
- More a case of hubris



The Crucial Vote *realestate at the speed of light*

2001 - Voters voted in favor of NM Amendment 1, "Proposes to amend the constitution to authorize the legislature to limit increases in valuation of residential property for property taxation purposes" by 61%

What the ballot should have said *realestate at the speed of light*

“We, the legislature would like to do some social tinkering, settle political scores and muck with a really good thing, and we’d like you to give us some political cover for doing so...”

Tax Lightning Law

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- **Written by speaker of the house and Santa Fe County assessor**
- **To protect “little old lady” from Hollywood crowd**
- **Shortly after it passes, Santa Fe county assessor admits it was a step towards passing legislation for transfer tax**
- **Santa Fe city has taken up transfer tax several times since then**

The downsides of government meddling

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- **Law passes in 2002**
- **32 counties did not raise their values to market**
- **1 county did (sudden shift, Bernalillo pays more of the state budget)**
- **Creates two classes of tax payer**
- **And tax lightning situation**
- **Tax payers pay for 5 years, law is challenged, ruled unconstitutional, 200+ homeowners benefit in 2009**
- **In 2010, Bernalillo County Assessor roles back 40,000 home values**



Saga continues...

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- In 2010, with only half the law ruled unconstitutional
- Bernalillo County assessor separates classification of residential – by occupancy status
- Creates two classes of NM residents – both voters, those who own vs. those who rent
- Some owner's/consultants prevail at last hour (12/15)
- Others are tied up in litigation
- Waiting for district court ruling
- Delays notices of values from 4/1 to 5/1 to 6/15

Tax Lightning

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ABQ Journal—02/27/10
Ex-Assessor Wants Old Job

Agency: Leave Tax Lightning To the Courts

ABQ Journal—03/22/10
Agency: Leave Tax Lightning to the Courts

ABQ Journal—03/27/10
Appeals Court To Hear Tax Lightning Cases

ABQ Journal—03/27/10
Economist: Time Ripe for Tax Change

Compiled by Todd Clarke CCIM © 2005-2010

July 2010: Benaville County...
 Feb 2010: Tax...
 Mar 2010: County...
 Mar 2010: Tax...
 Mar 2010: County...
 April 2010: Tax...

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Appraisals jump as much as 45% in two areas

This just impacts commercial right?

You commercial guys, you can afford these bills...

Why inject politics into housing ?

Votes

Mike Benaville, who lives in High Desert, said the county assessor raised the value of his home by 45 percent. About 90 properties saw sharp increases courtesy of the Bernalillo County assessor.

HIGH DESERT

The sharp increases get at what's happening elsewhere in the county. Bernalillo has not had the assessor value on about 30,000 homes to reflect recent market changes resulting in "tax lightning." The assessor has lightning and now due to parcel of the market to help these valuations by 45%.

A 2007 state law caps the assessor property values can rise each year for tax purposes. But under the law, the state doesn't apply if the home change ownership. As people buying homes have often been hit with "tax lightning" — an abrupt jump in taxes simply because the property changed ownership.

Taxpayers have struck down tax lightning, and Bernalillo and the state...

Issues from property tax lightning:

- Not equitable - favors one type of property
- Poor legislation (parts have been ruled unconstitutional)
- Uncertainty in forecasting future tax bills, causes cash flow disruptions, creates investor anxiety (they will just move on to AZ, or NV, or CA, or TX) and could lead to substantial increases in rents for many residents
- Not Transparent – what is the legislature up to? How are the assessor's to interpret these poorly written laws?

Issues from property tax lightning:

- It doesn't stop here – look what Proposition 13 has done to the state of California
- Economist this week – story about Proposition 13 and “Moonbeam Brown’s bookending of this legislation

http://www.economist.com/node/18548109?story_id=18548109



Larger Issues

- “The first and immediate consequence was relief for homeowners and a corresponding emergency for local governments as revenue from property taxes dropped by more than half. Almost overnight, it seemed as though cities would have to close parks and counties would have to deny their residents medical and welfare services. Schools would have to lay off teachers and eliminate summer programmes and advanced classes.”
-The Economist April 2010



Almost only counts in ...

Senate OKs Fix For 'Tax Lightning' House Should Vote To Ground Tax Lightning

2 Competing Measures Await Action in House

for each additional year a ratio between its value now and its value a year ago is not more than 3 percent.

The Senate bill will take effect on January 1, 2011, although it has been passed in a form that would take effect on January 1, 2012.

Assessors have not been told in a final form that they will have to assess property values in 2011.

The proposal would allow a 3 percent annual increase in property values, but only if the increase is due to new construction or other factors that are not reflected in the current market value.

Lawmakers have been asked to fix the problem. This year, with the passage of the 2010 law, the state will have to deal with the problem of tax lightning.

And it is possible that the 2010 law will be passed in a form that would allow a 3 percent annual increase in property values, but only if the increase is due to new construction or other factors that are not reflected in the current market value.

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Special Session?

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Is it time for disclosure?

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- \$/unit value on 2010 property tax bill



Is it time for disclosure?

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ALLEGIANCE REALTY CORPORATION

HOME ABOUT PORTFOLIO INVESTING ACQUISITIONS FOUNDATION

CASE STUDY
ACQUISITION & MANAGEMENT PERFORMANCE

PROPERTY	Albuquerque Plaza Albuquerque (200), New Mexico This mid-rise project encompasses an entire city block with 357,000 sq. ft. including a 22-story office tower, a retail anchor, underground parking facilities, meeting space, and is attached to a 285-room luxury Hyatt Hotel. This asset was acquired in February 2005 from Crescent Resources.
TYPE	Class AA Institutional Grade Office Complex
OCCUPANCY	2005: 72.2% Effective Occupancy at Acquisition 2008: 88.1% Trending at 100% of Pro Forma
PURCHASE PRICE	\$37,734,000
CAPITAL RAISE	10% of Total Cash 85% Individual Investors 5% Allegiance Employees
TARGET IRR	20%
ASSET MANAGEMENT	2008 Operating Expenses are at levels not seen since 1988, a 4% decrease in Expense leads from time of acquisition. Annual rebidding of Service Contracts help ensure savings in all category. 100% of Pro Forma

PERFORMANCE TO PRO FORMA A
This investment continues to post underwriting while continuing to improve asset and increase the level of pro services to all tenants.



2010 Land Value	2010 Improvement Value	2010 Total Value	Bldg. Size	\$/sf
\$ -	\$ 28,950,600	\$ 28,950,600	357,000	\$ 81
\$ 248,600	\$ 2,602,300	\$ 2,602,300		
\$ 727,300		\$ 727,300		
\$ 975,900	\$ 31,552,900	\$ 32,528,800		

Where we are now

realestate at the speed of light

- Politics have crept back into our property tax system
- We no longer have a system that is transparent or predictable
- Has discouraged investors from entering market
- Has caused landlord foreclosures
- Constant turmoil
- Shifts burden from residential to commercial
- Created division in the real estate industry
- System is no longer fair
- Pits neighbor against neighbor



Solutions *realestate at the speed of light*

- **Reactive – band aids**
- **Retroactive - Repeal**
- **Proactive - disclosure with no transfer tax**
- **Out of the box – proportional rate – SB 310**
- **“The value of each residential property for the current year is found by multiplying the area of the residence in square feet by a factor expressing the value in dollars per square foot of residential property in the county or portion of the county. The factor is derived by the prior year’s assessed value of all residential property” (including multifamily properties).**



Prisoner’s Dilemma... *realestate at the speed of light*

- **Can you act in the benefit for your community?**
- **At your own expense?**
- **What if everyone agreed to do so?**

What we can do

realestate at the speed of light

“We need to remove politics and return certainty in the property tax system, or run the risk losing more employers and investor to states with a more transparent property tax system”

--Todd Clarke CCIM

“To do so, will require engagement with those we elect ... senators, representatives and judges”

To our clients and our legislature, we are the real estate industry and we must not be divided residential vs. commercial

More info?

- App
- Textbook
- Class
- Representation

Let Canterra Consultants & Advisors be your resource for property tax solutions

REPRESENTATION
Let our firm represent you in informal conferences, formal hearings and through the entire process. Our contingency based model moves the stress and paperwork off of you to us.

KNOWLEDGE
The text book, "Understanding NJ's Property Tax System" with over 320 pages of knowledge, case studies, process, strategies and forms. \$49.00.

UPDATES
Continually updated at www.toddclarke.com/tax


EDUCATION
"Understanding NJ's Property Tax System" approved for 8 CE hours - next courses:
• May 19, 2011
• November 17, 2011
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TAX ASSESSOR APP
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RESEARCH
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Client Testimonial
"I thought I would let you know that I found Todd professional, responsive, and most importantly, of course, successful... as he obtained a 40% and 15% savings on our properties" -Mark Miller

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The logo for Cantera Consultants & Advisors features the word "CANTERA" in a stylized, serif font with a metallic, 3D effect. The letters are set against a circular background that resembles a stone or metal ring. Below the name, the words "Consultants & Advisors" are written in a smaller, sans-serif font on a horizontal bar that looks like a stone or metal plate.

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Q&A