

# CASE STUDY



## Real Estate Tax Consulting

With the acquisition of Trammell Crow Company, CBRE now has a team focused on Real Estate Tax Consulting, led by Keith McIntosh. In September 2006, the group's best-in-class valuation, financial analysis and strategic property tax capabilities helped generate nearly \$500,000 in tax savings for TIAA-CREF.

### CHALLENGE

CBRE Real Estate Tax Consulting is a broad-based service provider in property tax strategy and analysis. As a national real estate property tax expert, the team has a proven framework for reviewing tax assessments and an exacting approach to managing the appeals process. Services include preparation of customized assessment management reports, tax appeal filing, expert testimony, property tax due diligence and tax valuation analysis. The team's exceptional working knowledge of real estate markets and valuations nationwide creates a competitive advantage for their clients as they seek to minimize tax liabilities and increase profits. The team's clients include JP MorganChase, Microsoft, Morgan Stanley, National Amusements, Sovereign Bank and Volkswagen.

Financial services giant TIAA-CREF owned a mixed-use structure called The Market Common Clarendon in Northern Virginia, consisting of office, residential apartments, retail, a grocery store, parking garage and surface parking. In February 2006, the property was significantly over-assessed for property taxes due to clerical errors by the assessor, and Trammell Crow Company's Property Tax Group (now CBRE Real Estate Tax Consulting) was tapped to prove that the actual performance of the property was indeed lower than what the city deemed it to be.

### SOLUTION

The team—consisting of Keith McIntosh, Sharif Mitchell and Rachel Brown—interacted closely with The Market Common Clarendon's property managers to ensure that the income and expense forms used to derive the assessments were being submitted correctly and that there were no numerical errors. Through careful analysis the team was able to determine exactly which incomes flowed into which operating assets. The team then reviewed the market evidence and established a strong valuation position.

### RESULT

Prior to having filed at the board level, the team sat down with the local assessor and was able to negotiate a settlement reducing the indicated property value from \$161 million to \$144 million, generating a \$150,000 tax savings for TIAA-CREF. Additionally, because of the numerical errors found in the assessor's analysis, the team was able to go back and adjust the values from the previous year's statistics, netting an additional \$300,000 in savings per year.

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## TEAM

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